



Board Caucus Meeting

Tuesday, January 24, 2023, 10:00 am

This meeting was held in a hybrid environment

Meeting Minutes

CAUCUS ATTENDEES

Chair David Postman
Member Ollie Garrett
Member Jim Vollendroff
Dustin Dickson, Executive Assistant

GUESTS

Justin Nordhorn, Policy and External Affairs Director

At 10:00 am, Dustin Dickson announced that the meeting lobbies were open, and the recording had begun.

At 10:00 am, Chair Postman convened the meeting.

BOARD MEETING AND EXECUTIVE ASSISTANT REPORTS

David Postman: Great. Thanks, Dustin good morning, everybody. We will convene the Liquor and Cannabis Board Caucus meeting for January 24, 2023. We just have one item on the agenda, which is board member and executive assistant reports. So we just have an opportunity to catch up on a couple of things. And I will look to Member Vollendroff first. You have something you want to bring up today?

Jim Vollendroff: I've been through a lot of legislative sessions in my career, mostly with King County. And whenever we put forward legislation, or anytime we've testified about a bill, there was a process that we had in place. And I just wanted to clarify the LCB, and how do we make sure and demonstrate whether we are in favor of a bill or when we put agency request legislation forward, what does that process look like? I had question about that. And I was going about it by way that I had history with King County in terms of the agency request legislation and how we demonstrate support. So anyway, I wanted to have a conversation, so we were all on the same page about that.

David Postman: Great. Yeah, well, I think one, we'll probably need some more with Marc Webster our legislative person, and when Rick's back, we could all talk about it. But let me, from my position, sort of in the building, how in general how this has been handled in my, you know, extensive two years. One, the agency requests legislation and as you know, we have three this year. Those all did come to us. So, I think that process of deciding what is an agency request legislation is pretty well understood in terms of the board signs off on that at some point in that process and are hopefully briefed on it through the process as well. And then though, it gets complicated, very quickly, even before the session starts, when conversations start about amending legislation, because as we all know, nothing goes through untouched. So what do we do, then? That is not as well defined about what that process is, I think that

we, frankly for the last three sessions, this would be on me more, but I would say I have told staff understanding the process, that there's lots of little things they face day to day, that it's just not practical for them to come in, consult with the three of us sometimes not even with Rick, right. And that, to me is one of the skills and the talents of a good legislative person, and I've got, you know, 100% faith in Marc, to understand what's consequential enough to ask for review, or, you know, as somebody used to say, you know, you want other people to touch the hand grenade, you know, you don't want to be making decisions that then blow up something that's on your own. So, I think we put a lot of trust in our legislative person. And, you know, Justin as the legislative person supervisor, and Rick, who is experienced too, that, I would hope they now know where those levels are, and what our, where our lines are, you know, and some of that is a process thing. I would say like, you know, if it's a substantive change, we should talk about it. But some of it also is an avenue of interest. So we all know that Ollie leads our social equity conversations, she should be at the forefront of any conversations around that bill, you know. You and I have different areas of expertise or interest. So maybe they're not touching base with all three of us. But hopefully, they're talking with one of us about the thing. So it's kind of vague, Jim, I guess, but it's a great time to talk about it because we're, you know, we're facing this question, particularly with that social equity bill. It's a big bill. It's controversial, more so than it should be. Our sponsors are suggesting changes to it themselves, which is their right and that's the other thing about it that I think is really important for us to remember. We bring it, we get the governor's office to give us a green light, then we bring it to legislators and ask somebody to sponsor it. It's got, you know, "At the Request of the LCB" up there at the top, but once we hand it over to them, we don't control all of it.

Ollie Garrett: I was going to say also normally David during session, our legislative person, which is now Marc, would normally come to the board caucus, or EMT, and keep us abreast on everything and where we are on everything. We understand sometimes during caucus, I mean during session, he can't make every board meeting because he's over in a session. But normally, he would come to the board caucus or EMT, and there would be a discussion there and so all three of us are there at the same time hearing his and each other's comments.

David Postman: So we did talk, I mean, he's been at the last two EMTs, I think the second EMT was on day three of the session. So I think we need to build that into the system now and I think it's up to us, and then Marc's availability. But you know, if we want that opportunity every week, we can do it at caucus if we want to do it every other week, we could do it at a board meeting and we could do it on the merits. You know, we can check with Marc each week to see, but I'm perfectly happy to err on the side of more communication around it.

