



**FBWA ANNUAL  
MEMBERSHIP MEETING**

**DECEMBER 5, 2023**

# FBWA STATEMENT OF ANTITRUST POLICY

The United States antitrust laws were enacted to preserve the free enterprise system, to promote competition, and to protect the public and other businesses from exclusionary or predatory trade practices. The Florida Beer Wholesalers Association and its Members are best served by strict adherence to the antitrust laws. The FBWA shall at all times promote vigorous competition in compliance with these laws.

The FBWA's policy includes compliance with the spirit as well as the letter of the antitrust laws. This requires the understanding and cooperation of each FBWA Member and staff employee. It is their personal obligation and responsibility to act in a manner consistent with the nation's antitrust laws.

Because of the scope and intricacy of antitrust laws, FBWA Members and staff, must be sensitive to activities raising potential problems under antitrust laws.

# ACCESS TO DOCUMENTS

- All minutes and other documents are available on the FBWA website. To access them visit:
  - [fbwa.com/\\_2023membershipmeeting](https://fbwa.com/_2023membershipmeeting)

# MEMBERSHIP MEETING AGENDA

**Call To Order**

**Ken Daley, Chairman**

**Secretary's Report**

**Matt Sokolowski**

**Review & Approval of Minutes**

**Secretary/Treasurer**

**Membership Meeting – December 6, 2022**

**Treasurer's Report**

**Matt Sokolowski**

**Review & Approval of 2022 Audit**

**Secretary/Treasurer**

**Review & Approval of 2023 Financials and 2024 Proposed Budget**

**PAC Update**

**Jared Ross, President**

**Nominating Committee Report**

**Kevin Bowler**

**Other Nominations**

**Nominating Committee Chair**

**Election of Board Members 2024**

**Legislative/Regulatory Update**

**Jared Ross, President**

**Other Business/Discussion**

**Ken Daley, Chairman**

**Evolving Single Voice – FBWA/BIF**

**Adjournment**

**Ken Daley, Chairman**

# 2022 FBWA AUDIT

- The audit is available for review on the Membership Meeting section of the website:
  - [fbwa.com/\\_2023membershipmeeting](https://fbwa.com/_2023membershipmeeting)
- Carr, Riggs, Ingram provided the Audit on November 14, 2023. They found the following:
  - The Associations Expense Policies, Allowance for Doubtful Accounts, Leases and leases are in accordance with all applicable accounting guidelines.
  - There were a few adjusted journal entries to correct minor accounting errors.
  - Four internal control recommendations which have already been implemented for 2023 and beyond.
  - On December 5, 2023, the Board voted to approve the Audit as presented.

