

STATE OF MICHIGAN
LIQUOR CONTROL COMMISSION
SEMI-ANNUAL PUBLIC HEARING

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Proceedings had in the above-entitled case before Chairman Andrew J. Deloney, Commissioner Teri L. Quimby, Commissioner Dennis Olshove, Commissioner Bradford Jacobsen, held at the offices of the Michigan Liquor Control Commission Southfield District Office, 25680 West Eight Mile Road, Southfield, Michigan, on Thursday, June 6, 2019.

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IN ATTENDANCE:

Kelly Allen, Attorney
Sam Awdish, MSA
Patrick Howe, Attorney, J.P.Howe PLLC
Brett Visner, MBWWA
Charlie Cove, VP of Oper. Dan Henry Dist.
Lou Grech-Cumbo, Exec. VP of Labor & Gov't Affairs,
Great Lakes Wine & Spirits
Steven Grobbel, Attorney, Carlin Edwards Brown
J.R. Roskopp, Gov't. Affairs, Petitpren
Sandra Crosby Robinson, Prev. Coalition Coord. Saginaw
County Protection Council
Kathy Geiger, Sacred Heart Rehab. Center
Joel R. Flowers, CEO, Aquamarine Springs
Brendan Ringlever, MSA

STAFF IN ATTENDANCE:

Terri Chase, Commission Aide
Barb Subastian, Reg. Mgr. Enforcement Div.
Mary Ann Donley, Reg. Mgr. Enforcement Div.
Kerry Krone, Business Manager
Donald McGehee, Asst. Atty. Gen.

1 Southfield, Michigan

2 Thursday, June 6, 2019 - 1:07 p.m.

3 CHAIRMAN DELONEY: We will begin this
4 Semi-Annual Public Hearing. We do welcome you to the
5 first of the two required Semi-Annual Public Hearings
6 as required under Section 215(2) of the Liquor Control
7 Code.

8 This hearing is being held to provide a
9 public forum for airing complaints and comments with
10 respect to the administration of the Liquor Control
11 Code.

12 This hearing is being reported, so those of
13 you of who have indicated a desire to speak, please
14 state your name and if you wish, any organization or
15 company that you represent; this will be a great help
16 to the Commission as well as to our hearing reporter.

17 If you do have questions or comments of a
18 specific nature, you can feel free to come up
19 afterwards to discuss it with us if you don't wish to
20 air those publicly. Again, this is a reminder that
21 this is being recorded by our reporter and a transcript
22 is being created.

23 So we have received a number of cards. We
24 have three cards from individuals indicating a desire
25 to speak; we will go through those and then I'll

1 include the names of folks who just indicated their
2 presence but not a desire to speak.

3 We'll start with Tony Mitchell.

4 MR. MITCHELL: Thank you Mr. Chairman and
5 Commission. My name is Tony Mitchell and I'm
6 representing the Michigan Spirits Association as the
7 Director and immediate past president. I'd just like
8 to, today, thank the Commission and its staff for the
9 wonderful job they do in balancing the growth of this
10 industry. It's a very challenging industry that I
11 don't think a lot of people appreciate all the
12 challenges given. There is the joy and the pleasures
13 that the industry brings to many as long as the
14 products are consumed responsibly. There's also the
15 approximate 450 million dollars that the industry
16 brings to the State of Michigan in the way of revenues,
17 and it has to be balanced continuously with the
18 prevention of abuse of the products at the same time.

19 The Commission has been very open, having a
20 open ear to the industry, and I think it's important in
21 the partnership between the industry and the state in
22 promoting spirits responsibly.

23 We again thank you. It's been my honor to
24 work with many of this Commission for the last few
25 years, and I just want to put on the record that we

1 appreciate it and look forward to continuing the
2 partnership and the growth of the industry in a
3 responsible manner. Thank you.

4 CHAIRMAN DELONEY: Thank you.

5 Next, Michael Brown.

6 MR. BROWN: Good afternoon Commissioners.
7 Michael Brown of the law firm Carlin Edwards Brown.
8 I'm here today on behalf of my current partner Steven
9 Grobbel, and also my former partners John Carlin and
10 Scott Edwards.

