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STATE OF MICHIGAN
LIQUOR CONTROL COMMISSION
SEMI-ANNUAL PUBLIC HEARING

* * *

Proceedings had in the above-entitled case before Chairman Andrew Deloney and Commissioners Bradford Jacobson, Dennis Olshove and Teri Quimby, held at the Michigan Liquor Control Commission, 525 W. Allegan Street, Constitution Hall Building, Jacquelyn A. Stewart Hearing Room, Lansing, Michigan, on Wednesday, December 13, 2017.

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SPEAKER:

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IN ATTENDANCE:

- Charlie Cove, VP Operations, Dan Henry Distributing
- Nick Goebel, Great Lakes Wine & Spirits
- Brian Pizzuti, RNDC of Michigan
- Dave Puck, MLBA
- Amra Dzomba, Legislative Intern, Acuitas
- Don Nunn, Meijer
- J.R. Roskopp, Petitpren Inc.
- Brett Visner, MI Beer & Wine Wholesalers
- Kelly Ward, Sr. Compliance Specialist, Meijer
- Craig Wheeler, Meijer

STAFF IN ATTENDANCE:

- Lori DeClercq, Court Reporter
- Anita Fawcett, Commission Assistant
- Tom Hagan, Director, Enforcement Division
- Pamela Hamilton, Director, Finance Division
- Kelly Hunt, FOIA Coordinator
- Kerry Krone, Business Manager
- Liliana Paceagiu, Deputy Director, Finance Division
- Barb Subastian, Regional Supervisor, Enforcement Division
- Sara Weber, Manager, Licensing Division

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Lansing, Michigan

Wednesday, December 13, 2017 - 10:07 a.m.

CHAIRMAN DELONEY: We will call this meeting of the Liquor Control Commission to order. This is the second of our two Semi-Annual Public Hearings of 2017 as required in Section 215(2) of the Michigan Liquor Control Code. This hearing, per statutory requirement, is being held to provide a public forum for comments with respect to the Commission's administration of the Liquor Control Code. I am Andy Deloney. I am Chairman of the Commission. And I am joined currently by Commissioner Dennis Olshove and Commissioner Brad Jacobsen. Commissioner Ed Clemente, one of our Hearings Commissioners, is conducting hearings today outside of the city and is not present today. Commissioner Teri Quimby is in route. Like some people who might still plan to be here, she is in traffic because of the weather. She has given me a couple of updates and she is trying to get here as soon as she possibly can. I certainly know that when this hearing is concluded, she will be fully reviewing any comments that are left in the transcript. As I just said, there is a transcript. This hearing is being recorded by Lori DeClercq so when you come forward to speak, please state your name and any organization that you represent. This will be a great help to us, as well as to Lori DeClercq, as we make a record of this hearing.

1 And if there is anybody here who has specific
2 comments or questions regarding a specific business or a
3 specific matter, you may wish to speak with one of us or a
4 staff person personally at the conclusion of the hearing, but
5 of course, we will leave that to you.

6 So we have had several cards that have been
7 introduced and again, because of the inclement weather, it is
8 possible we will have some late-arriving folks, but we will
9 go ahead and get started. We will ask folks to make --
10 excuse me -- to limit their comments to three minutes. The
11 first card we have from a person indicating a desire to speak
12 is Richard Overton. Please come forward.

13 MR. OVERTON: I am Richard Overton. I represent
14 VFW Post 6248, Decatur, Michigan. I would like to point out
15 I am not representing the VFW nationally or the state,
16 although, they have an interest in my presence, here, today.
17 I am speaking from my experiences and my interests. My
18 question is direct in that I would ask the Commission -- and
19 it certainly would be legislatively -- to review the
20 restrictive nature of the veterans club licenses. We have
21 had 68 veterans clubs close in the last decade, mostly
22 because of the proliferation of casinos, which taps into
23 their revenue source. I would submit that we are federally
24 chartered veterans organizations who -- not to be dramatic --
25 make the rest of this all possible, yet we are, sort of, at

1 the back of the bus on restrictions; even on the membership
2 count, that type of thing. Our clubs are federally chartered
3 clubs that are required to promote patriotism; help veterans,
4 that type of thing. With these closings, it divides us more
5 and more from the community. These should be places where
6 even veterans on -- excuse me -- military people on leave
7 should be able to attend; people that donate to us; our
8 supporters should be able to come in. We are in a resort
9 area and, you know, it would be nice if people could come in
10 and see what a veteran's club is like; mingle with veterans.
11 As it stands now, the main source of income for many of these
12 organizations was Bingo and some other gamings and that has
13 been the reason that they have closed down. I would simply
14 ask if you could revisit the restrictive nature for veterans
15 clubs, it would be appreciated. I think we should be open to
16 the public a little bit more, somewhere in between a club and
17 a tavern license. We do pay taxes on our club. It's not
18 that we are totally non-profit. Some of the other things
19 that we do, like renting our hall are excluded, but I don't
20 think the State would suffer. I have talked to other
21 establishments in the area. They don't feel threatened by an
22 existence or an expansion of our clientele. We have a very
23 good relationship with the for-profit organizations in our
24 community. In fact, once in a while, their ice machine will
25 go down and they will come to us. People are not going to

1 radically leave commercial establishments to come to us, but
2 those that want to stop in, spend some time; a veteran -- you
3 know, a military person on leave that wants to bring friends
4 in, if we continue to become more and more divided from the
5 community because we are being legislatively handcuffed, I
6 think the community as a whole suffers.