# 2023 FINANCIALS AND 2024 BUDGET

## FLORIDA BEER WHOLESALERS ASSOCIATION ACCRUAL BASED BUDGET 2024 FINAL

EXPENSES	2022 Budget vs. Final 22			Budget 22 vs. Prjoected 2023			Proj. 23 vs. Budget 2024		
	Bud. 22	Final 22	%	Bud. 23	Proj 23	%	Proj. 23	Budget 24	
ADMIN, OH & MTGS									
ACCOUNTING	18,000	18,000	0%	18,000	25,995	44%	25,995	21,000	-19%
DUES-SUBS.-EDUCATION	4,345	2,520	-42%	2,520	6,805	170%	6,805	7,000	3%
OFFICE EXPENSES	32,295	39,420	22%	39,420	17,385	-56%	17,385	18,140	4%
INSURANCE	7,326	6,153	-16%	6,153	7,326	19%	7,326	7,300	0%
MEETINGS	56,000	52,533	-6%	52,533	69,985	33%	69,985	76,000	9%
RENT & PARKING	42,480	40,832	-4%	40,832	47,136	15%	47,136	48,240	2%
<b>TOTAL ADMIN, OH &amp; MTGS</b>	<b>160,446</b>	<b>159,458</b>	<b>-1%</b>	<b>159,458</b>	<b>174,632</b>	<b>10%</b>	<b>174,632</b>	<b>177,680</b>	<b>2%</b>
<b>PERSONNEL</b>									
SALARIES	582,500	431,472	-26%	431,472	371,319	-14%	371,319	389,500	5%
BENEFITS	117,558	46,823	-60%	46,823	41,566	-2%	41,566	45,000	8%
AUTO EXPENSES	16,500	11,325	-31%	11,325	9,600	-15%	9,600	9,600	0%
<b>TOTAL PERSONNEL</b>	<b>716,558</b>	<b>489,619</b>	<b>-32%</b>	<b>489,619</b>	<b>422,485</b>	<b>-13%</b>	<b>422,485</b>	<b>444,100</b>	<b>5%</b>
<b>ASSOCIATION ACTIVITIES</b>									
PUBLIC RELATIONS	120,000	99,432	-17%	99,432	95,124	1%	95,124	110,000	16%
DONATIONS & SPONSORSHIPS	16,550	49,631	200%	5,500	5,000	201%	5,000	10,000	100%
LEGAL	72,800	59,460	-18%	59,460	41,386	22%	41,386	72,800	76%
LOBBYIST	155,000	155,000	0%	155,000	145,775	1%	145,775	150,775	3%
TRAVEL & ENT	75,750	38,500	-49%	38,500	28,061	6%	28,061	33,000	18%
<b>TOTAL ASSN ACTIVITIES</b>	<b>440,100</b>	<b>402,022</b>	<b>-9%</b>	<b>357,891</b>	<b>315,346</b>	<b>8%</b>	<b>315,346</b>	<b>376,575</b>	<b>19%</b>
<b>TOTAL EXPENSES</b>	<b>1,317,104</b>	<b>1,051,100</b>	<b>-20%</b>	<b>1,006,969</b>	<b>912,463</b>	<b>-4%</b>	<b>912,463</b>	<b>998,355</b>	<b>9%</b>



# FLORIDA BEER WHOLESALERS PACS

- The Florida Beer Wholesalers Good Government Committee and the Florida Beer Wholesalers Political Committee are the two independent Political Committees (PACs) that political contributions are given through.
- Maintaining the two PACs is useful to allow for rare occasions when we want to give a second contribution to a particular candidate.
- Previously, the PACs were funded through one-month's FBWA dues, however, in order to keep the PACs separate from the association, this was changed. Mitch began to assess each wholesaler a set annual amount, based on case equivalents, to help replenish the PAC annually.
- In 2023, \$200,000 was assessed using case equivalents to help fund the Good Government Committee.



# FLORIDA BEER WHOLESALERS PACS

- It is the desire of the Association to keep the PACs as separate entities to avoid the need for a consolidated audit that includes the PACs.
- To help manage the PACs and create checks and balances for the Association, a PAC Board of Trustees was created consisting of:
  - Ken Daley
  - Kevin Bowler
  - David Bear
  - Tim Mitchell
  - Frank Schwiep
- Along with the Board of Trustees, PAC Policies and Procedures were created and subsequently approved by the PAC Board. A copy is available in the member's section of the website.

# FLORIDA BEER WHOLESALERS PACS

- As part of the policies and procedures the Board of Trustees will periodically, but not less than annually, establish fundraising objectives for the PACs, to be invoiced based on the roster of PAC contributors, assessed on a pro-rata basis using the recent twelve-month malt beverage case equivalent sales.
  - The policies set forth the criteria for support of candidates.
  - Working with the Board of Trustees, the registered agent for the PAC, will work on an annual budget for giving, which will include giving to caucuses, legislative leadership, and key legislators, with the goal of electing an industry-friendly legislature.
  - A 3-year PAC giving strategy is being developed and will be approved by the PAC Board of Trustees.
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# FLORIDA BEER WHOLESALERS PACS

- Members will still be asked to make political contributions in addition to those to the PAC.
- We will continue to work with members on check deliveries, as hand deliveries are the most useful. More often than not, we will include checks from the PACs during these as well.
- We will continue to be extremely transparent with the use of PAC funds, and all contributions to the PACs and expenditures from the PACs are reported to the state in quarterly reports.