Jim Vollendroff: Me too, and, you know, Marc's actually set up some time with me to talk about a couple of things. And I assume he'll do the same with others. The main thing, and you really helped clarify this for me, David, as I just wanted to make sure. I'm used to when there's an agency request for legislation that it's implied that we are in support of that legislation, by the time it leaves the LCB and heads to the legislature.

David Postman: 100 percent, not just implied, but explicitly, nothing gets agency requests legislation unless a majority of the board endorses that bill, and in my mind, unless somebody says something otherwise, that doesn't mean, we support it to get it in the process. We support it, because we think that's the right thing that should happen. And that's why we fight for our version of that bill.

Jim Vollendroff: Okay. And then too, I wanted to make sure that it was not, like I'm not used to then going in and signing in in support of that particular bill. Because of that very nature. The way in which it leaves here.

David Postman: No, again, I think it depends, like so, you know, Ollie has testified on social equity because she's our lead. The legislature does not want you and I then to also sign in, I mean, you could sign in, but that is performative in a way I know. So yeah, okay, we, and sometimes it won't be any of us. Right? So and one of the things I'd like to talk about after we do this is some other bills that have come up, Justin Nordhorn I think is going to testify in one of them. If Justin Nordhorn testifies in favor of the bill, it means the board is in support of the bill.

Jim Vollendroff: Great.

David Postman: It means that's something we want to become law. And if not, then we need to have that discussion beforehand. But I've never seen an occasion where staff from the LCB appeared before a committee and said anything other than what reflected the board's position. We, the three of us, decide what that is and then staff represents that and, Ollie did you want to speak, go ahead.

Ollie Garrett: No, the only thing I want to do is go back to make sure that you just made a statement that we can bring it to a board meeting, I don't think it should be a board meeting, it should be either board caucus or EMT.

David Postman: Okay, we could do the caucus every week or every other week, it doesn't matter.

Ollie Garrett: Right, or EMT when everyone is there. I mean, I'm just saying board meeting is for us to hear from others not going to around the table discussion normally.

David Postman: Yes, the only reason I suggested the board meeting is we have such greater attendance of the public at board meetings than board caucuses, if we, you know, sort of the public airing of this. But you know, my only concern about EMT, is that often enough for that kind of conversation? I don't know. You know, part of my thinking, once the session is going, and it's going, you both know, as well as I do that not everything is going to wait even a week. It's just not timely. And so what I want us to be able to do is have that relationship with staff, where they know, I had better call Ollie, I'd better call Jim, I better talk to everybody. You know, whatever it is, I better come to the caucus and do it because it's going to take different right reactions at different times in the process.

Jim Vollendroff: And I'm seeing that already happening, which is great. So this is a really helpful conversation for me, just to make sure I really understood the process and make sure, yeah, how it works.

David Postman: The other thing that you know, so each of us have now been before legislative committee already this session on different things. I went and did the work session in the House Committee last week. And if we want to be at those committee meetings with staff, and present as part of it, we certainly can. But that's another question. We should sit down with staff and decide, what is the right way to sort of use us and use our time, our part time here to emphasize things. We're not the experts, but sometimes it's of value too to have leadership there and do that. So I think we can have that conversation as well. Yeah, I mean, I want to say I couldn't be happier with Marc. I just use Rookie of the Year.

Jim Vollendroff: I totally agree.

David Postman: But we will get something on the books for a regular update, at least just to make sure we do that. But I think what we want to stress is to keep up this more timely communication during this session, during the day, whatever it takes. So we're able to stay in touch. Now the social equity bill, this

gets complicated, but you know it, so it's going to change. That bill, the sponsors are moving a bill that looks, I don't know what the current status is, but I believe it will look different than what we submitted. Staff is looking at all those pieces that have changed to see what they think. I know they've talked to you Ollie, I hope they've had thorough conversations with it. But then we have to go, okay, what do we, what is our posture then, you know, it's still our agency request legislation, but some of those important details may have changed. So how do we communicate that to the legislature? How do we let them know what parts of that we're kind of okay with or not? And does, you know, and again, that's not a science, but an art of kind of knowing where we need to go and protect our position on that as much as possible. So I was going to talk about some of these other bills, but anything more on this topic? I will follow up with Marc and get something on the schedule, we'll do that. So, I don't know, did Justin reach out about the medical cannabis tax exemption bill that he suggested that we support, which I think we should? Do you both agree, or have you had a chance to give him feedback?