7 So again, my request would be that you revisit the
8 restrictive nature of, specifically, the veterans club
9 licenses. I know the purpose of club licenses as a whole. I
10 would just ask that you take a look at how we operate and
11 perhaps, you can do something for us. It is not just my
12 opinion. It's been dramatic; 68 clubs closing down for lack
13 of revenue sources -- just in the State of Michigan -- is
14 rather dramatic. Thank you. So unless you have questions.

15 CHAIRMAN DELONEY: Thank you very much. I would
16 note, for the record, that Commissioner Quimby has joined the
17 meeting and Mr. Overton was our first speaker.

18 (Commissioner Quimby is present at 10:13 a.m.)

19 CHAIRMAN DELONEY: And of course, I informed the
20 audience that because of the inclement weather and the
21 traffic, that you were running a little behind.

22 COMMISSIONER QUIMBY: Mr. Chairman, I spent a lot
23 of time thinking why we can't have these in May and November.

24 CHAIRMAN DELONEY: Good point, Commissioner Quimby;
25 that's something to think about. With regard to

1 Mr. Overton's comments and questions, one thing I do want to
2 point out because this is an issue that has generated some
3 media attention in the last couple of months. This is
4 because the restrictions on club licenses are set in state
5 law. This is not Commission policy. This is not Commission
6 rules. The Commission is duty bound to enforce the law of
7 the State as it is written. And for a lot of reasons, when
8 many decades ago, the Legislature created these club licenses
9 for non-profit, private membership, membership-driven clubs,
10 the Legislature, for whatever reasons they chose to do so,
11 enacted several restrictions as to who is eligible for these
12 licenses, as well as several restrictions as to how these
13 licenses can be used.

14 As with the situation with a lot of our enforcement
15 action, a lot of our enforcement investigations begin when we
16 receive a complaint from somebody in the public. And it is
17 safe to say -- and I know from past experience -- that there
18 have been complaints that come in from -- whether they are
19 people in the public or people who view themselves as
20 competitors -- somebody who they view is violating a statute
21 of some sort. So our investigators will go in and will react
22 to a complaint and if they see indicators that the licensee
23 is violating the statute, they are duty bound to enforce the
24 law. So with the legislation that has been just recently
25 passed by a Senate Committee, I would say that I have spoken

1 in support of that legislation, but again, we are reacting to
2 what State law says. We do not write State law. We have to
3 enforce what State law says and that is why there has been
4 some recent attention to some of these issues. If the
5 Legislature changes the statutory provisions, we will enforce
6 what the Legislature enacts. So I just wanted to make that
7 clear that any sort of enforcement action by the Commission
8 on a club licensee, is based on whether or not they are
9 violating what state law says, as enacted by the Legislature.
10 These -- like I said, these provisions go back many decades.
11 For whatever reason, the Legislature passed them and they
12 remain to this day. If the Legislature wants to change
13 those, that is the Legislature's obligation to do so.

14 Next person indicating a desire to speak is Steve
15 Ormond.

16 MR. ORMOND: Good morning, Mr. Chairman,
17 Commissioners. My name is Steve Ormond -- excuse me -- with
18 the Clark Hill Law Firm. We represent 7-Eleven and a number
19 of other clients in various regulatory matters in the State
20 of Michigan and my purpose in speaking today is to compliment
21 the Commission on its continued attention and diligence and
22 persistence in implementing the regulatory reform initiatives
23 that were proposed a number of years ago. Most of these fall
24 within regulatory activities that can be accomplished without
25 additional legislation. I can tell you -- and I have said

1 this before -- that we find these initiatives to be very,
2 very helpful for our clients in doing business in Michigan
3 within the statutory framework and we also appreciate that
4 the Commission and its staff are dedicated to enforcing the
5 law as it is written and we see that this two-pronged
6 approach, careful enforcement of the law, and at the same
7 time, looking for good ways to make Michigan an attractive
8 place to do business for our clients, both of those prongs
9 are very important and you are doing a good job.

10 I also want to compliment the staff because we are
11 finding that the staff are looking for lawful and helpful
12 ways to help our clients do business in Michigan. And I just
13 wanted to express our appreciation and our hope and
14 expectation that the Commission will continue down the same
15 path. Thank you very much.

