

# February 21, 2024 Board Meeting

Virginia ABC Board of Directors





# Agenda

- 9:00AM Call to Order
- Approval of Minutes
  - Approve minutes from Dec 13, 2023
  - Approve minutes from Jan 9, 2024
- New Business
  - Approve REC Recommendations (Tom Kirby)
- 10:00 AM Hearings
  - Big Als
  - Mt. Torrey Convenience
  - Malakhi Lounge and Jamaican Restaurant
- New Business Cont.
  - C-Suite Updates
    - Financial Update (David Alfano)
    - Legislative Update (John Daniel)
    - IT Update (Paul Williams)
- Closed Session
- Comments from the Board
- Public Comments
- Adjournment



# Minutes: December 13, 2023 and January 9, 2024

## Required Action

Approval of Minutes from December 13 and January 9 meetings



**VIRTUAL BOARD MEETING MINUTES: December 13, 2023**  
**ABC Headquarters**

Call Virtual Meeting to Order at 2:00 p.m.

AtAttendees

Board Chair Tim Hugo  
Board Member William Eulle  
Board Member Mark Rubin  
Board Member Bob Sledd  
Board Member Gregory Holland  
Interim Chief Executive Officer and  
Chief Law Enforcement Officer, Tom Kirby  
Chief Government Affairs Officer, John Daniel  
Chief Retail Operations Officer, Mark Dunham  
Chief Administrative Officer, David Alfano  
Chief Information Officer, Paul Williams  
Chief Digital and Brand Officer, Vida Williams  
Deputy Secretary, Chris Curtis  
Office of the Attorney General, Jim Flaherty  
Director of Finance, Doug Robinson  
Director of Real Estate, Susan Johnson  
Director of Human Relations, John Singleton  
Director of Digital Operations, Ernest Moore  
Governor's Office, Elizabeth Peay  
Tom Lisk  
Jerry Cable  
Tommy Herbert  
Director of Communications, Tracey Lorraine  
Public Information Officer, Jeff Caldwell  
Executive Administrative Assistant, Kathleen LaMotte  
Digital Strategist, Jack Brown  
Project Support Specialist, Linda Phelps  
Senior Paralegal, Helen Gordon  
Chief Clerk, Megan Wallmeyer Rose  
Senior Paralegal, Kristie Miles  
Senior Legal Counsel, LaTonya D. Hucks-Watkins

## **Welcome**

Board Chair Hugo opened by thanking everyone for working these regulations and questions out. The Board Chair then deferred to Chief Daniel and/or Interim CEO Kirby to proceed.

## **New Business**

Revised Regulations

Mr. Daniel explained that the modification to the regulation which was the subject of discussions among a multitude of authorities was 3 VAC5-50-110, relating to the definition and qualifications for retail on-premises and off-premises licenses generally, more specifically to mixed beverages. The agreement reached was that the modifications that were proposed would be restored to their current state, i.e. the new language would be eliminated and it would go back to what the current state of the law is. The balance of the regulatory modifications would go forward as proposed.

The Board Chair thanked Mr. Daniel and his staff for all the work on this issue. The Board Chair asked if any Board members wished to ask questions prior to opening it up to public comment.

Mr. Rubin asked for an explanation of what the problem was with the regulation that is being pulled out.

The Board Chair suggested letting the interested parties make comments about their concerns and asked if Mr. Benka or Mr. Cable were on the call to discuss concerns. Ms. Lamotte noted that if any members of the public wish to speak, would they please identify themselves for the record.

Mr. Cable spoke, saying he believed the changes that were being proposed by the Virginia Restaurant Association and Virginia ABC conflict with the Virginia Code, so removing them puts them in line with the existing Virginia Code. He stated that the language should remain as it is in the code today. He stated that the code made it clear who is entitled to a mixed beverage license and who is not. The proposed changes were not in agreement with the Virginia Code.

Mr. Cable explained that the changes that were being made changed the requirements for a mixed beverage restaurant to get a license. He said the changes made it appear that anyone who wanted a license who sold pizza, or a hamburger could get a license. He added that the existing code outlines who should get a mixed beverage license and any changes to this should go through the General Assembly and not be a regulation change made by ABC.

Mr. Rubin stated that it was his understanding that if the changes to this regulation are withheld, what ABC will be guided by is a circular that has been in effect for eight or nine years that effectively does what this regulation revision does. Mr. Rubin stated that the circular has been around for eight-to-nine years and that he did not know of any cases that have come forward with objections to the circular.

Chair Hugo stated that he heard what Mr. Rubin was saying and he appreciated the remarks. The Chair stated that he heard from bi-cameral parties and their belief was that this change was one that should be made by the General Assembly. Mr. Hugo said that a number of people felt this change should be left to the prerogative of the General Assembly. However, the Board did need to decide about how to proceed at this point and it was his understanding that an agreement had been worked out between the parties that would work for everyone. The chair suggested that the Board also hear from Tom Lisk as a key party to these revisions. Before hearing from Mr. Lisk, the chair asked if the other Board members had any further questions.

Mr. Rubin stated that his biggest concern was that there was a process to revise regulations. All the stakeholders met during this process, to include Mr. Benka, a consensus was reached in regard to all of these processes and then the draft proposal came before the Board. He noted they could go to the members of the General Assembly, the General Assembly could certainly make a rule at any time to say the regulations are not valid, there is also a whole process of J-cards, and all of these regulations still have to go in front of the Governor before they are finally approved. What we are discussing doing would undermine a process that many state agencies use.

Chair Hugo stated that there were quite a few people that contacted him about this regulation and the Board did need to vote on the proposed changes. The staff and stakeholders got together and agreed on the revisions on their level, but the revisions still need to come before the ABC Board for approval. As Mr. Daniel said, the parties concluded that gets 98% of the revisions approved for processing. The Board's review, respectfully, adds to the process by bringing our different perspectives.

Mr. Rubin stated that the Chair's point was well taken. The Board's review does provide the final stage of the internal process and we could approve or reject the consensus. The way this agreement has been presented is that it is hard to stand up against the consensus. He wanted to make it clear that he looked through all the public comments and he saw



no comments about this regulation; so apparently the process was not completely followed, but in the end, the Board does have a right to vote either for or against passing these revisions through or to accept the agreement as it was made.

Chair Hugo asked if there were any other members of the Board who would like to make a comment? If not, the chair proposed hearing from Mr. Tom Lisk and his team. Vice Chair Sledd said he had no further questions but would like to listen to what Mr. Lisk had to say.

Chair Hugo asked Mr. Lisk to identify himself and his organization and thanked him for being in the meeting today as well as for the work he and his team put into working with all interested parties and the staff.

Mr. Lisk introduced himself. Mr. Lisk stated he was the legal counsel for the Virginia Restaurant, Lodging and Travel Association, which has been the voice of the restaurant and hospitality community in Virginia for many decades. Mr. Lisk stated that his group participated with all the other stakeholders in what was really a two-year process convened by Virginia ABC to look at all of its regulations, all eight chapters from top to bottom, to bring them up-to-date and in conformance with the Code of Virginia. Mr. Lisk appreciated the work of the stakeholders. He explained that these hundreds of pages, these eight chapters, there were many, many changes proposed, and he argued that the vast majority of the changes were stylistic or technical rather than substantive. The vast majority of these changes came from ABC staff who took a lot of time and a lot of work to review the regulations from top to bottom. The industry, all the stakeholders, retailers, wholesalers, manufacturers, colleges and universities, community groups, public service groups sat down at the table and had a voice in deliberating on these proposed changes. Mr. Lisk and his group were in favor of the Board moving forward with this package, but Mr. Lisk wanted to be clear in terms of any agreement. Mr. Lisk and his group agreed to ask the Board to take out the proposed changes to this one section of one chapter: 3 VAC 5-50-110. He said they agreed to have those removed from the package so the Board could move forward with everything else because they did not want the dispute about these changes to hold up two years' worth of work performed by all the stakeholders and performed by ABC staff. We do not agree that the proposed changes that are being taken out are without merit and Mr. Lisk stated explicitly that he would challenge anyone to articulate how any of these changes were in conflict with the Code of Virginia. Mr. Lisk noted that he has been practicing alcohol regulatory law for 40 years. Virginia ABC's attorneys, and several attorneys, have reviewed these changes, and Mr. Lisk would guarantee that ABC's staff attorneys would not have let these changes go forward if they were in conflict with the Code of Virginia. For someone to opine that they are in conflict, was simply not true. Mr. Lisk further stated that Mr. Cable, whom Mr. Lisk has had a long relationship with, stated earlier that these changes would allow hamburger joints to get ABC licenses. In fact, over 20 years ago, ABC had an enforcement case that challenged whether or not a restaurant at an off-track betting parlor in Vinton could qualify for a mixed beverage restaurant license based on its serving of hamburgers. The case came before the ABC Board for a decision and the Board ruled that that was a meal for the purposes of a mixed beverage restaurant license and issued the mixed beverage restaurant license to the off-track betting parlor in Vinton, Virginia. This has been the law for over 20 years. The circular letter issued eight-to-nine years ago really confirmed what that law was and has been for many decades. So, there is nothing in here in conflict with the Code of Virginia. Mr. Lisk said he did not see a problem and knows that Mr. Cabell is worried that these changes will open up multiple new businesses to getting ABC licenses. Mr. Lisk said ABC has been issuing licenses to these establishments that he is concerned about. Taco Bells in Virginia, Shake Shacks, movie theaters, food halls, all have full mixed beverage licenses under current law. The suggestion that these changes, if adopted, would somehow create an explosion of new businesses with mixed beverage licenses is simply not true. Mr. Lisk said it was with reluctance on their part that they agreed to remove these changes from the packet but as he said there are so many other changes that would be held up if they did not agree, so they agreed, but it is their intention to return to the Board in 2024 to see if they can have these proposed changes in this one section considered outside of the broader package but as a stand alone proposal so they can actually have an informed discussion and debate and can demonstrate conclusively that the concerns raised by the objectors to these changes are without merit, that these changes are not inconsistent with the Code of Virginia, that these changes certainly serve the public interests and do no harm. But to allow the other changes to move forward, they

agreed to have this section removed to limit the controversy that was holding up all of the two years' worth of work of the stakeholders.

Chair Hugo thanked Mr. Lisk and stated that he appreciated the information and expertise he brought to the table, adding that he was aware of Mr. Lisk's tenacity and had no doubt that Mr. Lisk would be back at the table in early January to work on this regulation again.

Mr. Lisk added that phone calls from other legislators, while well-intentioned, should be challenged about what their understanding of the specifics were because he suspected they were given the same conclusionary statements that Mr. Cable has offered and have not had a chance to review the draft language to see that those representations are in fact inaccurate. Mr. Lisk added that as Mr. Rubin pointed out, the Board's approval is a step in the process, and we are far from the end of the regulatory process. If the Board moves forward with the package today, it would go forward as proposed regulations which would then be subject to review by the Secretary of Public Safety, and review by the Governor's Office before they could even be published by the ABC as proposed regulations which would then start a whole new round of public comments, more opportunity for review by legislators, and more review by stakeholders. He noted that it is many months away from any regulatory changes taking effect so it would really do no harm if all of the changes, to include this section, were adopted today, but they didn't want to be the fly in the ointment that prevented the hard work of ABC's staff and the stakeholders going through.

Mr. Holland stated that he kept hearing there was a consensus on this topic but wondered where there was this consensus? Who are the parties that agreed to this?

Chair Hugo stated that he did not want to answer this one but thought that perhaps Mr. Daniel or Mr. Lisk might prefer to do so.

Interim CEO Kirby stated that it was his understanding that the agreement was that ABC would remove the part of the regulation that is causing the controversy, leaving the current language that is in the Code as guidance, then we would all come together after the first of the year to work out the language that's in controversy.

Chair Hugo asked Mr. Holland if this response was adequate.

Mr. Holland replied that it was.

Chair Hugo asked if there were any other questions from the Board members or staff. Was there anyone else from the public who would like to speak, perhaps Mr. Herbert or someone from hotels?

Mr. Tommy Herbert introduced himself as a representative of the Virginia Restaurant Lodging and Travel Association. Mr. Herbert stated that he would associate himself with the comments of Mr. Lisk who has always been a great help to his organization, adding that he appreciated his group's ability to come here to speak as well as the agreement of the Board and the stakeholders to not to hold up such important regulatory changes.

Chair Hugo asked if there were any other comments from the Board members? There being none, the Chair deferred to Mr. Chris Curtis regarding proposals handed out to the Board.

Mr. Curtis confirmed that two motions had been shared with the Chair, Vice Chair and Mr. Rubin who was present in the meeting room today.

Chair Hugo asked if someone could make a motion based on what was given to them? Vice Chair Sledd stated that he would be happy to make the motion to approve the two proposals. John Daniel added that two separate motions needed to be made because the second proposal depends on the vote from the first proposal.

Vice Chair Sledd made a motion that the proposed regulatory changes to Chapters 10 through 70 of 3 VAC5 be amended to delete the proposed modifications to 3VAC5-50-110 and to restore the existing language for 3VAC5-50-110, dealing with mixed beverage licenses to the modification proposal. Mr. Sledd also stated that he would encourage also that the Board continue to pursue a discussion of these revisions in 2024 to get a better understanding of it.

Chair Hugo asked if there was a second? Hearing none, the Chair seconded the motion. The chair asked for any further discussion. There being none, the roll was called: the motion passed 4-1. Mr. Holland was the dissenting vote. The Chair then asked for the reading of the second proposal.

Vice Chair Sledd made a motion that the modifications to Chapters 10 through 70 of 3VAC5, as amended, be approved.

Mr. Euille seconded the motion.

The Chair asked for any further discussion. There being none, roll was called, and the motion passed 4-1. Mr. Holland was the dissenting vote.

The Chair then deferred to the staff and Interim CEO regarding the necessity of a closed session.

Interim CEO Kirby stated that a closed session was necessary but suggested that there may be more public comments at this time.

The Chair asked if there was any further comment. There being none, he thanked the members of the staff and public for attending and asked that Mr. Daniel take the Board out of public session into a closed session.

#### **Closed Session**

Mr. Rubin made a motion to move into closed session. Mr. Euille seconded the motion. Chair Hugo asked for discussion. There being none, roll was called; all approved the motion. The Board entered closed session at 2:44p.m. to discuss a personnel issue pursuant to Virginia Code §2.2 37.11(A)(1). Attending the closed session were Chair Hugo, Vice Chair Sledd, Member Rubin, Member Euille, Member Holland, Office of the Attorney General Elizabeth Peay, Chief Government Affairs Officer John Daniel, Deputy Secretary Chris Curtis and Interim CEO Tom Kirby.

Meeting Adjournment at 3:10 p.m.

Upcoming Dates:

January 9, 2024, at 9:00 a.m.

**BOARD MEETING MINUTES: January 9, 2024**  
**ABC Headquarters**

Call Meeting to Order at 9:05 a.m.

**Attendees**

Board Chair Tim Hugo  
Board Vice Chair Bob Sledd  
Board Member William Euille  
Board Member Mark Rubin  
Board Member Gregory Holland  
Interim Chief Executive Officer and  
Chief Law Enforcement Officer, Tom Kirby  
Chief Government Affairs Officer, John Daniel  
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  
Director of Real Estate, Susan Johnson  
Director of Marketing, John Shiffer  
Director of Retail Operations, Jennifer Burke  
Director of Communications, Tracey Lorraine  
Director of Strategy and Analytics, Mike Berman  
Tom Lisk  
Public Information Officer, Jeff Caldwell  
Public Relations Manager, Carol Mawyer  
Public Relations Specialist, Pat Kane  
Project Support Specialist, Linda Phelps  
Change Manager, Davishia Baldwin  
Senior Paralegal, Helen Gordon  
Senior Legal Counsel, LaTonya D. Hucks-Watkins

**Absent**

Executive Administrative Assistant, Kathleen LaMotte was unable to attend.

**Welcome**

Board Chair Hugo welcomed everyone to the session. The first order of business was the approval of the minutes from the November 13, 2023 Board meeting.

**Approval of Minutes**

The Chair asked if there were any questions/comments from the Board.

Member Rubin noted a typo on page two, the second paragraph, third sentence, should read “twenty-five months” not “twenty-five years”.

The Chair asked for any further comments, there being none, Member Rubin made a motion to approve the minutes as amended. Member Euille seconded the motion. The Chair called roll. All members were present and approved the minutes as amended.

## **New Business**

Chief Administrative Officer Dave Alfano began the financial report by referring the Board to the materials prepared for them in their binder, beginning with page 21. Alfano noted that the efforts made by the retail team greatly helped to bring the Authority back into alignment on costs. We achieved a \$21.7 million dollar profit at the end of November and reached a 20.2% profit margin.

Vice-Chair Sledd asked if we were appropriately staffing stores with all the cut-backs made.

Director of Retail Operations, Jennifer Burke, stated that the stores are fully staffed. Burke added that in the summer, our practices would need to be adjusted a bit as sales tend to go up during those months but as of now, the retail staff has adjusted well to altered hours of operation.

Alfano moved to Page 23 to present the year-to-date figures. He noted that we had lower credit card fees but that was because we also had lower sales and lower profits.

Vice-Chair Sledd stated that he had noted a trend earlier in the bottle sales....did that continue?

Mr. Alfano replied that there is some data in the presentation related to bottle sales but to address it here, bottle sales have increased. Mr. Alfano stated that higher paid time off usage accounted for approximately \$900,000 in budget favorability. On page 24, the effects of paying for employee training and the impact of the 2% pay increase for employees can be seen. Mr. Alfano stressed this was a timing issue; costs will be caught up later in the year. When a budget forecast is made in the coming months, these costs will be taken into consideration.

Member Rubin noted that he had noticed a change in store hours. How did that impact sales?

Alfano said store hours were extended for the holiday season in the month of December.

Interim CEO Kirby stated that the Authority conducted a number of promotions in the month of December. Our revenue team pulled a number of levers to include flash sales, suppliers helped with doorbuster sales, and we gave a one-time, one-day 20% discount for employees who opted in to it, to say thank you to the employees but also to help with sales. We also used billboards. However, we will go back now to analyze that data to see what the impact was of all of these incentives in December. Kirby stated that he had some concerns over the use of billboards as well and that he had shared those concerns with his team. Because of those concerns and to protect the image of this organization, some billboards were pulled back.

Member Rubin stated he had problems with the employee discount promotions, noting that he is constantly asked if he gets special deals on alcohol or other perks by working for ABC and he was proud that he's always been able to say, "none whatsoever." He recommends that we could thank our employees in a different way, and wanted to register that as a concern.

Kirby noted Member Rubin's concerns. He stated that the one-time 20% discount to the employees was in the works before CEO Hill left. Kirby noted that he spent a great deal of time talking to legislators, NABCA, and others before moving forward with the 20% discount. As a result, limits were put on the discount limiting it to one day only and no more than \$50 savings to anyone. He added that other measures were put in place

that day as safeguards, such as using a voucher that had to be signed and showing agency identification. Kirby noted that the Authority will still do everything responsibly, adding that with his background in enforcement, he would not jeopardize that. I am committed going forward to keeping the Board informed.

Member Rubin appreciated Kirby stating that he would keep the Board better informed. Rubin noted that it was his hope that the Authority not lose the mission to keep control of the industry and keep it as safe as possible.

Chair Hugo asked Member Rubin if it was advertising or the billboards that concerned him?

Member Rubin stated that he believed the billboards were a step too far. Billboards seem to be telling people what products are available instead of promoting safety and responsible drinking. Chair Hugo thanked Mr. Robin for his comments. Moving on, the Chair stated that he had talked to NABCA about the reduction in alcohol sales is across the states; it is not just Virginia. The Chair asked if people were buying smaller bottles or if it depended on the brand?

Mr. Alfano stated that a supplemental presentation had been placed into the back of the Board's binders that went into this subject.

Interim CEO Kirby interjected that the supplemental presentation notes the Authority analyzing the retail area locally but it should be noted that we are also analyzing what is happening across other states. We are trying to be a leader in the retail market.

Mr. Alfano stated that he wanted to provide in this update an idea of what December sales were. Page 2 of the supplemental presentation showed the preliminary sales data for the month of December. Sales are totaling close to \$5 million about \$300,000 favorable versus budget. We had barrel releases and allocated drops. We would have been flat to last year without those incentives. Promotions like these do provide foot traffic to the stores. Page 3 goes over the downturn we are seeing. This picture was to give you insight into how sales have been trending since December. Beginning this fiscal year is when we start to see a significant decline in sales. Sales were higher when our budget was made last year because sales are typically higher in the Spring and Summer. Page 4 is data received from NABCA. Virginia was trending slightly higher than the other control states. (comparison was with 17 control states) NABCA noted a 1.3% increase in sales, while we were slightly higher at a 1.6% increase.

Member Rubin noted that the Authority had forecast a 5% increase. It would appear that we will not hit that mark. Have we advised the General Assembly that we are not going to reach this increase?

