

# May 14, 2024 Board Meeting

Virginia ABC Board of Directors





## Glossary

<b>CAGR</b>	Compound Annual Growth Rate	<b>MIPS</b>	Management of Inventory and Product Sales
<b>CSPR</b>	Customer Support Process Reengineering	<b>MOU</b>	Memorandum of Understanding
<b>DOA</b>	Department of Accounts	<b>NABCA</b>	National Alcohol Beverage Control Association
<b>DPB</b>	Department of Planning and Budget	<b>OMS</b>	Order Management System
<b>EBR</b>	Enrolled Bill Review	<b>PDH</b>	Product Master Data
<b>EWA</b>	Enterprise Workflow Automation	<b>PIM</b>	Product Inventory Management
<b>EWPs</b>	Employee Work Profiles	<b>POS</b>	Point of Sale
<b>FIS</b>	Fiscal Impact Statement	<b>REC</b>	Real Estate Committee
<b>FLSA</b>	Fair Labor Standards Act	<b>RSVP</b>	Responsible Sellers & Servers: Virginia's Program
<b>FOIA</b>	Freedom of Information Act	<b>SNDA Agreement</b>	Subordination, Non-disturbance and Attornment Agreement
<b>FSM</b>	Field Service Management	<b>SOLO</b>	Store Online Order
<b>GA</b>	General Assembly	<b>SOW</b>	Statement of Work
<b>GACRE</b>	Governor's Advisory Council on Revenue Estimates	<b>STC</b>	Ship to Customer
<b>HCM</b>	Human Capital Management	<b>STS</b>	Ship to Store
<b>HRIS</b>	Human Resource Information System(s)	<b>TAL</b>	Time and Labor
<b>HRM</b>	Human Resources Modernization	<b>TA&amp;O</b>	Talent, Acquisition and Onboarding
<b>ITAM</b>	IT Asset Management	<b>TP&amp;C</b>	Talent, Performance and Compensation
<b>ITOM</b>	IT Operations Management	<b>VACALC</b>	Virginia College Alcohol Leadership Council
<b>ITSM</b>	IT Service Management	<b>VAL</b>	Virginia ABC Licensing System
<b>L&amp;T</b>	Learning and Training	<b>VHESUAC</b>	Virginia Higher Education Substance Use Advisory Committee
<b>LA</b>	Limited Availability	<b>VITA</b>	Virginia Information Technologies Agency
<b>LAS</b>	Legislative Action Statement	<b>VOSAP</b>	Virginia Office for Substance Abuse Prevention
<b>LRM</b>	License Records Management	<b>VRS</b>	Virginia Retirement System
<b>MART</b>	Managers Alcohol Responsibility Training	<b>VSDP</b>	Virginia Sickness and Disability Program
<b>MBAR</b>	Mixed Beverage Annual Review		

**WOLO**

Warehouse Online Ordering

**YADAPP**

Youth Alcohol & Drug Abuse  
Prevention Program



# May 14, 2024 Board Meeting Agenda

- 9:00AM Call to Order
- Approval of Minutes
  - Approve minutes from March -April, 2024
- New Business
  - Approve REC Recommendations (Dale Farino)
  - Resolutions for Mark Rubin and Bob Sledd
- 10AM Hearings
  - Cairo Mart
  - Vybez Restaurant and Banquet Hall
  - Murlarkey Distilled Spirits
- New Business
  - C-Suite Updates:
  - Financial Update (David Alfano)
- Closed Session
- Comments from the Board
- Public Comments
- Adjournment





# Minutes Approval

## Required Action

Approval of Minutes from March 19, March 27, April 12 and April 26, 2024 Board meetings





## HYBRID BOARD MEETING MINUTES:

March 19, 2024  
ABC Headquarters

### Call Meeting to Order at 3:02 p.m.

### Attendees

Board Chair Tim Hugo  
Board Vice Chair Dale Farino  
\*Board Member William Euille  
Board Member Greg Holland  
Board Member Lisa Jennings  
Chief Government Affairs Officer, John Daniel  
Acting CEO and Chief of Law Enforcement, Tom Kirby  
Chief Retail Operations Officer, Mark Dunham  
Chief Administrative Officer, David Alfano  
Chief Information Officer, Paul William  
Deputy Secretary, Chris Curtis  
\*Office of the Attorney General, Jim Flaherty  
Director of Finance, Doug Robinson  
Executive Assistant, Kathleen LaMotte  
Senior Paralegal, Helen Gordon

\* attended virtually via Teams

### Opening Remarks

Chairman Hugo asked that Interim CEO, Tom Kirby, prepare a commending memo for out-going Board members Mark Rubin and Bob Sledd for their service to the Board. The new Board Vice-Chair, Dale Farino, and new Board Member Lisa Jennings introduced themselves and thanked the ABC staff and other Board members for their warm welcome.

Acting CEO Tom Kirby stated to the Board that on March 14, the Governor's office requested an updated estimate for future years from the ABC for the Governor's Advisory Council on Revenue Estimates (GACRE) forecast by March 20. The GACRE report is required to be approved by the ABC Board per the Authority Delegation of Authority prior to the submission to the Governor's office.

### GACRE Report (Financial Update)

Dave Alfano, CAO and Doug Robinson, Director of Finance, presented an updated GACRE forecast as distributed to the Board. After discussion and deliberation, the Board deferred action on a vote to approve the updated forecast until the next Board meeting scheduled on March 27. Representatives from the Governor's office were in attendance and received the preliminary numbers not yet approved by the Board.

### Comments by the Board

The Board directed ABC staff to provide additional information to assist in the deliberative process to aid in budget planning.

Board member Holland requested a status update on the search for a new CEO for the Authority. Chair Hugo advised he

would try to get an update for the next Board meeting.

## Public Comment

Tony Lee, with the Commonwealth CTO Office, appreciated all the thought that has gone into the Authority's discussion, but has concerns that the 2025 projected operating costs for FY 2025 are 4.2% higher than this year. Mr. Alfano and team will pull together more detailed numbers and provide them to the Board and Mr. Lee.

The Chair asked that Mr. Lee send any more questions to Mr. Alfano.

## Closed Session

At 5:00 p.m., Board Member Holland moved that the Board enter closed session Virginia Code §2.2 37.11(A)(1)(7) to discuss personnel matters and consultation with legal counsel concerning actual or probable litigation. Board Member Jennings seconded. The motion passed on a roll call vote of 5 – 0. Attending the closed session in full were Tim Hugo, Dale Farino, Greg Holland, Lisa Jennings, William Euille, Jim Flaherty, John Daniel, Dave Alfano, Chris Curtis and Tom Kirby.

## Return to Open Session

When the Board returned from Closed session at 6:50 pm, Board Member Euille moved to certify that to the best of his knowledge nothing was discussed in the closed sessions but personnel matters and consultation with legal counsel concerning actual or probable litigation pursuant to §2.2 37.11(A)(1)(7), and only public business matters lawfully exempted from open meeting requirements was discussed. Board Member Holland seconded; the motion passed on a roll-call vote of 5 - 0.

## Meeting Adjournment

Meeting adjournment at 6:50 p.m.

## HYBRID BOARD MEETING MINUTES:

March 27, 2024  
ABC Headquarters

### Call Meeting to Order at 9:00 a.m.

### Attendees

Board Chair Tim Hugo  
Board Vice Chair Dale Farino  
Board Member Greg Holland  
Board Member William Euille  
Board Member Lisa Jennings  
Chief Government Affairs Officer, John Daniel  
Chief of Law Enforcement, Tom Kirby  
Chief Retail Operations Officer, Mark Dunham  
Chief Administrative Officer, David Alfano  
Chief Information Officer, Paul Williams  
Deputy Secretary, Chris Curtis  
Office of the Attorney General, Jim Flaherty  
Director of Finance, Doug Robinson  
Tony Lee, Chief Transformation Officer,  
Governor's Office  
Executive Assistant, Kathleen LaMotte  
Senior Paralegal, Helen Gordon

### Opening Remarks

Board Chair Tim Hugo asked Interim CEO Kirby to provide the agenda for today's meeting.

Mr. Kirby stated that the agenda has an update by Paul Williams (IT), approval of the Real Estate Committee (REC) recommendations, a closed session to discuss legal advice from counsel, a hearing at 10:00, a review of Authority financial information, but that the agenda can of course be reversed if the Board wishes.

Board member Euille advises he prefers to adhere to the posted agenda.

### Approval of Minutes

The board reviewed the minutes from the February 21, 2024 board meeting. Mr. Euille moved to accept the minutes; Board Member Holland seconded the motion. The motion passed on a roll-call vote of 4 – 0, with Board Member Jennings abstaining from the vote.

### Comments from the Chair

Mr. Hugo asked Mr. Alfano regarding a statement in the February minutes that all spending requests over \$10,000 were reviewed by the CEO. Mr. Hugo asked what the previous cap was for review. Mr. Alfano responded that while there had not been a cap previously, there were always checks and

balances in place. There is now an added step brought in by Mr. Kirby when he began as Interim CEO that has proven to be helpful and understand spend. This provides an additional level of discipline, a second set of eyes on all spending over \$10,000. The Chair asked if there was a level of spending that came before the Board, Director of Procurement Melissa Watts advised that a spend in excess of 1.5 million must be approved by the Board.

Mr. Hugo shared a note from industry partner Sazerac in support of interim Chief Kirby.

### **Strategic Plan**

Chair Hugo asked for Mr. Kirby to update the Board on the Authority's strategic plan.

Mr. Kirby stated that a strategic plan was developed in the summer of 2023, however the plan didn't align with the direction of the Authority as set by the budget approved in August of 2023. Expansions into digital and e-commerce were shelved, and the strategic plan was not put before the Board and must be re-worked to focus on the Authority's current priorities.

Mrs. Jennings stated she would like to review the Authority's current strategic plan and any previously developed plans.

Mrs. Jennings and Mr. Farino will arrange for a time to come in for an orientation, and Mrs. Jennings advised she would like to review the strategic plans and financial information in advance of that meeting to develop her questions. Mr. Farino would like for Tony Lee of the Governor's CTO office to attend the session as well.

### **IT Update:**

Paul Williams, Chief Information Officer, reported that:

- The Authority is required by statute to provide an update of n the status of financing, procuring and implementing the information technology systems necessary to sustain the Virginia Alcoholic Beverage Control Authority's business enterprise. The most recent report was provided to the Board, along with an IT overview and an IT Strategy document previously presented at the December 2022 Board Meeting.
- While the Authority is in a much better position than in previous years, there are some remaining legacy issues.
- The Authority has an average uptime of 99.9% reliability, much higher than when the Authority was supported by VITA.

Mr. Hugo asked if IT reviews the technology used in the Distribution Center. Mr. Williams stated that his team handles the contracts for the warehouse, and handles computers and printers, but the conveyors were managed by Susan Johnson and the Real Estate/Facilities team.

Chair Hugo asked if there was a technology upgrade when we moved here from Hermitage. Mr. Williams replied that it was a huge upgrade as the Hermitage Road facility was far behind technologically.

Mark Dunham, Chief Retail and Operations Officer, spoke to the Board's questions regarding DC efficiency, benchmarks, and comparisons between the old and current facilities.

Mr. Williams continued:

- IT has incurred some costs that are more of a spend at the front end, but eliminates future spending as the Authority moves to a more cloud-based, software as a service model. This eliminates an ask for more money to replace systems based on-site as they reach end of life.
- The Authority now hires more configuration managers for program analysis than developers.
- In response to Mr. Hugo's inquiry about the storage of credit card data, Mr. Williams responded that the ABC endeavors to make itself a poor target for hackers. The Authority has not stored credit card data in-house for over four years. If a credit card does not work at the point of sale, there is not a method to manually key-in the credit card information or hold the number on site at a store. Credit card information is stored by a vendor.
- The Licensing software system (VAL) contains some sensitive information such as social security numbers, but this is also hosted in the cloud by a vendor.

Mrs. Jennings asked about the purchase of high-end laptops. Mr. Williams replied that the Authority is reliant on workers being able to work from home, and in the event of a disaster there is only one headquarters and the ability to work remotely is part of the Authority's Continuity of Operations Plan. These machines have a longer battery life, break down less often, and do not need to be replaced as often as less expensive machines. The authority's complaint volume is down 40 – 50% since handling our own IT, and maintenance costs are below budget.

Mr. Hugo thanked Mr. Williams and his staff for their work on this.

#### **Real Estate Recommendations:**

Mr. Kirby directed Chairman Hugo and the Board to look at page 57 of their Board books to review the REC recommendations. Of note, the committee advises the Authority to close store 154 in Danville effective May 31, 2024. There are three other stores in Danville, and the committee decided that it was risky to remain in that location, as the landlord is non-responsive to the Authority's requests to replace the roof, does not pay taxes, and doesn't cash rent checks from the Authority.

Mrs. Jennings said in the annual report it appears that there are other stores with a negative annual return. Susan Johnson, the Director of Real Estate and Facilities, advised that some stores remain open as part of the Authority's mission to provide spirits to all areas of Virginia, as some rural consumers may have to drive over an hour. Mrs. Johnson advised that all stores still provide tax revenue and none are totally in the red.

Mr. Kirby advised that an analysis could be done on underperforming stores, some may change footprint or staffing, not necessarily close.

Tony Lee of the Virginia CTO office advised that the Authority's annual report speaks to the "four wall" revenue of the store, but there is another element and calculus of the tax revenue and sales tax that is not reflected in the annual report.

Mr. Holland asked if legislators still considered it a boon to bring an ABC store to their area. Mr. Williams reported that local politicians were very excited to welcome ABC to the Jonesville area, as the county was dry for many years.

Board Member Euille moved to approve the recommendations for the closure of store 154 (Danville) and the renewals of stores 053 (Windsor), 084 (Fairfax), 143 (South Hill), 219 (Fairfax), 390 (Montpelier) and 439 (Prince William). Mrs. Jennings seconded the motion, and the Board adopted the recommendations of the REC on a roll call vote 5 – 0.

Chair Hugo asked for an update on store 361 in Portsmouth. Ms. Johnson advised that this was the top store in the state for retail theft, and a shooting (unrelated to ABC) occurred in the parking lot outside the store. The Authority looked into several options; breaking the lease was not an option and the Board approved converting this location to a counter store. Sales may have gone to other ABC stores, or to neighboring grocery stores for beer and wine vs. traveling further for spirits.

Mr. Alfano stated those counter stores have only been open for a short while, more time is needed prior to completing an analysis to see how they are performing.

Chair Hugo stated that we want to make sure we are maximizing all possible reductions during this budget analysis time.

Mr. Kirby explained the problems at store 361 and the decision to reopen it as a counter store. Store 110 became a counter store as well after another analysis of that store as requested by the local police. The Authority has five counter stores in total.

Mr. Holland asked if having police patrols around the stores to help with safety had been discussed?

Mr. Kirby replied that we have done some joint task forces with ABC agents and local police agencies to see what we could do to try to prevent larcenies, however, not every jurisdiction is open to try this. Norfolk is willing to try many different things to see what can help to reduce theft, even placing an officer in a store. When this was done though, the theft just moved to a different store.

### **Closed Session**

At 9:50 a.m., Mr. Euille moved that the Board enter closed session Virginia Code §2.2 37.1(A)(7)(8) to receive the advice of counsel regarding actual or probable litigation. Mrs. Jennings seconded. The motion passed on a roll call vote of 5 – 0. Attending the closed session in full were Tim Hugo, Dale Farino, Greg Holland, William Euille, Lisa Jennings, John Daniel, Jim Flaherty, and Tom Kirby.

### **Appeal Hearing (Fidel Restaurant)**

#### **Return to Open Session:**

When the Board returned from Closed session at 11:15, Mr. Holland moved to certify that to the best of his knowledge nothing was discussed in the closed sessions but advice of counsel regarding actual or probable litigation pursuant to §2.2 37.1(A)(7)(8), and only public business matters lawfully exempted from open meeting requirements was discussed. Board Member Euille seconded; the motion passed on a roll-call vote of 5 - 0.

Chair Hugo asked if there were any questions on the C-Suite updates in the Board books?

There being none, Chair Hugo asked Mr. Kirby and Mr. Alfano to move into the financial update.

### **Financial Update:**

Chief Kirby referred the Board to the handout. These sheets attempt to answer some of the questions raised by the Board last week regarding the GACRE forecast. The numbers presented today are the same but have additional detail into the numbers.

Mr. Hugo said we had a special session last week due to some inquiries from the governor's office. Do we need to take a vote today on the governor's inquiry? Mr. Kirby responded that he was not asking for a vote today. Based on the last meeting the Authority provided the preliminary figures were posted publicly, the information from today will also be posted publicly.

Chief Kirby reviewed decreases in the consulting budget, while there is some spend in FY24, this was prior to the FY24 budget being approved by the board in August of 2023 and occurred in July of 2023. Most of the contractual staff was a contractor supplementing hard-to-staff IT roles.

Mr. Holland asked Mr. Williams how difficult it has been with this budget to maintain IT's fine level of service? Mr. Williams stated continuity and ability to sustain is ok, but challenging. IT is slightly less responsive and has lost the capability to execute major projects. IT has not been able to resolve all the bugs and backlogs and provide needed enhancements. IT has not been able to alter the HR system to support annual reviews. Lottery releases, improving two-factor authentication, and improvements to the MIPS, tax management and account central programs have all been pushed aside. The IT staff continues to work as best they can to meet the needs of the Authority. Defenses to AI are not where we need them to be. There will be a lot of changes over 7 – 8 weeks for new release of the point-of-sale upgrade. There is a fixed budget for upgrades to the VAL system but other systems are running slowly in terms of upgrades..

Chair Hugo stated that Member Holland brought up a good point. We need to keep looking at the budget now and towards the future. The Chair acknowledged that he has investigated some of these items and that he hears what is being said about the budget. However, he has to say that he thinks the current Governor's administration has done a good job of sending people in here to look at the budget. We've already reduced the amount of money spent on bags; we have two savings on the Chiefs' level; not even counting benefits for those positions that no longer have to be paid. From 2017 to 2023 there was a huge explosion in salaries on the executive level; their salaries were quadrupled. Contracts for Thought Logic and Singlestone added up to \$2.3 and \$3.2 million respectively. Chief Kirby noted that the Authority has cut \$10.9 million additional dollars.

Chair Hugo asked if anything had been lost with the leaving of the two chiefs? Chief Kirby said other C Suite members have absorbed their duties, and the Authority is also not replacing the position of a director that left state service.

Chair Hugo stated that IT is expensive, and we need to look at IT to make sure it's cost efficient. For example, spending \$5 million more on bags seems extravagant, and the level of spend on contractors seems extravagant. The Authority has cut nearly \$11 million without looking like they are breaking a sweat.

Chief Government Affairs Officer John Daniel advised that the over-budget spending on bags was due to a mandate by Executive Order of the previous Governor, which was in effect until rescinded by the current Governor. The spending was not due to inefficiency by the Authority, but due to a legal demand.

Chief Kirby said there has been a lot of conversation on the net profit. The Authority has taken a different leadership approach and has put control measures in place that have limited the amount of loss despite lower sales.

Member Euille asked if the current forecast for fiscal year 2024 was a revision? Chief Kirby replied that it was and reflects a downward turn in expected revenue.

Board Member Farino said I think one thing we need to look at is that we need to maximize the income. We can't continue to have years where our operating expenses are more than the income. Mr. Farino asked about manpower budgeting. Mr. Alfano replied that the Authority is reviewing each division's true attrition rate, how long it takes to fill a position, etc. IT and Enforcement vacancies often take longer than three months to fill. We will continue to build these forecasts in our budget.

Chief Kirby said that when he assumed this role, he realized that revenue was going down and it wasn't matching our budget, so he started trying to mitigate the damage. He has succeeded in getting that deficit down to 4.9 million, but is disappointed that he couldn't meet the amount we needed. However, if we hadn't taken steps to try to mitigate the damage, that number would be much worse.

Chief Kirby gave the example of discount tags in stores. We're spending six figures on printing tags. Do we have to have that special printed tag to draw the customer's eye? The team is going back to see if there is anything else we can do. Mr. Farino recalled that ABC used to hand-write price changes, and the prevailing opinion was that it was making the stores look disorganized, and that's why there was an investment made in printed tags. Mr. Kirby responded that was correct, however we are trying to find a balance.

Mr. Alfano added that we are seeing the effects of the discipline being applied, and this will continue going into the next budget cycle.

Chief Kirby stated that his leadership style is different than the previous CEO, and the new CEO will probably have a different leadership style. Mr. Kirby stated he strives for transparency and doesn't want to lose personnel and talent. The Authority is changing the way it looks at spending money, and thinks we could still have top-rated stores, but could do this with a better profit margin.

Mr. Holland stated that he appreciates ABC's work, and that all have done a fantastic job across the board. He recalled sitting around this table having a frank discussion that we were going to lose a good proportion of our people because we weren't paying them enough. There was no disagreement raised to that. The main reason we are where we are is that we had to increase what we paid our people across the Board. It was mandated that we had to increase the pay across the Board, to include our executives, because otherwise we were going to lose them. These are hard decisions and we made hard decisions 2 ½ years ago. We have at least managed to become a quasi-state agency. We will lose good people to private industry where they will be paid better. We've got to take that into consideration.

Mr. Alfano agreed that it's a balancing act. We do have to look at pricing our jobs appropriately, so we



are getting the quality candidates we need. We need to make sure we aren't overpaying people, but we also don't want to make it so low that we're not getting the level of quality/talent that we want.

Mr. Kirby reiterated that our number one asset is our people. I want to invest in our staff. I do believe that we have some of the best employees in the State of Virginia, private or public.

Mr. Hugo agreed that you do get what you pay for, but it is a balancing act as well. You did go down in the number of directors and chiefs but yet you're still managing to operate. Mr. Hugo thanked the Authority for taking a look at this.

Mrs. Jennings gave several examples of things for the Authority to look at, such as more sophisticated modeling techniques, turning in cars to the state, charging for bags, combining vendor contracts, and do more to recoup costs. Mrs. Jennings also expressed concern regarding advanced buys.

Mr. Alfano stated that for 2025 and 2026 this is a very high level, quick estimate. The Authority will do a more in-depth budget and go through this exercise over the next three months. The Board will receive a department-by-department count. Mr. Alfano added the Authority runs on a bailment system, and product in the DC is not owned by the Authority until it is shipped to stores, with the exception of taking advantage of advance buys prior to a known price increase from the manufacturer.

Doug Robinson, Director of Finance, stated that the Authority examines the turnover and only pre-purchases products that would turn in less than 90 days when we do advance buys. We do not buy items that are just going to sit on our shelves for months. The Authority does get a return and it's normally \$400,000-\$500,000 in savings.

Mr. Dunham added that on the risk side, we are buying at a lower price, but the goal is that we are through that product before the next quarter rolls around.

Tracey Heilborn, the Director of Spirits Supply Chain, also added that the effect on the profit is that we won't have to replace that stock. The Authority is also examining bringing back items from stores that are not selling to the DC to send to other ABC stores where they sell better. Currently, the bailment inventory is higher than normal.

Mr. Alfano went on to say that ABC's Internal Audit is actively looking at the state cars and is going to put forth recommendations on them. Efforts are underway, with an exception for Enforcement cars. Anticipates that the Authority will have fewer cars and have a pool vs. individually assigned cars.

Mr. Farino asked if the Authority paid a car allowance. Mr. Alfano responded that drivers receive a mileage reimbursement. Agents have cars, retail managers that go out to stores constantly have cars but other divisions do as well.

Chair Hugo said that he had talked to Chief Kirby previously about the Governor's restriction on travel as well as about the rental of the building. Is there any update on that? Mr. Alfano said he would inquire with DGS about an update. The Governor's CTO, Tony Lee, advised that he would also look into the matter, as this would definitely be a cost-saving help to the ABC.

Mr. Holland said that he is not opposed to cutting costs but is concerned about retail over-allocation of hours in January and last July and August. There must be some responsibility for that. Mr. Alfano

said that this is getting under control with the help of a workgroup.

Mr. Kirby said that the Authority did have the overspend that Mr. Holland indicated. In turn, the Authority now has a team of district managers that is working to come up with a sustainable allocation model for our stores. The lack of tools to measure the allocation of workers in stores was part of the problem. The hours required to run a store is offset by short term disability, time off, and special sales. Forecasting the needs for these circumstances wasn't done. The Authority is asking retail to re-do how they do staffing in stores. The manager doesn't have any real type of system to manage time. Stores have different hours and different volumes. Feedback has been positive from people in the field and in this room.

Mr. Robinson added that with the tool in their hands, there should now be no excuse to go over on hours. The tool allows greater oversight to constantly monitor hours.

Mr. Kirby said that we do believe in accountability. I don't know how you could operate the retail division without this type of management. It's in training the district managers and the store managers in doing things differently.

Mrs. Jennings said what I didn't hear about the tool, does this account for the traffic in each store? All of that should be captured in time stamps, etc. Most retail stores that are profitable over their peers employ these models. It is not always the best practice to push the ability to define hours to the stores.

Mr. Kirby replied that that was a very valid point. January was dismal from a revenue viewpoint and then some stores were closed for several days for weather, which exacerbated the poor sales numbers.

Mr. Hugo asked if Member Jennings had gotten everything she wanted on the aggregate contracts? Mrs. Jennings stated she would still like to see more information. Mr. Alfano said that his team was getting that information together for Mrs. Jennings.

Mrs. Jennings asked about getting something in place to charge for credit card fees as many restaurants do. Mr. Curtis said that unfortunately, Code Section 4.1-240 limits what we can capture from credit card charges.

Mr. Euille asked what needs to be done with this most recent forecast. Mr. Kirby responded that the Board doesn't need to do anything right now. The Authority will start our budget process and will want the Board to provide input on that. The Board will see the budget sometime in May/June.

Mr. Euille stated that he believes what he's hearing around the table is that the Board needs to spend more time working with the staff on the budget. One of the Board's most responsible tasks is to approve a budget that's realistic. Mr. Euille advised that in his first 2 ½ years on the Board, the budget approval process has felt rushed, and he would like to have the time to really look at the figures and understand what we're voting on.

#### **Public Comment**

No comments received.

### **Board Comment**

Mr. Holland asked if it was certain that the Authority would return to regulating skill games. Mr. Daniel advised that it is not decided at this time. Mr. Hugo believed they would come back, but it is not certain if they would return to the ABC or return to another agency.

### **Closed session**

At 12:30 pm Mr. Hugo moved that the Board convene into closed session pursuant to lawfully exempted consultation with legal counsel 2.2-3711(A)(7) to discuss actual or probable litigation. Attending the closed session in full were all Board members, Chris Curtis, John Daniel, Tom Kirby, Dave Alfano and Jim Flaherty. Mr. Euille seconded the motion, and the motion passed on a roll call vote of 5 – 0.

