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**Liquor Advisory Group**  
 Meeting Minutes  
 January 5, 2023

| Seat                                     | Representative   | Attendance  |
|--|--|---|
| State Licensing Authority                | Executive Director Mark Ferrandino<br><i>Department of Revenue</i>         | Present   |
| Arts Licensee                            | Neal Elinoff<br><i>Elinoff Gallery</i>                                     | Absent  |
| Colorado Association of Chiefs of Police | Chief George Dingfelder<br><i>Monte Vista Police Department</i>            | Absent  |
| Colorado Counties, Inc.                  | Vacant   | Vacant  |
| Colorado Municipal Clerks Association    | Colleen Norton<br><i>Littleton Municipal Clerk's Office</i>                | Present   |
| Colorado Municipal League                | Tara Olson<br><i>Town of Breckenridge Clerk's Office</i>                   | Present   |
| Colorado State Patrol                    | Colonel Matthew Packard<br><i>Colorado State Patrol</i>                    | Attended by Proxy<br>Joe Dirnberger<br><i>Colorado State Patrol</i> |
| County Sheriffs of Colorado              | Division Chief Todd Reeves<br><i>Jefferson County Sheriff's Department</i> | Present   |
| Downtown Partnership/Chamber of Commerce | Loren Furman<br><i>Colorado Chamber of Commerce</i>                        | Present   |
| Hard Cider Industry                      | Eric Foster<br><i>Colorado Cider Guild</i>                                 | Present   |
| Brewery (Large)                          | Bob Hunt<br><i>Molson Coors</i>  | Present   |
| Local Brewery (Small)                    | Paul Kemp<br><i>South Park Brewing Company</i>                             | Present   |
| Law Enforcement Representative           | Chief W.J. Haskins<br><i>Glendale Police Department</i>                    | Present   |
| MADD                                     | Executive Director Fran Lanzer<br><i>Mothers Against Drunk Driving</i>     | Present   |

| <b>Seat</b>                            | <b>Representative</b>   | <b>Attendance</b>               |
|--|---|---------------------------------|
| Off-Premises Retailer (Large)          | Kris Staaf<br><i>Albertsons Safeway</i>   | Absent by Proxy<br>Russ Novotny |
| Off-Premises Retailer (Large)          | Jason Bassett<br><i>Kum &amp; Go</i>  | Absent                          |
| Off-Premises Retailer (Medium)         | Jim Shpall<br><i>Applejack Wine &amp; Spirits</i>                                   | Present                         |
| Off-Premises Retailer (Medium)         | Edward Cooper<br><i>Total Wine &amp; More</i>                                       | Present                         |
| Off-Premises Retailer (Small)          | F. Seyoum Tesfaye<br><i>Franktown Liquors</i>                                       | Present                         |
| Minority Owned Off-Premises Retailer   | Gonzalo Mirich<br><i>Jimbo's Liquor</i>   | Absent                          |
| Minority Owned On-Premises retailer    | Veronica Ramos<br><i>The Electric Cure</i>  | Present                         |
| Local Spirituous Manufacturer          | Stephen Gould<br><i>Colorado Distillers Guild</i>                                   | Present                         |
| National Spirituous Manufacturer       | Joseph Durso<br><i>Pernod Ricard USA</i>  | Present                         |
| Restaurant Licensee                    | Dana Faulk Query<br><i>Big Red F Restaurant Group</i>                               | Present                         |
| Restaurant Licensee                    | Sarah Morgan<br><i>Martinis Bistro</i>  | Present                         |
| Restaurant Licensee                    | Andrew Palmquist<br><i>Number Thirty Eight</i>                                      | Present                         |
| Tavern                                 | Erika Zierke<br><i>Englewood Grand</i>  | Present                         |
| Tavern/Large Dance Entertainment Venue | Andrew Feinstein<br><i>Tracks Denver, ReelWorks Denver, &amp; RiNo Art District</i> | Present                         |
| Tavern/Large Dance Entertainment Venue | Don Strasburg<br><i>AEG Presents</i>  | Present                         |
| Local Vinous Manufacturer              | Juliann Adams<br><i>Vines 79 Wine Barn</i>  | Present                         |
| National Vinous Manufacturer           | Anne Huffsmith<br><i>Nakedwines.com, Inc.</i>                                       | Absent                          |
| Wholesaler (Malt)                      | Yetta Vorobik<br><i>Crooked Stave Artisan Distribution</i>                          | Present                         |