Chief Government Affairs Officer John Daniel stated, it is the office's intention to schedule time to apprise the General Assembly on where we are after all data for the year has been collected and analyzed.

Vice-Chair Sledd commented that he was impressed with how the Authority has managed costs to this point.

Mr. Alfano stated that once the figures are finalized in December, a forecast will be completed.

Vice-Chair Sledd agreed that a forecast would be helpful for the General Assembly.

CEO Kirby stated that the only reason a forecast had not been done at this point was that the December figures need to be closed out to develop a forecast.

Interim CEO Kirby asked Mr. Alfano to explain to the Board what page 8 represents. There is an inflation impact as well.

Alfano stated that page 8 came directly out of our budget presentation and summarizes the components used in determining the 5.2% sales growth assumption. Page 9 reflects actual growth versus the assumptions used in the budget. The two big variances are around inflation and mix. Suppliers are offering discounts and keeping their prices low like we are; both entities are trying to adjust for inflation. On page 7, you get insight into the question around what is happening with sizes. We are seeing an increase in sales of the minis and smaller sizes. Consumers are not changing to lower grade products but simply to smaller sizes of the products.

Member Holland noted that he remembered our advertising budget being cut; what percentage was that cut?

Alfano stated it was reduced by about 50%.

Member Holland noted that in December, he didn't see any ABC ads on television.

Alfano stated that was true; there were more radio ads.

Director of Marketing, John Shiffer stated that ABC did not do television ads because of the budget cuts.

Interim CEO Kirby stated that this will be part of the discussion; what are other control states spending on advertising? Advertising is hard to measure.. We want to spend efficiently. We are also talking to suppliers to see how they are advertising. Where can we align with their advertising in a lawful matter? The CEO noted that he would be continuing to work closely with the Authority's Senior Legal Counsel, LaTonya Hucks-Watkins on this. Kirby felt it was a somewhat exciting time, finding different ways to meet the market but we would not be giving the keys to this business to the supplier community. It is not however, a bad idea to work more closely with them and then make decisions that are in alignment with our values. The suppliers are excited to work with us and I am too

Member Holland stated that according to the weekly reports the Board receives, our revenues are going to be down between 50-60 million dollars, is that correct?

Mr. Berman indicated that the revenue shortfall will likely be closer to \$30 million.

Member Holland stated that he would think that advertising on television would be more effective than billboards.

Mr. Alfano stated that the aforementioned forecast once December is finalized would also show what impact the use of billboards had. Store sales are currently forecast to be \$18 million below budget at the end of December.

Director of Finance, Doug Robinson, stated that this Friday the figures for December should be finalized.

Chair Hugo reinforced that we need the data before talking to the General Assembly.

Alfano went on with his presentation of pages 10 and 11 to show a focus of ABC's attention to increasing revenue and customer engagement.. Ongoing expense management will include looking at every vacant position. . For example, we are not currently backfilling vacancies in the C-Suite. We are making sure we are only spending what is absolutely necessary for the Authority, while also delivering the same level of care to our customers.

—Interim CEO Kirby reiterated that the CTO will be meeting to analyze backfill positions. We encourage all members of the Authority to make sure they are being very frugal and cautious about spending money. Everyone is thinking about every dollar spent.

Interim CEO Kirby gave a call out to Carol Mawyer (Corp. Communications) for being cautious about spending money. He asked Carol how much it costs to produce the quarterly Spirited Virginia magazine. Carol responded that the magazine is produced at zero cost.

Interim CEO Kirby stated that a focus store program was conducted with district and regional managers as well as Jennifer Burke when she could, to visit stores to make sure retail was getting the assistance and training they needed to sell products most effectively. At some of the supplier meetings the chair and Interim CEO attended, they talked to suppliers about providing free education to our store employees about their products; with suppliers coming to meet the retail staff in the stores.

Ms. Burke added that store personnel are being put out on the floor more to talk to customers and get to know what they want and need better.

The Chair noted that this statement goes to Mr. Rubin's point regarding selling more higher priced items if store employees know about the products. The Chair asked how much theft impacts our budget numbers?

Interim CEO Kirby stated that you have to look at theft from two points; first what have we done from a theft prevention model? Ms. Burke has voiced concerns about safety in the stores. From an enforcement standpoint, I see no problem with using lock boxes for certain products. However, from a retail perspective, if a consumer has to wait more than 1 minute and 45 seconds, they are going to pick another product or leave. So, while helping with safety, the lock boxes appear to be hurting our revenue.

Chair Hugo agreed that overprotecting our products hurts revenue even though it is better from a police standpoint.

Interim CEO Kirby added that with only the lock box being there and no product within easy reach, people move on.

Ms. Burke stated that the zone coverage done in the stores was to help prevent theft in part as well as to mingle with customers more. Burke noted that we are not going to stop all theft but we will stop some if we are right there and can help customers.

Chair Hugo asked about teenagers shoving bottles in their pants/jackets. How organized has this practice become?

Ms. Burke stated that in Virginia Beach and Richmond especially, it is definitely an issue. "Pants", as we refer to one individual in particular, is definitely stealing for someone as he knows specifically what he is coming in for and fills his pants pockets with the product and leaves.

Vice-Chair Sledd agreed that he was not sure locking things up would be a deterrent.

Ms. Burke replied that retail is staying away from the locking cabinet.

Member Holland asked if there had been a noticeable decrease in traffic in the stores over the past 6 months?

Ms. Burke stated that traffic is the same but more folks are buying smaller bottles and less of the premium products.



Interim CEO Kirby stated that overall, revenue in the stores is up over last year. That revenue increase is in line with what we're seeing in the industry. It wasn't just increasing sales but it was assumptions related to inflation and the way suppliers and the Authority adjusted to work around inflation. Revenue isn't down.

Vice-Chair Sledd stated that the Authority is doing a great job keeping costs down but are we sacrificing growth to keep those costs low?

Interim CEO Kirby stated that the Authority is still using e-commerce but we are not expanding that. So, we are still using technology but just not expanding its use.

The open meeting was adjourned at 10:13 a.m. for the appeal hearing.

### **Appeal Hearing (El Tropi, 2, LLC)**

#### **New Business by Kristie Miles (in appeal hearing)**

Senior Paralegal, Kristie Miles, presented Board appeal orders for the months of October and November for approval.

Member Rubin made a motion to approve all of the Board orders as written. Member Euille seconded the motion. Hearing no further comments, the Chair called roll. All approved the orders as written.

### **Open Meeting**

The Chair stated that Member Rubin made a request to go back to finish the real estate portion of the meeting prior to entering into closed session. The appeal hearing ended at 11:08 a.m. and the open meeting began.

Interim CEO Kirby asked that everyone's attention turn to pages 27 and 28 of the presentation in the Board binders-real estate renewals. Kirby pointed out that Store 388 in Tyson's Corner was closed, per the Board's request.

Director of Real Estate, Susan Johnson noted that the Authority would still have a couple of stores opening so the closure should not affect profit.

The Chair asked if there were any questions. There being none, the Chair asked for a motion to approve the real estate committee proposal.

Vice-Chair Sledd made a motion to approve the real estate committee recommendations from REC November. Renewals Store #064 (Stafford), Store #094 (Ashburn – Loudoun County), Store #112 (Hampton) Store #113 (Hot Springs), Store #156 (Cape Charles – Northampton County), Store #162 (Accomack), Store #230 (Tazewell), Store #233 (Gloucester), Store #322 (Centreville – Fairfax County), Store #339 (Verona – Augusta County). Member Euille seconded the motion. No further comments were made. The Chair called the roll and all approved the real estate committee's proposal.

The Chair asked if there were any further reports from the Directors?

Interim CEO Kirby stated that the directors were present but currently had nothing to report. They are present to answer any questions the Board may have.

Chair Hugo stated that he did have a real estate question...do we have any plans to unload some space here in the central office if we are not using it?

Interim CEO Kirby said that he and Mr. Alfano met with DGS and DGS has looked at some open space on the second floor but we have not heard back from DGS yet. .

Mr. Alfano noted that it is approximately ¼ of the second floor that would be available to rent and offered to walk the Chair through the space.

Interim CEO Kirby added that some employees had been moved from the second floor up to the third floor to allow anyone that wanted to rent space from us to be on one floor together rather than spread out all over the building.

Chair Hugo asked if the CEO was envisioning more of a return to the office to work?

Interim CEO Kirby stated that he would definitely like to see the leadership team more in the office but that he was sensitive to the impact this move would have on employees. The most desirable work opportunities currently are those that provide for scheduling flexibility in and out of the office.

The Chair noted that the first question related to employment used to be how much work is there but there is now a shift to how much virtual work time is there.

Member Holland asked who made the suggestion that we sublet some of our office space?

Mr. Alfano stated that there was a memo that went out to all state agencies asking that the empty spaces in all state buildings be limited and to reach out to DGS if we had any space available.

Member Holland stated that he was wondering if it was the Governor's suggestion?

Chair Hugo stated that we should definitely hold on to our space for our own folks but it is just cost effective to rent out those open spaces.

The Chair then asked if there were any questions on the Financial Report?

Interim CEO Kirby interjected that Vida Williams resigned effective January 2<sup>nd</sup>. Kirby also stated that we needed some available dates for upcoming Board meetings for the year. According to statute, we are required to meet every 60 days. Kirby also gave a shout out to the staff who do a great deal of work to get things together for these meetings.

Chair Hugo stated that he thought it was appropriate to thank Ms. Williams for her service to ABC and to the Commonwealth. As far as the meetings, the chair noted that the Board had been meeting once a month and asked the Board members what they would like to do.

Vice-Chair Sledd noted that only so much happens in 30 days and it is a lot of work to manage. Sledd stated that unless there was a need for meetings every 30 days, he felt that the Board should allow time for management to prepare and address some things, adding that other Boards meet every quarter.

Chair Hugo stated the Board will definitely meet in February and March since the General Assembly is in session but the Board will discuss whether to lessen the meetings after that, and maybe the Board needs to hear from the staff as well. He suggested perhaps the Board could meet every 45 days after that once the General Assembly is not in session. . Mr. Holland stated that he felt like the Board had too much to discuss to limit their meetings to every 45-60 days.

Interim CEO Kirby stated that he would keep the Board informed through regular updates and if the Board would like a call, the CEO would be happy to do that as well. The CEO added that it was known that there is one staff member who is vital to the meeting who is unavailable right now so it requires many others to fill in. The CEO submitted that he felt 45-60 days as required by statute was enough but that the decision was up to the Board to decide. The CEO did attest that if something was urgent, he would not wait until the next Board meeting but would certainly call the Board.

Vice-Chair Sledd said the Board has hearings...can those be held without a Board meeting?

Chair Hugo stated the Board would have to meet. .

John Daniel called the Board's attention to the legislative tracking matrix and handed the Board members a copy of this tracker. Mr. Daniel stated that the Board will be sent this tracker twice a week via email. The tracker will grow in length during the General Assembly and will then be reduced as items are no longer to be considered. A fiscal impact statement will be provided if needed. It is a projection that evaluates how adoption of a bill will impact our agency. Then Mr. Daniel stated that he wanted the Board to be a little familiar with the way the Authority tracks the General Assembly session.

Chair Hugo asked if there were any questions for Mr. Daniel.

### **Comments from the Board**

No further comments made.

### **Public Comments**

None made.

Member Rubin moved the Board into closed session at 11:34 a.m.. In attendance in the closed session with the Board were Jim Flaherty, John Daniel, Dave Alfano, Tom Kirby and Chris Curtis.

Member Euille made a motion to move into closed session. Vice-Chair Sledd seconded that motion. The Chair called roll. All approved entry into closed session. The Board entered closed session to discuss a personnel issue pursuant to Virginia Code §2.2 37.11(A)(1). Attending the closed session were Chair Hugo, Vice Chair Sledd, Member Rubin, Member Euille, Member Holland, Office of the Attorney General Elizabeth Peay, Chief Government Affairs Officer John Daniel, Deputy Secretary Chris Curtis and Interim CEO Tom Kirby.

### **Closed Session**

The Board came out of closed session at 1:00 p.m. Member Rubin made the motion to move out of closed session. Member Euille seconded the motion. With no further discussion, Chair Hugo called roll. All approved moving back into open session.

Member Rubin made a motion to affirm the decision of the Administrative Law Judge in the El Tropi 2 appeal. Member Euille seconded the motion. No further comments were made. The Chair called roll. All approved the motion.

### **Adjournment**

The Board adjourned at 1:01 p.m.



# New Business

Board Approval:





# Real Estate Committee Recommendations

## Overview

## Action

### January:

Approve Real Estate Recommendations

0 New Stores

0 Relocations

0 Expansions

3 Renewals

### February:

0 New Stores

1 Relocation

0 Expansions

8 Renewals

# Real Estate Committee Recommendations

ACTION	COMMENTS
January 2024	
Renewals	
Store #038 (New Kent) New Kent Crossing	2450 square feet at \$19.87 per square foot, with 2% annual escalations, for a 5 year option term
Store #192 (Kilmarnock)	3375 square feet at \$13.27 per square foot for 3 years and \$14.27 per square foot for 3 years <i>(Landlord initially proposed \$14.23 and \$15.29, respectively)</i>
Store #287 (Lynchburg) Boonsboro Shopping Center	3750 square feet at \$15 per square foot, flat, for a 5 year option term



# Real Estate Committee Recommendations

ACTION	COMMENTS
<b>February 2024</b>	
<b>Relocation</b>	
<b>Store #233 (Gloucester) Fox Mill Centre</b>	2873 square feet at \$22.00 per square foot, with 3% annual escalations, for a 10 year term (Landlord initially proposed \$27.50 per square foot; average rent in the center is \$28 per square foot)
<b>Renewals</b>	
<b>Store #042 (Mount Vernon – Fairfax County) Mount Vernon Square</b>	3200 square feet at \$29 per square foot, with 2% annual escalations, for a 5 year term (Landlord initially proposed \$29.28 per square foot with 3% annual escalations)
<b>Store #109 (Rosslyn – Arlington County) 1919 Clarendon Building</b>	3001 square feet at \$42.66 per square foot, with 2% annual escalations, for a 5 year option term
<b>Store #112 (Hampton) Mallory Street Commons</b>	2970 square feet at \$19.48 per square foot, flat, for a 5 year option term
<b>Store #123 (Clifton Forge – Alleghany County)</b>	2456 square feet at \$6.84 per square foot, flat, for a 5 year term (Landlord initially proposed \$7.80 per square foot)
<b>Store #209 (Fredericksburg) Four Mile Fork</b>	4450 square feet at \$19.73 per square foot, with 3% annual escalations, for a 5 year term (Voted on by the Real Estate Committee on 11-7-23; unfortunately, it was inadvertently deleted from the Board’s agenda for the 1-9-24 meeting)
<b>Store #218 (Gate City – Scott County)</b>	3500 square feet at \$5.00 per square foot, flat, for a 5 year term
<b>Store #290 (Grafton – York County) Washington Square</b>	4410 square feet at \$15.25 per square foot, flat, for a 5 year option term
<b>Store #362 (Sterling – Loudoun County) Countryside Shopping Center</b>	6000 square feet at \$22.65 per square foot, with 2% annual escalations, for a 5 year option term

# Hearings

License/Applicant	Attorney's	Appellant	Complaints/Charges	Trans. No. of Pgs.	Charges/Objections Heard by Administrative Law Judge	Contacts/ Objectors	Date & Time
<p>LYMA, LC  <b>Big Als</b>                      10 South Street                      Front Royal, VA 22630-2200</p> <p>License: 038372                      Wine and Beer Off Premises</p> <p>Administrative Case No.:                      013378476</p>	<p><b>1</b></p> <p>Rachel Yates, Esq.                      Assoc. Legal Counsel</p> <p>Mark R. Dycio, Esq.                      10533 Main St.                      Fairfax, VA 22030</p>	<p>Licensee</p>	<p>1. On June 23, 2023, at approximately 8:12 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 Selections 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.</p>	<p>93</p>	<p>1. On June 23, 2023, at approximately 8:12 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 Selections 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.</p>	<p>K. Weatherholtz                      S. Solodyankin</p>	<p>02/21/24                      10:00 AM</p>
<p>AQDUS INC  <b>Mt. Torrey Convenience</b>                      587 Mt Torrey Rd                      Lyndhurst, VA 22952-2600</p> <p>License: 753488                      Wine and Beer Off Premises</p> <p>Administrative Case No.: 013425324</p>	<p><b>2</b></p> <p>Maureen Mshar, Esq.                      Assoc. Legal Counsel</p>	<p>BLE</p>	<p>1. On 30 September 2023, at approximately 1817 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 1.b., and 4.1-304 A. of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20.</p>	<p>58</p>	<p>1. On 30 September 2023, at approximately 1817 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 1.b., and 4.1-304 A. of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20.</p>	<p>S. Southworth                      R. Davis. Jr.                      T. Duff</p>	<p>2/21/24                      10:00 AM</p>
<p><b>MATTER ADDED TO DOCKET.</b></p>							

<p>Malakhi Lounge &amp; Jamaican Restaurant LLC  <b>Malakhi Lounge &amp; Jamaican Restaurant</b>                  8910 Mathis Ave                  Manassas, VA 20110-5216</p> <p>License: 093735                  Wine and Beer On and Off Premises                  Mixed Beverage Restaurant</p> <p>Administrative Case No.:                  013375927</p>	<p style="text-align: center; border: 1px solid black; width: 20px; margin: 0 auto;">3</p> <p>Maureen Mshar, Esq.                  Assoc. Legal Counsel</p> <p>Reginald Henderson, Esq.                  8801 Sudley Rd.                  Manassas, VA 20108-1002</p>	<p>Licensee</p>	<p>1. The licensee failed or refused to comply with a Board Order dated January 10, 2023, in violation of Sections 4.1-202 and 4.1-225 1.b. of the Code of Virginia.</p>	<p>35</p>	<p>1. The licensee failed or refused to comply with a Board Order dated January 10, 2023, in violation of Sections 4.1-202 and 4.1-225 1.b. of the Code of Virginia.</p>	<p>J. Barker                  T. Demeria</p>	<p>02/21/24                  10:00 AM</p>
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# Chief Reports

CAO – David Alfano

GAO – John Daniel

CIO – Paul Williams

CROO – Mark Dunham

CLEO and Acting CEO – Tom Kirby





# CAO Report – David Alfano

Financial Update

HR Update

DEI Update

# HOLD FOR FINANCIAL UPDATE



HUMAN RESOURCES						
Requestor: 11/01/2024- 11/31/2024 Approver: David Alfano						
<b>Working Title</b>	<b>Position</b>	<b>Pay</b>	<b>Reason Needed</b>	<b>Date Approved</b>	<b>Notes</b>	<b>Approver: CAO</b>
Senior Sales Associate	08403	43,400.00	New position	1/19/2024		
<b>ITEM: Travel Authorization Reports (3 or more people or excess of \$5000)</b>						
<b>Participants</b>	<b>Meeting Information/Name</b>	<b>Location and Dates</b>	<b>Cost</b>	<b>Reason Travel Required</b>	<b>Approver: CEO</b>	
None	None	None	None	None		
<b>ITEM: Recognition/Rewards of \$750 or higher</b>						
<b>Employee to receive LAST</b>	<b>Manager</b>	<b>Reasoning</b>	<b>Amount</b>	<b>Notes</b>	<b>Approver: CAO</b>	
Distribution Center Incentive Bonus	DAVID WASILEWSKI	STRACK, EDWARD	\$1,074.59			
	DEBBIE REYNOLDS	STRACK, EDWARD	\$875.79			
	DERRICK MITCHELL	STRACK, EDWARD	\$1,138.53			
	JARONN HOLLOWAY	STRACK, EDWARD	\$807.54			
	JONH TABB	KELLISON, JARED	\$961.44			
	LINWOOD CREIGHTON	KELLISON, JARED	\$833.57			
	PATRICK OCHEI	STRACK, EDWARD	\$1,112.22			
	RAYMOND ROBINSON	FERRELL, HUNTER	\$978.87			
	RICHARD COLEY	STRACK, EDWARD	\$1,019.73			
	ROBERT ROBERTSON	KELLISON, JARED	\$804.54			
	TREVOR BOONE	STRACK, EDWARD	\$782.43			







# Project Management Office

- Ongoing centralized work effort intake process to evaluate work efforts for the remainder of FY24 and FY25.
  - Received ~40 entries to date for consideration (rolling submission process)
  - Next steps include business case creation, budget readiness, capacity planning and prioritization
- Provide ongoing visibility to the Authority on Divisional and cross-Divisional work efforts
- Weekly meeting with Divisions engaged with the PMO to ensure communication, awareness and prioritization of outstanding needs and requests