### **Return to Open Session**

When the Board returned from Closed session at 2:00 pm, Mr. Hugo moved to certify that to the best of his knowledge nothing was discussed in the closed sessions but legal advice and counsel on probable or actual litigation pursuant to §2.2 37.11(A)(7), and only public business matters lawfully exempted from open meeting requirements was discussed. Mr. Farino seconded; the motion passed on a roll-call vote of 5 - 0.

### **Meeting Adjournment**

Meeting adjourned at 2:00 p.m.

**SPECIAL BOARD MEETING MINUTES: April 12, 2024**  
**ABC Headquarters**

**Call Meeting to Order at 12:00 p.m.**

**Attendees**

Board Chair Tim Hugo  
Board Vice Chair Dale Farino  
Board Member Greg Holland  
Board Member William Euille  
Board Member Lisa Jennings  
Acting Chief Executive Officer, Tom Kirby  
Chief Government Affairs Officer, John Daniel  
Chief Administrative Officer, David Alfano  
Deputy Secretary, Chris Curtis

**Chair Remarks**

Board Chair Tim Hugo

**Closed Session**

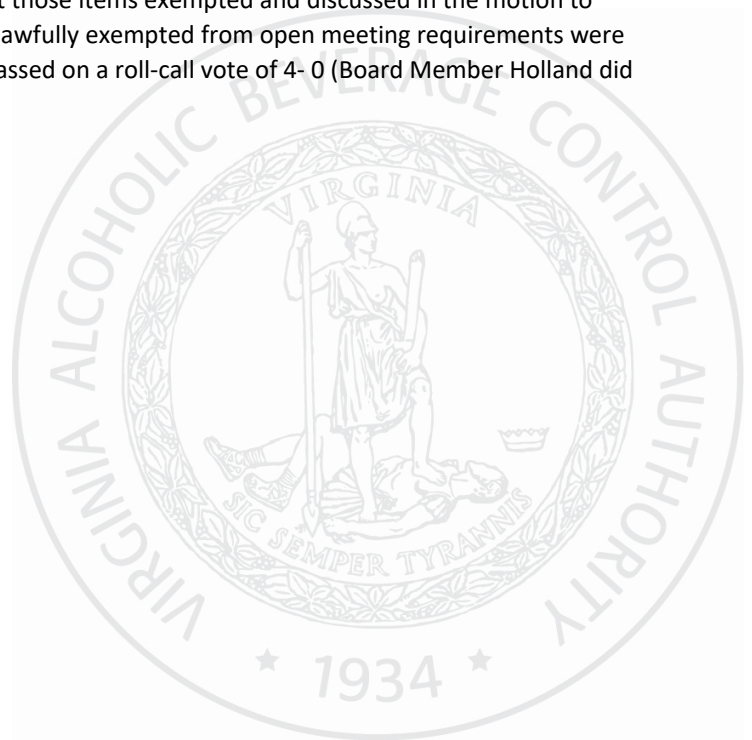
At 12:04PM, Board Member Euille moved that the Board convene into closed session under the Virginia Freedom of Information act to discuss matters lawfully exempted from open meeting requirements under the discussion and consideration of personnel matters contained in Virginia code 2.2-3711 and consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation. The motion was seconded by Jennings. Participants in closed session to include all board members, as well as Tom Kirby, John Daniel, Dave Alfano, and Chris Curtis. Hearing no questions, there was unanimous approval to proceed; motion passed on a roll call vote of 5 – 0.

When the Board returned from Closed session at 1:22 pm, member Euille moved to certify that to the best of his knowledge, nothing was discussed in the closed sessions but those items exempted and discussed in the motion to convene in closed session and only public business matters lawfully exempted from open meeting requirements were discussed. Board Member Jennings seconded; the motion passed on a roll-call vote of 4- 0 (Board Member Holland did not return to the virtual public link for certification.)

**Meeting Adjournment**

Public Comment - None

Meeting adjourned at 1:25PM



## SPECIAL BOARD MEETING MINUTES: April 26, 2024 ABC Headquarters

### Call Meeting to Order at 10:10 a.m.

### Attendees

Board Chair Tim Hugo  
Board Member Greg Holland  
Board Member William Euille \*  
Board Member Lisa Jennings  
Board Member, Dale Farino  
Chief Government Affairs Officer, John Daniel  
Chief Administrative Officer, David Alfano  
Deputy Secretary, Chris Curtis  
Office of the Attorney General, Jim Flaherty  
Executive Assistant, Kathleen LaMotte

\* Mr. Euille attended virtually

### Chair Remarks

Board Chair Tim Hugo thanked Tom Kirby for his work as interim CEO, and praised his efforts to cut costs, reach out to industry partners, and default to “yes” while committing to sell alcohol in a responsible manner. Board members joined Mr. Hugo in his praise of Mr. Kirby, adding that Mr. Kirby had gone above and beyond the call of duty.

Mr. Hugo congratulated Dale Farino on his selection as the new CEO of ABC, and announced the appointment of L. Mark Stepanian to the ABC Board as of May 1, 2024. Mr. Farino replied that he looks forward to working together.

### Closed Session

At 10:20 Mr. Hugo moved that the Board convene into closed session to discuss CEO compensation pursuant to 2.2-37.11(A)(1) and a litigation update pursuant to 2.2-37.11(A)(7). Attending the closed session in full were Tim Hugo, Greg Holland, William Euille, Lisa Jennings, John Daniel, and Dave Alfano. Dale Farino, Tom Kirby, Chris Curtis and Jim Flaherty joined to discuss the litigation update. Board Member Euille seconded the motion, and the motion passed on a roll call vote of 5 – 0.

When the Board returned from Closed session at 11:30, Mr. Euille moved to certify that to the best of his knowledge nothing was discussed in the closed sessions but CEO compensation and litigation discussed in the motion to convene in closed session and only public business matters lawfully exempted from open meeting requirements were discussed. Board Member Farino seconded; the motion passed on a roll-call vote of 5 - 0.

### Meeting Adjournment

Meeting adjournment at 11:31 a.m.



# New Business

Board Approval:







# Real Estate Committee Recommendations

## Overview

March:

- 0 New Stores
- 0 Relocations
- 0 Conversions
- 2 Expansions
- 0 Closures
- 5 Renewals

## Action

Approve Real Estate Recommendations

# Real Estate Committee Recommendations

ACTION	COMMENTS
<b>April 2024</b>	
<b>Conversion</b>	
<b>Store #107 (Norfolk)</b>	The Committee is in agreement with making this store a partial counter store – the high theft products will be behind the counter. In addition, the Committee is in favor of allowing Norfolk Police Department to use the upstairs. If NPD is still interested, we will draft a Memorandum of Understanding.
<b>Store #182 (Richmond)</b>	The Committee is in agreement with converting this location to a counter store; however, glass, bullet resistant or otherwise, will not be necessary at this location.
<b>Renewals</b>	
<b>Store #059 (South Boston – Halifax County) Halifax Square</b>	3204 square feet at \$19 per square foot, with 2% annual escalations, for a 5 year term; <b>this rate was negotiated down from \$23 per square foot with 3% annual escalations</b>
<b>Store #272 (Newport News) Hidenwood Shopping Center</b>	3290 square feet at \$15.90 per square foot, flat, for a 5 year term
<b>Store #379 (Virginia Beach) Northampton Crossing</b>	3104 square feet at \$22.47 per square foot, flat, for a 5 year term; <b>this rate was negotiated down from \$25 per square foot, flat for 3 years, with 3% escalations for years 4 and 5</b>
<b>Store #383 (Harrisonburg) Port Crossing Shopping Center</b>	3600 square feet at \$20.48 per square foot, with 2% annual escalations, for a 5 year option term
<b>Store #412 (Stafford County) Stafford Complex Center</b>	2800 square feet at \$32.90 per square foot, with 3% annual escalations, for a 5 year option term; <b>RE has asked the Landlord to consider a reduction in the rental rate, to which Landlord agreed. The rate will be \$31.90 per square foot, with 2% annual escalations, for a 5 year option term</b>



# Real Estate Committee Recommendations

“	COMMENTS
April 2024 Product Selection	
<b>Store #187 and Store #251 (both counter stores located in Richmond)</b>	The Committee recommended that both locations carry certain miniatures and a variety of small bottles



# Resolutions Honoring Mark Rubin and Bob Sledd

Placeholder



## **VIRGINIA ABC AUTHORITY RESOLUTION**

### **Commending the service and commitment of Mark Rubin to the Authority**

WHEREAS, Mark Rubin received his undergraduate degree, PHI Beta Kappa, from the University North Carolina at Chapel Hill and his Juris Doctor from the University of Virginia School of Law; and

WHEREAS, Mark served with distinction as a senior advisor and Counselor to Governor Tim Kaine, bringing his common sense approach and perspective to the important role of governing in the Commonwealth; and

WHEREAS, Mark brought to his citizen service of the Authority, a wealth of experience from his days as a trial lawyer, his vast experience as a facilitator and mediator; both from a private sector and public policy perspective as a member of the McCammon Group and as Director of the VCU Center for Consensus Building; and

WHEREAS, Mark served as one of the original members appointed to the Board of Directors of the Virginia ABC Authority commencing his service in 2018; and

WHEREAS, his leadership on the Board touched every aspect of the Authority from his insightful preparation for appeal hearings to budgetary matters to policy development; and

WHEREAS, he excelled at leading the Board in tastings of new products for stores; and

WHEREAS, during his tenure on the Board, Virginia ABC achieved significant accomplishments including laying the foundation of transition to an Authority to perform in greater concert with private

sector enterprises, shepherding revenue growth surpassing \$1 billion dollars and relocation of the headquarters and state of the art distribution center to Hanover County; and

WHEREAS, his service to the Authority epitomizes the role of citizen volunteers and the important perspective of that role for the benefit of the citizens of the Commonwealth; now, therefore, be it

RESOLVED, by the Virginia ABC Authority that Mark Rubin be commended for his professionalism, his dedication to task, his many and varied contributions to the Authority and for the lasting legacy of excellence to the Authority and to the citizens of the Commonwealth.



## **VIRGINIA ABC AUTHORITY RESOLUTION**

### **Commending the service and commitment of Robert (Bob) Sledd to the Authority**

WHEREAS, Bob Sledd was appointed to the Virginia ABC Board of Directors by Governor Glenn Youngkin in 2023; and

WHEREAS, Bob Sledd brought an unprecedented wealth of private sector business acumen as a Board member; and

WHEREAS, his corporate experience as Chief Executive Officer and Board member on numerous corporate boards throughout Virginia was willingly shared with Authority leadership; and

WHEREAS, during his limited tenure on the board, he has demonstrated a strong desire to serve as a catalyst for the success of the Authority, has mentored the interim CEO and shared with Authority personnel his knowledge and expertise; and

WHEREAS, as a result of his focused attention and contributions to the Authority he leaves it a better place than he found it and its employees better positioned for ultimate success; all contributing to the long-term benefit of the citizens of the Commonwealth, now, therefore, be it

RESOLVED, by the Virginia ABC Authority that Bob Sledd be commended for his many contributions to the Authority and for the lasting impact his contributions on the Board will result in an improved Authority and inure to the benefit of all Virginians.



# New Business

Board Information Item





# Internal Audit FY 24 Plan Updates

May 2024



# Alcohol Education and Prevention Grant Program

- Objectives of the Audit
  - Policies and procedures are adequate, accurate, and current for the grant cycle
  - Applications are evaluated through an objective and consistent process
  - Funding disbursements are adequately safeguarded
  - Proper procedures and controls are in place and operating effectively to attain and verify grantees' compliance with grant terms and conditions
- Procedures
  - Reviewed current policies and procedures and template forms
  - Sample review of grant applications for the FY23 grant cycle and separate sample of awarded grants
  - Reviewed the funding disbursement and repayment process
- No Board level issues noted
  - Commends Community Health and Engagement department for exceptional procedural documentation and standard template forms.

# Small Purchase Charge Card (SPCC)

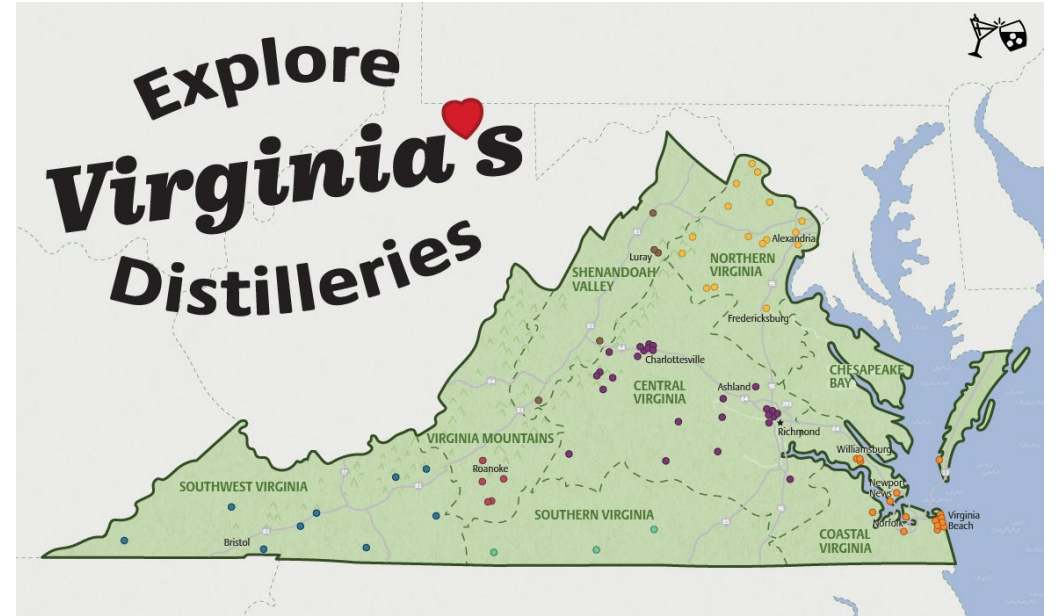
- Internal Audit is performing quarterly reviews
  - 1st and 2<sup>nd</sup> quarter reviews have been completed
- Objectives of the Reviews
  - Purchases were for legitimate business purposes
  - SPCC Policy and procedures were followed as it pertains to travel, sales taxes, receipt documentation, and coding of transactions for reporting purposes
  - Monthly reconciliation were being performed adequately and timely
- Procedures
  - Each quarter, review a sample of 50 transactions across 10 cardholders.
  - Cardholders are selected based on previous exceptions identified and those not previously included for review
- Minor Issues Noted
  - Sign off after cycle closing date (considered late 2 days after cycle closing date)



# Distillery Audit Update

- Distillery Plan Progress

- 9 Distillery audits completed FY24 YTD
  - 7 Distillery Audits selected for Net Pay consideration
  - 2 Distilleries routine audit selections
- 2 Distillery Consultations
  - Consult with new distilleries to aid in compliance



- Belle Isle Moonshine (Richmond)

- Previously noted issues from Audit performed in June 2023.
- Follow-up audit completed in November 2023 and Net Pay Recommended

- Waterman Spirits (Virginia Beach)

- Audit completed in October for Net Pay request
- Issues noted with inventory management and overall recordkeeping
- Follow-Up audit completed in April



# Store Audit Progress



- Store Audit Progress
  - 54 Store audits completed FY24 YTD
  - Initial Focus on Tier 1 and 2 Shrink levels. Q3 began auditing tier 3 shrink level stores.
- Cash and Inventory Results
  - No significant issues noted to date
  - Inventory Statistics
    - Counted 1,600 products (Over 32,500 bottles) with a total retail value over \$703,000
    - Overall inventory accuracy is 97.1% (range between 74.8% and 100%)
    - Net Retail Value Variance is **\$5,637**
- Findings and Recommendations from Store Summary Report (3/20/2024)
  - Retail Store Operations Manual and Job Aids Update Process
  - Communication System with Stores

# Virginia ABC Hotline Calls Summary

All calls noted are received by OSIG Hotline investigators and submitted to VA ABC for review or received internally by VA ABC Internal Audit.

*NOTE – FY24 calls received. 9 from OSIG Hotline, and 7 received internally by Internal Audit.*

*Currently working with Retail, BLE, and Human Resources to create VA ABC specific hotline.*

VA OSIG Hotline Calls Referred to VA ABC	FY2024 (7/1/23 – 5/1/24)
Open from Prior Year (FY2023 – Q4)	3
ADD – New Calls Received	16
LESS – Closed FY24 to Date	17
Open – In Progress	2

# FY 24 Audit Plan

Operational Audits	Division	Status	Notes
Retail Store Audit Program	Retail	In Progress	54 Stores completed YTD in FY24. 2 stores currently in reporting process.
Distillery Stores	Legal	In Progress	9 Distillery Store audits completed YTD in FY24. Focus been more on stores recently but moving towards more distillery audits as Net Pay requests increase. 7 audits currently in progress.
SPCC Audit	Procurement	In progress	Quarterly reviews. 1 <sup>st</sup> and 2 <sup>nd</sup> quarter completed. 3 <sup>rd</sup> quarter in progress.
Investigations/Special Projects	Various	Ongoing	16 investigations received in FY24, with 2 still in progress. Continue to look at option for setup of VA ABC dedicated hotline.
Lottery	Marketing & Merchandising	Ongoing	Internal Audit continues to be involved in expanded role to observe and review process and results. Consults with VA ABC management on review of lottery process.

# FY 24 Audit Plan

<b>Operational Audits</b>	<b>Division</b>	<b>Status</b>	<b>Notes</b>
<b>License Records Management</b>	Enforcement	<b>Complete</b>	Carry Over from FY 23 Audit plan. No significant issues noted.
<b>Education Grants</b>	Education and Planning	<b>Complete</b>	Carry over from FY 23 Audit Plan. No significant issues noted.
<b>Warehouse – Shipping/Receiving</b>	Logistics	Not Yet Started	Review operational processes around receiving items into the warehouse and then shipping items to stores. How inventory is tracked, managed, security, etc. Focus on Shrink/Swell in warehouse.
<b>FOIA Process</b>	Legal/Various	<b>Next Scheduled</b>	Review the FOIA process and how requests come in, how they are processed, tracked, and how responses are formulated and reviewed.
<b>Fleet Management</b>	Various	<b>In Progress</b>	VA ABC operates over 200 vehicles across the organization, including BLE. Review the management of this fleet, looking for potential cost savings.
<b>Procurement – Bid Process</b>	Procurement	Not Yet Started <sup>44</sup>	In response to FOIA requests that came in last year and to look for potential cost savings. Review for adherence to policies and procedures and time and resources of bid process.

**Virginia Alcoholic Beverage Control Authority**

**Interim Chief Executive Officer**  
Thomas W. Kirby



**Chair**  
Timothy D. Hugo

**Vice Chair**  
Robert C. Sledd

**Board of Directors**  
William D. Euille  
Gregory F. Holland  
Mark E. Rubin

Virginia Alcoholic Beverage Control Authority

## Internal Audit

# Alcohol Education & Prevention Grant Program

**12/20/2023**



# Process Background

Virginia ABC offers grant funding to assist community partners with developing and enhancing initiatives related to alcohol education and prevention. The Community Health & Engagement department administers the grant program to prevent or reduce underage drinking, social providing/hosting, and high-risk drinking across the Commonwealth. This annual grant program is just one initiative of the department in fulfilling its mission to strengthen the capacity of communities by providing data, research, evidence-based programming, strategic resources, and genuine partnership in order to ensure Virginians are able to make informed choices and Virginia ABC values community health and engagement. Organizations are eligible to receive up to \$10,000 each to support best-practice programs that have a long-lasting impact and encourage partnerships between community organizations. Applicants often include, but are not limited to, community coalitions, law enforcement, nonprofits, schools, colleges and universities, faith-based organizations, and prevention-related groups.

Since 2013, an average of \$80,000 has been awarded each year through the grant program. During the 2022-2023 grant cycle, approximately \$84,000 was awarded to 10 community organizations selected from 20 applications. Staff from Community Health & Engagement serve as Grant Coordinators and are liaisons to the grantees. They are responsible for providing pertinent communication, facilitating disbursements, monitoring budgeted expenses, and providing guidance to the grantees.

## Purpose

The overall objective of the audit was to determine if adequate policies, procedures, and controls are in place to support the grant program. The purpose was to determine whether:

- Policies and procedures are adequate, accurate, and current for the grant cycle
- Applications are evaluated through an objective and consistent process
- Funding disbursements are adequately safeguarded
- Proper procedures and controls are in place and operating effectively to attain and verify grantees' compliance with grant terms and conditions

## Scope and Review Procedures

Internal Audit reviewed grant publications, current policies and procedure documents, and template forms to gain a better understanding of the annual grant cycle. Our audit scope covered the FY23 grant



cycle and included a review of a sample of grant applications and a separate sample of awarded grants. We also reviewed the funding disbursement and repayment process.

## Conclusion

In our opinion, based on the results of our audit, adequate policies, procedures, and controls are in place to support the Alcohol Education & Prevention Grant Program. Community Health & Engagement maintains thorough and well-documented policies and procedures including a program manual, grantee guidance, and various standardized templates for staff. The Grant Program Manual outlines controls in place to support the annual grant cycle through planning, marketing, application review, grant award, funding disbursements, and monitoring. Testing verified controls are operating effectively to support a consistent application review process; maintain safeguards in funding procedures; and monitor grantees' compliance with grant terms and conditions that are outlined in the grant agreement. Internal Audit commends the department for its establishment of exceptional procedural documentation and numerous standardized templates and forms.

Prior to the release of this report in its final form, the draft report was reviewed by:

- Sarah Davlin, Capacity Building Specialist
- Katie Crumble, Director of Community Health & Engagement
- Vida Williams, Chief Digital and Brand Officer
- Tom Kirby, Chief Law Enforcement Officer and Interim CEO







**Virginia Alcoholic Beverage Control Authority**

**Interim Chief Executive Officer**  
Thomas W. Kirby



**Chair**  
Timothy D. Hugo

**Vice Chair**  
Dale F. Farino

**Board of Directors**  
William D. Euille  
Gregory F. Holland  
Lisa N. Jennings

Virginia Alcoholic Beverage Control Authority

## **Internal Audit**

### **Store Audit Summary Report**

### **Final Report**

**3/20/2024**



# Process Background

The mission of Virginia ABC is to strengthen the Commonwealth through public safety, education, and revenue from the responsible regulation and sale of alcoholic beverages. Virginia ABC offers its wide selection of products in 400 stores throughout the Commonwealth of Virginia. These products include mixers, Virginia-made wines, and a variety of liquor. Through the week of March 2<sup>nd</sup>, 2024, sales have totaled just over \$995K across VA ABC, which is a 1% increase from the same period last year. Through that same period, retail bottles sold have increased 4.2%. VA ABC currently employs nearly 4,000 retail store employees.

## Purpose

Internal Audit is tasked with reviewing and evaluating the effectiveness and adequacy of key processes and control functions within store operations including store funds, systems, records, procedures, inventory, and ABC property. The objective is to determine whether the retail store complies with policies/procedures set forth by the Authority, adequate controls and processes are in place to safeguard assets, reporting of store's activities are reasonably accurate, and additional risks exist with potential negative impacts to ABC.

The objectives of the retail store audits are to determine whether each store is operating in accordance with the Retail Store Operations Manual and related Job Aids, with specific reference to the areas of:

- Safe and Register Security
- Operating Funds
- Morning Paperwork Reviews
- Deposits
- Lottery/Limited Availability
- IT/System Security Cameras
- Inventory Adjustments
- Physical Inventory Counts



# Scope and Review Procedures

VA ABC Internal Audit is responsible for the auditing of all VA ABC retail stores. Through March 6, 2024, Internal Audit has completed and issued reports on 40 stores as part of its FY2024 audit procedures. These stores were selected in consultation with the retail shrink tiering structure of VA ABC Stores (based on current year and previous year shrink totals) and geographical location to allow for proper travel planning from a budgetary viewpoint.

Our audit procedures include an on-site store visit to perform a safe count of operating funds and a sample physical inventory count to compare to system records and report on its accuracy. In addition, we review the following to verify compliance with Retail Management’s guidance and required procedures:

- morning paperwork documentation to confirm the store’s review and verification processes
- internal security camera operations
- security and safety around cash registers, back room, and store safe
- store deposits for a sample period to verify deposit procedures and amounts
- lottery order log form compared to system records
- inventory adjustments log compared to system records

At the conclusion of each audit, a summary report is shared with the store management and retail management, and these normally include recommendations for compliance improvement and identified risks. Store management provides written responses to audit reports to document corrective actions. Retail management is tasked with tracking these recommendations, working with store management to make sure identified issues are addressed, and considering our observations relative to policies and procedures.

## Conclusion

Throughout our store visits, we observed several areas in which stores are performing well, which included areas such as good customer engagement, overall clean and well-maintained stores, and consistent tamper checks of Verifone pin pads.

Audit results also suggest several consistent areas of confusion, which included the use of the lottery log as part of the new lottery pick up process, completion and documentation around the morning paperwork process, and the use of a new inventory adjustment log that took effect in November 2023.

In our opinion, based on the results of our reviews, stores are operating in accordance with the store policies and job aids to the best of their ability given the current staffing reductions, reduced labor hours, and changing operating procedures.



During our audits this fiscal year, we noted two common themes across stores that resulted in recommendations for management to consider. These are summarized below and center around the Retail Store Operations Manual and Job Aids update and review process, as well as the ability and mechanism by which Retail Management communicates with the stores.

Prior to the release of this report in its final form, the draft report was reviewed by:

- Jennifer Burke, Director of Retail Operations
- Emily Granger, Acting Retail Operations Manager
- Mark Dunham, Chief Retail Operations Officer

## Findings and Recommendations

**Retail Store Operations Manual and Job Aids Update Process** – The current review and update process for these in-depth guides is not clearly outlined. There is no defined owner of the Manual and related Job Aids, resulting in the lack of a documented review process on how these should be updated and how often. Procedural changes have been occurring at a high frequency and impacting numerous guidance documents, which has led to an inability for District Managers, Store Managers, and store associates to keep updated on new policies and procedures. This situation is compounded by the stores' limited staff hours and difficulty in having time allocated for procedural review to digest and understand updated processes.

We recommend Retail Management assign an owner to the Manual and Job Aids. This designated position should be responsible for documenting a clear and concise process on how policies and procedures should be maintained, updated, reviewed, and finalized for distribution. This process should include review and input by Retail Management, including Area and District Managers, and possibly random store management. Other departments, such as Human Resources, Internal Audit, and Legal, can provide input as needed for specific topics that would warrant their review. We recommend that management consider limiting updates to a quarterly cadence and develop a process to disseminate urgent policy and procedure changes if needed. We also recommend that guidance topics be consolidated such that one procedural change does not cause an excessive number of documents and file locations to be updated.

**Response** – Concur

**Corrective Action Plan** – A quarterly schedule has been created for reviewing and revising the SOP Manual in its entirety, job aids, and templates. The schedule is grouped by content and the team will focus on consolidating documents by topic, migrating SOP-related content to the manual and removing it from job aids, and correcting language to the appropriate standard (example: replacing should with must) so that expectations are clear and absolute. The review and revision process for the SOP Manual will take approximately 62 days and may vary depending on the complexity of the changes. Procedural



changes that may be required during the quarter due to systems changes or urgent operational needs may be reviewed and revised using an expedited process of 5 days, provided the change meets specific requirements and is approved by leadership (Mark Dunham & Jennifer Burke) to be managed using the expedited process.