Jim Vollendroff: Yep, I agree. And I gave him feedback. I did have a follow up question that's somewhat unrelated around the DOH process. But that's separate from that. But yes, I agree with it.

David Postman: Okay. And so I think he will testify, I think that's great. He can do that. The other one that is working its way through the system, I think they're looking for sponsors now is the arrest protection bill, again, for medical cannabis users, which I certainly support. And so when we actually see that, I think that's another one that we should talk about whether we could get on board, and support that. We need to do more to help the medical system and, you know, Jim, to your question, but you know, other pieces around DOH, Justin and Mary Segawa are doing a lot of work on this now and trying to do some research, and I just met with him yesterday about it, it's something I'm particularly interested in. So I think we definitely need to look for opportunities to do more, work closer with DOH too probably.

Jim Vollendroff: Yeah, I completely agree. And Justin sent me the links that I asked for, the DOH links this morning. So I'm going to look into it. It's just an area of interest of mine as well. And I completely agree that we need to do better in regard to supporting the medical patients in cannabis.

David Postman: Yeah, I mean, it's a legislative mandate. And, frankly, I don't think it was a mandate that was sort of fully thought out in a way that, does it serve the consumer in a way, but it's also, somebody shared with me recently some comments from board members like five years ago, that sounded a lot like what we just said, about how we need to do more. So yeah, there's some skepticism and maybe cynicism out there about this, but I really think this is a year where we can make some progress and show that we can support the medical consumer in a way that hopefully helps them.

Jim Vollendroff: I would hope.

David Postman: And then the other piece was the liquor delivery. I remember we were briefed on that 1480 study about home delivery and whether or not that allowance should expire. The letter we wrote, the letter I wrote, I guess, on behalf of the agency said we didn't think it should be renewed because of the terrible enforcement problems we're seeing. So my understanding is we're going to oppose the renewal of that. Have you both been briefed on that?

Ollie Garrett: I had questions on that. So we were going to oppose the renewal. But I thought I was reading that maybe there's a bill coming forward for that. And we're opposing that, too?

David Postman: Well, let me see if I can find it real quick. There's the renewal. It would also be a bill. So I don't know if we're talking about two separate things. So there's been some discussion about whether you could set up a separate endorsement or license on that but let me see real quick.

Jim Vollendroff: While you're looking at that, David, I'll say that I haven't had time to completely review that. And one of the things that I'm finding during the legislative session already, is that working part time is going to be a challenge. And so I'm just having to rethink my hours that I work. And I'll probably have to work a little bit more just throughout the session. So that I'm still working a point six. But I've always tried to keep it where I work this first specific days and I don't know that that's going to work during session, because so much comes up.

Ollie Garrett: I can tell you right now, it has not worked. And so, but I just look at it as it is session.

Jim Vollendroff: That's what I'm going to have to do.

Ollie Garrett: And when we're not in session, we have a lot of flexibility on our days. So yesterday, it was not my day, but I was on this bill mostly all day yesterday, but that's session, so it's going to happen. But I am curious on the other bill, David,

David Postman: It is one. So I think we're talking about one bill. And what Marc shared yesterday was that, while it puts that in statute, and would allow it to continue, it does include some of the things that we've been concerned about. It would create a license for delivery companies and require a bar or restaurant to have a license endorsement for deliveries, and then third-party firms to have a delivery license. So it puts in some oversight and accountability that just doesn't exist today. And I think that's good. But given the enforcement problems we've had; my position at least is that we should not allow that to continue at this point now.

Ollie Garrett: And see, I thought when we discussed this, and with enforcement issues, that the compliance wasn't bad, we asked the question and stuff and it was we have, and I don't want to call out any particular name, but it was just one delivery thing that was not good. But other than that, I didn't hear about enforcement issues because I specifically asked that question.

David Postman: Okay, I just pinned Justin to see maybe if he could jump on to talk to us about this.

Ollie Garrett: And I think he's on.

Dustin Dickson: Justin, you should be able to join us now.

Justin Nordhorn: The bill that you're referring to is House Bill 1375. That's the home delivery one. And it looks like what they built into the proposal is the licensing requirements that we had called out in the letter. That doesn't mean that we were supportive of that, but at the same time, that's a risk mitigation piece.

