



DEPARTMENT OF LIQUOR AND LOTTERY

# ANNUAL REPORT 2019



[liquorandlottery.vermont.gov](http://liquorandlottery.vermont.gov)

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# Message from the Board



January 1, 2020  
Honorable Phil Scott  
Governor of Vermont  
Montpelier, Vermont

Governor Scott,

**Left to right: Martin Manahan, Chair; Members Sabina Haskell, Sam Guy and Ed Flanagan.  
Not pictured: Thom Lauzon**

It is my distinct honor to submit to you the 1st Annual Report of the newly created Vermont Board of Liquor and Lottery for the fiscal year running from July 1, 2018 through June 30, 2019 in conformance with the provisions of Title 7, Section 109 and Title 31, Section 657 of the Vermont Statutes Annotated.

During the 2018 Special Session, the Legislature passed H.7 (Act 1), which created the Department of Liquor and Lottery and the Board of Liquor and Lottery. The newly created single department formally came into existence on July 1, 2018. As a result of H.7, a new oversight Board was constituted with three members of the prior Liquor Control Board and two members of prior Lottery Commission. I want to express my sincere appreciation for the hard work and dedication of Devon Fuller (Brandon) (former Liquor Board Member), Michael Consejo (Sheldon Springs), Susan Popowski (Northfield) and Robert Campo (Barre) (former Lottery Commission Members). I note with sadness the passing of Martha O'Conner who served on the Lottery Commission starting in 1996 and was Commission Chair for twenty years from 1998-2018. Chair O'Conner oversaw the Vermont Lottery Commission for nearly half the Lottery's existence. Her long-standing dedication to the Lottery and the good cause it supports (education in Vermont) is deeply appreciated.

This has been both a challenging and fulfilling year for the newly created Board. It has been a challenge getting board members who only convene monthly up to speed on their expanded responsibilities in the new organization. It has been fulfilling to see the two entities become one department and find ways to work together to create efficiencies that better the performance of both Liquor and Lottery.

There is no better indication of the success of the new organization than the record-setting business done by both the Liquor and Lottery divisions during the past fiscal year. These record-setting sales resulted in the largest transfers to date to the General and Education Funds respectively. I want to thank and commend both the departmental management team and the staff for their efforts over the past year. The success achieved would not have been possible without their hard work and dedication to constant improvement in all areas of operation.

In closing, I hope that you will find the attached Annual Report to be informative, and that after your review, you will be as proud of the success of the Department of Liquor and Lottery as we are. The Department is a great asset to the State of Vermont and will continue to be so moving into the future.

Respectfully submitted,

Martin Manahan, Chair  
Thomas Lauzon, Member  
Sabina Haskell, Member  
Samuel Guy, Member  
Ed Flanagan, Member







# Message from the Commissioner

Welcome to the first edition of the Department of Liquor and Lottery's combined annual report. This report marks the 85th edition of the DLC report and the 41st version of the Lottery report.

Fiscal year 2019 once again witnessed significant organizational and operational changes for both divisions of the combined Department. Deputy Commissioner Gary Kessler accepted the appointment to become the full-time D.C. of the Lottery division. Under his guidance and leadership, the Lottery team was successful in setting a record for gross revenue in its 42nd year of operation. We have been actively engaged in combining H.R. and financial leadership positions and to explore consolidation options in the areas of education, licensing, enforcement and IT services.

In the Lottery Division, we have been working on an RFP to identify a vendor to provide technology, support and equipment resources for the next decade. This process appeared to have been successfully completed until some bidder challenges surfaced that required a review and evaluation of the state's contracting process and a re-issuance of the RFP. These contracting processes and procedures are still under review and we remain hopeful for a speedy resolution of any issues that have led to this delay.

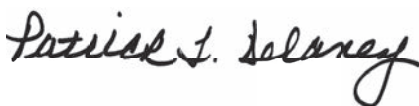
In the Liquor division, our modernization efforts have been helped along tremendously with the completion of our IT upgrade project. The collaborative efforts of the DLC senior management team, Agency of Digital Services, and our project partners Blue Horseshoe Solutions collectively resulted in the launch of a highly functional retail point-of-sale (POS) equipment upgrade. This new technology has created a broad array of improved business analytics in the areas of demand forecasting, inventory management and automated inventory replenishment. In rolling out and implementing the new POS system, the DLC worked closely with our retail partners to train hundreds of store managers and employees throughout the state. The implementation phase of the project has gone smoothly.

The DLC has also been busy throughout the year working with our signage contractor, Great Big Graphics, in permitting, designing, installing and upgrading our interior and exterior 802Spirits signage at all our retail locations. This effort to improve our branding has led the DLC to invest resources in our retailers and has been a great example of a public-private partnership to assist our retailers in raising the profile of their locations and encouraging Vermonter's to shop locally for their distilled spirits. I would like to acknowledge high levels of commitment and professionalism of Great Big Graphics in navigating the challenging path of local permitting and zoning to install signage in communities located throughout Vermont.

Fiscal 2019 was another successful business year for the Department of Liquor and Lottery. Both divisions set new revenue records. In both divisions, sustained growth was achieved to exceed record levels of gross revenue from the previous year. The Division of Liquor Control achieved gross annual distilled spirits sales revenue of \$82,170,029. This was an annual increase of \$2,639,850 or 4.9%. This growth was based on total case sales of 434,064 which was an increase of 7,149 cases. The Division of Lottery finished fiscal 2019 with gross sales of \$139,267,937 which was an increase of \$6,847,937 or 5.17%.

Our goals and objectives for the DLL in fiscal 2020 are to continue our progression of improved financial outcomes and to sustain the integration of key administrative functions. We will continue evaluating our existing policies and procedures in both divisions in order to initiate changes to both divisions and sustain the effort to improve efficiencies and synergies between the two divisions.

Respectfully,



Patrick T. Delaney



**Patrick T. Delaney**  
Liquor and Lottery Commissioner

# The Board

**The Department of Liquor and Lottery, created by 3 V.S.A. § 212, shall administer the laws relating to alcoholic beverages, tobacco, and the State Lottery. It shall include the Commissioner of Liquor and Lottery and the Board of Liquor and Lottery.**

The duties of the Board are described under 7 V.S.A. 5, § 104. The Board's primary responsibility is to see that the laws relating to alcohol and tobacco are enforced and that the DLC collaborates with other law enforcement entities in the state. They act as a judicial board in hearing and adjudicating violations by its licensees and permittees. Board decisions are available on the DLC's website.

In addition, the Board supervises the opening and operation of local Agency stores involved in the sale and distribution of alcoholic beverages; supervises the financial transactions of the central office and the Agencies; makes rules and regulations regarding manufacture, sales, transport, labeling and advertising of malt or vinous alcoholic beverages, spirits and fortified wines; and adopts rules regarding intrastate transportation of such beverages.



## Martin Manahan

Marty is the director of operations and business development for St. Albans City. Over the last several years, he has been deeply involved in the revitalization of downtown St. Albans including a \$4 million streetscape redevelopment, the development of a five-deck parking garage which services a newly built Downtown Hampton Inn and a 40,000-square-foot State of Vermont office building. Marty has served on the St. Albans City Zoning Board, the Development Review Board, president of the City Council and mayor of the city of St. Albans for six years, from 2006 through 2012. Marty is also a member of the Northwest Regional Development Board, the St. Albans City Downtown Board of Civil Authority and is a Justice of the Peace. He lives in St. Albans City with his wife, Lisa, and four children: Sean, Samantha, Isaac and Ian. His term expires on January 31, 2023.

## Board Members



### Thomas J. Lauzon

Mr. Lauzon was appointed as a member of the Board on July 21, 2015. Mr. Lauzon is an accountant and developer, and has had a long career in Vermont, including as the mayor of Barre from 2006 to 2018. His term expires on January 31, 2023.



### Sam Guy

Governor Phil Scott appointed Sam Guy as a member of the Liquor Control Board in May 2017. Sam is a native Vermonter who graduated from Peoples Academy in Morrisville and from Champlain College. He took over his family's business in 1985, growing it from a single dairy feed store to four retail stores specializing in pet food and supplies, equine, wild bird, lawn and garden products, and wood pellets. His wife and two grown sons are also active in the business. Sam has always enjoyed serving on local boards in his community. His term expires on January 31, 2022.



### Ed Flanagan

Ed Flanagan was named as a Board Member of the merged Liquor and Lottery Board in 2018. Prior to the merger, Mr. Flanagan had been a member of the Vermont Lottery Commission since 2014. He is also the Vermont representative to the Tri-State Lottery Commission that includes the states of Vermont, New Hampshire and Maine. He is vice president of a communications company that has facilities in Vermont, New Hampshire, Massachusetts and Wyoming. Mr. Flanagan lives in Montpelier and his term expires on January 31, 2021.



### Sabina Haskell

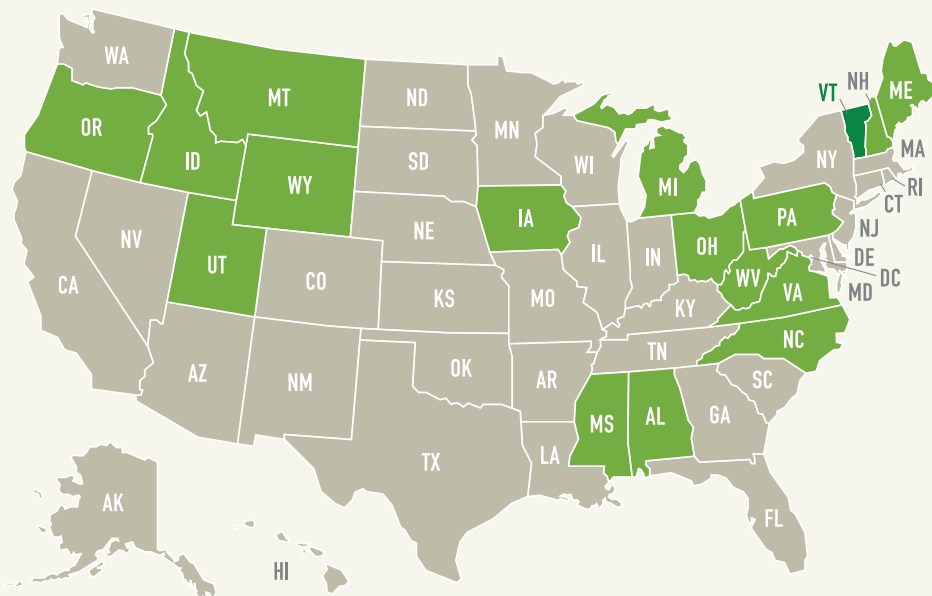
Sabina Haskell, a resident of Colchester, was appointed Chairwoman of the Vermont Lottery Commission in March 2017 and joined the Board of Liquor and Lottery in January 2018 when the two departments were merged. Haskell is the director of public affairs for VSAC, the state's nonprofit public agency dedicated to promoting access and equity for all Vermonters in pursuing their education and training after high school. Prior to that, she held positions of regional director of communications for the former Fair-Point Communications, deputy secretary at the Vermont Agency of Natural Resources, and spent more than a decade in Vermont media as a reporter and editor at the Bennington Banner, Brattleboro Reformer, Rutland Herald and Manchester Journal. She served three terms as president of the Vermont Press Association. She is committed to public service and has served on local, state and nonprofit boards including the Burlington Electric Commission, SerVermont, Young Writers Project, Montpelier Development Review Board, Sunderland School Board and more. Her term expires on January 31, 2023.

# History of the Nation's Liquor Control States

## Introduction

Following the repeal of Prohibition in 1933, Vermont became one of 21 jurisdictions nationwide that controlled the sale of alcoholic beverages within their own borders to permit local adoption on this controversial issue. Currently, 17 states and jurisdictions have adopted forms of the "Control" model. These jurisdictions account for almost 27% of the U.S. population.

These "Control States" or "Control Jurisdictions" established their own system of control over the wholesaling and/or retailing of alcoholic beverages. The control system has withstood the test of time because it is fundamentally sound. It is flexible enough to adapt and evolve to meet the changing demands of consumers as well as those involved in the supply chain.



## About the DLC



Many control states and jurisdictions control retail sales whereby their citizens purchase liquor at a state liquor store or a designated agency store. Vermont owned and operated many of its own stores until 1996 when it transitioned completely to an agency system, as mandated by the Legislature.

The DLC is the regulatory agency responsible for enforcing Vermont's alcohol and tobacco statutes and regulations. This includes licensing the sale of alcohol at bars and restaurants, the sale of beer, wine and tobacco at retail stores, and enforcing compliance with laws and regulations related to service to impaired persons, and alcohol and tobacco sales to minors.

The DLC licenses the sale of beer and wine to private businesses but retains control over the sale of distilled spirits (e.g., spirits such as whiskey, vodka, gin, tequila, etc.).

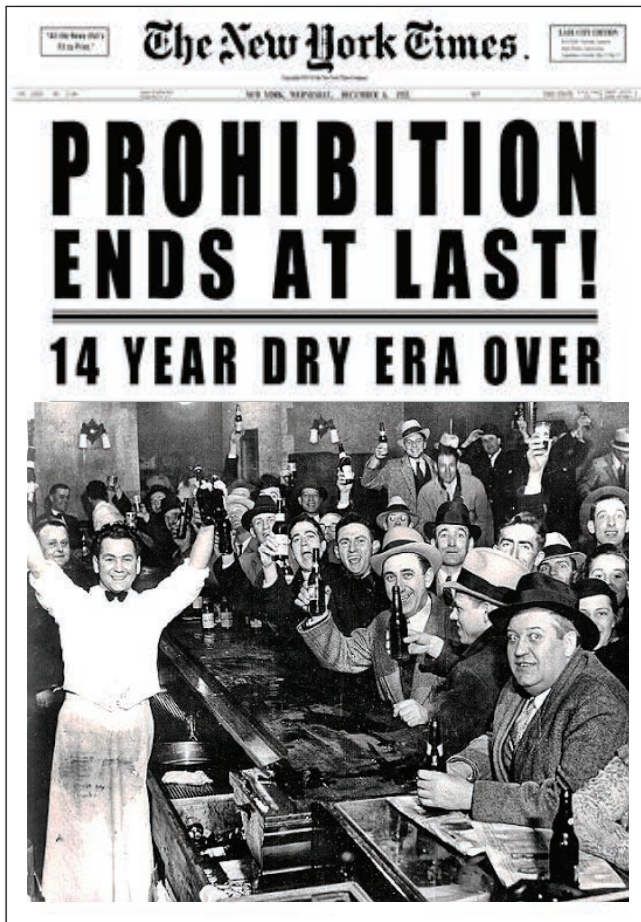
The DLC is responsible for purchasing, pricing and retailing of distilled spirits and directly controls its sale and regulates all persons involved in the alcohol supply chain at any level in the state. As the exclusive seller of liquor, the DLC applies a 65-85% markup to the cost of products to establish retail shelf prices for liquor. This markup includes the required 5% state excise tax.

Vermont's system of liquor control provides benefits to all of Vermont's citizens. We believe Vermont has found the right balance between too much availability, which leads to increased consumption and over-regulation, which inhibits good customer service.

Vermont is proud to be a control distribution jurisdiction and the DLC continues to evolve to optimize the benefits of the control jurisdiction, while improving service to our consumers.



# The History and Future of the DLC



The DLC was created in 1933, when the 21st Amendment to the U.S. Constitution repealed the Volstead Act (Prohibition).

When Prohibition was repealed, the process of determining the method of regulation of alcoholic beverages fell to the states and counties. In response, all states instituted some form of three-tier system of producers, wholesale distributors and retailers to promote moderation in consumption, prevent concentration of power and raise revenues through taxes. The DLC is tasked with issuing liquor licenses and permits, providing education, and the enforcement of state and federal laws relating to alcohol and tobacco.

The DLC is here to serve the public by preventing the misuse of alcohol and tobacco through controlled distribution, enforcement and education. The Department strives to provide excellent customer service by operating efficient, convenient liquor Agency stores throughout the state. Our system of selling alcohol achieves a delicate balance between offering a great selection of products at reasonable pricing at 77 convenient locations around the state.

Studies prove that regulating sales reduces consumption, thereby limiting the physical and social damage caused by the misuse of alcohol. States with less alcohol regulation, in general, have more issues with alcohol abuse, higher prices and less selection of products than our state. Moderation and temperance in control states generally reduce social costs associated with alcohol consumption.

The control system itself continues to provide a regulatory environment that serves both as a visible symbol of the public commitment to moderation and as a vehicle for the promotion of alcohol education and awareness programs to support that commitment.

# 2019: Year in Review

## Legislative Summary

Several Departmental priorities were addressed by the Legislature during the 2019 session and we thank the legislature for the attention to these important issues. Most of the changes were contained in H. 13. Briefly, the law revised existing Title 7 penalties as suggested by the Department in a legislatively mandated report with the goal of making these penalties relevant in 2019. The law also gave the Liquor and Lottery Board the ability to impose both a penalty and a license suspension for a single violation of Title 7, require solicitors of distilled spirits to be licensed, and expanded who may hold a liquor license to include foreign national visa holders. The final major change contained in H. 13 was the reduction of the excise tax rate to 5% on distilled spirits. This change was made to ensure Vermont is compliant with federal law by treating all distilled spirits producers equally. This change will not impact overall revenue to the General Fund. The law mandated specific General Fund transfers from the Department for both 2020 (\$18,370,000) and 2021 (\$18,740,000).

The Department is the lead state regulatory entity on the licensing and sales of tobacco products. The Department provided testimony in support of increasing the minimum age for the sale of tobacco products to 21, disallowing the online sale of tobacco alternatives, and increasing the excise tax on all tobacco substitutes and consumption paraphernalia. These changes were ultimately passed into law.

While the Department was successful in advancing many legislative objectives, other significant proposals were not taken up in 2019. These include allowing the Department to make changes to the expiration date for 7,000+ licenses, so that the licensing work can be spread throughout the year rather than present law, which has all 7,000+ licenses expire on April 30. The present legally mandated April 30 expiration date has a major negative impact on businesses opening in the state. A proposal to streamline and harmonize festival permits was derailed at the very end of the session despite strong support from the Department, the Distilled Spirits Council and the Vermont Brewers Association. We hope to get this permit change back on track in 2020. Finally, the Department sought legislative approval to charge for-profit entities who run festivals for investigator coverage for these events. 20 V.S.A. 1871(c) allows the Department of Public Safety to charge for event coverage and DLL is seeking to simply be added to this provision.