The HQ Support Team has established an anonymous DL (email) group as a direct communication channel to receive questions, suggestions, and general feedback from the field and from all levels of employees. Feedback may be submitted anonymously, and each submission is discussed by the HQ Support Team and the Retail Operations Director in their weekly meeting. Submissions that are deemed actionable are assigned a POC from the HQ Support Team for research and follow-up. The POC is responsible for conducting the research necessary to determine next steps, best practices, and proposed path for implementation. The plans are then shared with the HQ Support Team and added to a Change Tracking file that consolidates all feedback that will be reviewed for the quarter. The Change Tracking file is updated by the process owner and links are shared with the appropriate teams at the beginning of the quarter.

Three different teams are responsible for reviewing and making recommended changes to SOP manual and job aids. The Initial Review Team is comprised of representatives from six VABC divisions that possess considerable knowledge of and/or have significant involvement with Retail SOP and procedures. The Director and Area Manager of Retail Operations with the Field SOP Committee, comprised of four District Managers that possess considerable knowledge of store operations and have an interest in reviewing policy and procedures for the stores, will serve as the second round of reviewers once the first draft of the SOP has been reviewed and approved by the SOP Initial Review Team. The Field Leadership Team is comprised of the 27 District Managers. The Field Leadership Team will serve as the final team to review document changes once the second draft has been reviewed and approved by Retail Leadership and the Field SOP Committee.

District Managers and stores will receive a Change Summary document with details and the “why” behind each change prior to the effective date of SOP and/ or job aid changes. District Managers will be expected to discuss the change summary with their store teams and answer any questions or concerns to ensure all store teams have a thorough understanding of the change and can consistently demonstrate adherence as of the effective date. Change tracking, the change summary, and final versions of documents will be saved as PDFs to the appropriate quarterly folder on SharePoint where a document library has been created to house all SOP and job aid documents. This repository will be a permanent archive for all Retail SOP and job aids and will be made accessible (read-only) to Retail and within the Authority.

*Estimated Completion Date* – May 31, 2024 (1<sup>st</sup> quarterly cycle review under new process)

*Responsible Party* – Emily Granger, Acting Operations Manager.



**Communication System with Stores** – The current STAR communication system is not operable and has not been operating for a few months. Without this communication mechanism, there has been confusion at the store level regarding immediate tasks that need to be completed and updates to store policies and procedures. Retail Management is currently handling important communications on a District Manager level. Once received by the District Managers, they are then responsible for disseminating the messages and tasks down to their assigned stores, thus leading to inconsistencies in how and when information and communications are handled from district to district.

We understand Retail Management is currently piloting a new platform, SMART, for communication with stores and District Managers. We recommend management continue with this platform and ensure that tasks can be clearly assigned, communicated, completed, and tracked within the communication system. We recommend management train more than one administrator of this system for backup and succession planning purposes. We recommend management request feedback from store personnel on the performance and clarity of the communication process to ensure it not only meets Retail Management needs but is easy to use and understand at a store level.

**Response** – Concur

**Corrective Action Plan** – Management concurs there is no mechanism for issuing and tracking tasks and communications to the Stores & District Managers. The previous program, STAR, is no longer functional and was a labor-intensive Excel spreadsheet. A reliable task assignment tool to efficiently ensure all tasks related to Store Operations are being executed and/or implemented is currently in development and is named “SMART” (Store Management and Retail Tools). The objective of this project is to develop a user-friendly and responsive SharePoint site for our retail teams. The site will provide a centralized location for retail task assignments, reporting, operational procedures, compliance, and reference materials. The project team aims to deliver a visually appealing design, seamless navigation, and efficient functionality. Using modern technologies and best practices to ensure optimal performance and compatibility across the Virginia Alcoholic Beverage Control Authority devices and platforms. The project will include oversight and input from various departments, including Retail Administration and Area Managers, District Managers, and Store Managers, IT, Information Security, Project Management, and Internal Audit.

**Estimated Completion Date** – May 31, 2024

**Responsible Party** – Marjorie Bisbee, Senior Business Development Analyst.



# Hearings







**AMENDED BOARD APPEAL HEARING DOCKET**  
**7450 FREIGHT WAY, MECHANICSVILLE, VA 23116**  
**May 14, 2024**

License/Applicant	Attorney's	Appellant	Complaints/Charges	Trans . No. of Pgs.	Charges/Objections Heard by Administrative Law Judge	Contacts / Objectors	Date & Time
<p>Cairo Mart LLC <b>Alvaro's Market</b> 1002 Walnut Ave Vinton, VA 24179-3033</p> <p><b>License No.: 753807</b> <b>Wine and Beer Off Premises</b></p> <p><b>Administrative Case No.: 013420741</b></p>	<p><b>Rachel Yates, Esq.</b> Associate Legal Counsel</p>	<p><b>Licensee</b></p>	<p>2. The licensee has failed to take reasonable measures to prevent an act of violence resulting in death or serious bodily injury, or a recurrence of such acts, from occurring on the licensed premises, any premises immediately adjacent to the licensed premises that is owned or leased by the licensee, or any portion of public property immediately adjacent to the licensed premises in violation of Sections 4.1-202 and 4.1-225 1.q. of the Code of Virginia.</p>	<p><b>204</b></p>	<p>1. On the dates of 9/12/23 to 9/14/23, the licensee obstructed special agents of the Board in the discharge of their duties, in violation of Sections 4.1-202, 4.1-225 1.b.3 and 4.1-325 A.18. of the Code of Virginia and 3 VAC 5-50-70. <b>(Charge Dismissed)</b></p> <p>2. The licensee has failed to take reasonable measures to prevent an act of violence resulting in death or serious bodily injury, or a recurrence of such acts, from occurring on the licensed premises, any premises immediately adjacent to the licensed premises that is owned or leased by the licensee, or any portion of public property immediately adjacent to the licensed premises in violation of Sections 4.1-202 and 4.1-225 1.q. of the Code of Virginia.</p>	<p>R. Goff A. Beyer T. Bailey A. McClure J. Dibble F. Drumond P. Peters</p>	<p>04/17/2024 10:00 a.m.</p>
<p>Vybez Restaurant and Banquet Hall, LLC <b>Vybez Restaurant and Banquet Hall</b> 39 RIVER ST PETERSBURG, VA 23803 -4554</p> <p><b>License: 013180723</b> <b>Wine and Beer On and Off Premises</b> <b>Mixed Beverage Restaurant</b></p> <p><b>Administrative Case No.: 013415894</b></p>	<p><b>Rachel Yates, Esq.</b> Associate Legal Counsel</p>	<p><b>Licensee</b></p>	<p>1. The characteristics of the food business conducted upon the licensed premises are such that the establishment ceases to qualify as a "restaurant" within the meaning of Sections 4.1-100, 4.1-206.3 A.1. and 4.1-225 1.b. of the Code of Virginia and 3 VAC 5-50-110 A., 3 VAC 5-50 -110 C., and 3 VAC 5-50-110 D.</p> <p>2. During the preceding license year May 2022 through April 2023, based on the gross receipts from the sale of food and nonalcoholic beverages and the gross receipts from the sale of mixed beverages, the licensed establishment did not meet the requirements for a mixed beverage restaurant license, in violation of Sections 4.1-114, 4.1-206.3 A.1. and 4.1-225 1.b. of the Code of Virginia.</p> <p>3. The characteristics of the food business conducted upon the licensed premises are such that the establishment ceases to qualify as a "restaurant" within the meaning of Section 4.1-100 of the Code of Virginia, in violation of Sections 4.1-206.3 B.1. and 4.1-225 1.b. of the Code of Virginia and 3 VAC 5-50-110 A. and 3 VAC 5-50-110 B.</p>	<p><b>19</b></p>	<p>1. The characteristics of the food business conducted upon the licensed premises are such that the establishment ceases to qualify as a "restaurant" within the meaning of Sections 4.1-100, 4.1-206.3 A.1. and 4.1-225 1.b. of the Code of Virginia and 3 VAC 5-50-110 A., 3 VAC 5-50 -110 C., and 3 VAC 5-50-110 D.</p> <p>2. During the preceding license year May 2022 through April 2023, based on the gross receipts from the sale of food and nonalcoholic beverages and the gross receipts from the sale of mixed beverages, the licensed establishment did not meet the requirements for a mixed beverage restaurant license, in violation of Sections 4.1-114, 4.1-206.3 A.1. and 4.1-225 1.b. of the Code of Virginia.</p> <p>3. The characteristics of the food business conducted upon the licensed premises are such that the establishment ceases to qualify as a "restaurant" within the meaning of Section 4.1-100 of the Code of Virginia, in violation of Sections 4.1-206.3 B.1. and 4.1-225 1.b. of the Code of Virginia and 3 VAC 5-50-110 A. and 3 VAC 5-50-110 B.</p>	<p>A. Spinner</p>	<p>04/17/2024 10:00 AM</p>



License/Applicant	Attorney's	Appellant	Complaints/Charges	Trans. No. of Pgs.	Charges/Objections Heard by Administrative Law Judge	Contacts/ Objectors	Date & Time
<div style="border: 1px solid black; width: 20px; height: 20px; text-align: center; margin: 0 auto;">3</div> <p>MURLARKEY DISTILLED SPIRITS LLC  <b>MURLARKEY DISTILLED SPIRITS</b>            7961 GAINSFORD CT            BRISTOW, VA 20136</p> <p><b>License No.:</b>  <b>085216 Distillery</b>  <b>(with Store)</b></p> <p><b>Administrative Case</b>  <b>No. 013408581</b></p>	Maureen Mshar, Esq. Assoc. Legal Counsel	Licensee	1. On September 7, 2023 at approximately 4:23 pm, the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than twenty-one years of age, in violation of Sections 4.1-202, 4.1-225 1.b., and 4.1-304 A. of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20.	<b>51</b>	1. On September 7, 2023 at approximately 4:23 pm, the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than twenty-one years of age, in violation of Sections 4.1-202, 4.1-225 1.b., and 4.1-304 A. of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20.	J. Gilliam	<b>4/17/24</b> <b>10:00 AM</b>

c: Mr. Hugo

Mr. Euille

Mr. Curtis

Ms. LaMotte

Communications Security

Mr. Holland

Chief Kirby

Mr. Daniel

Ms. Intagliato

Mr. Rubin

Mr. Flaherty

Office of Legal Counsel

CONTACT INFORMATION: Kristie Miles, Senior Paralegal; [Kristie.Miles@VirginiaABC.com](mailto:Kristie.Miles@VirginiaABC.com); Phone 804-213-4441; Fax 804-213-4731



# Chief Reports

GAO – John Daniel

CIO – Paul Williams

CROO – Mark Dunham

CLEO – Tom Kirby

CAO – David Alfano





# GAO Report – John Daniel

Legislative Update

Legal Update

Hearings Summary

FOIA Requests



# Hearings and Appeals Caseload 3/15/24 – 4/30/24

<b>Total number of new referrals from Enforcement</b>	73
<b>Expedited Consent</b>	
Number of expedited consents offered	54
Number of expedited consents accepted/completed	40
<b>Collected \$88,500 in civil penalties</b>	
<b>Collected two (2) suspensions</b>	
<b>Pre-Hearing Conference and Formal Hearing Notice &amp; Opportunity to Negotiate/Mediate Notice</b>	
Number of Notices sent	41
Number of Pre-Hearing Conferences held	16
Number of Formal Hearings held	9
<b>Negotiated Settlements</b>	
Number of negotiated cases executed	21
<b>Collected \$38,500 in civil penalties</b>	
<b>Collected one (1) suspension</b>	
<b>Collected two (2) voluntary surrenders</b>	
<b>Franchise Matters</b>	
Number of active franchise matters	
1 – Dionysos Imports, Inc. v. Diamond Wine Importers – ALJ Page Hearing set for 5/22/2024 - 5/23/2024	2
2 – Dionysos Imports, Inc. G.K. Skaggs, Inc – ALJ Richardson	
<b>Appeals to the Board</b>	
Number of initial decisions appealed to the Board	
1 – Vybez Restaurant & Banquet Hall #013180723 – 5/14/24	3
2 – Alvaros Market #753807 – 5/14/24	
3 – Murlarkey Distilled Spirits #085216 – 5/14/24	
Number of cases resolved after initial hearing and before appeal hearing	0
<b>Stays Issued</b>	0
<b>Cases on appeal from Board to Circuit Courts</b>	
1 – Premium Distributors LLC & Blue Ridge Beverage Inc. v. Boston Beer Corporation – Appeal withdrawn on March 19, 2024	1
<b>Cases on appeal from Circuit Court to Court of Appeal</b>	0
<b>Mediated Cases</b>	
Number of cases to mediation	
Franchise - Dionysos Imports, Inc. v. Diamond Wine Importers	1
Number of cases settled by mediation	0
<b>Summary Suspensions</b>	0



**Negotiations Accepted/Completed  
March 15, 2024 – April 30, 2024**

LICENSEE NAME	ABC LICENSE #	VIOLATION DATE	DISPOSITION DATE	CIVIL PENALTY (\$)	SUSPENSION / OTHER
MARIE DE LA FLEUR	013442749	2/1/2024	3/15/2024	\$1,000	
LOVELY MARKET	092504	2/20/2024	3/25/2024		Surrendered as revoked
BOWLES CORNER MARKET	096196	2/14/2024	3/25/2024	\$4,500	12-month probation
CENTRO TACO BAR	752005	9/15/2023	3/26/2024	\$1,000	See below
LITTLE HOUSE GREEN GROCERY	754986	3/3/2024	4/1/2024	\$2,500	
MR BES WELCOM CENTER	014175	3/2/2024	4/3/2024	\$2,500	
LOS POTRILLOS RESTAURANT TAQUERIA	013130909	1/4/2024	4/9/2024	\$1,000	
RAKIS CAFÉ	013283095	3/4/2024	4/10/2024	\$450	
ARIF SKYLINE CAFÉ	086496	3/7/2024	4/10/2024	\$1,500	6-day suspension
RIDICULOUS CHICKEN	013218312	10/1/2023	4/11/2024	\$1,000	See below
BUCKOS PANTRY 1	072892	2/18/2024	4/12/2024	\$2,500	
STOP IN FOOD STORE	752817	2/18/2024	4/16/2024	\$2,500	
7 ELEVEN STORE 39359 A	066468	3/2/2024	4/17/2024	\$2,500	
TACO SSAM OF ANNANDALE	754735	3/22/2024	4/17/2024	\$2,000	
CAROLINA EXPRESS	013313988	8/24/2023	4/17/2024	\$1,000	
CAROLINA EXPRESS	013313988	10/15/2023	4/17/2024	\$2,500	
BRIGHTWORKS BREWING COMPANY	013463898	3/28/2024	4/22/2024	\$3,000	12-month probation
SAFE SHIP	753337	3/4/2024	4/23/2024	\$1,000	12-month probation



**Negotiations Accepted/Completed  
August 30, 2023 – October 29, 2023**

LICENSEE NAME	ABC LICENSE #	VIOLATION DATE	DISPOSITION DATE	CIVIL PENALTY (\$)	SUSPENSION / OTHER
SLINGSHOT SOCIAL GAME & SPORTS PARLOS	751169	3/20/2024	4/24/2024		MB – revoked WB – 12-month probation
CASH & CARRY MARKET	754267	3/3/2024	4/24/2024	\$2,500	
FORTUNATO	087897	3/9/2024	4/29/2024	\$4,000	See below
			<b>TOTAL</b>	<b>\$38,950</b>	

**\*Centro Taco Bar**

Additionally, if the licensee commits a substantiated fire code violation following the entry of this agreement, the licensee agrees to an automatic 3-day suspension of their wine and beer on and off premises license and their mixed beverage restaurant license.

**\*Ridiculous Chicken**

Additionally, that if the licensee commits a substantiated fire code violation following the entry of this agreement, the licensee agrees to an automatic 3-day suspension of their wine and beer on and off premises license and their mixed beverage license.

**\* Fortunato**

Additionally, all current employees who may, in the course of their duties, sell alcoholic beverages, serve alcoholic beverages, or be responsible for observing patrons' level of intoxication shall complete Virginia ABC's RSVP training. Any sch new employee shall complete Virginia ABC's RSVP training within 90 days of their hire date.



Expedited Consent Orders Accepted/Completed  
March 15, 2024 - April 30, 2024

5/14/2024

Licensee (Trading As)	Lic. Num.	Charge(s)	Civil Penalty	Suspension Accepted (# of days)	Disposition Date	Region
DUTT EXPORT INC	090059	UAB	\$2,500		3/15/2024	ROANOKE
BLUE HABANERO STREET TACOS & TEQUILA	013186210	UAB	\$2,500		3/15/2024	RICHMOND
NEW LEVEL RESTAURANT & BAR	013134946	UAB	\$2,500		3/15/2024	RICHMOND
PARKWAY BREWING COMPANY	080607	UAB	\$2,500		3/19/2024	ROANOKE
THE BREW SHOP	087258	UAB	\$2,500		3/19/2024	ALEXANDRIA
ASHBY PONDS	053780	Bad check	\$500		3/20/2024	ALEXANDRIA
LOCKE STORE	099902	Bad check	\$500		3/20/2024	STAUNTON
LOCKE STORE	099902	Bad check	\$500		3/20/2024	STAUNTON
SOUTH RIVER MARKET	081785	Bad check	\$500		3/21/2024	STAUNTON
LOS TIOS GRILL	065350	UAB	\$2,500		3/20/2024	ALEXANDRIA
GIOVANNI'S NEW YORK PIZZA	052724	UAB		25	3/26/2024	ALEXANDRIA
RED BIRD MINI MART	753485	UAB	\$2,500		3/25/2024	LYNCHBURG
O MY CHI Q & BAR	013290255	Kept mixed beverages not bearing MB stamp	\$750		3/26/2024	ALEXANDRIA
PINOS PIZZA	094204	2nd UAB within 5 years	\$4,000		3/26/2024	LYNCHBURG
A FEW OLD GOATS BREWING	094998	UAB	\$2,500		3/22/2024	ROANOKE
WHITS MARKET	086535	UAB	\$2,500		3/22/2024	STAUNTON
FOUR SEASON	750666	1 - UAB 2 - Manager not posted	\$3,250		3/26/2024	LYNCHBURG
DISTRICT TACO	092258	UAB	\$2,500		4/1/2024	ALEXANDRIA
GRAB N GO RURAL RETREAT	752690	2nd UAB within 5 years	\$4,000		4/1/2024	ROANOKE
CORNER EXXON	085680	UAB	\$2,500		4/2/2024	CHARLOTTESVILLE
ECCOTI RESTAURANT	089304	UAB	\$2,500		4/2/2024	FREDERICKSBURG
GOBBLE STOP 13	755630	UAB	\$2,500		4/3/2024	ROANOKE
7 ELEVEN 19321 F	754586	UAB	\$2,500		4/3/2024	CHARLOTTESVILLE
ADWOLFE MART	754821	2nd UAB within 5 years	\$4,000		4/5/2024	ROANOKE
7 ELEVEN STORE 10682 B	087000	UAB	\$2,500		4/8/2024	ALEXANDRIA
LA VILLA DA TOTO	039136	UAB	\$2,500		4/8/2024	LYNCHBURG
YOUR BEAR NECESSITIES	013257833	UAB	\$2,500		4/9/2024	STAUNTON
OLD BRIDGE COASTAL	086320	UAB	\$2,500		4/16/2024	ALEXANDRIA
XPRESS MARKET	013396405	Bad check		7	4/17/2024	CHARLOTTESVILLE
WAL MART SUPERCENTER # 4682	062057	UAB	\$2,500		4/18/2024	CHARLOTTESVILLE
MIRCH DHAMAKA	013443644	UAB	\$2,500		4/19/2024	ALEXANDRIA
B & B MINI MARKET LLC	013431770	UAB	\$2,500		4/22/2024	FREDERICKSBURG
KARDINAL HALL	087899	UAB	\$2,500		4/22/2024	CHARLOTTESVILLE
JP37	013324609	UAB	\$2,500		4/24/2024	CHARLOTTESVILLE
UNCLE BS RESTAURANTS LLC	089619	Bad check	\$500		4/24/2024	CHARLOTTESVILLE
610 MART & TOBACCO	013323458	2nd UAB within 5 years	\$4,000		4/25/2024	FREDERICKSBURG
BLACK BEAR BISTRO & SWEENEYS CELLAR RESTAURANT	061317	2nd Bad Check	\$1,000		4/25/2024	CHARLOTTESVILLE
FAROWNERS RESTAURANT	050293	UAB	\$2,500		4/26/2024	CHARLOTTESVILLE
WEST OAKS FARM MARKET	094650	UAB	\$2,500	65	4/26/2024	STAUNTON
BE QUICK MARKET	089767	UAB	\$2,500		4/29/2024	ROANOKE



Office of Legal Counsel Board Report

JUDICIAL MATTERS

Style of Case	Court	Charges/Violations/ Complaint	Status of Case	Parties/Opposing Counsel Involved	Decision
Falu Patel v. Commonwealth	City of Roanoke Circuit Court	Skill games	Last filing was transfer of matter from Roanoke County to Roanoke City on 1/13/2022; no service listed on court website; <b>no new filing as of 4/30/2024</b>	Stephen Heretick- licensee/Defendants listed as Commonwealth of VA, Mark Herring, and Donald Caldwell (no attorney information showing) (Tonya Hucks-Watkins support counsel)	N/A

Licensee	Lic. Num.	Charge(s)	Negotiated Resolution	Region	Agreement Send Date
TNR Mean Cuisine, LLC t/a Marie de la Fleur	13442749	The applicant, a person not licensed under the ABC Act, has kept alcoholic beverages upon the applicant premises while the application is pending. REF: Sections 4.1-222(1)(n) and 4.1-315 of the Code of Virginia.	1. The Applicant agrees to pay a civil penalty of one thousand dollars (\$1,000). 2. In exchange, the Bureau of Law Enforcement agrees that it will not object to the issuance of an ABC license.	4	3/14/2024
Patrick Family Corp. t/a McFatters	095637	1. On 6/14/2023, the licensee purchased alcoholic beverages from the Board other than by cash, in that the licensee issued a check which was dishonored upon presentation to the bank, in violation of Sections 4.1-119 H., 4.1-202, and 4.1-225 1.b. of the Code of Virginia and 3VAC5-30-30.4.1-202, and 4.1-225 1.b. of the Code of Virginia and 3VAC5-30-30. 2. Between 6/7/2023 and 6/14/2023, the licensee purchased wine or beer other than by cash paid and collected at the time of or prior to delivery, in violation of Sections 4.1-202 and 4.1-225 1.b. of the Code of Virginia and 3VAC5-30-30.	1. \$500 civil penalty for charge 1 2. \$500 civil penalty for charge 2	7	3/19/2024
USA Unlimited LLC t/a Bowles Corner Market	096196	On 8/11/23 at approximately 6:09 PM, the licensee sold alcoholic beverages to 2 persons who the licensee knew or had reason at the time to believe were less than twenty-one years of age, in violation of Sections 4.1-202, 4.1-225(A)(1)(b), and 4.1-304(A) of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20.	The Licensee agrees to pay the total sum of \$4,500 (\$3,000 fine and \$1,500 for investigative costs) and to the terms listed below: - \$2,500 will be due upon signing the negotiated agreement; - A second payment of \$1,000 will be due within 30 days after the first installment; - And a third and final payment of \$1,000 will be due within 30 days of the second installment. - Additionally, the licensee will be on a 12-month period of probation.	1	3/22/2024
Distrito on Main Corporation t/a Centro Taco Bar	752005	The place occupied by the licensee does not conform to the requirements of the governing body of (Town of Blacksburg Fire Marshal) with respect to sanitation, health, construction, or equipment, or to any similar requirements established by the laws of the Commonwealth or by Board regulations, in violation of Section 4.1-225(A)(2)(a) of the Code of Virginia. The licensee has 0 previous violations of this charge.	The Licensee agrees to pay the total sum of one thousand dollars (\$1,000 dollars) as a civil penalty. Additionally, if the licensee commits a substantiated fire code violation following the entry of this agreement, the licensee agrees to an automatic 3-day suspension of their wine and beer on and off premises license and their mixed beverage restaurant license.	1	3/22/2024
M.A.A., Inc. t/a Los Potrillos Restauraunt Taqueria	13130909	1. On October 10, 2023, at approximately 11:50 a.m., November 14, 2023, at approximately 11:40 a.m. and December 18, 2023, at approximately 11:45 a.m., the licensee failed to have a designated manager present and in actual charge of the licensed business, in violation of Sections 4.1-202 and 4.1-225 (a)(1)(b) of the Code of Virginia and 3VAC5-50-40 (A). 2. On October 10, 2023, at approximately 11:50 a.m., November 14, 2023, at approximately 11:40 a.m. and December 18, 2023, at approximately 11:45 a.m., the licensee permitted (unknown person) to be in charge of the business being conducted under the license and failed to keep (his/her/their) name posted during the time (he/she/they) was/were in charge, in violation of Sections 4.1-202 and 4.1-225 (A)(1)(b) of the Code of Virginia and 3VAC5-50-40(A).	\$500 civil penalty for charge 1 \$500 civil penalty for charge 2	9	3/26/2024
LIM, Inc. t/a Mr. Bes Welcome Center	014175	On 2 March 2024 at approximately 1634 hours, the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than twenty-one years of age, in violation of Sections 4.1-202, 4.1-225(A)(1)(b), and 4.1-304 (A) of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20.	The Licensee agrees to pay a civil penalty of two thousand, five hundred dollars (\$2,500) in lieu of suspension; one thousand, two hundred and fifty dollars (\$1,250) will be paid with the signed resolution and the remaining one thousand, two hundred and fifty dollars (\$1,250) will be paid on or before May 9, 2024.	3	3/26/2024



