



Board Caucus Meeting

Tuesday, September 27, 2022, 10:00am

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

Anita Bingham, HR Director
Audrey Vasek, Policy and Rules Coordinator

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.

HUMAN RESOURCES UPDATE

Anita Bingham began the quarterly Human Resources update with [Presentation 1](#).

Member Vollendroff: Anita can I ask a quick question? Going back to the slide on eligible employees for retirement. How do you define “eligible for retirement”?

Anita Bingham: It varies per plan, I actually had to reach out to Martha to get that number. It varies with what plan you are in, but we also know that we have a large amount of Enforcement Officers that have already retired from another law enforcement plan, so they basically could go at anytime. I think that was about 22 of those folks.

Member Vollendroff: Thank you.

Chair Postman: But Anita that, so it does not just mean, that is not a graph of people who are 65, necessarily, but of an age and years of service that under their retirement plan, they are eligible – Is that right?

Ms. Bingham: That is correct.

Chair Postman: Okay. Thank you. One last question, do you have a sense of how our “eligible to retire” population measures to statewide, within state government numbers? Do we have a particularly aging workforce within the LCB, or does it seem commensurate with state government as a whole?

Ms. Bingham: That is a good question. I could look into that. I do not really know off the top of my head, but that is something I can find out for you.

Chair Postman: I would be curious, and it also just raises the headline here – succession planning – and that might be a conversation for another day, but what do we do? How do we go about doing this, and do we have identified places where we do maybe have a particular concentration of retirement age people where we need to do something – but I would be interested in diving a little deeper into that piece at some point.

Ms. Bingham: Okay, sounds good. Most of the management team did take a succession planning class a couple years ago, and we did put a plan together, but I think it probably needs to be updated. I think things change, obviously, over the years in terms of people that have come and gone, but we did identify key positions and sort of who might be in place to be identified for those positions.

Chair Postman: Okay, great.

Member Vollendroff: Anita, it is possible that we could see a copy of the plan that was put together a couple of years ago, just to see what was in place then. I would love to see that.

Ms. Bingham: Okay. Sure.

Member Vollendroff: Thank you.

Ms. Bingham continued Presentation 1.

Chair Postman: Question there, looking at the Black or African American line, and I do not think I am tracking the number, so is what you were just talking about sort of higher as representative of the population. There, is the eligible number 4.8%? Is the measure – so of 4.8% of the population that is eligible were 3.3%?

Ms. Bingham: The “eligible” actually reflects the people that qualified for the position, so they were deemed eligible to move on.

Chair Postman: So, the numbers you are looking at was applied against hired?

Ms. Bingham: Yes, we had 147 applications. 6.1% of those is identified as Black and applied for our positions.

Chair Postman: Which, off the top of my head, I think might be close to the population statewide, but do we look at that and should we, so is that also part of the equation, so to speak, because it is possible that that the percentage of people who apply are less than that group represented statewide, and that could point other issues, if we are just not getting applicants from Hispanic or Latino, say.

Ms. Bingham: Yes, that is true, and that is something that Vipin (Tripathi) has picked up on, and he is doing some additional outreach when we see that we are just not getting applications in from those groups. So, Black I was showing at 3.8% of our [state] population is black, so we are actually doing pretty well for that one.

Chair Postman: I see. Is that number based on the most recent census?

Ms. Bingham: I will have to ask Vipin where he draws that percentage from; I am assuming it is from the most recent census.

Chair Postman: Okay, that strikes me as lower than I thought, but I would be curious where what numbers were using. Thanks.

Ms. Bingham continued Presentation 1.

Member Vollendroff: I have a quick comment more than anything. It is hard to tell, based on COVID, how some of these things are impacted, but specifically the tuition reimbursement and the wellness incentives and the use of those are two things that obviously stood out to me, and as a person who ended up getting their graduate degree based on tuition reimbursement, I really value that as an incentive in the workplace and a benefit that employees have. Then the Wellness Committee, I am really impressed with the work of the Wellness Committee, and it is an area where, I just want to put out there if there, if ever opportunity or value in Board participation in the Wellness Committee, that would be a committee that I would be interested in participating in in the future.