16 CHAIRMAN DELONEY: Thank you. Next is Janine
17 Kravetz.

18 MS. KRAVETZ: Good morning. My name is Janine
19 Kravetz. I am here representing Communities Addressing
20 Alcohol Problems Together. I am an adult advisor for this
21 group of students from John Glenn High School in Bay City.
22 In speaking with high school students about the potential of
23 having alcohol served at fast food restaurants, particularly,
24 it's been a topic with Taco Bell and I understand from
25 reading online that some Taco Bells have already opened in

1 other cities, in other communities; that their concern is
2 that this can prevent them from having the opportunity to
3 have jobs and earn money for things that high school students
4 earn money for; whether it is college, getting a car, buying
5 a prom dress. And they would like to continue to have these
6 opportunities to have jobs because if they serve alcohol,
7 then 16 or 17-year olds would not be able to have these types
8 of jobs.

9 They also have concerns about employees that in
10 fast food restaurants, it is frequently reported by people
11 who work there that they are often mistreated by customers,
12 having food thrown at them or spit on them and that if
13 alcohol is served at these restaurants, that this could
14 increase this type of behavior. And they also are concerned,
15 too, about just having a place to go with high school kids to
16 eat; that a lot of these places cater to families and that it
17 would be a better environment just to not have alcohol there.
18 So I hope that you will hear these concerns. Thank you.

19 CHAIRMAN DELONEY: Thank you. Next is Mike Tobias.

20 MR. TOBIAS: Good morning, Chairman Deloney and
21 Commissioners Quimby, Olshove and Jacobsen. I am Mike Tobias
22 representing the Michigan Coalition to Reduce Underage
23 Drinking. I appreciate all the work that you guys do and the
24 staff does for Michigan. Whenever I have questions or
25 concerns, you or the staff is very helpful and informative

1 and I appreciate that and periodically, I will reach out to
2 Chairman Deloney or Commissioner Olshove and you have always
3 taken time to sit down and meet with us and we appreciate
4 that.

5 I am disappointed about the recission of the
6 half-mile rule. It was my understanding that many, many
7 people testified in support of that rule and it seems like it
8 was kind of falling on deaf ears, I guess. We are
9 disappointed about that.

10 I am also concerned -- I am not -- I don't believe
11 the Commission has done a good job of, kind of, balancing
12 commercial alcohol interests with public health and safety.
13 So I hope that we can continue to work on that, as well.
14 Specifically, it probably comes as no surprise, but I do have
15 a concern that in some areas of the state there are still
16 certainly enough licenses or maybe too many licenses and in
17 those areas, I hope that maybe the Commission can work in the
18 coming year to look at what can possibly be done to reduce,
19 kind of, the outlets in the area. I don't know if it's a
20 moratorium or what the solution might be, but it just seems
21 like there is still a push to give out more licenses. And
22 again, I don't think some areas need that, necessarily.
23 Perhaps, the Commission can form a work group to look at the
24 issues, study it and try to come up with some creative
25 solutions.

1 I also want to mention we are fortunate in
2 Michigan. We have a couple of great resources in Michigan.
3 A lady named Dr. Debra Furr-Holden who comes by John Hopkins
4 University --

5 CHAIRMAN DELONEY: I am sorry. Could you spell her
6 name?

7 MR. TOBIAS: F-u-r-r--H-o-l-d-e-n -- Dr. Debra
8 Furr-Holden. She's working -- I believe she works for
9 Michigan State University out of Flint, Michigan, now. And
10 one of her areas that she really looks at is the relationship
11 between alcohol outlets and violence. And she's done some
12 great work in the City of Baltimore and now she's continuing
13 to do some of that work in Michigan. So I hope that in the
14 coming year, perhaps, the Commission can look at some of the
15 research that she has been working on to see if that might be
16 helpful to you guys when you make some of the decisions that
17 you make.

18 We also have an alcohol epidemiologist, whose name
19 is Patrick Hindman and he works for the Michigan Department
20 of Health and Human Services. I believe he's a fellow with
21 the CDC, Center for Disease Control, but he is also working
22 in Michigan and looking at some of the -- I believe, he is
23 updating, maybe, the excessive alcohol consumption, the cost
24 of excessive alcohol consumption in Michigan is one thing.
25 They had put out a report in 2010 that it was costing

1 everybody in Michigan -- the alcohol was costing the citizens
2 of Michigan over \$800 per person. So he is looking at
3 updating that cost or that study.

4 There is also an Alcohol Policy 18 Conference in
5 Washington, D.C. in, I think, the first week in April. It is
6 a very -- in my opinion, it is great and it is an excellent
7 conference -- the research -- the latest research on alcohol
8 issues and, kind of, policy solutions and it would be great
9 if some of you or maybe your staff could get there to listen
10 to what they have to offer. Thank you for your attention.
11 If you have any questions, I will try to answer them. I hope
12 everybody has a safe and happy holiday. Thanks.