Vine and Fig Holdings, LLC t/a Little House Green Grocery	754986	On 3/3/2024 at approximately 6:06pm, the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than twenty-one years of age, in violation of Sections 4.1-202, 4.1-225(A)(1)(b), and 4.1-304 (A) of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20. The licensee has 0 previous violation(s) of this charge.	\$2,500 civil penalty	6	3/28/2024
Matthew Cafe, LLC t/a Raki's Cafe	13283095	The licensee failed to timely submit to the Board the annual review report for the year ending 11/01/2022 to 10/31/2023, in violation of Sections 4.1-114, 4.1-202 and 4.1-225(A)(1)(b) of the Code of Virginia and 3 VAC 5-70-90(D).	\$450 civil penalty	4	4/5/2024
Ridiculous Chicken, LLC t/a Ridiculous Chicken	13218312	The place occupied by the licensee does not conform to the requirements of the governing body of (Town of Blacksburg) with respect to sanitation, health, construction, or equipment, or to any similar requirements established by the laws of the Commonwealth or by Board regulations, in violation of Section 4.1-225(A)(2)(a) of the Code of Virginia.	The Licensee agrees to pay the total sum of one thousand dollars (\$1,000 dollars) as a civil penalty. Additionally, that if the licensee commits a substantiated fire code violation following the entry of this agreement, the licensee agrees to an automatic 3-day suspension of their wine and beer on and off premises license and their mixed beverage restaurant license.	1	4/8/2024
7 Eleven, Inc. & S & J Sager, II, LLC t/a 7 Eleven Store 39359 A	066468	On 2 March 2024 at approximately 1326 hours, the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than twenty-one years of age, in violation of Sections 4.1-202, 4.1-225(A)(1)(b), and 4.1-304 (A) of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20.	The Licensee agrees to pay a civil penalty of two thousand, five hundred dollars (\$2,500) in lieu of suspension.	3	4/9/2024
Arif Skyline Cafe, LLC t/a Arif Skyline Cafe	086496	1. The licensee failed or refused to comply with a Board Order dated August 24, 2023, in violation of Sections 4.1-202 and 4.1-225(A)(1)(b) of the Code of Virginia. 2. On March 7, 2024 at approximately 2:10 a.m. the licensee permitted the consumption of alcoholic beverages upon the licensed premises between the hours of 2:00 A.M. and 6:00 A.M., in violation of Sections 4.1-202 and 4.1-225(A)(1)(b) of the Code of Virginia and 3 VAC 5-50-30(A)(1).	As to charge 1, the Licensee agrees to the suspension of their wine and beer on and off premises and mixed beverage license for a period of six (6) days to begin upon the service of this agreement upon the Licensee by the agent. As to charge 2, the Licensee agrees to pay the sum of one thousand five hundred dollars (\$1,500.00) as a civil penalty.	4	4/9/2024
VA Inc. t/a Carolina Express	13313988	The licensee failed or refused to comply with a Board Order dated 01/14/23, in violation of Sections 4.1-202 and 4.1-225(A)(1)(b) of the Code of Virginia. The licensee has no previous violations of this charge. (Administrative Case No. 013473908) 2. On 10/15/23 at approximately 10:50AM, the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than twenty-one years of age, in violation of Sections 4.1-202, 4.1-225 1.b., and 4.1-304 A. of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20. (Administrative Case No. 013433457)	The Licensee agrees to pay the total sum of one thousand dollars (\$1,000 dollars) as a civil penalty for Charge 1. The Licensee agrees to pay the total sum of two thousand five hundred dollars (\$2,500) as a civil penalty for Charge 2.	6	4/10/2024




Taco Ssam of Annandale, LLC t/a Taco Ssam of Annandale	754735	<p>1. On 02/23/24, the licensee sold an alcoholic beverage authorized by the license but in an unauthorized place or manner, in violation of Sections 4.1-202, 4.1-225(A)(1)(b) and 4.1-324(A)(5) of the Code of Virginia. The licensee has [0] previous violation(s) of this charge.</p> <p>2. On 02/23/24 at approximately 01:45 pm, the licensee allowed alcoholic beverages purchased under the license to be removed from the premises, in violation of Sections 4.1-202, 4.1-206.3., 4.1-225(A)(1)(b) and 4.1-325(A)(19) of the Code of Virginia. The licensee has [0] previous violation(s) of this charge.</p>	The Licensee agrees to pay the total sum of two thousand dollars (\$2,000.00) as a civil penalty, to be comprised of the sum of one thousand two hundred fifty dollars (\$1,250.00) as a civil penalty as to charge 1 and seven hundred fifty dollars (\$750.00) as a civil penalty as to charge 2.	4	4/10/2024
B & B Mini Market, LLC t/a B & B Mini Market, LLC	13431770	On 3/15/2024 at approximately 2:20 P.M., the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than twenty-one years of age, in violation of Sections 4.1-202, 4.1-225(A)(1)(b), and 4.1-304 (A) of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20.	The Licensee agrees to pay the sum of two thousand five hundred (\$2,500.00) as a civil penalty.	5	4/11/2024
LV Stone, Inc. t/a Buckos Pantry 1	72892	On 2/18/24 at approximately 9:35AM, the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than twenty-one years of age, in violation of Sections 4.1-202, 4.1-225(A)(1)(b), and 4.1-304 (A) of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20. The licensee has four previous violation(s) of this charge.	The Licensee agrees to pay the sum of two thousand five hundred (\$2,500.00) as a civil penalty.	1	4/12/2024
CAPL Retail, LLC t/a Stop in Food Stores	752817	On 2/18/2024 at approximately 2:40 PM, the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than twenty-one years of age, in violation of Sections 4.1-202, 4.1-225(A)(1)(b), and 4.1-304 (A) of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20.	The Licensee agrees to pay the sum of two thousand five hundred (\$2,500.00) as a civil penalty.	1	4/15/2024
Fortunato Holdings, LLC t/a Fortunato	87897	On 3/9/24 at approximately 5:09PM, the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than twenty-one years of age, in violation of Sections 4.1-202, 4.1-225(A)(1)(b), and 4.1-304 (A) of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20. The licensee has 1 previous violation of this charge within the past five years.	The Licensee agrees to pay the sum of four thousand dollars (\$4,000.00) as a civil penalty for a second offense. Additionally, all current employees who may, in the course of their duties, sell alcoholic beverages, serve alcoholic beverages, or be responsible for observing patrons' level of intoxication shall complete Virginia ABC's RSVP training. Any such new employee shall complete Virginia ABC's RSVP training within 90 days of their hire date.	1	4/16/2024
AARAV, LLC t/a Safe Ship	753337	The characteristics of the business conducted upon the licensed premises are such that the establishment ceases to qualify as a "convenience grocery store" within the meaning of 3 VAC 5-50-100 and in violation of Sections 4.1-100, 4.1-206.3(C)(1), and 4.1-225(A)(1)(b) of the Code of Virginia.	<p>1. The Licensee agrees to pay a civil penalty of one thousand dollars (\$1,000).</p> <p>2. In addition, the Licensee will be on a 12-month probation period.</p>	9	4/17/2024
Brightworks Brewing, LLC t/a Brightworks Brewing Company	13483344	The applicant, a person not licensed under the VA ABC Act to manufacture alcoholic beverages, manufactured alcoholic beverages while the application is pending. REF: Sections 4.1-222(1)(n) and 4.1-302 of the Code of Virginia.	<p>1. \$3,000 civil penalty</p> <p>2. 12-month probationary period</p>	4	4/19/2024
Sandhus Enterprise, Inc. t/a Mine Run Market & Deli	13426639	On March 17, 2024, at approximately 12:00PM, the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than twenty-one years of age, in violation of Sections 4.1-202, 4.1-225(A)(1)(b), and 4.1-304 (A) of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20.	\$2,500 civil penalty	9	4/22/2024



RVA 2 LLC, Inc. t/a Slingshot Social Game & Sports Parlor	751169	During the preceding license year (12/1/2022 - 11/30/2023), based on the gross receipts from the sale of food and nonalcoholic beverages and the gross receipts from the sale of mixed beverages, the licensed establishment did not meet the requirements for a mixed beverage restaurant license, in violation of Sections 4.1-114, 4.1-206.3(A)(1) and 4.1-225(A)(7) of the Code of Virginia.	The Licensee agrees to surrender their Mixed Beverage Restaurant license and will retain their Wine and Beer on and off premises license. The Licensee agrees to a 12-month probationary period.	6	4/22/2024
Quick & Easy Stores, Inc. t/a Cash & Carry Market	754267	On 3/3/2024 at approximately 5:35pm, the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than twentyone years of age, in violation of Sections 4.1-202, 4.1-225(A)(1)(b), and 4.1-304 (A) of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20.	\$2,500 civil penalty	6	4/23/2024
Tobacco & More Retail, LLC t/a 610 Mart & Tobacco	13323458	On March 30, 2024, at approximately 10:25am the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than twenty-one years of age, in violation of Sections 4.1-202, 4.1-225(A)(1)(b), and 4.1-304 (A) of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20.	The Licensee agrees to pay the sum of four thousand dollars (\$4,000.00) as a civil penalty for a second offense. Additionally, all current employees who may, in the course of their duties, sell alcoholic beverages, serve alcoholic beverages, or be responsible for observing patrons' level of intoxication shall complete Virginia ABC's RSVP training. Any such new employee shall complete Virginia ABC's RSVP training within 90 days of their hire date.	5	4/24/2024
<b>Total civil penalties: \$ 48,950.00</b> <b>Total costs of investigation paid: \$ 0.00</b> <b>Total days of suspension: 6 days</b> <b>Licensees providing certified training: 2</b> <b>12-month probationary period: 4</b> <b>CPA-Audits: 0</b> <b>Surrender License: 1</b> <b>** See special requirements for Centro Taco Bar and Ridiculous Chicken above*</b>					

Administrative Hearings Status ReportADMINISTRATIVE HEARINGS

Style of Case	Charges	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
Championnes Sports Bar (Falls Church)	MBAR for year 6/2022 – 5/2023	<b>RCVD 2/9/2024</b> PHC – 3/7/24 @ 11am HR – 3/14/24 @ 11am	Alexandria	ALJ – Page	<b>SUBSTANTIATED</b>  4/11/2024
Little Mod Hotel (Charlottesville)	1 – Ordinance objection 2 – Does not conform ... sanitation / health etc. 3 – Qualifications – Restaurant Objections rcvd 6/23/23 & 10/5/23	<b>RCVD 12/27/2023</b> PHC – 2/7/24 @ 10am HR – 2/14/24 @ 10am Cont. granted HR – 3/20/24 @ 10am	Charlottesville	ALJ – Maxey	<b>NOT SUBSTANTIATED</b> <b>LICENSE GRANTED</b>  4/15/2024
NGM (Richmond)	Bad Check 12/19/2023	<b>RCVD 2/13/2024</b> PHC – 3/18/24 @ 9am HR – 3/25/24 @ 9am	Hanover	ALJ – Richardson	<b>SUBSTANTIATED</b>  4/19/2024
La Michoacana (Manassas)	1 – MBAR 3/2021 – 2/2022 2 – MBAR 3/2022 – 2/2023	<b>RCVD 2/28/2024</b> PHC – 3/22/24 @ 11am HR – 3/29/24 @ 11am	Alexandria	ALJ – Richardson	<b>SUBSTANTIATED</b>  4/26/2024
Peru Fiesta Restaurant (Lorton)  <b>3 Admin Cases</b>	1 – Bad Check 1/26/2024 2 – Designated Manager not on Duty 2/22/2024 3 – MBAR 10/2023	<b>RCVD 2/26/2024 &amp; 2/27/2024 &amp; 3/6/2024</b> PHC – 4/3/204 @ 9am HR – 4/10/24 @ 1pm	Alexandria	ALJ - Richardson	
City Limits (Mechanicsville)	Failed to comply with Board Order – 1/10/2024 – 2/23/2024	<b>RCVD 3/1/2024</b> PHC – 4/8/24 @ 9am HR – 4/15/24 @ 9am	Hanover	ALJ – Maxey OLC – Yates	<b>SUBSTANTIATED</b>  4/26/2024
Stop In Food Stores (Blacksburg)	UAB	<b>RCVD 2/28/2024</b> PHC – 4/9/24 @ 12pm HR – 4/16/24 @ 12pm	Roanoke	ALJ – Page	<b>RESOLVED THROUGH NEGOTIATIONS</b> 
Ridiculous Chicken	Does not conform to requirements	<b>RCVD 3/7/2024</b>	Roanoke	ALJ – Page	<b>RESOLVED THROUGH</b>



5/14/2024

Style of Case	Charges	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
Rakis Café (Falls Church)	MBAR – 11/1/2022 – 10/31/2023	<b>RCVD 3/7/2024</b> PHC – 4/11/24 @ 10am HR – 4/18/24 @ 10am	Alexandria	ALJ – Maxey	<b>RESOLVED THROUGH NEGOTIATIONS</b>
Saigon Noodles & Grill (Arlington)	UAB	<b>RCVD 3/11/2024</b> PHC – 4/11/24 @ 11am HR – 4/18/24 @ 11am	Alexandria	ALJ – Maxey	<b>SUBSTANTIATED  4/30/2024</b>
Arif Skyline Café (Falls Church)	1 – Failed to comply with BO 2 – After hours consumption of alcoholic beverages	<b>RCVD 3/15/2024</b> PHC – 4/11/24 @ 1pm HR – 4/18/24 @ 1pm	Alexandria	ALJ – Maxey OLC – Mshar	<b>RESOLVED THROUGH NEGOTIATIONS</b>
Phoebus Dive Bar (Hampton)	MBAR – 6/1/2022 – 5/31/2023	<b>RCVD 3/8/2024</b> PHC – 4/12/24 @ 10am HR – 4/19/24 @ 10am	Hampton	ALJ – Maxey	
Sling Shot Social (Richmond)	MBAR – 12/1/2022 – 11/30/2023	<b>RCVD 3/21/2024</b> PHC – 4/18/24 @ 10am HR – 4/25/24 @ 10am	Hanover	ALJ – Richardson	<b>RESOLVED THROUGH NEGOTIATIONS</b>
7-Eleven #39359 A (Strasburg)	UAB	<b>RCVD 3/13/2024</b> PHC – 4/19/24 @ 11am HR – 4/29/24 @ 11am	Staunton	ALJ – Richardson	<b>RESOLVED THROUGH NEGOTIATIONS</b>
Jess Main Street Bar (Luray)	UAB	<b>RCVD 3/13/2024</b> PHC – 4/19/24 @ 1pm HR – 4/29/24 @ 1pm	Staunton	ALJ – Richardson	
B&B Mini Market (Hanover)	UAB	<b>RCVD 3/20/2024</b> PHC – 4/23/24 @ 9am HR – 4/30/24 @ 9am	Hanover	ALJ – Page	<b>ACCEPTED ECO</b>
Cash & Carry Market (Richmond)	UAB	<b>RCVD 3/15/2024</b> PHC – 4/23/24 @ 10am HR – 4/30/24 @	Hanover	ALJ – Page	<b>RESOLVED THROUGH NEGOTIATIONS</b>






5/14/2024

Style of Case	Charges	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
Leslys Restaurant (Falls Church)	1 – Failed to keep records 2 – Failed to comply with B.O.	<b>RCVD 3/22/2024</b> PHC – 5/2/24 @ 11am HR – 5/7/24 @ 11am	Alexandria	ALJ – Richardson	
Brightworks Brewing (Manassas)	Failed to comply with ABC Laws & Regulations	<b>RCVD 4/5/2024</b> PHC – 5/2/24 @ 11am HR – 5/7/24 @ 11am	Alexandria	ALJ – Richardson	<b>RESOLVED THROUGH NEGOTIATIONS</b>
Taco Ssam (Annandale)	UAB	<b>RCVD 3/20/2024</b> PHC – 4/30/24 @ 2pm HR – 5/7/24 @ 2pm	Alexandria	ALJ – Richardson	<b>RESOLVED THROUGH NEGOTIATIONS</b>
Tpees Market (Natural Bridge)	UAB	<b>RCVD 3/25/2024</b> PHC – 5/1/24 @ 10am HR – 5/8/24 @ 10am	Staunton	ALJ – Maxey	
Smith River Park (Bassett)	Qualification to retain license	<b>RCVD 4/1/2024</b> PHC – 5/2/24 @ 10am HR – 5/9/24 @ 10am	Roanoke	ALJ - Maxey	
Fortuna to (Roanoke)	UAB	<b>RCVD 3/29/2024</b> PHC – 5/2/24 @ 1pm HR – 5/9/24 @ 1pm	Roanoke	ALJ - Maxey	<b>RESOLVED THROUGH NEGOTIATIONS</b>
Carolina Express (Richmond)	1 – UAB 10/15/2023 2 – Failed to comply with Board Order dated 1/14/2023 <b>*Two cases heard at one hearing</b>	<b>RCVD 11/8/2023 &amp; 3/8/2024</b> PHC – 5/2/24 @ 9am HR – 5/9/24 @ 9am	Hanover	ALJ – Richardson	<b>RESOLVED THROUGH NEGOTIATIONS</b>
Safe Ship (Troy)	Qualification to retain license.	<b>RCVD 3/27/2024</b> PHC – 5/3/24 @ 10am HR – 5/10/24 @ 10am <sup>73</sup>	Charlottesville	ALJ – Maxey OLC – Ross	<b>RESOLVED THROUGH NEGOTIATIONS</b>
7-Eleven 34310 A (Hampton)	UAB	<b>RCVD 3/22/2024</b> PHC – 5/6/24 @	Hampton	ALJ – Page	



5/14/2024

Style of Case	Charges	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
Sloppy Joes BBQ Pub (Star Tannery)	Does not conform to requirements of governing body	<a href="#">RCVD 4/16/2024</a> PHC – 5/10/24 @ 10am HR – 5/17/24 @ 10am	Staunton	ALJ – Richardson	
Old Bridge Coastal (Woodbridge)	UAB	<a href="#">RCVD 4/2/2024</a> PHC – 5/10/24 @ 10am HR – 5/20/24 @ 10am	Alexandria	ALJ - Richardson	<b>RESOLVED THROUGH NEGOTIATIONS</b>
Los Potrillos Restaurant (Culpeper)	1 – Manager not on duty 2 – Manager not posted 10/10/2023	<a href="#">RCVD 1/11/2024</a> PHC – 2/23/24 @ 10am HR – 3/1/24 @ 10am Rescheduled to PHC – 5/14/24 @ 10am HR – 5/21/24 @ 10am	Charlottesville	ALJ – Page OLC – Ross Robert Byrne, Esq.	<b>RESOLVED THROUGH NEGOTIATIONS</b>
Black Bear Bistro & Cellar (Warrenton)	Bad Check	<a href="#">RCVD 4/10/2024</a> PHC – 5/14/2024 @ 11 HR – 5/21/2024 @ 12	Charlottesville	ALJ – Page	<b>RESOLVED THROUGH NEGOTIATIONS</b>
Walmart Supercenter (Zion Crossroads)	UAB	<a href="#">RCVD 4/4/2024</a> PHC – 5/14/2024 @ 1 HR – 5/21/2024 @ 1	Charlottesville	ALJ – Page	<b>RESOLVED THROUGH NEGOTIATIONS</b>
Mine Run Market & Deli (Locust Grove)	UAB	<a href="#">RCVD 3/26/2024</a> PHC – 5/14/24 @ 2pm HR – 5/21/24 @ 2pm	Charlottesville	ALJ – Page	
Day & Night (Lynchburg)	Qualification to retain MB license	<a href="#">RCVD 4/24/24</a> PHC – 5/16/24 @ 10 HR – 5/23/24 @ 10	Lynchburg	ALJ – Richardson OLC – Ross	
Last Stop Market (Stafford)	UAB	<a href="#">RCVD 4/11/2024</a> PHC – 5/24/2024 @ 9 HR – 5/30/2024 @ 74	Hanover	ALJ – Maxey	



5/14/2024

Style of Case	Charges	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
610 Mart & Tobacco (Stafford)	UAB	<b>RCVD 4/11/2024</b> PHC – 5/24/2024 @ 2 HR – 5/30/2024 @ 2	Hanover	ALJ – Maxey	<b>RESOLVED THROUGH NEGOTIATIONS</b>
Orleans Bistro & Grill (Fredericksburg)	1 – Bad check to wholesaler 2 – Failed to submit MBAR 3 – Failed so submit accurate MBAR	<b>RCVD 4/25/24</b> PHC – 5/24/24 @ 10am HR – 5/31/24 @ 10am	Hanover	ALJ – Page	
NN Burger (Tappahannock)	Failed to submit MBAR	<b>RCVD 4/24/24</b> PHC – 5/24/24 @ 9am HR – 5/31/24 @ 9am	Hanover	ALJ – Page	
Residence Inn – Waynesboro (Waynesboro)	UAB	<b>RCVD 4/22/24</b> PHC – 5/24/24 @ 10am HR – 6/3/24 @ 10am	Staunton	ALJ – Richardson	
Arts Tavern (Falls Church)	Qualification to retain MB license	<b>RCVD 4/19/24</b> PHC – 5/21/24 @ 10am HR – 6/4/24 @ 10am	Alexandria	ALJ – Richardson	
K Pot Falls Church (Falls Church)	1 – Kept MB not bearing MB stamp 2 – Kept unauthorized alcoholic beverages	<b>RCVD 4/25/24</b> PHC – 5/21/24 @ 10am HR – 6/4/24 @ 10am	Alexandria	ALJ – Richardson	
Badger on Main (Lynchburg)	UAB	<b>RCVD 4/16/24</b> PHC – 5/28/24 @ 10am HR – 6/11/24 @ 10am	Lynchburg	ALJ – Maxey	
Dish Restaurant (Lynchburg)	1 – Qualifications to retain MB 2 – Failed to submit MBAR	<b>RCVD 4/29/24</b> PHC – 5/24/24 @ 11am HR – 6/11/24 @ 11am	Lynchburg	ALJ – Maxey OLC – Ross	
Shenandoah Hard Cider (Winchester)	Objection – Does not confirm to the requirements of the	<b>RCVD 4/1/2024</b> PHC – 5/1/24 @	Staunton	ALJ – Maxey	



**FRANCHISE**

Style of Case	Type of Matter	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
Dionysos Imports, Inc. v. Diamond Wine Importers	Termination of Agreement	2/14/24 – Pre-Hearing Conference 2/23/24 – Scheduling Order due 3/21/24 – Mediation – ALJ Richardson (not successful) <b>5/22/24 &amp; 5/23/24 – Hearing</b>		<b>ALJ – Page T. Wayne Biggs, Esq.</b> for Dionysos Imports, Inc. <b>Kevin Gerow, Esq.</b> for Diamond Wine Importers	
Dionysos Imports, Inc. v. G.K. Skaggs, Inc.	Termination of Agreement	4/25/24 – Referred to HAJIS		<b>ALJ – Richardson T. Wayne Biggs, Esq.</b> for Dionysos Imports, Inc. <b>Kevin McNally, Esq.</b> for G.K. Skaggs, Inc.	

**Board Appeals**

Style of Case	Type of Matter	Status of Case	Date of Board Appeal Hearing	Parties Involved	Date Board Decision Rendered
Vybez #013180723	1 – Qualification to retain MB license 2 – Qualification to retain MB license (ratio provision) 3 – Qualification to retain wine and beer license	Board received the Board Books on 3/27/24	<b>5/14/2024</b>	ALJ – Richardson Pro Se	
Alvaros Market #753807	1 – Obstruct Special Agents 2 – Failed to take reasonable measures to prevent an act of violence causing death/bodily harm	Board received the Board Books on 3/27/24	<b>5/14/2024</b>	ALJ – Page Pro Se	
Murlarkey Distilled Spirits	UAB	Board received the Board Books on 3/27/24	<b>5/14/2024</b>	ALJ – Griffin Pro	



Date Received	Requestor	Request	Status
Mon 3/18/24	Jesse Miller (Underwriter, Auto Owners Ins.)	violation history of Right Coast Foods Inc. t/a Tautogs Restaurant, located at 205 23rd St., Virginia Beach, VA 23451, ABC license #71761	Completed - responsive records provided
Tue 3/19/24	Lindsay Bennett (Underwriter, Auto Owners Ins.)	violation history of Camp Irvington LLC t/a Camp Irvington, located at 170 White Fences Dr., Irvington, Virginia, 22480, ABC license #013274887	Completed - no responsive records
Tue 3/19/24	Jasmine Mejias	...requesting a listing of all active liquor licensee applications in the state of Virginia that have been approved and are active through December 31, 2023 for either a new location, an additional location or for a location that has liquor license and had a change of ownership. Plus, the additional information that can be provided through the Application for the Virginia Liquor Licensee Application. Please compile in a spreadsheet in Excel format. 1. Retailer's Legal business name(store name or actual name under which you operate) from the APPLICATION FOR Virginia Liquor Licensee Application. 2. Retailer's physical location address to include number and street, city, zip code and corresponding county from the APPLICATION FOR Virginia Liquor Licensee Application. 3. Retailer's business phone number associated with physical location to include area code and number from the APPLICATION FOR Virginia Liquor Licensee Application. 4. Retailers cell phone number to include area code and number from the APPLICATION FOR Virginia Liquor Licensee Application. 5. Retailer's email address from the APPLICATION FOR Virginia Liquor Licensee Application. 6. Primary Contact from the APPLICATION FOR Virginia Virginia Liquor Licensee Application	Completed - no responsive records exist, but requester directed to website for available info
Wed 3/20/24	Jacob Gasterland (Underwriter, Auto Owners Ins.)	violation history of VMA Inc. t/a Nine Mile Sunoco, located at 4300 Nine Mile Rd., Richmond, VA, 23223, ABC license #91899	Completed - no responsive records
Wed 3/20/24	Jacob Gasterland (Underwriter, Auto Owners Ins.)	violation history of Virginian Hotel Operator LLC t/a The Virginian Hotel Lynchburg Curio Collection, located at 712 Church St., Lynchburg, VA, 24504, ABC license #94365	Completed - responsive records provided
Thu 3/21/24	Draven Nelson (Underwriter, Auto Owners Ins.)	violation history of Lucky Stop Inc. t/a Lucky Stop, located at 7653 Rockfish Gap Tpke., Greenwood, Virginia, 22943, ABC license #65517	Completed - no responsive records
Fri 3/22/24	Romesh Kavadia	- a copy of an application for ZIYA Inc., trading as Kwik Dollar Stop located at 14017 Lee Jackson Memorial Highway, Chantilly, Virginia - a copy of an application for Marvi Inc submitted to Virginia ABC - a copy of an application submitted by Vilas Kevadia to Virginia ABC.	Completed - responsive records provided
Fri 3/22/24	Cameron Doerr (Underwriter, Auto Owners Ins.)	violation history of Jumpin Shrimp Inc. t/a Jumpin Shrimp Bar & Grill, located at 1211 Atlantic Ave., Virginia Beach, VA, 23451, ABC license #89475	Completed - responsive records provided