Ollie Garrett: So with that being said, and risk mitigation, why are we going flat opposing, and I guess what I'm looking at from a business perspective, and things, and with the restaurants and delivery that, like right now you can order food on DoorDash and you can also still order alcohol from one of the stores, I forget their names, that's out there that you buy alcohol from. So what we're saying is we're taking sales from one of our licensees, from a restaurant. But it's not taking away the delivery of alcohol because you

can click on Something and More, is that what they're called, the liquor stores? Or something that sells alcohol.

David Postman: But does that come through DoorDash, Ollie, or is it delivered by the store?

Ollie Garrett: It comes through DoorDash.

David Postman: It does?

Ollie Garrett: Yeah. So I look at from a restaurant point of view, and staffing, and I keep going back to staffing, but not just staffing, that things since COVID have changed as far as people and people going out. And going back into the restaurant, and on and on. I mean, that's the reason the movie theaters are now closing and stuff, people are not coming back out. They are doing more staying home, and delivery. And to me, it's a bad thing. But at the same time, it's a good thing because they are now not going out and drinking and driving. And on and on, because they could sit at home and get their food delivered along with alcohol. So I'm looking at the whole big picture of it. This is just me and I could be missing something here.

David Postman: No, no, no, I don't think you're missing it. I mean, I think, well, one, I don't know, if we've seen any drop in driving under the influence since we've allowed delivery. And the 1480 study tried to look for, you know, cause and effects and really couldn't, right. Justin, is that fair to say?

Justin Nordhorn: That's correct. Yeah, there's not a direct causal link between allowances.

David Postman: We've had particular problems with a third-party delivery service. You know, we've seen a number of delivery violations come through the board in the last year. And you know, I understand this bill sets up a different sort of system, maybe that would have helped. But in my mind, it was an allowance given for a particular time. And it didn't work very well. And we allowed it to keep going just because of that, you know, peculiar time we were in. And I don't know, I just sort of, like I am just not sure it's a necessity in the world, given the concerns that exist around the difficulty in verifying age and things of that sort.

Ollie Garrett: So when we say it didn't work very well, up until the whole DoorDash compliant all I was hearing, was it was working. So Justin, did I miss something there? Were there others outside of the one delivery service?

Justin Nordhorn: So yes, there were other issues that I saw in the data that was shared at EMT. And so we did see some of the locations doing their own deliveries have some challenges with that particular provision. What the bill before the legislature does right now is it adds the layers of accountability. So you have to have an endorsement to get a third party to deliver for it, or to deliver it all. The third party has to have a license in order to work with somebody with an endorsement. And then you also have the drivers have mandatory training. And so there are three components to this particular bill. What I should also highlight from internal staff discussions around any type of new license and including this, one of many that are proposed, is the implementation of these are going to be fairly costly because of the SMP project, and it's going to be very difficult to code something in our current system when we're trying to switch over to another system. That's not the reason to necessarily make a decision. However, I think it's important to recognize some of those cost implications when people see the fiscal notes that are coming with us.

Ollie Garrett: My mindset as I shared with licensing staff when we were looking at these things, is to say, instead of our first reaction to things, because it's not what we've always done or haven't done, is before we go no, to see if there's a way to get to a yes. And when I say to get to a yes, by having certain things, looking at every element to say if this was in place, if this was in place, if this was in place, we could get to a yes. And it's not to say that folks would be able to put all of those things in place. We went through this with the axe throwing thing, rather than a flat no, how do we get to a yes? By coming up with procedures and requirements to make it a yes. And I just didn't want us to overlook, did we see an opportunity, if this benefits the businesses and things with everything that they are going through, if this is going to help them with sales or whatever those things are coming out of COVID is it a way that we could get to a yes, and I'm not saying that it is. And one of the conversations I've been having with folks and this is to do with just businesses and what's happening is a lot of the stuff that we did, because of COVID, it works and it helped folks sustain and survive. But one of the things that hasn't been factored in is now that we're out of COVID, it doesn't mean that there isn't, these businesses do need time, to now get back to norm. So we were talking, I was talking to folks about PPP, that people get PPP loans and everything to sustain. But at the same time, it helped them sustain. But what we didn't factor in is, do they need even more now to get back up and going and waiting for society to get back to coming back out, coming back into the store shopping going back to the movie theater, that there, just because COVID has ended, it doesn't mean the consequences of what folks went through because of COVID has just instantly ended.

