

## Vermont Social Equity Sub-Committee Meeting Minutes— October 7, 2021

Chair calls to order meeting at 3:06 pm ET.

Attendees:

Advisory Committee Members

- Nader Hashim
- Ashley Reynolds
- Xusana Davis
- Julio Thompson [3.22pm]

VT Cannabis Board Members:

- Julie Hulburd

NACB:

- Gina Kranwinkel
- Deneka Scott

2 members of public

Minutes recorded by John O'Donnell.

\*Daneka Scott entertains a motion to approve the Board's minutes for the October 4 meeting. Member  
\*Ashley Reynolds moves. Member \*Nader Hashim seconds. Minutes are approved.

### **Notable comments:**

[Agenda and discussion set by accompanying Powerpoint slide presentation]

### Exclusive Licenses

[slides 7-13]

### Delivery License

[slides 8-13]

\*Gina Kranwinkel- [Presentation]

#### **Delivery license** [slide 8]-

Licenses specific to the function of delivery to the customer from the dispensary or cultivator.

Various delivery models being proposed as options:

#### **Marijuana courier license** [slide 9]- Previously known as "delivery only" model

From marijuana retail dispensary ; Locked sealed container ; Pick up from cannabis shop and deliver ;  
Cannot store overnight.

#### **Marijuana delivery operator license** [slide 10]- Discussions refer to as "Ice cream truck" model

Purchase (wholesale) from cultivator or manufacturer ; Securely store on premises.

**Delivery business license** [slide 11]- Discussions refer to as “Online delivery” model or “Eaze” model  
Consumers log on to online platform ; Use zip code to submit order ; SE licensee picks up order from dispensary and delivers to customer.

**Wholesaler delivery license** [slide 12]- Discussions refer to as “Ice cream truck” model  
Purchases from manufacturer or wholesaler ; Wholesaler delivers direct to customer ; Driver provides vehicle and stores inventory.

**VT retail delivery** [slide 13]- Discussions refer to as “Pizza delivery” model  
Retailer license ; Delivery add-on direct to customer ; Retailer employs driver, owns vehicles, and provides insurance.  
Less expensive for SE licensee.  
Combines aspects of the previous options with a focus on Social equity and Vermont.

### **Vermont delivery license option discussion**

[slide 13]

\*Nader Hashim- Looking at option from legislators perspective – e.g. highway & road safety. Likes option where more there is more guarantee on vehicle safety – business responsible for vehicles.

\*Ashley Reynolds- Ice cream truck model is like New York delivery model. Vermont is rural – like to develop sense of community. Would like to see retailers have SE candidates as deliverers.

\*Ashley Reynolds- The delivery needs will increase in 2<sup>nd</sup>/3<sup>rd</sup> years, when there is greater acceptance and uptake of the industry.

\*Xusana Davis- Prefer delivery where the responsibility for the vehicles is on the retail business, not the (SE) driver – onus is on more powerful party.

\*Julio Thompson-

Vermont will do employee based delivery + retailer based delivery.

Massachusetts started with primarily retail sales (2018), and moved to primarily home delivery in the last year.

A lot of people in Vermont want a delivery service.

The Vermont authorities worry about consumption in the car before the customer gets home.

Likes the business paid, workers compensation safety net for drivers – e.g. injury, bad weather in Vermont causing road accidents.

\*Ashley Reynolds- Has a small businesses perspective. Can cultivators deliver to the retailer? – there is the licensed cultivator safety net that can reach over to delivery function.

\*Gina Kranwinkel- Cultivator delivery is probably more Compliance & Enforcement subcommittee.

### Vote- VT Retail Delivery License [slide 13]

\*Gina Kranwinkel- [Clarification]

This is a recommendation only to the Vermont CCB.

This will add a delivery license to the current licenses.

Exclusivity to SE candidates is for initial (yet to be determined) time period only.

Suggest “VT Retail Delivery” model.

\*Nader Hashim- Agree

\*Ashley Reynolds- Agree – Initially concerned about exclusivity - can accept if CCB determine timing of exclusivity [as below].

\*Ashley Reynolds- Agree – If CCB determine exclusivity.

\*Julio Thompson- Agree – Let CCB set exclusivity.

\*Julio Thompson- Should be SE candidate exclusive at the beginning – it helps SE candidate get into business ; being a driver is a good starting point for an SE candidate. The CCB should set SE exclusivity time period, as it has a better idea of what this new economy will look like going forward. A pool of drivers for a time should be exclusively SE candidates.

\*Gina Kranwinkel- The delivery license is held by the driver.

(Re)Vote- VT Retail Delivery License [slide 13]

\*Gina Kranwinkel- [additional proviso] CCB is to determine what the timing of exclusivity is.

\*Julio Thompson- Agree

\*Ashley Reynolds- Agree

\*Nader Hashim- Agree

Co-op Licenses

[slides 14-15]

\*Gina Kranwinkel- Given the size of the Cannabis Business Development Fund, an individual SE candidate will get a small loan, relative to the expense of the industry. The industry is expensive – particularly for land and equipment. Don't want to set up the SE candidate for failure.

\*Gina Kranwinkel- In a Co-op the SE candidates can pool their funds to lease or purchase land & equipment – e.g. they could pay a small monthly rent.

\*Julio Thompson- The Co-op is an opportunity to lower entry barriers to SE candidates. Vermont has previously seen co-ops work in agricultural – e.g. co-op dairy, co-op gardens.

\*Ashley Reynolds- Given the number of business failures currently occurring, there is boom-&-bust auctions, making a lot of equipment available at good prices.

\*Gina Kranwinkel- Give the Co-op as an option to CCB, then they decide how it will look.

Vote- Co-op license option [slide 15]

\*Julio Thompson- Agree

\*Nader Hashim- Agree

\*Ashley Reynolds- Agree

\*Gina Kranwinkel- This is a Vermont focused option – unique to Vermont.

**Public Comments:**

\*Ben Mervis- Is it necessary to approve a license to hold a delivery job – it is just a job. Consider the recent driving experience of a SE applicant – e.g. just out of prison. Can be a lowest barrier option, but also a minimum profit option. The tipping issue may be whether the license is ultimately paid for by the business or by the customer (in passed-on costs).

\*Gina Kranwinkel- The California Eaze model is very expensive – e.g. credit card processing, Federal restrictions in this industry.

**Adjournment:**

\*Gina Kranwinkel asked for a motion to adjourn. Member \*Ashley Reynolds moves. Member \*Nader Hashim seconds. Meeting is adjourned at 4:03 pm.

[No Monday meeting]

Next Social Equity Sub-Committee meeting is Tuesday, October 12 at 3 pm ET.