Date Received	Requestor Status	Request	
Tue 3/26/24	Owen Thacker	1) Limited availability product inventory at stores 253, 202, 185, 125, 359, and 392. 2) Any information on the update and rollout of the WOLO online limited availability product.	Completed - responsive records provided for item 1, no responsive records for item 2
Fri 3/29/24	Norma Jean Shaw (Investigative Journalist, The Shaw Report)	I am inquiring about a Warren County "pub" called Running Bear Pub, which has social media posts showing groups of patrons drinking, liquor that is stocked there, etc. I am requesting electronic copies of documents related to and including but not limited to an application for ABC license for this pub, electronic copies of all emails, and other forms of correspondence pertaining to the Running Bear Pub between the applicant and the VABC. The owner of this pub, J.A. Grimm apparently has an ABC license for his store, 619 Market, in Warren County. Would possessing that license allow him to sell/serve alcohol on premises?	Completed - no responsive records
Tue 4/2/24	Michael Lucas	I would like to request the records of any proceedings before the Alcoholic Beverage Control Authority involving Hop & Wine Beverages LLC and Lime Ventures.	Completed - responsive records provided
Tue 4/2/24	Joseph T. Waldo (Attorney, Waldo & Lyle)	Copies of all permits, licenses or other similar documents, including any applications therefor, allowing the sale or serving of alcoholic beverages for consumption during any event at the Hermitage Museum & Gardens, located at 7637 North Shore Road, Norfolk, VA 23505 which have been issued since January 1, 2023.	Completed - responsive records provided
Wed 4/3/24	Morgan Walker (Account Manager - Virginia SLG, TEKsystems)	the hierarchal organizational charts for the information technology department, to include individual's first/last name, position title, as well as whether or not they are FTE/contractors	Completed - responsive records provided
Wed 4/3/24	Shannon Bing (HR Manager, Department of General Services)	Please consider this email a formal FOIA request for the salary of the incumbent in this position [Procurement Officer II, #73602]. Additionally, I wanted to check to see if your Dept has any Procurement Officer I positions? If so, would you please provide me with a copy of the JD (EWP). An org chart may also be helpful to show disbursement of work and size of your Procurement Office.	Completed - responsive records provided
Wed 4/3/24	Abigail McCaleb (Underwriter, Auto Owners Ins.)	violation history of Bloom West End LLC t/a Bloom Restaurant and Wine Bar, located at 1109 Main St., Roanoke, Virginia, 24015, ABC license #750276	Completed - no responsive records
Thu 4/4/24	Scott Flax	Requesting the following information related to special release lottery winners for the Lottery conducted in November 2023 for the following bottles: Lottery Entry Product Size Product Price Quantity Total Bottles Total Entries Lairds Rare Apple Brandy 12 Yr 750 ml \$109.99 1 67712 Michters Limited Release 20 Year Bourbon 750 ml \$1149.99 1 0234 Michters Limited Release 25 Year Bourbon 750 ml \$1499.99 1 0204 O. F. C. Bourbon 1994 750 ml \$2499.99 1 8889 Requesting the following information on the winners in excel format:	Completed - responsive records provided



Date Received	Requestor Status	Request
Thu 4/4/24	Manolita Holadia (Attorney, Joynes & Gaidies)	<p>Please provide the entire ABC file together with all records of [LARAMIE, L.C. d/b/a] Chicho's Backstage located at 320 Granby Street, Norfolk, Virginia 23510. We also request all correspondence, e-mails, memorandums, notes related to each of the aforementioned business. Please include any and all information regarding the approval of and vetting process of the promotion and production agreement Chico's Backstage said agreement has been approved by ABC.</p> <p>Request is also made for all general orders which could in anyway touch upon or affect the approval of contracts by ABC between promoters and non-profit organizations to include but not limited to G.O.503 with all its sub-parts.</p>
Fri 4/5/24	Paige Webbstock	<p>In accordance with the Virginia Freedom of Information Act (§ 2.2 -3700 et seq.) I am kindly requesting copies of any records related to liquor licenses issued by Virginia Alcoholic Beverage Control Authority. Specifically, I am looking for all liquor licenses issued after January 1st, 2024 to food businesses that match the below categories please:</p> <p>License # =                  ALL                  Establishme                  nt name =                  ALL                  Address =                  ALL                  C                  i                  t                  y                  =                  A                  L                  L                  C                  o                  u                  n                  t                  y                  =                  A                  L                  L                  Z                  i                  p                  =                  A</p>

Completed - responsive records provided

Correspondence sent seeking confirmation of VA address



Date Received	Requestor Status	Request	
Thu 4/11/24	Wayne Biggs (Attorney, Dycio & Biggs)	1. With reference to the Board Order that is attached hereto, I am requesting the following document referenced within the Board Order: (i) the Initial Decision of Administrative Law Judge W. Craig Maxey; (ii) the Five Count Complaint filed by Blue Ridge and Premium and any response thereto filed by Boston Beer; (iii) the Motion for Summary Judgment filed by Premium and Boston Beer's response thereto filed by Boston Beer; (iv) the Motion for Summary Judgment filed by Blue Ridge Beverage and Boston Beer's Response thereto; (v) any Motions for Summary Judgment filed by Boston Beer and any responses of Premium and Blue Ridge thereto; (v) the transcripts, if any, of any hearing on the Motions for Summary Judgment; and (vi) the transcript of the November 17, 2023 Board hearing. 2. A copy of the franchise file for the brands produced by "Oskar Blues" to include, but not be limited to, all franchise designations on file and all documents related to the registration of Oskar Blues products. 3. A copy of the franchise file for the brands produced by "Canarchy" to include, but not be limited to, all franchise designations on file and all documents related to the registration of Canarchy products. 4. Unless already produced in response to #2 or #3, a copy of any franchise designation filings related to a product known as "Monster Hard" or "Monster-The Beast Unleashed."	Completed - responsive records provided
Thu 4/11/24	Wayne Biggs (Attorney, Dycio & Biggs)	a copy of the franchise file for the all brands produced by Solace Brewing Company to include, but not be limited to, all franchise designations on file and well as any general correspondence regarding the franchise designation of this brand. To be clear, I am not seeking any tax filings related to this brand.	Completed - responsive records provided
Thu 4/11/24	Jacob Gasterland (Underwriter, Auto Owners Ins.)	violation histories of Triple Crossing Brewery Company Inc; located at: 1. 113 S. Foushee St. Richmond, VA, 23220 2. 5203 Hatcher St., Richmond, VA, 23231 3. 1101 Winterfield Xing, Midlothian VA, 23113	Completed - responsive records provided
Mon 4/15/24	Matthew Lastrapes (Attorney, Commonwealth Law Group)	a copy of the fully completed retail license application associated with license #: 46233.	Completed - responsive records provided
Tue 4/16/24	Jesse Miller (Underwriter, Auto Owners Ins.)	violation history of Zack 1 Inc. t/a Lucky Stop 2, located at 355 Radford St., Christiansburg, VA, 24073, ABC License #750833	Completed - no responsive records
Tue 4/16/24	Chris Wyndham (Underwriter, Auto Owners Ins.)	violation history of Catha LLC t/a Crossroads, located at 13891 Metrotech Dr., Chantilly, VA, 20151, ABC license #95312	Completed - no responsive records
Thu 4/18/24	Lindsay Bennett (Underwriter, Auto Owners Ins.)	violation history of Pure Eats Lexington LLC t/a Pure Eats, located at 107 N. Main St., Lexington, VA, 24450, ABC License #79465	Completed - responsive records provided



Date Received	Requestor Status	Request	
Mon 4/22/24	Lloyd Alan Beale (CEO, Armed Forces Brewing Company)	Our requests relate to any and all applicable public records related to Armed Forces Brewing Company (the "Company"), myself and any management or employees of the Company ("the Personnel") and our property and business located at 211 W 24th St, Norfolk, VA 23517 (the "Property and Business"). Please provide us with any and all paper records, any electronic files, any audio or video recordings, or documents or materials in any other format—that is prepared or owned by, or in the possession of the Virginia Alcoholic Beverage and Control Authority, or its officers, employees or agents, related to: 1. Any emails, letters, or other communications (whether written, electronic, audio, video or otherwise) to or from any person or entity related to the Company, Personnel and/or the Property and Business from July 1, 2023 to the date of this email; 2. To the extent not contained in your response to #1 above, any complaint, submission, email, telephone call log, voice mail or other document reflecting the full name, address, e-mail address, telephone number or other identifying information of any person or entity who has contacted or who has been contacted by VABC, its officers, employees or agents, related to Company, Personnel and/or the Property and Business from July 1, 2023 to the date of this email; 3. To the extent not contained in your response to #1 or #2 above, a copy of any document, or any record of any kind, reflecting the substance of any report, complaint, or notification of any kind made by a person or entity to VABC, its officers, employees or agents, related to Company, Personnel and/or the Property and Business from July 1, 2023 to the date of this email; 4. To the extent not contained in your response to #1, #2 or #3 above, a copy the IP address and all metadata related to any email, electronic submission and website or mobile application form or submission made by a person or entity to VABC, its officers, employees or agents, related to Company, Personnel and/or the Property and Business from July 1, 2023 to the date of this email, whether the communication to VABC was made anonymously or not; 5. To the extent not contained in your response to #1, #2, #3 or #4 above, a copy any information in the possession of or obtainable by VABC, its officers, employees or agents, that would assist in identifying the identities of any and all persons or entities who have made a complaint, report, or notification of any kind to VABC, its officers, employees or agents related to the Company, Personnel and/or the Property and Business from July 1, 2023 to the date of this email.	Pending
Mon 4/22/24	Steve Busch (Attorney, McGuireWoods)	hearing panel decision and full board decision in Blue Ridge Beverage and Premium Distributors v. Boston Beer Company	Completed - responsive records provided
Mon 4/22/24	Owen Thacker	Limited availability product inventory for the following stores: 253 202 185 125 359 392 50 46 126 321	Completed - responsive records provided
Mon 4/22/24	Jesse Miller (Underwriter, Auto Owners Ins.)	violation history of MGK15 LLC t/a Callie Opies Orchard, located at 4533 Zachary Taylor Hwy., Mineral, VA, 23117, ABC License #91554	Completed - responsive records provided



Date Received	Requestor Status	Request	
Tue 4/23/24	Steve Busch (Attorney, McGuireWoods)	a copy of the VA ABC franchise designation form filed by a brewery, Young Veterans Brewing Company, through which it appointed Pretty Ugly Distribution, a wholesale beer distributor, to sell a brand of beer named "Burnout Beer Co." I also request that you send me a copy of the VA ABC label approval request presumably filed by Young Veterans Brewing Company for the label for Burnout Beer Co., (this may have a label approval code of "205906."), and also VA ABC's approval of the label.	Pending
Tue 4/23/24	Steve Busch (Attorney, McGuireWoods)	documents cited and specifically incorporated in the hearing officer's decision [in <i>Premium Distributors and Blue Ridge Beverage Co. v. Boston Beer Corp.</i> ] (see below): CONTROLLING FACTS AND CONCLUSIONS: The parties' Joint Stipulation of Facts includes twenty-nine numbered paragraphs and is attached to this decision. The twenty- nine numbered paragraphs are hereby incorporated into this decision as findings of fact. The record also contains the five exhibits offered by stipulation and one additional exhibit offered by the Petitioners during the May 25, 2023, hearing. The parties have represented that with these stipulated facts and exhibits there are no remaining material disputes of fact.	Pending
Tue 4/23/24	Chris Wyndham (Underwriter, Auto Owners Ins.)	violation history of Chahal Enterprises LLC t/a Bellacinos Pizza & Grinders, located at 8026 W. Broad St., Richmond, VA, 23294, ABC License #69997	Completed - no responsive records
Tue 4/23/24	Chris Wyndham (Underwriter, Auto Owners Ins.)	violation history of Basilico Patriots Crossing LLC t/a Basilico Deli & Bakery, located at 115 Valor Ct., Ste #107, Stafford, VA, 22554, ABC License #013462245	Completed - no responsive records
Tue 4/23/24	Abigail McCaleb (Underwriter, Auto Owners Ins.)	violation history of PBR 2 LLC t/a Pizza & Beer Rules, located at 9325 Chamberlayne Rd., Mechanicsville, VA, 23116, ABC License #754375	Completed - no responsive records
Tue 4/23/24	Abigail McCaleb (Underwriter, Auto Owners Ins.)	violation history of Next Door Inc. t/a Social 52, located at 2619 W. Main St., Richmond, VA, 23220, ABC License #58248	Completed - no responsive records
Tue 4/23/24	Abigail McCaleb (Underwriter, Auto Owners Ins.)	violation history of Charred Swift Creek Chesterfield LLC t/a Charred, located at 13451 Hull Street Rd., Midlothian, VA, 23112, ABC License #751837	Completed - responsive records provided
Mon 4/29/24	Owen Thacker	Limited availability product inventory for the following stores: 253 202 185 125 359 392 50 46 126 221	Pending



Date Received	Requestor	Request	Status
Mon 4/29/24	Oscar Linares (CEO, MAR Solutions)	we want to participate on the QQ for the request QQ65126 Snow and Ice Removal Services 7.1.24-6.30.25 Enforcement Region #4. as our right we want to know the previous price for the past 3 years for this solicitation.	Completed - responsive records provided

# CIO Report – Paul Williams

IT Monthly Summary

IT KPIs (Work in Progress)

IT Support Summary

# IT Monthly Summary

## Introduction

Budget - we are 6% under budget YTD (was 6.1% last month). Target is +/-5%. GASB accounting is skewing the timing of IT expense recognition and with the slowdown in capital project work the shortfall of Labor capitalization credit has a large negative impact on our budget. We anticipate 4-7% favorable to budget at year end.

Our project planned hours are hugely over target this month (197% of target) however the mix remains mostly noncapital small work efforts so we are \$582K adverse to capitalization budget for Contract and Employees in total. We do not believe this will improve to the year end and anticipate \$750K adverse to budget for Capitalization at year end.

Work on testing the Lottery email to the ACS service continues. We have Increasing lottery volumes planned, ending with Pappy in May.

## IT Performance

IT systems have remained stable through March with very little adverse impact to operations.

The E&Y security evaluation conclusions are expected to be presented by E&Y late April. We are being told to expect little in specific ABC required action from that report not covered by the APA and DHG recommendations

The PCI audit continues. We believe scope is limited for Retail but are still waiting for written confirmation from Elavon (3 months).

## People

Staffing is stable and the vacancy rate remains stable at 8%. We have 7 Mel ( including one contractor conversion), one part time we are looking to recruit (various stages, including pre-approval).

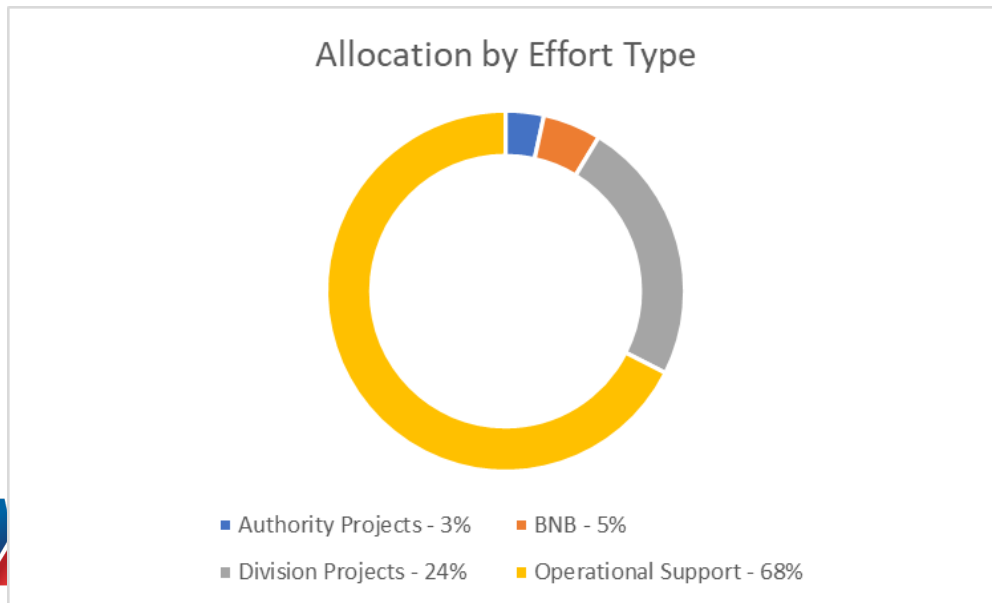
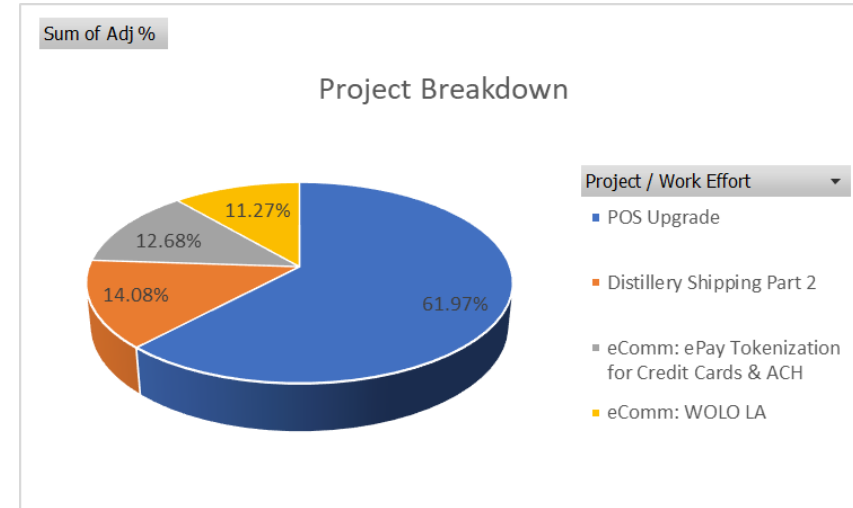
We are working with retail on reducing the telephone lines in stores and completing the replacement of obsolete Admin computers.

Budget vacancy rate target for the year is 8%. Recruiting remains challenging for key positions, and we still have long term contractors in posts we have been unable to recruit into. The job market appears to be deteriorating for more senior IT roles and employee turnover is down across the industry (most notable is an increase in layoffs in the technology industry, specifically social media and Artificial Intelligence shops, although applicant pools for ABC advertised technology positions are weak). Where we are recruiting, we are seeing very few quality qualified candidates

# IT Resource Utilization

Allocation Hours KPI: 2666      March Hours: 5271      % to Target: 197%

Staff Type	Base Capacity	Actual Capacity	Projects	BnB	Division Projects	Operational Support
BSA	14	10.3	0.6	0.9	2.9	5.9
Dev	14	10.5	0.2	0.8	3.2	6.6
Data	10	5.6	0	0	0.6	5.5
QA	13	9.9	0.7	0.5	3.0	5.8
<b>Total</b>	<b>51</b>	<b>36.4</b>	<b>1.5</b>	<b>2.2</b>	<b>9.7</b>	<b>23.8</b>



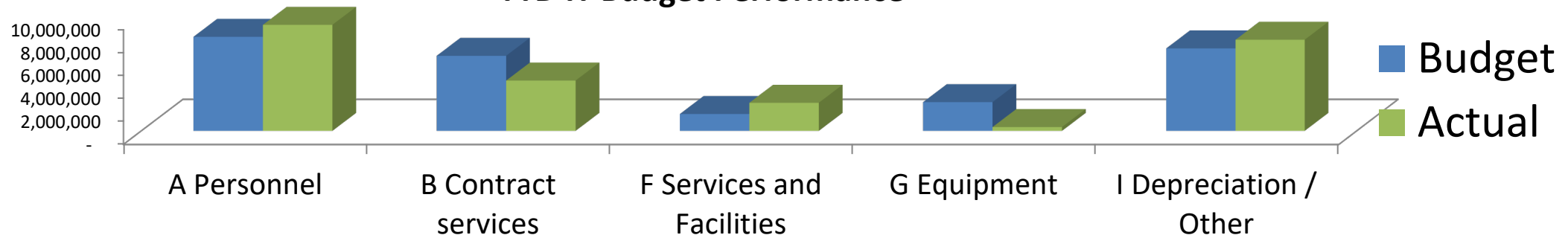
## March Allocation Notes

- Target utilization on projects and smaller BnB efforts is 40% of our average allocatable capacity (38.9 WTE / Month or ~ 2,666 hours planned to be available for allocatable work). 5,271 hours were assigned to allocatable work in March.
- March had 196 hours of PTO.
- Overall capacity has decreased (29.4%) from FY23 due to contingent staffing reductions. The most recent contractor reduction occurred on 12/31/24 for Development.
- A trend of higher allocation to Operational Support occurred due to critical needs on Operational Support.



# IT Finance / Budget

## YTD IT Budget Performance

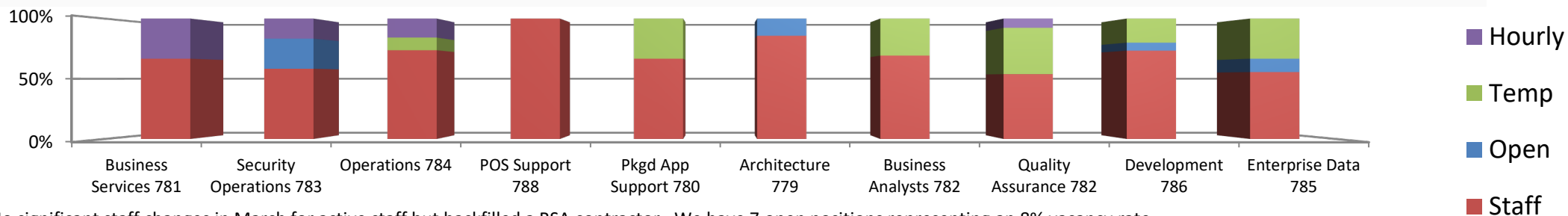
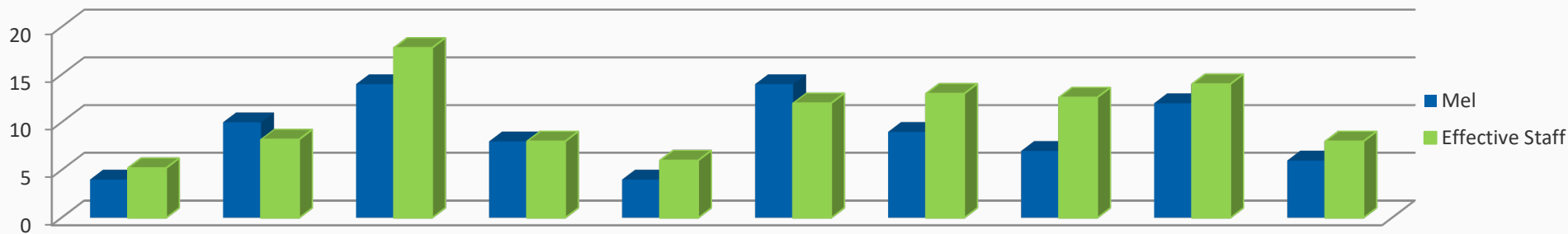


- At March 31 we are 6.0% under budget overall (February was 6.1% under budget). The underspend is now stabilizing, and the budget is somewhat back end loaded so we are likely going to end up within a range of 4-7% under budget. There are still some significant timing issues that could change this, but we are unlikely to meet any of the major project expenditures we planned for the year.
- Personnel Costs – 12.7% over budget (\$1m). As we are above target for our vacancy rate this should be closer to budget except for capitalization of labor which is behind due to project delays.
  - Benefits and salary / hire dates incorrectly budgeted (\$500k), Shortfall in Capitalized labor (project delays/timing \$380k), Carryover unaccrued 2023 costs (\$24k). This is now trending in line with revised forecasts.
- GASB entries are causing an offset between depreciation and contract costs – net near zero as its moving costs from ‘Contracts’ to ‘Depreciation’
  - GASB (Technical accounting entries) are \$1.6 Million (was \$1.7 Million in February) adverse to budget YTD. These are nonoperational financial entries and budget / actual should nearly balance. A large portion is timing – GASB credits are posted when invoices are paid, costs are accrued as services are used. These entries and Capitalization show up in the IT Admin cost center
  - Depreciation is \$752K over budget YTD (\$58K due to GASB, plus Capital WIP depreciation was not budgeted \$200K).
- The GASB timing differences are distorting the ‘by department’ analysis below. We are continuing to work with finance to identify and correct entries and will modify the budget process for next year's budget. The underspend in Infra and SaaS is timing differences (with the offset also largely timing in Telecom / Admin).

## Act vs Budget by Dept



# Headcount Breakdown



No significant staff changes in March for active staff but backfilled a BSA contractor. We have 7 open positions representing an 8% vacancy rate.

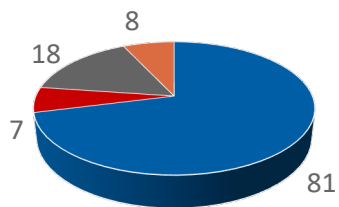
We have 2 active recruitments running at the end of March (was 2 at end of February). An open recruitment for Security operations full time role (down 3 heads) and a Wage recruitment for Customer Support.

We are recruiting 1 contractor backfill (one filled in February but took until March to complete onboarding), and have 5 more positions going through approval to recruit.

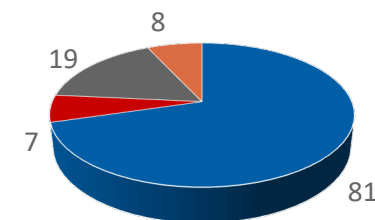
DBA recruitment commenced March. One contractor (helpdesk) is exiting in March.

We are not seeing a good candidate flow for the full time position we do have open (few applicants, none qualified so far). Wage positions are generally acceptable.