## DLC Happenings

- After 16 years heading up the Education Office, Sergeant Melanie Gaiotti transitioned back to the Compliance and Enforcement Division as a supervisor in Southern Chittenden and Addison counties. We thank Melanie for her many years of leading the Education Office with the DLC and look forward to her continued role as a Compliance & Enforcement Supervisor.
- The Office of Compliance and Enforcement hired Benjamin Adams as a new investigator on May 14, 2018. Ben joined the OCE and will cover the Southern Chittenden and Addison Counties. Prior to coming to the DLC, Ben was a 12-year officer with the Winooski City Police Department and has served in the United States military.
- On October 21, 2019, Eric Volk joined the DLC as the new Education Coordinator, replacing Melanie Gaiotti. Erik brings over 20 years of experience in the Learning and Development field to DLL. His expertise includes extensive knowledge in instructional design, curriculum development, classroom training, e-learning development as well as virtual/remote training.

## NABCA Conference



Keynote speakers Michael Steele (right) and Jon Meacham (center) with NABCA Chairman Jeffrey Painter (left).

Commissioner Delaney and four other members of the management team attended the National Alcohol Beverage Control Association (NABCA) annual meeting in May.

The National Administrators Conference brought over 250 attendees from the control states and jurisdictions as well as other leaders and industry members.

The keynote speakers presenting the Politics in Perspective were presidential historian and author, Jon Meacham, and Michael Steel, author and American Conservative Political Commentator and former Maryland Lt. Governor. The current political reality in comparison to historical political events was presented with respectful banter and a healthy dose of humor.

The conference also included business sessions, seminars and presentations on alcohol regulatory and policy updates, tracking the trends, customer service, innovation and the cannabis conversation.



## PAST...



## PRESENT...



Harmonyville exterior sign



St. Johnsbury Price Chopper wall border



Bondville



W. Brattleboro new roadside sign



# Management Team



## Patrick Delaney, Commissioner

Mr. Delaney was born and raised in Seattle, Washington. In 1982, he graduated from Washington State University with a Hotel and Restaurant Administration degree. His post-graduate career in the hospitality industry started at the Seattle Sheraton Hotel and Towers. In 1991, Patrick initiated a career change into the wine and spirits brokerage business. Over a 25-year career, Mr. Delaney matriculated from on- and off-premise sales, to partnership and ultimately majority ownership of Phoenix Wine and Spirits (PWS). PWS was the largest wine brokerage in Utah for a decade. Southern Wine and Spirits purchased his company in 2013 and employed Patrick as a portfolio manager until he accepted a position as commissioner of the DLC. Mr. Delaney moved to the great state of Vermont in February 2016 to embrace the challenge of leading the DLC to a brighter future.



## Gary Kessler, Deputy Commissioner

Gary joined the Department of Liquor Control in March of 2016. He has served the state in a number of different roles during his 32-year career including most recently as the Director of the Compliance and Enforcement Division at the Agency of Natural Resources, as an environmental prosecutor and ten years as a Deputy State's Attorney where he managed the Appellate Unit and the Department's legislative activities. After the consolidation of the Liquor Control with the Lottery, Gary was appointed by Governor Scott to lead the Lottery team. Until a replacement Deputy is hired, he will continue to work on the liquor side of the Department. Gary is a graduate of Hobart College and Boston University Law School. He also graduated from the Vermont Certified Public Manager Program as well as ANR's Leadership and Management Program. Gary enjoys finding efficiencies in operations and in helping the Department increase the contributions we make to the General and Education funds.



## Theresa Barrows, Director of Marketing

Hired in 2016, Theresa brought a wealth of knowledge with both traditional and digital marketing. A native Vermonter, Theresa was born and raised in Rutland and spent her early years in the food and beverage industry. She attended UVM as an environmental major and then moved into graphic design and communications. The ski industry afforded her experience in customer service and advertising at Rossignol to accessory product management at Nordica. Green Mountain Coffee Roasters expanded her experience to include managing photo shoots, and the production and distribution of consumer catalogs. Website updates, email management and digital strategy rounded out her marketing expertise.



## Kim Walker, Director of Retail Operations

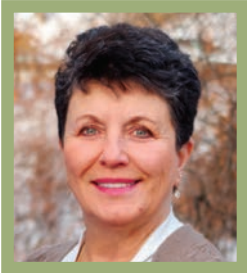
Kim was hired in November of 2015 with a vast knowledge of retail experience with corporations, franchises and small business owners. She has 10+ years working within the Ben & Jerry's universe for both corporate and franchise owners. She thrived in an environment of fast-paced sales, great customer service and team-building exercises. Her knowledge of a thriving retail environment and a positive social mission was a leading factor in her decision to work for State Government. Her experience in restaurant service, retail purchasing, employee training, new store openings and volunteer experience will be greatly utilized in the department. She works closely with all Retail Operations, Purchasing, Marketing, IT, Enforcement, Warehousing and Distribution, and oversees a team of three retail coordinators and 77 Retail Agency partners.



## Skyler Genest, Director of Compliance and Enforcement

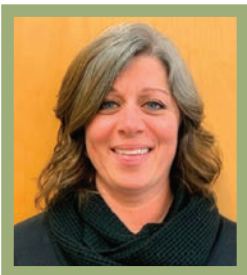
Skyler was promoted to Director of Compliance and Enforcement in August of 2017 after four years as a DLC investigator where he was responsible for much of Lamoille County, including the town of Stowe. He oversees a team of 13 investigators including four sergeants. With the merging of Lottery, Skyler will also embellish the compliance and enforcement in the Lottery Commission. Skyler is a Staff Sargent in the Vermont Army National Guard and is trained as a military police officer. In 2010, he served in a combat role in Afghanistan where he worked with and trained members of the Afghan National Police.





### **Linda Vincent, IT Manager**

Linda is our Director of IT for the Department of Liquor and Lottery. She has been with the department for seven years, coming to us from the IT department at the Office of the Treasurer. Linda brings over 20 years of experience in the management of engineering teams in high-tech companies. She is a graduate of the Snelling Center for Government Vermont Leadership Institute and holds a certification in web development from the Boston University Center for Digital Imaging Arts as well as an MS in Computer Information Systems from Bentley University.



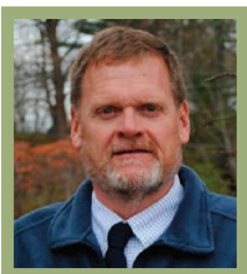
### **Tonia Pryce, Purchasing Manager**

Tonia was born and raised in Vermont. In 1995, she graduated from Champlain College with two Associates degrees, one in Hotel and Restaurant management and the other in Business Management. She began her 24-year career with the Department of Liquor Control in 1995. She started in the Purchasing office, then moved to be the office manager in the Education, Enforcement and Licensing Division for nine years, then moved back to Purchasing in the role of purchasing manager, where she has been since 2008. Tonia manages the product procurement, inventory management and sales promotions. She coordinates the quarterly listing meetings with suppliers and manufacturers and oversees the procurement of highly allocated products.



### **Erik Volk, Director of Education**

Erik was hired as our new education coordinator on October 21, 2019. Erik brings over 20 years of experience in the Learning and Development field to DLL. He also holds a Master of Education degree from the University of Massachusetts/Boston with a concentration in Instructional Design/Adult Education. His expertise includes extensive knowledge in instructional design, curriculum development, classroom training, e-learning development as well as virtual/remote training.



### **Martin Prevost, Director of Licensing**

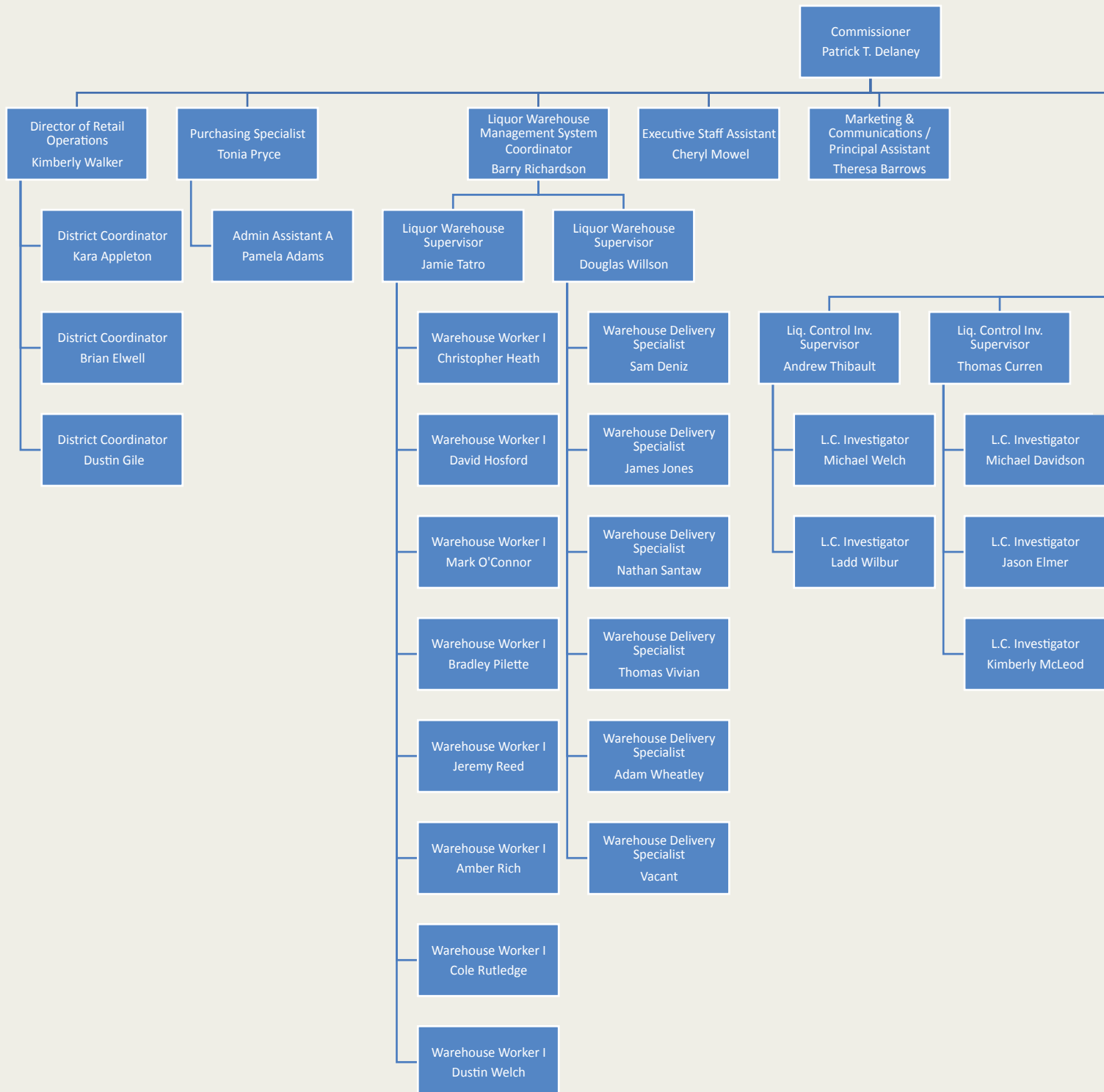
After 19 years in Compliance and Enforcement for the DLC, Martin retired his position as Sergeant in April 2018 and was hired in his current role as Director of Licensing. Prior to coming to the DLC, Martin was a 12-year police officer for Barre City. He manages a team of three who coordinate and issue all licenses and permits for alcohol and tobacco sales around the state. When he is not in the office, Martin travels to all corners of the state to review the properties of potential licensees.



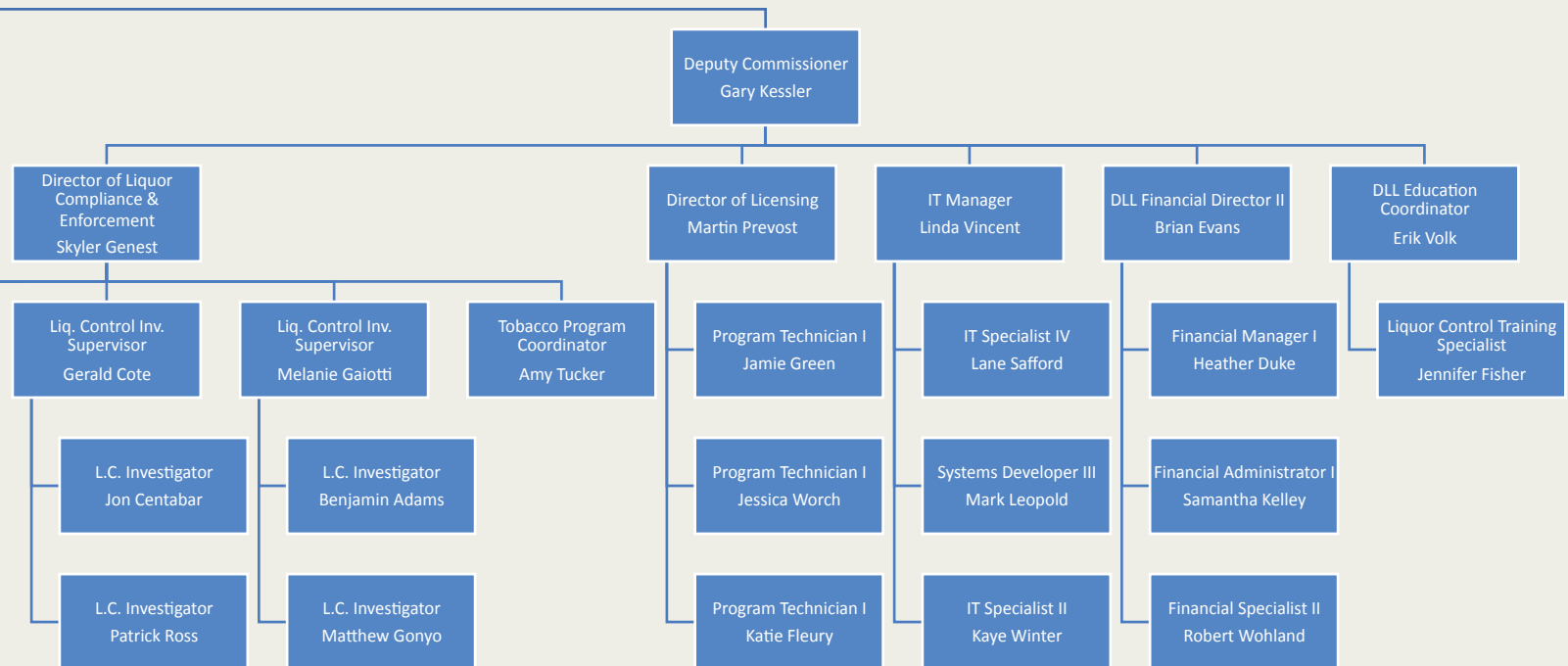
### **Barry Richardson, Distribution Center Coordinator**

Barry is a lifelong resident of Worcester with a passion for the great outdoors. After studying wildlife management and working for a private surveying company, Barry came to Liquor Control as a temporary warehouse worker in June of 1990. He has worked his way through the ranks as a warehouse worker, a driver and an assistant supervisor before accepting his current role. Barry oversees a staff of 16 employees.

# DLC Employees







## DLC Divisions

**Commissioner's Office** (3 positions)

**Accounting** (4 positions)

**Information Technology** (4 positions)

**Retail Operations & Marketing** (5 positions)

**Distribution Center & Purchasing** (18 positions)

**Education & Licensing** (6 positions)

**Compliance & Enforcement** (14 positions)

# Information Technology

The Information Technology Division, comprised of four employees, is responsible for the maintenance and support of DLC-specific systems. These include the central office system, the warehouse management system, agency POS, and interfaces to other state systems, financial institutions and cooperative industry organizations.

The primary goal of IT is to provide a secure operating environment that allows the Department to perform its major tasks efficiently and accurately.

The IT Division maintains the local user hardware and software (such as laptops, warehouse scanners, printers, mobile devices and software used by the Division for enforcement licensing, inventory warehousing and central office functions) in conjunction with the statewide services provided by Agency of Digital Services (ADS) (such as networking, virtual servers and Office 365 applications such as email). All agency hardware and interfaces are maintained by IT.

As part of the Division's modernization plan, the DLC has been upgrading local systems on a scheduled basis while moving their software applications off local servers and into the state's virtual environment, thus reducing costs and providing a more secure and stable environment. This year's focus was on the upgrading of agencies by replacing their outdated DOS-based registers with more reliable Windows-based registers. The next phase of this project was focused on the back office and warehouse systems, which went live in June.

An additional project to upgrade the licensing system is in the initial planning stages.

## Highlights

- Continued work on the completion of the POS and Central Office System project using a Microsoft cloud-based platform: Dynamics 365.
- Implemented back office and warehouse systems.
- Supported several DLC Rare Spirits Sweepstakes and Raffles.



Left to right: Mark Leopold, Lane Safford, Director Linda Vincent, Kaye Winter.  
Not pictured: Ellen Pulsifer.

Lottery IT supports the office and field staff's hardware and software (such as desktops/laptops, mobile devices and printers) in conjunction with the statewide services provided by the Agency of Digital Service (such as networking, virtual servers and Office 365 applications).

## Highlights

- One Drive for Business was implemented, which enables employees to access their files from anywhere, on any device that has an internet connection and a browser.
- Microsoft Dynamics GP, the software used for VT Lottery and Tri-State Lotto accounting, including Tri-State employee payroll and paying Tri-State jackpot winners, was upgraded.
- Continued to improve and maintain the VT Lottery and Problem Gambling websites.



# Distribution Center Operations

Inventory at any given time is valued around **\$13 million\*** and represents about 66,000 cases.

Responsible for the receiving, storage and distribution of all liquor within the state. Employees deliver to our 77 Agency stores on a weekly basis throughout Vermont.

- **31,500-sq.-ft. distribution center**
- **16 employees**
- **Receive an average of 35 deliveries per week**

## Bailment

Most of the DLC's inventory is held in bailment, i.e. manufacturers ship product to the distribution center but retain ownership until the product is delivered to Agency stores. Once delivered, the DLC takes and retains ownership of the product until it is sold by Agency stores.



