



BUSINESS MEETING OF THE
MICHIGAN LIQUOR CONTROL COMMISSION

Held: Wednesday, March 11, 2020
Lansing District Office
525 W Allegan
Lansing MI 48933

Present: Pat Gagliardi, Chair
Dennis Olshove, Commissioner
Geraldyn Lasher, Commissioner

Absent: None

Staff: Kerry Krone, Business Manager
Pam Hamilton, Director of Finance Division
Julie Wendt, Director of Executive Services
Tom Hagan, Director of Enforcement Division
David Marvin, State Manager, Licensing Division
Jeannie Vogel, Public Information Officer
Anita Fawcett, Administrative Assistant

The meeting was called to order by Chair Gagliardi at 10:44 a.m., noting a quorum was present.

I. Moved by Commissioner Olshove, supported by Commissioner Lasher that the minutes of the Commission meeting of February 7, 2020, be approved as written and presented, motion carried by unanimous vote.

II. Ms. Hamilton presented the E-Quote report for product listings in three categories (see attached report) and requested approval of the following:

That 12 new items with case size exceptions be approved for listing with an effective date of March 29, 2020; and that 11 new items with case size exceptions be approved for listing with an effective date of May 3, 2020; and

That 22 regular new items be approved for listing with an effective date of March 29, 2020; and

That 12 new items with special packaging be approved for listing with an effective date of March 29, 2020.

After discussion, the following nine (9) products were denied as the shelf price was too low:

D'Still, LLC	375ml Motor City Gas Dog Hse Rye	24 Bottles/case
	750ml Motor City Gas Dog Hse Rye	12 Bottles/case
	375ml Motor City Gas Swtpnts	24 Bottles/case
	750ml Motor City Gas Swtpnts	12 Bottles/case
	750ml Motor City Gas Cellarman	12 Bottles/case
Journeyman Distillery	200ml Journeyman Field Gin	48 Bottles/case
	200ml Journeyman Field Rye Wsky	48 Bottles/case
	200ml Journeyman Field Vodka	48 Bottles/case
Sazerac Co. Inc.	50ml Rich & Rare Apple PL	120 Bottles/case

After discussion, the following five (5) codes were held in abeyance:

Atlas Distilling Company	375ml Alveri Mill Sngl Barrel BBN	12 Bottles/case
	375ml Alveri Mill Sngl Barrel Rye	12 Bottles/case
Bacardi U.S.A., Inc.	200ml Bacardi Black Rum	24 Bottles/case
	200ml Bacardi Gold (PR) Rum	24 Bottles/case
	200ml Bacardi Superior (PR) Rum	24 Bottles/case

Moved by Commissioner Olshove, supported by Commissioner Lasher that the request for 33 products to be approved, in accordance with the E-Quote report dated March 2, 2020, be approved as written and presented; motion carried by unanimous vote.

- III. Ms. Hamilton presented licensee requests for special price reductions on spirit products in accordance with the provisions of the Commission's Order of September 11, 2012 regarding special price reductions on spirit products, which was effective on January 1, 2013. She advised there were seventy seven (77) different licensees requesting price reductions; that 543 product price reductions could be approved; and that 0 product price reductions to be denied.

Moved by Commissioner Olshove, supported by Commissioner Lasher that the 543 special price reductions be approved as indicated on the attached Approval for Price Reduction on Liquor reports, motion carried by unanimous vote.

IV. Old Business.

There was no Old Business.

V. New Business.

Ms. Krone advised since the last meeting in February, we had received 26 new email complaints and 21 telephone call complaints. She stated all the complaints are that either no one can be reached at RNDC or no one will return their call, out of stock items, delivery, pick up of orders by licensees and delivery of items not ordered.

Ms. Hamilton stated that RNDC still has unreconciled invoices amounting to \$23.5 million since the last meeting, and \$2.8 million in unreconciled taxes. She advised these amounts are down from the meeting held in February.

Chair Gagliardi advised next week the Commission would be reviewing the first requests for selecting an ADA for new products being submitted. He stated he will not support any suppliers choosing RNDC as their ADA.

VI. Public Comments.

Auday Arabo, President of Midwest Independent Retailers Association, thanked the Commission for the job we are doing and stated he was in favor of setting a minimum price for products. He advised the state of Ohio has a minimum mark up. Mr. Arabo submitted a formal petition to the Commission to re-enact a half-mile rule for liquor retailers. He advised they have seen a jump in the over saturation of licenses in certain urban areas.

Chair Gagliardi questions whether the Commission has the authority for a change in the mark-up of liquor. He advised we would take the half mile rule petition under advisement.

Rishi Makkar, independent retail business owner, agreed with Mr. Arabo and would like a half mile rule brought back. He stated he would like to see the rule extended to a mile between stores as they have seen pockets of 7 – 10 stores in one area. Mr. Makkar advised the third tier has lost some of its control and that they don't have a free market anymore. He also agreed and is in favor of the minimum pricing for products.

Commissioner Lasher stated she had stopped at a local party store and saw several bins advertising Shots for .50, 99 Shots for .85 and Shooters for \$1.00. She stated the bin were sitting on the counter and could easily be dropped in a pocket as someone leaves. Chair Gagliardi advised he had visited a local store where the bins for the 50ml bottles were right by the front door. He stated we need to be a leader on the public health side of this issue and set a standard for the State of Michigan regarding the price of spirits.

With no further business, moved by Commissioner Olshove, supported by Commissioner Lasher, that the business meeting be adjourned at 11:13 a.m., motion carried by unanimous vote.



Pat Gagliardi
Chair