Staff Breakdown February



Staff Breakdown March



Full Time Vacant Positions (8%) Contractors Part Time





# IT KPI's DRAFT (Re-working KPI's for 2024 – separate Metrics from KPIs)

Measure	Indicator	Current	C-1	C-2	C-3	Comments
Staffing (MEL)	Open + Exits (8,2)	7/0	7/0	7/0	7/0	
Finance – Budget Accuracy	+/- 5% target	-6.0%	-6.1%	-6.8%	-6.8%	Likely to be close to 4-7% under budget by year end
Reliability – Core	Ops hrs. uptime (99.9%)	99.9%	99.9%	99.9%	99.9%	
Reliability POS	Lost Hours (all registers)	2.0	1.75	1.25	0.0	
Resource Allocation	Hours Target / Alloc	197%	142%	99%	99%	Resource demand was shifted from Operational Support to B&B due to critical needs in Feb and March.
First contact ticket resolution	Tickets closed on 1 touch	92.86%	97.58%	96.97%	98%	Scheduled Admin Upgrades in March contributed to lower FCR.
Calls accepted	Answered calls	97.25%	96.98%	96.96%	97.5%	
Average wait time	Average wait time	33 sec	30 sec	23 sec	34 sec	
Average call handle time to solve	Industry target is 15 min	3.97 min	4.15 min	4.77 min	4.08	
MFA Progress Sensitive data / Total	% of systems that don't have MFA	18%/23%	18% / 23%	18% / 23%	17% / 32%	Current work on RMS Interact. Development on Account central

# Retail Operations Update

Retail Sales Summary

Out of Stocks

Distribution Center

Marketing

Real Estate

# Retail Sales Summary

## Weekly cumulative sales and bottles sold as of April 27th

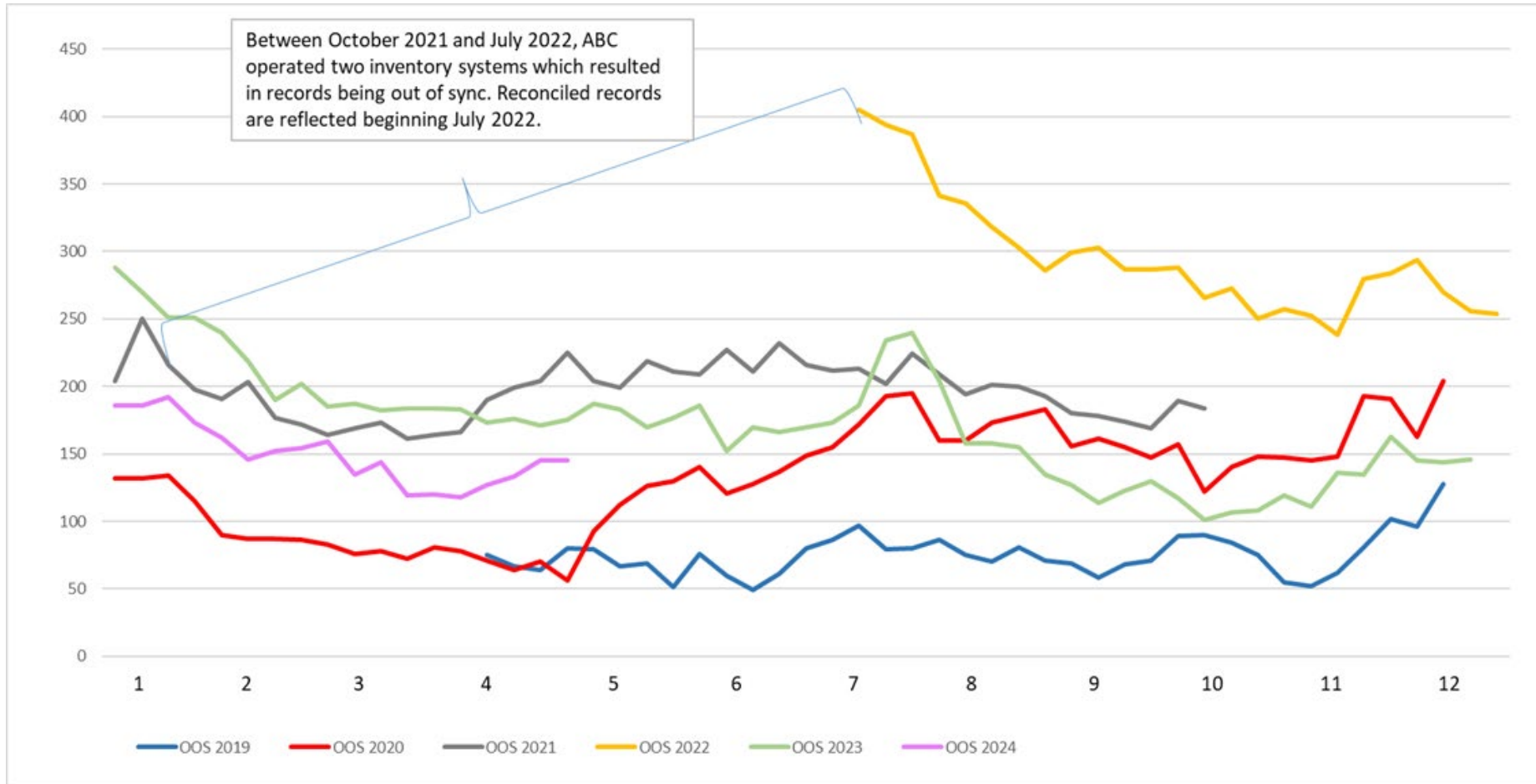
Sales totaling \$1,208,284,786 are up \$10,994,231 or 0.9% when compared to last year and are \$44,577,989 or 3.6% below the \$1,252,862,775 target. Same store sales are up from \$1,196,160,236 last year to \$1,203,839,214 this year, an increase of \$7,678,978 or 0.6%. The weekly cumulative comparison includes 299 sales days this year to 300 last year ((1 more Friday and Monday last year: avg. sales \$6.5M and \$2.7M, respectively). There are currently 403 stores open this year, there were 399 stores open last year.

## Bottles sold

Total number of bottles sold increased 3.3%, retail bottles sold increased 3.8%. Mixed beverage licensee bottles sold is flat (-0.4%). Mixed beverage licensee dollars are 17.3% of total sales, up from last year with 17.2% of total sales.

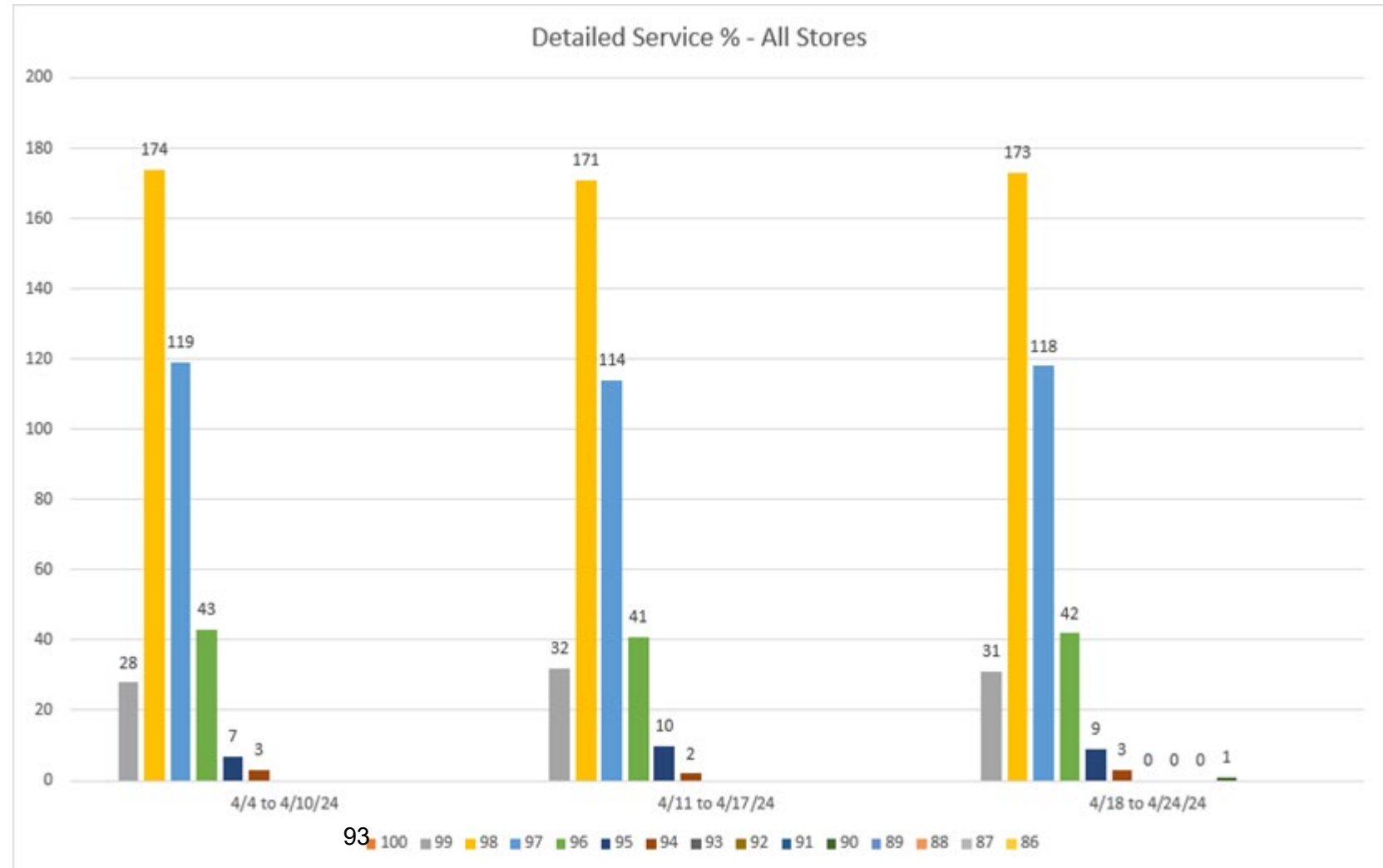
# Distribution Center Out of Stocks

In stock goal is 97%. We have 94.39% of standard items in stock in the warehouse. Currently 145 standard products are out of stock.



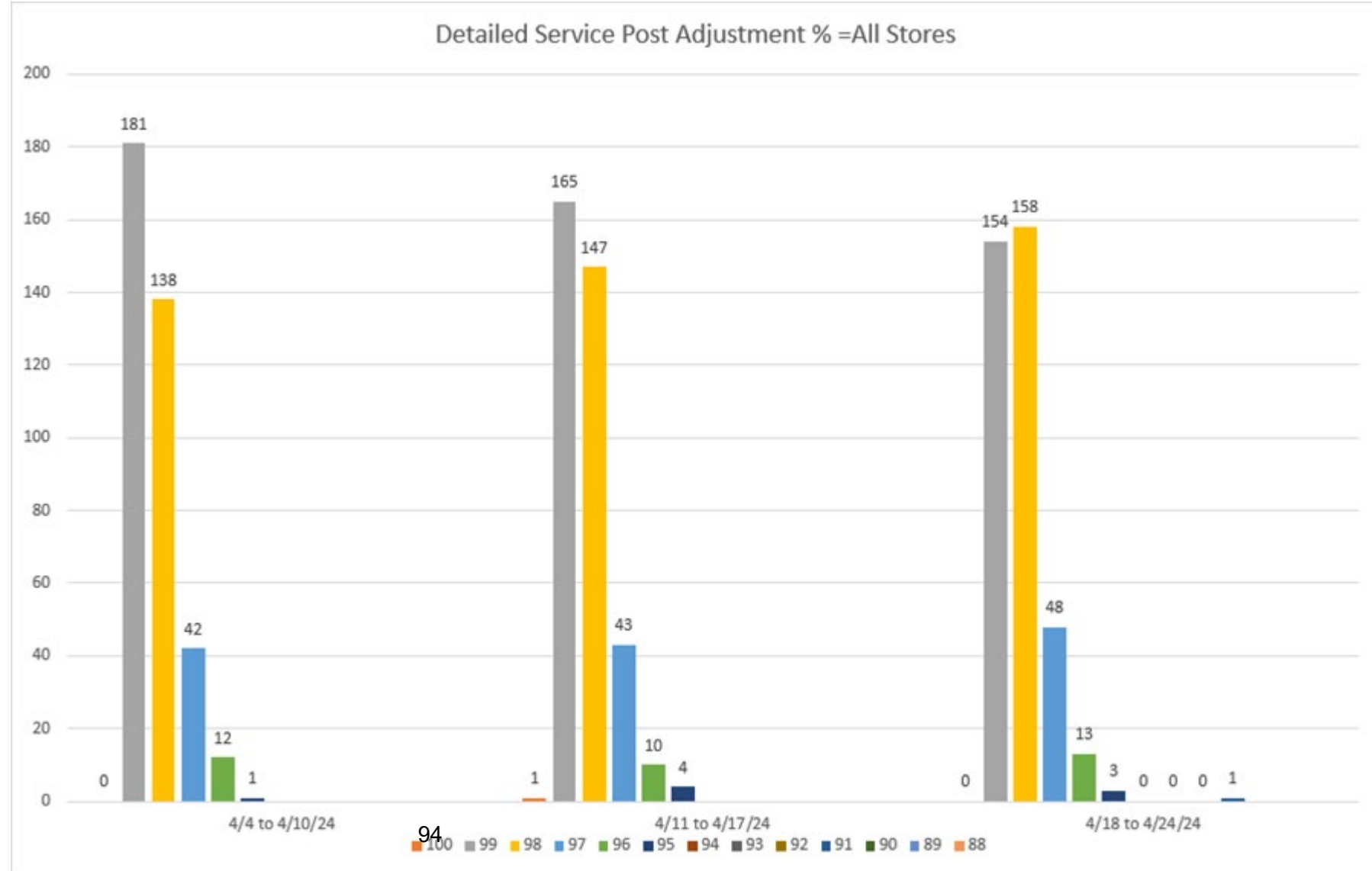
# Retail Store Out of Stocks

Retail Store In-stock – Currently 55 stores below 97% compared to 58 in March.



# Retail Store Out of Stocks

Retail Store In-stock goal is 97%. The chart shows the same in-stock percentage for stores with DC out of stocks removed. We currently have 17 stores below 97% in stock.



# Distribution Center

Average cases shipped daily in April was 24,747 with a peak day of 26,589.

Month	2022		2023		2024		Yearly Comparison		
	Average Cases Shipped Daily	Peak Day	Average Cases Shipped Daily	Peak Day	Average Cases Shipped Daily	Peak Day	2022 CPLH	2023 CPLH	2024 CPLH
Jan	24,534	34,621	23,360	29,165	24,982	30,796	22.85	31.77	38.93
Feb	24,740	31,489	24,819	30,387	24,970	30,784	28.38	33.79	37.36
Mar	28,764	36,556	25,467	34,131	27,466	37,964	32.67	32.73	38.00
Apr	25,538	30,011	25,472	31,431	24,747	26,589	28.23	36.35	37.95
May	24,974	30,753	25,296	29,765			27.72	35.10	
Jun	25,090	36,093	27,861	36,052			28.31	38.20	
Jul	25,292	34,323	26,530	36,236			26.96	35.12	
Aug	23,377	30,802	24,141	26,585			25.99	35.22	
Sep	25,149	30,623	26,045	33,352			27.12	37.24	
Oct	25,903	31,400	27,740	27,233			30.47	37.08	
Nov	26,914	32,698	32,331	38,008			32.38	41.84	
Dec	28,490	37,347	30,124	41,635			35.74	40.36	
Yearly Average	25,730	33,060	26,599	32,832	25,541	31,533	28.90	36.23	38.06

## Distribution Center Productivity:

### 2024 Cases per Labor Hour

Jan – 38.93

Feb – 37.36

Mar – 38.00

Apr – 37.95

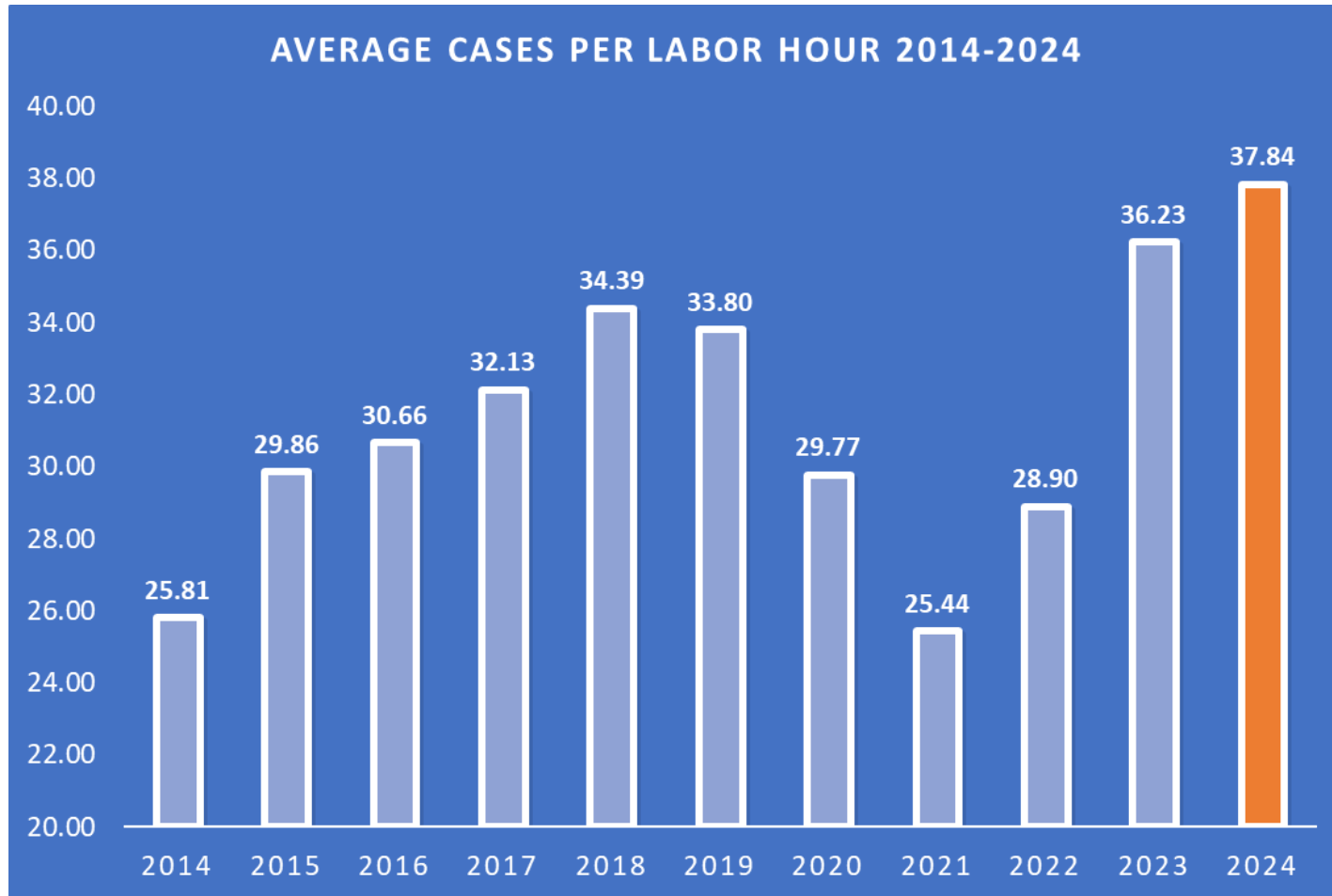
### 2024 Cases Shipped vs. Forecast

2,039,611 shipped vs.

2,077,470 forecast or 98.17%



# Distribution Center



- 2018 Hermitage RD productivity peaked
- 2019 two key teammates were pulled out of the warehouse for the Freight Way DC project
- 2020 COVID / social distancing guidelines decreased productivity
- 2021 April split staff between two facilities
- 2022 Team WOW DC stabilization project implemented



# Marketing Update

## Two-Day Sale – St. Patrick’s Day (March 15-16)

**20% off 15 Irish related products across categories.**

**Overall sales on promoted products increased \$11,081 or 3% versus 2023 sales.**

- Promotional products total revenue was up \$35,215 for the week vs 2023.
- Purchases made *with* a promotional product as part of the basket ring averaged \$106. While purchases made *without* a promotional product as part of the basket ring was \$39 (an 171.8% increase overall).
- Note – Baileys, Proper No. 12, Proper No. 12 Apple, Redbreast & Tullamore DEW were all featured as part of the same sale in 2023.
- Discount supplier funded.

TWO-DAY ST.PATRICK'S DAY SALE (3/15 - 3/16)				
Product	2024 Dollars	2023 Dollars	2024 Dollar Increase	2024 % Dollar Increase
Baileys Original Irish Cream	\$ 72,961	\$ 105,032	\$ (32,070)	-31%
Bushmills Irish Whiskey	\$ 16,546	\$ 14,788	\$ 1,758	12%
Drumshanbo Gunpowder Irish Gin	\$ 22,429	\$ 5,589	\$ 16,841	301%
Green Spot Irish Whiskey	\$ 43,162	\$ 10,348	\$ 32,815	317%
Jameson Orange	\$ 20,269	\$ 14,944	\$ 5,325	36%
Keeper's Heart Irish + American Whiskey	\$ 9,741	\$ 1,619	\$ 8,121	501%
Proper No. Twelve Irish Apple	\$ 11,731	\$ 25,160	\$ (13,429)	-53%
Proper No. Twelve Irish Whiskey	\$ 24,689	\$ 44,296	\$ (19,607)	-44%
Redbreast 12 Year Irish Whiskey	\$ 121,586	\$ 132,677	\$ (11,091)	-8%
Saint Brendan's Irish Cream	\$ 9,051	\$ 6,030	\$ 3,021	50%
The Irishman Single Malt Irish Whiskey	\$ 16,881	\$ 4,949	\$ 11,932	241%
The Quiet Man Traditional Irish Whiskey	\$ 10,000	\$ 5,470	\$ 4,530	83%
The Sexton Irish Whiskey	\$ 18,116	\$ 9,111	\$ 9,005	99%
Tullamore D.E.W. Irish Whiskey	\$ 26,818	\$ 45,004	\$ (18,186)	-40%
Writers' Tears Copper Pot Irish Whiskey	\$ 18,074	\$ 5,959	\$ 12,116	203%
<b>TOTALS</b>	<b>\$ 442,057</b>	<b>\$ 430,975</b>	<b>\$ 11,081</b>	<b>3%</b>

FULL WEEK SALES COMPARISON (3/11/24 - 3/17/24)				
	2024 Week of Dollar Sales	2023 Week of Dollar Sales	2024 Week of Dollar Increase	2024 Week of % Increase
<b>TOTALS</b>	<b>\$650,157</b>	<b>\$614,941</b>	<b>\$35,216</b>	<b>5.7%</b>



# Marketing Update

## Two-Day Sale – St. Patrick’s Day (March 15-16)

**2024 saw a significant reduction in transactions with promoted product half of the 2023 level**

2023 promotion supported with paid media while 2024 was not.

- In 2024 our promotional communications only reached those customers who receive Spirited Virginia emails, have a social media account, and/or happened into the store during the promotion.
- In 2023 our promotional communication was like 2024 but also included paid media reaching a larger segment of our customers.

Transactions with Promoted Product	
	% of transactions with a promoted product
2023: With agency placed paid media (radio, digital, social)	7.1%
2024: With ABC placed paid social media only	3.6%

# Real Estate and Facilities Update

## New Store Update:

<b>Store 302 (Powhatan)</b>	Landlord breaking ground 6-1-24
<b>Store 525 (Winchester)</b>	Revised draft lease is with the Landlord for review; no anticipated Commencement Date at this time
<b>Store 531 (Lovettsville)</b>	Awaiting completion of space by Landlord; anticipated Commencement Date is June 2024

## Project Type No. of Stores

New:	5
Expansions & Modernizations:	3
Relocations:	6

# CAO Report – David Alfano

Financial Update

HR Update

DEI Update



# HOLD FOR FINANCIAL UPDATE

- Updated financial information

# HR Report

HUMAN RESOURCES						
Requestor: 06/01/2023 - 06/30/2023 Approver: David Alfano						
Working Title	Position	Pay	Reason Needed	Date Approved	Notes	Approver: CAO
Senior Sales Associate	16808	\$ 43,400.00	New Position	4/22/2024		
Senior Sales Associate	07703	\$ 36,300.00	New Position	4/22/2024		
Senior Sales Associate	43804	\$ 43,400.00	New Position	4/30/2024		
Senior Sales Associate	36903	\$ 43,400.00	New Position	4/30/2024		
Senior Sales Associate	22604	\$ 36,300.00	New Position	4/26/2024		
ITEM: Travel Authorization Reports (3 or more people or excess of \$5000)						
N/A	Participants	Meeting Information/Name	Location and Dates	Cost	Reason Travel Required	Approver: CEO
ITEM: Recognition/Rewards of \$750 or higher						
Employee to receive	Manager	Reasoning	Amount	Notes	Approver: CAO	
PATRICK OCHEI	MOORE, TYLER	DC Incentive Bonus	\$ 1,000.00			
TERRELL MANNING	MOORE, TYLER	DC Incentive Bonus	\$ 948.67			
JOHN LANIER	MOORE, TYLER	DC Incentive Bonus	\$ 763.51			
DAVID WASILEWSKI	MOORE, TYLER	DC Incentive Bonus	\$ 906.93			



# Project Management Office

- Driving closure on remaining FY24 initiatives
- Planning for Effort intake FY25 based on FY24 lessons learned (more to follow)
- Continuing weekly meeting with Divisions engaged with the PMO to ensure communication, awareness and prioritization of outstanding needs and requests
- Reviewing FY25 recommendations of work efforts with C-Suite with focus on those requiring budget allocation
- Focus on team member assessments for year end

# Appendix - PMO



# PMO Project Efforts

Division	Projects	Description	Business Impact
IT Infrastructure	Migrate OBIEE to OAC	Replacing file-based mechanism to load data into and out of BAR with web services	Operational
	GK POS Upgrade	Handheld Android Devices need upgrading post POS Upgrade	Operational
	Account Central Phase I (Switching Web Apps to AD with MFA)	This change aims to redirect users from our custom code (email/user ID + password) to Microsoft authentication where users shall have the ability to log in with their ABC Active Directory credentials.	Risk Reduction Compliance
	GL Shrink	Provide transparency into inventory shrink by creating a dashboard in Power BI reporting shrink for Virginia ABC in Total, break out Retail, Distribution Center, and Monthly Inventory Valuation in separate views.	Revenue Generation Risk Reduction
	Tax Management port to Java	ABC's existing tax management system runs on a programming language called PowerBuilder. PowerBuilder is obsolete and we only have one developer who can work with the code. To better support the tax management department, we are rebuilding their PowerBuilder applications using modern tools (primarily Java). Tax management is highly specific to Virginia and isn't an easily configurable using a COTS product. Using third party resources would be expensive and time consuming, and it makes sense to continue to maintain this application in house.	Operational
	Widepoint interface	Widepoint will alleviate Accounts Payable's (A/P) human intervention when transferring payments to BAR. Widepoint will automatically place a batch file on an IFTP server, A/P would log into DRINKS (FACE) and execute the job which will massage the data into BAR acceptable format and process.	Operational



# PMO Project Efforts

Division	Projects	Description	Business Impact
Digital / Marketing	WOLO LA	WOLO LA leverages the Ship-to-Store functionality to allow online ordering of Limited Availability (LA) products	Revenue
Finance	ACH Discovery	The goal is to expand on ACH for Licensees capabilities that enables efficient retail sales recognition in BAR. The solution informs how ACH for Licensees will be enabled for DSP, Electronic Payments, Credit Card Recovery (FY26), Online Drops (FY26) and other potential needs.	Operational
Retail - Logistics	Estes Contract Renewal	Estes contract renewal to enable Estes to begin charging ABC per case instead of by weight. As a result changes will need to be made in MIPS	Operational



# CLEO – Chief Tom Kirby

BLE UAB Report

# UAB Report

<u>Calendar Year 2024</u>	<u>ALCOHOL</u>		<u>TOBACCO</u>	
As of 4/30/2024	1 <sup>st</sup> Cycle (2/1 – 5/31)	Calendar Year To Date	DBHDS Grant	DBHDS Supplemental
Scheduled	1020	1020	0	223
No sale	670	670	0	171
Sale	105	105	0	35
Exceptionally cleared	66	66	0	17
ABC Store: no sale	99	99		
ABC Store: sale	3	3		
Remaining	179	179	0	0
Compliance rate	86.5%	86.5%	N/A	83.0%
<ul style="list-style-type: none"> <li>Scheduled Alcohol (YTD) includes 959 random compliance checks and 61 complaint-based checks.</li> <li>ABC store results are subset of total results. ABC Store results include distillery stores.</li> <li>Exceptionally cleared are checks that were not completed (e.g., temporary/seasonal closed, unsafe, UAB known to clerk, etc.) and are not considered in establishing the compliance rate because the compliance check was not completed.</li> </ul>				