The warehouse staff

## Dave LeClair retires

Dave LeClair came to work for the DLC as a temporary driver over 19 years ago. After about a year, he was hired as a full-time driver, first with the southern route and then delivering to the northern stores. Dave brought with him a vast knowledge of vehicle mechanics. He was always willing to change a tire or make a minor adjustment to keep a truck on the road. He was a dedicated employee.



Even commuting over 90 minutes each way, during the worst of road and weather conditions, he rarely ever missed a day of work. Although he retired from his job here at the DLC, Dave has no plans to slow down but instead to find a role that suits him closer to home and allows him to participate in his family's maple business each spring. Dave's hard work, good nature and quick wit will be missed. Cheers Dave!

## Highlights

The Department continues to use the P.O.D. (proof of delivery) process. This was initially designed for the daily orders to be loaded onto a handheld device and sent out with the drivers to scan the orders as they were off-loaded at the agencies. During testing, the decision was made to do the scanning in-house as the trucks were being loaded. This decision was made because, if a picking error was found, it could be corrected while the truck was being loaded, minimizing any chance for errors upon delivery. Our goal was to be able to off-load without checking in the order until after the truck has left, minimizing our time at the agencies. As a result, we have adjusted our delivery schedules and changed from bi-weekly to delivering on a weekly schedule at 75% of the stores. This is a fairly new process with the launch of the new D365 warehouse system and we have noticed many benefits. The over, short and damage reports have dropped by 50% and continue to decrease. This has created a more efficient process allowing for the warehouse and retail coordinator team to locate more than 85% of any discrepancy. It also allows the drivers more time back at the warehouse to scan and load the outgoing orders, reducing overtime.

\*at retail price

# Education

**The Office of Education ensures that licensees, manufacturers and distributors have the proper training to meet state and federal requirements prior to receiving or renewing their license or permit.**

The Office of Education has been in transition this year with exciting things coming for 2020. After almost 16 years in Education, much of her time leading the charge, Sergeant Melanie Gaiotti has returned to her first love in the Enforcement and Compliance side of our Department. A new and now civilian education coordinator position was created within the Department in October — Erik Volk accepted the challenge of steering our educational future.

He joins at an exciting time as the Office of Education has received two significant NABCA grants to assist in the commitment of the education of and responsible sale and consumption of beverage alcohol. (See below)



**Education team: Melanie Gaiotti, Erik Volk and Jennifer Fisher.**

## NABCA Grants

Founded in 1938, National Alcohol Beverage Control Association (NABCA) is the national association representing the Control State Systems

— those jurisdictions that directly control the distribution and sale of beverage alcohol within their borders. NABCA serves its members by providing research, analytics and alcohol regulatory information, and acts as liaison to federal, state and local governments, research groups, public health associations, the media and other organizations impacting alcohol policy.

The department applied for and received both a very significant supplemental grant as well as the standard education grant.

The supplemental grant will be used to audit all of the educational programs and materials used by the Office of Education. The auditor will then come up with a comprehensive evaluation of those programs and make recommendations to help improve our educational offerings.

The standard education grant will help us create new training videos. The current seller and server videos were created in 2009, with a grant from the NABCA, and are currently used in the Department's trainings. New videos with updated scenarios and language will be filmed in Vermont and will be presented in our trainings beginning in the early spring.



## Educational Training

The Office of Education brings training and seminars to consumers, businesses, students, bartenders, parents and other interested parties to ensure alcohol and tobacco is sold and served in a safe and legal manner. These trainings are made available to restaurants, bars, clubs, hotels and Agency stores (and their staff), retailers who sell beer and wine, manufacturers and wholesale distributors.

The two-person Education Division provides in-person and online training with regards to the statutes and regulations contained in V.S.A. Title 7. License-holders and all staff involved with selling alcohol must have current training and certification every two years.

Over 9,200 people were trained in Fiscal Year 2019 through in-person and online classes. The Division offers training classes several times throughout the year in various locations around the state.

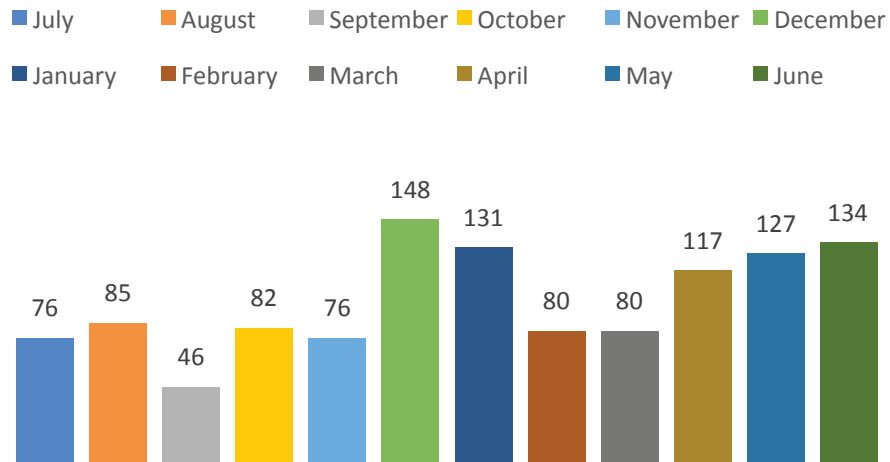
**1st Class Seminar:** This class will certify an individual to serve alcohol for on-premises consumption at a bar, club, hotel, restaurant, manufacturer, catering event or bookstore/art gallery/museum/library.

**2nd Class Seminar:** This class will certify an individual to sell alcohol and/or tobacco in a store.



## Fiscal Year 2019 Training Seminar Numbers

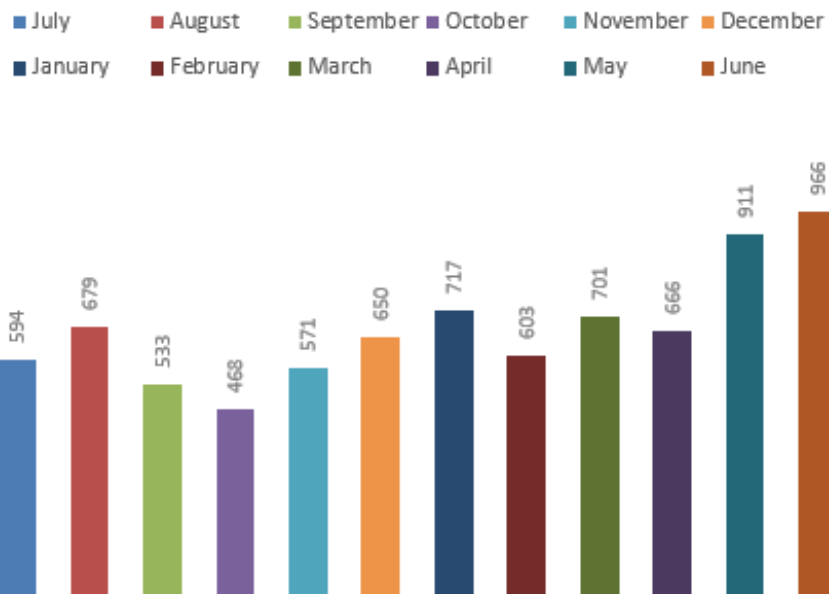
### FY 2019 IN-PERSON



### In-Person Training:



### FY 2019 ONLINE



### Online Training:



Total People Trained:



# Compliance & Enforcement

## Office of Compliance and Enforcement

Efficiency is the cornerstone in all aspects of operations within the Office of Compliance and Enforcement (OCE). As the regulatory landscape continually changes and increases in responsibilities lead to more areas of need, OCE strives to employ its limited resources in the most efficient manner possible to all corners of the state. OCE focused on efficiency over the last year by using tools like the project R.A.B.I.T which leveraged predictive analytics to identify the likelihood of violations of state liquor law or regulation by licensees, and capitalizing on improved technology to expedite the work carried out by liquor investigators.

Liquor Investigators have increased in the quantity and span of criminal investigations over the last fiscal year. OCE made 11 criminal arrests during FY 2019. These arrests ranged from criminal violations of Title 7 laws such as Sale Without a License (7 V.S.A. § 667) and Sale or Furnishing to Minors (7 V.S.A. § 658) to Title 13 crimes such as Embezzlement (7 V.S.A. § 2531), and Title 32 tax crimes of Possessing Un-Stamped Cigarettes (32 V.S.A. § 7778).

All told, OCE is proud of the comprehensive work produced across the state with a team of only 14 investigators. However, we are not a group to rest on our laurels. OCE endeavors to charge forward with innovative strategies to continually improve. One of those projects includes wider scale Place of Last Drink (POLD) data collection. Place of Last Drink is a term used when collecting data about police calls for service that involve patrons that were served in licensed liquor establishments prior to their law enforcement involvement. In FY 2019, OCE piloted a POLD at eight police agencies across Vermont. This pilot program resulted in 202 entries into the database. Many of those entries resulted in investigations. In the coming year, OCE is hoping to bring online POLD data collection at the time of DUI arrest, in a program sponsored by the VT Governor's Highway Safety Council and in partnership with the Vermont Forensic Laboratory.

One thing will remain constant: DLL's OCE and every individual liquor investigator is committed to making tangible increases to public safety within Vermont, from border to border, and day to day.

## The Office of Compliance and Enforcement conducted:



## The work of 14 Liquor Investigators resulted in:



The enforcement process is governed by Title 7 V.S.A. § 210, and §§ 561–590.

Per 7 V.S.A. § 210, fines range from \$250 to \$2,500 depending on the case merits and the severity of the violation.

All complaints received in-person, by mail, phone or online are investigated.



## Highlights

Liquor Control Investigators are all full-time, sworn law enforcement officers with enforcement authority akin to the State Police. The 14 investigators serve the public by preventing the misuse of alcohol and tobacco through education and enforcement. The Office of Compliance and Enforcement maintains a clear focus on specific public safety issues dealing with Vermont's Alcohol and Tobacco Laws. Investigators employ a myriad of techniques to address these public safety issues including licensee education, issuance of administrative warnings or tickets for observed violations when appropriate, as well as effecting arrests for criminal activity.

The Compliance and Enforcement Division conducts undercover alcohol and tobacco compliance checks using underage individuals to attempt purchase of tobacco and alcohol from licensees. Nearly real-time, OCE

posts its compliance check results and statistics on the DLC website. OCE also facilitates contracted tobacco compliance checks on behalf of the FDA to enforce the Tobacco Control Act and reduce tobacco use by minors.



Over the last year, OCE conducted 1,014 tobacco compliance checks. Of these, 87 licensees illegally sold to underage individuals and 927 licensees did not sell to underage individuals. The tobacco compliance rate decreased slightly to 91.45% during FY 2019. FY 2018's compliance rate was 92.27%.

In FY 2019, OCE conducted 1,245 alcohol compliance checks. Of these, 94 licensees sold to underage individuals and 1,151 licensees did not sell to underage individuals. Of significant note, the FY 2019 alcohol compliance rate rose to 92.44%. FY 2018's compliance rate was 88.75%.

## Place of Last Drink Project

During FY 2019, the Department of Liquor and Lottery (DLL) paired with the Vermont Forensic Lab at the Department of Public Safety (VFL) to work with a sole source contract vendor to add Place of Last Drink (POLD) questioning to the Intoximeter DataMaster DMT device software. The project took lessons learned from Washington State, and included input from the Traffic Safety Resource Prosecutor (TSRP) on legal issues surrounding how and when the data was collected during the DUI processing. Intoximeters ultimately responded to the scope of work, and over the period of the existing VFL sole source contracting cycle, coded the POLD questioning into the software. Currently, the software has not yet been implemented into live DMT devices, as the VFL has a rigorous testing protocol to follow

for any software changes. Once fully vetted, DLL will pair again with VFL to roll out user training on the new feature.

This project included a successful collaboration between three state departments. The Department of State's Attorney's and Sheriffs assisted with legal advice, and DLL and DPS worked diligently in the determining technical requirements. Additionally, this was a successful public-private partnership, as a leading vendor in the DUI evidence collection arena (intoximeters) engaged with improving how Vermont collects data surrounding impaired driving. Improvements in this project in the coming year will take the form of fielding the new software, delivering user training and analyzing the newly collected data.

# Licensing

The Office of Licensing is responsible for all licenses and permits issued and renewed that involve the sale, service, manufacturing and distributing of alcohol in Vermont as well as the sale of tobacco products and tobacco paraphernalia sold in Vermont. The Division is also responsible for licensing pull-tab game manufacturers and distributors that do business in the state.



**Martin Prevost, Director of Licensing**



**Jessica, Jamie and Katie handle the processing of all licensing and permit requests.**

This licensing year — May 1, 2018 to April 30, 2019 — there were 7,153 new licenses and permits issued and 7,327 were renewed. The total for both renewed and new licenses issued was 14,480.

First Class and 3rd class (on-premise, restaurants and bars) and 2nd Class (off-premise, retail sales) licenses issued must first be approved by the local control commissioners in the town that an applicant applies in. This process has brought in \$231,390 directly to the local communities in license application fee revenue for the licensing year.

The Office of Licensing initiates an investigation into each application to confirm that the applicant is eligible to hold a license. The Licensing Division determines that the applicant is trained and knowledgeable of current laws and regulations. Each applicant meets with a member of the Licensing Division and a detailed description of the license premise is documented along with all other permits and licenses that are required for the type of business they are going to be operating. This means that the Division works closely with other state agencies to be certain that the applicants are in compliance with other state agencies and with their rules and regulations.

## Highlights

The Office of Licensing is in the process of replacing our current licensing system. The current system is over 25 years old and cannot meet our current licensing requirements. The division has been working on putting an RFP together for a new online system.

## What's new

With the passage of Act 73 this legislative session, a minor change has been made in the application process for 3rd class (Spirituos Liquor) applications. In the past, 3rd class applications bypassed the town or city approval process and would essentially allow someone to set up a bar serving spirits in a community without local approval. This new law requires all 3rd class applications to be approved locally, prior to being sent to the state for approval.

# Licensing Statistics

2018 LICENSES	ISSUED	RENEWED	FEE FOR TOWN/CITY	TOTAL COLLECTED
1st Class Restaurant License	123	1,001	\$129,260.00	\$258,520.00
1st Class Club License	0	94	\$10,810.00	\$21,620.00
1st Class Hotel License	5	106	\$12,765.00	\$25,530.00
1st Class Kitchen	6	13	\$2,185.00	\$4,370.00
2nd Class License	71	1,020	\$76,370.00	\$152,740.00
3rd Class Restaurant	37	601		\$698,610.00
3rd Class Restaurant - half year	49	183		\$127,600.00
3rd Class Hotel	2	76		\$85,410.00
3rd Class Hotel - half year	2	13		\$8,250.00
3rd Class Club	0	88		\$96,360.00
3rd Class Club - half year	0	7		\$3,850.00
3rd Class Kitchen	2	5		\$7,665.00
3rd Class Kitchen - half year	0	5		\$2,750.00
Wholesale Dealer License	4	35		\$48,555.00
Wholesale Dealer Tasting Permit	17			\$425.00
Solicitor Permit	147	438		\$39,130.00
1st Class Boat License	0	2		\$460.00
3rd Class Boat License	0	1		\$1,095.00
3rd Class Boat License - half year	0	0		-
Manufacturer - Vinous	11	58		\$19,665.00
Manufacturer - Vinous Tasting	224	0		\$5,600.00
Manufacturer - Malt	8	85		\$26,505.00
Manufacturer - Malt Tasting	215	0		\$5,375.00
Manufacturer - Spiritous Liquor	3	30		\$9,405.00
Special Events Permit	1,346	0		\$47,110.00
Caterer's License	52	261		\$78,250.00
Commercial Cater	6	17		\$5,060.00
1st Class Dining Car	0	1		\$230.00
3rd Class Dining Car	0	1		\$1,095.00
4th Class Vinous	6	39		\$3,150.00

ACTIVE LICENSES, May 1–April 30	2018-19	2017-18	2016-17
1st class	1,349	1,409	1,395
2nd class	1,091	1,159	1,122
3rd class	1,075	1,105	1,070
4th class	125	120	109
Tobacco	991	995	987
	<b>4,631</b>	<b>4,788</b>	<b>4,683</b>

2018 LICENSES	ISSUED	RENEWED	FEE FOR TOWN/CITY	TOTAL COLLECTED
4th Class Spirits	5	29		\$2,380.00
4th Class Malt	10	51		\$4,270.00
Festival Permit	30			\$3,750.00
Tobacco Licenses	78	914		\$10,560.00
Tobacco Endorsement Permit	115	470		\$29,250.00
Fortified Wine Permits	0	10		\$1,000.00
Wine Tasting Permit	514			\$12,850.00
Malt Tasting Permit	197			\$4,925.00
Rail Road Tasting Permit	0	0		-
Industrial Alcohol License	3	20		\$5,060.00
Certificate of Approval - Vinous	26	272		\$293,530.00
Certificate of Approval - Malt	15	78		\$231,105.00
Direct Ship to Consumer License - Vinous	47	435		\$159,060.00
Direct Ship to Consumer License - Malt	1	0		\$660.00
Direct Ship to Retailer License - Vinous	8	36		\$11,000.00
Education Sampling Event Permit	16			\$4,000.00
Farmer's Market License - Vinous	7	17		\$1,680.00
Farmer's Market License - Malt	4	2		\$420.00
Farmer's Market License - Spirit	13	27		\$2,800.00
Bottler	0	0		-
Art Gallery	187			\$3,740.00
Bookstore	6			\$120.00
Library	35			\$700.00
Museum	29			\$580.00
Outside Consumption Permit - Permanent	111	767		\$17,560.00
Outside Consumption Permit - One Time	160	0		\$3,200.00
Cater Request Permit	3,234			\$64,680.00
Master Resort License	4			\$4,000.00
Second Retail Delivery Permit	1	5		\$600.00

<b>2018 Totals</b>	<b>7,153</b>	<b>7,327</b>	<b>\$2,657,865.00</b>
			To Towns: \$231,390.00
			To DLC: \$2,426,475.00

<b>2017 Totals</b>	<b>6,679</b>	<b>7,229</b>	<b>\$2,635,260.00</b>
<b>2016 Totals</b>	<b>6,762</b>	<b>7,106</b>	<b>\$2,588,380.00</b>
<b>2015 Totals</b>	<b>6,563</b>	<b>6,624</b>	<b>\$2,378,150.00</b>
<b>2014 Totals</b>	<b>5,921</b>	<b>6,651</b>	<b>\$2,379,250.00</b>
<b>2013 Totals</b>	<b>4,365</b>	<b>6,349</b>	<b>\$1,955,465.00</b>
<b>2012 Totals</b>	<b>2,288</b>	<b>5,626</b>	<b>\$1,750,140.00</b>
<b>2011 Totals</b>	<b>2,175</b>	<b>5,787</b>	<b>\$1,848,840.00</b>



# Purchasing

Purchasing oversees the procurement of 3,000+ different spirits. The Division reviews new products quarterly to determine which products will be carried on store shelves in Agency stores through a process called “listing.”

