



## Tribal Advisory Council

Meeting Minutes  
May 9, 2011, 9:00 a.m. – 12:30 p.m.  
Liquor Control Board  
Distribution Center  
4401 East Marginal Way South  
Seattle, WA

### Tribal Advisory Council Members in Attendance:

<p><b>Tribal Members:</b></p> <p>W. Ron Allen, Chairman/TAC Co-Chair, Jamestown S’Klallam Tribe  Aubrey Seffernick, Kalispel/Jamestown Tribes  Robbi Kesler, Chehalis Tribe  Alix Foster, Swinomish Tribe  Lea Ann Easton, Samish Tribe  Kelly Croman-Neelands, Puyallup Tribe  Jerry Allen, Jamestown S’Klallam Tribe  Randy Lemon, Jamestown S’Klallam Tribe  Shawn Yanity, Chairman, Stillaguamish Tribe</p>	<p><b>Liquor Control Board (LCB):</b></p> <p>Sharon Foster, Chair  Ruthann Kurose, Board Member TAC/ Co-Chair  Pat Kohler, Administrative Director  Rick Garza, Deputy Director/Tribal Liaison  Alan Rathbun, Licensing and Regulation Director  Pat McLaughlin, Business Enterprise Director  Pat Parmer, Enforcement Chief  Mona Moberg, Facilitator  Roni Pettit, TAC Support</p>
---	--

Mona Moberg gave a brief overview of the agenda for the meeting.

Ruthann Kurose, TAC Co-Chair welcomed the TAC members to their second meeting. Co-Chair Ron Allen also expressed his hope that this meeting would help discover areas of mutual interest between the LCB and the tribes. He also articulated his optimism that as other tribal leaders find value in the discussions held at the TAC meetings, there will be more regular attendance. There may be opportunities for the LCB and tribes to partner on legislative and policy matters in the future.

### Legislative and Policy Update

Rick Garza provided an update on the privatization initiatives. The three initiatives recognized that customer convenience was a concern, public safety is paramount, and revenue to the state is important. A random sample of 1,200 people were surveyed all over the state. Pat McLaughlin reported that there are currently 166 state stores and 162 contract stores. The number of tribal

stores is 14 and the number of military stores is thought to be between 10 to 18. Three contract stores will be added by August and there are 4 to 5 contracts being negotiated with the tribes. The survey reported that we have the right number of stores and customers like the idea of more convenience. Ron Allen asked how much beer is sold. Pat McLaughlin will obtain that information for the group. Pat also noted that the public views spirits differently than beer and wine.

Pat Kohler interjected that the Maine model was used but the only benefit to the state that Maine saw was the upfront money.

Kelly Croman asked if sampling in tribal stores would be part of the pilot program. Pat McLaughlin responded that if the tribal stores are interested in participating in the pilot, they should let him know.

Rick also explained the markup allocation and Washington's pricing model in comparison to the California model.

### **Modernization Activities – Pat McLaughlin**

Pat McLaughlin reported on the 4 to 5 new contracts that are currently being added. He also asked for the tribes to provide the zip codes for areas of potential new stores. The question was asked if gift cards could be sold in tribal stores. Pat responded that gift cards could be a challenge for the tribes because they are not on the same system as a state store but there is certainly nothing prohibiting them from doing it themselves.

Ron Allen mentioned that there were issues during the holiday season regarding distribution but that had to do with the carousel being down during that time. Pat also mentioned that there have been electrical surges which have been blowing out components that are from the renovations on the Alaska Way Viaduct, however the distribution center is still running at a 99.2 percent fill rate in stores.

Randy Lemon reported that the fill rates had been terrific until last week. An example, Black Velvet is out of stock the distribution center does not have the capability of putting that item on a back order list and sending it automatically when it is available. The stores currently have to ask again for the product so it would be helpful if they were contacted and told how long something may take. Pat offered Ashley James', Administrative Assistant to the Distribution Center's Director, as a contact person. She is available to assist at any time. Her contact information is [asja@liq.wa.gov](mailto:asja@liq.wa.gov) or 206/464-7959.

### **Process for Ordering Specialty Items**

Ron Allen also inquired about special orders. When bars carry higher end products, customers would like to purchase those items in our stores. Pat McLaughlin offered to have the merchandising team meet to discuss specific products and share shelf schematics. He also offered to track down any specific items they would like to obtain. Randy Lemon indicated that they would like to track the status of items when they are ordering. Pat also reported that the distribution center handles 1,200 special orders per month. The supplier performance is

considered prior to making any decisions to add products; if there is a special order outside of the U.S. and it's being sold in the states, we can usually get it.

### **Contract Store Hour Changes**

Sharon Foster indicated the LCB's concern regarding stores staying open until 2:00 a.m. and her subsequent conversation with Ron Allen to standardize hours. Ron is in the process of gathering data from the tribal stores to see how many sales they have after 2:00 a.m. It appears that younger people are the patrons during the late hours which causes concern for public safety. Shawn Yanity reported that they are interested in having stores, however, they are concerned about the potential bad press.