David Postman: Yeah, you know, I get that. I look at it a little differently in a couple of ways. I looked at the allowances, which started before I got here, but you know, in my old job, we had a piece of that responsibility as well, as ways to reduce exposure, people's exposure to the virus, how do we just sort of allow people to live this life as much as normal as possible. So we had lots of different things we allowed. Not as economic boosts to businesses that might be struggling, especially because these businesses, nuts, well, restaurants were struggling, but you know, alcohol sales didn't suffer, nor did cannabis sales. But we had those allowances in place, really, as a public health measure, not as an economic development measure. And now it is sort of morphing into that other thing, which is, we need this help to get ourselves back on our feet. And I do agree with you in general and you and I have had that conversation but about trying to get to yes. And where it gets more complicated, though, is where yes increases availability of one of the products that we regulate. We're not talking about sort of fixing a problem that licensees come to us and say, well, why are you doing this thing, you know, to some existing thing or a change that in some regulation that just doesn't work once it hits the ground? Like how do we fix these things? We're faced with questions every day that are about expanding access to alcohol and cannabis. And we do a lot of it, frankly, but I don't think we always have to, you know, I think we can. We don't always have to in the timeframe that some people want it as well, I think, you know, sometimes we do just go, you know, you're doing great. There's a lot going on. Because there are people out there that don't want us to allow alcohol delivery. So how do we address those concerns as well? Jim?

Jim Vollendroff: Can I just jump in here real quick because I have to do a little bit more research on this one, but I am not inclined to continue to allow this temporary provision to continue. And for multiple reasons. One is nationally, when I went to the National Alcohol regulators, I heard this was a problem all over the country. So this is not just unique to Washington State. I also, you know, I want businesses to thrive. But I too thought this was about minimizing contact between people because of the transmission of virus. And then thirdly, I think that, as I understand it, there are certain locations in Washington state where there are higher percentages of licensees who are taking advantage of this opportunity, but it's not happening all over the state. So anyway, I have got to do a little bit more research, but I'm not inclined at this particular point to support continuing this temporary allowance.

Ollie Garrett: Right. And I agree it started out as helping things. And what happened by us allowing it is when the licensees get to see the benefit of that when it was allowed and the benefit that became more about economics, than help, so I do, I see that. Does this stop Wine and More, I think it's called and on and on, all of those types of companies that are on DoorDash? Or does it just affect the restaurants and stuff delivery type things?

Justin Nordhorn: So we have a rule set right now that prescribes home delivery from the grocery stores. The allowance that was afforded was expanding the privileges of the restaurants to engage in a similar manner as they were having a difficult time being open, and then the public health implications. I think if the bill is not successful moving forward, that does not change anything with our rule that's currently in place. So therefore, those grocery stores wouldn't necessarily be discontinuing that approach.

Ollie Garrett: They were what?

Justin Nordhorn: So I don't think that the grocery stores or specialty shops would have to discontinue their approaches, we have a rule set, prescribing those things that just wouldn't allow the restaurants and breweries and such to do it.

David Postman: Because that predates COVID, correct?

Justin Nordhorn: Right.

David Postman: And that will continue.

Ollie Garrett: And that's what I'm saying, it's not taking away the delivery of alcohol, it's just taking away easier access. And I won't say easier, a different access, because you can still order food. And then within 10 minutes, they list all of the other deliveries of alcohol for you to click on Wine and More, this, that, whatever, where you can still order alcohol. We're just taking it away from the restaurant. Is that correct? Am I saying that right?

David Postman: Well, I'm trying to look at the bill real quick. But go ahead, Justin, if you if you can shed some light.

Justin Nordhorn: Yeah, so if this particular provision expires and the legislature doesn't do anything, those allowances for the on-premises locations to be able to facilitate those delivery sales would cease. But the other licenses such as the grocery store that had those privileges, prior to COVID would not cease.

Ollie Garrett: Grocery stores and specialties the Wine and Mores, all of those other alcohol suppliers.

Justin Nordhorn: Other specialty shops were in that.

David Postman: So in reading the bill, this subsection does not authorize sale of full bottles of spirits by licensees for off premises consumption with the exception of mini bottles is part of cocktail mini bottle sales. So I think if this bill doesn't pass, they stop that allowance, you wouldn't be able to get mixed cocktails delivered to your house.

Justin Nordhorn: That's correct.

David Postman: I think that's the real difference. You wouldn't be able to get single serving type alcohol. You could still order from Safeway, whatever you could order from Safeway or Wine and More and those things and so you can still be able to take out your growlers because that again is a thing that existed before COVID.