The Division’s listing process includes review by a committee of various data points such as bottle size, product segment, suggested retail price, competing products and total bottle sales in other control states.

“Delisting” is the process by which products with a low contribution margin (sales and profit margin) are removed from regular distribution. Many of these items will remain available to consumers through the special-order process.

The Division works in conjunction with vendors to manage promotional and monthly sale items and closeouts and manage relations with 131 different national wholesalers and 19 Vermont suppliers.

## Highlights

- **2,167 SKUs of those 1,046 are special orders**
- **103 new products added, including 21 Vermont-made products**
- **Over \$1,607,160 in Special Order sales**

## Top 10 Bottle Sales

1.	Tito's Handmade Vodka .....	750ML	113,892 bottles
2.	Dr. McGillicuddy's Fireball .....	50ML	93,894 bottles
3.	Smirnoff Red Label Vodka .....	50ML	64,228 bottles
4.	Jack Daniel's Old #7 Black .....	750ML	55,481 bottles
5.	Captain Morgan Spiced Rum Glass..	750ML	55,345 bottles
6.	Jameson Irish Whiskey .....	750ML	54,807 bottles
7.	Five O'Clock Vodka PET .....	375ML	52,310 bottles
8.	Skol Vodka .....	1.75L	52,152 bottles
9.	Jose Cuervo Especial Gold Tequila...	50ML	46,792 bottles
10.	Smirnoff Vodka .....	750ML	46,384 bottles



Hannaford in Rutland Town displays a fully stocked 50ML shelf set

## 2019 Rare and Highly Limited Sweepstakes and Raffles



During FY 2019, the DLC conducted two raffles and two sweepstakes. The difference between the sweepstakes and the raffle is that entry into the sweepstakes is at no cost, but only one entry per product is allowed. Raffle entries are \$5.00 each and number of entries are unlimited. Both events have similar rules and allow only Vermont residents 21 years and older to participate and win one opportunity, regardless of the number of entries or products entered, to purchase a bottle in each event with the goal being to spread the products to the widest number of individuals of Vermont consumers and licensees (bars and restaurants). Both the sweepstakes and raffle have separate categories for consumers and licensees. In each case, 75% of product was available for consumers and 25% was available for licensees. This 75/25 mirrors the Department's product sales ratio. This is also in line with desire of the manufacturers to have licensees receive a portion of the bottles so that it allows a greater number of consumers the opportunity to try the product.

The first raffle of FY 2019 was launched in October 2018 and product was delivered and purchased in November. This raffle was for the opportunity to purchase bottles from two exceptional collections of spirits. These included the highly coveted Pappy Van Winkle Bourbon Collection and the Buffalo Trace Antique Collection. In total, 12 different products were available, 362 consumers participated, purchasing 2,127 entries resulting over \$10,635.00 in entry fees. With seven bottles available for licensees, 17 licensees participated, purchasing 213 tickets resulting in \$1,065. And product was delivered to and sold by over 16 liquor Agents, grossing \$11,700. The second raffle was held in November 2018 as we had 70 bottles of four different ages of Pappy Van Winkle. In total, 312 consumer participants purchased 1,881 tickets resulting in \$9,405.00, with 21 bottles for licensees, purchasing 172 tickets for \$860.00. When the raffle ended, a total of \$10,265.00 was raised and over \$25,000 in product was sold through 54 Agencies. Additionally, these two raffles netted a total of \$22,825 in gross entry fees, which far exceeded the Department's expectations. The net donation after the software and service fees, was \$20,263 to Spectrum Youth and Family Services to support their efforts

related to youth substance abuse prevention and treatment.

In April, the first of two sweepstakes were held. There were 13 products of Pappy Van Winkle Bourbon Collection and Buffalo Trace Antique Collection. With a total of 110 of bottles, 80 were for consumers and 30 were for licensees. We had 1,060 entries for consumers and 52 for licensees, adding over \$19,700 in gross sales through 38 Liquor Agencies around the state. In August, the second sweepstakes were held. There were 9 products, for a total of 97 bottles: 72 for consumers and 25 for our licensees. Entries for the consumers was very low at only 1,060 and only 52 for licensees. The total of just under \$6,500 in gross sales spread over 31 Agencies is still impressive.

For FY 2019, these sweepstakes and raffles have added \$62,980 to the gross sales of the Department and over \$4,723 in commissions to our Agencies.

Overall consumer participation in the raffles and sweepstakes has far exceeded expectations. Our rare spirits email database continues to grow with over 4,200 email addresses, which we do not share or sell. When the Department receives media coverage, the response is much greater. Additionally, we received a great deal of positive feedback from participants, winner or not, about the sweepstakes for making it easy and fair to obtain a bottle and for the raffle contributions to Spectrum Youth and Family Services and overall, the transparency in how this product is distributed. The Department continues to learn valuable lessons from each event and, in turn, modifies the way we manage to product.

We have received calls from other control states on the details of our program, in the effort to offer similar raffles in their states. Several have replicated our type of events. The CEO of Sazerac Company Inc. (the distiller), Mark Brown, expressed his strong support of the raffle and the charity the proceeds benefited. He specifically cited the Department's efforts here and said, "What a very nice, best in class, way of handling Pappy – Thank you!"





# Made in Vermont

Vermont is home to a thriving spirits industry offering a wide variety of products from maple liqueurs to rums, gins and rye whiskey. Many of the products are winning national acclaim and international awards. Many distilleries have their own tasting rooms where their products may be sampled and purchased.

## **Appalachian Gap Distillery**

88 Mainelli Road, Suite #1, Middlebury, VT 05753  
(802) 989-7362, [www.appalachiangap.com](http://www.appalachiangap.com)

Items sold through the DLC: Mythic Gin, Papilio Agave & Maple Spirits, Ridgeline Whiskey, Kaffeavan Coffee Liqueur, Snowfall White Whiskey, Aqua Vodka, Peregrine and Fractal Vodka. Special order: Appalachian Gap Morning Sunshine and Appalachian Gap Drumlin Rye

## **Boyden Valley Spirits**

64 Vermont Route 104, Cambridge, VT 05444  
(802) 644-8151, [www.boydenvally.com](http://www.boydenvally.com)

Items sold through the DLC: Vermont Ice Maple Crème

## **Caledonia Spirits**

116 Gin Lane, Montpelier, VT 05602  
(802) 472-8000, [www.caledoniaspirits.com](http://www.caledoniaspirits.com)

Items sold through the DLC: Barr Hill Vodka, Barr Hill Gin, Barr Hill Reserve Tom Cat. Special order: Barr Hill Tom Cat 100 Barrel Select

## **Flag Hill Farm**

135 Ewing Road, Vershire, VT 05079  
(802) 685-7724, [www.flaghillfarm.com](http://www.flaghillfarm.com)

Items sold through special order through the DLC: Pomme De Vie Vermont Apple, Stairs Pear Brandy

## **Green Mountain Distillers**

171 Whiskey Run, Morristown, VT 05661  
(802) 253-0064, [www.greenmountaindistillers.com](http://www.greenmountaindistillers.com)

Items sold through the DLC: Green Mountain Organic Vodka – Lemon and Orange, Cranberry, Blueberry, Green Mountain Organic Gin, Vermont Organic Maple Liquor. Special order: Green Mountain Organic Vanilla

## **Hooker Mountain Farm Distiller**

1193 Lovely Road, Cabot, VT 05647  
(802) 426-2052, [www.hookermountainfarm.com](http://www.hookermountainfarm.com)

Items sold through the DLC: Hooker Mountain Farm Spruce Gin, Hooker Mountain Farm Spirited Cider, Hooker Mountain Farm Woke Milk & Coffee, Poor Farm Rum

## **Mad River Distillers**

137 St. Paul Street, Burlington, VT 05401  
(802) 489-5501, [www.madriverdistillers.com](http://www.madriverdistillers.com)

Items sold through the DLC: Mad River Vanilla Rum, Mad River First Run Rum, Mad River Maple Cask Rum, Mad River Bourbon, Mad River Rye Whiskey, Mad Apple. Special order: Mad River Corn Whiskey, Mad River Burnt Rock Bourbon, Mad River PX Rum

## **Old Route Two Spirits**

69 Pitman Road, Barre, VT 05641  
(802) 424-4864, [www.oldroutetwo.com](http://www.oldroutetwo.com)

Items sold through the DLC: Joe's Pond Gin, Maple & Ash Barrelhead Rum, Coffee Rum, Cherrywood Barrelhead Rum

## **Putney Mountain Winery**

8 Bellows Falls Road, Putney, VT 05346  
(802) 387-592, [www.putneywine.com](http://www.putneywine.com)

Items sold through the DLC: Simply Ginger, Vermont Cassis, Simply Maple, Simply Chocolate

## **Saxton's River Distillery**

485 West River Road, Brattleboro, VT 05301  
(802) 246-1128, [www.saplingliqueur.com](http://www.saplingliqueur.com)

Items sold through the DLC: Sapling Vermont Maple Bourbon, Sapling Liqueur, Perc Coffee Liqueur, Sapling Vermont Maple Rye Whiskey, Snowdrop Gin

## **Silo Distillery**

3 Artisans Way, Windsor, VT 05089  
(802) 674-4220, [www.silodistillery.com](http://www.silodistillery.com)

Items sold through the DLC: Silo Reserve Gin, Silo Lavender Vodka, Silo Cucumber Vodka, Silo Moonshine, Silo Gin, Silo Vodka, Silo Whiskey, Silo Maple Whiskey, Silo Bourbon. Special order: Silo White Whiskey, Silo Lemon Vodka

## **Smugglers' Notch Distillery**

276 Main Street, Jeffersonville, VT 05464  
(802) 309-3077, [www.smugglersnotchdistillery.com](http://www.smugglersnotchdistillery.com)

Items sold through the DLC: Smugglers' Notch Bourbon, Smugglers' Notch Gin, Smugglers' Notch Vodka, Smugglers' Notch Rum, Smugglers' Notch Hopped Gin, Litigation by Smugglers', Smugglers' Notch Organic Gluten Free Vodka, Smugglers' Notch Maple Bourbon

## **St. Johnsbury Distillery**

1350 Main Street, St. Johnsbury, VT 05819  
(802) 751-8813, [www.stjdistillery.com](http://www.stjdistillery.com)

Items sold through the DLC: St. Johnsbury Dunc's Elderflower Rum, St. Johnsbury Dunc's Maple Rum, Dunc's Backwoods Reserve Rum, Pirate Dan's Vermont Rum

## **Stonecutter Spirits**

1197 Exchange Street, Middlebury, VT 05753  
(802) 388-8000, [www.stonecutterspirits.com](http://www.stonecutterspirits.com)

Items sold through the DLC: Single Barrel Gin, Stonecutter Heritage Cask Whiskey

## **Vermont Distillers**

7627 Vermont Route 9, West Marlboro, VT 05363  
(802) 464-2003, [www.vermontdistillers.com](http://www.vermontdistillers.com)

Items sold through the DLC: Metcalfe's Maple Cream Liqueur, Metcalfe's Vermont Maple Liqueur, Metcalfe's Raspberry Liqueur, Metcalfe's Blueberry Liqueur, Catamount Vodka

## **Vermont Spirits Distilling Company**

5573 Woodstock Road, Quechee, VT 05001  
(802) 281-6398, [www.vermontspirits.com](http://www.vermontspirits.com)

Items sold through the DLC: Coppers Gin, Vermont Spirits White Vodka, Vermont Spirits, Gold Vodka, No. 14 Maple Spirit, No. 14 Bourbon. Special order: Coopers Barrel Gin, Coppers Sugarwood Gin, Vermont Crimson Vodka

## **WhistlePig Farm**

1030 Palmer Road, Shoreham, VT 05770  
(802) 897-7708, [www.whistlepigwhiskey.com](http://www.whistlepigwhiskey.com)

Items sold through the DLC: WhistlePig Whiskey, WhistlePig Old World, WhistlePig Boss Hog

## **Wild Hart Distillers**

26 Sage CT, Shelburne, VT 05482  
(802) 489-5067, [www.wildhartdistillery.com](http://www.wildhartdistillery.com)

Items sold through the DLC: Wild Hart Gin, Wild Hart Vermont Classic Gin





Governor Phil Scott signs an economic and workforce development bill at the New Caledonia Spirits Distillery

## Top Selling Vermont Products

### Barr Hill Gin

Barr Hill Gin is produced by Caledonia Spirits, which is located on the banks of the Winooski River in the heart of Montpelier, on Gin Lane. Caledonia Spirits grew from a bee apiary producing raw honey, to including a meadery, and later a distillery. White oak gathered in the Champlain Valley is used to make their barrels that they age their spirits in. Barr Hill Gin is made with pure grain spirits as a way to showcase the flavors of juniper berry and raw northern honey.

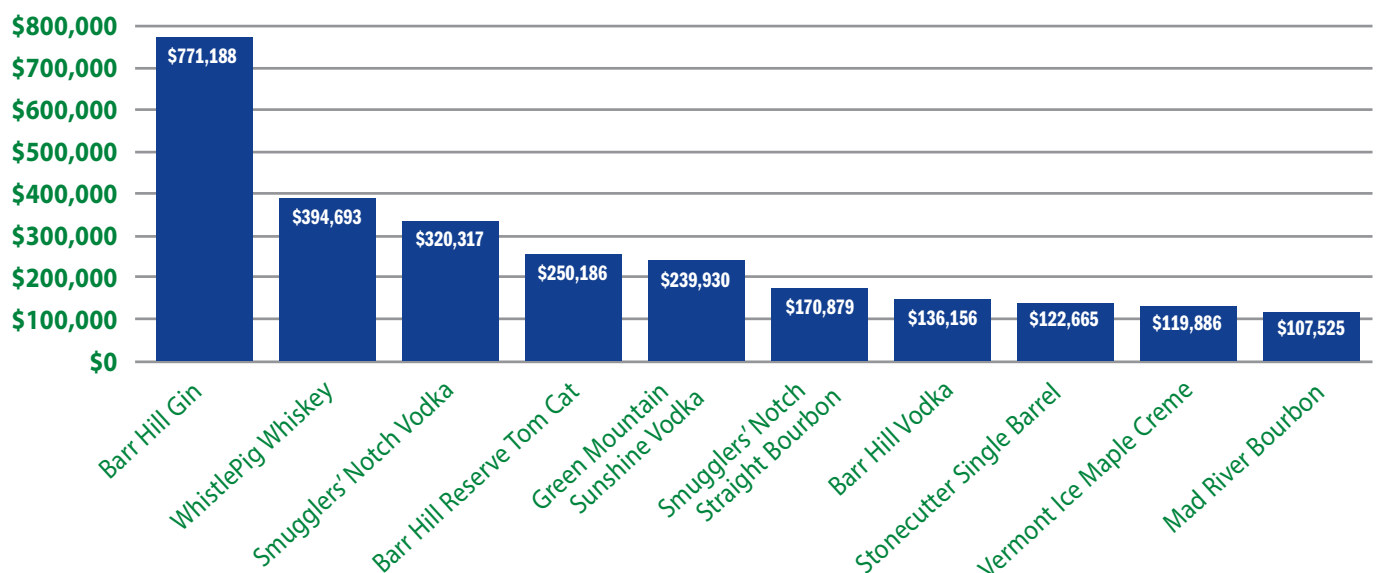


### WhistlePig Whiskey

WhistlePig began with the purchasing of a farm in 2007 in Shoreham located in western Addison County along the shores of Lake Champlain. After a few years of deep consideration and personal reflection, they committed themselves to crafting the world's finest and most interesting rye whiskeys. With help from Master Distiller Dave Pickerell, they discovered and purchased an incredible stock of 10-year-old blending whiskey in Canada that was being profoundly misused. That initial stock is what kicked off their grand adventure.



## Top 10 Vermont-Made Retail Dollar Sales (750mL)



# Retail Operations

The Retail Operations Division is responsible for working with our 76 Agency stores to promote outstanding selection, merchandising and superior customer service.

## POINT OF SALE SYSTEM

For over 18 months the retail team, in collaboration with the IT team, researched, beta tested, trained, and implemented the new POS system. The many facets of this project included feedback from excellent Agency partners and business owners. The Retail team, in partnership with our contractor, offered Agents the opportunity to send their staff to trainings close to their stores, reduce time away and attend multiple trainings if necessary. The training sites included live systems for hands on training. Installs of these modern units, averaged three Agency locations per day, and included a trainer on site from open to close of the retail establishment. The project was on schedule, and by the end of January 2019, all 78 retail locations had the new systems in place. This retail team never wavered from the end goal and traveled around the state to make sure all Agents were comfortable using the system to reduce any interruption in their businesses. The Retail Division Team was awarded a Public Service Recognition by the Administration for demonstrating commitment, talent and leadership in public service in recognition of their commitment and focus on this project and launching on schedule.

In June of 2019, the central office system was fully functional with multiple divisions working in sync on one IT platform. This has allowed efficiencies in our business processes and has increased the level of collaboration and modernization of the DLC business model.

### Highlights

- The Brick Store on Ferry Road in Charlotte opened in August as a kiosk store.
- Maplewoods "Vermont Travel Service Center" in Berlin opened in October as a kiosk store.
- Over the course of the year, we have reset over eight locations to better merchandise products and remove dead inventory from their shelves.
- All stores have been assigned a designation of Beverage Center, Core Store, Annex or Kiosk and will be stocked according to their shelf set plans.
- The Retail Ops Manager, Kim Walker, attended the NABCA Administrators Conference in October in Denver, Colo., and participated in committee meetings and business training seminars on store display strategies, 50mL merchandising and sales trends.



