



MEMORANDUM

TO: Robert Klein, Chair, and
Members of the MC Board

DATE: April 6, 2017

FROM: Erika McConnell, Director

RE: Director's Report

In June, Naomi Johnston and Joe Samaniego both moved on to more advanced positions within the state, so our administrative section is down to one person. We are working on filling the one position and moving the other into the enforcement section to provide more administrative support to the investigators. Our budget request of three new positions (two examiners and an administrative assistant) was approved so we are working to get those positions into the state system. Additionally we've initiated conversations to expand our office space, as there is currently no room for additional licensing or administrative staff.

AMCO purchased a portable audio conferencing system that will provide amplification, recording, and a telephonic connection for future board meetings. We anticipate using it for the first time at the September meetings in Nome. We are exploring the use of Cisco Event Center to gain more control over the telephonic participation at board meetings.

The Department of Commerce, Community, and Economic Development closed on July 3 as one of the two required FY18 furlough days. The Department plans to close on the day after Thanksgiving as the second furlough day for this fiscal year. Additionally, the office will be closed on August 8 and 9 for a staff training.

AUDITS

- FBI Audit of Criminal Justice Information Security (CJIS) was completed in April. The office will be implementing several changes recommended by the audit, including adopting policies relating to criminal justice information security, and new notifications to applicants whose background investigations contain criminal justice information.
- The legislative auditors have finished their work in our office; their preliminary report is expected in late October or early November.

TRAVEL AND CONFERENCES

In mid-June, I attended the National Conference of State Liquor Regulators' yearly meeting in Denver, on a stipend provided to new state directors. The theme of this year's conference was "Regulating Alcohol in Today's Dynamic Marketplace." There was a great deal of discussion about whether the three tier system needs to be modernized, particularly since so many states have carved

out exceptions to the three tiers. I found the conference to be very educational. AMCO has renewed its membership in NCSLA for FY18.

A second state regulator's Cannabis Summit is scheduled for September in Oregon. In addition to the four states with existing recreational marijuana programs, the states of California, Nevada, Massachusetts, and Maine will be invited, as well as representatives from Canada.

END OF FISCAL YEAR REPORT

In FY17 AMCO received and processed:

- 1,366 alcohol event permit applications
- 869 license renewals applications
- Over 100 license transfer applications
- Over 90 new license applications

As of July 5th, AMCO has collected \$1,895,988.75 in program receipts from examining applications and permits related to alcohol.

In January, Department of Revenue issued \$646,350.00 in shared revenue to local governments. The preliminary data indicated that AMCO will request Department of Revenue to issue an additional \$219,050.00 in shared revenue to local governments.

SPECIFIC ISSUES

Beverage Dispensary – Tourism License Research

On July 20, 2016, the Board opened a regulations project “to clarify some of the parameters around AS 04.11.400(d)” (quote from the minutes). In October of 2016, Director Franklin asked for some clarification regarding this project, and Chair Klein requested data be provided at the December meeting on the number of tourism licenses that do not meet the current room requirements set forth in the statute. Due to staff resources and turnover, we have been unable to provide this information to the Board. However, we have had the assistance of a Special Assistant to the Commissioner who is working on this research project, and we expect to have information for the Board in September.

2018 Legislative Requests

Legislative proposals for the 2018 legislative session are due to the Commissioner's Office in mid-August. We hope the legislature will focus on the Title 4 rewrite (SB 76) during the 2018 legislative session.

NEXT MEETINGS

The next ABC meeting is scheduled for September 13 in Nome. Applications must be complete and any other documents for the board must be submitted to our office by August 25, 2017, to be on the September agenda.

The following meeting is set for November 16 in Anchorage.