# CEO – Dale Farino

Real Estate Leases

New Distillery Stores

Communications report

KPI Review



REAL ESTATE AND FACILITIES MANAGEMENT  
 LEASES SUBMITTED FOR THE INTERIM CEO'S SIGNATURE

March 2024

Store Number and Location	Leased Space	Term	REC Vote	Board Approval
Store #192 (Kilmarnock – Lancaster County) 101 South Main Street Kilmarnock, Virginia 22482	3375 square feet	6 years	1-4-2024	2-21-2024
Store #250 (Hampton) Marketplace at Nickerson 2078 Nickerson Boulevard, Suite 5 Hampton, Virginia 23663	2550 square feet	5 years	8-1-2023	9-15-2023

REAL ESTATE AND FACILITIES MANAGEMENT  
 LEASES SUBMITTED FOR THE INTERIM CEO'S SIGNATURE and the NEW CEO'S  
 SIGNATURE

April 2024

Store Number and Location	Leased Space	Term	REC Vote	Board Approval
Store #143 (South Hill – Mecklenburg County) 812 East Atlantic Avenue South Hill, Virginia 23970-3402	3600 square feet	5 years	3-12-2024	3-27-2024
Store #386 (Stuart's Draft – Augusta County) Windmill Square Shopping Center 2576 Stuart's Draft Highway Suite 114 Stuart's Draft, Virginia 24477	1400 square feet	5 years	9-5-2023	9-15-2023
Store #084 (Fairfax County) Pender Village Center 3903 Fair Ridge Drive, Suite N Fairfax, Virginia 22033	2758 square feet	7 years	3-12-2024	3-27-2024

# New Distillery Store Agreements

New Distillery Stores				
Requestor: Finance				
Approver: Chris Curtis				
ITEM: Agreements with Distillery Stores	Approval Date	Store Number/Distillery Name	License Number	Location/Zip
Ironclad Distillery- Fredericksburg	2/28/24	661- Ironclad -Fredericksburg	013466199	Fredericksburg /22401



# Communications Office Updates

## Staffing and Administration

- Optimizing synergies and talents across internal communication, public information, and change resources

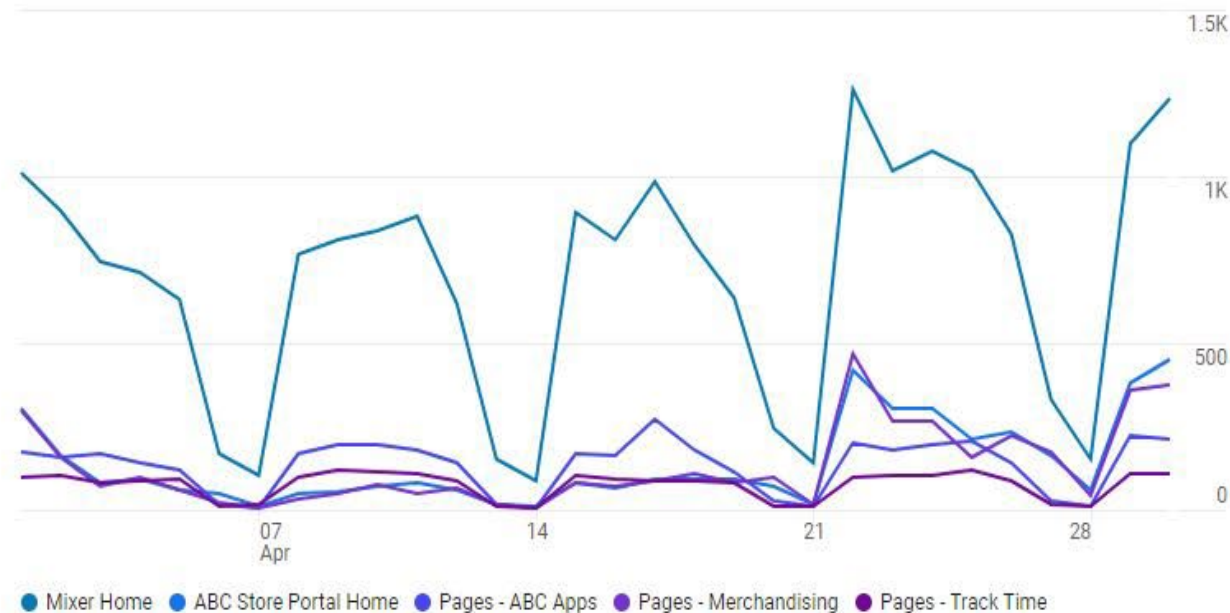
## Sustained Delivery

- Continued Executive Communications support
- Retail Ambassador Program 2.0 launched May 1st
- Supporting Retail Work Group efforts
- Distribution of Spirited Virginia, Mixer, Licensee e-Newsletter, and Distilleries e-Newsletter
- Grand Opening Celebration Executed at Store 501 (Leesburg), Store 405 (Norfolk); planned for Store 442 (Hanover) and Store 529 (Alexandria) in May
- 14 responses to media inquiries and five press releases (through April 30)
- WOLO LA – Supported successful March and April lotteries, preparations underway for May lotteries
- Email Records Training and Tools (delivery in process)
- Readiness and implementation for FY24 Performance Management (launched April 22)

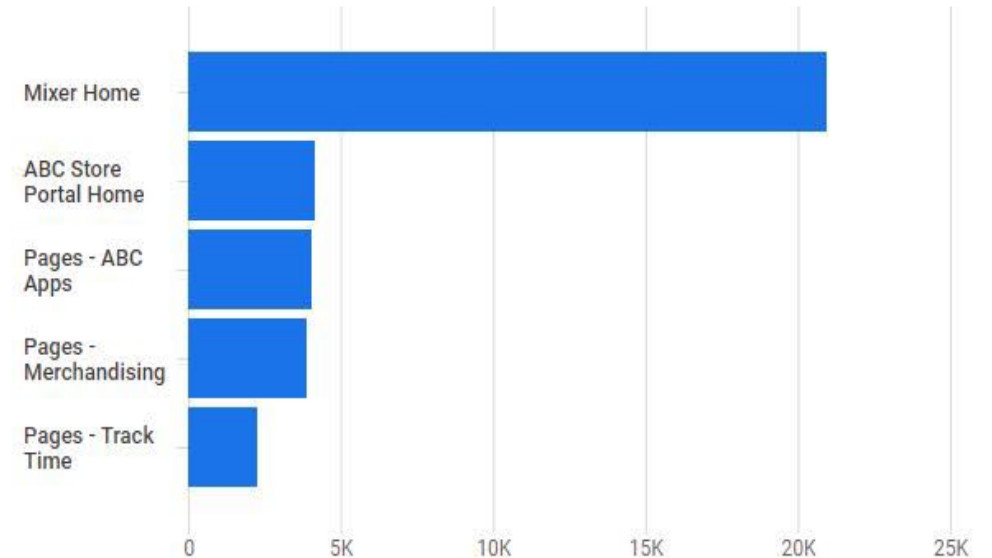
# Communications Metrics by Readership

Note: Enhanced Metrics under development for FY25

Views by Page title and screen class over time



Views by Page title and screen class



- **Mixer:** From April 1-30, 2024, there were 50,484 views and 2,559 unique users
- **Spirited Virginia Magazine** (April-May-June issue): 65,000 copies were delivered 3/28 to 402 stores
- **Q2 Licensee E-Newsletter:** 4,500 recipients, 43% open rate, 3.1% click rate, both above industry standards

# Communications Press Releases and Media Inquiries

## Press Releases

Date	Distribution	Approved By	Topic
April 23	Statewide	Tom Kirby	Dale Farino to Lead Virginia ABC into the Future as CEO
April 9	Hampton Roads	Tom Kirby	Virginia ABC to Celebrate Opening of Newest Store in Norfolk
April 2	Newport News	Tom Kirby	Newport News Young Adult Chosen for Leadership Role In Student-led Prevention Program
April 2	Lawrenceville	Tom Kirby	Lawrenceville Young Adult Chosen for Leadership Role In Student-led Prevention Program
March 18	Northern Virginia	Tom Kirby	Virginia ABC to Celebrate Opening of Newest Store in Leesburg

## Media Inquiries

Inquiry Date	Response Date	Inquiry Summary
April 17	April 25	Jeff Sturgeon with the Roanoke Times inquired about the hearing for Centro Taco Bar of Blacksburg. Communications provided two documents, and explained the negotiated resolution reached with the licensee. Communications answered follow-up questions about the resolution.
April 23	April 23	Kate Andrews with Virginia Business requested a high-resolution photo of Dale Farino. Communications provided the photo.
April 22	April 22	Cherisse Hoffman with WSET inquired about the closure of the Union Street store in Danville. Communications worked with Retail and Real Estate to reply that the Virginia ABC Board voted in March to close store 154 due to deferred maintenance at this rented location.
April 17	April 17	John Crane with the Danville Register & Bee inquired about the closure of the Union Street store in Danville. Communications worked with Retail and Real Estate to reply that the Virginia ABC Board voted in March to close store 154 due to deferred maintenance at this rented location. Communications also provided 2023 sales numbers for all Danville stores.
April 15	April 17	Chuck Vipperman with Southside News Today inquired about the closure of the Union Street store in Danville. Communications worked with Retail and Real Estate to reply that the Virginia ABC Board voted in March to close store 154 due to deferred maintenance at this rented location.
April 8	April 8	T.J. Cutini with WUSA 9 asked why Store 397 at 4349 Duke Street in Alexandria was temporarily closed. Communications worked with Retail to respond that the store was experiencing plumbing issues.
March 27	March 27	Michael Martz from the Richmond Times-Dispatch followed up seeking financial documents presented at the board meetings, and asked why no vote was taken on the GACRE revenue updates. Communications provided links to the requested documents.
March 25	March 26	Cynthia Mersten with Whiskey Raiders inquired about the recent lawsuits. Communications responded that Virginia ABC cannot comment on pending litigation.
March 25	March 25	Dan Casey with the Roanoke Times inquired if the cocktails to-go legislation addressed drive-thru windows. Communications reached out to Enforcement and Legal Counsel for a response, however the reporter published the column before a response was finalized.
March 21	March 28	Andrew Beaujon from Washingtonian inquired about spirits sales trends from calendar 2023 and 2022. Communications received data from Strategy & Analytics, and prepared sales highlights, information about the budget and sales data.
March 20	March 20	Sharra Klug with CBS 19 inquired about the budget and revenue forecast discussed in the board meeting. Communications worked with leadership on a response summarizing the budget and revenue forecasts.
March 20	March 20	Sarah Chakales with NBC 12 inquired about the budget and revenue forecast discussed in the board meeting. Communications worked with leadership on a response summarizing the budget and revenue forecasts.
March 19	March 19	Meghan McIntyre with Virginia Mercury inquired about an updated lawsuit. Communications worked with leadership to respond that Virginia ABC does not comment on pending litigation.
March 19	March 19	Michael Martz from the Richmond Times-Dispatch inquired about the board meeting, and how to participate virtually. Communications provided a meeting link and the board materials.



# Authority KPIs




*Data thru March 2024*

May 1<sup>st</sup>, 2024

*Prepared By: Strategy & Analytics*



# Virginia ABC Mission: To strengthen the Commonwealth through public safety, education, and revenue derived from the responsible regulation and sale of alcoholic beverages.

-  Partner with licensees and other law enforcement agencies to limit the impacts of alcohol consumption on citizens and business
-  Provide education and prevention programs that ensure the safe consumption and sale of alcoholic beverages.
-  Ensure a level playing field for all businesses within the Commonwealth through transparent and consistent regulation.
-  Continue as a reliable revenue stream for the commonwealth through partnerships with Virginia distilleries, as well as the sale of a diverse range of alcoholic products.



# Store Sales and Profits: Sales growing at 3.6% CAGR, Profit at 3.7% YTD.

For the Current Month, store sales have a CAGR of 4.3%, and profits have a CAGR of 13.6%.

## Virginia ABC: Store Sales and Profit Comparisons Mar'24

In \$M	Current Month	Current Month FY'23	Current Month FY'22	Growth vs FY'23	Growth vs FY'22	CAGR
Store Sales	121.6	118.3	111.8	2.8%	8.8%	4.3%
Profits	21.3	15.5	16.5	37.4%	29.1%	13.6%

In \$M	Quarter to Date	Quarter to Date FY'23	Quarter to Date FY'22	Growth vs FY'23	Growth vs FY'22	CAGR
Store Sales	332.9	326.9	308.2	1.8%	8.0%	3.9%
Profits	49.8	42.1	40.8	18.3%	22.1%	10.5%

In \$M	FY to Date	FY'23 to Date	FY'22 to Date	Growth vs FY'23	Growth vs FY'22	CAGR
Store Sales	1,105.6	1,084.6	1,030.8	1.9%	7.3%	3.6%
Profits	182.7	164.8	169.8	10.9%	7.6%	3.7%

Source: SmartView

## Overall Results Summary

### Current Month and Quarter-to-date vs Prior Year:

- Favorable net revenues, mainly higher store sales and licensing revenue
- Higher costs of goods sold in line with higher store sales
- Net favorable operating costs


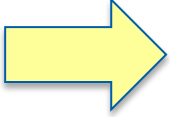

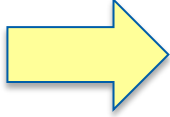
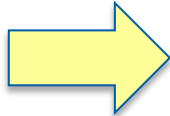

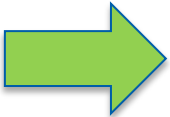
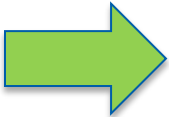
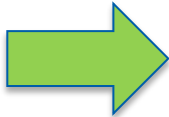
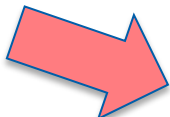
### Current YTD vs Prior year:

- Favorable net revenues \$20.2M mainly higher store sales and license revenue
- Higher costs of goods sold \$11.1M in line with higher store sales
- Net favorable operating costs of \$8.8M as follows:
  - Lower computer software dev. & maint. services costs \$5.4M, due to planned reductions
  - Lower equipment costs, \$5.1M mainly network servers, computer equip. & fixtures
  - Lower media services costs \$1.9M, due to planned reduction in promotions
  - Lower manual labor costs \$1.4M, following a prior year spike in activity
  - Lower misc. costs \$1.1M due to a prior year Licensing system impairment charge
  - Lower training costs \$0.9M due to timing and planned reductions
  - Lower management services \$0.3M due to planned reductions
- Higher personnel costs \$6.0M due to the state pay increase & unfav. labor hours in retail
- Higher outbound freight costs \$0.8M due to increased contract rate and fuel prices
- Higher credit card fees \$0.5M in line with higher sales



# KPIs related to profit and operating costs are both favorable. SWaM spend is below budget. Online orders are down slightly.

All other KPIs are flat or trending in a generally positive direction.

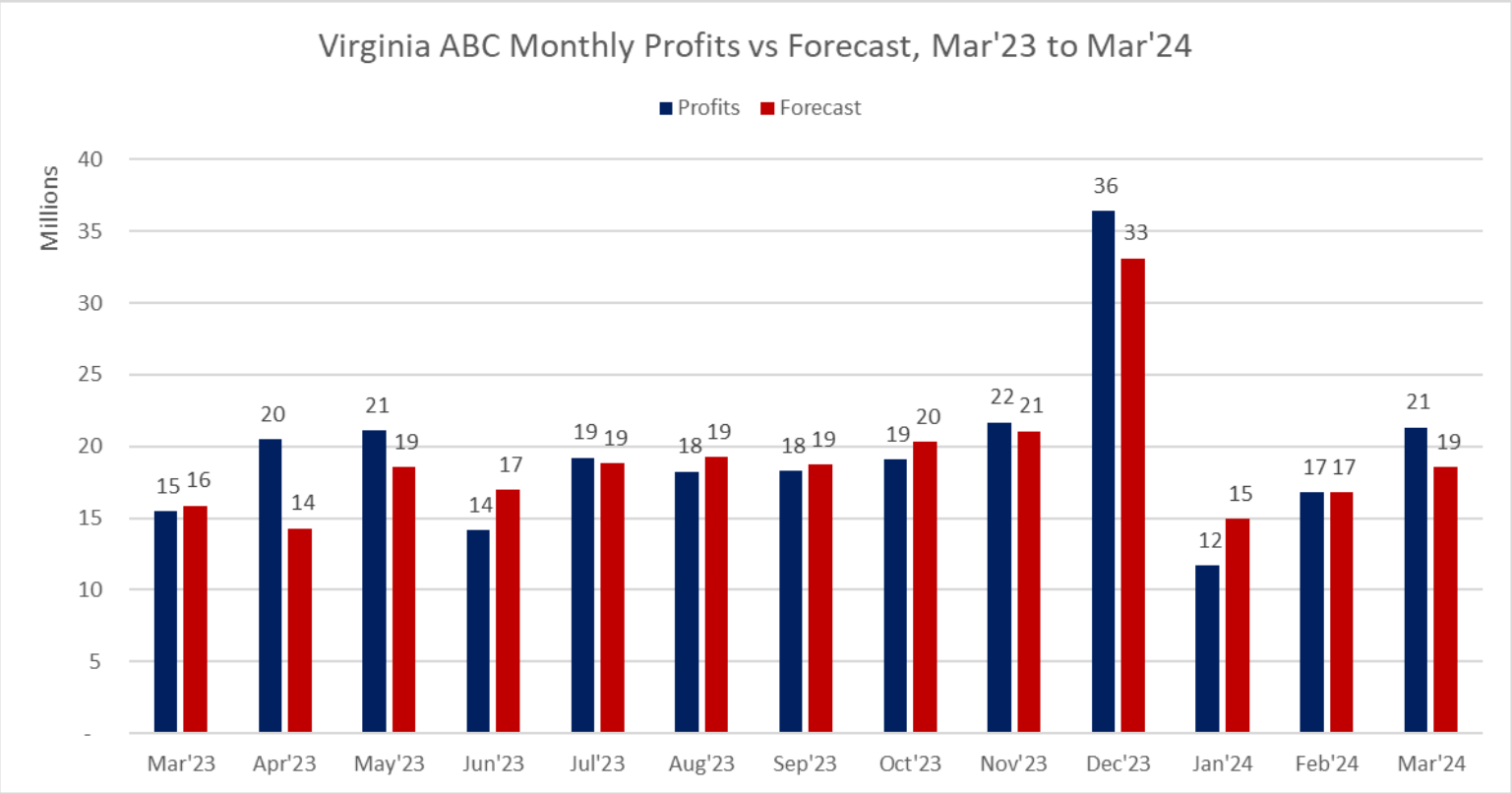
<p>Profit vs Forecast</p>  <p><i>Profits were favorable to budget by 14.4%</i></p>	<p>Sales vs Forecast</p>  <p><i>Sales were equal to budget</i></p>	<p>Operating Costs as a % of Net Revenue</p>  <p><i>Operating costs were favorable to budget</i></p>	<p>Number of Transactions</p>  <p><i>Transaction counts were consistent with last year.</i></p>	<p>Average Basket Ring</p>  <p><i>Average basket ring was consistent with last year.</i></p>
<p>Number of OLO Transactions</p>  <p><i>Online transactions down in quantity and value vs. last year.</i></p>	<p>Retail Store In-Stock Position</p>  <p><i>In-Stock Position shows no change vs. last month, remains just below historical average.</i></p>	<p>Employee Turnover Rate</p>  <p><i>Turnover shows no change vs. February.</i></p>	<p>Time to Fill</p>  <p><i>Time to fill trending downward since December 2023, favorable to March 2023.</i></p>	<p>SWaM Spend</p>  <p><i>SWaM spend is just below target for cumulative 30%</i></p>

Data thru March 2024



# Monthly Profits vs Forecast: Profits favorable in March.

March revenue was equal to budget and expenses were favorable to budget, leading to favorable profitability for the month.



Source: FMS

### Notes:

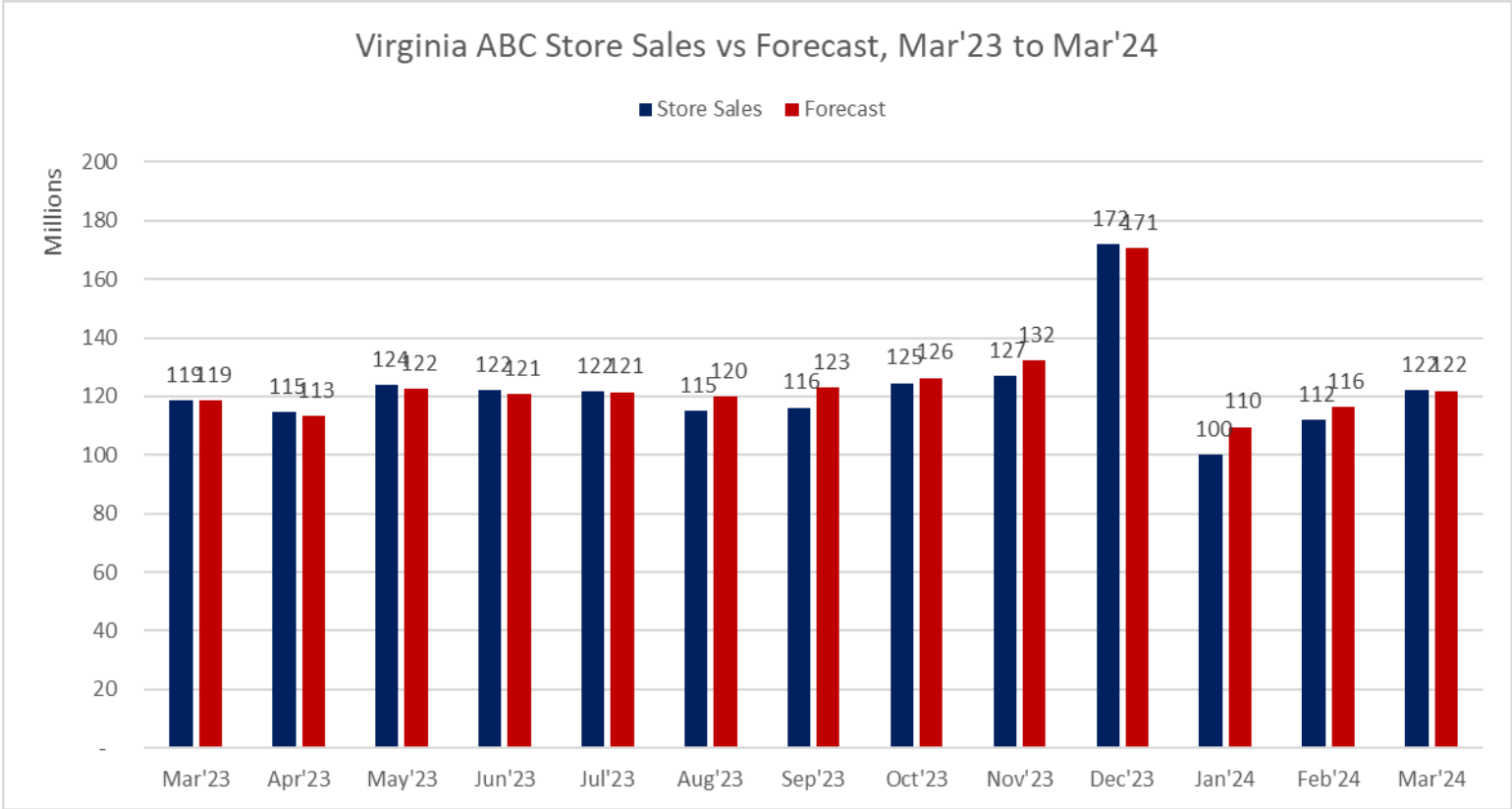
- March profits were favorable by \$2.7M or 14.4%.
- Net Revenue exceeded forecast by \$0.5M/0.5% driven by favorable FEMA money of \$0.5M, while operating costs were \$2.2M/8.3% below budget, driven primarily by favorable personal services of \$1.4M due to unfilled positions and lower retail wage costs, lower server and processor costs \$0.5M and favorable computer software development costs \$0.3M in line with lower IT project activity.





# Store Sales vs Forecast: Store sales equal to budget

Store sales for March exceeded the forecast by \$69K (0.1%).



Source: FMS

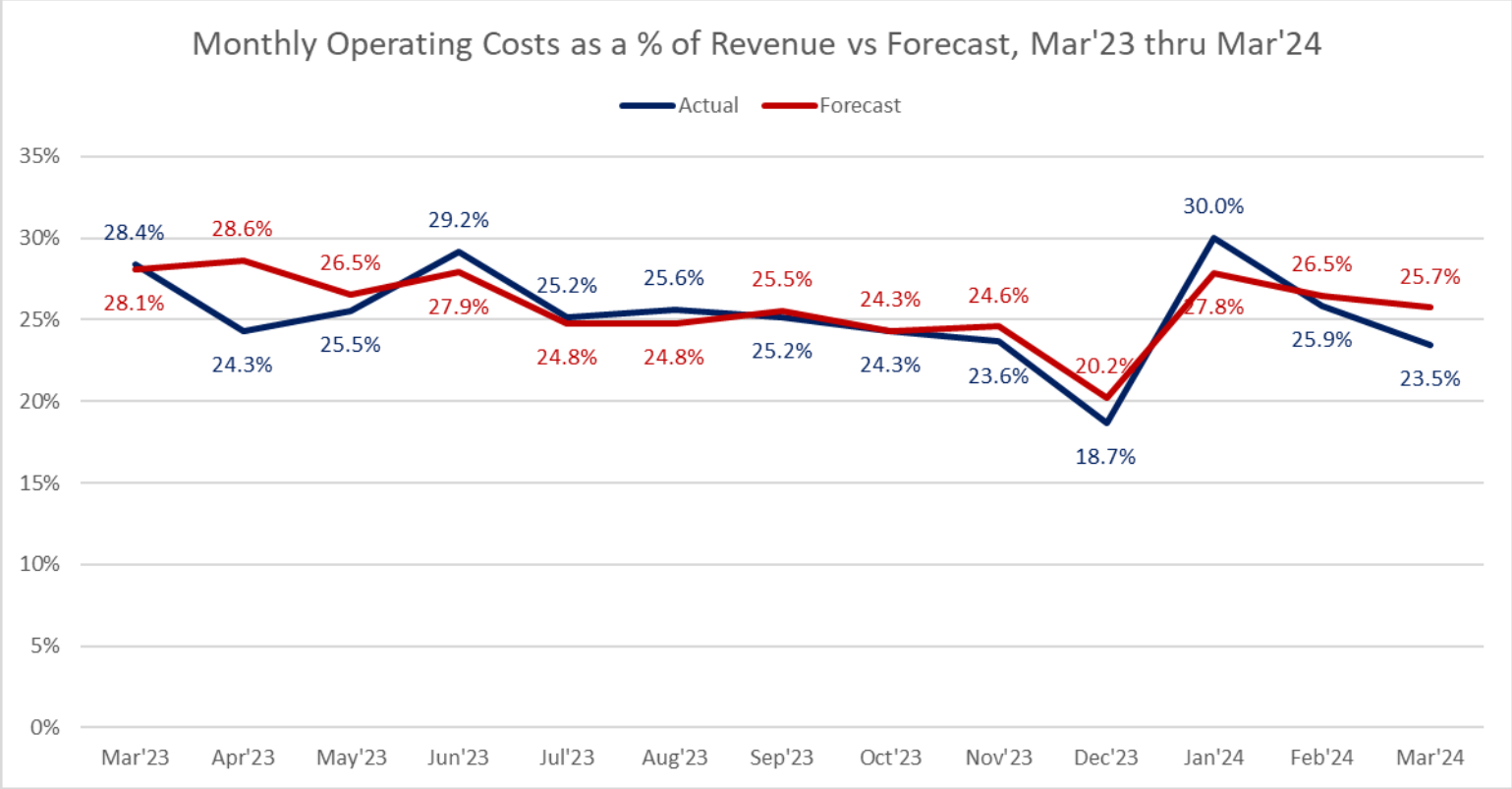
### Notes:

- Sales in March of \$122M were just above the forecast of \$121.9M.