Suzanne Young, Secretary of Administration; Brian Elwell, Central Retail Coordinator; Dusty Gile, Northern Retail Coordinator; Kim Walker, Director of Retail; Kara Appleton, Southern Retail Coordinator; and Governor Phil Scott at the awards ceremony.

### Notes of Interest

- We would like to recognize Michael and Lucille McCarthy of Woodstock Beverage for their dedication to their customers and the DLC and in successfully running their store for over 20 years. We wish them all the best in their retirement!
- The Kingdom Market, Inc., in Island Pond was recently sold by owner Frances LaFountain. After a good 10-year run, it was time to start a new chapter and the business was sold.



## Retail Location Highlights



Charlotte interior shelves



Lake St, St. Albans City



Berlin Window Cling

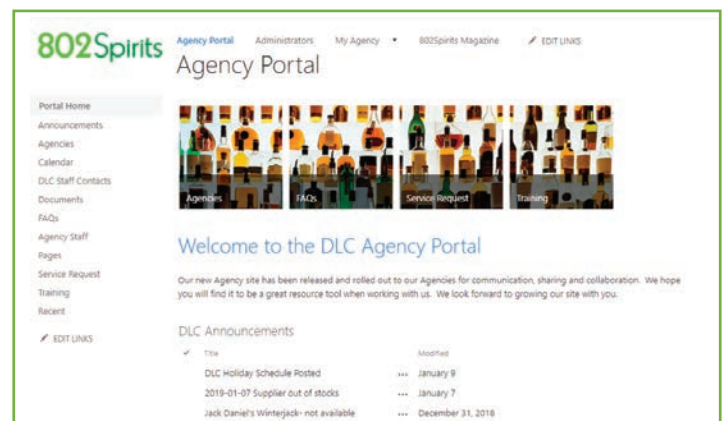


Rajiv's Beverage in Milton – RTD cooler

## Agency Portal

Since its full launch in April 2018, the Agency Portal has been live and is used by all staff who interface with Agencies. This portal provides the Agents with the most up-to-date information at their fingertips and is available 24/7. The DLC posts communications, sale info, special events and marketing information. There is a secure Agent-specific section where they can view their YTD financials, contract reminders and other confidential information. Agents can also set up notification alerts for every time there is an update or notice posted on the site and see it at their convenience.

The site is not public and can only be accessed by registered Agency account holders.





# Agency Stores

## Gross Sales by Retail Location

AGENCY NAME	TOWN	GROSS SALES	AGENCY NAME	TOWN	GROSS SALES
BEVERAGE WAREHOUSE	WINOOSKI	5,373,929.52	PRICE CHOPPER #141	ST. JOHNSBURY	762,062.11
BEVERAGE BARON	BARRE	2,964,233.62	JEFFERSONVILLE COUNTRY STORE	JEFFERSONVILLE	737,656.42
MANCHESTER DISCOUNT BEVERAGE	MANCHESTER	2,836,819.36	SWANTON SPIRITS	SWANTON	718,547.07
GRACEY'S	S. BURLINGTON-WILLISTON RD	2,664,685.78	DWYERS STATE LINE BEER & WINE	POWNAI	709,850.36
BENNINGTON BEVERAGE OUTLET	BENNINGTON	2,515,639.30	M & M BEVERAGE	RANDOLPH	695,195.43
TOP'S MARKET	RUTLAND CITY	2,413,298.12	RICHMOND MARKET & BEVERAGE	RICHMOND	667,293.70
STOWE BEVERAGE	STOWE	2,377,085.37	CONVENIENCE PLUS REDEMPTION & DELI	NORTHFIELD	661,289.23
PEARL STREET BEVERAGE	BURLINGTON-PEARL ST	2,267,773.35	CHAMPLAIN FARMS	BRISTOL	645,762.84
BURLINGTON BAY MARKET AND CAFE	BURLINGTON-BURLINGTON BAY	2,179,384.26	TOPS MARKETS	HARDWICK	621,668.75
SIMON'S STORE	S. BURLINGTON-SHELBURNE RD	2,153,739.60	7-ELEVEN	BONDVILLE	620,735.70
HANNAFORD - MIDDLEBURY	MIDDLEBURY	2,064,588.36	DERBY VILLAGE STORE	DERBY	616,644.52
HANNAFORD - RUTLAND	RUTLAND TOWN	1,858,538.43	BRANDON DISCOUNT BEVERAGE & TOBACCO	BRANDON	601,539.63
RT. 7 LIQUOR AND DELI	SHELBURNE	1,742,289.77	JOHNSON'S STERLING MARKET	JOHNSON	579,228.70
HANNAFORD'S - WILLISTON	BURLINGTON-TAFT CORNERS	1,741,622.64	BEVERAGE GALLERY	ENOSBURG	541,494.71
CORDIALLY YOURS	KILLINGTON	1,735,460.75	JELLEY'S DELI	LONDONDERRY	535,741.34
BEVERAGE MART	ST. ALBANS-LAKE ST	1,714,596.70	WALGREENS WR	WEST RUTLAND	516,084.52
YANKEE WINE & SPIRITS	MONTPELIER	1,688,399.94	MINOR'S COUNTRY STORE	FAIRFAX	487,431.45
ESSEX DISCOUNT BEVERAGE	ESSEX CENTER	1,613,943.29	OLNEY'S GENERAL STORE	ORLEANS	472,719.12
TOMLINSON'S STORE	MORRISVILLE	1,560,068.16	JAY COUNTRY STORE	JAY	436,001.11
802 BWS	BURLINGTON-NORTH AVE	1,439,849.94	NORWICH WINE & SPIRITS	NORWICH	421,121.29
MEHURON'S MARKET	WAITSFIELD	1,429,769.11	MCCULLOUGH'S QUIK STOP	BETHEL	409,651.88
LYNDONVILLE REDEMPTION	LYNDONVILLE	1,366,839.14	CHESTER SUNOCO	CHESTER	400,304.26
CROSSROADS BEVERAGE & DELI	WATERBURY	1,314,972.51	ARLINGTON VARIETY	ARLINGTON	389,235.60
FIVE CORNERS VARIETY	ESSEX JCT	1,312,735.79	FULL BELLY DELI	POULTNEY	378,937.97
BREWFEET BEVERAGE COMPANY	LUDLOW	1,263,430.54	SINGLETON'S STORE	PROCTORSVILLE	363,045.45
BRATTLEBORO DISCOUNT BEVERAGE	W. BRATTLEBORO	1,190,479.58	JAMES PETRO	BELLOWS FALLS	362,706.42
DICK MAZZA'S GENERAL STORE	COLCHESTER	1,161,397.13	WINDSOR WINE & SPIRITS	WINDSOR	358,837.52
RAJ LIQUOR & BEVERAGE	MILTON	1,157,603.32	SYLVESTER'S MARKET	MONTGOMERY	331,882.11
WOODSTOCK BEVERAGE	WOODSTOCK	1,127,022.65	WALGREENS WB	BRATTLEBORO	318,330.59
LIBERTY DISCOUNT	FAIR HAVEN	1,063,538.78	SHARON TRADING POST	SHARON	275,082.82
RATU'S LIQUOR & MARKET	WILMINGTON	1,038,785.86	KINGDOM MARKET	ISLAND POND	206,113.53
COLONIAL MART	ST. ALBANS TOWN	1,009,735.92	FROM BARREL TO BOTTLE	DANVILLE	203,721.14
JOE'S DISCOUNT BEVERAGE	SPRINGFIELD	942,650.56	ALBURGH BEVERAGE MART	ALBURG	199,481.08
AZUR'S MINI MART & LITTLE G'S DELI	NEWPORT	922,684.58	WETHERBY'S QUICK STOP	RICHFORD	183,915.89
VERGENNES WINE & BEVERAGE	VERGENNES	907,556.21	HARMONYVILLE STORE	HARMONEYVILLE	162,386.13
KEELER'S BAY VARIETY	SOUTH HERO	867,345.61	MAC'S MARKET	ROCHESTER	153,941.78
7-ELEVEN	WEST DOVER	812,951.26	JAKES MARKET AND DELI	WHITE RIVER JCT	98,464.96
116 BEVERAGE	HINESBURG	784,101.97	WILLOUGHBY LAKE STORE	WESTMORE	41,009.71
HANNAFORD'S - BRADFORD	BRADFORD	763,980.94			
					<b>\$82,228,644.56</b>
			<b>Total commissions paid to our Agency partners</b>		<b>\$6.4 million</b>

## Licensees vs. Walk-ins

AGENCY NAME	CITY/TOWN	WALK-IN	LICENSEE	AGENCY NAME	CITY/TOWN	WALK-IN	LICENSEE
BEVERAGE WAREHOUSE	WINOOSKI	2,342,436	3,030,443	LIBERTY DISCOUNT	FAIR HAVEN	938,909	123,338
BURLINGTON BAY MARKET AND CAFE	BURLINGTON-BURLINGTON BAY	371,185	1,810,171	SYLVESTER'S MARKET	MONTGOMERY	212,053	119,611
STOWE BEVERAGE	STOWE	1,104,029	1,273,296	SINGLETON'S STORE	PROCTORSVILLE	250,998	111,969
CORDIALLY YOURS	KILLINGTON	629,853	1,108,157	JAMES PETRO	BELLOWS FALLS	252,119	109,802
MANCHESTER DISCOUNT BEVERAGE	MANCHESTER	1,766,963	1,069,464	WALGREENS WB	BRATTLEBORO	208,985	109,536
GRACEY'S	S. BURLINGTON-WILLISTON RD	1,917,593	744,804	JELLEY'S DELI	LONDONDERRY	428,240	107,865
WOODSTOCK BEVERAGE	WOODSTOCK	498,501	626,671	KEELER'S BAY VARIETY	SOUTH HERO	761,103	105,019
TOP'S MARKET	RUTLAND CITY	1,796,455	614,133	HANNAFORD'S - BRADFORD	BRADFORD	659,970	102,893
RATU'S LIQUOR & MARKET	WILMINGTON	461,986	577,526	DWYERS STATE LINE BEER & WINE	POWNAI	607,934	101,924
BEVERAGE BARON	BARRE	2,418,120	545,664	FIVE CORNERS VARIETY	ESSEX JCT	1,215,445	95,904
BRATTLEBORO DISCOUNT BEVERAGE	W. BRATTLEBORO	654,870	533,129	M & M BEVERAGE	RANDOLPH	609,683	85,463
MEHURON'S MARKET	WAITSFIELD	915,499	512,670	TOPS MARKETS	HARDWICK	548,276	73,141
BREWFEST BEVERAGE COMPANY	LUDLOW	796,500	465,804	BEVERAGE GALLERY	ENOSBURG	469,005	72,663
SIMON'S STORE	S. BURLINGTON-SHELBURNE RD	1,723,744	426,792	BRANDON DISCOUNT BEVERAGE & TOBACCO	BRANDON	530,769	69,891
YANKEE WINE & SPIRITS	MONTPELIER	1,265,924	421,766	RAJ LIQUOR & BEVERAGE	MILTON	1,088,236	69,467
HANNAFORD'S - RUTLAND	RUTLAND TOWN	1,479,711	377,338	RICHMOND MARKET & BEVERAGE	RICHMOND	599,227	67,277
DICK MAZZA'S GENERAL STORE	COLCHESTER	791,678	369,566	KINGDOM MARKET	ISLAND POND	142,021	63,784
BENNINGTON BEVERAGE OUTLET	BENNINGTON	2,154,870	359,281	MCCULLOUGH'S QUIK STOP	BETHEL	346,732	63,100
LYNDONVILLE REDEMPTION	LYNDONVILLE	1,020,599	346,123	OLNEY'S GENERAL STORE	ORLEANS	410,439	61,699
HANNAFORD'S - MIDDLEBURY	MIDDLEBURY	1,738,429	323,516	COLONIAL MART	ST. ALBANS TOWN	956,630	53,453
BEVERAGE MART	ST. ALBANS-LAKE ST	1,410,343	302,767	SHARON TRADING POST	SHARON	221,713	53,390
RT. 7 LIQUOR AND DELI	SHELBURNE	1,472,040	269,467	CHAMPLAIN FARMS	BRISTOL	592,393	50,489
JOE'S DISCOUNT BEVERAGE	SPRINGFIELD	693,614	249,076	FULL BELLY DELI	POULTNEY	329,877	49,087
AZUR'S MINI MART & LITTLE G'S DELI	NEWPORT	680,546	241,907	FROM BARREL TO BOTTLE	DANVILLE	157,349	46,362
VERGENNES WINE & BEVERAGE	VERGENNES	668,270	239,048	CONVENIENCE PLUS REDEMPTION & DELI	NORTHFIELD	615,303	45,134
TOMLINSON'S STORE	MORRISVILLE	1,321,003	238,669	116 BEVERAGE	HINESBURG	739,239	44,788
NORWICH WINE & SPIRITS	NORWICH	194,694	226,339	SWANTON SPIRITS	SWANTON	674,970	44,165
JAY COUNTRY STORE	JAY	209,956	225,572	JOHNSON'S STERLING MARKET	JOHNSON	534,876	43,852
7-ELEVEN	BONDVILLE	403,403	214,484	CHESTER SUNOCO	CHESTER	368,932	31,005
JEFFERSONVILLE COUNTRY STORE	JEFFERSONVILLE	537,850	199,909	HARMONYVILLE STORE	HARMONYVILLE	148,514	13,913
802 BWS	BURLINGTON-NORTH AVE	1,238,969	199,853	ARLINGTON VARIETY	ARLINGTON	375,443	13,780
CROSSROADS BEVERAGE & DELI	WATERBURY	1,123,197	181,453	WALGREENS WR	WEST RUTLAND	501,772	12,766
PEARL STREET BEVERAGE	BURLINGTON-PEARL ST	2,093,123	171,894	WETHERBY'S QUICK STOP	RICHFORD	171,991	11,839
HANNAFORD'S - WILLISTON	BURLINGTON-TAFT CORNERS	1,573,991	167,209	JAKES MARKET*	WHITE RIVER JCT	88,060	10,251
PRICE CHOPPER #141	ST. JOHNSBURY	627,240	134,488	ALBURGH BEVERAGE MART*	ALBURGH	189,739	9,951
DERBY VILLAGE STORE	DERBY	483,512	133,197	MAC'S MARKET	ROCHESTER	148,029	5,378
WINDSOR WINE & SPIRITS	WINDSOR	226,844	131,909	WILLOUGHBY LAKE STORE	WESTMORE	35,531	5,240
ESSEX DISCOUNT BEVERAGE	ESSEX CENTER	1,483,417	130,595	MINOR'S COUNTRY STORE	FAIRFAX	486,340	978
7-ELEVEN	WEST DOVER	683,170	124,744				

\*CLOSED DURING FY 19

# Marketing

The Marketing and Communications Office continues to modernize the DLC by partnering with Agents, licensees and suppliers through updated in-store visuals, department communications, responsible consumption messaging and social media.

This has been an exciting and productive year for the Marketing and Communications office. The fiscal year started with travelling to all corners of the state, visiting all 77 stores to review current building and roadside signs, and propose new exterior signs to be in compliance with local zoning and sign regulations, as well as working with the store owners on the design and location. The plan was to provide new signs at each location after the Agencies had the new POS equipment set up and running as a continuation of the modernization of our department with systems and branding.

The town permitting review process as well as two store visits to every location (one for review and one for installation) was a bit daunting. When fully executed by the sign vendor, Great Big Graphics, the installations were successful. New 802Spirits signs now grace our Liquor Agencies around the state for a fresh, clean look. There are less than eight Agencies that are still in the process. All have been reviewed, designs proposed, and will be installed as quickly as outstanding issues can be resolved (town permitting, landlord approvals or renovation delays).

With the installations came some new opportunities when the old signs had left their mark on the buildings and some retouch painting was necessary. Painters were prepared to complete the required touch-up, where necessary, once the weather warmed. An unexpected result was a number of our Agencies were inspired to repaint their entire store exteriors (at their expense).

The monthly 802Spirits magazine continues to feature articles on Agencies, their owners and employees as well as regular bar highlights around the state. The hot new picks section showcases newly listed items by the DLC. With featured sale items gracing the cover, this publication is one of the top-ranking travel information centers "pick-up" brochures in the racks, emptying out every month. Ad space is sold to liquor suppliers and brokers by the production company, McLean Communications, who won the contract with the most recent RFP for the magazine ad sales, production and publishing.

The monthly Agency newsletter is sent to all Liquor Agencies and also posted on the Agency portal. All owners, managers and employees may sign up to receive it directly to their email address. This newsletter contains the monthly sales update, important information on processes, systems, events and document links. The monthly average open and read rate hovers around 60%.

## Highlights

- Managed the planning and installation of 70 Agency exterior signs with sign vendor.
- Collaborated in the creation, promoting and execution of two rare spirits raffles and two sweepstakes.
- Applied for and received a \$50,000 supplement education grant from NABCA (for the education office).
- Collaborated on the application for all categories of the StateWays Magazine Best Practices Awards.
- Coordinated with Retail and Purchasing to create "sale" shelf stickers that are more visible, easier to install and less costly.
- Theresa Barrows, Director of Marketing, attended the NABCA Administrators Conference in Denver, Colo., as the Vermont representative of Communications Committee.



## Stateways Magazine

Vermont DLC is proud to be recognized by Stateways Magazine as the winner of the Best Stakeholder Outreach Program (includes legislators) for the significantly improved presentation of our annual report.

The StateWays Control State Best Practices Awards

launched in 2015 to recognize control state agencies that are leading the industry in innovation, education and enforcement. The awards showcase the best parts of beverage alcohol control, which is especially important in today's political and economic climate. Winning agencies are not only supporting their states or counties with tax revenue, they're making a difference in their communities through education, regulating sales and service through enforcement, and assisting private businesses with efficient distribution systems.



## New exterior store signage



Minor's Fairfax before and after



Barrel to Bottle in Danville

## Wall borders

In addition to modernizing the exterior, we wanted to illustrate to customers where the liquor Agency is located within a retail location.