11 I just want to take a moment on this record
12 to acknowledge the contributions of a couple of our
13 Commissioners in case this is the last Semi-Annual
14 Public Hearing that you have the opportunity to attend
15 in your current positions. I just want to tell you on
16 behalf of our law firm that it's been a tremendous
17 pleasure to work with both of you for these last eight
18 years, and it's been great to see everything that's
19 been accomplished during your tenure, and although we
20 have not always agreed to every issue, as we shouldn't,
21 it has been my pleasure to see how far you have taken
22 the Commission in the last eight years and all the
23 different issues that you have taken the time to
24 address, some of which that have lingered for many many
25 years before you got here, and some of which you have

1 taken tremendous grief over both publicly and
2 privately, I'm sure, but I appreciate the fact that you
3 stood tall and did what you think is right for the
4 Commission, for the industry, for the people of the
5 State of Michigan, and I think we will miss that,
6 because in my experience over the last 25 years, it's
7 not automatic that people appointed to your position
8 will take tough stances and do things that are going to
9 cause a backlash, whether in the industry or otherwise,
10 and the fact that you've been willing to do that in
11 order to advance many of the public policy issues that
12 you deal with is a credit to both of you, and I think
13 will be your legacy going forward, and I think you
14 should be very proud of that. I'm very proud to have
15 worked with you these last eight years, and if it comes
16 to be that this is not your last Semi-Annual Public
17 Hearing, then I'd be very pleased to repeat this speech
18 again in six months to a year from now. Thank you and
19 good day.

20 CHAIRMAN DELONEY: Thank you Mike. I thank
21 you for the very kind comments. I joke with people, if
22 I or anybody always agrees with somebody then one of us
23 isn't paying attention. If two people agree one
24 hundred percent of the time over the years then
25 someone's not paying attention. So thank you for your

1 very very kind words.

2 Next is Nancy Morrison.

3 MS. MORRISON: Good afternoon Chairman
4 Deloney and Commissioners. I am Nancy Morrison, I'm
5 the Executive Director of the Troy Community Coalition
6 for The Prevention of Drug and Alcohol Abuse. We are a
7 data driven organization and I wanted to share with you
8 some of our local data. We use our data to create our
9 strategic plan. So we use the Michigan Profile for
10 Healthy Youth or MiPHY for short is administered in our
11 high schools, and our teens say that the easiest
12 substance to obtain is still alcohol. As a matter of
13 fact 70 percent of our 11th graders report that it is
14 very easy to obtain alcohol, and alcohol is still the
15 most used substance by our high school students.
16 Thirty percent of our 11th graders report using alcohol
17 in the past 30 days.

18 Then in regards to where the teens are
19 getting their alcohol, 47.5 percent of our 11th graders
20 report their alcohol is -- they receive their alcohol
21 from somebody giving it to them; so they ask either an
22 older sibling to purchase alcohol for them. Then 54.4
23 percent of our 11th graders report that they usually
24 drink at another person's house; they're not drinking
25 at home but they're drinking at somebody else's house.

1 So some of the things that we do to prevent
2 things from happening is, in our community we are in,
3 we initiate project sticker shock. So what that is is
4 we get volunteers to visit the alcohol retailers and
5 they adhere these bright orange stickers to the multi
6 cases of alcohol, and it talks about the legal
7 consequences of providing alcohol to minors. We have a
8 lot of enthusiastic retailers in Troy that are always
9 willing to participate in this, and the retailers do
10 say it doesn't cut down on sales, but they're out there
11 to help us too, they want to prevent substance abuse so
12 they're eager to work with us on that.

13 Then we are also involved with Parents Who
14 Host Lose the Most. This is something we partner with
15 our police department and we send a letter home to
16 every parent who has a graduating 11th grader, 12th
17 grader and 9th grader because we want to educate the
18 parents that it is illegal to host a teen party. So it
19 has been very effective because the police department
20 sends out this letter with the fact card stating all
21 the illegal consequences of hosting a teen party and
22 providing alcohol for teens. So many parents respond
23 that when they get the letter they see it's from the
24 police department and they open it up and it's nothing
25 major but it gives them a moment to think about what

1 they're doing.