Agency Virginia ABC  
 Date of Review January 2023

**3. Major Initiatives for the Month**

						<b>Status</b> On track  Some issues  On-hold 
Initiative Name	What Problem is the Initiative Solving	Description of the initiative Impact	Initiative Owner	Start Date	End Date	Status
WOLO LA	• The Digital/eCommerce program is foundational for Virginia ABC to transform from a split, multi-channel retail environment to a real-time, omnichannel retail environment. This transformation not only provides Virginia ABC with increased operational efficiency and revenue opportunities, but also provides for the best possible customer experience. Currently Online Ordering and Product Data initiatives are in flight.	• WOLO LA leverages the Ship-to-Store functionality to allow online ordering of Limited Availability (LA) products. This will resolve equity issues, address public safety concerns, and increase efficiency. These products are currently available in-store only. With implementation of this project, the Lottery and Online Drops process becomes a web-based solution, enhanced automation and tighter management controls.	• Vida Williams	• 01/01/2022	• 3/30/2024	



# GAO Report – John Daniel

Legislative Update

Legal Update

Hearings Summary

FOIA Requests



# Hearings and Appeals Caseload 12/18/23 – 2/6/24

<b>Total number of new referrals from Enforcement</b>	<b>43</b>
<b>Expedited Consent</b>	
Number of expedited consents offered	<b>21</b>
Number of expedited consents accepted/completed	<b>34</b>
<b>Collected \$33,500 in civil penalties</b>	
<b>Collected three (3) suspensions</b>	
<b>Pre-Hearing Conference and Formal Hearing Notice &amp; Opportunity to Negotiate/Mediate Notice</b>	
Number of Notices sent	<b>32</b>
Number of Pre-Hearing Conferences held	<b>16</b>
Number of cases to Formal Hearing held	<b>13</b>
<b>Negotiated Settlements</b>	
Number of negotiated cases executed	<b>14</b>
<b>Collected \$24,250 in civil penalties</b>	
<b>Collected one (1) 25-day suspension</b>	
<b>Collected three (3) revocations</b>	
<b>Franchise Matters</b>	
Number of active franchise matters	
1 – International Cellars & <u>Lanterna</u> Distribution v. Bodega <u>Valduero</u> – ALJ Maxey	<b>2</b>
2 – Dionysos Imports, Inc. v. Diamond Wine Importers – ALJ Page	
<b>Appeals to the Board</b>	
Number of initial decisions appealed to the <u>Board</u>	
1 – Big Al’s #038372 – 2-21-24	<b>4</b>
2 – Malakhi Lounge & Jamaican Restaurant LLC - 2-21-24	
3 – <u>Vybez</u> Restaurant <u>And</u> Banquet Hall – to be set	
4 – Mt. Torrey Convenience – 2-21-24	
Number of cases resolved after initial hearing and before appeal hearing	<b>0</b>
<b>Stays Issued</b>	<b>0</b>
<b>Cases on appeal from Board to Circuit Courts</b>	
1 –The 4 Cyber Café #755746	
2 – Premium Distributors LLC & Blue Ridge Beverage Inc. v. Boston Beer Corporation	
<b>Cases on appeal from Circuit Court to Court of Appeal</b>	<b>0</b>
<b>Mediated Cases</b>	
Number of cases to mediation	<b>0</b>
Number of cases settled by mediation	<b>0</b>
<b>Summary Suspensions</b>	<b>0</b>



# Negotiations Accepted

LICENSEE NAME	ABC LICENSE #	VIOLATION DATE	DISPOSITION DATE	CIVIL PENALTY (\$)	SUSPENSION / OTHER
HILTON GARDEN INN WINCHESTER	054461	10/7/2023	12/18/2023	\$3,000	
CHARLIE G'S f/k/a HARD TIMES CAFÉ	7081	4/26/2019	12/13/2023	\$4,000	
JUSTINS MARKET	756342	10/22/2023	12/27/2023	\$4,000	
RED APPLE TOBACCO AND MORE	013364012	10/22/2023	1/8/2024		25
C SQUARE SPORTS BAR & GRILL	013396362	1/3/2024	1/16/2024		Revoked
PAGE CONVENIENCE	013304697	10/16/2023	1/16/2024		Revoked
7 ELEVEN 33329 K	756255	7/22/2023	1/23/2024	\$2,500	
7 ELEVEN 41688 H	753033	8/16/2023	1/23/2024	\$2,500	
K POT KOREAN BBQ AND HOT POT	013358006	8/4/2023	1/30/2024	\$2,250	
JTS	753542	3/30/2023	1/30/2024	\$2,500	
COACHS NEIGHBORHOOD GRILL	751701	12/12/2023	2/1/2024		Revoked
MIRANDAS RESTAURANT	750656	06/22/23 & 08/29/23	2/1/2024	\$1,250	12-month probation period
FORK IN THE ALLEY	034794	2/7/2023 & 3/13/2023 & 7/25/23 & 3/31/23	2/2/2024	\$2,250	
HILTON GARDEN INN WINCHESTER	054461	10/7/2023	12/18/2023	\$3,000	
			TOTAL	\$24,250	



# Expedited Consent Orders (ECOs)

Licensee (Trading As)	Lic. Num.	Charge(s)	Civil Penalty	Suspension Accepted (# of days)	Disposition Date	Region
PACOS MARKET	013312494	UAB		25	12/18/2023	STAUNTON
FAMILY DOLLAR 22789	751316	UAB	\$2,500		12/18/2023	HAMPTON
PRAN \$ WORLD	084410	UAB	\$2,500		12/18/2023	HAMPTON
7 ELEVEN STORE 2514 16613 B	066628	UAB	\$2,500		12/18/2023	CHESAPEAKE
ROYAL FARMS 429	013279805	UAB	\$2,500		12/18/2023	HAMPTON
LUKOIL MINIMART	045226	2nd UAB	\$4,000		12/18/2023	CHESAPEAKE
LA UNICA LATINO MARKET	091830	Bad Check	\$500		12/18/2023	FREDERICKSBURG
RESIDENCE INN	090306	2nd UAB	\$4,000		12/18/2023	HAMPTON
BUFFALO WILD WINGS #470	083118	UAB	\$2,500		12/18/2023	HAMPTON
MARTYS GRILL	063012	Bad Check	\$500		12/18/2023	FREDERICKSBURG
RIVERBOUND CAFÉ	029730	2 Bad Checks	\$1,000		12/18/2023	FREDERICKSBURG
JAKES GAS N GO INC	037132	UAB	\$2,500		12/18/2023	CHARLOTTESVILLE
HAPPY SHOPPER #6	051245	UAB	\$2,500		12/18/2023	HAMPTON
DAVIS TRAVEL CENTER 102	013307711	UAB	\$2,500		12/19/2023	HAMPTON
LITTLE SUE 6	087463	UAB	\$2,500		12/19/2023	FREDERICKSBURG
SPEEDWAY 4676	089022	UAB	\$2,500		12/20/2023	HAMPTON
7 ELEVEN STORE 16220 B	062797	UAB	\$2,500		12/21/2023	RICHMOND
REGENCY MART	087262	UAB	\$2,500		12/21/2023	RICHMOND
DUCK THRU FOOD STORE 5	038867	UAB	\$2,500		12/27/2023	HAMPTON
EVEREST FOOD MART	091494	2nd UAB	\$4,000		12/27/2023	STAUNTON



# ECOs Page two

Licensee (Trading As)	Lic. Num.	Charge(s)	Civil Penalty	Suspension Accepted (# of days)	Disposition Date	Region
APPLEBEES NEIGHBORHOOD GILL & BAR	013144338	UAB	\$2,500		12/28/2023	ROANOKE
LOVE FOOD MART 10	090485	UAB	\$2,500		12/28/2023	CHESAPEAKE
LOVE FOOD MART 17	754322	UAB	\$2,500		12/28/2023	HAMPTON
LOCAL ROOTS CAFÉ	064511	UAB	\$2,500		1/9/2024	ROANOKE
TRAPEZIUM BREWING	089628	UAB	\$2,500		1/9/2024	RICHMOND
FOOD LION 1416	009863	UAB	\$2,500		1/12/2024	CHESAPEAKE
PLAZA AZTECA MEXICAN RESTAURANT	066264	Bad Check	\$500		1/17/2024	HAMPTON
MERMAID WINERY	013393165	UAB		25	1/19/2024	CHESAPEAKE
TAQUERIA MANOLETE INC	751374	2nd Bad Check in 12 months	\$1,000		1/22/2024	STAUNTON
FIESTA AZTECA BAR AND GRILL	013114999	Bad Check	\$500		1/22/2024	CHARLOTTESVILLE
TAQUERIA BAR EL CORONITA	752407	Bad Check		10	1/22/2024	CHESAPEAKE
CHURCH FOOD MART	090472	Bad Check	\$500		1/29/2024	CHESAPEAKE
CUTLASS GRILLE	013122004	Bad Check	\$500		2/6/2024	CHESAPEAKE
NAZRET CULTURAL FOODS	093551	Bad Check	\$500		2/6/2024	ALEXANDRIA



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 2/13/2024</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
Boston Beer Corporation vs Premium Distributors of Virginia and Blue Ridge Beverage Company, Inc.	Hanover Circuit Court	Appeal of board order	Boston Beer filed a notice of appeal on 12/21/23; the petition for appeal was filed in Hanover Circuit Ct on 1/16/2024 (CL24000200-00); <b>a hearing has been set for March 15, 2024 at 10:00 a.m. to set dates for a scheduling order.</b>	Kevin McNally for Premium and Blue Ridge  MM for ABC  Brian Wainger/David Sullivan for Boston Beer	

Licensee	Lic. Num.	Charge(s)	Negotiated Resolution	Region	Agreement Send
Red Stone LLC t/a Red Apple Tobacco and More	13364012	On October 22, 2023, at approximately 10:50 a.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 1.b. and 4.1-304 A. of the Code of Virginia and 3VAC5-50-10 and 3VAC5-50-20.	25-day suspension of the wine/beer off premises license	5	1/5/2024
Wingspan Sports Bar & Grill, LLC t/a C Square Sports Bar & Grill	13396362	<ol style="list-style-type: none"> <li>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 (A)(1)(q) of the Code of Virginia.</li> <li>On 11/26/2023, at approximately 4:11 pm, the licensee purchased wine or beer for resale from a person other than a wine or beer wholesaler licensed in this Commonwealth, in violation of Sections 4.1-202, 4.1-225 (A)(1)(b) and 4.1-236 of the Code of Virginia.</li> <li>On 11/22/2023, 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, 4.1-225 (A)(7), and 4.1-225 (A)(1)(b) of the Code of Virginia and 3VAC5-30-30.</li> <li>The licensee cannot demonstrate financial responsibility sufficient to meet the requirements of the business conducted upon the license issued by the Board, in violation of Section 4.1-225 (A)(1)(e) of the Code of Virginia.</li> </ol>	Licensee agrees to voluntarily surrender their wine and beer on and off premises license	6	1/12/2024
		<ol style="list-style-type: none"> <li>On 1/1/2024, (between 1/9/2024 and 11/30/2023), the licensee failed to keep complete, accurate and separate records, in violation of Sections 4.1-202, 4.1-212 (2)(C), 4.1-204, and 4.1-225 (A)(1)(b) of the Code of Virginia and 3VAC5-70-90, 3VAC5-70-180, and 3VAC5- 70-225 (B).</li> <li>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), 4.1-225(A)(1)(b) and 4.1-225(A)(7) of the Code of Virginia and 3VAC5-50-110(A) and 3VAC5-50-110 (B).</li> <li>The licensee has been delinquent for 90 days or more in the payment of any taxes or any related penalties or interest lawfully imposed by the locality where the licensed business is located, in violation of Section 4.1-225(A)(6) of the Code of Virginia.</li> </ol>			

Misty Sanitation & Commercial Cleaning, Inc. t/a Page Convenience	13304697	<p>1. On May 25, 2023, the licensee purchased wine or beer other than by cash paid and collected at the time of delivery, in violation of Sections 4.1-202 and 4.1-225 1.b. of the Code of Virginia and 3VAC5-30-30. (2nd offense in 6 months)</p> <p>2. On August 17, 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. (3rd violation in 6 months)</p>	Licensee agrees to voluntarily surrender his license as revoked	3	1/12/2024
7 Eleven, Inc. t/a 7 Eleven 33329K	756255	On July 22, 2023, at approximately 11:22 a.m., the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than 21 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 3VAC5-50-10 and 3VAC5-50-20.	\$2,500 civil penalty	8	1/16/2024
7 Eleven, Inc. t/a 7 Eleven 41688H	753033	On August 16, 2023, at approximately 4:53 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 21 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 3VAC5-50-10 and 3VAC5-50-20.	\$2,500 civil penalty	7	1/16/2024
K Pot Falls Church, LLC t/a K Pot Korean BBQ and Hot Pot	13358006	The applicant, a person not licensed under the ABC Act, has kept or has allowed to be 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.	\$2,250 civil penalty + BLE will not object to the issuance of the license	4	1/23/2024
Coachs Checkered Flag t/a Coachs Neighborhood Grill	751701	On December 12, 2023, at approximately 11:43 a.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 3VAC5-50-10 and 3VAC5-50-20.	Licensee agrees to volunarily surrender their wine and beer on and off premises licenses and their mixed beverage restaurant license as revoked	1	1/25/2024
J + Ts on the Main, LLC t/a JTs	753542	On March 30, 2023, at approximately 5:15 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 3VAC5-50-10 and 3VAC5-50-20.	\$2,500 civil penalty	2	1/25/2024



<p>Bonannos Restaurant, LLC t/a Miranda's Restaurant</p>	<p>750656</p>	<p>1. On February 7, 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 3 VAC 5-30-30. 2. The licensee has been delinquent for 90 days or more in the payment of any taxes or any related penalties or interest lawfully imposed by the locality where the licensed business is located, in violation of Section 4.1-225 6. of the Code of Virginia. 3. On January 2022-December 2022, the licensee failed to keep complete, accurate and separate records, in violation of Sections 4.1- 202, 4.1-204 and 4.1-225 1.b. of the Code of Virginia and 3 VAC 5-70-90 and 3 VAC 5-70-180.</p>	<p>1. The licensee agrees to pay a civil penalty of two hundred fifty dollars (\$250) for charge 1. 2. The licensee agrees to pay a civil penalty of five hundred dollars (\$500) for charge 2. 3. The licensee agrees to pay a civil penalty of five hundred dollars (\$500) for charge 3; 4. And exercising the privileges of the licenses shall be subject to a (12) twelve-month probationary period. During the period of probation, if the licensee is found by any Virginia ABC Bureau Of Law Enforcement representative to be in violation of title 4.1 of the laws of Virginia or the regulations of the Virginia ABC Board, the license will be automatically surrendered for a period of fifteen (15) days while a Request for Hearing is filed. The licensee will also be subject to whatever penalties are determined by the Board.</p>	<p>9</p>	<p>1/31/2024</p>
<p>Elknirt Enterprises, LLC t/a Fork in the Alley</p>	<p>034794</p>	<p>1. Between 1/27/2023 and 2/7/2023, 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 3 VAC 5-30-30. 2. Between 3/3/2023 and 3/13/2023, the licensee purchased wine or beer other than by cash paid and collected at the time of or prior to delivery, in violaton of Sections 4.1-202 and 4.1-225 1.b. of the Code of Virginia and 3 VAC 5-30-30. 3. On 7/28/2023 between 7/20/2023 and 7/25/2023, 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 3 VAC 5-30-30. 4. The licensee failed to timely submit to the Board the annual review report for the year ending March 31, 2023, in violation of Sections 4.1-114, 4.1-202 and 4.1-225 1.b. of the Code of Virginia and 3 VAC 5-70-90 D.</p>	<p>The Licensee agrees to pay the total sum of \$2,250 as a civil penalty (\$500 for each charge 1-3 and \$750 for the 4th charge).</p>	<p>1</p>	<p>2/1/2024</p>
<p>Pamplona, LLC t/a Pamplona</p>	<p>089511</p>	<p>The licensee failed to pay the required State license fee by cash, and/or the license failed to pay cash to the Board, 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, 4.1-225(A)(7) and 4.1- 225(A)(1)(b) of the Code of Virginia and 3VAC5-30-30 B. &amp; F.</p>	<p>The Licensee agrees to surrender and to not reinstate the license. In exchange, the Bureau of Law Enforcement agrees that it will withdraw the above charge.</p>	<p>4</p>	<p>2/2/2024</p>
<p>Lokee Hookah Lounge, LLC t/d Lokee Hookah Lounge, LLC</p>	<p>13385253</p>	<p>1. On November 1, 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 4.1-202,4.1-225 (A)(1)(b) and 4.1-225 (A)(7) of the Code of Virginia and 3 VAC 5-30-30. (Licensee has 1 previous violation of this charge. 2. The characteristics of the food business conducted upon the premises are such that the establishment fails to qualify as a "restaurant" within the meaning of Sections 4.1-100, 4.1-206.3 (A)(1) and 4.1-225 (5) of the Code of Virginia and 3VAC5-50-110 (C) and 3 VAC 5-50-110 (D).</p>	<p>All current licenses or temporary licenses are hereby surrendered; and any pending applications are withdrawn.</p>	<p>7</p>	<p>2/14/2024</p>



			<b>Total civil penalties: \$ 13,250.00</b> <b>Total costs of investigation paid: \$ 0.00</b> <b>Total days of suspension: 25 days</b> <b>Licensees providing certified training: 0</b> <b>12-month probationary period: 1</b> <b>CPA-Audits: 0</b> <b>License surrendered: 5</b>			
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**Administrative Hearings Status Report**

Style of Case	Charges	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
Mularkey Distilled (Bristow)	UAB	PHC – 10/19/23 @ 10a HR – 10/26/23 @ 10am	Alexandria	ALJ – Griffin OLC – Mshar	<b>SUBSTANTIATED</b> <b>1/18/2024</b>
Royal Mart #4 (Staunton)	UAB	PHC – 11/21/23 @ 11a HR – 11/28/23 @ 11am	Staunton	ALJ – Griffin	<b>SUBSTANTIATED</b> <b>1/10/2024</b>
M. Torrey Conv. (Lyndhurst)	UAB	PHC – 11/17/23 @ 12p HR – 11/28/23 @ 12p	Staunton	ALJ – Griffin	<b>SUBSTANTIATED</b> <b>1/10/2024</b>
Durango Grill (Fredericksburg)	1 – Consumption of alcoholic beverage by intoxicated persons 2 – Loitering – intoxicated person 3 – Failed to take reasonable measures to prevent place from becoming a continuing threat to public safety	PHC – 11/14/23 @ 10a HR – 11/29/23 @ 10am	Hanover	ALJ – Richardson	<b>1 – NOT SUBSTANTIATED</b> <b>2 &amp; 3 – WITHDRAWN</b>  <b>1/11/2024</b>
Coxes (Nickelsville)	UAB	PHC – 11/29/23 @ 9am HR – 12/5/23 @ 1pm	Abingdon	ALJ – Griffin	<b>SUBSTANTIATED</b> <b>2/2/2024</b>
20 Labs Convenience (Richmond)	UAB	PHC – 11/29/23 @ 10a HR – 12/11/23 @ 11am	Hanover	ALJ – Griffin	<b>SUBSTANTIATED</b> <b>1/11/2024</b>
Royal Deli & Mart (Stafford)	UAB	PHC – 12/7/23 @ 9am HR – 12/15/23 @ 9am	Hanover	ALJ – Griffin	<b>SUBSTANTIATED</b> <b>2/2/2024</b>
Ferment Nation (Fairfax)	Licensee can't demonstrate financial responsibility	PHC – 12/1/23 @ 10am HR – 12/15/23 @ 10am	Alexandria Compliance	ALJ – Maxey	<b>SUBSTANTIATED</b> <b>2/1/2024</b>
Fidel Restaurant & Lounge (Falls Church)	Obj – So situated with respect to residence or residential area	PHC – 12/12/23 @ 10a HR – 12/18/23 @ 10am	Alexandria	ALJ – Maxey	<b>NOT SUBSTANTIATED</b> <b>1/10/2024</b>
Hilton Garden Inn Winchester (Winchester)	UAB	PHC – 12/12/23 @ 10a HR – 12/19/23 @ 10am	Staunton	ALJ – Griffin	<b>RESOLVED THROUGH</b> <b>NEGOTIATIONS</b>
Hycos Market (Matthews)	UAB	PHC – 12/13/23 @ 10a HR – 12/20/23 @ 10am	Hampton	ALJ – Page	<b>SUBSTANTIATED</b> <b>1/4/2024</b>