13 CHAIRMAN DELONEY: Thank you, Mike. With regard to
14 the Alcohol Policy Conference through the National Alcohol
15 Beverage Control Association, we have been made aware of that
16 and notified of our ability to send a representative or two
17 to that; that is something that is currently in my inbox and
18 I will be taking a look at. Commissioner Quimby?

19 COMMISSIONER QUIMBY: Thank you. Mike, I had a
20 specific question for you. You had a statement that was a
21 little bit more generalized in terms of the Commission and
22 not necessarily addressing health, safety and welfare
23 concerns. Could you give me just a generalization of, at
24 least, one specific example of what you are talking about?

25 MR. TOBIAS: About -- I am sorry. Say that again,

1 Teri?

2 COMMISSIONER QUIMBY: About the health, safety,
3 welfare issues, you said we are not doing a good enough job
4 in that regard. Instead of just a generalized statement,
5 could you just give me one specific detail?

6 MR. TOBIAS: Right. The half-mile rule. In
7 addition to the half-mile rule, I would say, again, maybe my
8 understanding of local -- there may be local ordinances, as
9 an example, prohibiting gas stations from getting liquor
10 licenses. So the wishes aren't to have anymore liquor
11 licenses, but the Commission seems to -- I don't know what
12 the right word would be -- doesn't seem to take into account
13 the local concerns from what I am hearing. I don't know if
14 that --

15 COMMISSIONER QUIMBY: As a former local official, I
16 will say that, certainly, ordinances have their place,
17 however, they can't circumvent state law.

18 MR. TOBIAS: Right.

19 COMMISSIONER QUIMBY: I believe -- and I will leave
20 my comment at that.

21 MR. TOBIAS: I am not a lawyer, but I guess I
22 disagree. I think there's -- past practices have done things
23 differently. Again, I am not a lawyer. I am just hearing
24 what I am hearing from the local communities and some of the
25 local lawmakers can testify to that, as well, about local

1 communities having ordinances in place to prohibit the number
2 of licenses. And again, it's a difference in conflict with
3 the rules of state law. So maybe I am mistaken, but I guess
4 there is some conflict between that.

5 COMMISSIONER QUIMBY: I would be happy to talk
6 further with you.

7 MR. TOBIAS: Yeah. I appreciate that.

8 COMMISSIONER QUIMBY: Thank you.

9 MR. TOBIAS: Thanks.

10 CHAIRMAN DELONEY: Next is Marie Hansen.

11 MS. HANSEN: Good morning. I am Marie Hansen from
12 Michigan Alcohol Policy Promoting Health and Safety. And
13 this may seem sort of like the same song -- I don't know --
14 fifth verse, but we are concerned about outlet density and I
15 have been thinking about this and I think some of what is
16 giving -- really increasing the availability of alcohol, has
17 to do with the small distilleries, the craft breweries and
18 not so much the wineries. But I live in, actually, Lansing
19 and so just from my perspective, between the beer and wine
20 outlets that are now able to sell liquor and the
21 proliferation of brew pubs downtown, there is just, really,
22 an increased amount of availability and the problems that go
23 with it. We do know that harm is closely related to alcohol
24 availability and where there is outlet density, you have more
25 harm and that is both harm from property, but also harm to

1 people and so we are hoping that you will look at this and
2 sort of reconsider what seems to be your position of mostly
3 looking at how you can advance the industry and increase the
4 sale of alcohol and pay more attention to harm that comes
5 from it and if we could, kind of, put a stop on this and I
6 look at what is going on in Traverse City and kind of
7 followed that. I look at, you know, Grand Rapids, the beer
8 city. I don't know how they are doing, but they certainly
9 had their problems in the past with some of their outlets and
10 it seems like we need to, maybe, have a moratorium or at
11 least a pull back on the number of licenses and some of it
12 may be special events licenses, daytime licenses, but you
13 should be the best people to evaluate that and really be able
14 to say how are we doing in Michigan, a control state, on
15 outlet density? Thank you for any attention you could give
16 to this.

17 CHAIRMAN DELONEY: Thank you. Next is Mike Brown.

18 MR. BROWN: Thank you, Commissioners, for the
19 opportunity to speak today. Michael Brown from the law firm
20 of Carlin Edwards Brown. And today I want to particularly
21 emphasize the Carlin part of that because I intend to use my
22 time today on this public record to announce the retirement
23 of my partner, John Carlin, after 52 years of practice in the
24 State of Michigan. And also to recognize John's many
25 accomplishments over those 52 years. A career, really, that

1 will, I suspect, never be duplicated in the liquor licensing
2 field. I asked John to be here today as part of this, but of
3 course, he is much too humble to stand here and be publicly
4 recognized. So I told him I was going to do it anyway
5 because knowing this is going to be on a permanent record, I
6 wanted there to be some notation of John's career.