2 We also visit the alcohol retailers in Troy
3 and provide them with educational information to
4 prevent the sale of alcohol to minors. This could be
5 contract or for employees, how to look for a fake ID
6 and information like that.

7 So I appreciate the work that you are doing
8 but I also will ask that as you continue with your work
9 you think of the health and well being of our most
10 vulnerable population which, of course, is our youth,
11 and then also keep in mind all of our other community
12 members as well. So thank you for your time.

13 CHAIRMAN DELONEY: Thank you. I know we have
14 some cards from other folks from The Prevention and
15 Substance Awareness community who wish to speak. I'll
16 just make a comment to you and anybody else. As we now
17 have the legal use of recreational marijuana, what will
18 probably be very helpful, and I'm glad you mentioned
19 that you're data driven, any data that you or your
20 colleges or anybody that could provide with regard to
21 co-mingling, if you will, of alcohol and recreational
22 marijuana or other substances, is going to be very
23 helpful. I think a lot of us have spoken with groups
24 and essentially made -- advised them to be mindful of
25 what happens when alcohol and marijuana are being used

1 together, what impact that may have on the person who's
2 using it and, of course, how much trickier does it make
3 if you're a retailer, how much trickier is it to spot
4 the visible signs of intoxication? So that type of
5 data, that type of information is going to be helpful
6 going forward. I'll just make that comment.

7 Next is, and I apologize if I mispronounce
8 the name, Kristi Pretzer; did I say that's right?

9 MS. PRETZER: Yes. Hello. I'm actually here
10 with two of my colleagues. I am a Prevention
11 Specialist and one of the chair's for the Ingham
12 Substance Awareness and Prevention Coalition. I'll
13 just touch briefly on our MiPHY data. So our MiPHY
14 data shows that despite that age currently being at 18
15 for server, the level of abuse recorded has not changed
16 for 12 to 17 years old just in alcohol.

17 CHAIRMAN DELONEY: Thank you.

18 Next is Melea Bullock. Again please state
19 your name before you begin, thank you. Please proceed.

20 MS. BULLOCK: My name is Melea Bullock. I'm
21 the Coordinator of the Ingham Substances Awareness and
22 Prevention Coalition out of Lansing is where we are.
23 We actually, and Kristi came up before me and we had
24 actually thought it would be the other way around where
25 our data comes in. One of the things we found really

1 interesting is the idea of allowing reducing the age
2 for servers from 18 to 17. It's been introduced in a
3 northern place, I know Redford is one of the areas where
4 Representative Cortina introduced that so that way they
5 would have -- when we called and talked about it, they
6 said they could have more employees, people would be
7 able to have more job offers and things like that.

8 So one of the things that we were thinking
9 about is that currently there has been a consistent,
10 for the first time in our MiPHY data in Ingham and in
11 Clinton County, actually we saw that marijuana use has
12 actually overtaken alcohol use in our area, but that's
13 just saying that the marijuana use is higher, it
14 doesn't mean that alcohol use has gone down. So we've
15 kind of seen that as a consistent level among our
16 youth, and we're concerned though because we know that
17 the earlier access that they have, the increased
18 likelihood it would be that the number may rise. So
19 right now most youth that are 17 or still in high
20 school, if they have access to the alcohol and able to
21 pass it to their friends they're more likely to sneak
22 and serve their friends. So we were really kind of
23 surprised and concerned that that might be something
24 that's on the table and just kind of wanted to bring it
25 up as something that could be a concern. Thank you.

1 CHAIRMAN DELONEY: Thank you.

2 Mike Tobias.

3 MR. TOBIAS: Good afternoon Chairman Deloney,
4 Commissioners. On behalf of Michigan Coalition to
5 Reduce Underage Drinking, I want to thank you for your
6 service to the State of Michigan, appreciate what you
7 guys do.