Style of Case	Charges	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
Salsa's Mex Grill (Woodbridge)	UAB	PHC – 12/28/23 @ 11a HR – 1/4/2024 @ 11a	Alexandria	ALJ – Maxey	<b>RESOLVED THROUGH NEGOTIATIONS</b>
Jakes Gas N Go (Fork Union)	UAB	PHC – 1/2/24 @ 10am HR – 1/8/24 @ 10am	Charlottesville	ALJ – Maxey	<b>ACCEPTED ECO</b>
Red Apple Tobacco (Stafford)	UAB	PHC – 1/4/24 @9am HR – 1/11/24 @ 9am	Hanover	ALJ – Richardson	<b>ACCEPTED ECO</b>
Justins Market (Stafford)	UAB	PHC – 1/4/24 @10am HR – 1/11/24 @ 10am	Hanover	ALJ – Richardson	<b>RESOLVED THROUGH NEGOTIATIONS</b>
7-Eleven 24343 K (Norfolk)	UAB	PHC – 1/9/24 @ 10am HR – 1/16/24 @ 10am	Chesapeake	ALJ – Page	<b>SUBSTANTIATED 1/25/2024</b>
Family Dollar (Hampton)	UAB	PHC – 1/10/24 @ 9am HR – 1/17/24 @ 9am	Hampton	ALJ – Richardson	
Stop N Go (Hampton)	UAB	PHC – 1/10/24 @ 1pm HR – 1/17/24 @ 1pm	Hampton	ALJ – Richardson	<b>SUBSTANTIATED 1/26/2024</b>
Hayashi Sushi & Grill (Newport News)	UAB	PHC – 1/10/24 @ 2pm HR – 1/17/24 @ 2pm	Hampton	ALJ – Richardson	<b>SUBSTANTIATED 2/5/2024</b>
7-Eleven 34729 J (Smithfield)	UAB	PHC – 1/10/24 @ 3pm HR – 1/17/24 @ 3pm	Hampton	ALJ – Richardson	
Gaskins Shell (Henrico)	3 <sup>rd</sup> UAB w/in 5 years	PHC – 1/12/24 @ 9am HR – 1/22/24 @ 9am	Hanover	ALJ – Page	<b>Charges withdrawn by OLC/BLE</b>
Davis Travel Center (Stony Creek)	UAB	PHC – 1/17/24 @ 10am HR – 1/24/24 @ 10am	Hampton	ALJ – Page	<b>ACCEPTED ECO</b>
Local Roots Café (Roanoke)	UAB	PHC – 1/19/24 @ 9am HR – 1/26/24 @ 11am	Roanoke	ALJ – Richardson	<b>ACCEPTED ECO</b>
Holiday Travel L Park (Virginia Beach)	UAB	PHC – 1/22/24 @ 10am HR – 1/29/24 @ 10am	Chesapeake	ALJ – Maxey	
Cougars (Virginia Beach)	UAB	PHC – 1/22/24 @ 11am HR – 1/29/24 @ 11am	Chesapeake	ALJ – Maxey	<b>SUBSTANTIATED 2/7/2024</b>
Shop N Go III (Norfolk)	Bad Check	PHC – 1/22/24 @ 1pm HR – 1/29/24 @ 1pm	Chesapeake	ALJ – Maxey	
Crimson Lights Bar (Richmond)	Qualification – Restaurant M/B	PHC – 1/24/24 @ 9am HR – 1/31/24 @ 9am	Hanover	ALJ – Maxey	

Style of Case	Type of Matter	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
Mirandas Restaurant (Madison)	1 – Bad Check 2 – Delinquent in paying local taxes 3 – Failed to keep records	PHC – 1/26/24 @ 10am HR – 2/2/24 @ 10am	Charlottesville	ALJ – Page	<b>RESOLVED THROUGH NEGOTIATIONS</b>
Food Lion 1625 (Hampton)	UAB	PHC – 1/10/24 @ 10am HR – 2/6/24 @ 10am	Hampton	ALJ – Richardson	
Food Lion 466 (Hampton)	UAB	PHC – 1/10/24 @ 11am HR – 2/6/24 @ 11am	Hampton	ALJ – Richardson	
JTs (Chatham)	UAB	PHC – 1/24/24 @ 11am HR – 2/6/24 @ 11am	Lynchburg	ALJ – Page	<b>RESOLVED THROUGH NEGOTIATIONS</b>
Volume (Hampton)	1 – So situated ... residential 2 – Ordinance objection 3 – So located... peace/order	PHC – 2/1/24 @ 10am HR – 2/8/24 @ 10am	Hampton	ALJ – Richardson	
Amphoras Diner (Herndon)	Delinquent in paying local taxes	PHC – 2/5/24 @ 10am HR – 2/12/24 @ 10am	Alexandria	ALJ – Richardson	
Little Mod Hotel (Charlottesville)	1 – Ordinance objection 2 – Does not conform ... sanitation / health etc. 3 – Qualifications – Restaurant	PHC – 2/7/24 @ 10am HR – 2/14/24 @ 10am	Charlottesville	ALJ – Maxey	<b>RESOLVED THROUGH NEGOTIATIONS</b>
Lokee Hookah Lounge (Suffolk)	1 – Bad check 2 – Qualification – Restaurant	PHC – 2/8/24 @ 10am HR – 2/15/24 @ 10am	Hampton	ALJ – Page	
7-Eleven 41688 H (Suffolk)	UAB	PHC – 2/8/24 @ 2pm HR – 2/15/24 @ 2pm	Hampton	ALJ – Page	<b>RESOLVED THROUGH NEGOTIATIONS</b>
Twisted Pines Vineyard (Staunton)	1 - Situated w/ respect to residence 2 - Not of good moral character 3 - Police record 4 -Reputation for excessive drinking	PHC – 1/18/24 @ 9am HR – 2/20/24 @ 10am	Staunton	ALJ - Page	
7-Eleven 33329 K (Chesapeake)	UAB	PHC – 2/12/24 @ 10am HR – 2/21/24 @ 10am	Chesapeake	ALJ – Maxey	<b>RESOLVED THROUGH NEGOTIATIONS</b>
Willoughby By the Bay (Norfolk)	Bad check	PHC – 2/12/24 @ 11am HR – 2/21/24 @ 11am	Chesapeake	ALJ – Maxey	
Hampton Inn Battlefield (Chesapeake)	2 <sup>nd</sup> UAB w/in 5 years	PHC – 2/12/24 @ 12p HR – 2/21/24 @ 12pm	Chesapeake	ALJ – Maxey	<b>WITHDRAWN</b>



Style of Case	Type of Matter	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
Coachs Neighborhood Grill (Martinsville)	UAB	PHC – 2/14/24 @ 9am HR – 2/21/24 @ 12pm	Roanoke	ALJ – Richardson	<b>RESOLVED THROUGH NEGOTIATIONS</b>
Fork In The Alley (Roanoke)	1 – Bad check 2 – Bad check 3 – Bad check to Board 4 – Failed to submit MBAR	PHC – 2/14/24 @ 10am HR – 2/21/24 @ 1pm	Roanoke	ALJ – Richardson	
K Pot Korean BBQ (Falls Church)	Violating provisions of ABC act while application is pending	PHC – 2/16/24 @ 10am HR – 2/26/24 @ 10am	Alexandria	ALJ – Page OLC – Mshar	<b>RESOLVED THROUGH NEGOTIATIONS</b>
Pamplona (Arlington)	Bad check to the Board	PHC – 2/16/24 @ 1pm HR – 2/26/24 @ 1pm	Alexandria	ALJ – Page	
El Rinconcito Bar (Fredericksburg)	1 – Failed to submit MBAR 2 – Failed to submit accurate MBAR 3 – Kept MB not bearing MB stamp	PHC – 2/22/24 @ 9am HR – 2/28/24 @ 9am	Hanover	ALJ – Maxey	
Your Moms Café & Grill (Ashland)	Conviction of a felony or any crime involving moral turpitude	PHC – 2/21/24 @ 9am HR – 2/28/24 @ 11am	Hanover	ALJ – Page	
The Brewery, LLC (Free Union)	Objection to Application 1 – So situated ... residential area 2 – Does not conform to the requirements of governing body	PHC – 2/23/24 @ 10am HR – 3/1/24 @ 10am	Charlottesville	ALJ – Page	
Church Food Mart (Portsmouth)	Bad Check	PHC – 2/28/24 @ 10am HR – 3/6/24 @ 10am	Chesapeake	ALJ – Page	<b>ACCEPTED ECO</b>
Cutlass Grille (Chesapeake)	Bad Check	PHC – 2/28/24 @ 3pm HR – 3/6/24 @ 11am	Chesapeake	ALJ – Page	<b>ACCEPTED ECO</b>
Ichiban Japanese Rest. (Roanoke)	Failed to submit MBAR	PHC – 3/1/24 @ 11am HR – 3/8/24 @ 11am	Roanoke	ALJ – Richardson	
Leonore Restaurant (Roanoke)	Bad check to board	PHC – 3/1/24 @ 1pm HR – 3/8/24 @ 1pm	Roanoke	ALJ – Richardson	
El Ranchero (Broadway)	4 – MBAR Charges	PHC – 3/5/24 @ 10am HR – 3/13/24 @ 10am	Staunton	ALJ – Maxey	
Los Potrillos Restaurant (Culpeper)	1 – Manager not on duty 2 – Manager not posted	PHC – 2/23/24 @ 10am HR – 3/1/24 @ 10am	Charlottesville	ALJ – Page OLC – Ross Robert Byrne, Esq.	

		<b>Rescheduled to PHC – 5/14/24 @ 10am HR – 5/21/24 @ 10am</b>			
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**FRANCHISE**

Style of Case	Type of Matter	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
Premium Distributors of Virginia and Blue Ridge Beverage Company v. The Boston Beer Company	Distribution matter “Dual distribution”	Hearing held May 25, 2023 Board Appeal filed August 25, 2023 Board Appeal Hearing – November 17, 2023 <b>Stay granted – 12/19/2023</b> <b>1/18/24 – ABC served with Appellant Bost Beer’s Petition for Appeal</b>	Hanover	<b>ALJ – Maxey</b>  <b>Kevin McNally, Esq.</b> for Premium Distributors & Blue Ridge Beverage  <b>Brian Wainger, Esq.</b> w/ Kaleo Legal for Boston Beer Company	<b>7/26/2023</b>  <b>Board Appeal Decision 11/21/23</b>
International Cellars, LLC & Lanterna Distribution, Inc. v. Bodega Valduero	Termination of Agreement	9/6/26 – Teleconference 9/7/23 – Scheduling Order forwarded to parties, due 9/20/23 11/20/23 – Virtual Hearing <b>12/19/23 – Decision rendered</b>	Virtual	<b>ALJ - Maxey</b>	
Dionysos Imports, Inc. v. Diamond Wine Importers	Distribution matter “Default of the Distribution Agreement...failure to perform contractual obligations”	2/6/24 – Matter was referred to HAJ 2/7/24 – ALJ asked the parties for available dates to schedule a Pre-Hearing Conference		<b>ALJ – Page</b>  <b>T. Wayne Biggs, Esq.</b> for Dionysos Imports, Inc.  <b>Kevin Gerow, Esq.</b> for Diamond Wine Importers	



Virginia ABC FOIA Report  
December 20, 2023 - February 7, 2024

Date Received	Requestor Address	Request	Status
12/22/2023	Lindsay Bennett (Underwrite r, Auto Owners Ins.)	Liquor violation report for license number 752585.	Completed - responsive records provided.
12/26/2023	David Libengood	Copies of transcripts of public safety cases in Region 8, Chesapeake Regional Office received on December 26, 2023.	Completed - no responsive records.
1/2/2024	Heather Bardot (McGavin, Boyce, Bardot, Thorsen & Katz, PC)	1. Any application to operate a limited brewery, and all documents accompanying such application, submitted by: <ol style="list-style-type: none"> <li>a. Kinder Bauernhof Farm, Inc.; and/or</li> <li>b. Chilly Hollow Brewing Company, LLC</li> </ol> 2. Any correspondence, emails or communications between the entities identified in paragraph 1 (or their agents or attorneys) and the Virginia ABC Authority related to applications to operate a limited brewery. 3. A list of all entities in Virginia who have current licenses to operate a limited brewery in Virginia, with information regarding when the license was issued and when it expires.	Completed - responsive records provided.
1/2/2024	Aubrey Nelson (Underwrite r, Auto Owners Ins.)	Violation history of Bitco Two Inc t/a New Thornburg Citgo, located at 5124 Mudd Tavern Rd., Woodford, Virginia, 22580, ABC license #79642	Completed - no responsive records.
1/3/2024	Meghan McIntyre (Reporter, Virginia Mercury)	<p>[C]opies of any emails or text messages sent or received on 5/08/2023 and 5/09/2023 from the employees listed below about instructing any ABC employees to retrieve, collect, or find ABC property or assets at 297 Huntersridge RD Winchester VA.</p> <p>Any emails or text messages discussing the topic listed above sent or received from the following employees on 5/08/2023 and 5/09/2023:</p> <p>Travis Hill Thomas Kirby Mark Dunham John Singleton Dave Alfano Donnie Brown Ryan Porter John Daniels Latonya Hucks-Watkins</p>	Completed - responsive records withheld.

Virginia ABC FOIA Report  
December 20, 2023 - February 7, 2024

Date Received	Requestor Address	Request	Status
1/3/2024	Lindsay Bennett (Underwriter, Auto Owners Ins.)	Violation history of Seoul Korean BBQ LLC t/a Seoul Korean BBQ & Hot Pot, located at 100 Zan Rd., Charlottesville, Virginia, 22901, ABC license #013332292	Completed - no responsive records.
1/4/2024	Keith Cobb (Forensic Auditor, Bureau of ATF)	<p>1) "In connection with an ongoing federal criminal investigation, we would like to request copies of: the application for ABC license; copy of the ABC License, owner data sheets; copies of any management, purchase, sales agreements or promissory notes provided on behalf of the licensee, lease agreements, copy of business license, sales tax permit, violation reports or written warnings issued against the licensee , listing of ABC Managers, copies of any checks/money orders etc submitted by/ behalf of licensee, and any other records or information provided for or obtained related to the below licensees. We would also like contact information (cell/ office phone, address) for the ABC agents assigned to these licensees as well. This information will be very useful in determining ownership interest in the below businesses (2 LICENSEE BUSINESSES). It is better to get a download of the whole licensee's file or pick and choose particular items?</p> <p>2) We would also like any registration information or application information filed for "Games of Skill" machines that were located in the below businesses; copies of any monthly statements that were filed showing number of and activity (gross receipts/ payouts/ profits) from those machines; and correspondence between VA ABC and the licensee.</p> <p>1) Stop &amp; Go Store LLC Address(es): 2328 E Washington St, Petersburg, VA 23803 (City of Petersburg) VA ABC License#: 753355 Original Issue Date: 08/25/2020</p> <p>2) Stop &amp; Go Store LLC Dba Stop &amp; Go Store 1559 N King St Hampton, VA 23669-1906 (City of Hampton) VA ABC License#: 754392 Original Issue Date: 02/18/2021 Persons/ Businesses: Name: Dickerson, Curtis, James</p>	Completed - responsive records provided.
1/4/2024	Jacob Gasterland (Underwriter, Auto Owners Ins.)	Violation history of Mid Atlantic Golf Inc. t/a Sycamore Creek Golf Course, located at 1991 Manakin Rd., Manakin Sabot, Virginia, 23103, ABC license #55899	Completed - responsive records provided.

Virginia ABC FOIA Report  
December 20, 2023 - February 7, 2024

Date Received	Requestor Address	Request	Status
1/5/2024	Matthias Kaseorg (Attorney, Pierce Jewett)	<ul style="list-style-type: none"> <li>• All notes, emails, correspondence, Teams messages, recorded teams meetings for Bryan Hyde, Stephen Poole, Jaquett Nickens, Store S289 from 3/15/2022 to 3/21/2022 ref: "Employee theft."</li> <li>• All notes, emails, correspondence, Teams messages, recorded teams meetings for Bryan Hyde, Stephen Poole, Jaquett Nickens, Vickie Gay, Billy Maiden, Deputy Chief Brown, from 4/11/2022 ref: "Assistance Needed! - Employee Theft."</li> <li>• All notes, emails, correspondence, Teams messages, recorded teams meetings for David Walker, Thomas Aruanno, Julianna Fuellner, and Stephen Poole from 4/25/2022 ref: "suspend activity."</li> <li>• All emails for Deputy Chief Brown, Billy Maiden, Nannette Williams, Lisa Cabonias, Liliana Ramirez, Bryan Hyde, Baker Goodman, Jennifer Burke, 6/1/2022 ref: "status from embezzlement- store 289, Roanoke, VA."</li> <li>• Internal audit Final Report related to store 289 and Embezzlement case dated 9/13/2022.</li> <li>• All emails in their entirety for Mark Dunham, Deputy Chief Brown, Thomas Aruanno, Jennifer Burke, Julianna Fuellner from 2/15/2023 to 2/23/2023 ref: "S289 Executive Summary."</li> <li>• Pages 33-37 of training guide RSMT V23.A PG dated 1-1-2023.</li> <li>• GK POS training guide page 30-34.</li> <li>• All board meeting notes from private session where "embezzlement," "Roanoke," "Jennifer Burke," "Julia Fuellner," "Thomas Aruanno," and "Stephen Poole" were mentioned from February 2023 to August 2023.</li> <li>• All personal notes, emails, correspondence, Teams messages, Teams meetings, signed statements, and official results from David Alfano and Jon Singleton from the investigation on 3/9/2023 where Stephen Poole was questioned ref: Roanoke Store 289.</li> <li>• All notes, emails, correspondence, Teams messages, and Teams meetings results from David Alfano, Jon Singleton, John Daniel, Mark Dunham, and Tom Kirby related to the NOPDA meeting on 5/8/2023 with Stephen Poole from 4/22/2023-6/1/2023.</li> <li>• Julia Fuellner, Thomas Aruanno, and Jennifer Burke NOPDA written notice from 2023.</li> <li>• All calendar invites from Mark Dunham for a meeting date of 5/8/2023.</li> </ul>	Completed - responsive records provided in part; withheld in part.
1/5/2024	Lindsay Bennett (Underwriter, Auto Owners Ins.)	Violation history of Sandy Motley Catering LLC t/a Sandy Motley Catering LLC, located at 1717 Allied Ln., Charlottesville, VA, 22903, ABC license #94612	Completed - responsive records provided.
1/8/2024	Chris Wyndham (Underwriter, Auto Owners Ins.)	Violation history of 375 Madrid Rd., Wanyesboro, Virginia, 22980; AgriBev Distribution t/a AgriBev Distribution, ABC license #750233 (wholesaler beer) and #750234 (wholesaler wine), and Ag Events Incorporated t/a Stable Craft Cider #750594 (winery) and Stable Craft Brewing #87814 (brewery)	Completed - no responsive records.

Virginia ABC FOIA Report  
December 20, 2023 - February 7, 2024

Date Received	Requestor Address	Request	Status
1/8/2024	Ross Hickam (Licensee, Harpoon Larry's)	Copy of the video surveillance provided Virginia ABC Law Enforcement related to a shooting at Harpoon Larry's at 216 24th Street, Virginia Beach, Virginia on June 10, 2021 (ABC license #.54276)	Completed - no responsive records.
1/11/2024	Jacob Gasterland (Underwriter, Auto Owners Ins.)	Violation history of Midnight Brewery LLC t/a Midnight Brewery, located at 2410 Granite Ridge Rd., Rockville, Virginia, 23146, ABC license #85276	Completed - no responsive records.
1/12/2024	Lindsay Bennett (Underwriter, Auto Owners Ins.)	Violation history of Batesville Market 2 LLC t/a Batesville Market 2 LLC, located at 6624 Plank Rd., Charlottesville, Virginia, 22903, ABC license #91641	Completed - responsive records provided.
1/16/2024	Mary Beth Barbagallo	All documents, related to the contested ABC Farm Winery application of Twisted Pines Vineyard, LLC (013408112), located in Augusta County, VA via email	Completed - responsive records provided.
1/17/2024	Jesse Miller (Underwriter, Auto Owners Ins.)	Violation history of Ganesh Rima Corp. t/a Lucky Mart, located at 8401 Staples Mill Rd., Richmond, Virginia, 23228, ABC license #86667	Completed - responsive records provided.
1/17/2024	Lindsay Bennett (Underwriter, Auto Owners Ins.)	Violation history of Gill Huffman Inc. t/a J Gills, located at 6267 Buggs Island Rd., Boydton, Virginia, 23917, ABC license #82651	Completed - responsive records provided.
1/18/2024	Lindsay Bennett (Underwriter, Auto Owners Ins.)	Violation history of Los Tres Compadres Inc. t/a Casa Grande, located at 10120 Brook Rd., Glen Allen, Virginia, 23059, ABC license #11301	Completed - responsive records provided.
1/22/2024	Louis N. (Mike) Joynes, II (Attorney, Joynes & Gaidies)	[NOTICE OF APPEARANCE/REQUEST PURSUANT TO VA. CODE 4.1-227] RE: EVERREADY ENT LLC d/b/a Volume Administrative Case No.: 013446873 1) Written or recorded statements made by the licensee or copies thereof or the substance of any oral statements made by the licensee or a previous or present employee of the licensee to any law-enforcement officer, the existence of which is known by the Board and upon which the Board intends to rely as evidence in any adversarial proceeding under this chapter against the licensee. 2) Designated books, papers, documents, tangible objects, buildings, or places, or copies or portions thereof, that are within the possession, custody, or control of the Board and upon which the Board intends to rely as evidence in any adversarial proceeding under this chapter against the licensee. 3) And all other information that referred to the Defendant and licensee pursuant to the code, and all other information that refers to the Defendant and/or potential licensee pursuant to code.	Pending.