# Operating Cost as % of Revenue: March is favorable to budget.

Revenues were favorable to budget by 0.5%, and operating costs were favorable to budget by 8.3% for the month of march.



Source: FMS

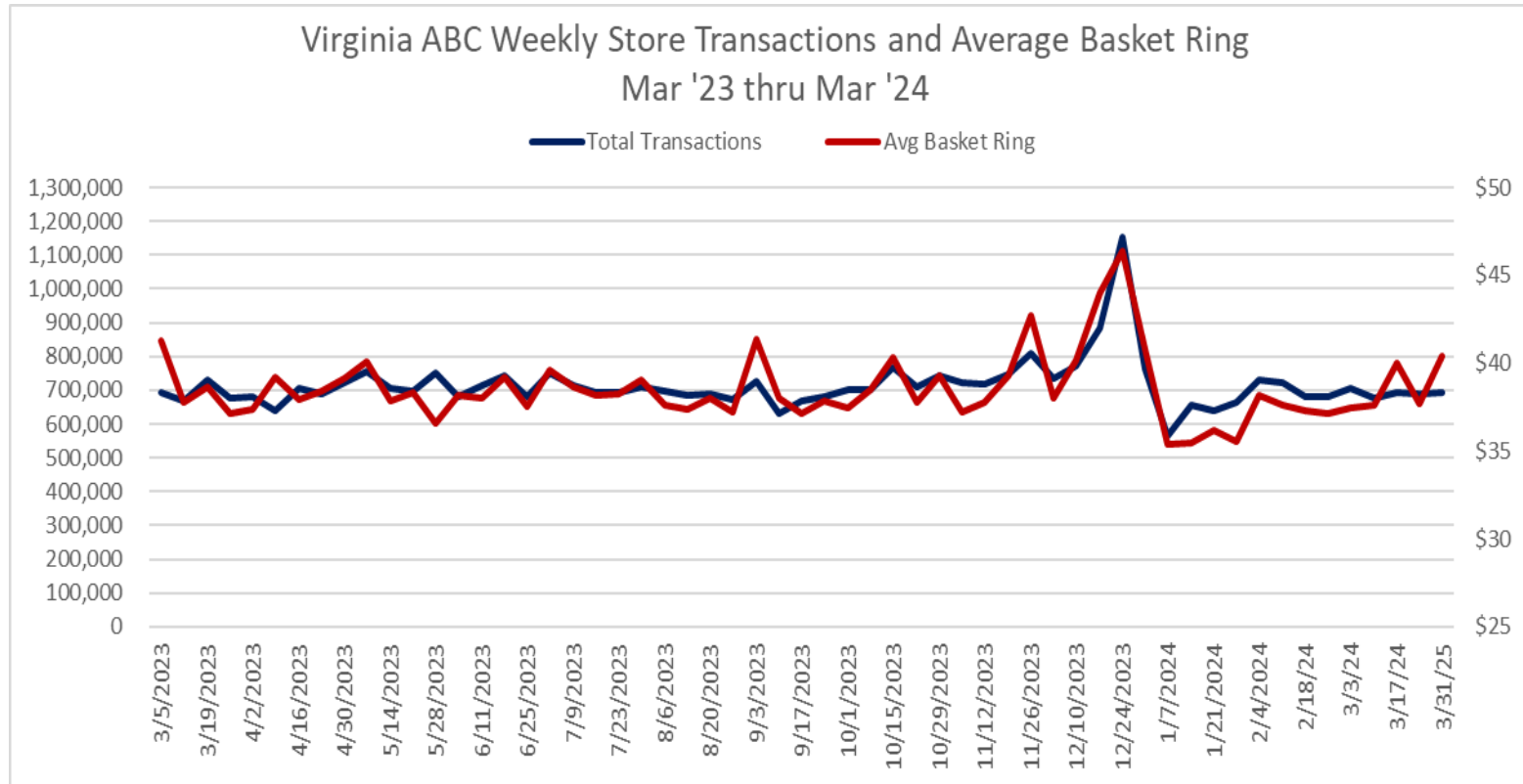
Notes:

- Net Revenue exceeded forecast by \$0.5M/0.5% driven by favorable FEMA money of \$0.5M,
- Operating costs were favorable to budget \$2.2M/8.3%, driven primarily by favorable personal services of \$1.4M due to unfilled positions and lower retail wage costs, lower server and processor costs \$0.5M and favorable computer software development costs \$0.3M in line with lower IT project activity.



# Transaction Trends: Transaction count and spending both flat in March.

Transaction counts in March were consistent with the prior year. Average basket value in March was volatile but exceeded the previous month and was within \$0.05 of last March.



Source: Power BI

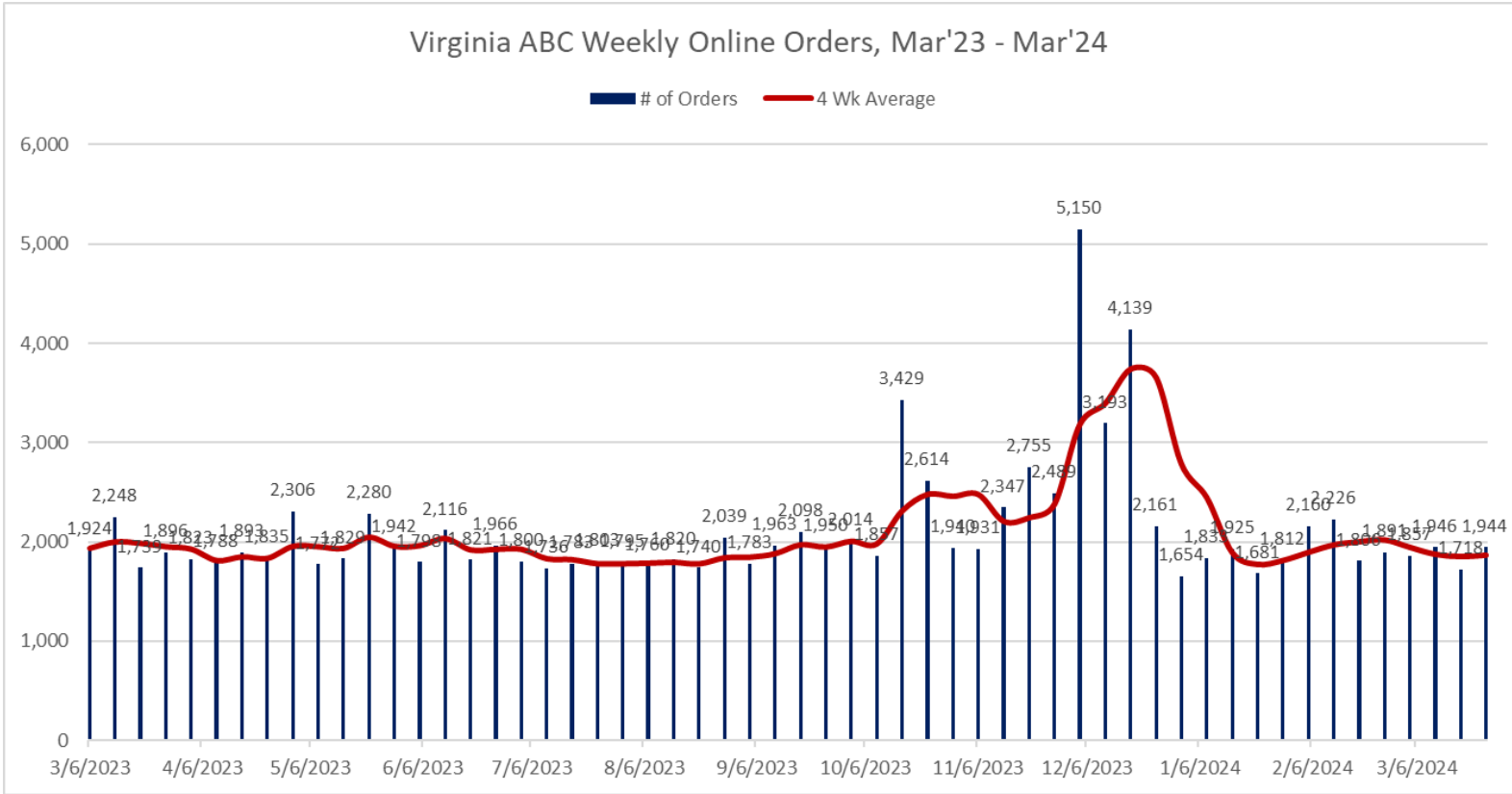
Notes:

- The summer months are often spiky driven by the timing of warm weather holidays, typically leading to smoother trends during the fall months
- Once Halloween hits, cold weather holiday seasonal volatility begins.
- Once holiday driven spikes in November and December end, both basket ring and transaction hit their low points of the year in January.
- March of FY24 was consistent with the prior year in both transaction count (Average 692K weekly both years) and basket ring (\$38.64 TY, \$38.69 LY)
- Basket ring trended upwards at month end (Week starting 3/31 at \$40.44)



# Online Transactions: Online orders showing slower pace than last year

Online transactions were down 4.4% in quantity and down 7% in value vs. last March.



Source: Data Warehouse

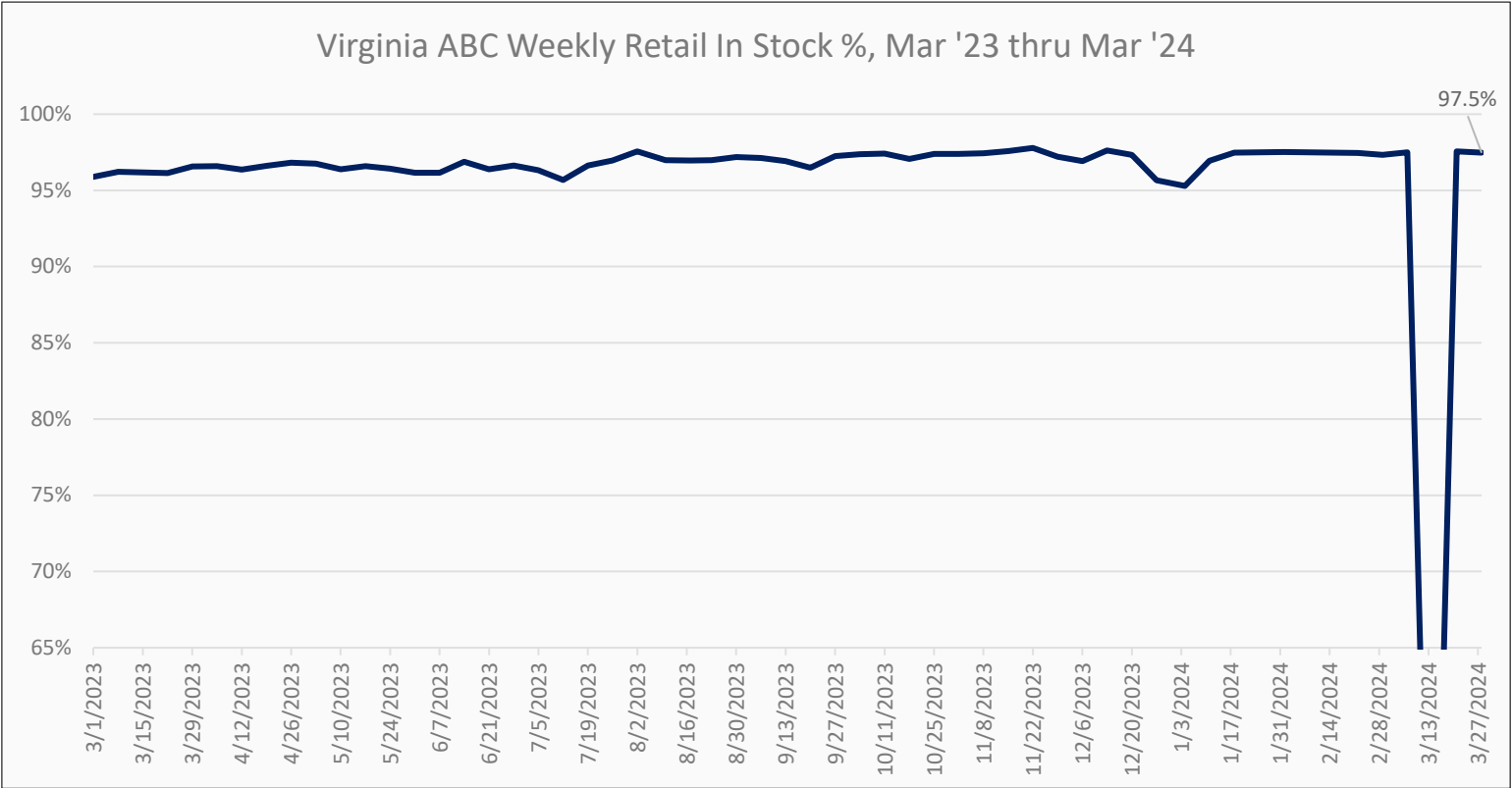
Notes:

- Online transactions were mostly flat throughout CY'22 and the first half of CY'23.
- Average weekly online sales for the month are \$133K, down 7% from \$144K last March and down 4% from \$139K last month.



# Retail In Stock %: In-stock continues to improve

Retail stocks remain impacted from supply chain difficulties and reached their lowest point in the last year during the holidays. OND FY'24 shows improvement over the previous year. Stock position remains just below historical norm of 98%.



Source: Logistics

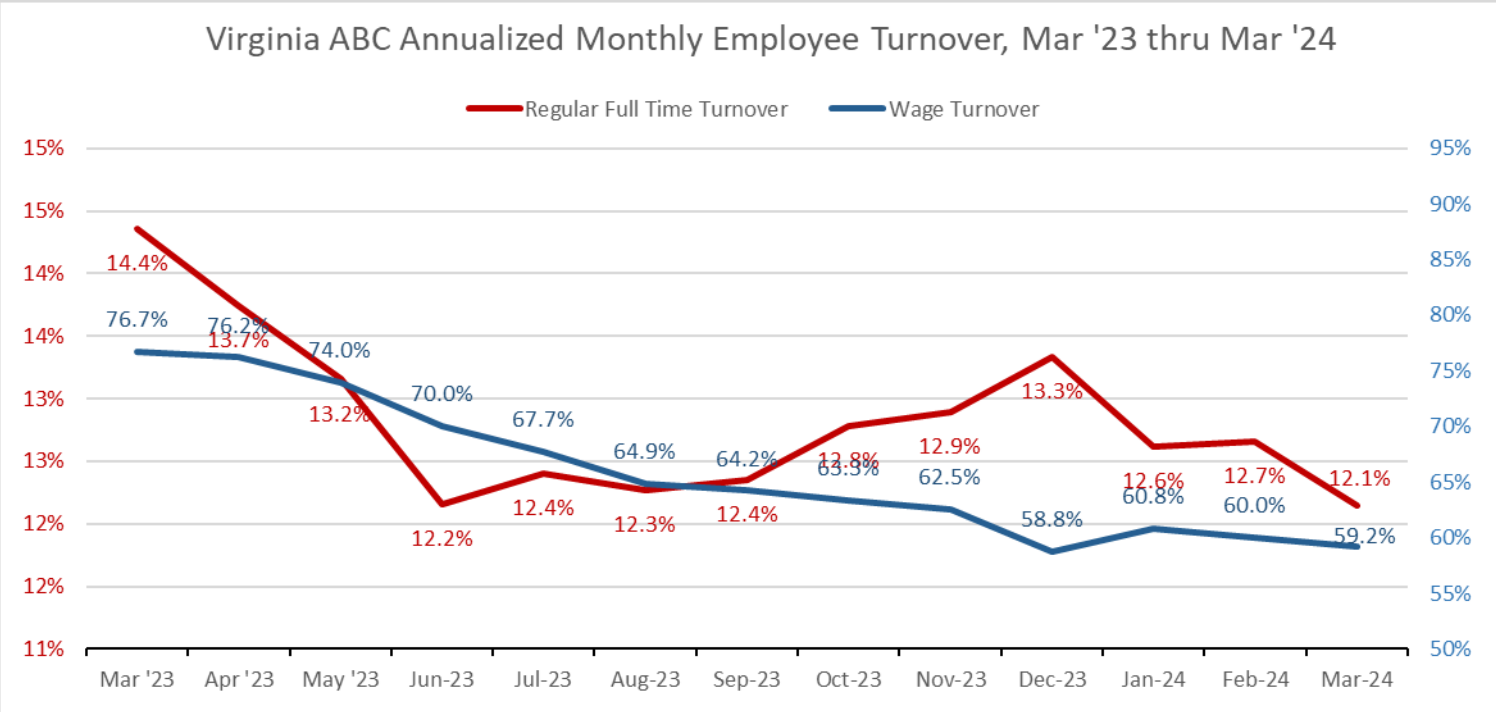
Notes:

- In stock position continues to improve but was relatively flat from February 2023 (95.6%) to December 2023 (95.7%) December FY'23 ended with 94% in stock.
- Lower inventory in December/January is expected because of peak period sales and several holiday related supplier close downs.
- Target is to recover by end of February which was achieved in FY'23. Suppliers are indicating they are allocating product to balance demand across their portfolio of customers
- The elevated sales increases will continue to challenge supply for the foreseeable future
- Work is continuing to right size inventory holdings, eliminate overstocks and “unhealthy” inventory



# Employee Turnover: Wage and Staff turnover are both flat

Turnover rates for full time and wage associates are both flat vs. last month.



Notes:

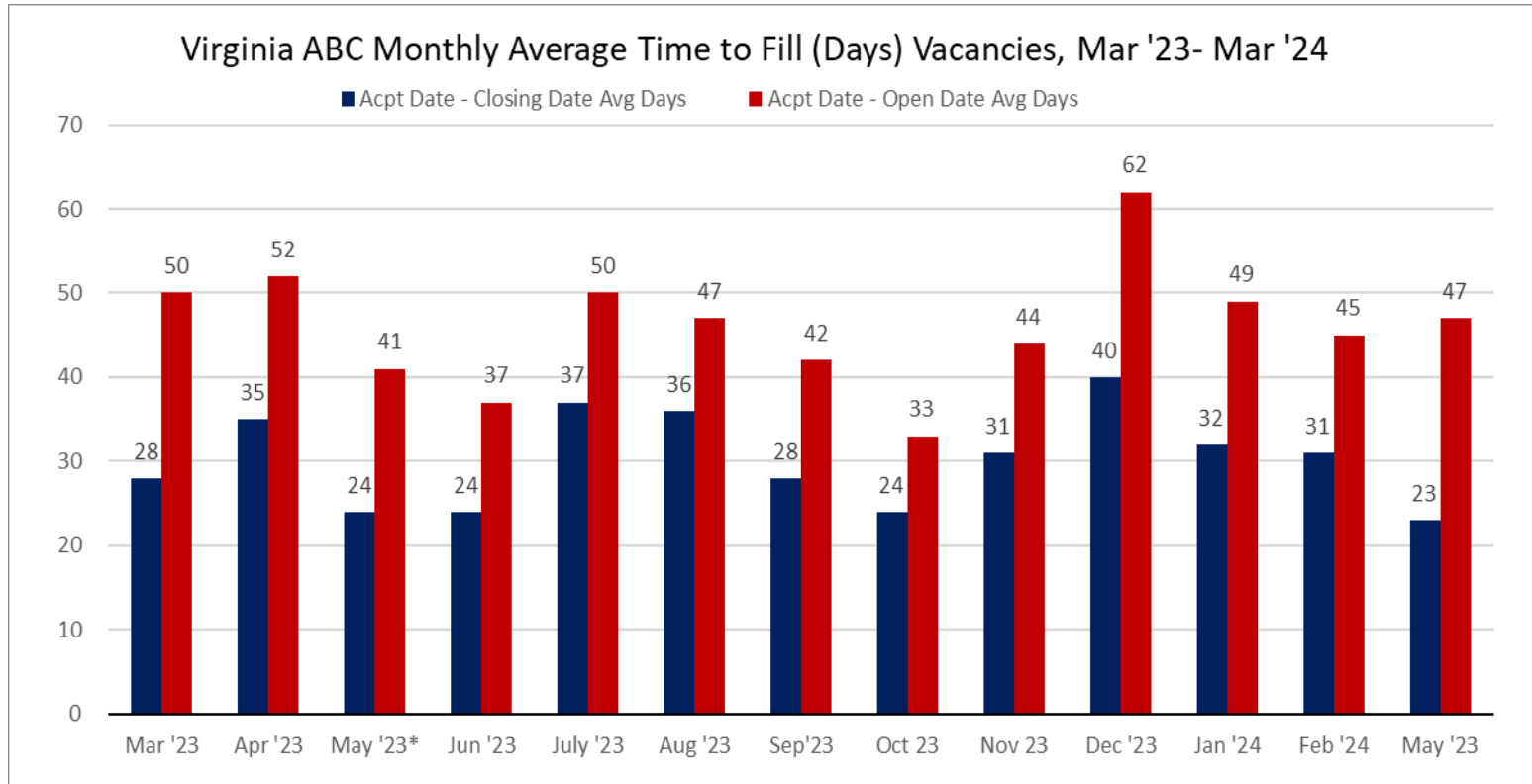
- EET continues to send and collect employee life cycle survey data.
- EET continues to meet with DC Engagement Team to gather employee suggestions and feedback. EET has identified additional DC Leadership to add to the team.
- Additional recruiting KPIs have been identified and added to HR’s weekly TAP Report to help demonstrate employee acceptance rates and attrition rates.

Source: HR System Query



# Time to Fill: Down slightly vs. last month and last year.

Time to fill continued its downward trend after closing, but time from opening increased slightly.



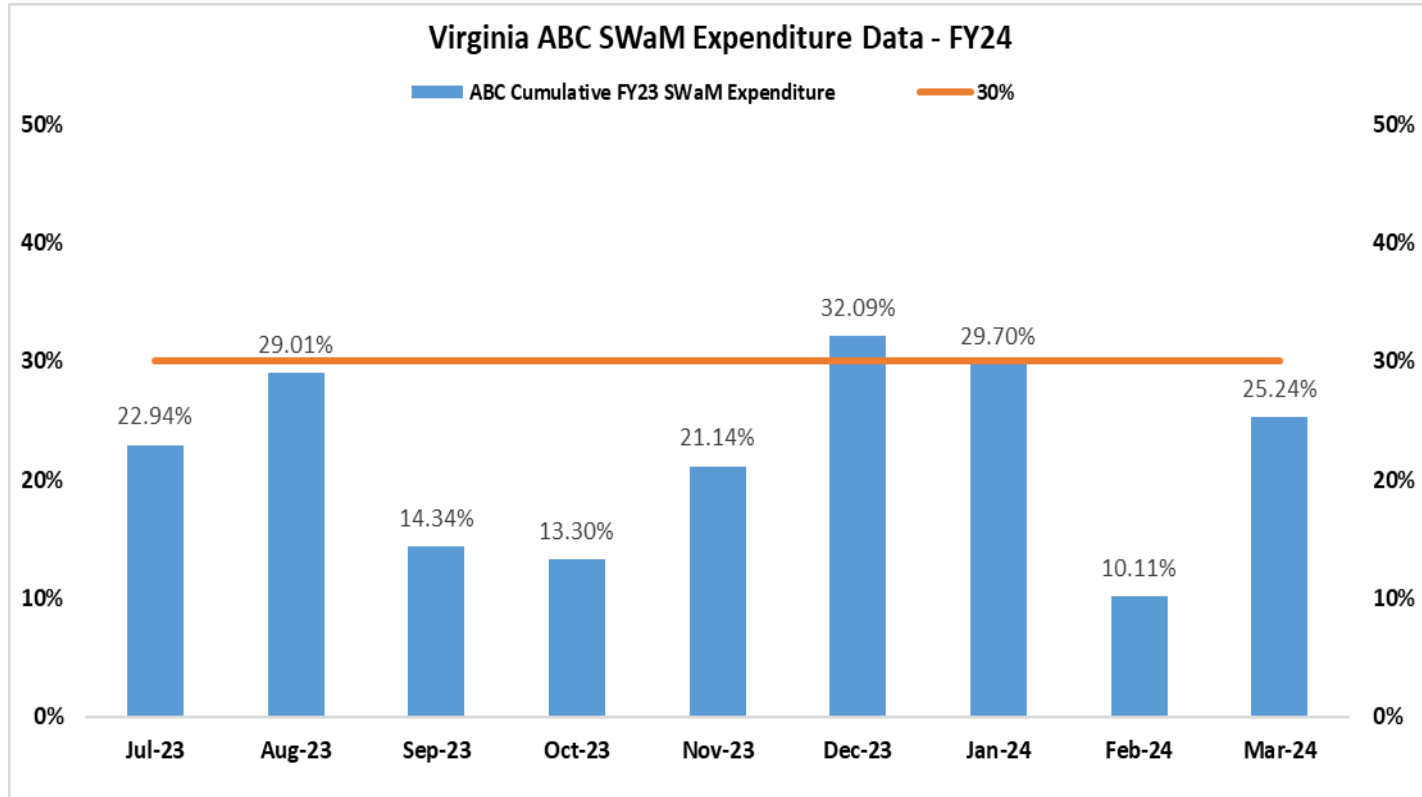
Source: HR System Query

## Notes:

- New recruiting KPIs have been developed to help ensure the talent acquisition process is efficient and results in a good internal and external customer service experience.
- Offer Acceptance Rate has been added to weekly HR TAP report to help demonstrate acceptance rates and the Authority's competitiveness in the current job market.
- January Average Interviews Per Hire Rate: 3.3
- TAC team continues to send follow up emails to hiring managers with screening timelines to ensure a faster turnaround time for candidates/time to fill.

# SWaM %: Cumulative SWaM vendor spend below target

SWaM spending remains below the 30% goal YTD.



Source: Procurement

## Notes:

- As an Authority, ABC is not bound to the state goal of purchasing 42% of discretionary spending from SWaM vendors
- ABC SWaM spend in March was below goal.



# Board Commentary

# Public Comments