Ollie Garrett: But now in the convenience store, there, you can buy the margaritas already made.

David Postman: In a can?

Ollie Garrett: I don't know if it's in a can, I haven't bought the premade, but I see them in the grocery store. And it's not just can, because like in Costco, they get the big thing of already mixed margarita containers in the glass. And I don't know if margaritas are the only ones. I just know I've seen where you can buy already premixed in the grocery stores and the specialty stores. I don't know if there are other premixed stuff out there, Justin to do you know?

Justin Nordhorn: Yeah, I would probably have to look at that. But I think one of the things I would highlight in this bill is the impact of home delivery will not be solely for those restaurants. Because there's a new section that was drafted that basically creates the endorsement. So this would mean that the third-party delivery would need to have a license even to do it for grocery stores.

Ollie Garrett: Right.

David Postman: I shouldn't be reading this on the fly. But, you know, I think we should find a time to go through this in more detail then.

Ollie Garrett: And I think that's all I'm saying is that we haven't really looked at the whole thing. And we still can end up with a no, I just think that it shouldn't just be an automatic no.

David Postman: And I don't think it's automatic. You know, part of it was what, you know, and my own opinion changed as we saw more about the enforcement information. You know, there's other allowances that came in with COVID that I don't think, do the same kind of increase in the availability of alcohol in the same way. Outdoor dining, which has been a big thing, you know, and we've heard from one local government urging us to continue that piece. I don't object to that, from what I know today, you know, so I think there are some things that happened, you know, to your point Ollie about, you know, we did these allowances, and then they kind of work, you're right. Some of these things were things we long prohibited that it turned out, well they work and they're not a problem, you know, both on the cannabis side and some argue on the cannabis side, and some argue on the alcohol side. And we should look at those things.

Ollie Garrett: And I'm looking, now you can get at Wine and More: margaritas, Long Island iced teas, Smirnoff Ice screwdrivers, Malibu cocktail.

David Postman: Can you get one of those cans delivered to your house?

Ollie Garrett: Well, these are not all cans.

David Postman: Or one of those containers, whatever they are bottles, cans?

Ollie Garrett: I don't know, I haven't tried it.

David Postman: I think that's the difference. In my mind, the difference is, I'm ordering my hamburger from the place downtown, and they're sending me two premixed, you know, margaritas in plastic cups, with tops on, or I'm ordering from Safeway, you know, which is a six pack of beer or a bottle of wine or a six pack of premade, now, it's not a perfect distinction, I understand. But there's something there that we didn't do for a long time, and everybody was okay. We did it for a short time it posed some problems. And I think for me, it's just that question of well, does this make it more likely alcohol gets in the hands of people who shouldn't have it? Our evidence right now is yes.

Jim Vollendroff: Yeah. And the enforcement piece is a part that I would want to have some more serious conversation about, do we have the enforcement staff to really do this? And do we have the resources to do this? Because it seems like I have heard that it's more expensive for us to do the enforcement of and we already have challenges from my perspective, given the vacancy rate of enforcement to do all of the work that enforcement needs to do, and I just am not convinced that the time is right to extend this.

David Postman: I think that's right, it is more expensive there's no doubt. It's hard. And one of the reasons why Ollie, I think there was almost this delay before anybody started talking about this delivery as a problem was that remember, during the heat of the pandemic, we weren't doing compliance checks, because of the health risks of sending minors into facilities and doing those things. So it's only fairly recently that we've even built up that infrastructure to be able to do these delivery compliance checks, which are much more staff dependent than, you know, a buy in a store. But even that, buy in the stores usually, you know, two or three, three people, I think so. But we can answer all these questions and get more details.

Ollie Garrett: I just think it's great to have a discussion around it.

David Postman: I'm really glad for the discussion.

Jim Vollendroff: I agree.

David Postman: You know, when we looked at that 1480 study, it didn't give us an answer one way or the other, because it's hard to know, where's the cause and effect? Right. And it was, frankly, not coincidence. But not part of that study, that the enforcement action sort of happened right as we were finishing that report and writing our letter to the governor and the legislature about what those findings were. And my feeling was it just seemed off to just send that report saying, well, it doesn't really draw any conclusions, without adding however, the work we're doing internally, is setting off some, waving some red flags. Justin, thoughts on where we're at?