7 As I said, he practiced for 52 years; most of those
8 as a partner with the Plunkett and Cooney Law Firm, but for
9 the last 11 years, with our firm, with Scott Edwards and
10 myself. And in that time, John has represented many of the
11 national chain restaurants that are now in Michigan. His
12 reputation and his ability to get things done was
13 instrumental in many of those chains coming to Michigan
14 originally.

15 He has also represented and has been counsel to all
16 of Michigan's major sports venues -- many of its hotel chains
17 and many of its local units of government over those years.
18 But perhaps his greatest joy, if you talk to John, would be
19 the fact that he represented literally hundreds of
20 family-owned restaurants, family-owned bars, stores, and the
21 opportunity that that provided for all of those families to
22 realize their dream of owning and operating a family
23 business, that was where John real shined in making sure that
24 those people got a license if they were entitled to one.

25 John also served for many years on the Boards of

1 Directors of many non-profit organizations, including
2 hospitals and other local charities and served for many years
3 on the Board of Michigan Restaurant Association for which he
4 is now recognized as an emeritus board member in perpetuity.
5 I have had many interesting parts of my career, as well, but
6 I will tell you the best part of it has been my affiliation
7 with John Carlin. Thank you.

8 CHAIRMAN DELONEY: Thank you, Mike. I will just
9 echo your comments regarding John. I have had the
10 opportunity -- I know all of us have had the opportunity to
11 know and work with John. I have had the opportunity to know
12 and work with John longer from my previous life and I can't
13 tell you what -- how helpful his experience and expertise has
14 been, particularly when it had nothing to do with a client
15 that he had; just to talk about an issue; sometimes they say
16 in this business, to help you understand where the bodies are
17 buried; where the traps are; where the things are that are
18 going to trip you up and John certainly has had a lot of
19 experience in that. I think you were here in front of us --
20 it was either last year or the year prior to that at the
21 Semi-Annual Public Hearing and made reference to he had
22 passed a milestone with how many years he had been doing the
23 work that he has done and I made a joke about how the number
24 of years that he had been doing this was older than I was.
25 While we were joking about that, certainly, at the time, it

1 certainly is a testament to the work he has done and the fact
2 that he has been able to stick around in this business, doing
3 it as long as he has. It surely is a testament to him and
4 also to his partners and to his clients. So you have a lot
5 to do with that, as well. Commissioner Quimby?

6 COMMISSIONER QUIMBY: Thank you, Mr. Chairman. A
7 few weeks ago I had the privilege and honor of chairing the
8 last hearing Mr. Carlin had coming before the Commission and
9 we will miss him and even with the most difficult cases where
10 the Commission didn't necessarily say yes to begin with, he
11 would always conduct himself in such a professional manner,
12 with a smile on his face and as you already said, there was
13 so much to learn from him. So please wish him well.

14 CHAIRMAN DELONEY: We have other cards from folks
15 who are here who wish to be recognized on the record, but do
16 not wish to speak. First, we have Nick Goebel, Great Lakes
17 Wine & Spirits.

18 MR. GOEBEL: Good morning.

19 CHAIRMAN DELONEY: Dave Puck, Michigan Licensed
20 Beverage Association. Amra Dzomba from Acuitas -- I hope I
21 am pronouncing that correctly; J.R. Roskopp, Petitpren, Inc.;
22 Charlie Cove, Dan Henry Distributing; Brian Pizzuti, Republic
23 National Distributing Company of Michigan; Brett Visner,
24 Michigan Beer & Wine Wholesalers Association.

25 MR. VISNER: Good morning.

1 CHAIRMAN DELONEY: Kelly Ward with Meijer.

2 MS. WARD: Good morning.

3 CHAIRMAN DELONEY: Craig Wheeler with Meijer and of
4 course, Don Nunn with Meijer.

5 Don, you have indicated a desire to not speak; that
6 is too bad. I am going to speak about you, then, because you
7 have -- you were gracious and kind enough to let us know
8 recently that you, too, are going to be hanging it up, so to
9 speak, and pursuing on to the next chapter and I just wanted
10 to tell you that even before I started doing this, when I was
11 coming to these meetings and hearings, you were always a
12 presence here. You were always a consistent and stalwart
13 representative of Meijer. Whether it was a licensing issue,
14 a policy issue, whatever the issue was, you were always
15 there. You could always be counted on. And certainly, we
16 saw that after we came here and began taking these seats.

17 So I wanted to say thank you for all the
18 representation you have done, whether we agreed or disagreed
19 on the issue, but again, you were always there. You were
20 always there with helpful and productive commentary, answers
21 to our questions and asked us a lot of questions. So I want
22 to thank you for that and I want to wish you the very best of
23 luck as you pursue writing the next chapter of your story.
24 So thank you and best of luck.