Virginia ABC FOIA Report  
December 20, 2023 - February 7, 2024

Date Received	Requestor Address	Request	Status
1/22/2024	Louis N. (Mike) Joynes, II (Attorney, Joynes & Gaidies)	RE: EVERREADY ENT LLC d/b/a Volume Administrative Case No.: 013446873 Please provide the entire ABC file together with all records. We also request all correspondence, e-mails, memorandums, notes related to each and every alleged objection from any citizen and from any city department, including, but not limited to: 1 . Terry Diggs, 2. Kellee Carraway, 3. Pennie Bryant, 4. Cynthia Barnett, 5. Tracy Smith, 6. Sam Fowler, 7. Pat Coy, 8. Sallie Lee, 9. Randy Arsenault, 10. Chief Jimmie Wideman, 11. And to or/from ABC and any office and/ or and/or any representative and/ or department of the city of Hampton Request is also made for all general orders and/ or policy directives and/or considerations which could in anyway touch upon or affect the approval or the approval process of EVERREADY ENT LLC d/b/a Volume receiving its ABC license to operate at '604 Pembroke Avenue, Ste #A, B, C, Hampton, Virginia 23669, contracts by ABC between promoters and non- profit organizations to include but not limited to G.O.503 with all its sub-parts.	Completed - responsive records provided.
1/22/2024	Thomas Lisk (Attorney, Cozen O'Connor)	Copy of the licensee file for Mary Baldwin University, t/a Hunt Hall, ABC license # 76762	Completed - responsive records provided.
1/23/2024	Madisson Weyrich (Reporter, ARLnow.com)	Copy of the ABC license application for Mister Days, 013454072 (Restaurant or Caterer Application)	Completed - responsive records provided.
1/26/2024	Christina Barnes (Senior Paralegal, Dycio & Biggs)	[license application information associated with License # 43176] 1. The Licensee File for Tommy's Place, Inc., d/b/a Tommy's Place II, located at 156 - E Enterprise Street, Sterling, VA 20164. 2. Without limiting the prior request, any and all documentation that reflects the ownership interest in Tommy's Place, Inc., d/b/a Tommy's Place II. This request does not seek monthly reports, MBAR reports, tax filings, or other documents regularly submitted to Va. ABC in the course of business.	Completed - responsive records provided.
1/26/2024	Chris Weldon	[Raw data used to create tables on pp. 23, 33-34 of Annual Report]	Pending.
1/26/2024	Jordan Willis (Assistant General Manager, Springfield Golf & Country Club)	Copy of application for license # 6068, Springfield Golf & Country Club Inc. t/a Springfield Golf & Country Club	Completed - no responsive records.

Virginia ABC FOIA Report  
December 20, 2023 - February 7, 2024

Date Received	Requestor Address	Request	Status
1/29/2024	Jack Nellis	I applied to Va ABC in January 2023 and was in the process for a Special Agent position with ABC. I would to request a copy my application records, along with my background process and polygraph data. Any information that goes into the selection process for a candidate.	Pending.
1/29/2024	David Thompson	Requesting the following information related to special release lottery winners for the Lottery conducted in November 2023 for the following bottles: <ul style="list-style-type: none"> <li>• E.H. Taylor Jr. Barrel Proof Bourbon (\$71.99)   1,310 bottles   65.55% Alc. by Vol.   36,119 entries</li> <li>• E.H. Taylor Jr. Straight Rye Whiskey (\$69.99)   1,430 bottles   50% Alc. by Vol.   32,160 entries</li> </ul> Requesting the following information on the winners in excel format: <ul style="list-style-type: none"> <li>• Product Name</li> <li>• First and Last Name of the winner</li> <li>• City/Town of the winner (if available)</li> </ul>	Completed - responsive records provided.
1/29/2024	David Thompson	Requesting the following information related to special release lottery winners for the Lottery conducted in November 2023 for the following bottles: <ul style="list-style-type: none"> <li>• A. Smith Bowman Cask Strength (\$99.99)   20 bottles   72.25% Alc. by Vol.   25,083 entries</li> <li>• Rock Hill Farms Bourbon (\$56.99)   172 bottles   50% Alc. by Vol.</li> </ul> Requesting the following information on the winners in excel format: <ul style="list-style-type: none"> <li>• Product Name</li> <li>• First and Last Name of the winner</li> <li>• City/Town of the winner (if available)</li> </ul> - method on how they were determined to be a winner	Completed - responsive records provided.
2/1/2024	Greg Habeeb (Attorney, Gentry Locke)	Administrative Case No. 013455924 (The Brewery, LLC) All records related to the Brewery, LLC, any ABC application filed by The Brewery, LLC, any Objections filed to any application filed by The Brewery, LLC, any other documents related to the referenced Administrative Case including but not limited to those in the possession of Special Agent Jonathan Pine and/or the ABC Bureau of Law Enforcement.	Pending.
2/1/2024	F. Carter Leake	I looking for all ABC correspondence from January 1, 2023 to January 31, 2024  1) Pippin Hill Farm & Vineyards ABC License #68899 2) Pippin Hill Farm & Vineyards ABC License #84417 3) Pippin Hill Farm & Vineyards ABC License #69636 4) ABC License Request for 5010 Plank Road. The Inn at The Crossroads	Pending.





Virginia ABC FOIA Report  
December 20, 2023 - February 7, 2024

Date Received	Requestor Address	Request	Status
2/2/2024	Lindsay Bennett (Underwriter, Auto Owners Ins.)	Violation history of Barren Ridge Vineyards LLC t/a Barren Ridge Vineyards, located at 984 Barren Ridge Rd., Fishersville, Virginia, 22939, ABC license #48486	Completed - no responsive records.
2/5/2024	Jacob Gasterland (Underwriter, Auto Owners Ins.)	Violation history of Shaffers BBQ Palace LLC t/a Shaffers BBQ & Market, located at 8140 Valley Pike, Middletown, Virginia, 22645, ABC license #90823	Completed - no responsive records.

# CIO Report – Paul Williams

IT Monthly Summary

IT KPIs (Work in Progress)

IT Support Summary

# IT Monthly Summary

## Introduction

Budget - we are 6.8% under budget YTD (was 6.8% last month). Target is +/-5%. GASB accounting is skewing the timing of IT expense recognition and with the slow down in capital project work the under shoot of Labor capitalization credit has a large negative impact on our budget. We anticipate 3-6% favorable to budget at year end

Our project planned hours are again in line with target this month (99% of target) however the mix remains mostly non capital small work efforts so we are \$422K adverse to capitalization budget for Contract and Employee 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 changing the Lottery email to the ACS service continue. We anticipate being able to run a production test late February (Timing of lottery depends on Marketing).

## IT Performance

Most IT systems have remained stable through January. Some significant weather events affected the retail fleet (power, flooding).

We took a portion of the 'Jobs – Apply online' application offline for 2 days in January due to a defect that displayed incorrect name and address in the applicant 'print my application' process that has now been remediated

## People

Staffing is stable and the vacancy rate remains stable at 8%. We have 2 Mel, one part time and one backfill contractor we are looking to recruit.

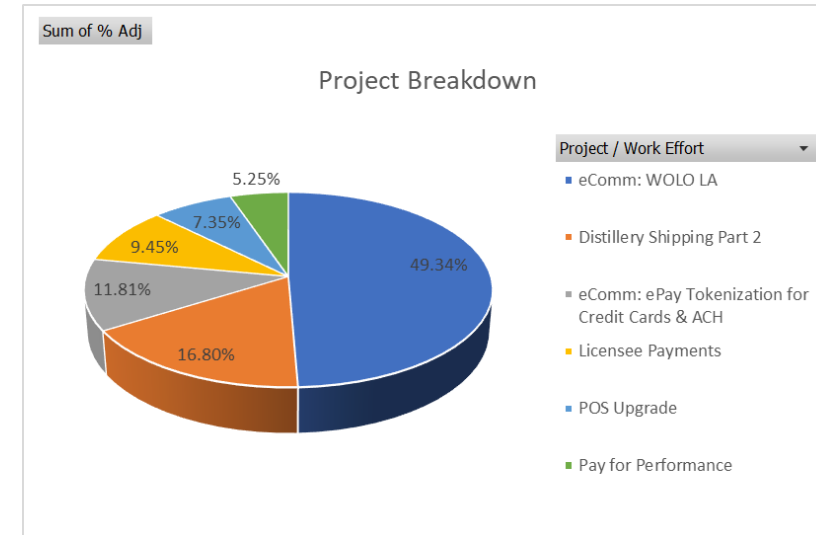
We are working with retail on reducing the telephone lines in stores (this is set to 1 for most stores and 2 for high volume licensee stores This has been piloted in 10 stores and we are reviewing the go forward approach with retail leadership.

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).

# IT Resource Utilization

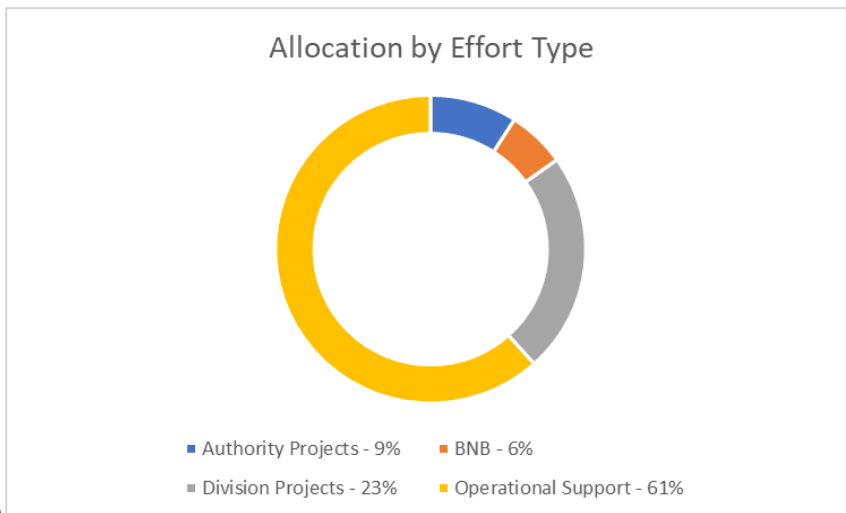
Allocation Hours KPI: 2666      January Hours: 2,656      % to Target: 99%

Staff Type	Base Capacity	Actual Capacity	Projects	BnB	Division Projects	Operational Support
BSA	14	10.3	0.9	1.1	2.7	5.7
Dev	14	10.5	2.2	0.3	2.9	5.2
Data	10	5.6	0	0	0.6	5.0
QA	13	9.9	0.7	1.1	3.4	4.7
<b>Total</b>	<b>51</b>	<b>36.4</b>	<b>3.8</b>	<b>2.5</b>	<b>9.5</b>	<b>20.6</b>



## January 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). 2,656 hours (excluding interns) were assigned to allocatable work in December.
- January had 288 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.
- The trend of higher allocation to division projects and operational support continues.



# IT Finance / Budget

## YTD IT Budget Performance

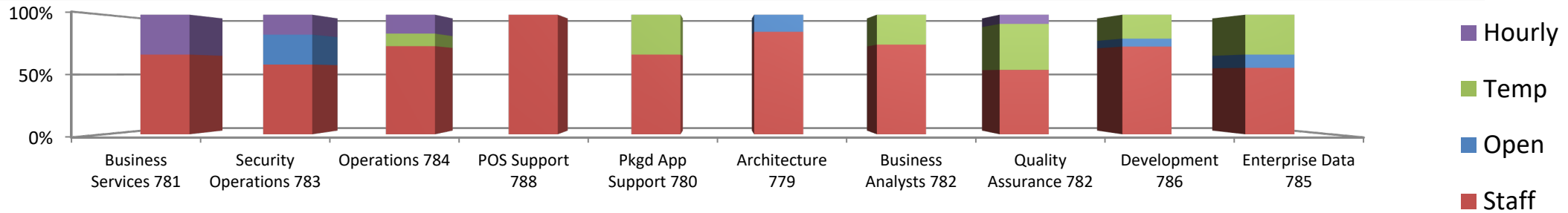
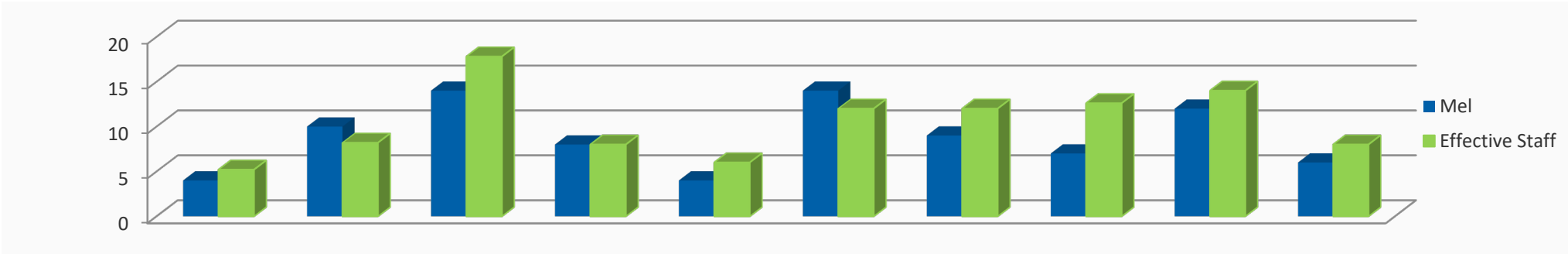


- At January 31 we are 6.8% under budget overall (December was 6.8% under budget). The underspend is now stabilizing and the budget is somewhat back end loaded so we are likely going to end up within a range of 3%-7% under budget. There are still some significant timing issues that could change this but we are unlikely to meet any of the major project expenditures we planned for the year.
- Personnel Costs – 13.2% over budget (\$834K). 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 (\$490k), Shortfall in Capitalized labor (project delays/timing \$272k), Carryover unaccrued 2023 costs (\$24k). Even with the 2% raise from January this should improve to the end of the year due to higher budget Jan - June.
- 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 \$1.1 Million (was 2.12.1 Million in December) 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 \$590K over budget YTD (\$157K due to GASB, plus Capital WIP depreciation was not budgeted \$122K).
- 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 years budget The underspend in Infra and SaaS is timing differences (with the offset also largely timing in Telecom / Admin)

## Act vs Budget by Dept



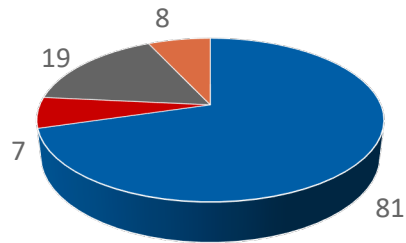
# Headcount Breakdown



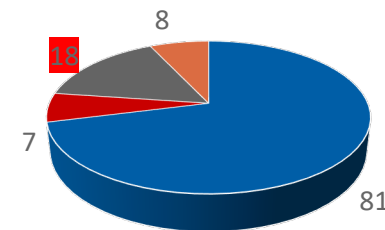
One contractor exited in January. As time passes with key positions unfilled, our risk of being unable to respond to production issues increases. We are down a DBA and have been for 5 months now. Additionally we are down a contract BSA worker (lost in January). We are delaying current maintenance functions due to resource constraints. Our MEL vacancy is stable with no change in the last few months (which is good) but we are also not getting recruitments in flight to fill key open positions.

We have NO active recruitments running at the end of January (was 3 at end of December). We are waiting for re-approval and approval to recruit.

Staff Breakdown December



Staff Breakdown January



# IT KPI'S DRAFT (RE-WORKING KPI'S FOR 2024 -

## Concrete Metrics from KPI's)

Measure	Indicator	Current	C-1	C-2	C-3	Comments
Staffing (MEL)	Open + Exits (8,2)	7/0	7/0	8/0	8/0	
Finance – Budget Accuracy	+/- 5% target	-6.8%	-6.8%	-7.4%	-7.8%	Still likely to be close to +/-5% by year end
Reliability – Core	Ops hrs. uptime (99.9%)	99.9%	99.9%	99.9%	99.9%	
Reliability POS	Lost Hours (all registers)	1.25	0.0	7.8	9.5	
Resource Allocation	Hours Target / Alloc	99%	99%	99%	93%	Holding steady over the last two months
First contact ticket resolution	Tickets closed on 1 touch	96.97%	98%	95.6%	96.97%	
Calls accepted	Answered calls	96.96%	97.5%	98.6 %	97.55%	
Average wait time	Average wait time	23 sec	34 sec	26sec.	36 sec.	
Average call handle time to solve	Industry target is 15 min	4.77 min	4.08	4.45 min	4.17 min	
MFA Progress Sensitive data / Total	% of systems that don't have MFA	18% / 23%	17% / 32%	17% / 32%	17% / 32%	We have refreshed our Systems List and Identified 128 total ABC systems. There is ongoing work to remediate all the enterprise systems with Sensitive data and no MFA

# CROO Report – Mark Dunham

Retail Sales Summary

Real Estate

Out of Stocks

Distribution Center

Marketing





# Retail Sales Summary

## Weekly cumulative sales and bottles sold as of February

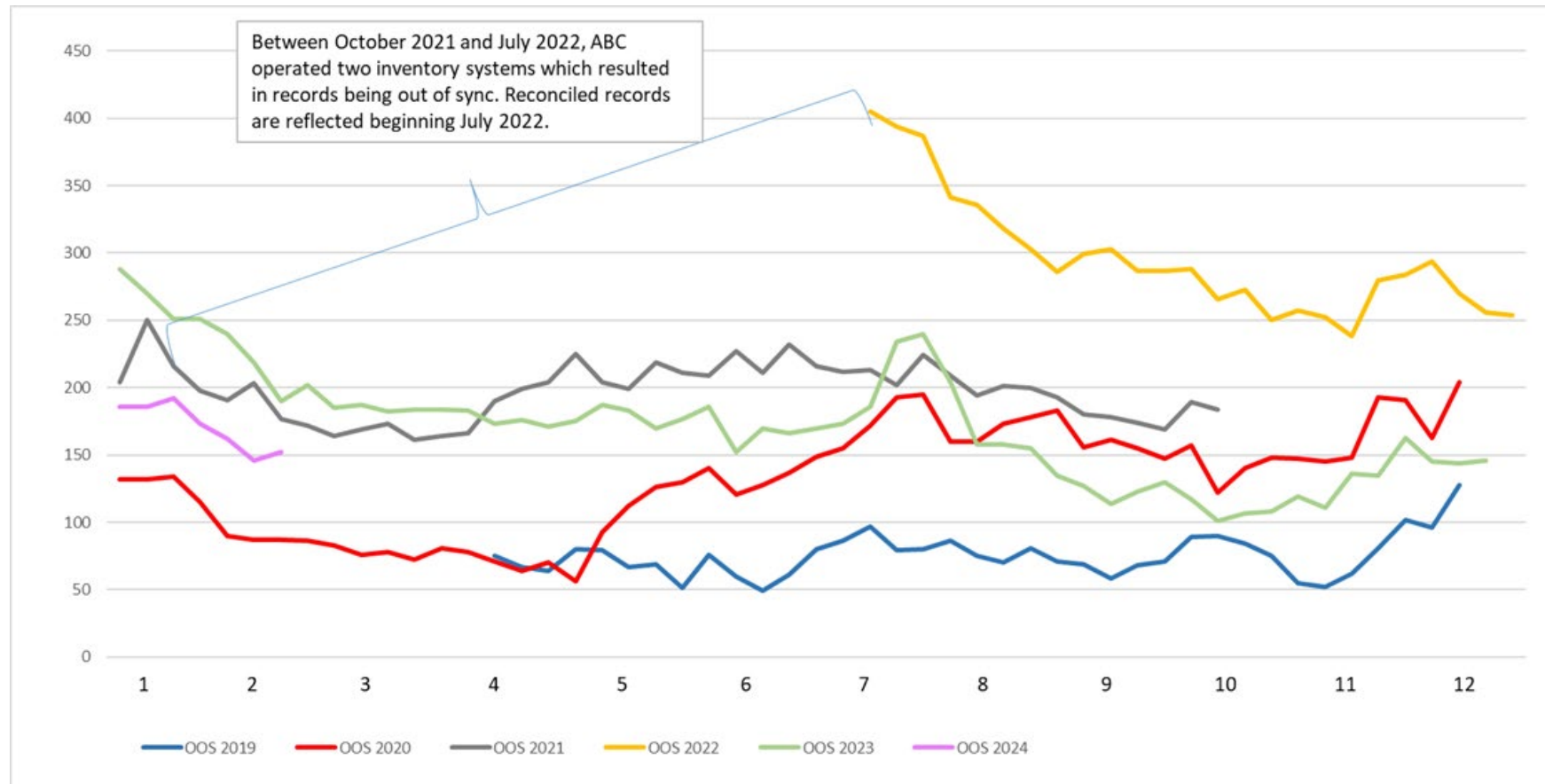
Sales totaling \$915,911,786 are up \$10,458,371 or 1.2% when compared to last year and are \$30,756,919 or 3.2% below the \$946,668,705 target. Same store sales are up from \$904,978,521 last year to \$912,800,900 this year, an increase of \$7,822,379 or 0.9%. The weekly cumulative comparison includes 223 sales days this year to 224 last year (1 more Friday last year (avg. sales \$6.3M)). There are currently 400 stores open this year, there were 398 stores open last year. One new store opened in FY2024 – store 528 in Lee County opened on November 16, 2023. Four new stores opened in FY2023, 521 in Grayson opened on September 24, 2022; 522 in Winchester opened October 26, 2022; 524 in Roanoke opened January 24, 2023; and 523 in Fairfax opened February 26, 2023.

