

OFFICE OF THE WASHINGTON STATE LIQUOR CONTROL BOARD MEETING

May 05, 2004

The regular meeting of the Washington State Liquor Control Board was called to order at 10:00 a.m., on Wednesday, May 5, 2004 in the Board conference room, 3000 Pacific Avenue SE, Olympia, Washington, by Chairman Merritt Long. Board Member Roger Hoen was present. Tony Kim, Administrative Assistant to the Board summarized the minutes.

Administration – Recognition

Pat Kohler, Administrative Director

Ms. Kohler recognized the following individuals with certificates of appreciation (with “You Rock!” Awards) for their work on the Inventory Control Group and Inventory Reconciliation Team. They are: Nancy Barnes, Rita Lakin, Nancy Lin, Colin O’Neil, Bill DiLorenzo, Gary Thompson, Jim Mirous, Bonnie Jubb, Wanda Carver, Marlon Goetz, Gerard Scheeler, Diana DeShaye, and Gerard Keech.

Retail Services Division – Recognition

Robbi Mettler-Stern, District Manager

Ms. Mettler-Stern recognized with awards in the following categories:

Liquor Store of the Year: Store 21, Ellensburg
Manager of the Year: Donene Tervo, Store 58 (Bremerton-West)
Assistant Manager of the Year: Molly Wheeler, Store 125 (Everett-Broadway Ave)
Clerk of the Year: Jeanne Daniels, Store 30 (Shelton)
Contract Liquor Store Manager of the Year: Theresa Hancock, CLS 544 (Sunnyside)
District Manager of the Year: Jeff Berger, District #4 Manager, Olympic Peninsula
Outstanding Employee of the Year: Leo Young, D.C. Operations Manger

Financial Services Division – Freight Surcharge

Jay Field, Contracts Manager

Mr. Field recommended that the Board approve the following: Vendors carrying product for the LCB from the DC to the stores be allowed to apply a fuel surcharge to there

invoices to adjust for abnormally high fuel costs, the fuel surcharge be applied only against the freight (mileage and weight) portion of their bill, and the surcharge to be equal to 5% of those charges, and the fuel surcharge be eliminated in the event the average fuel price reverts to levels that existed prior to March 2004.

Board Member Hoen moved for approval. Chairman Long seconded the motion, and it was carried.

Purchasing Services Division – Potential New Listings/Rejections

Gary Thompson, Deputy Director

Based on presentations made by supplier representatives on April 22, 2004, discussions with members of the listing committee, tasting reports on product samples and other factors, Mr. Thompson recommended that the Board approve the following listing/rejection actions.

<u>Description</u>	<u>Recommendations</u>
Bacardi Party Drinks Bahama Mama, 1.75 liter (\$18.95)	List as M
Bacardi Party Drinks Hurricane, 1.75 liter (\$18.95)	List as M
Plymouth Gin, 750 ml (\$24.95)	List as L
Cruzan Mango Flavored Rum, 750 ml (\$11.95)	List as L
Captain Morgan’s Parrot Bay Pineapple Flavored Rum, 750 ml (\$15.95)	List as M
Captain Morgan’s Parrot Bay Mango Flavored Rum, 750 ml (\$15.95)	List as M
Tobermory 10 Year Single Malt Scotch Whisky, 750 ml (\$28.95)	Reject
Deanston 12 Year Single Highland Malt Scotch Whisky, 750 ml (\$28.95)	Reject
Killepitsch Bitter Liqueur, 750 ml (\$23.95)	Reject
Gvori Vodka, 750 ml (\$13.95)	Reject
Tenoch 100% Agave Reposado Tequila, 750 ml (\$54.95)	Reject
Brady’s Irish Cream Liqueur, 750 ml (\$12.95)	Reject
Forty Creek Barrel Select Canadian Whisky, 750 ml (\$22.95)	Reject
Hiram Walker Mango Exotic Fruit Liqueur, 750 ml (\$9.95)	Reject
Gioia Luisa Lemoncello Crème Liqueur, 750 ml (\$20.95)	Reject

Board Member Hoen moved for approval. Chairman Long seconded the motion, and it was carried.

Purchasing Services Division – Potential Size Extension

Gary Thompson, Deputy Director

<u>Requested Size Extension</u>	<u>Size</u>	<u>Retail Price</u>	<u>Current Average Monthly Sales 750 ml Size</u>	<u>Current Monthly Gross Profit</u>	<u>Increase</u>	<u>Category Average</u>	<u>% of Total Sales in Other Control States</u>
Three Olives							
Imported Vodka	1.75 liter	\$34.95	406	\$12,369	37.0%	6.3%	41.0%
Grey Goose Imported Vodka	375 ml	\$16.95	1,663	\$76,553	47.0%	6.3%	9.0%

Mr. Thompson recommended Board approval for listing these two items as additional sizes.

Board Member Hoen moved for approval. Chairman Long seconded the motion, and it was carried.

Purchasing Services Division – Potential New Wine Listings Delistings

Steve Burnell, Wine Program Manager

The Wine Advisory committee has reviewed the following wines. Criteria for selections made by this panel include outstanding taste, good value, consumer interest and other factors. From blind tastings, the following selections and recommendations were made by the Committee and the Purchasing Division. Mr. Burnell recommended the Board approve the following listing actions.

<u>Wine</u>	<u>Region</u>	<u>Vintage</u>	<u>Retail</u>	<u>Recommendation</u>
Beaulieu BV Coastal Pinot Noir	California	2001	\$ 6.99	List as M
Montinore Pinot Gris	Oregon	2003	\$ 7.71	List as M

The following wines are offered as a One-Time-Only purchase. The purchasing department and Mr. Burnell recommended the Board approve the following One-Time-Only listings.

<u>Wine</u>	<u>Region</u>	<u>Vintage</u>	<u>Retail</u>	<u># of Cases</u>
Covey Run Semillon-Chardonnay	Washington	2000	\$ 3.99	224 Cases
Covey Run Barrel Select Chardonnay	Washington	2000	\$ 4.99	168 Cases
Covey Run Barrel Select Cabernet Sauv.	Washington	2000	\$ 4.99	168 Cases
Kendall Jackson Chardonnay, 20 th Anniversary	California	2000	\$ 8.99	318 Cases

The following wines are offered to the Board in limited case quantities. The purchasing department and Mr. Burnell recommended the Board approve the following wines for “U” code listing.

<u>Wine</u>	<u>Region</u>	<u>Vintage</u>	<u>Retail</u>	<u># of Cases</u>
Whitman Viognier	Washington	2003	\$17.73	10 Cases
Whitman “Narcissa” Red	Washington	2001	\$21.99	7 Cases
Bergevin Lane “Calico” Red	Washington	2002	\$15.44	30 Cases
Argyle Pinot Noir	Oregon	2002	\$12.99	42 Cases
Marilyn Merlot	California	2001	\$27.29	28 Cases

Burnell recommended the Board DELIST the following items:

Wine	Region	Brand Code	Reason
Reserve St Martin Sel. Blanc	France	295035	Poor Sales
Tyrrell's Moore's Cr. Chard.	Australia	428965	Poor Sales
Reserve St Martin Cabernet	France	295010	Poor Sales
Tyrrell's Moore's Cr. Cab	Australia	428963	Poor Sales
Tyrrell's Moore's Cr. Shiraz	Australia	428967	Poor Sales
Vina Santa Carolina Merlot	Chile	423795	Poor Sales

Note: All listings are 750ml size unless noted otherwise.

Board Member Hoen moved for approval. Chairman Long seconded the motion, and it was carried.

The Meeting was adjourned at 11:15 A.M.