8 MCRUD, which is Michigan Coalition to Reduce
9 Underage Drinking, continues to be concerned about the
10 high number of outlets in certain areas of the state.
11 The reason we're concerned about this is the research
12 from the Community Preventive Services Task Force found
13 evidence of a positive association between outlet
14 density and excessive alcohol consumption and related
15 harms, to recommend limiting alcohol outlet density
16 through the use of regulatory authority as a means of
17 reducing or controlling excessive alcohol consumption
18 and related harms.

19 So what I suggest is, again, areas like
20 primary cities, Saginaw, Detroit a lot of the cities
21 where the population is high, and probably a lot of
22 liquor licenses given out. So when the population
23 declines, there's a lot of licenses in a certain area.
24 If you could somehow convene a work group to look at
25 that to figure out if there's a way to try to reduce

1 the density in some of these areas. I don't know what
2 the answer would be, but I feel like places are over
3 quota because of population decline and there's also
4 several other types of licenses that are not subject to
5 quotas that actually can trigger where the new
6 population quotas all are to go. From the available
7 research, we do feel that quotas are an important part.
8 I think it's getting a little bit out of control in the
9 State of Michigan. So if we could somehow come
10 together and have a conversation about do we need more
11 hair salons or Bed, Bath and Beyond or movie theaters
12 or other stores besides alcohol because generally the
13 more accessible, the more available it is, the more
14 potential for problems.

15 As far as data concerning the Michigan Youth
16 Misbehavior Survey, for the first time in a decade, the
17 2017 data of underage drinking increased. So again
18 that's a concern. We don't have the 2019 data, it
19 won't be out for some time. Perhaps it will come back
20 down, but certainly if it comes back up it will be even
21 more concerning. But the fact that it's gone up for
22 the first time in ten years is a concern to us.

23 I do appreciate what you guys do. The staff
24 has always been great. Barb Subastian's been part of
25 underage drinking and strategic planning work group; we

1 appreciate her participation. This is the second go
2 round she's done that. Sara Weber's been available to
3 answer licensing questions, that's always very helpful.
4 And Chairman Deloney has given us a kind of open door.
5 I feel like if I have concerns I can come and take them
6 to you, so I appreciate that. Like Mike Brown said, if
7 this is your last hearing in this room I do appreciate
8 your efforts, and if not I look forward to continuing
9 to work on some of these issues with you.

10 The other thing I attached is a map of 2017.
11 It's a map of all the outlets, and again it's the way I
12 can tell we have a lot of outlets; I think we're close
13 to 50,000 licenses total. I don't know how many
14 outlets that is but it seems like a lot. I am trying
15 to get some more information to see how we compare to
16 other states, but I feel like we have a lot of outlets,
17 and I think it gives some idea it can create some
18 problems, and how we can reel it in. So I would be
19 open to having that discussion. Thank you.

20 If you have any questions I'll try to answer
21 them.

22 CHAIRMAN DELONEY: Thank you.

23 That was the last card that we had from a
24 person indicating a desire to speak.

25 Is there anybody else that wish to speak

1 today? Hearing none, there are a number of folks who
2 submitted cards who wish to indicate their presence but
3 not wish to speak. Kelly Allen, good afternoon. Sam
4 Awdish from the Michigan Spirits Association. Patrick
5 Howe, good afternoon Pat. J.R. Roskopp, Petitpren,
6 good afternoon. Bret Visner, Michigan Beer and Wine
7 Wholesalers. Charlie Cove from Dan Henry Distributing.
8 Lou Grech-Cumbo, Great Lakes Wine and Spirits. Steven
9 Grobbel from Carlin Edwards and Brown. Sandra Crosby
10 Robinson from Saginaw County Protection Council, good
11 afternoon. Kathy Geiger from Sacred Heart
12 Rehabilitation Center, good afternoon, thank you for
13 joining us. Joel Flowers, from Aquamarine Springs,
14 thank you. And Brendan Ringlever, representing
15 Michigan Spirits Association, good afternoon. Those
16 are all the cards that we have.