25 MR. NUNN: Maybe I will speak; how's that? I

1 wasn't planning on it. I should take this because I may not
2 get back down again. For those of you who don't know me, I
3 am Don Nunn. I am with Meijer. I've been with Meijer for
4 over 28 years, doing the licensing and handling the alcohol.
5 It has been quite an experience -- a lot of troubles, a lot
6 of problems and concerns, but I think I have had more fun
7 than anybody could ever hope to in a job. The Commission is
8 like a second home to me, I think. It has changed a lot over
9 the years -- the staff, you know, the different
10 Commissioners. You've always been enjoyable to work with.
11 This Commission, particularly, not just because you are here,
12 but it's been my opinion, is one of the best I have seen and
13 worked with in the 28 years I have been coming down here.
14 But it is probably time to go. There's a lot of people here
15 that are leaving so it's changing tremendously and other
16 states -- I had five states all together at one time and
17 Michigan is one of the few where there's people left that
18 I've actually dealt with personally and worked with. They've
19 all seemed to have gotten older and retired. I appreciate
20 everything with the Commission; with you folks; with the
21 staff. You have made it the enjoyable job that it has been.
22 So thank you.

23 CHAIRMAN DELONEY: Thank you. Commissioner
24 Olshove?

25 COMMISSIONER OLSHOVE: Was it more fun 28 years ago

1 or is it more fun now?

2 MR. NUNN: It was different. I was a member -- I
3 attended the last big semi-annual public hearing that was
4 held off-site and that was a lot of fun, but it is probably
5 better that we don't do those anymore. But it has changed a
6 lot, but yeah, if it had not been fun all the way through, I
7 would have gotten out of it. It's been fun right up til the
8 end. I have really, really enjoyed this Commission.

9 CHAIRMAN DELONEY: Commissioner Quimby?

10 COMMISSIONER QUIMBY: Thank you, Mr. Chairman.
11 Don, I am so glad you came today. We will miss you. We wish
12 you well. We wish you well in your future endeavors and you
13 have been a consistent attendee at our business meetings, as
14 well as representing Meijer for all of the licensing and
15 other needs. You worked well with so many of our staff
16 people and from the beginning of the process, I can't
17 remember any issues, I don't think, of a big problem brought
18 to our attention because you were so diligent right from the
19 beginning of a request that there never really was a big
20 problem for us to deal with. And Meijer is looked at a lot
21 and I mention Meijer a lot for being a responsible retailer.
22 Because I think that Meijer is still our largest spirits
23 purchaser in Michigan; such a low incident rate of things
24 going wrong with sales to minors or sales to intoxicated
25 individuals, etc., because of the great programs that are in

1 place there.

2 So thank you for everything that you have done and,
3 again, we will miss you.

4 MR. NUNN: Thank you.

5 CHAIRMAN DELONEY: Commissioner Quimby, you make a
6 really good point because I was asked to make a comment about
7 responsible retailing recently in a conversation that you and
8 I had and unfortunately, from time to time, this Commission
9 has to have penalty hearings where a licensee has three or
10 more sales to minors or sales to intoxicated persons within a
11 24-month period and of course, Commissioner Jacobsen has to
12 conduct the hearings for licensees who are alleged to have
13 made a sale of alcohol to a minor or to an intoxicated
14 person. When we have our penalty hearings, sometimes
15 licensees will come in and essentially will give us excuses
16 as to why these sales take place because, you know, they are
17 busy or they get distracted or, you know, it was the holidays
18 and they had a busier line of customers than usual and it has
19 not been once or twice -- it has probably been a dozen or so
20 times where one of us will say on the record in these
21 hearings, well, look at companies like Meijer. Hundreds of
22 stores, millions of dollars in sales and yet, here, in the
23 State of Michigan, I don't need any fingers to count how many
24 sales of alcohol to minor or sales of alcohol to intoxicated
25 individuals take place. Some people will say, well, it is a

1 different type of store than a party store; garbage. Yes,
2 there is a lot of differences, but there's also a lot of
3 similarities. You guys don't have your stuff behind the
4 counter. You have your stuff in the aisles. While there are
5 legitimate arguments to be made about whether or not that is
6 an appropriate public policy -- public health thing to do,
7 the fact that you show, essentially, zero statewide for years
8 of sales to minors and sales to intoxicated persons, is a
9 testament to the company you work at and you and others have
10 done to make sure that is the case and we have been proud to
11 hold that up as an example for others to follow; that it can
12 be done. You can be successful in selling alcohol without
13 having violations.