| Seat                          | Representative   | Attendance |
|-------------------------------|--|------------|
| Wholesaler (Vinous/Spirituos) | Fuad Jezzini<br><i>Maverick Wine Company of Colorado</i> | Present    |
| National Wholesaler           | Andrew Quarm<br><i>Republic National Distributing</i>    | Present    |

- I. Opening Remarks and Sign-in
- II. Adoption of Meeting Minutes and LAG Charter
  - A. Adoption of Minutes from December 6, 2022 Meeting
    1. No questions or comments from Liquor Advisory Group Members regarding the minutes.
    2. Dana Faulk Query moves to adopt minutes. Seconded by Sarah Morgan.
    3. Minutes are adopted.
  - B. Review and Adoption of Liquor Advisory Group Charter.
    1. LAG Member Question: If virtual voting is allowed, does that mean a member could send an email stating what their position is? What does virtual voting mean, why is it allowed, and why can proxies not vote as they would be more informed after sitting through the meeting than the Liquor Advisory Group member would be sending their position in beforehand?
      - a) Facilitator Response: The rationale with the proxies is so we are making sure there isn't a situation where the proxy is actually functioning as the member who is always there and not the individual who was actually appointed. Virtual voting will be done over a period of time, so members who may have sent a proxy can go back and watch the meeting recording and have the opportunity to be informed prior to voting.
    2. Joe Durso moves to adopt charter. Seconded by Stephen Gould.
    3. Charter is adopted.
- III. Small Group Discussions - Topic Prioritization
  - A. LAG Member Question: Concern over the issue of excise taxes on ready to drink (RTD) cocktails. Each type of liquor (malt, vinous, spirituous, etc) has a different excise tax. The problem becomes that individuals looking to make RTD cocktails in Colorado would be using spirituous liquor and the excise tax makes this cost prohibitive. Wondering if this group would be the appropriate venue to discuss creating a fourth category of excise tax solely tied to RTD cocktails
    1. Facilitator Response: This would be a perfect example of something one of our working groups could address.
  - B. End goal today is to form three working groups to dive into topics and provide feedback to the Liquor Advisory Group as a whole. The purpose of the small group discussions is to identify three topics or buckets. One working group will work on one of the topics/buckets. The bucket label/topic should be such that:
    1. The working group has a scope of what specific issues to consider;
    2. Allows for the working group to further add and define issues that are within the scope; and

3. As Liquor Advisory Group members, you have an idea of what group you want to join.
- C. Small Group Worksheets - Each small group completed a worksheet detailing their subgroup topic area suggestions and suggested issues falling into those topic areas.
1. Small Group #1
    - a) [Recording Link](#)
    - b) Discussion Worksheet
      - (1) Bucket 1: Public Safety
        - (a) Liquor service hours (expanding past 2:00am)
        - (b) Mandated TIPS or other responsible alcohol training for all staff
      - (2) Bucket 2: Streamlining Licensing
        - (a) Fewer license types
        - (b) Venues / bars / restaurants / retailers “play by the same rules” - standardize on-site vs. off-site licensing. More alignment amongst business types that sell / serve liquor.
        - (c) Enhance local control
        - (d) Prohibit municipalities from limiting number of licenses
        - (e) Review distance limitations (from schools and between licenses, etc.)
      - (3) Bucket 3: Marketplace Structure and Regulation of Retail Operation
        - (a) Increasing competition
        - (b) Eliminating monopolies for distributors and manufacturers alike
        - (c) Opening up the “free market” - allow producers to sell directly to retailers
  2. Small Group #2
    - a) [Recording Link](#)
    - b) Discussion Worksheet
      - (1) Bucket 1: Retailer
        - (a) Make alcohol-to-go permanent. Standardizing what a tamper-proof container means.
        - (b) Manufacturers also able to sell cocktails to go from tasting rooms
        - (c) Streamline application & review process for new or renewal license. Antiquated and cobbled together. How to clean up and consolidate codes so there are no segments that contradict each other.
        - (d) Statewide TIPS training
        - (e) Updating renewal process so there is a grandfather clause to protect when the neighborhood changes.
        - (f) Allow operations with multiple licenses to sync renewal dates for all of their licenses (this is not asking to

combine all the licenses into one license, just allow them to make their renewal dates the same for bookkeeping purposes)

