



CITY OF CARBONDALE, ILLINOIS
LIQUOR ADVISORY BOARD
Minutes of the Regular Meeting of
Thursday, January 3, 2019

The City of Carbondale's Liquor Advisory Board held a meeting on Thursday, January 3, 2019, in Room 103 of Carbondale City Hall, 200 South Illinois Avenue. Vice Chair David Cisco called the meeting to order at 5:30 p.m. with the following-named members of the Board present/absent:

1. Roll Call

Present: John Mills, Steve Payne, Tasis Karayiannis, and David Cisco

Absent: Mark Robinson and Donald Monty

A quorum was available to take action on the agenda items. City Staff present for the meeting included City Clerk Jennifer Sorrell, City Attorney Jamie Snyder, Lieutenant Mark Stearns, and Building & Neighborhood Services Supervisor John Lenzini.

2. Approval of Minutes from December 6, 2018

T. Karayiannis moved, J. Mills seconded, to approve the minutes of December 6, 2018. VOTE: All voted aye; motion declared carried.

3. Continued Discussion and Recommendation Regarding Possible Title Two Change in City Code that Would Permit the Delivery of Sealed Alcohol by a Licensed TNC/Taxi Driver

The Board asked about CarGo's objective.

Shad Burner from CarGO noted that they offer delivery in Cape Girardeau, that they feel the service provides a safety feature, that this will become more common as technology changes; and explained how the process works. He explained that CarGO is a Transportation Network Company and that their drivers are independent contractors. They partner with package liquor stores, place the menu for the store on their application, the customer enters in their date of birth prior to viewing the alcohol menu, then they can place an order. At that point, the store receives the order on a tablet, they fill the order, and then request driver through the app. A BASSET-trained driver comes to the location, presents their ID to the store, collects the order, and drives to the deliver location. When they arrive at the customer's location, they request the customer's ID, they capture the ID using the app which stores the information, verifies that the ID matches the name of the customer who placed the order or if it does not, returns the order to the store and the customer is charged a re-stocking fee. The funds go from the customer to the store's bank account and is not completed until the sale is closed by the delivery driver closing it through the app. CarGO's fee is transferred from the store's bank account to CarGO.

When asked about what problems they have experienced, Mr. Burner noted that some individuals had tried to purchase alcohol who were not of age and that those orders were returned to the store, the fraudulent order placer is charged two delivery fees and a restocking fee. He described the decals on the vehicles. Mr. Burner was not aware of any violations which resulted in a fine, further, he did not know what the fine for such a violation was in Cape Girardeau. Customers pay a delivery fee based on their distance from the store. Mr. Burner indicated that Cape Girardeau requires CarGO to hold a liquor license, but he was not sure about the

classification of license fee. In Cape, they primarily deal with package stores, but they do deliver sealed alcohol for one restaurant as well. Mr. Burner was not aware of any attempts to steal from or hold up any of their drivers. He noted that alcohol delivery was a small percentage of their overall sales, but they anticipate growth as it is a trend in metro areas. When asked about any problematic drivers, Mr. Burner indicated that he was not aware of any as one infraction would result in that driver being let go and he noted that they track them with the app. He did not object to the \$1,000 fine for a violation. Mr. Burner indicated that CarGO has been operating since 2017. Their drivers do not combine services; they only perform one service per task.

Chandrakant Patel asked Shad about his concerns regarding sales to minors. Specifically, he asked that once a store rings up a transaction, since they don't get to see the customer's ID, if the customer is a minor, he believes that he has already completed the sale to a minor, but it just hasn't been delivered yet. It was suggested that perhaps the purchaser somehow provides a copy of that ID when placing the order. Mr. Burner agreed that the culpability be transferred to the TNC, not the licensee. The City Clerk suggested that may be why Cape Girardeau requires them to hold a liquor license. Mr. Burner noted that the sale isn't complete until after the verification occurs at the time of delivery. When asked if their drivers can deliver cigarettes, Mr. Burner says they currently do not.

Jerrold Hennrich commented that it seemed the liability would rest with the store. City Attorney Snyder stated that the State has been silent regarding this matter and has left it to municipalities to determine how this will work. It is anticipated that the State will eventually pass some regulation, but as to when, that is unknown. He noted that a delivery from Carbondale to Murphysboro would cross multiple licensing jurisdictions. The City Attorney indicated that based upon CarGO's system, and the fact that the sale is not complete until the delivery has occurred, he is comfortable with it. The State does not consider underage sale of alcohol to a minor to be complete until the person takes possession of the alcohol. Mr. Burner explained that a pre-authorization hold is placed until the delivery is finalized. Further, if the alcohol has to be returned due to an underage attempt at purchase, there is no refund of the money, the transaction is cancelled and there is a restocking fee charged.

Mr. Patel asked if there was a limit to the amount of alcohol which could be delivered. Mr. Burner stated there was not, but he was not certain how much the CarGO system would allow, and that there is a limit to how much the driver can carry. City Attorney Snyder noted that issue can be addressed and the language before the Board isn't finalized language for the Council's consideration. There followed discussion about whether it was a good or bad idea to place a limit on volume, type of alcohol, and location; there was no definitive answer to the question. Mr. Snyder noted that research on this type of use began when Kroger and Wal-Mart began utilizing online shopping with pick-up points. Whether or not to allow restaurants to deliver sealed alcohol was also discussed, as it is becoming more commonplace. It was noted that restaurants have the option of packaged liquor carryout currently with the payment of a fee. Additional discussion addressed the \$1,000 minimum fine for violation as a deterrent and to ensure that any operator would work to ensure their drivers adhered to the law.

City Attorney Snyder asked the Board if there were any additions or deletions needed. He indicated that he did not necessarily think it necessary to create a special license, as the City has licensing authority over TNCs. Mr. Snyder suggested that perhaps it could be limited to liquor license holders and TNC operators. Individual Board comments included agreement with fine amount, decreased concern about abuse by underage people, whether or not to deliver to SIU, and if limitations on volume was or was not a good idea.

MOTION: T. Karayiannis moved, J. Mills seconded, to approve the proposed language authorizing the delivery of sealed alcohol. VOTE: All voted aye; motion declared carried.

4. Citizens' Comments

Shad Burner of Cargo expressed gratitude towards the City of Carbondale. Mr. Mills indicated a desire to see CarGO doing business in Carbondale.

5. Adjournment

Meeting adjourned at 6:18 p.m.

Jennifer R. Sorrell, City Clerk

Date Approved