14 So those are all the cards that we have. I don't
15 think there is anybody who has come in late who has submitted
16 a card. Before we conclude, I just want to make a couple of
17 comments. When I got here, Commissioner Quimby came in, I
18 think, a week after I did and of course, about a year, maybe
19 not even a year after that, Commissioner Olshove came in.
20 One thing I can tell you is that in my experience -- and this
21 is not a statement about the staff team here. To put it
22 simply, the Commission was not exactly known as far as
23 administrative agencies were considered, to be stalwart about
24 their hearings to what their authority was and there is a lot
25 of, unfortunately, very costly examples of that. Not the

1 smallest, and certainly not, perhaps, the most recent,
2 though, was the famous Flying Dog Brewery case. Every day we
3 hear that we are too strict and at the same time, we are not
4 doing enough. We have an obligation to follow what it says
5 in Article 4, Section 40 of the Michigan Constitution, which
6 is that we are limited to the authority we are given and
7 limited to the authority granted to us in statute, as passed
8 by the Legislature. Nothing could be as infuriating or
9 frustrating than when you would have a diverse coalition of
10 stakeholders come to the table, work with legislators to pass
11 a legislative reform, have it signed into law, only to have
12 that executive branch agency, whatever that agency may be, to
13 essentially crumble it up and throw it in the garbage and
14 say, yeah, we know that is what the law says, but this is how
15 we are going to do it. Not only is it frustrating, it's, in
16 my opinion, it is very much improper. So we know there have
17 been a lot of folks who have expressed some frustration at
18 the way we would interpret the statute or the rule or the way
19 that we would do things was not the same as the way it has
20 been done for years. In some cases, that was a good thing
21 and in some cases, that was a bad thing. The discussion
22 regarding local government issues, of course, is one that
23 comes up from time to time. We have been both accused of
24 ignoring local governments and then being too responsive to
25 local governments. It has become clear to us and it became

1 clear to me early on, there are many local governments that,
2 essentially, want us to do their job for them. They have an
3 ordinance. They want us to enforce it. There are 1,700
4 local units of government in this state. We cannot possibly
5 be responsible for enforcing their ordinances for them. We
6 have got a small, yet dedicated team of enforcement agents
7 who are dedicated to enforcing what the State law and the
8 State rules say. If there are local ordinances -- and again,
9 as Commissioner Quimby has stated being a former local
10 official -- they are limited as to what their authority is
11 and whether or not there are ordinances that are actually
12 valid under state law. But we are required to consider local
13 opinions when we consider licenses and we do that and our
14 orders show that.

15 With regard to things such as moratoriums or
16 putting limits, again, that is subject to legislative
17 approval. We do not have the authority, in my opinion, to
18 simply state -- where the Legislature has explicitly
19 authorized the issuance of licenses -- to say, no, we are not
20 going to because we don't think we should. And it seems
21 clear that the trend of the Legislature, generally speaking,
22 over the last several years, has been to become more
23 permissive with regard to the issuance of licenses. We hear
24 about, you know, gas stations. There are people in the
25 industry; there are other people that don't like the fact

1 that there are more and more gas stations that have beer and
2 wine. The Legislature specifically and explicitly spoke on
3 this not even a year ago. That was combined, for the first
4 time, with a cap on beer and wine retail licenses. We are
5 limited by what the Constitution tells us we can do and by
6 what the statute tells us we can do. If the Legislature
7 wishes to weigh in on these issues, that is their
8 prerogative. We will comment when we can. I always try to
9 make it a point when it comes to things such as increasing
10 activity, whether it is licensing or expanding the ability
11 for licensees to do certain things with their licenses, I
12 always try to make sure that we provide balanced information
13 for an educated decision, but of course, the decision is
14 ultimately theirs when it comes to allowing for more
15 licenses. So there have been times where it is frustrating
16 making sure that we are sticking to what the statute allows
17 and disallows, but that is our job and we will continue to do
18 so. If people want to say that they don't like a certain
19 law, that is fine to do so, but we are not the ones to speak
20 to about that. It is the Legislature.

21 So with that, I will get off my soap box and I do
22 want and I will take this time to extend the very best
23 holiday wishes to all of you, to your families, to the people
24 you work with, whether you are an industry or work with a
25 public health organization, I wish you a very successful and

1 healthy and happy 2018.

2 Any comments that my fellow Commissioners wish to
3 make? Commissioner Olshove?

4 COMMISSIONER OLSHOVE: First of all, I would like
5 to wish you all a happy, safe holiday. I have heard over the
6 years that prior Commissions required or asked people to sing
7 Christmas carols during the meetings. Is that true? Anybody
8 here do that?

9 MR. NUNN: Never heard that one.

10 COMMISSIONER OLSHOVE: I am not going to ask
11 anybody to do that.

12 MR. ORMOND: It is true.

13 CHAIRMAN OLSHOVE: But I would ask you all in the
14 audience to take time to turn around and look at the folks in
15 the back of the room. Those are the folks back there, our
16 staff and the staff upstairs, that make things work here. I
17 mean, Commissioners can be this; Commissioners can be that,
18 but we are only as good as our staff so I thank them and you
19 should thank them.