17 Is There any of my fellow Commissioners that
18 have anything they wish to say while we're on the
19 record?

20 Commissioner Quimby.

21 COMMISSIONER QUIMBY: You know I can't resist
22 the opportunity, Mr. Chairman, to say something.

23 First of all, just to set the record straight
24 Mr. Chairman, I've already inquired with our fellow
25 hearing Commissioner here, whether or not he absconded

1 with your gavel. Although I have not placed him under
2 oath, he said he did not do that and I trust him. So
3 where that is, I don't know.

4 Mike Tobias, thanks for coming. You always
5 bring us a piece of paper which is nice because I still
6 have your other pieces of paper and refer back to
7 those, so I appreciate that at these hearings. So I'm
8 going to quote from the one you submitted today. You
9 say as always, a big thank you to the MLCC staff. They
10 continue to be courteous, professional, patient and
11 helpful. I don't think I could have said it better.
12 We have a great staff who has always tried from day
13 one, we can tell, tried to deliver a very high level of
14 customer service and sometimes that means really going
15 the extra yard on a lot of applications, I can tell
16 you, to try to get all of the pieces of paper needed to
17 be able to get to the point of being able to approve;
18 most of the licenses we have are approvals.

19 So in addition to thanking staff, I want to
20 thank my fellow Commissioners; I don't usually do that
21 for whatever reason, but coming to work, we get along
22 most of the time but not all the time. There are
23 certainly times when we had some disagreements and it's
24 been great to be able to maybe shut a door and talk
25 about those and move on. And so I just wanted to say

1 thanks to everyone today. Commissioner Clemente is not
2 here today, but we've just had a really great working
3 relationship.

4 CHAIRMAN DELONEY: Thank you Commissioner
5 Quimby, and I would echo that. You know, the vast
6 majority of the work that we do, as you point out, when
7 it is an open meeting, the three of us as
8 Administrative Commissioners, 99 percent of the time
9 we're all on the same page, but every once in awhile
10 there's a issue where a Commissioner has a different
11 point of view and that's -- I hate to sound like Stuart
12 Smalley on Saturday Night Live, but that's okay. We're
13 all duly appointed. We all come from whether it's
14 different political party persuasion or different
15 backgrounds or different ways of looking at the world,
16 that's fine. Like I said, if we all agree all the time
17 that means someone's not paying attention. Because
18 even with your closest friends and colleagues you're
19 always going to have disagreements from time-to-time,
20 the important thing is how you handle that, and
21 unfortunately in today's political climate if you
22 disagree with somebody, it means that you're a bad
23 person or you're obviously corrupt or things like that,
24 and that's unfortunate. When I first started working
25 in these types of political perspective, while I'm a

1 republican, one of the first things you learn is that
2 there are some democrats that even if you don't agree
3 with them on issues, they are outstanding people to
4 work with and vice versa. But I think we've got a
5 great team here, we've been able to get a great work
6 done.

7 Again, we want to thank everybody for taking
8 part of your day to come here to share your views with
9 us. Again if you have specific issues you wish to
10 discuss, we'll be here for a little bit afterwards to
11 listen to what you have to say. We appreciate
12 everybody who's taken some time to join us for this
13 hearing. This is the first of the two required under
14 the act and our second of course will probably be in
15 December as usual.

16 If there is no further business to come
17 before the Commission, I'll entertain a motion to
18 adjourn.

19 COMMISSIONER QUIMBY: So moved.

20 CHAIRMAN DELONEY: Moved by Commissioner
21 Quimby.

22 COMMISSIONER JACOBSEN: Support.

23 CHAIRMAN DELONEY: Supported by Commissioner
24 Jacobsen.

25 Any further discussion?

1 Hearing none, all in favor will indicate by
2 saying aye.

3 (Unanimous vote.)

4 CHAIRMAN DELONEY: The ayes have it.

5 We are adjourned.

6 (Record concluded at 1:30 p.m.)

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

Renette L. Gibson, CSR-2731

June 17, 2019