Kelly Croman indicated that Marine View Ventures had studied state stores prior to setting their hours for their new tribal store. They are not operating until 2:00 a.m. and are equally concerned about safety. Ron Allen indicated that the sales aren't significant. Ron will provide the feedback on a tribe by tribe basis and get back to the council members.

Rick Garza pointed out that the LCB is worried about inconsistency in comparison to state and contract store hours. Kelly responded that in their research they found it is not illegal and that the state makes the decision to close down earlier but there is nothing in statute that says that it is required to close earlier. Pat Kohler informed the group that the LCB has been named in lawsuits and it is usually traced back to specific stores. We are concerned about accidents involved up and down the I-5 corridor.

Ron Allen suggested moving back to 10:00 p.m. like the state stores because it appears the later evening hours are more of a problem than the early morning hours. Pat Parmer interjected that the safety of clerks would be an agency concern as well. Kelly reported that Marine View Ventures has not witnessed co-location issues involving over-service, public inebriation etc. Ron suggested a training program and Pat Parmer indicated that there is already over-service education and tribal staff goes through that training also.

Pat Kohler indicated that closing between 10:00 p.m. and 11:00 p.m. is preferred but the agency recognizes the issue of sovereignty. Ron will raise this with tribal leadership to develop a consistent approach. Public safety and the image of our stores is a mutual concern.

### **Tribal MOA**

Alan Rathbun and Aubrey Seffernick reported on the positive experience in drafting the Memorandum of Agreement (MOA) between the LCB and Kalispel Tribe. The two entities collaborated over a series of four to five meetings to explore opportunities to give the Tribe flexibility in the way they operate but still comply with enforcement. The hope is that other tribes will take advantage of the open dialogue and develop more MOAs in the future although it is a manual process for LCB staff so taking on more than one at a time may be a challenge. Alan Rathbun complimented the Kalispel team for their efforts in trying to anticipate every scenario so future agreements won't have to reinvent the wheel. The relationship building between the LCB and the Tribe has been beneficial. Pat Parmer, whose enforcement team also participated, indicated that the tribe was able to weigh in on what they wanted to see as far as enforcement and how to deal with issues that may arise. The Kalispel MOA will be signed on June 8, 2011.

The LCB is constrained by technical limitations and limited resources. Ron Allen suggested the tribes would support the LCB in obtaining funding from the legislature for IT-related modifications.

### **Centennial Accord Update**

Ruthann Kurose provided a draft of the Executive Summary for the LCB that will be included at the Centennial Accord on June 9, 2011. The summary reflected on the accomplishments this past year and highlighted the collaboration between the Kalispel Tribe and the LCB on the development of the MOA.

Ron Allen mentioned that the tribes would like to continue collaborating on the daily operational issues such as filling orders. He also indicated that some future considerations to discuss are exploring the eligibility of the tribes receiving revenue as a beneficiary (i.e. recognizing the tribes as a local government) and exploring solutions to the challenges of modernizing the LCB's technology to accommodate multiple MOAs.

### **Roundtable**

Shawn Yanity expressed an interest in moving forward with agreements with the state. Pat McLaughlin indicated that he would work with Shawn to talk about how to begin the process.

Robbi Kesler reported that they are not interested in selling spirits at this time.

Alix Foster inquired as to whether or not the template will be shared. Aubrey responded that once the agreement has been finalized, it will be shared.

Alan Rathbun clarified that the LCB is not opposed to working on new agreements, however, there is a concern that at this time we don't have a long range implementation plan and it is labor intensive for staff to negotiate more than one at a time.

Kelly Croman reiterated that the concerns about hours are heard clearly.

LeAnn reported that they are continuing to work toward opening a store also.

Ruthann Kurose asked the group if the TAC meetings are still of value. Ron Allen responded that the sparse attendance is common and although most tribes are represented by their legal counsel, the council members are kept informed. The group agreed that semi-annual meetings are good and could be scheduled around gaming meetings which tend to be well attended.

### **Action Items:**

- 1) Beer Sales/Consumption rates will be provided to Ron Allen.
- 2) Any tribes interested in participating in participating in the sampling pilot will notify the LCB.
- 3) LCB will share criteria for selecting sampling stores.
- 4) Tribes will send LCB "Zip Codes" for areas of interest of potential new stores.

- 5) LCB will look into “out of stock” communication issues and explore ways to communicate to the stores the status of the delay.
- 6) Pat McLaughlin will research special order (higher priced specialty items) that are needed upon receipt of list of items from Ron Allen.
- 7) Ron Allen will obtain data on sales volume of stores which stay open until 2:00 a.m and will share with the group at the fall meeting.

Handouts:

- 1) LCB Legislative and Policy Update (Presentation by Rick Garza)
- 2) Legislative Update – May 6, 2011
- 3) Modernization Activities (Presentation by Pat McLaughlin)
- 4) Zip Code Letter
- 5) Store Siting Policy
- 6) 2010 Centennial Accord Agency Highlights

The next meeting will be held in the fall to discuss upcoming legislative issues.