## To date bottles sold

Total number of bottles sold increased 4.0%, retail bottles sold increased 4.6%. Mixed beverage licensee bottles sold is flat at 0.1%. Mixed beverage licensee dollars are 16.8% of total sales, up from last year with 16.6% of total sales.

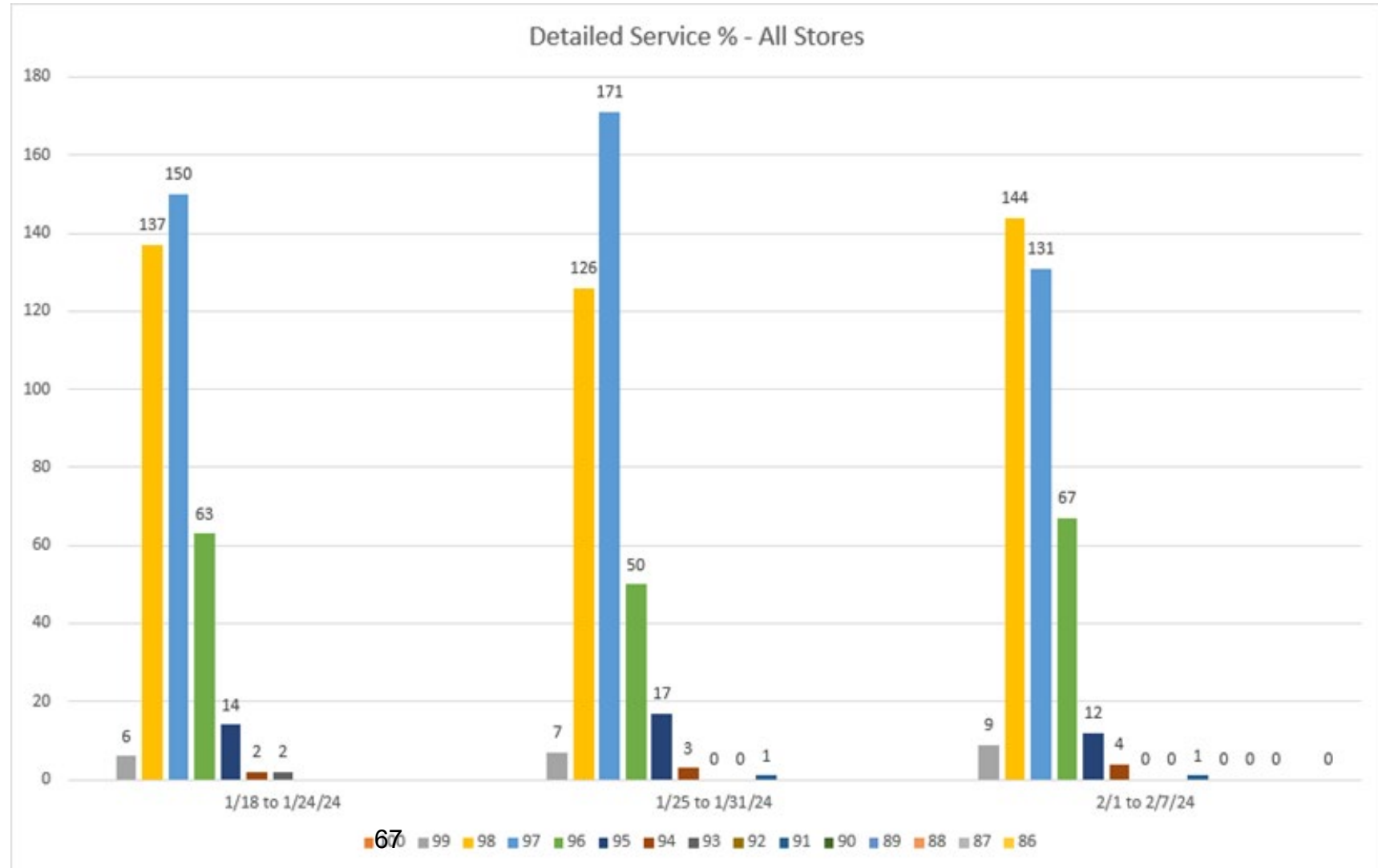
# Distribution Center Out of Stocks

In stock goal is 97%. We have 93.77% of standard items in stock in the warehouse. Currently, we have 152 standard products out of stock compared to 146 last week.



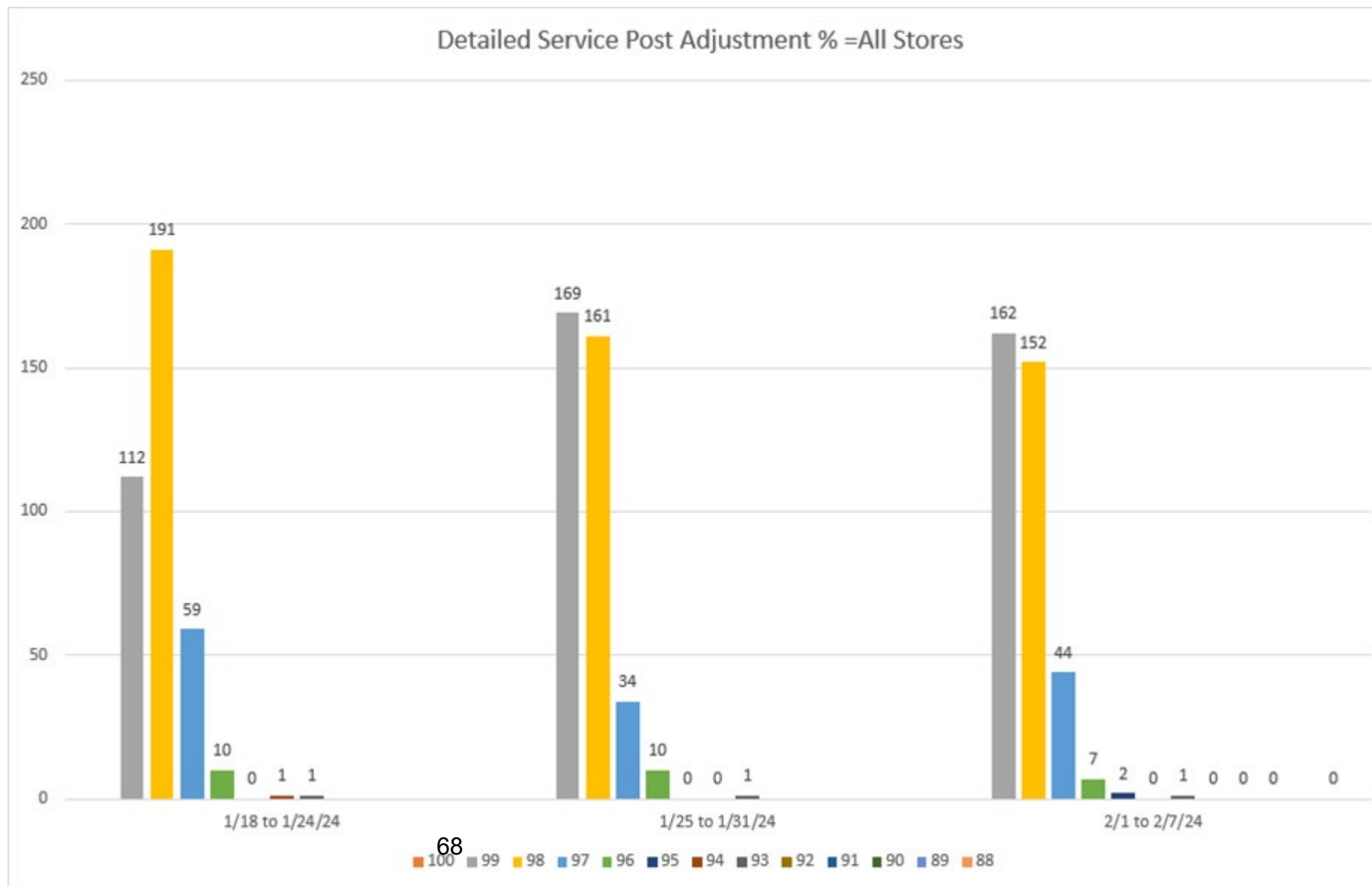
# Retail Store Out of Stocks

Retail Store In-stock – Currently 84 stores below 97% compared to 63 in December.



# 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 10 stores below 97% in stock.



# Distribution Center

Average cases shipped daily in January was 24,982 with a peak day of 30,796.

	2022		2023		2024		Yearly Comparison		
Month	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			28.38	33.79	
Mar	28,764	36,556	25,467	34,131			32.67	32.73	
Apr	25,538	30,011	25,472	31,431			28.23	36.35	
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	24,982	30,796	28.90	36.23	38.93

## Distribution Center Productivity:

### 2024 Cases per Labor Hour

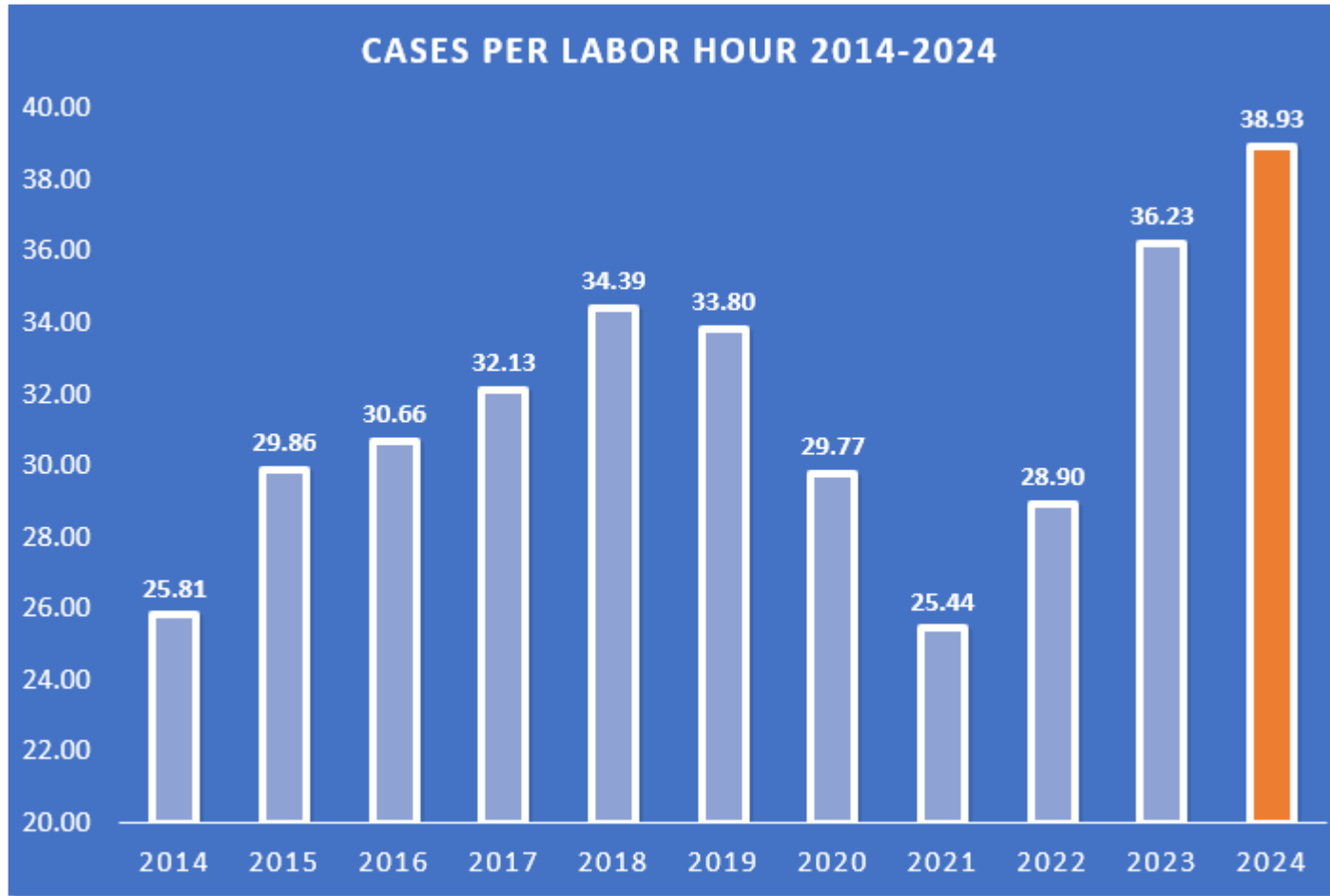
Jan – 38.93

### 2024 Cases Shipped vs. Forecast

571,227 shipped vs. 499,115 forecast



# 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

## Black Friday – Cyber Monday Doorbuster Sale (November 24- 27)

20% off 20 top-selling 750mL products across categories.

Overall sales on promoted products increased \$639,433 or 190% versus 2022 sales.

- Purchases made *with* a promotional product as part of the basket ring averaged \$75.70. While purchases made *without* a promotional product as part of the basket ring was \$30.62 (an 147% increase overall).
- Discount supplier funded.

### Event Year Over Year Comparison

- Detailed event analysis underway.
- Additional unplanned promotions (flash sales, barrel pick event, and limited availability drop) may have negatively impacted on the Doorbuster sales results.

BLACK FRIDAY - CYBER MONDAY SALES RESULTS				
	2023 Dollars	2022 Dollars	2023 Dollar Increase	2023 % Dollar Increase
<b>TOTALS</b>	<b>\$975,953.06</b>	<b>\$336,520.02</b>	<b>\$639,433.04</b>	<b>190.0%</b>

BLACK FRIDAY - CYBER MONDAY TOTAL SALES 2023 vs 2022				
Total Products in the Campaign	2023 Black Friday - Cyber Monday Sale (11/24 - 11/27)	2022 Black Friday - Cyber Monday Sale (11/25 - 11/28)	\$\$\$ DIFFERENCE	YOY % INCREASE
<b>Campaign Product Total \$</b>	<b>\$967,761</b>	<b>\$1,597,968</b>	<b>-\$630,207</b>	<b>-39.44%</b>
<b>All Other Products Total \$</b>	<b>\$14,348,242</b>	<b>\$13,685,862</b>	<b>\$662,380</b>	<b>4.84%</b>
<b>Fri-Mon Grand Total \$</b>	<b>\$15,316,003</b>	<b>\$15,283,830</b>	<b>\$32,173</b>	<b>0.21%</b>

# Marketing Update

## Last Minute Deals Doorbuster Sale

(December 18 - 21)

20% off 20 top-selling 750mL products across categories

Overall sales on promotion products increased \$425,242 or 39.5% versus same day sales from 2022.

- New event added for 2023 holiday sales period.
- Purchases made *with* a promotional product as part of the basket ring averaged \$71.57. While purchases made *without* a promotional product as part of the basket ring was \$37.41 (an 91% increase overall).
- Discount supplier funded.

LAST MINUTE DEALS SALES RESULTS				
Product Name	2023 Dollars	2022 Dollars	2023 Dollar Increase	2023 % Dollar Increase
Belvedere Organic Vodka (2022 SKU: 034155)	\$28,751.37	\$21,414.09	\$7,337.28	34.3%
Bumbu The Original Rum	\$46,776.53	\$30,231.60	\$16,544.93	54.7%
Casamigos Tequila Blanco	\$165,242.15	\$149,537.78	\$15,704.37	10.5%
Courvoisier VS Cognac	\$39,766.52	\$33,310.48	\$6,456.04	19.4%
Deleon Reposado	\$40,429.25	\$21,640.19	\$18,789.06	86.8%
Dewar's White Label Scotch	\$24,413.89	\$15,762.16	\$8,651.73	54.9%
Don Julio Tequila Blanco	\$91,692.36	\$75,751.78	\$15,940.58	21.0%
D'usse VSOP	\$71,135.41	\$50,571.57	\$20,563.84	40.7%
Gran Coramino Reposado Cristalino	\$31,654.06	\$20,441.26	\$11,212.80	54.9%
Grand Marnier	\$58,397.84	\$52,678.76	\$5,719.08	10.9%
Gray Whale Gin	\$15,092.89	\$6,436.26	\$8,656.63	134.5%
Jameson Black Barrel Irish Whiskey	\$64,877.69	\$39,357.64	\$25,520.05	64.8%
Jefferson's Ocean - Aged At Sea	\$155,618.59	\$68,311.46	\$87,307.13	127.8%
Jim Beam Bourbon	\$49,466.18	\$42,933.73	\$6,532.45	15.2%
Jim Beam Bourbon (Plastic)	\$31,433.65	\$32,637.79	-\$1,204.14	-3.7%
Old Forester 1920 Craft Bourbon	\$89,972.66	\$34,472.72	\$55,499.94	161.0%
Patron Tequila Anejo	\$48,670.41	\$30,622.02	\$18,048.39	58.9%
Tito's Handmade Vodka	\$275,750.05	\$243,977.95	\$31,772.10	13.0%
Wild Turkey 101 Bourbon	\$48,769.82	\$29,068.23	\$19,701.59	67.8%
Wild Turkey 101 Bourbon (Plastic)	\$12,194.69	\$11,362.79	\$831.90	7.3%
Woodford Reserve Kentucky Straight Rye Whiskey	\$74,741.38	\$42,432.21	\$32,309.17	76.1%
Zacapa No. 23 Rum	\$36,459.85	\$23,112.08	\$13,347.77	57.8%
<b>TOTALS</b>	<b>\$1,501,307.24</b>	<b>\$1,076,064.55</b>	<b>\$425,242.69</b>	<b>39.5%</b>





# Marketing Update

## Flash Sale – December 5 (Brandy & Cognac)

One-day sale featuring 20% off all Brandy or Cognac products priced \$39.99 or more.

For the event day, sales of the same products increased \$87,135 or 108% and bottle sales were up 1,713 bottle or 131% versus a year ago for the same products & day.

- This in-store only promotion was designed to increase sales and drive traffic to the stores. The sale was not announced until the morning of the sale.
- ABC funded the 20% discount.
- For the week, the total revenue for the same products outpaced 2022 by \$2,767.
- For the Flash Sale event day, purchases made *with* a promotional product as part of the basket ring averaged \$95.37. While purchases made *without* a promotional product as part of the basket ring was \$28.87 (a 230% increase overall).

## FLASH SALE RESULTS (BRANDY & COGNAC) - WEEK BY DAY COMPARISON

Week Comparison	December 2023 Dollars	December 2022 Dollars	2023 Dollar Increase	2023 % Dollar Increase
12/5 - Tuesday	\$167,933	\$80,798	\$87,135	108%
12/6 - Wednesday	\$78,585	\$82,055	-\$3,470	-4%
12/7 - Thursday	\$93,690	\$118,697	-\$25,007	-21%
12/8 - Friday	\$187,800	\$217,679	-\$29,879	-14%
12/9 - Saturday	\$194,138	\$206,648	-\$12,510	-6%
12/10 - Sunday	\$59,697	\$59,638	\$59	0%
12/11 - Monday	\$55,667	\$69,228	-\$13,560	-20%
<b>TOTALS</b>	<b>\$837,511</b>	<b>\$834,744</b>	<b>\$2,767</b>	<b>0.3%</b>

# Marketing Update

## Flash Sale – December 11 (Scotch)

**One-day sale featuring 20% off all Scotch products priced \$59.99 or more.**

For the event day, sales of the same products increased \$418,253 or 411% and bottle sales were up 4,598 bottles or 429% versus a year ago for the same products & day.

- This in-store only promotion was designed to increase sales and drive traffic to the stores. The sale was not announced until the morning of the sale.
- ABC funded the 20% discount.
- For the week, the total revenue for the same products outpaced 2022 by \$342,645 and 3,087 bottles.
- For the Flash Sale event day, retail purchases made *with* a promotional product as part of the basket ring averaged \$186.37. While retail purchases made *without* a promotional product as part of the basket ring was \$29.67 (a 528% increase overall).