This wall border was designed with a repeat of the 802Spirits logo which reinforces the brand. In many stores, while liquor is in a defined area, that is not always clear to customers, especially to new customers or in a location not visible from the front door. The wall border highlights that area of a store. Currently, we have installed it in over 25 stores and the response has been overwhelmingly positive. Due to some interesting architectural challenges, we have been creative in the presentation in a few Agencies. Additionally, a number of Agents have been inspired to make additional upgrades to their stores, from shelving upgrades, painting, new lighting and improved merchandising.



Bellows Falls wall border

## Official Business Directional Signs (AOT OBDS)

*"Vermont's landmark sign law was adopted in 1968. It banned off-premise advertising (small signs as well as billboards) and provided for a system of State-owned Official Business Directional Signs (OBDS) and information plazas to replace them. The law applies to town highways as well as to State highways. No signs are allowed on limited-access highways (the interstates and parts of other Federal or State highways) or on their ramps. The OBDS is directional in nature and is intended to direct travelers from one highway to another. Signs are limited to the town in which the business is located, except in instances where no appropriate location within the town is available."*

— As stated by the VTTrans website

These signs are Vermont's answer to keeping the landscape billboard-free. They provide both locals and visitors directions to businesses that are located around the state.

We currently have only three signs installed, in Waterbury, S. Hero and Killington. We have additional applications in the process. These signs will have the 802Spirits logo to the left of their name and directions to their location. Keep an eye out for these in your area as we expand opportunities around the state.



New OBDS signs

# Vermont Agency Stores

## Arlington

**Heer, Inc**  
3713 Route 7A • 375-6427  
8 AM - 8 PM, Sun: 10 AM - 5 PM

## Barre

**Beverage Baron**  
411 N. Main Street • 479-9227  
6 AM - 9 PM, Fri: 6 AM - 10 PM  
Sat: 7 AM - 10 PM, Sun: 7 AM - 9 PM

## Bellows Falls

**James Petro**  
97 Westminster Street • 463-4020  
6 AM - 10 PM, Fri - Sat: 6 AM - 11 PM

## Bennington

**Bennington Beverage Outlet**  
125 Northside Drive • 442-4001  
9 AM - 8 PM, Fri - Sat: 9 AM - 9 PM  
Sun: 9 AM - 5 PM

## Berlin

**Maplewood Vermont  
Travelers Service Center**  
159 Paine Turnpike North • 229-5291  
6 AM - Midnight

## Bethel

**McCullough's Quik Stop**  
2069 Route 107 • 234-9365  
6 AM - 9 PM

## Bondville

**7-Eleven**  
39 Route 30 • 297-0361  
6 AM - 11 PM, 7 days

## Bradford

**Hannaford's**  
586 Lower Plain • 222-3370  
9 AM - 9 PM, 7 days

## Brandon

**Brandon Discount  
Beverage & Tobacco**  
34 Conant Square • 247-6785  
10 AM - 7 PM, Fri - Sat: 10 AM - 8 PM  
Sun: 10 AM - 4 PM

## Brattleboro

**Walgreens**  
896 Putney Road • 257-4440  
8 AM - 9 PM, Sun: 9 AM - 6 PM

## Bristol

**Champlain Farms**  
3 West Street • 643-2971  
6 AM - 11 PM, Sun: 7 AM - 10 PM

## Burlington

**Burlington Bay Market & Café**  
125 Battery Street • 864-0110  
8 AM - 8 PM, 7 days

## Pearl Street Beverage

240 Pearl Street • 658-1574  
11 AM - 10:15 PM, Sun: Noon - 10 PM

## 802 BWS

Ethan Allen Shopping Center,  
North Avenue • 863-6728  
10 AM - 9 PM, Sun: 10 AM - 7 PM

## Charlotte

**Old Brick Store**  
290 Ferry Road • 425-2421  
Mon - Fri: 7 AM - 7 PM,  
Sat - Sun: 8 AM - 6 PM

## Chester

**Chester Sunoco**  
60 Main Street • 875-5555  
6 AM - Midnight, 7 days

## Colchester

**Dick Mazza's General Store**  
777 W. Lake Shore Drive • 863-1808  
7 AM - 9 PM, Sun: 10 AM - 4 PM

## Danville

**From Barrel to Bottle**  
11 Route 2 East • 684-3800  
10 AM - 6 PM, Fri - Sat: 10 AM - 8 PM  
Sun: Closed

## Derby Center

**Derby Village Store**  
483 Main Street • 766-8113  
7 AM - 9 PM, 7 days

## Enosburg Falls

**Beverage Gallery**  
341 Main Street • 933-4767  
Mon - Sat: 9 AM - 8 PM, Sun: 10 AM - 5 PM

## Essex Center

**Essex Discount Bev.**  
76 Center Road • 879-8951  
6 AM - 10 PM, Fri - Sat: 6 AM - 11 PM  
Sun: 6 AM - 10 PM

## Essex

**Five Corners Variety**  
39 Park Street • 879-7101  
Sun - Thu: 7 AM - 9 PM  
Fri - Sat: 7 AM - 10 PM

## Fairfax

**Minor's Country Store**  
874 Main Street • 849-6838  
Fri: 6 AM - 9 PM, Sat: 7 AM - 10 PM  
Sun: 7:30 AM - 9 PM

## Fair Haven

**Liberty Market**  
7 Liberty Street • 265-3820  
8:30 AM - 9 PM, 7 days

## Hardwick

**Tops Market**  
82 Route 15 West • 472-6504  
9 AM - 9 PM, Sun: 9 AM - 8 PM

## Harmonyville

**Harmonyville Store**  
1412 Route 30 • 365-9417  
6:30 AM - 7 PM, Sat: 7 AM - 7 PM,  
Sun: Closed

## Hinesburg

**116 Wine & Spirits**  
22 Commerce Street #4 • 482-4010  
9 AM - 7 PM, Fri - Sat: 9 AM - 9 PM  
Sun: 11 AM - 4 PM

## Island Pond

**Kingdom Market**  
12 Railroad Street • 723-5464  
7 AM - 7 PM, 7 days

## Jay

**Jay Country Store**  
1077 VT-242 • 988-4040  
6 AM - 8 PM, Wed - Thurs: 6 AM - 9 PM  
Fri - Sat: 6 AM - 10 PM

## Jeffersonville

**Jeffersonville Country Store**  
21 Mill Street • 644-6300  
9:30 AM - 7:30 PM,  
Sun: 11:30 AM - 6 PM

## Johnson

**Johnson's Sterling Market**  
131 Lower Main Street • 635-9001  
7 AM - 8 PM, Sun: 7 AM - 7 PM

## Killington

**Cordially Yours**  
Killington Deli and Marketplace  
2868 Route 4 • 747-4407  
9 AM - 7 PM, 7 days

## Londonderry

**Jelley's Mobil**  
2102 Main Street • 824-4556  
7 AM - 8 PM, Fri - Sat: 7 AM - 9 PM  
Sun: 7 AM - 7 PM

## Ludlow

**Brewfest Beverage Co.**  
199 Main Street • 228-4261  
10 AM - 8 PM, Fri - Sat: 10 AM - 9 PM

## Lyndonville

**Lyndonville Redemption**  
406 Broad Street • 626-8348  
7 AM - 10 PM, 7 days

## Manchester

**Manchester Discount Beverage**  
380 Depot Street • 362-4075  
8 AM - 9 PM, Sun: 8 AM - 7 PM

## Middlebury

**Hannaford's Food & Pharmacy**  
260 Court Street #6 • 388-2102  
9 AM - 9 PM, Fri - Sat: 9 AM - 10 PM

## Milton

**Raj Liquor & Beverage**  
69 Middle Road • 891-9888  
6 AM - 9:30 PM, Sat & Sun: 7 AM - 9 PM

## Montgomery Center

**Sylvester's Market**  
20 Main Street • 326-4561  
7 AM - 9 PM, Sun: 8 AM - 6 PM

## Montpelier

**Yankee Wine & Spirits**  
126 Main Street • 223-2331  
9 AM - 7:30 PM, Fri & Sat: 9 AM - 9 PM  
Sun: 11 AM - 5 PM

## Morrisville

**Tomlinson's Store, Inc.**  
81 Bridge Street • 888-3120  
6 AM - 9 PM, Sun: 7 AM - 7 PM

## Newport

**Azur's Mini Mart and  
Little G's Deli**  
33 Railroad Square • 334-8195  
7 AM - 9 PM, Fri - Sat: 7 AM - 10 PM,  
Sun: 8 AM - 6 PM

## Northfield

**Convenience Plus  
Redemption & Deli**  
438 North Main Street • 485-6300  
6 AM - Midnight, Sun: 6 AM - 10 PM

## Norwich

**Norwich Wines and Spirits**  
289 Main Street • 649-1970  
9 AM - 6 PM, Fri: 9 AM - 7 PM,  
Sat: 9 AM - 6 PM, Sun: Closed

## Orleans

**Olney's General Store**  
72 Main Street • 754-6365  
8 AM - 8 PM, Sun: 7 AM - 4 PM

## Poultney

**Full Belly Deli & Beverage**  
206 Main Street • 884-8082  
Mon - Thurs, Sat: 10 AM - 8 PM,  
Fri: 10 AM - 9 PM, Sun: 10 AM - 6 PM

## Pownal

**Dwyer's State Line Beer & Wine**  
7324 Route 7 • 823-7912  
9 AM - 8 PM, Fri - Sat: 9 AM - 9 PM  
Sun: 9 AM - 7 PM

## Proctorsville

**Singleton's Store**  
356 Main Street • 226-7666  
8 AM - 7 PM, 7 days

## Randolph

**M & M Beverage**  
6 Salisbury Street • 728-9912  
7 AM - 10 PM, Sun: 8 AM - 8 PM

## Richford

**Wetherby's Quick Stop**  
75 Main Street • 848-3550  
6 AM - 7 PM, 7 days

## Richmond

**Richmond Market & Beverage**  
56 Railroad Street • 434-4550  
Mon - Sat: 7 AM - 8 PM  
Sun: 7 AM - 7 PM

## Rochester

**Mac's Market**  
67 North Main Street • 767-3181  
7 AM - 8 PM, Sun: 7 AM - 6 PM

## Rutland City

**Tops Market**  
12 North Main Street • 747-4908  
9 AM - 9 PM, Fri - Sat: 9 AM - 10 PM  
Sun: 9 AM - 6 PM

## Rutland Town

**Hannaford's Food & Pharmacy**  
318 South Main Street • 775-0820  
9 AM - 9 PM, Fri - Sat: 9 AM - 10 PM

## St. Albans City

**Beverage Mart**  
211 Lake Street • 527-7437  
6:30 AM - 10 PM, 7 days

## St. Albans Town

**Colonial Mart**  
191 Swanton Road • 527-7179  
6 AM - 10 PM, Fri: 6 AM - 11 PM  
Sat: 7 AM - 10 PM, Sun: 8 AM - 10 PM

## St. Johnsbury

**Price Chopper**  
857 Memorial Drive • 748-1109  
9 AM - 7 PM, Fri - Sun: 9 AM - 6 PM

## Sharon

**Sharon Trading Post**  
5038 Route 14 • 763-7404  
7 AM - 9 PM, Sat: 7:30 AM - 9 PM  
Sun: 8 AM - 8 PM

## Shelburne

**Route 7 Liquor & Deli**  
2659 Shelburne Road • 985-3246  
6 AM - 10 PM, Thu - Fri: 6 AM - 11 PM  
Sat: 7 AM - 11 PM, Sun: 7 AM - 10 PM

## South Burlington

**Gracey's**  
26 Hinesburg Road, Unit #1  
862-1253  
9 AM - 9 PM, Fri - Sat: 9 AM - 10 PM,  
Sun: 11 AM - 8 PM

## Simon's Store

974 Shelburne Road • 862-8011  
6 AM - 12 PM, 7 days

## South Hero

**Keeler's Bay Variety**  
500 Rt. 2 • 372-4465  
6 AM - 9 PM, Fri: 6 AM - 9:30 PM  
Sat: 7 AM - 9:30 PM, Sun: 9 AM - 6 PM

## Springfield

**Joe's Discount Beverage**  
355 River Street • 885-3555  
9 AM - 7 PM, Tue - Thur: 9 AM - 8 PM  
Fri - Sat: 9 AM - 9 PM, Sun: 10 AM - 5 PM

## Stowe

**Stowe Beverage**  
1880 Mountain Road • 253-4525  
9 AM - 9 PM, Sun: 11 AM - 6 PM

## Swanton

**Swanton Spirits**  
75 First Street • 868-5139  
9 AM - 8:30 PM, Fri - Sat: 9 AM - 9 PM  
Sun: 9 AM - 6 PM

## Vergennes

**Vergennes Wine & Beverage Inc.**  
211 Main Street • 877-6312  
9 AM - 7 PM, Sun: 11 AM - 5 PM

## Waitsfield

**Mehuron's Market**  
5121 Main Street • 496-3700  
8 AM - 8 PM, Sun: 8 AM - 6 PM

## Waterbury

**Crossroads Beverage & Deli**  
52 North Main Street • 244-5062  
6 AM - 10 PM, Sat - Sun: 7 AM - 10 PM

## West Brattleboro

**Brattleboro Discount Beverages**  
157 Marlboro Road • 254-4950  
7 AM - 10 PM, Fri - Sat: 7 AM - Midnight  
Sun: 8 AM - 10 PM

## West Dover

**7-Eleven**  
197 Route 100 • 464-0592  
6 AM - Midnight, 7 days

## Westmore

**Willoughby Lake Store**  
(Open Seasonally)  
2003 VT-5A • 525-3300  
7 AM - 9 PM, 7 days

## West Rutland

**Walgreens**  
294 Main Street • 438-5530  
9 AM - 9 PM, Sun: 9 AM - 5 PM

## Williston

**Hannaford's Food & Pharmacy**  
78 Marshall Avenue, Taft Corners  
878-0032  
9 AM - 9 PM, Fri - Sat: 9 AM - 10 PM  
Sun: 9 AM - 9 PM

## Wilmington

**Ratu's Liquor & Market**  
34 West Main Street • 464-2252  
Sun - Wed: 10:30 AM - 7 PM  
Thur - Sat: 10:30 AM - 9 PM

## Windsor

**Windsor Wine & Spirits**  
The Windsor House, 54 Main Street  
674-2775 • 10 AM - 6 PM,  
Sun: Closed

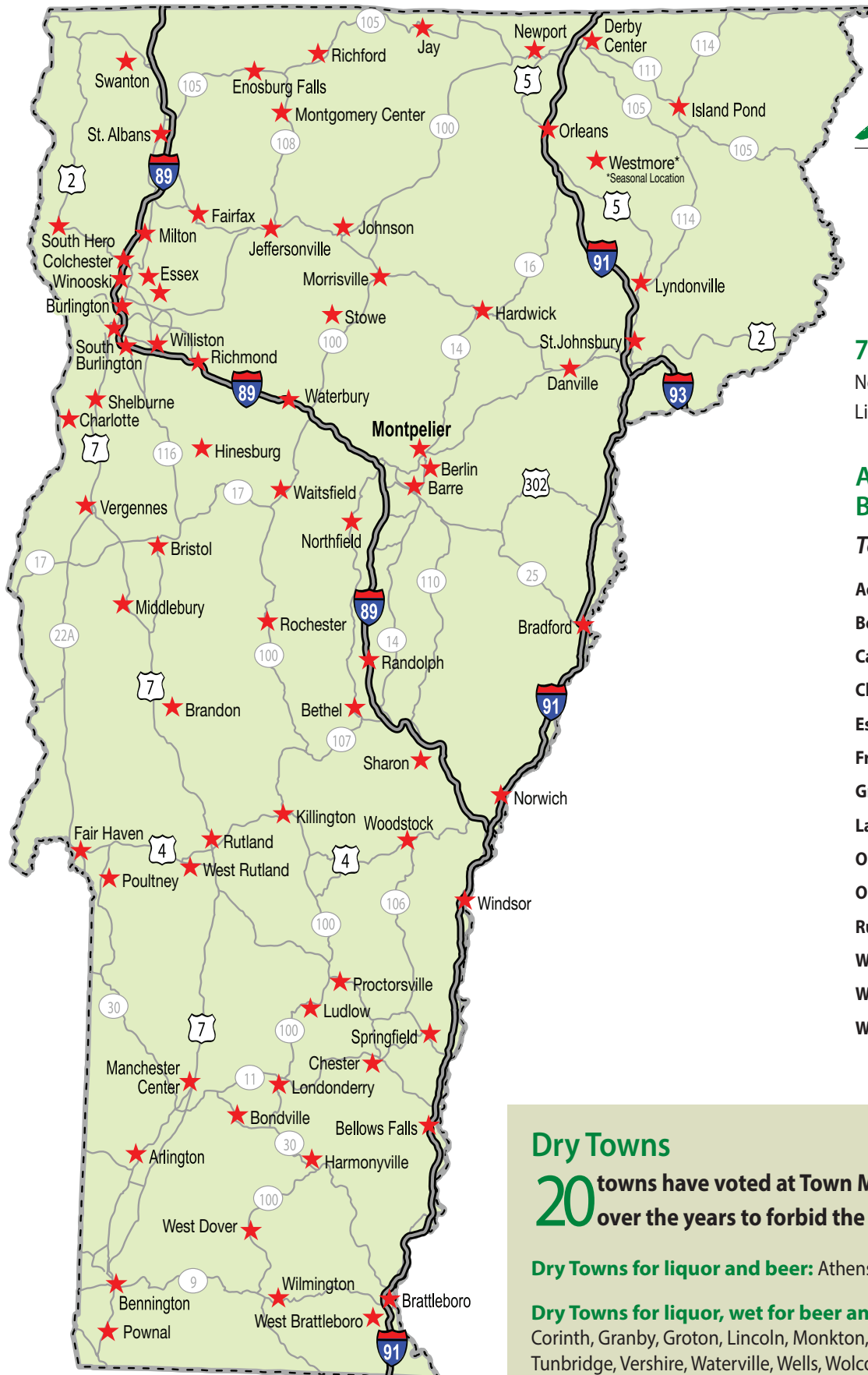
## Winooski

**Beverage Warehouse**  
1 East Street • 655-3701  
10 AM - 9 PM, Fri - Sat: 10 AM - 10 PM  
Sun: 11 AM - 6 PM

## Woodstock

**Woodstock Discount Beverage**  
512 East Woodstock Road • 457-1326  
9 AM - 9 PM, Fri - Sat: 9 AM - 10 PM  
Sun: 10 AM - 6 PM





DEPARTMENT OF LIQUOR AND LOTTERY  
DIVISION OF LIQUOR CONTROL

[802spirits.com](http://802spirits.com)

[liquorcontrol.vermont.gov](http://liquorcontrol.vermont.gov)

## 76 Locations to Serve You

No matter where you are, a Vermont Liquor Store is nearby.