Justin Nordhorn: Yeah, I would agree that there are definitely red flags that are out there. I think that the bill, kind of looking at both sides of this particular debate, I think that the bill does do some stuff to address some of that risk mitigation. We have heard that some of those that had the lowest compliance have started improving. I have not seen the data to necessarily back that up. But I wouldn't be surprised if changes were made by these companies. And I think having a license can certainly mitigate some of that. And relooking at the bill, as we were talking I pulled it up. And I do think that there, if it were to move forward, there should be some tweaks to it. Because it'll bifurcate the industry in a manner of speaking. So that section three looks like you would have to have an endorsement, or a license for the third-party delivery, to only do the deliveries for the restaurants. So, if that moves forward as-is and the restaurants would get an endorsement, the third party would have a license to contract with them. However, they wouldn't need the license to support the grocery stores. That part looks like it was not included because they're doing it not by a general policy approach. But by a license type approach.

David Postman: Yeah, I didn't pick that up. It says there's an alcohol delivery license to deliver spirits, beer and wine from a business licensed by the board with an endorsement for all kind of liquor, but you're saying that would be restaurant bars as opposed to grocery stores?

Justin Nordhorn: Well, the grocery stores, the way that this bill is written, it does not look like the grocery stores would be mandated to get an endorsement. So then the question becomes, could they do that for the grocery stores who already have this privilege that they can do this without an endorsement and without a license? So I think that it does create a little bit of confusion in that area.

Ollie Garrett: Justin, if the delivery company has to get a license, that means they fall under the same criteria of getting AVENs and on and on, and could lose their license after three, on and on like everyone else, correct?

Justin Nordhorn: Correct.

Ollie Garrett: Okay. And they don't have that hanging over their head today, correct?

Justin Nordhorn: Correct, the responsibility is all on the liquor licensed business at this point.

David Postman: The only thing I'd say is if this bill is going to move, I also don't know why people are ready to make it permanent, given that we have concerns at this point about performance. And I am glad that they're improving their systems and I believe they are, but maybe we need to see that in play for a period of time. Before we, you know, embed this permanently in state statute giving them this right.

Jim Vollendroff: And I would want to hear a little bit more from the community. I mean, I think that there are reports that talk about that even a little bit of alcohol can be harmful to your health. And we already make alcohol very widely accessible. And you can purchase it in a lot more places than you used to be able to. And I just don't know that it's our role to make it even more accessible. And anecdotally, I have heard from people in the recovery community who have relapsed as a result of being able to just call and have alcohol delivered to their home, whereas they may not have done that would they have had to go outside and do so. Anyway, I just think we need to hear from more people about this one.

David Postman: I agree. Okay. We will figure out how to how to make that happen. Let's have another discussion about this and maybe we'll give Justin more than 30 seconds notice to come and talk to us about this. And we can ask Mary Segawa too to come and we need to hear from the public health perspective, because I know I've heard from them that this is a major concern. Among the practitioners and advocates.

Ollie Garrett: Have we done kind of like what Kathy does when she brings both sides together?

David Postman: Not on this in terms of like a lesson and learn or something?

Ollie Garrett: Yeah, a lesson and learn. Right.

David Postman: We haven't. I'm glad that this bill looks at a licensing thing and doesn't just renew it forever. That gives us some avenue in there. Okay, well, we're going to have to revisit it. Okay. Thanks, Justin, appreciate that. More from board members? Thoughts? Things we need to follow up on? I'll follow up with Marc. But I think we're in good shape there.

Jim Vollendroff: No, I do appreciate the conversation. I think these are important conversations for us to have. And this is the place where we get to have these kinds of conversations, I really appreciate it.

David Postman: Yeah, me too. I want to thank you both for that. Because, you know, as we always say, we don't get to sit and talk like this unless we're out in public. And I think this just shows we can have these conversations out in public, nobody gets hurt. So we should just do this more often and air stuff out. And it also is a chance for the three of us to hear from staff, you know, at the same time and all of that. So I'm really glad for the time and I'm sure we'll have other things on our mind, too. So tomorrow, we have a board meeting making up for last week's when we had to continue it for technical issues. We hope we'll have our sound problems ironed out, but we'll have a backup system available too. And I am confident we will be able to do that and get through tomorrow's business as well.

Meeting adjourned at 10:57 am.

Minutes approved this 15th day of January 2025



Jim Vollendroff
Board Chair



Ollie Garrett
Board Member

Minutes Prepared by: Deborah Soper, Administrative Assistant to the Board

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