## FLASH SALE RESULTS (SCOTCH) - WEEK BY DAY COMPARISON

Week Comparison	December 2023 Dollars	December 2022 Dollars	2023 Dollar Increase	2023 % Dollar Increase
12/11 - Monday	\$519,922	\$101,669	\$418,253	411%
12/12 - Tuesday	\$95,729	\$104,356	-\$8,627	-8%
12/13 - Wednesday	\$102,614	\$126,255	-\$23,641	-19%
12/14 - Thursday	\$120,278	\$130,500	-\$10,222	-8%
12/15 - Friday	\$185,279	\$214,365	-\$29,086	-14%
12/16 - Saturday	\$251,118	\$248,880	\$2,238	1%
12/17 - Sunday	\$94,192	\$100,461	-\$6,269	-6%
<b>TOTALS</b>	<b>\$1,369,132</b>	<b>\$1,026,487</b>	<b>\$342,645</b>	<b>33%</b>

# Marketing Update

## Allocated Bottle Drop - December 16

Selected allocated products were sold at this pre-announced, at-store only event.

A total of \$3,155,194 in revenue was generated from the first two-days of the release.

A total of 68,749 bottles were available for purchase. A total of 58,457 were purchased over the first two-days of the sale for an 85% sell through.

ALLOCATED PRODUCTS PRE-ANNOUNCED SALE RESULTS		
Sales Numbers for the Top 20 Selling Products		
Product Name	Size	Total Sales
Booker's Bourbon	750ml	\$ 450,669.92
Heaven Hill Bottled In Bond Bourbon	750ml	\$ 406,218.74
Buffalo Trace Bourbon	750ml	\$ 314,439.66
Blanton's Single Barrel Bourbon	750ml	\$ 259,570.06
Eagle Rare 10 Year Bourbon	750ml	\$ 185,385.85
Blanton's Single Barrel Bourbon	375ml	\$ 104,111.37
Buffalo Trace Bourbon	1.75L	\$ 89,028.81
Stagg Bourbon	750ml	\$ 85,843.80
Michters American Unblended Whiskey	750ml	\$ 78,884.22
High West A Midwinter Nights Dram	750ml	\$ 74,695.02
Henry Mckenna Single Barrel Bourbon	750ml	\$ 70,728.21
Benchmark Single Barrel	750ml	\$ 65,528.15
Michter's US1 Sour Mash	750ml	\$ 64,987.00
Knob Creek 12 Year Bourbon	750ml	\$ 59,981.43
Elijah Craig 18 Year Single Barrel Bourbon	750ml	\$ 58,876.32
Eagle Rare 10 Year Bourbon	1.75L	\$ 53,939.61
Knob Creek 18 Year	750ml	\$ 53,886.83
Little Book Chapter 7	750ml	\$ 46,196.92
Remus Gatsby Reserve 2023	750ml	\$ 45,078.04
E H Taylor Jr. Small Batch Whiskey	750ml	\$ 42,908.67
<b>TOTAL FOR TOP 20 SELLING PRODUCTS</b>		<b>\$ 2,610,958.63</b>
<b>TOTAL REVENUE FOR ALL PRODUCTS</b>		<b>\$ 3,155,194.00</b>

# Real Estate and Facilities Update

## New Store Update:

Store 302 (Powhatan)	Awaiting completion of space by Landlord; we have no anticipated Commencement Date currently
Store 405 (Norfolk)	Fixture installation is tentatively scheduled to commence 2-26-24
Store 442 (Hanover)	Landlord advises space should have power on 2-7-24; will conduct walk-through once notified by Landlord
Store 525 (Winchester)	Revised draft Lease is with the Landlord for review; we have no anticipated Commencement Date at this time
Store 529 (Alexandria)	Walk-through conducted but space not accepted
Store 530 (Leesburg)	Fixture installation is tentatively scheduled to commence 2-12-24
Store 531 (Lovettsville)	Awaiting completion of space by Landlord; anticipated Commencement Date is March 2024
Store 532 (McLean)	Awaiting ownership documents from Landlord; anticipated Commencement Date is May 2024

## Project Type No. of Stores

New:	1
Expansions & Modernizations:	2
Relocations:	4

# CLEO and CEO Report – Chief Tom Kirby

BLE UAB Report

Real Estate Leases

New Distillery Stores

Communications report

KPI Review

# UAB Report

Calendar Year 2024	ALCOHOL		TOBACCO	
As of 2/13/2024	1 <sup>st</sup> Cycle (Begins: 2/1/2024)	Calendar Year To Date	DBHDS Grant	DBHDS Supplemental
Scheduled	960	960	0	208
No sale	7	7	0	100
Sale	2	2	0	26
Not completed	0	0	0	8
ABC Store: no sale	0	0		
ABC Store: sale	0	0		
Remaining	951	951	0	74
Compliance rate	77.8%	77.8%	N/A	79.4%
<ul style="list-style-type: none"> <li>Scheduled Alcohol (YTD) includes 959 random compliance checks and 1 complaint-based checks.</li> <li>ABC store results are subset of total results. ABC Store results include distillery stores.</li> <li>Not completed includes 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>				



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

January 2024

Store Number and Location	Leased Space	Term	REC Vote	Board Approval
Store #064 (Stafford) Town & Country Marketplace 43 Town & Country Drive Stafford, Virginia 22405	2666	5 years	11-7-2023	1-9-2024
Store #036 (Gainesville – Prince William County) Relocation to Shops at Stonewall 7953 Stonewall Shops Square Suite 220 Gainesville, Virginia 20155	2400	10 years	8-1-2023	9-15-2023
Store #286 (Gainesville – Prince William County) Virginia Gateway Center 7555 Linton Hall Road Suite R-120 Gainesville, Virginia 20155	3520	5 years	10-3-2023	11-13-2023
Store #156 (Cape Charles – Northampton County) Cape Charles Shopping Center 22485 Lankford Highway Cape Charles, Virginia 23310	1800	5 years	11-7-2023	1-9-2024
Store #113 (Hot Springs – Bath County) 2827 Main Street Hot Springs, Virginia 24445	2178	5 years	11-7-2023	1-9-2024

**Stores 064 and 156** – submitted for signature in December, however, Interim CEO was awaiting Board approval; both Lease renewals were signed on 1-16-24.

**Stores 036 and 286** – submitted for signature in December and signed on 1-18-24.



# Communications Office Update

## Staffing

- Optimizing synergies and talents across the team for efficiency
- Supporting internal, external and executive communications

## Delivery

- Successful Retail Ambassador Program
  - 35 participants supporting local ABC store staff and customers in December
  - Participants rated the program 4.59/5
  - 4.68/5 willing to participate in future programs
- Leading planning for the authority's 90<sup>th</sup> Anniversary in March
- Supporting two store openings in March
- Testing and transition support for Warehouse Online Ordering, Limited Availability

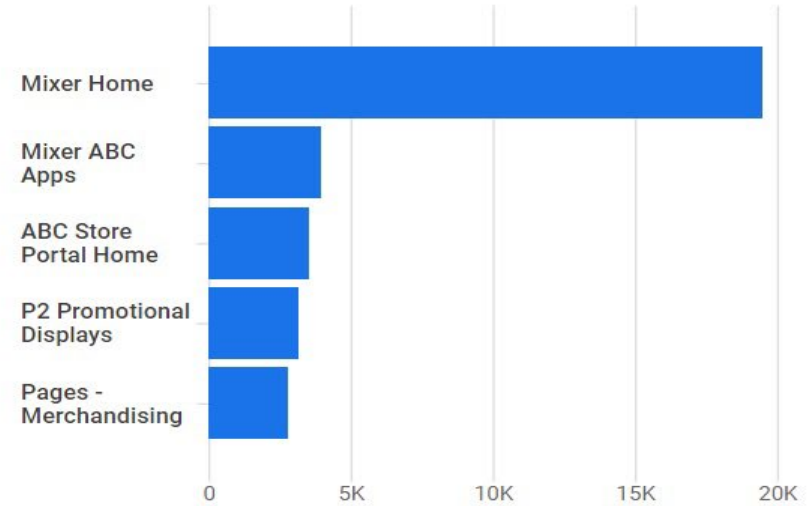


# Communications Distribution & Views

Views by Page title and screen class over time



Views by Page title and screen class



# New Distillery Stores

## New Distillery Stores

Requestor: Finance  
Approver: Chris Curtis

ITEM: Agreements with Distillery Stores	Approval Date	Store Number/Distillery Name	License Number	Location/Zip
Lincoln Ridge Inc	1/5/24	660- Lincoln Ridge Inc	013345978	N Chesterfield /23237

# Authority KPIs

*Data thru December 2023*

January 30<sup>th</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.



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 3.4% CAGR, Profit at 1.5% YTD.

For the Current Month, store sales have a CAGR of 5.8%, and profits have a CAGR of 7.3%.

## Virginia ABC: Store Sales and Profit Comparisons Dec'23

In \$M	Current Month	Current Month FY'23	Current Month FY'22	Growth vs FY'23	Growth vs FY'22	CAGR
Store Sales	170.9	164.6	152.8	3.8%	11.8%	5.8%
Profits	36.4	32.5	31.6	12.0%	15.2%	7.3%

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	421.3	410.9	387.6	2.5%	8.7%	4.3%
Profits	77.2	70.2	71.7	10.0%	7.7%	3.8%

In \$M	FY to Date	FY'23 to Date	FY'22 to Date	Growth vs FY'23	Growth vs FY'22	CAGR
Store Sales	772.7	757.7	722.6	2.0%	6.9%	3.4%
Profits	132.9	122.7	129.0	8.3%	3.0%	1.5%

Source: FMS Contribution Margin Statement

### Overall Results Summary

#### Current Month vs Prior Year:

- Favorable net revenues \$5.7M mainly store sales
- Higher cost of goods sold in line with higher sales \$4.1M
- Net favorable operating costs \$2.3M as follows:
  - Lower media services costs \$0.5M due to planned reduction in promotions
  - Lower misc. costs \$1.1M due to a prior year Licensing system impairment charge
  - Lower computer software development costs \$0.3M due to planned reductions
  - Lower manual labor costs \$0.4M following a prior year spike in activity
- Lower outbound freight costs
- Lower other costs \$0.5M
- Higher personnel costs \$0.7M due to the state pay increase

#### Current Quarter vs Prior Year:

- Favorable net revenues \$9.9M mainly store sales
- Higher cost of goods sold in line with higher sales \$7.4M
- Net favorable operating costs \$4.5M as follows:
  - Lower media services costs \$1.0M due to planned reduction in promotions
  - Lower misc. costs \$1.1M due to a prior year Licensing system impairment charge
  - Lower computer software development costs \$2.0M due to planned reductions
  - Lower manual labor costs \$0.7M following a prior year spike in activity
- Lower equipment costs, mainly network servers \$0.2M
- Higher personnel costs \$0.2M due to the state pay increase
- Higher outbound freight costs \$0.3M due to increased contract rate and fuel prices


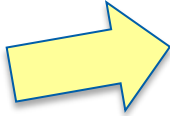


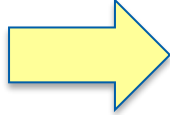

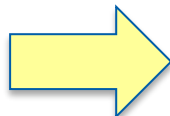


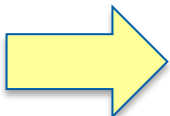
#### Current YTD vs Prior Year:

- Favorable net revenues \$14.2M mainly store sales
- Higher cost of goods sold in line with higher sales \$7.9M
- Net favorable operating costs \$3.9M as follows:
  - Lower misc. costs \$1.1M due to a prior year Licensing system impairment charge
  - Lower equipment costs, mainly network servers \$0.5M
  - Lower media services costs \$2.0M due to planned reduction in promotions
  - Lower computer software dev. & management services costs \$3.7M due to planned reductions
  - Lower training costs \$0.4M due to timing and planned reductions
  - Lower store fixture costs \$1.1M due to capitalizations for new stores in current year
  - Lower manual labor costs \$1.4M following a prior year spike in activity
  - Lower other costs \$0.3M
- Higher personnel costs \$5.8M due to the state pay increase and unfavorable labor hours in retail
- Higher credit card fees \$0.4M in line with higher sales
- Higher outbound freight costs \$0.4M due to increased contract rate and fuel prices



# KPIs related to profits, operating costs as a % of revenue, transaction count, OLO usage, and employee turnover are all green.

Sales revenue was just favorable to budget, average basket ring was flat vs. last year, time to fill and SWaM spending both increased, and in stock position was as expected.

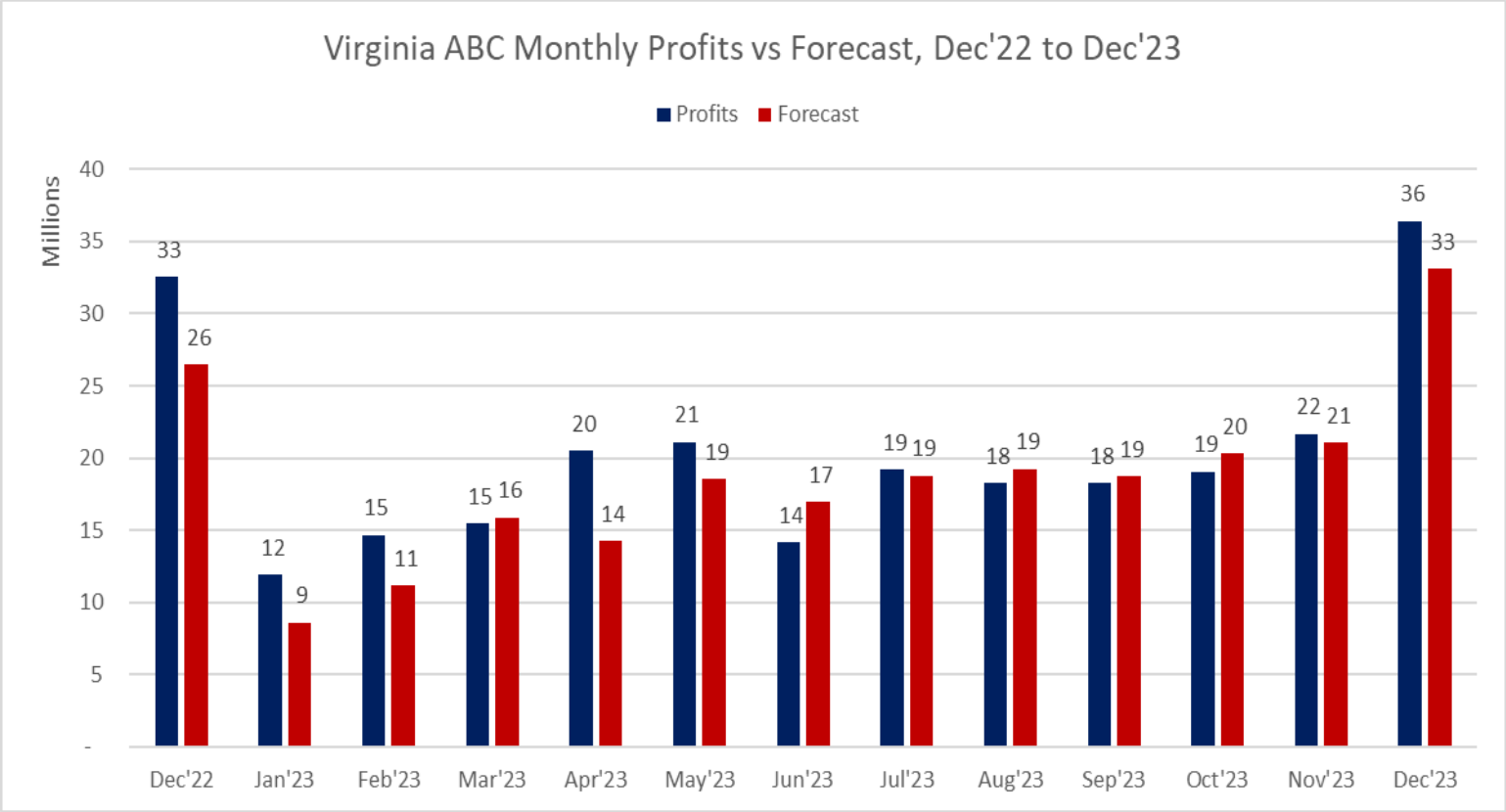
<p>Profit vs Forecast</p>  <p>Profits were \$3.3M (10%) above budget</p>	<p>Sales vs Forecast</p>  <p>Sales were \$0.9M (0.5%) favorable to budget</p>	<p>Operating Costs as a % of Net Revenue</p>  <p>Operating costs were favorable to budget boosting effects of flat revenues</p>	<p>Number of Transactions</p>  <p>Transaction counts were up vs. previous month and same month last year</p>	<p>Average Basket Ring</p>  <p>Average basket ring rose as expected in December, remained just below last year's peak</p>
<p>Number of OLO Transactions</p>  <p>Online transactions were up in count and value vs. last year and previous month</p>	<p>Retail Store In-Stock Position</p>  <p>In-Stock Position remained as expected with elevated holiday sales</p>	<p>Employee Turnover Rate</p>  <p>Wage turnover continues its downward trajectory, full time turnover is up slightly vs. Summer, but still favorable to last year</p>	<p>Time to Fill</p>  <p>Time to fill increased vs. last month and last year, now comparable to January of FY'23</p>	<p>SWaM Spend</p>  <p>SWaM spend is above target for December, but cumulatively below 30%</p>

Data thru December 2023



# Monthly Profits vs Forecast: Profits favorable in December

Profit was favorable by \$3.3M (10%) for the month of December, driven primarily by lower operating costs.



**Notes:**

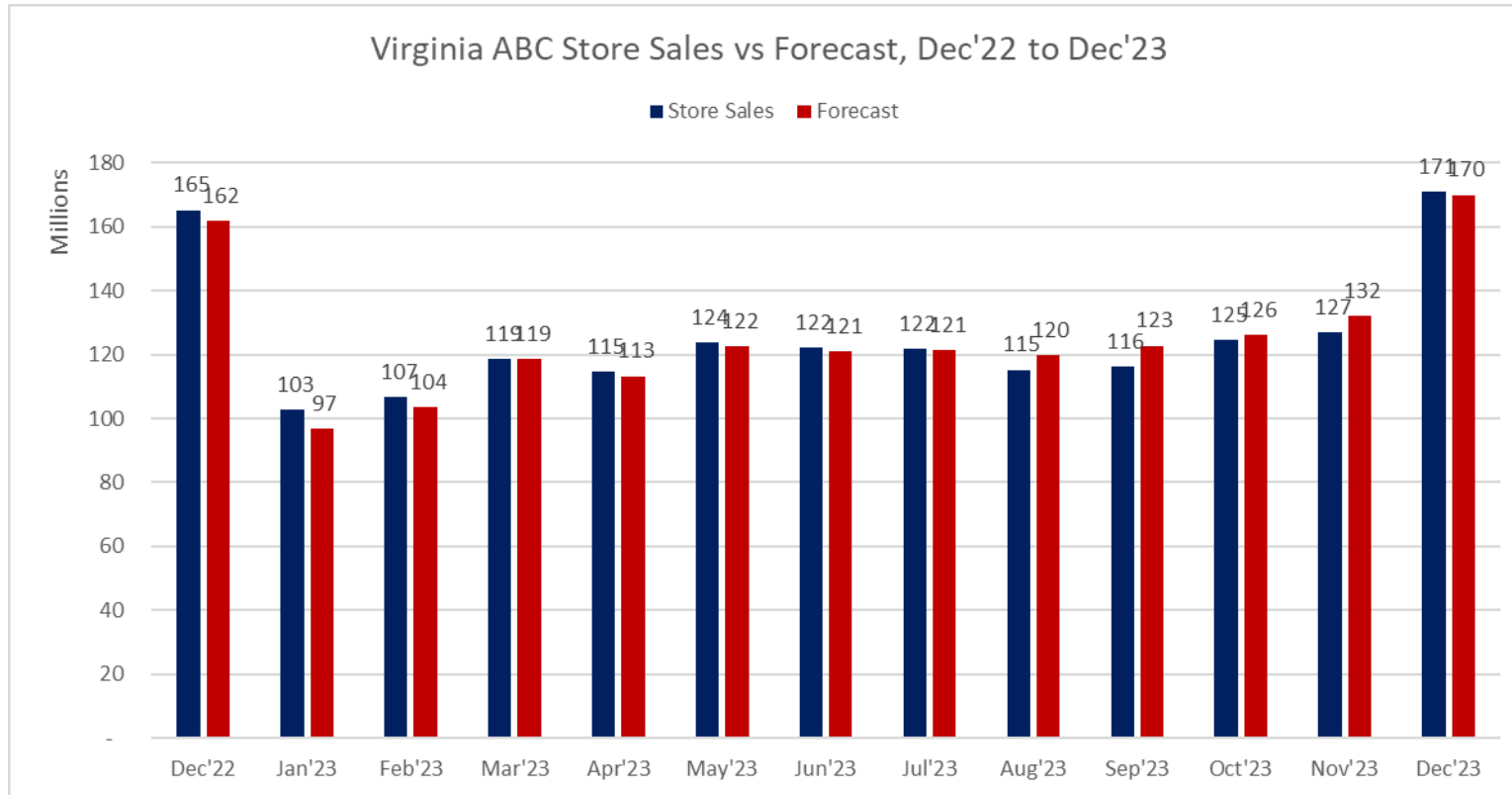
- December profits were above budget by \$3.3M, driven by lower operating costs.
- Slightly favorable revenue was boosted by lower than budgeted personnel costs, contractual services, and equipment charges.