## Agency Store Sales By County

### Total Retail Sales

Addison County	.....\$3,617,907.41
Bennington County	....\$7,072,280.32
Caledonia County	....\$2,954,291.14
Chittenden County	.. \$26,260,350.06
Essex County	..... \$206,113.53
Franklin County	.....\$4,987,603.85
Grand Isle County	....\$1,066,826.69
Lamoille County	.....\$5,254,038.65
Orange County	.....\$1,459,176.37
Orleans County	.....\$2,489,059.04
Rutland County	.....\$8,567,398.20
Washington County	....\$8,058,664.41
Windham County	.....\$4,421,381.18
Windsor County	.....\$5,813,553.71

## Dry Towns

**20** towns have voted at Town Meeting Day  
over the years to forbid the sale of alcohol.

**Dry Towns for liquor and beer:** Athens, Baltimore, Holland, Maidstone

**Dry Towns for liquor, wet for beer and wine:** Addison, Albany, Corinth, Granby, Groton, Lincoln, Monkton, Pomfret, Rupert, Topsham, Tunbridge, Vershire, Waterville, Wells, Wolcott, Worcester





Fiscal Year 2019 was a record for both sales and profits for the Vermont Lottery! The Lottery had sales of \$139,268,837 which was an increase of \$6,849,000 (5.17%) over FY 2018. The Lottery contributed \$29,179,325 to the Education Fund, an increase of \$2,025,482 (7.19%) over FY 2018. The Lottery paid prizes to our loyal players of \$90,892,067. The Lottery paid commissions to our 600+ Agents totaling \$8,533,401, which was also a record.

Since 1999, the Vermont Lottery has proudly contributed over \$482,700,000 to support the Vermont Education Fund. Since the inception of the lottery in 1978, proceeds contributed to the General and Education Funds have totaled over \$699,000,000.\*

The Vermont Lottery began operations in 1978. The start was modest with the sale of instant tickets but expanded in the coming years to include the first multi-state jackpot game with the launch of Tri-State Megabucks in 1985. Vermont joined the Powerball game group in 2003, and Mega Millions in 2010 to allow Vermonter's the chance to participate in these fast-growing jackpot games. In 2012, the New England states started the Lucky for Life game group to offer a new game with a grand prize of \$1,000 a day for life. In 2014, the Lottery rolled out Fast Play Progressive games which feature the fun of a scratch

game with the excitement of a growing jackpot. In 2019, the Lottery added a \$20 Fast Play Pro game for the first time.

In FY 2019, the Vermont Lottery offered 10 games for sale: Instant Tickets including the first \$25 ticket, Powerball, Mega Millions, Lucky for Life, Tri-State Megabucks, Fast Play, Fast Play Pro, Pick 3, Pick 4 and Gimme 5. We are constantly examining our game offerings and making changes that improve the appeal to our present and future players. These changes are thoroughly reviewed by mathematicians, lottery game technicians, market research groups and each state lottery that offers the games, to ensure integrity and ease of play. The variety of games, prices, prize levels, odds of winning and themes allows us to provide games that appeal to a broad demographic mix.

The Vermont Lottery operates with a full-time staff of 20 which is one of the smallest and leanest of any lottery in North America. Despite the small staff size, the Vermont Lottery continues to generate a high per capita level of sales, ranking 25th nationally on this metric.

The staff of the Division of Lottery are proud of our past contributions to the Education Fund and, as we end our 41st year, we are exploring responsible ways to increase our future contributions with new, exciting and fun game options for our customers including Keno and Sports Betting.



\*1978-1998 General Fund  
1999-2019 Education Fund

# Finance

The Finance Office is comprised of a six-member team which is responsible for accurately and efficiently conducting all DLL financial affairs.

Responsibilities include overseeing the financial reporting and accuracy of all payrolls and expense reimbursement requests; share responsibility for tracking all DLC assets (except liquor) with the IT division; managing all contracts; producing monthly financial statements and the annual report; ordering all DLC supplies; and working with the auditor's office to complete the annual independent audit and ensuring compliance with state-wide record retention policies.



Brian Evans was hired in October as the Director of Finance for the Department of Liquor and Lottery. He will begin with his focus on the Lottery while learning the details of Liquor Control. We welcome Brian to the Department!



Don Wenner and Debbie Cummings

## Where Does The Money Go?

Alcohol sales provide a source of revenue to the State General Fund. The revenues help fund state government operations and support government programs, including for the treatment, rehabilitation and prevention of alcoholism and chemical dependency. The DLC is a complete enterprise-funded department and rather than taking from the General Fund, the DLC contributes tens of millions of dollars each year.

- 7 V.S.A. 9, § 231. Fees for licenses and permits; disposition of fees. (b)(1) "Third-class license fees: fifty-five percent (55%) shall go to the Enterprise Fund, and forty-five percent (45%) shall go to the General Fund and shall fund alcohol abuse prevention and treatment programs."
- 7 V.S.A. 19, § 590. Fines and costs. "Fines collected under this title shall be remitted to the General Fund."

**FY 2019 General Fund Contribution:**  
**\$26,866,889**

**Since 2000, the DLC has contributed over \$345 million to the General Fund.**

## Vermont Education Fund

Since 1989, the Vermont Lottery has contributed to the state's General and Education Fund. In cooperation with the Agency of Education, we also fund and award an Educate and Innovate Grant. The Department of Liquor and Lottery, Division of Lottery are proud of our past contributions to the Education Fund and, as we end our 41st year, we will look for additional fun and responsible ways to increase future contributions.

**FY 2019 Education Fund Contribution:**  
**\$29,470,435**

**Since 1999 The Lottery Division has contributed over \$482 million to the Vermont Education Fund.**

# Lottery Management Team



**Jeffrey Cavender**  
**Director of Marketing and Sales**

Sprouted from the great Midwest, Jeff has been the Director of Marketing and Sales for the Vermont Lottery for the past seven years. Prior to joining the public sector and the lottery, Jeff spent over 20 years

in leadership roles in the entertainment industry. Concentrated in marketing and sales, he's worked in both the video and music worlds responsible for creative, project management, distribution, business development, promotion, etc. With the support of an exceptional team, Jeff has been able to deliver the same successful strategies to the lottery world while increasing awareness, sales, profits and bringing fun to the state's Lottery consumers.



**Brian Evans**  
**Financial Director**

Brian was born and raised in southern California where he received his B.A. from University of California, Irvine and worked on his M.P.A. at California State University Long Beach. After 14 years of financial and policy leadership roles in various public sector de-

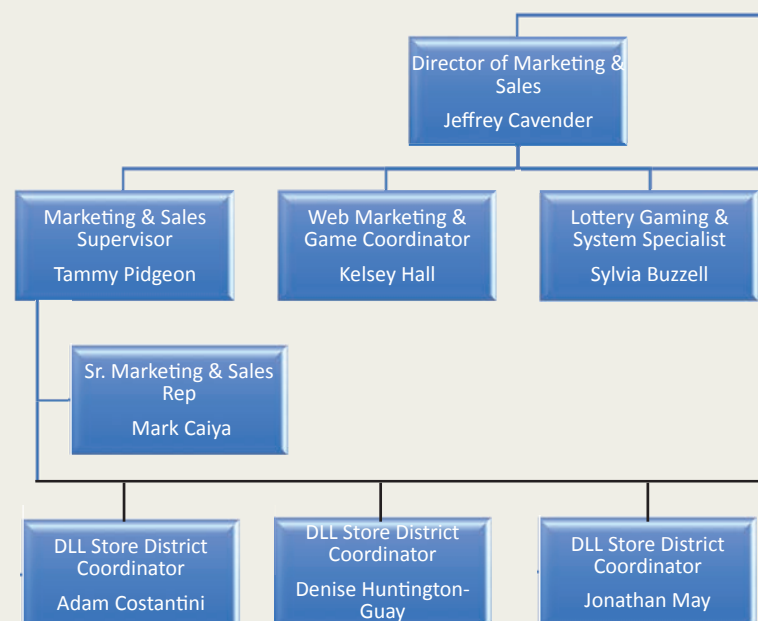
partments and agencies in California, New York and New Jersey, he moved to Vermont. Since 2014, Brian has been a financial director for the state of Vermont and made the move to the Department of Liquor and Lottery in October 2019 where he hopes to use his broad professional experience to bring the newly formed department into a smooth financial future.

## Brian McLaughlin

### Director of Security

Brian McLaughlin grew up in central New Hampshire moving to Vermont in 2000. He worked for the Department of Corrections beginning in 2001 at the prison in St. Johnsbury as a Correctional Officer I, promoted through the ranks into a Correctional Facility Shift Supervisor (Lieutenant). Ending his correctional tenure as the Correctional Volunteer Services Coordinator. Brian was hired into the Director of Security position in January of 2018. Brian oversees warehouse operations and supervises two warehouse staff.

# Lottery Team







### **Danielle Jensen** **Director of Customer Service and Licensing**

A fourth-generation Vermonter, Danielle was raised in Waterbury and began her management and customer service career at Green Mountain Coffee Roasters. Having worked in a Call Center for 12 years, Danielle thrives in

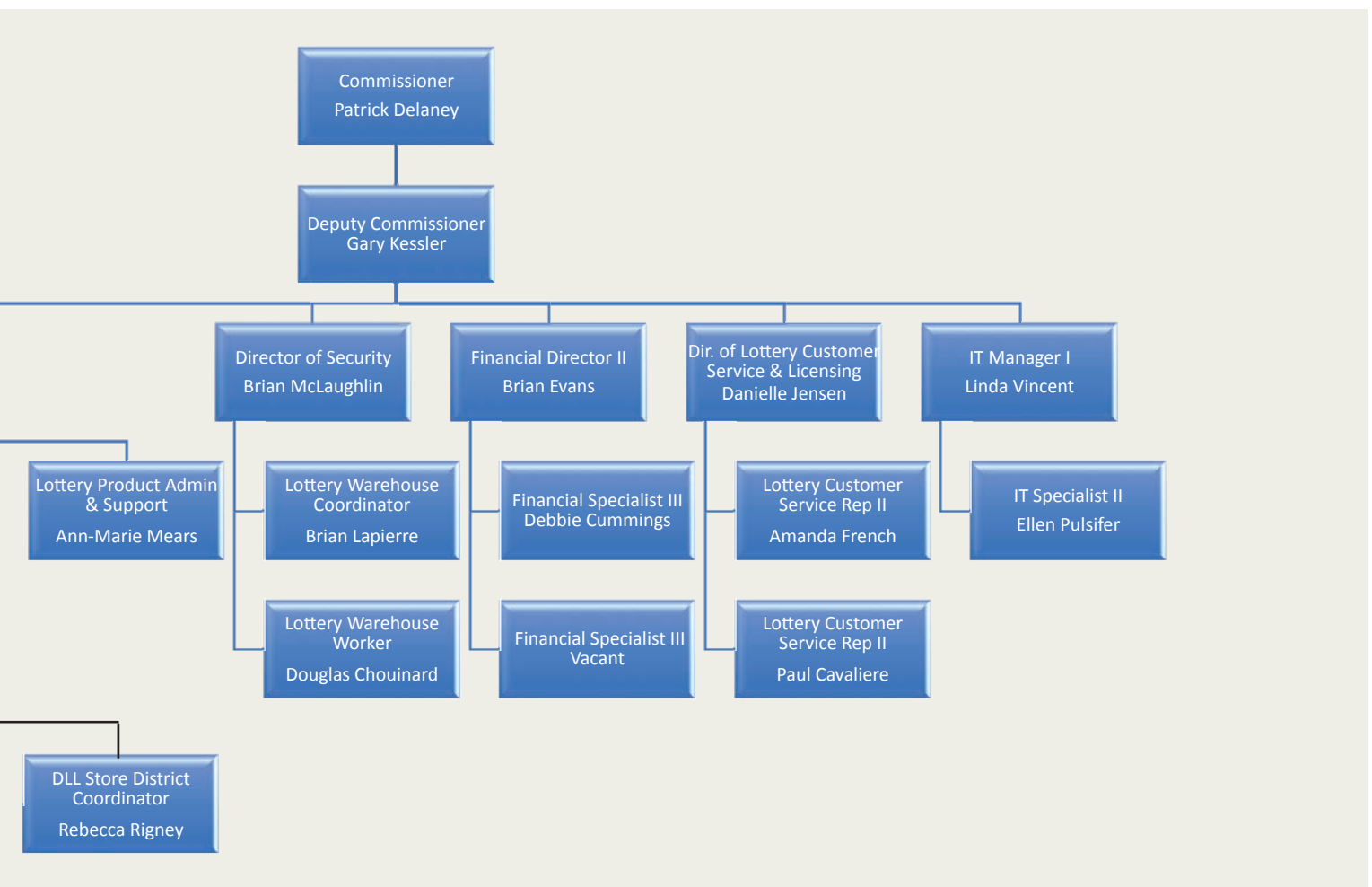
a fast-paced, customer service-oriented environment where she can best use her people and training skills. Danielle works closely with Security, Marketing, Warehousing and with the Sales Force to ensure that Agents and Players are serviced efficiently and effectively. She oversees two customer service representatives and manages the licensing of potential Lottery Agents.



### **Tammy Pidgeon** **Lottery Retail Manager**

A native Vermonter, Tammy was born and raised in Shelburne. She attended Champlain college and studied accounting. Prior to working for the lottery, Tammy was a quality control supervisor for 14 years for a manufacturing

company that sold products mainly to the U.S. Navy. Her extensive supervisory and customer relations experience will be utilized by the department. Tammy started with the lottery in December 2014. She supervises a group of five Lottery sales representatives that oversee more than 600 retail locations.



# Customer Service & Licensing



Tina Pallas-Percy,  
Amanda French and  
Danielle Jensen

## Customer Service

The Customer Service team strives to ensure that each customer service interaction with a Player or an Agent is positive, educational and professional. Our customer service representatives have an in-depth knowledge of Lottery rules, procedures, terminals and games. Our goal is to provide one call, one interaction resolutions to Players and Agents.

From October 1, 2018 – October 2, 2019 customer service processed 14,339 prize claims which resulted in payouts of \$11,328,103.

- 5,934 prize claims were processed for subscription holders. Subscriptions are available on three draw games: Tri-State Megabucks, Powerball and Mega Millions. Players can choose to pay for 26 draws, 52 draws or 108 draws.
- 4,998 prize claims were processed through Peoples United Bank. The Lottery and Peoples United Bank have an agreement that they will process prize claims at their branches located in Vermont. Prizes of \$500 to \$5,000 for Draw Games and Instant Tickets that have prizes of \$101 to \$5,000 can be claimed at the bank. Each of the bank claims generates a phone call or fax.
- 3,577 prize claims were processed by customers coming to headquarters, by mailing prize claims and through promotional and 2nd Chance Drawings.

## Licensing

From October 1, 2018 – October 2, 2019 there were 27 Lottery licenses issued for new stores and change of ownerships. Each applicant must pass a background check, be registered with the Secretary of the State and be in good standing with the tax department. A field service representative visits the potential location and meets with the owner to conduct an on-site evaluation. Once all checks are completed and passed, final approval is given by the Sales Manager and the Director of Marketing and Sales.

Obtaining a Lottery license is a collaborative effort with many moving pieces. Our team works toward the same goal — to make sure Lottery Agents are fully trained, knowledgeable in both products and equipment, and have the tools needed to be a successful Lottery Agent.

# Security & Warehouse

The Lottery operates from a modern 5,700-square-foot warehouse and 1,900-square-foot pick and pack area within its present office space. Future instant games are received and stored in the warehouse. Lottery instant tickets are picked and packaged by two staff members. Ticket ordering is automated in conjunction with our point of sale system to ensure Agents have needed inventory in a timely way. Agents can also augment their orders as needed. Packaged tickets are shipped via UPS with guaranteed overnight delivery to our 600+ Agents throughout the state.

Lottery Security is responsible for overseeing ticket warehousing and distribution. In addition, our Director of Security does background checks on all new Agent applications and new vendor employees. He also works to ensure that the Vermont Lottery and its vendors meets all required Multi-State Lottery Associations requirements and does periodic compliance testing in our Agent locations. Finally, the Director of Security works on internal security matters including investigations when there are thefts at Agencies as well as investigates possible fraud allegations. In FY 2020 the Director of Security will continue to work with Liquor Investigators on compliance testing and investigations.



Doug Chouinard and Brian LaPierre

# Retail Operations

## Highlights

Throughout the year, the field staff completed a project converting in-counter dispensers to a new style that allows 6 additional games in the same amount of available counter space. This dispenser also fits the 4-by-4 card allowing the player to clearly identify games and see variety.



- In September 2019, the field sales team began working on a project of adding After Glow to our current instant ticket dispensers. The purpose of this project is to highlight our new \$25 price point ticket that launched in March 2019. After Glow is a neon piece of removable plastic that draws the player's attention; we will move this piece based on games Lottery will be promoting.

- The Lottery also reintroduced road signs that the sales team began placing, where allowed, to draw traffic into the Agencies. These road signs have interchangeable slots so advertising can change based on marketing promotions and need.



Rear L-R: Jon May, Mark Cayia, Adam Costantini. Front L-R: Denise Huntington-Guay, Supervisor Tammy Pidgeon, Rebecca Rigney



The Lottery celebrated its 40th anniversary in 2018. To commemorate this milestone, the lottery set up a presentation in the Statehouse Card Room on January 18. At the time of the presentation, the Lottery had contributed over \$445,000,000 to the state Education Fund since 1999. Lottery staff had fun games and giveaways for the many visitors who stopped by. Staff had a great deal of positive interaction with legislators during our state house visit and are looking forward to a combined liquor and lottery event during the 2020 session.





# Marketing and Sales

## Instant tickets

Instant tickets account for 77-82% of the Lottery's annual revenue. Unlike jackpot games, the Lottery has some ability to steer and control this product allowing the Lottery to gauge Player and Agent interest, sell rates, data gathering, promotions, ad support, etc.