- (g) Increase/Eliminate limits on the amount of alcohol an on-premises retailer can purchase from an off-premises retailer.
- (h) Allow wholesalers to provide more merchandising and marketing support to retailers along with limited amounts of promotional items
- (i) More flexibility with common consumption. LED defining process and parameters to support smaller municipalities.

(2) Bucket 2: Wholesaler-Distributor

- (a) No distributors can sell to retailers if they are past due. List managed by the state, self-reported by the distributors.
- (b) Not allow for such strict agreements to be formed. Territories play into this. Manufacturers maintain a level of choice with their distributors. Allow retailers to purchase brands from multiple wholesalers (eliminate the monopoly wholesalers have on specific brands)
- (c) Broken product/product return
- (d) Equality in pricing from distributor to retailers. Uniform pricing when it's merchandised so the small retailers can compete in the marketplace. Colorado has quantity discounts giving advantage to the bigger retailers.
- (e) Certified checks being lost.
- (f) Limit or not allow distributors to merchandise chains. Give free labor to chains.

(3) Bucket 3: Manufacturers

- (a) Excise Tax - RTDs
- (b) Direct to Consumer
- (c) Equal Market Access - Level playing field to access to market for all categories of manufacturers. In CO, beer and wine have greater market access than spirits.
- (d) Streamline license renewals for businesses with multiple licenses.
- (e) Creating a courier license. Out of state wine producers can ship into CO - technically, legally exposed when and if a FedEx doesn't deliver that sale. This license would put the liability on the courier.

3. Small Group #3

- a) [Recording Link](#)
- b) Discussion Worksheet

- (1) Bucket 1: Streamlining/Efficiencies
  - (a) Special event permits - why are non-profit organizations required?
  - (b) Review of all license types (is a liquor licensed drug store license needed?)
  - (c) Can licenses be automatically renewed?
  - (d) State-wide uniformity of core rules/laws (closing time, etc)
- (2) Bucket 2: Protectionalist rules/codes/consumer needs
  - (a) Ability to return product based on seasonality. Can code be modified to allow returns?
  - (b) Remove mandatory non-operating days.
  - (c) Should operating hours be more flexible (later closing time)?
  - (d) Evaluate codes that are one tier oriented. Ex, beer can't be warehoused off site (retail)
  - (e) Cabaret licenses - necessary? Not uniform statewide.
  - (f) Can limits be raised for on premise buying from retailers?
  - (g) Review payment terms; are they fair and enforceable?
  - (h) Value of local controls and input, as community needs differ
- (3) Bucket 3: Public Safety
  - (a) Operating hours.
  - (b) ID checks (at home delivery)
  - (c) TIPS training requirements standardized.

4. Small Group #4

a) [Recording Link](#)

b) Discussion Worksheet

- (1) Bucket 1: Marketplace Structure
  - (a) Market access parity for all products
  - (b) Tax parity for spirits, beer and wine
  - (c) Direct to Consumer shipping (DTC)
  - (d) RED's overall regulation, access and tax issues/parity
- (2) Bucket 2: Regulation of Retail Operation
  - (a) Alcohol abuse prevention in better coordination with law enforcement
  - (b) Stronger focus on law enforcement engagement
  - (c) Sales hours
  - (d) Ensuring that "Cocktails to Go" legislation becomes permanent
  - (e) Eliminate prohibition on sales below cost
  - (f) Allow on/off premise trainers to conduct education classes and trainings