# FLORIDA BEER WHOLESALERS PACS

- PAC Balances as of **1/1/2023**:
  - Florida Beer Wholesalers Good Government Committee: \$208,410
  - Florida Beer Wholesalers Political Committee: \$13,389
- PAC Contributions in **2023**:
  - Invoiced Amount for PACs (Good Government): \$200,000
  - Amount Received for PACs (Good Government): \$198,841
- PAC Expenditures for 2023 as of **12/6/2023**:
  - Florida Beer Wholesalers Good Government Committee: \$116,111
  - Florida Beer Wholesalers Political Committee: \$200
- Ending Balance as of **12/6/2023**:
  - Florida Beer Wholesalers Good Government Committee: \$287,640
  - Florida Beer Wholesalers Political Committee: \$13,189

# FLORIDA BEER WHOLESALERS PACS

- Checks Cut for December Meeting:
  - FRSCC: \$35,000
  - House Majority: \$25,000
  - Sen. Jim Boyd PC: \$2,500
  - Sen. Blaise Ingoglia PC: \$2,500
  - Rep. Sam Garrison PC: \$1,500
  - Rep. Dana Trabulsy: \$1,000
- Total: \$67,500

# OTHER TOPICS

- FBWA/BIF Evolving Single Voice

# FBWA/BIF CONSOLIDATION

(aka – Evolving to a Single Voice)

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# OVERVIEW

- Over the summer, the Reyes Companies approached the FBWA and the BIF to see if there was a willingness to restart the paused effort to consolidate the two associations into one.
  - Reyes initiated this effort seven years ago... ever since they arrived in Florida, it's fair to say they have pressed for a single association to have the strongest and clearest voice to advocate for the industry and our tier to the Florida legislature.
  - Reyes is pressing the premise that while the two Associations are doing a good job, the goal is to do a better job via **Single Voice**.
- The BIF has circulated the topic to its members , and the BIF is interested in exploring consolidation of the two Associations.



# BACKGROUND – PART I

- The FBWA and BIF created a sub-committee in 2016, and over the course of two years, the sub-committee worked on the consolidation effort in addition to coordinating legislative matters.
  - Members of the sub-committee:
    - Kevin Bowler and Doug Cone (respective Association Chairs, and co-chairs of the sub-committee)
    - FBWA Board Members: Johnston, Daley, Burkhardt
    - BIF Board Member: Taylor
    - Execs: Rubin, Criss
    - Other FBWA members of the board when this started:
      - Vroman, Kiene, Bear
- Legislative issues of the day:
  - We were in the shadow of the Growler bill
  - Glassware
  - Theme Parks
  - Cider definition
  - FBG bringing a Franchise Bill/ including Self Distribution

## BACKGROUND – PART II (CONT'D)

- Consolidation elements discussed in 2016-2018
  - Membership
    - Members - some trust issues bubbled up with roots in competitive behavior between existing BIF and FBWA members
    - Discussed reaching out to other Malt distributors (ie, Cavalier)
    - Discussed reaching out to W&S distributors who sell malt (ie, RNDC)
    - Discussed Associate members - (ie, Brewers)
  - Executive/Staff
    - Mitch/Eric - there were relationship issues, head-butting, and very different personalities/ skill sets.
    - Who would lead if both were hired on Executive Staff?

# BACKGROUND – PART II (CONT'D)

- Governance
  - Board Structure
    - Balancing the number by primary supplier
      - 5 AB
      - 5 Miller Coors
    - One vote per board member
    - "Super-authority" rests with the board
      - One option: Need to survey membership if the board is not at consensus; otherwise, the board has full authority
      - Another: defined matters that needed a full membership vote
    - Three-year terms
    - Mandatory board seat rotation over nine years: all companies seat a board member
    - Chair to rotate between primary suppliers like NBWA
  - Executive Committee
    - Discussed, at one point, it became too complicated, so it was ditched, as the board was the best subset of membership needed. Later, it was added back in. It's a matter for discussion.
  - We discussed formalizing observers, succession planning, and even numbers from each primary supplier group.

# RESULT OF 2016 - 2018 EXPLORATORY EFFORT

- The effort to consolidate hit a wall and both organizations decided to pause the effort...
- Decided to continue to coordinate closely on all legislative matters.

