



Business Advisory Council

Meeting Minutes
January 11, 2012, 10:00 a.m. – 12:00 p.m.
Liquor Control Board
Headquarters Office
3000 Pacific Avenue SE
Olympia, WA 98501

Business Advisory Council Members in Attendance:

<p>Council Members: (Refer to sign-in sheet)</p>	<p>Liquor Control Board: Sharon Foster, Board Chair Ruthann Kurose, Board Member Chris Marr, Board Member Pat Kohler, Administrative Director Rick Garza, Deputy Director Alan Rathbun, Licensing Director Karen McCall, Director's Office Brian Smith, Communications Director Justin Nordhorn, Enforcement Director Debi Besser, Purchasing Director Frances Munez-Carter, Director's Office Samantha Trotter, Board Office</p>
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Welcome and Introductions

Chris Marr, Board Member and BAC Liaison

Chris Marr, Board Member of the Liquor Control Board and BAC Liaison welcomed the members of the Business Advisory Council (BAC) and other guests. Attendees introduced themselves and the organization they represented. Approximately three attendees participated via conference call.

I-1183 Implementation Updates: Legislative and Rulemaking

Rick Garza, Deputy Administrative Director

Rick provided a brief overview of liquor-related bills that have been introduced thus far in the 2012 Legislative Session (see 2012 Legislative Session handout). Per Rick, some of the issues regarding rulemaking include central warehousing, creation of a cooperative license, and the tax structure for spirits beginning June 1st and beyond.

I-1183 Implementation Updates: Licensing

Alan Rathbun, Licensing Director

Alan gave an overview of the Licensing process changes underway due to I-1183, including newly created licenses and endorsements. As of earlier in the week, Licensing had received 6 Spirits Distributor License applications, 1 for the Spirits Certificate of Approval (for out of state suppliers), 30 Wine Retailer/Reseller applications, 2 for Retail Warehouse, 146 Spirits Retailer License applications for entities that already held another license with the LCB, 4 from new entities holding no existing license and 4 Spirits Retail License applications from existing Contract Liquor Stores. Alan has been encouraging all potential applicants to submit their paperwork as soon as possible, as the volume of applications is likely to increase substantially between now and June 1, 2012. According to Alan, all pending and approved applications will be listed on the Liquor Board website (www.liq.wa.gov).

I-1183 Implementation Updates: Business Enterprise

Pat Kohler, Administrative Director

Pat provided an update on the Business Enterprise in Pat McLaughlin's absence (see PowerPoint presentation Divesting of the Business). Per Pat, twelve teams have been created to handle the logistics surrounding the implementation of 1183. These teams, consisting of over 80 staff members, are working to develop a major project plan, with key strategies and milestones.

As part of divesting the Liquor Board of the retail business, Supplier Buy Back Agreements were created, with 99% of all listed spirits, 22% of beer/wine/mixer, and 78% of special order spirits product covered by an agreement. This, per Pat, will be key to an orderly transition from May 31st to June 1st. Suppliers with listed product had until January 4th to sign and return their buy back agreements. January 28th is the cut off for Suppliers wishing to enter into buy back agreements for special order product.

Review of Previous BAC Q&A Document

Pat Kohler, Administrative Director

Pat reviewed the Q&A document compiled from the November 29th BAC meeting (see Meeting Questions handout). Chris noted that the Board's philosophy is not to put in place unnecessary regulatory impediments for stakeholders. The Liquor Board wants to maintain strong stakeholder relationships, interpreting 1183 on the side of eliminating additional work and costs. This philosophy is maintained with respect to existing statutes.

BAC Member Roundtable and Q&A

All Attendees

Throughout the meeting, attendee questions were documented, with answers to be provided at a later date (see 1-11-12 BAC Q&A document posted with these minutes).

Meeting adjourned at 11:41 a.m.

Handouts:

1. 2012 Legislative Session
2. Divesting of the Business PowerPoint
3. Meeting Questions, November 29, 2011