Ms. Bingham: Okay, great. Love to hear that. Well, that's it for me, thank you, and I appreciate the opportunity to be here.

Chair Postman: One last question for me – on overtime (OT), do we have a specific OT budget line agency wide? Does it go by department?

Ms. Bingham: I think it just included in our overall budget, so, we have to take into consideration that if we are going into overtime, how that is accounted for in our entire budget.

Chair Postman: Right. Okay, I do not see any other questions. Thank you, Anita. Talk to you soon.

BOARD MEETING PREP AND RULES UPDATE

Chair Postman: Okay, we have got two rule petitions to review that we will act on at tomorrow's Board meeting and Audrey Vasek, the Policy and Rules Coordinator on the alcohol side, will give us the rundown on both of those. Good morning, Audrey.

Audrey Vasek: Good morning, Chair Postman, Board members Garrett and Vollendroff. Thanks for the opportunity to be here. As Chair Postman stated, I will be presenting the staff recommendation on two rule petitions tomorrow. I will just briefly go over those today and save the longer presentation for tomorrow.

The first one is related to wine of the wineries' own production. The Board received this petition on August 1 from Josh McDonald on behalf of the Washington Wine Institute. This is the petition that requests the Board amend WAC 314-24-265 to allow Washington domestic wineries to sell any wine that they produce in Oregon at their Washington winery locations. In effect this petition is requesting that anyone that has a domestic winery that produces in Oregon, for example, through a contractual agreement with an Oregon winery, be considered wine of a domestic wineries' own production.

So, to understand this request itself, here is some background on the statutory framework for domestic wineries. Under the domestic winery license in RCW 66.24.170, domestic wineries are granted limited rights to act as retailers and distributors of wine of their own production. They are allowed to sell wine of their own production at retail on the winery premises, and at tasting room locations, that are required to obtain a separate retail license, for example, a restaurant license or retail specialty shop license, if they want to sell wine not have their own production at those same premises. So, while wine the wineries' own production is not defined in statute, the statutory framework for domestic wineries indicates that wine of wineries' own production must, with some limited exceptions, be produced within Washington state. The definition of domestic winery in statute is "a place where wines are manufactured or produced within the state of Washington" and similarly, the domestic winery license "allows for the manufacture of wine in Washington state, from grapes or other agricultural products." So, wine that is produced out of state is not generally considered wine of domestic wineries' and production, but there are some limited exceptions. For example, the winery license specifies wine produced in Washington state by domestic winery, that is then shipped out of state to be made into sparkling wine, then returned to the domestic winery for resale is deemed manufactured in the state and does not require a special license.

Our current rule and WAC 314-24-265, that is the subject of this petition, also recognizes another limited exception. If the number of conditions are met, the licensee has to receive approval from the Board, they have to hold both a Washington winery license and an Oregon winery license, and the underlying ownership of the two winery licenses has to be identical, and both the Oregon and Washington wineries have to manufacture wine within the same TTB authorized cross border appellation, and the appropriate wine taxes have to be paid. So, if all those criteria are met, then the winery can consider that wine to be wine of their own production, and sell it at their tasting room locations in their winery premises. That rule as it is currently drafted, represents the outer edge of the Board's authority under the existing statutory framework and expanding it as requested in this petition would conflict with what is authorized under the statutory framework.

Tomorrow, I will be recommending that the Board denied this rule petition. Before I get into the next one, I am happy to answer any questions.

Chair Postman: I do not see any. I will just say I appreciate the time you gave me to go through this yesterday, and I learned about the American viticultural areas, which is pretty interesting. Once I dug in, this one was kind of interesting. Thanks, we can move to the next one.

Ms. Vasek: Well, thank you for listening to that presentation. I will try to make this next one brief too.