20 CHAIRMAN DELONEY: Well said, Commissioner Olshove;
21 well said. Commissioner Jacobsen?

22 COMMISSIONER JACOBSEN: Thank you. I am finishing
23 up my first nine months here. I started back in June, after
24 the appointment from the Governor and I have had the
25 opportunity to work with Mr. Brown and Mr. Carlin on the

1 other side of the table from me during hearings -- violation
2 hearings -- and found them to be honorable and sources of
3 information when we are not talking about their case. I
4 would also like to echo Dennis' comments about the staff
5 here. For coming in, knowing virtually nothing about liquor
6 law, but being a long time small business owner and former
7 legislator, they have been a wealth of information and always
8 willing to provide any information I might ask for so thank
9 you very much for all of you bringing me in and helping my
10 transition into this position, which I find fascinating and
11 enjoyable, if that is possible. I always wonder if the -- at
12 the end of my hearings, I thank the licensee for being there
13 and I said the other day, it sounds funny thanking them for
14 being here at a violation hearing, but it has been an
15 enjoyable nine months and I am looking forward to more years
16 to come. Thank you, all.

17 CHAIRMAN DELONEY: Commissioner Quimby?

18 COMMISSIONER QUIMBY: Thank you, Mr. Chairman.
19 First of all, thank you for everybody that took time out of
20 their schedules, especially on such a wintery day to drive in
21 from wherever you came in from today.

22 In regard to the comment that Mr. Ormond made
23 earlier regarding staff, one of the first thoughts I think we
24 had, Mr. Chairman, was an impression that staff really wanted
25 to deliver a high level of customer service to people who

1 walked in, phoned in, emailed in and from the six-and-a-half
2 years that we have been here, it has been great to see how
3 much staff is constantly looking at what they are doing; why
4 they are doing it and proposing a lot of changes to us and it
5 has just been great. So everybody has a part in this -- I
6 don't want to call it system -- but everything to do with
7 alcoholic beverages, whether you make it; you distribute it;
8 you sell it, or any other interest, everybody has their part.
9 When all the parts work together, then the system works well
10 as a whole. So thank you to everybody.

11 CHAIRMAN DELONEY: You know, to echo the comments
12 from all three of you regarding our staff team, I know that
13 of the five Commissioners, four of us were formerly in a
14 position where we advised policy makers and of course, Brad,
15 I don't think you were ever on a staff role, but you know,
16 Commissioner Clemente, he was; Commissioner Olshove, you were
17 and Commissioner Quimby, you were and of course, I was. And
18 one of the things that we all knew was that it was our job to
19 make sure that the policy maker -- the decision maker -- had
20 the information they needed to make an informed decision;
21 that whatever that decision was that the policy maker made,
22 whether it was a vote on a bill in the Legislature or, you
23 know, a vote to approve a license or a vote on a declaratory
24 ruling or what have you, here, it was the job of the staff to
25 make sure that they had information to make the informed

1 decision. And at the end of the day, if they agreed with
2 that decision or not, they know they could go home and say I
3 did my job. It is the boss' obligation to be accountable for
4 the decisions they made. And that is one of the things that
5 I enjoy the most, whether it is a licensing meeting or
6 another meeting, when we have got staff around the table who
7 know that they can say, there is something here that I think
8 you need to be aware of; to make sure that we have all the
9 information; to make sure that we have facts that we can base
10 our decisions on and that is critically important to what we
11 do. If it is approving a license; if it is denying a
12 license; if it is issuing a declaratory ruling or doing an
13 administrative order, making sure that we have the facts to
14 make the decisions is the most important thing and that is
15 what our staff does for us each and every single day and I
16 can't echo my fellow commissioners' comments enough. So
17 thank you for that.

18 So with that, that is all the comments that we have
19 for this Semi-Annual Public Hearing. At this time, I will
20 entertain a Motion to Adjourn.

21 COMMISSION JACOBSEN: So moved.

22 COMMISSIONER QUIMBY: Support.

23 CHAIRMAN DELONEY: Moved by Commissioner Jacobsen;
24 supported by Commissioner Quimby. Is there any further
25 discussion? Hearing none, all in favor will indicate by

1 saying aye.

2 COMMISSIONER QUIMBY: Aye.

3 COMMISSIONER OLSHOVE: Aye.

4 COMMISSIONER JACOBSEN: Aye.

5 CHAIRMAN DELONEY: Aye. The ayes have it. We are
6 adjourned.

7 (Hearing concluded at about 10:54 a.m.)

8 * * *

9 I HEREBY CERTIFY that I reported stenographically,
10 the foregoing testimony and proceedings on the date and place
11 hereinbefore set forth; that the same was later reduced to
12 typewritten form, and that the foregoing is a true, full and
13 correct transcript of my stenographic notes so taken.

14

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Lori K. DeClercq, CSR-3053

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Dated: February 8, 2018

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