- (3) Bucket 3: Streamline, Harmonize & Modernize Licensing
  - (a) Eliminate the contradictions between state and local statutes and regulations
  - (b) Keep licenses unregulated with regard to the amount of licenses a municipality can issue
- 5. Small Group #5
  - a) [Recording Link](#)
  - b) Discussion Worksheet
    - (1) Bucket 1: Marketplace Structure
      - (a) Parity among manufacturers
      - (b) Review franchise law, fair competition
      - (c) Exclusive rights
    - (2) Bucket 2: Regulation of Retail Operations
      - (a) Underage prevention
      - (b) Continuing to-go drinks/bottles for retailers and clarity for rules of containers
      - (c) Allow liquor service after 2 AM, tavern, entertainment, hotel restaurant
      - (d) Festival permit interpretation of participant limits
    - (3) Bucket 3: Streamline Renewal, Types of Licenses, Online Renewal
      - (a) Combine and streamline licensing
      - (b) Local and state permit process needs more clarity
      - (c) Technology software

#### IV. Subgroup Selection

- A. Looking at results of worksheets, it looks like there are two primary paradigms: Marketplace Structure, Retail Operations, Streamlining (with Public Safety inserted in those three topics) or Manufacturer, Wholesaler and Retailer
  - 1. Liquor Advisory Group Member Questions and Comments
    - a) Can we be members of more than one subgroup? It seems that so many of the issues cut across all three subgroups. I don't want to be excluded from the other groups as they all impact my business significantly.
      - (1) Facilitator Response: In discussing this, I don't think we want to prohibit being involved in more than one group but we would like to break it up so that not everyone is doing everything and/or otherwise defeating the purpose of the subgroups. We won't necessarily exclude anyone but do ask you to just pick one. Decisions are all going to come back to the main group for discussion and votes so each member of the LAG will have a say in all topics that way.
    - b) My concern is that the discussions are happening in these groups and that is how the subgroups decide what gets brought to the larger group for consideration. Without participating in those discussions, I don't

necessarily have input into what direction those discussions take. It might be helpful to participate in two groups.

- c) While I agree with other members, I understand there has to be some functional order in the large group. As someone who doesn't have any idea of what it's like as a small retailer or a manufacturer, it would seem to me that bucketing people where they have the greatest expertise to bring back to the large group would be the most helpful.
- d) We have ten more meetings; what is the potential that we break this up into discussing Licensing for two meetings, then Retail Operations for two meetings, etc. that way we all get to touch all the topics?
  - (1) Facilitator Response: That might be an approach. Let's form the groups and get them working, then determine through monthly reports back whether the larger group needs to drill deeper down into an issue if a subgroup gets stuck.
- e) I think that we do need to be bucketed into our areas of expertise, we noticed this during our small group discussions. That said, we're all going to have different interests, it is important we have time where we can discuss as the larger group where subgroup discussions are going so we do not end up with a situation where we're at the end of the year and a subgroup is proposing something that another interest will fundamentally oppose.
- f) My concern is these subgroups may put us in a position where one group of interests is not adequately represented. There needs to be some sort of circle-back way where if one constituency's issue is pushed off the table it can be readdressed.
- g) Are the proposed subgroups expected to meet outside of the regular meetings?
  - (1) Facilitator Response: Yes.
- h) The regular meeting, the first Thursday of every month, would be the group hearing for the work that the subgroups have been doing. That gives me a little more comfort in regards to the concerns that are being raised. People should go to the groups that they feel would be most impactful for the industry as a whole.
- i) I think it would be appropriate for each subgroup to recognize that they should invite guest participation from people who their rules would impact. That would help subgroups know that they aren't going to walk into a wall when they bring things to the larger group.
- j) With respect to meeting offline, can you give some guidance regarding Open Meetings Law so we know what the rules are regarding that? Also, do feel it is important that we have some kind of antitrust boilerplate discussion at the beginning of the next meeting, we have competitors and different tiers and it is important to understand the legalities in those two areas.



(1) Facilitator Response: Deliberations are open and all discussions should take place at those meetings. Regarding expertise, you all know this industry better than most and one of the fears if we go down the type of manufacturer bucket route is we'll end up exactly where we are now. Subgroups can and should be able to bring in speakers for groups that might be affected by what the subgroup is considering.