The second petition is one the Board received on August 5, from Tim Churchill, on behalf of Hop Hop's Bottle Shop in Spokane. This petition requests the Board adopt a new rule to allow the sale of Washington craft beer at the Spokane airport through a secure age verified vending machine. In speaking with the petitioner, he explained that under this concept, the vending machine would sell beer for off premises consumption only, it would not be located in age restricted areas or have any employees monitoring it. It would rely on cloud-based internet technology to verify customers are of legal age and not intoxicated. The issue presented by this rule petition is whether the Board should initiate the rulemaking process to consider allowing the sale of beer through vending machines.

To give some background under the liquor license statutes, there are around 25 different types of retail liquor licenses available, each with different privileges and conditions, but none of those appear to be appropriate for a vending machine that sells beer for off premises consumption. In addition, a vending

machine is potentially a mobile structure that does not fit within our current statutory framework for liquor licensing. Under RCW 66.24.010, taken as a whole, indicates that liquor license premises need to have a built in with a fixed physical location, so a vending machine on its' own can be moved around, and as a result does not appear to sit within that framework for liquor licensing and would not be eligible. Additionally, there is a self-checkout register statute that allows retailers to use self-checkout registers to sell liquor. That is RCW 66.24.660, and it allows retailers to sell liquor through self-checkout registers if the register is programmed to halt the transaction during the purchase of liquor until an employee of the retailer intervenes and verifies the age of the purchaser by reviewing established forms of acceptable identification. As described in this petition, the self-checkout process would seem to eliminate any review of the liquor sale transaction by employees of the retailer, and that appears to conflict with that self-checkout register statute as well. There are also some public health and safety concerns that I described in more detail in the staff recommendation document, but I will not get into those today.

In conclusion, it appears this request would require statutory changes that can be made by the legislature or voters through the initiative process, but are beyond the Board's rulemaking authority. So, for the same reasons as the other petition, the Director's Office staff recommends denying this petition as well. Thanks for listening to that, and I am happy to answer any questions.

Chair Postman: Any questions?

Member Vollendroff: I have none.

Member Garrett: No, thank you.

Chair Postman: Okay, great. Thanks for those, and we will see you tomorrow for action on those two.

Ms. Vasek: Great, thank you.

AGENCY UPDATES

Chair Postman: That takes us to our – I should have said at the top – we have one small change in the agenda. We had Rick Garza on the agenda for an agency update at this point, but he is out sick today, and so we will put that off to another caucus. Then that takes us to any Board member reports, anything to share, members?

BOARD MEMBER AND EXECUTIVE ASSISTANT REPORTS

Member Vollendroff: I have couple of things.

Chair Postman: Sure.

Member Vollendroff: I just wanted to bring to everyone's attention, the research symposium that was held on September 16, at the University of Washington, on high-THC cannabis and legal regulated markets. It was recorded, and we had good representation from LCB staff at this event, but I would encourage folks who have time to look at the recordings and the agenda and see what recorded sessions might be of particular interest. I thought it was really good. So, just wanted to pass that along.

Then yesterday, I was invited to present at the Washington Recovery Alliance, and it was an overview of the Liquor and Cannabis Board, and opportunities for the recovery community to engage with the Liquor and Cannabis Board related to prevention in particular. It went really well, and I just wanted to pass that along to you and let you know that that occurred, and look for opportunities for the recovery community in particular to engage with us as a Board.

Chair Postman: That is great, thanks. Ollie, anything?

Member Garrett: No, I have nothing additional today.

Chair Postman: Okay, neither do I, Dustin?

Dustin Dickson: Nothing for me. Thank you, Chair.

Chair Postman: All right. Well, we will be back tomorrow morning at 10am for our Board meeting. So, until then, we will adjourn the caucus meeting for September 27, 2022. Thanks, everybody. See you tomorrow.

Meeting adjourned at 10:33am.

Minutes approved this 19th day of July, 2023.



David Postman
Board Chair



Ollie Garrett
Board Member



Jim Vollendroff
Board Member

Minutes Prepared by: Dustin Dickson, Executive Assistant to the Board