- Launched our first \$25 games, \$25 Grand (March 2019) followed by 100X (June 2019). As preparation, the field sales team worked with Agents on different methods of adding an additional game to their current game array. Some agents added an additional facing to accommodate the new ticket and others chose to change their ticket array. From March 1 to September 30, 2019, the \$25 price point has generated over \$7.5 million in sales.
- \$10 price point Win Either \$50 or \$100
- Due to our instant ticket games having a consistently high sell-through rate, we've done the following:
  - Increased size of \$10 games from 245,000 to 294,000 tickets
  - Increased size of \$5 games from 360,000 to 420,000 tickets



Some ticket-based promotions over the past year:

- \$3 Ms. Pac-Man – 3 drawings – 30 \$250 winners
- \$5 Super Coolest Cashword – 7 drawings – 24 \$500 winners, 8 \$1,000 winners
- \$5 Whitetail Cash – 3 drawings – 60 \$100 Cabela's gift cards, 1 \$1,000 gift card
- \$5 Patriots – 4 drawings – 15 pairs of Chalk Talk tickets (2018), 4 pairs of 2019 season tickets, 35 pairs of Super Suite tickets (2019), 36 pair of individual game tickets (plus four \$500 from the Ultimate Football Weekend drawing)
- \$5 Frogger – 1 drawing – 20 \$500 winners
- Lake Monsters – 3 home games – we offer the Cash-N-Ator as a draw for the Lake Monsters fans, drawing two names per game for a chance to grab as much cash as they can in 30 seconds.
- \$10 Tiger's Share – 2 drawings – 2 \$25,000 winners
- \$3 Tetris – 3 drawings – 20 \$250 winners, 12 \$500 winners

## Terminal game promotions

Promotions supporting our jackpot games throughout the year:

- Rich Moments – Megabucks
- Holiday Hooray – all draw games
- February Fever – Fast Play Pro
- Spring Forward – Lucky For Life
- Keep on Pickin' – Pick 3/Pick 4
- Slide into Summer – all draw games

## 2nd Chance program

Our 2nd Chance program allows players to enter their non-winning tickets into four prize drawings a year for a second chance to win a top prize or one of our quarterly prizes.

- 3,527,962 tickets entered into 2nd Chance
- 11,907 accounts created
- Top prize drawings
  - 49 drawings
  - \$941,809 in prizes awarded (\$500 - \$150,000)
  - Average participation rate of 22% per game
- Quarterly drawings
  - \$118,800
  - 3,870,290 tickets in the four drawings (this is different than the total number entered during the FY because the entry periods are different)

## System changes/testing

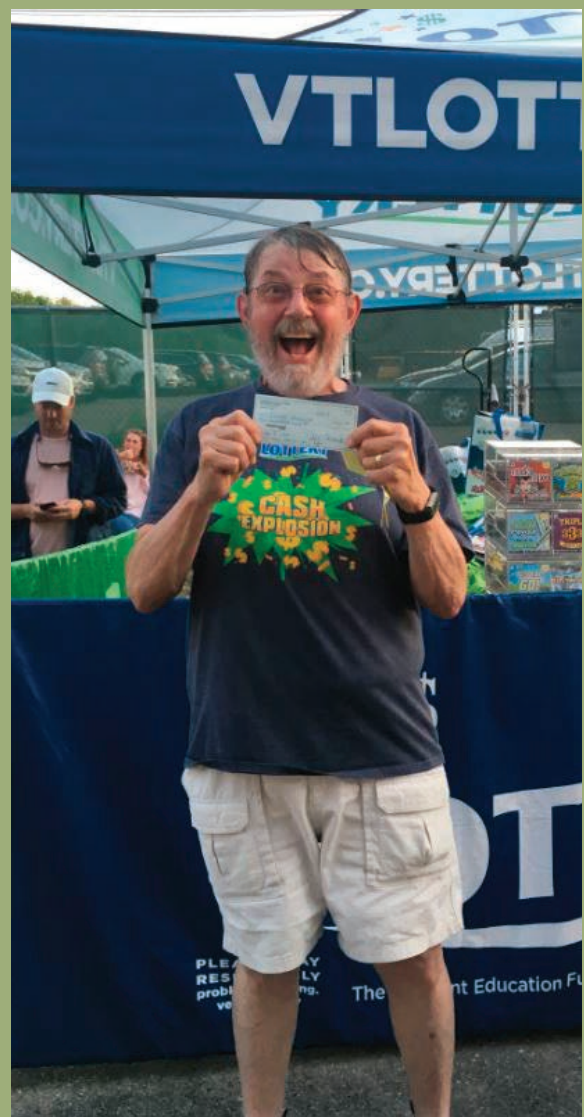
- Updated questions on claims forms and the way that Agent wins are captured in the gaming system
- Updated ticket checker messages to make messages clearer for players

## Security

- Added email notification when long strings of instant tickets are validated in a short amount of time

## \$10 Cash Craze

Our focus ticket for our summer tour where we took our cash booth (the Cash-N-Ator) around to selected agents offering players a chance to get in the Cash-N-Ator and grab as much cash as they can in 30 seconds. We also have giveaways and help the agent provide a lunch for the enthusiastic crowds. This year's stops included St. Albans, Derby, West Rutland, Springfield, Bennington, Barre and St. Johnsbury.



# Liquor Revenues and Expenses

June 30, 2019  
Liquor Control Fund

June 30, 2018  
Liquor Control Fund

## OPERATING REVENUES

Charges for sales and services	\$61,213,518	\$59,843,099
Ticket sales	-	-
Rental income	-	-
License fees	2,023,467	1,974,898
Federal donated properties	-	-
Advertising revenues	-	-
Other operating revenues	4,354,484	4,025,227
<b>Total operating revenues</b>	<b>67,591,469</b>	<b>65,843,224</b>

## OPERATING EXPENSES

Cost of sales and services	50,659,965	48,857,248
Claims expenses	-	-
Salaries and benefits	4,515,574	5,173,342
Insurance premium expenses	19,498	21,658
Contractual services	728,450	913,573
Repairs and maintenance	50,972	73,009
Depreciation	196,577	200,419
Rental expenses	70,503	63,041
Utilities and property management	814,995	408,019
Non-capital equipment purchased	894,803	124,463
Promotions and advertising	63,610	61,177
Administration expenses	70,622	144,586
Supplies and parts	148,279	180,256
Distribution and postage	27,505	60,783
Travel	21,928	15,266
Other operating expenses	8,347,723	7,867,055
<b>Total operating expenses</b>	<b>66,631,004</b>	<b>64,163,895</b>

### Operating income (loss)

**960,465**

**1,679,329**

## NONOPERATING REVENUES (EXPENSES)

Gain (loss) on disposal of capital assets	35,702	26,076
<b>Total nonoperating revenues (expenses)</b>	<b>35,702</b>	<b>26,076</b>

### Income (loss) before other revenue, expenses, gains, losses and transfers

**996,167**

**1,705,405**

Transfers in	79,689	-
Transfers out	(1,805,000)	(1,075,106)

### Changes in net position

**(729,144)**

**630,299**

### Total net position, July 1 as restated

(1,194,191)

(1,824,490)

### Total net position, June 30

**\$(1,923,335)**

**\$(1,194,191)**



# Lottery Revenues and Expenses

June 30, 2019  
Liquor Control Fund

June 30, 2018  
Liquor Control Fund

## OPERATING REVENUES

Charges for sales and services		
Ticket sales	\$139,267,936	\$132,420,000
Rental income	-	-
License fees		
Federal donated properties	-	-
Advertising revenues	-	-
Other operating revenues	5,718	4,624
<b>Total operating revenues</b>	<b>139,273,654</b>	<b>132,424,624</b>

## OPERATING EXPENSES

Cost of sales and services	106,820,903	102,495,418
Claims expenses	-	-
Salaries and benefits	1,705,544	1,803,771
Insurance premium expenses	4,609	4,685
Contractual services	161,642	125,006
Repairs and maintenance	4,078	10,497
Depreciation	7,702	7,412
Rental expenses	209,272	208,873
Utilities and property management	271,531	102,477
Non-capital equipment purchased	8,684	20,522
Promotions and advertising	771,455	427,232
Administration expenses	37,803	34,708
Supplies and parts	47,343	30,349
Distribution and postage	21,231	19,570
Travel	13,873	23,253
Other operating expenses	150,685	208,084
<b>Total operating expenses</b>	<b>110,236,355</b>	<b>105,521,857</b>

## Operating income (loss)

**29,037,299** **26,902,767**

## NONOPERATING REVENUES (EXPENSES)

Federal grants	-	-
Other nonoperating revenue (expense)	-	-
Gain (loss) on disposal of capital assets		
Investment income	136,449	(8,982)
<b>Total nonoperating revenues (expenses)</b>	<b>136,449</b>	<b>-8,982</b>

## Income (loss) before other revenue, expenses, gains, losses and transfers

**29,173,748** **26,893,785**

Transfers in	-	-
Transfers out	(29,179,325)	(27,153,843)

## Changes in net position

**(5,577)** **-260,058**

## Total net position, July 1 as restated

**(3,009,216)** **(2,749,158)**

## Total net position, June 30

**(3,014,793)** **\$(3,009,216)**

# Where Do Revenues Go?

2018 YTD 6/30/2019 not final		To General Fund	Enterprise	Lottery	All Other Funds	
Revenue	Description	10000	50300	50200		Grand Total
400200	6%-7% Sales & Use tax	3,733,757				3,733,757
400340	25% LQR Excise Tax	19,898,250				19,898,250
400345	On Prem Direct Sales Tx	173,039				173,039
422005	DLC Merchant Sales		22,218,099			22,218,099
422015	DLC Credit Card Sales		36,933,611			36,933,611
422020	American Express CC		467,494			467,494
421210	Sales - Lucky for Life			1,739,936		1,739,936
421211	Sales - Gimme 5			675,456		675,456
421214	Sales - Megabucks Plus			4,372,204		4,372,204
421215	Sales - Mega Millions			4,532,043		4,532,043
421220	Sale of Tickets			101,999,595		101,999,595
421221	Sales - Powerball			10,178,680		10,178,680
421223	Sales - Pick 3			1,257,533		1,257,533
421224	Sales - Pick 4			1,197,819		1,197,819
421228	Sales - Add A Play			6,466,735		6,466,735
460030	Bottle Deposits Collected		624,663			624,663
460035	Bottle Deposits Refunded		(501,235)			(501,235)
422025	Special Purchase Incentive	(113)	3,918,032			3,917,919
422030	LQR Penalties		(826)			(826)
Directly related to Enterprise Activities		23,804,932	63,659,838	132,420,001	-	219,884,771
	MSA Settlement Fds				213,841	213,841
405000	License Fees		1,965,912			1,965,912
						-
405380	GF Lic Fee portion	468,653				468,653
415000				1,407		1,407
415361	Late Fees	160				160
						-
417755	Conference Funds					-
424315	Educational Classes		201,173		49	201,222
426205	Copies		32			32
427380	Tobacco Violations	9,880				9,880
427390	Alcohol Violations	53,145				53,145
428100				43,761		43,761
428505						-
430000	FDA Contract Reimb*				313,965	313,965
440000						-
460000		260				260
462500	Other Income	170	10,723	3,217	3,496	17,606
480000	Gain (Loss) on disp of fx asset					-
480001					5,970	5,970
480030	Auction Proceeds				20,106	20,106
480500	Recoveries-General					-
485000	PY Expense Reimb		10,171			10,171
490000	Inter Unit Service Exp					-
495000	Inter Unit Transfer				126,686	126,686
Other Income		532,268	2,188,011	48,385	684,113	3,452,776
Gross Income:		24,337,200	65,847,849	132,468,386	684,113	223,337,547
523000	Megabucks/Lottery Prizes			87,436,351		87,436,351
523010	Agent Commission Expense			8,008,547		8,008,547
523015	Agent Bonus			105,347		105,347
523020	Subscription Commissions			684		684
523025	Lottery Tickets			1,581,225		1,581,225
523030	Ticket Dispensers			47,464		47,464
523040	Courier, Freight and Expr Mail			166,383		166,383
523045	Facility Mgt Fees			4,173,693		4,173,693
523055	Tri-State Op Exp			957,901		957,901
523056	MUSL Op Exp			17,823		17,823
523100	Commissions		6,927,108			6,927,108
523110	Handling Fees		116,436			116,436
523130	Liquor Purchase Expense		44,689,731			44,689,731
523140	Breakage and other loss		45,560			45,560
551080	Unrealized Loss			(52,744)		(52,744)
Cost of Goods Sold		-	51,778,835	102,442,674	-	154,221,509
Revenue less COG		24,337,200	14,069,014	30,025,712	684,113	69,116,038
DLC Operating Expenses						
DLC Administraton			5,170,785		1,686	5,172,471
DLC Education and Enforcement			2,326,642		499,886	2,826,528
DLC Warehouse			1,237,942			1,237,942
Lottery				3,026,439		3,026,439
Total Operating		-	8,735,368	3,026,439	501,572	12,263,379
Transfers out: General Fund		1,055,000	(1,055,000)			-
Transfers out: Education Fund		27,153,843		(27,153,843)		-
Revenue less Expenses		52,546,043	4,278,646	(154,570)	182,541	56,852,659
*Reimb from Previous Year					38,538	

2019 YTD 6/30/2019 Unaudited		To General Fund	Liquor	Lottery	All Other Funds		
Revenue	Description	10000	50300	50200		Grand Total	Chg Over Last Year
400200	6%-7% Sales & Use tax	3,917,659				3,917,659	4.7%
400340	25% LQR Excise Tax	21,427,342				21,427,342	7.1%
400345	On Prem Direct Sales Tx	191,999				191,999	9.9%
422005	DLC Merchant Sales		20,401,165			20,401,165	-8.9%
422015	DLC Credit Card Sales		40,459,422			40,459,422	8.7%
422020	American Express CC		(175)			(175)	
421210	Sales - Lucky for Life			1,776,046		1,776,046	2.0%
421211	Sales - Gimme 5			656,141		656,141	-2.9%
421214	Sales - Megabucks Plus			4,319,024		4,319,024	-1.2%
421215	Sales - Mega Millions			8,033,711		8,033,711	43.6%
421220	Sale of Tickets			107,038,489		107,038,489	4.7%
421221	Sales - Powerball			9,368,681		9,368,681	-8.6%
421223	Sales - Pick 3			1,210,214		1,210,214	-3.9%
421224	Sales - Pick 4			1,209,469		1,209,469	1.0%
421228	Sales - Add A Play			5,656,162		5,656,162	-14.3%
460030	Bottle Deposits Collected		644,614			644,614	3.1%
460035	Bottle Deposits Refunded		(429,124)			(429,124)	-16.8%
422025	Special Purchase Incentive		3,767,534			3,767,534	-4.0%
422030	LQR Penalties					-	
Directly related to Enterprise Activities		25,537,000	64,843,437	139,267,937	-	229,648,374	4.3%
	MSA Settlement Fds				213,841	213,841	0.0%
405000	License Fees		2,010,100	375		2,010,475	2.2%
405500	Break-Open Ticket Fees		23,000			23,000	100.0%
405380	GF Lic Fee portion	476,988				476,988	1.7%
415000						-	
415361	Late Fees	30				30	-433.3%
415680			44		45	88	100.0%
417755	Conference Funds					-	
424315	Educational Classes		208,757		(75)	208,682	3.6%
426205	Copies		36			36	10.9%
427380	Tobacco Violations	7,581				7,581	-30.3%
427390	Alcohol Violations	39,170				39,170	-35.7%
428100	Program Interest			83,888		83,888	47.8%
428505				52,561		52,561	100.0%
430000	FDA Contract Reimb*				125,513	125,513	-150.1%
440000					60,000	60,000	100.0%
460000		1,120	110			1,230	78.9%
462500	Other Income		23,643	5,343	2,426	31,412	44.0%
480000	Gain (Loss) on disp of fx asset					-	
480001					4,389	4,389	-36.0%
480030	Auction Proceeds				31,521	31,521	36.2%
480500	Recoveries-General					-	
485000	PY Expense Reimb				51,624	51,624	80.3%
490000	Inter Unit Service Exp					-	
495000	Inter Unit Transfer					-	
Other Income		524,889	2,265,691	142,167	489,284	3,422,031	-0.9%
Gross Income:		26,061,889	67,109,127	139,410,104	489,284	233,070,405	4.2%
523000	Megabucks/Lottery Prizes			90,892,067		90,892,067	3.8%
523010	Agent Commission Expense			8,406,922		8,406,922	4.7%
523015	Agent Bonus			125,934		125,934	16.3%
523020	Subscription Commissions			545		545	-25.7%
523025	Lottery Tickets			1,782,489		1,782,489	11.3%
523030	Ticket Dispensers			58,673		58,673	19.1%
523040	Courier, Freight and Expr Mail			168,567		168,567	1.3%
523045	Facility Mgt Fees			4,145,415		4,145,415	-0.7%
523055	Tri-State Op Exp			1,216,525		1,216,525	21.3%
523056	MUSL Op Exp			23,767		23,767	25.0%
523100	LIQRCommissions		6,869,075			6,869,075	-0.8%
523110	Handling Fees		90,360			90,360	-28.9%
523130	Liquor Purchase Expense		46,381,002			46,381,002	3.6%
523140	Breakage and other loss		31,233			31,233	-45.9%
Cost of Goods Sold		-	53,371,670	106,820,903	-	160,192,573	3.7%
Revenue less COG		26,061,889	13,737,457	32,589,202	489,284	72,877,832	5.2%
DLL Operating Expenses							
DLL Administraton			4,672,977			4,672,977	-2.51%
DLL Education and Enforcement			1,598,788		558,324	2,157,112	-2.18%
DLL Warehouse			1,411,648			1,411,648	-2.14%
DLL Lottery				3,415,452		3,415,452	
Total Operating		-	7,683,414	3,415,452	558,324	11,657,189	-2.38%
Transfers out: General Fund		1,805,000	(1,805,000)			-	
Transfers out: Education Fund		29,470,435		(29,470,435)		(0)	
Revenue less Expenses		57,337,324	4,249,043	(296,685)	(69,040)	61,220,643	7.7%





**DEPARTMENT OF LIQUOR AND LOTTERY**

**[liquorandlottery.vermont.gov](http://liquorandlottery.vermont.gov)**

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