B. Mentimeter poll of Liquor Advisory Group members regarding three workgroup topics

1. Poll One

- a) Streamline, Harmonize, Modernize Licensing - Ranked 1
- b) Marketplace Structure - Ranked 2
- c) Regulation of Retail Operations - Ranked 3
- d) Public Safety - Ranked 4
- e) Retailer - Ranked 5
- f) Manufacturer - Ranked 6
- g) Wholesaler - Ranked 7

2. Poll Two

- a) Streamline, Harmonize, Modernize Licensing - 25 votes
- b) Marketplace Structure - 24 votes
- c) Regulation of Retail Operations - 16 votes
- d) Public Safety - 7 votes
- e) Retailer - 1 vote
- f) Manufacturer - 3 votes
- g) Wholesaler - 2 votes

C. Subgroup selection via roll call

1. Based on the results of the Mentimeter poll, the three buckets agreed upon are Marketplace Structure, Regulation of Retail Operations, and Streamline/Harmonize/Modernize Licensing.

2. Liquor Advisory Group Member Questions and Comments

a) Since these are the three buckets we're going into, wouldn't it make more sense for different people representing the different groups to split up so that there is representation across the board?

(1) Facilitator Response: Let's do the roll call and see how it shakes out.

b) Did we just dump the idea of bucketing us into our own specific skill sets? I heard a lot of consensus that a lot of people liked the idea of having people who are more familiar with one avenue or the other, did we just jettison that?

(1) Facilitator Response: Yes, in a way, but not necessarily in a way. What I would suggest is which group do you think is going to have the issues most related to you. If that's where your expertise is and that's what interests you, that would be the group you would pick. Does that make sense?

(2) LAG Member Response: Not really. These touch all of us, to one or more degree. And the proposed buckets are so wide and vague that anything could fall under anything. Licensees with the same interests shouldn't necessarily be in the same group, because if we're all in one place reflecting the same perspective that wouldn't necessarily be helpful.

c) Without having a true agenda about what is going to be discussed in each subgroup, I won't know if a subgroup is going to mean a lot to me or a little to me. I don't know that it is productive for us to make subgroup selections without honing in more on what each group will talk about.

(1) Facilitator Response: We wanted to get the groups formed and get going, but we do want the right people in the right groups. One thing we could do is have Keystone and the Division write up a description of what would fall in the three buckets based upon the discussions you have had today and have subgroup sign ups take place after you have a chance to review that document.

3. Facilitators agree they will draft descriptions of the topics each subgroup will focus on and distribute to the Liquor Advisory Group members along with a survey for subgroup selection.

#### V. Public Comment

A. Public Comment: States like California and New York allow individuals to bring wine inside restaurants for a corkage fee. Would like the group to consider this item.

B. Public Comment: How will the subgroup meetings and meeting links be made available to the public?

1. Facilitator Response: The links will be posted on the LAG website

C. Public Comment: Would it be possible for the public to comment on an issue basis rather than at the end of the meeting? There are certain issues that the public might be experts on.

D. Public Comment: Multiple breweries would like to be able to provide comment and feedback; can we take into consideration a more formal process for public input? These changes could impact a lot of people with very different business models.

E. Public Comment: Would like to add three additional items for consideration: increasing/eliminating limits on alcohol sales; allowing managers to be the manager for multiple liquor licenses; and conversation around some kind of ownership between tiers.

F. Public Comment: Seeking clarification regarding responsible alcohol trainings; specifically, language and verbiage whether online training is accredited by the state, per TIPS.

G. Public Comment: Recommend we look at state models who have done a great job of navigating these waters. Virginia is one option. For example, looking at ownership across different categories, dual concepts, et cetera.

#### VI. Action Items

A. Keystone/LED will draft descriptions of the topics each subgroup will focus on and distribute to the Liquor Advisory Group members along with a survey for subgroup selection. Liquor Advisory Group members will select subgroups.

B. Next meeting: February 2, 2023: 9:00 a.m. - 12:00 p.m.