# WHAT'S CHANGED SINCE 2018?

- Membership
  - Consolidation - five fewer ABI wholesalers (Peace River, Coastal, Burkhardt, Double Eagle, Brown)
  - Wholesaler Leadership evolutions across the State
    - Next Gen leaders are following family leadership in many wholesalerships... the direct connection to the birth of both Associations is dwindling.
    - FBWA - Bear, NFS, Pepin, Great Bay, Little, City, Carrol, Gold Coast
    - BIF - Taylor, Champion, Goldring
- Executive
  - Mitch's passing, hiring of Jared Ross
  - Eric Criss left BIF, hiring of Justin Hollis
  - Jared and Justin are very unified in their approach to the legislature, with complementary skills.
- Legislative/Marketplace Regulatory Impacts
  - FBG is constantly chirping about Self Distribution and Franchise
  - The rise of RTD's and more power and influence of the Spirits segment of the industry
  - Leadership desire to eliminate "food fights "
  - Blue Cloud
  - Alcoholic versions of non-Alc brands
  - Extension of last-mile delivery to consumers by third-party delivery companies
- Political environment
  - Continued flipping/educating of legislators
  - DeSantis called to rip down three-tier
  - Rogue legislators - de-regulate

# WHAT'S THE WHY?

- #1 has always been - to protect the three-tier system and, by extension, the enterprise value of our businesses.
- Fulfill the By-Laws and Constitution of the FBWA
  - By-Laws
    - The purposes of the Association shall be as stated in Article II of the Constitution
  - Constitution Article II
    - Section 1. To promote better relations between the public and the beer industry;
    - Section 2. To solicit recognition and acceptance of the beer industry as a desirable and necessary part of Florida's social and economic life;
    - Section 3. To encourage all retailers, distributors and brewers to conduct their businesses on such a high plane that they will reflect only good upon the industry;
    - Section 4. To improve business relations between all members of the industry;
    - Section 5. To cooperate with and assist the Department of Business and Professional Regulation and all governmental agencies in maintaining proper conduct of the industry;
    - Section 6. To provide a clear line of communication and response between our segment of the Industry and the decision-makers and regulators of our businesses at the state level;
- Section 7. To work in unison to improve our collective and separate service to the public.
- Section 8. To carry out the above purposes under the Constitution and the By-Laws adopted for the regulation of the Association.
- Assure all messaging is unified.
- Simplify our messaging so all legislators clearly understand it... ie, Single Voice
- Mirror other states - only CA, TX, KY, and FL have two State Associations. Forty-eight have one State Association.
- Net - the argument is that a Single Association would be a better way to interface with the Legislature and the DABT.

# WHAT'S THE HOW?

- A single association
  - Jared, Justin, and Jordan would staff the Association.
  - Need to decide how to organize Jared and Justin.
  - FBWA and BIF Lobbyists would be retained.
  - The budget would be allocated amongst all members in a similar manner to the current one.
  - Potential for lower dues per member due to scale, but cost savings is not the goal
- Options:
  - Merge one of the Associations into the other (or one "acquires" the other)
  - Create a new organization ; members resign from both existing associations and join the new association
  - Members from one resign it and join the other

# THE BOARD MET TWICE IN OCTOBER TO DISCUSS THIS SPECIFIC TOPIC

- Consensus points:
  - We have deep respect for Reyes viewpoint and suggestion that we consider “Single Voice.”
    - They have a wide array of association memberships nationwide and see how Single Voice works firsthand.
    - They are deeply engaged in Florida legislative efforts with the FBWA and on their own.
  - The Single Voice concept has many merits, in theory.
  - But practically, a combination of the two long-standing Associations has obstacles
    - Historically, personality issues, legislative differences (i.e., craft/growler), and local competitive conflicts have hindered collegial relations.
    - We don't know the BIF players like we know each other.
      - Membership of FBWA and BIF is different today than it was a few years ago.
      - FBWA has multi-generational relationships that glue the Association together nicely.
    - To quote Gentry.. "I'd like to date before I get married. "
  - Also, while the two-association model is an outlier, it is well known to Florida legislators, and it could be argued that if the two are always aligned, the wholesaler tier benefits from two association lobby efforts.
  - Decided to present to Membership at the Annual Meeting for discussion and direction



# FOR DISCUSSION AT THE 12/5 MEMBERSHIP MEETING:

- Does the membership support the WHY?
- What thoughts and considerations arise in a discussion about the prospect of consolidating?
- After the 2024 Legislative session, is there support to form a joint committee of FBWA/BIF members to discuss and propose HOW options?