Source: FMS



# Store Sales vs Forecast: Store sales just above budget

Adjusted store sales for December were favorable to budget by \$0.9M, or 0.5% above the target.



Source: FMS

## Notes:

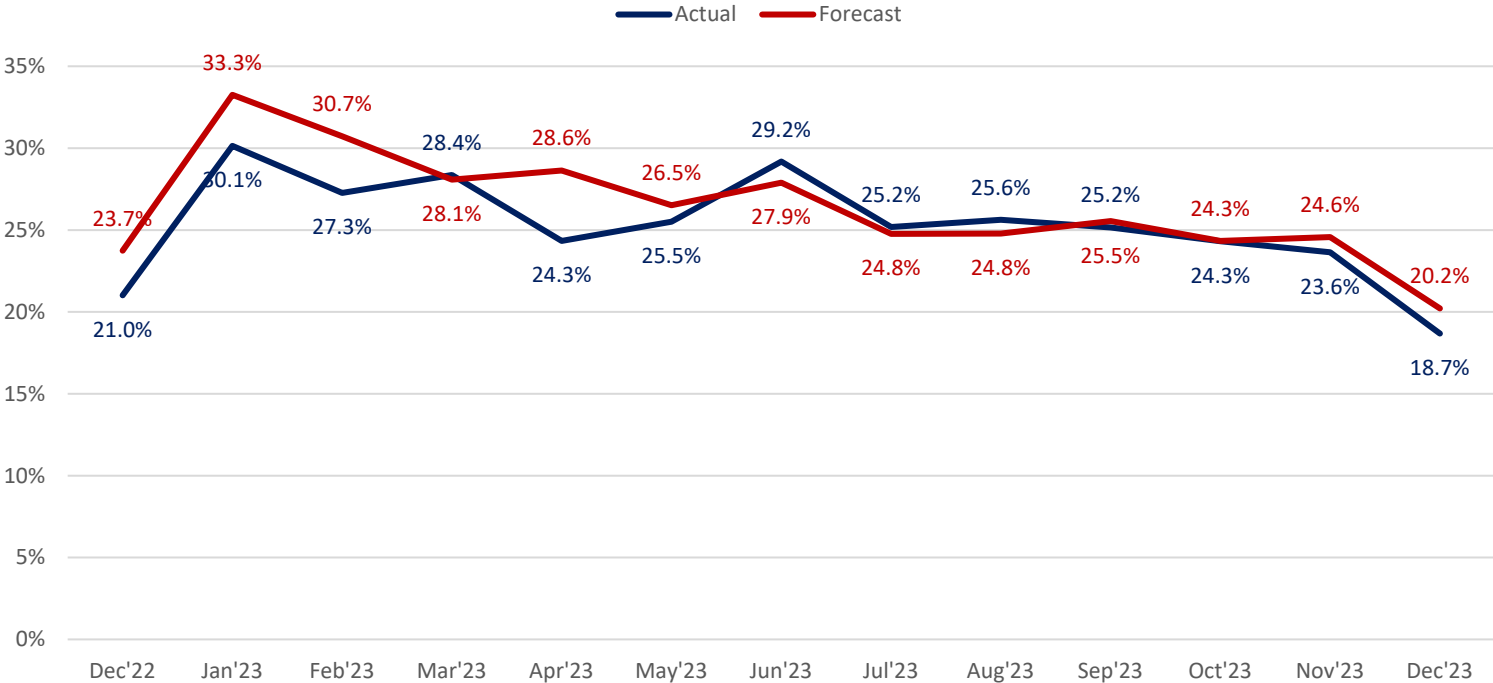
- Sales in December of \$170.9M were \$0.9M above the budget of \$170M.
- Store sales in December were helped by a large drop of allocated products that occurred in week 25 of the FY (\$11.3M on 12/16/23 vs. \$7.3M on 12/17/22).



# Operating Cost as % of Revenue: December is Favorable to budget.

Revenues were favorable to budget by 0.5%, and operating costs were favorable to budget by 6.9% for the month of December.

Monthly Operating Costs as a % of Revenue vs Forecast, Dec'22 thru Dec'23



Source: FMS

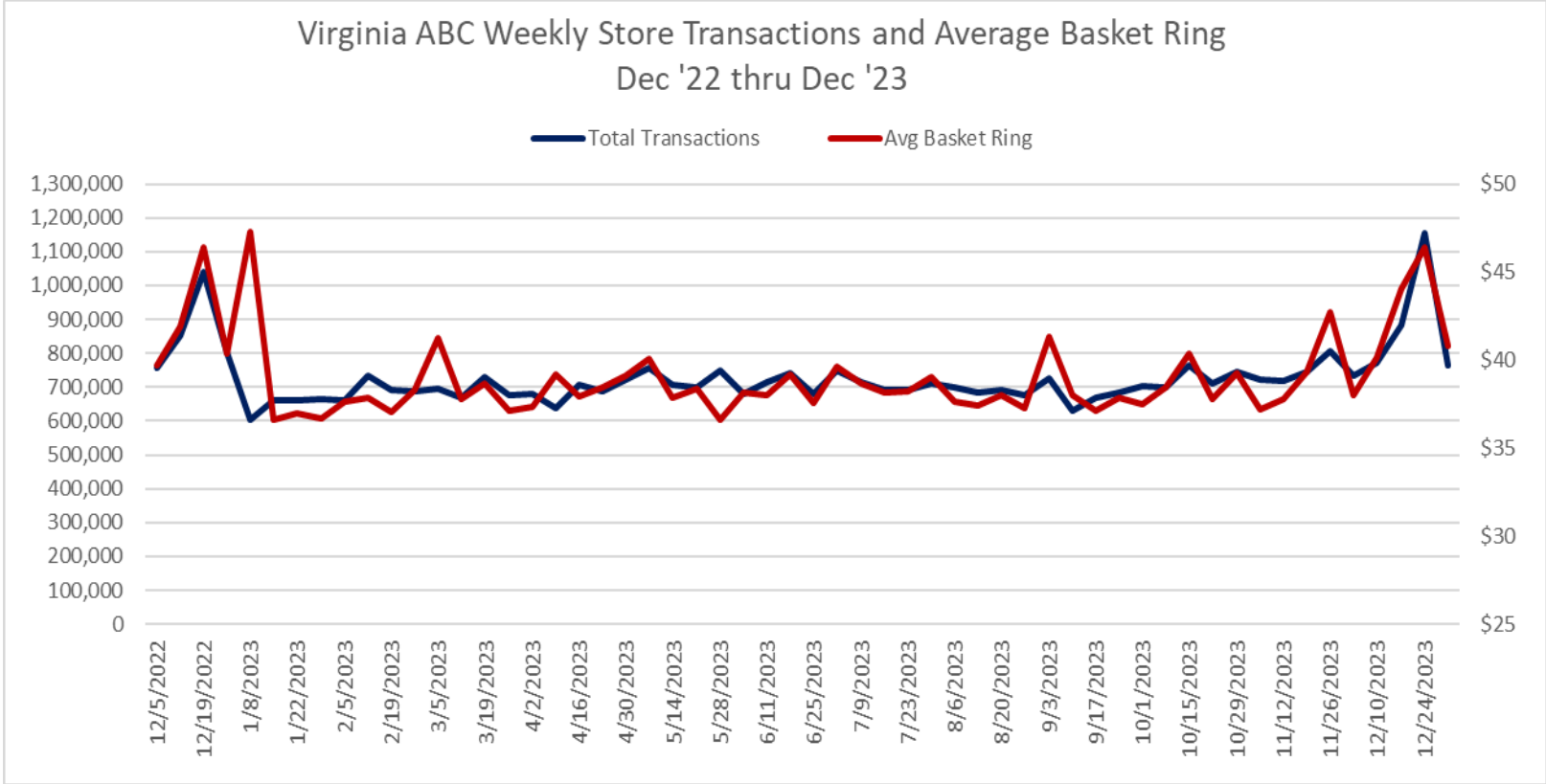
Notes:

- Revenues were favorable to budget in December by \$0.9M (0.5%) due to strong store performance during week 25 of FY'24.
- Operating costs were favorable to budget by \$2M (6.9%) primarily due to lower than budgeted computer software development costs due to reduced project activity, lower net personal services costs due to lower retail store wage hours and unfilled positions, favorable computer software rentals and favorable agency services costs following a 4-month catchup adjustment in October.



# Transaction Trends: Transaction count is as expected while spending increases.

Transaction counts in December were in line with seasonal patterns and at peak surpassed last December by 115K customers. Average basket value in December hit its expected peak but was \$0.04 below peak last December.



Source: Power BI

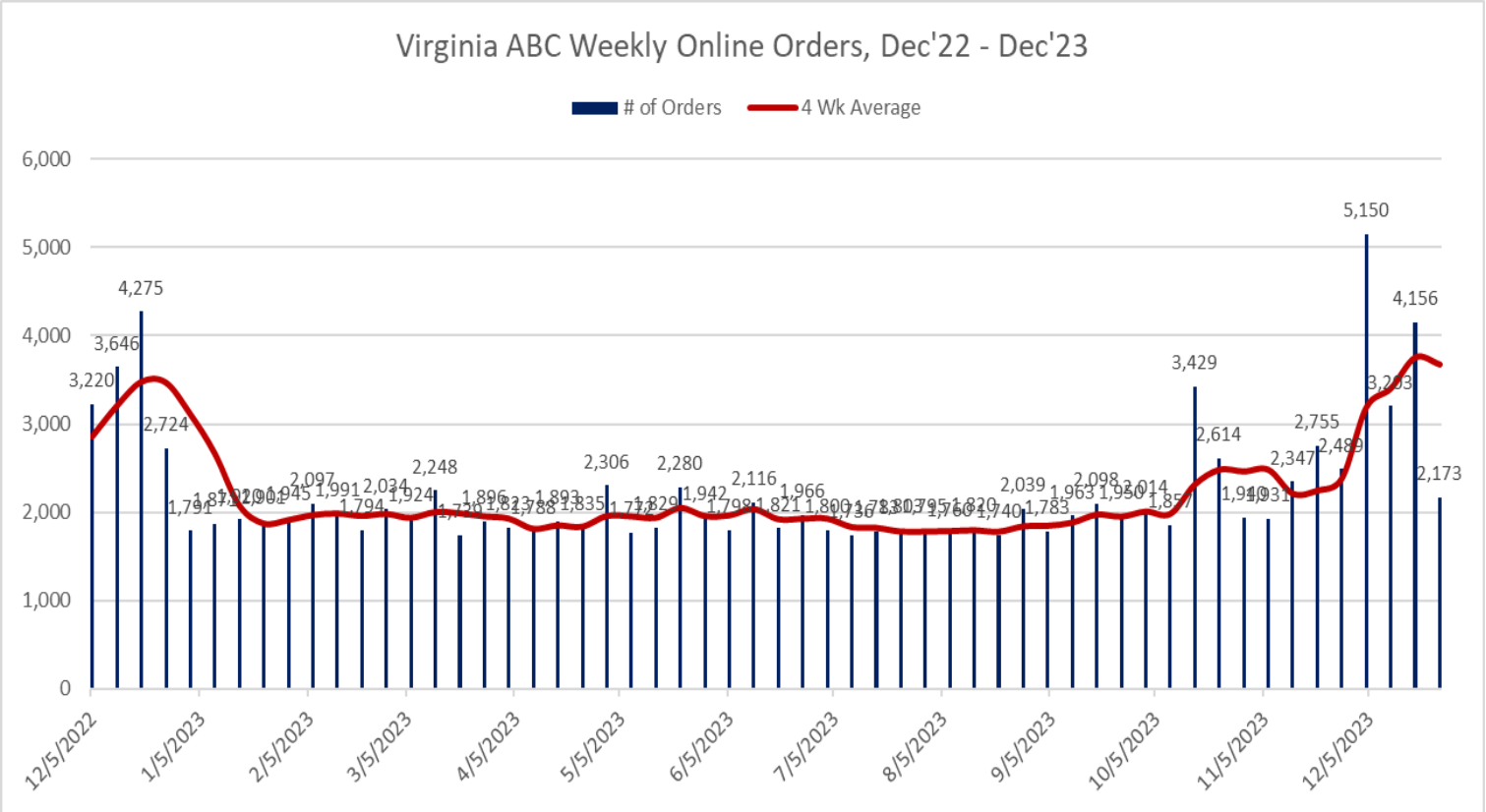
Notes:

- 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.
- Peak basket ring around Christmas was flat compared to last year, though customer counts increased.



# Online Transactions: Online orders showing more sales than last year

Online transactions were up 5.9% in quantity and 2.6% in weekly sales vs. December FY'23, and up 54.2% and 52.8% vs. November of FY'24.



Source: Data Warehouse

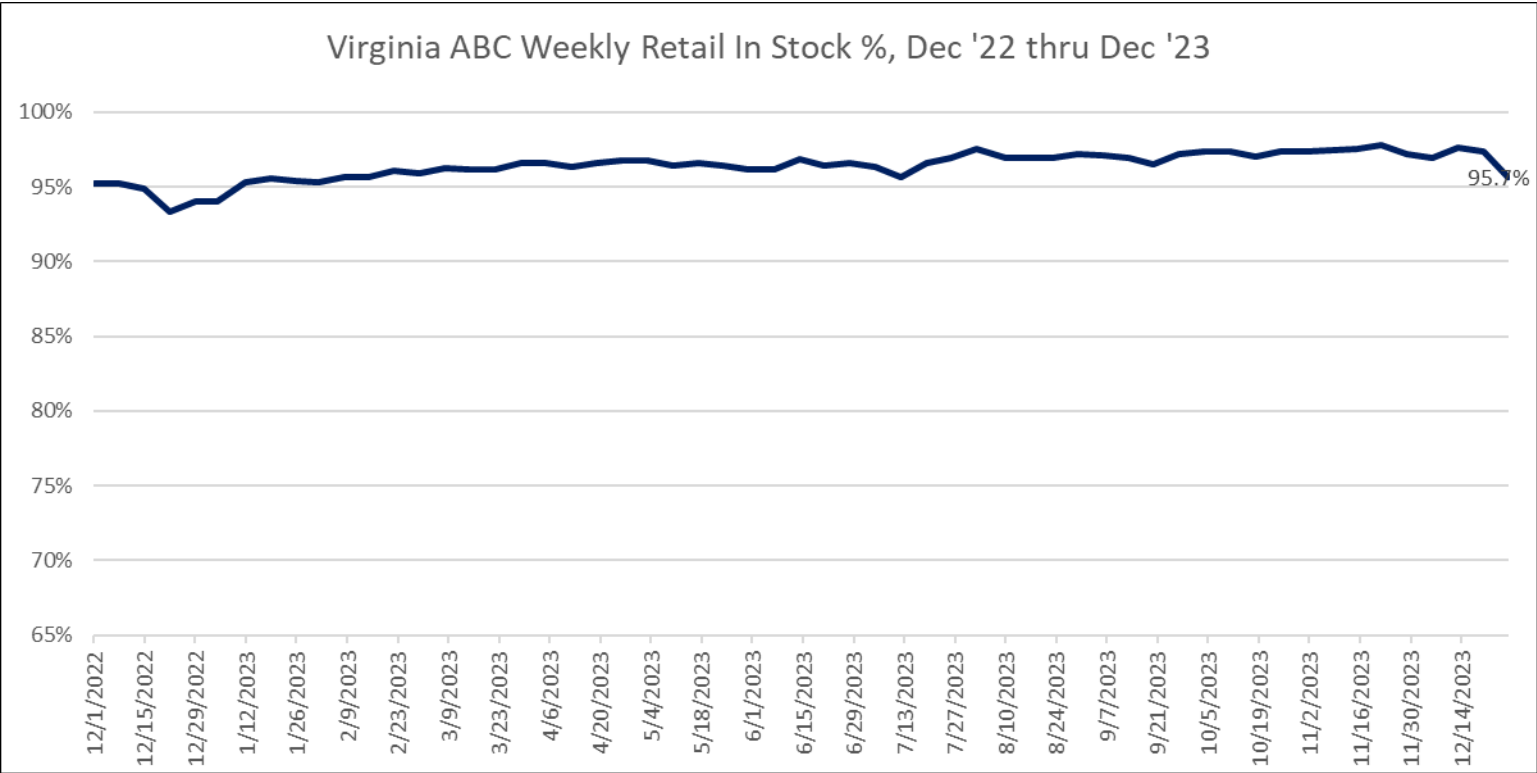
Notes:

- Online transactions were mostly flat throughout CY'22 and the first half of CY'23.
- Average weekly online sales for the month are \$294K, up 2.6% from \$286K last December and 52.8% up from \$192K last month.
- This year saw increased online transaction count and value around the Christmas holiday.



# 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. Stock position remains below historical norm of 98%.



Source: Logistics

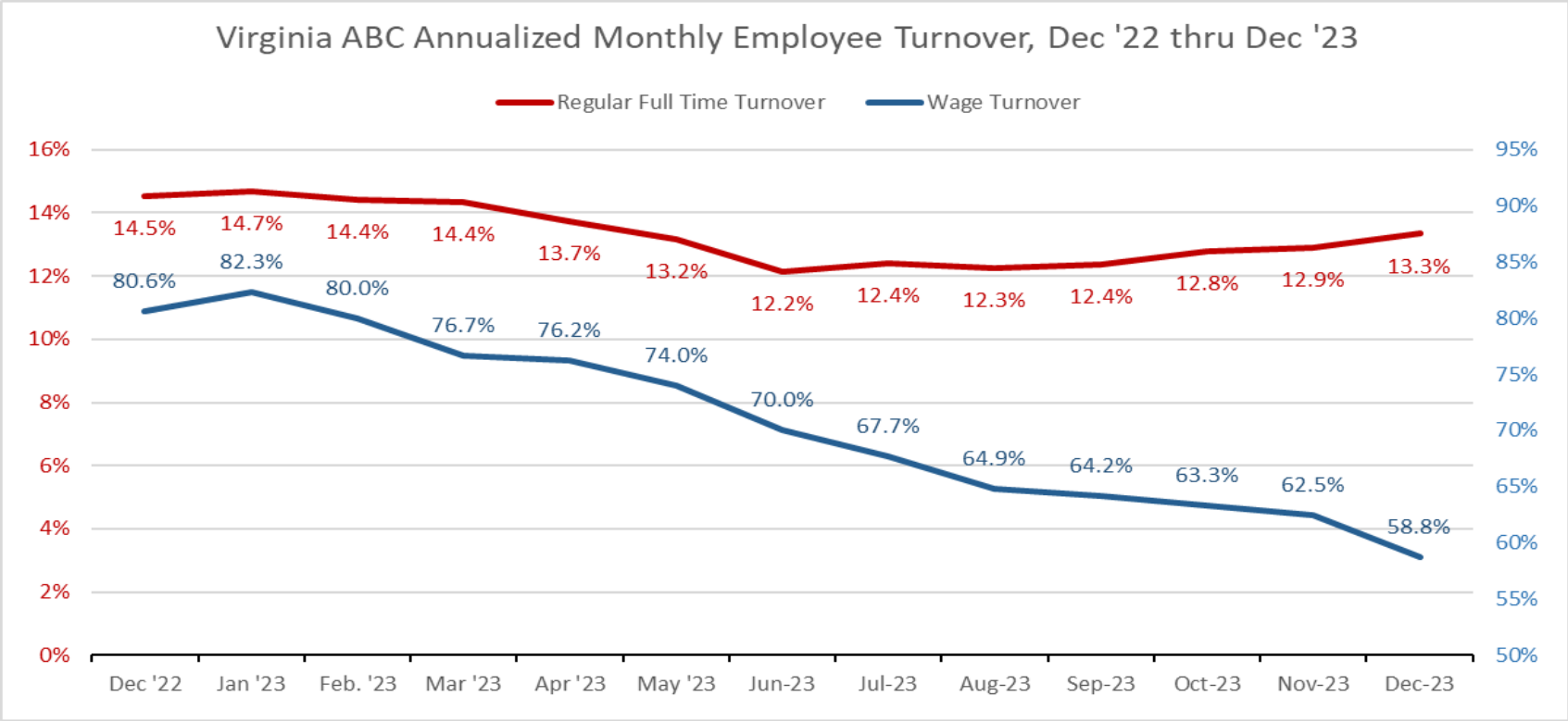
Notes:

- 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 improving

Turnover rates for both full time and wage associates are improved versus December of last year. Wage turnover is down, and full-time turnover is up slightly vs. last month.



Source: HR System Query

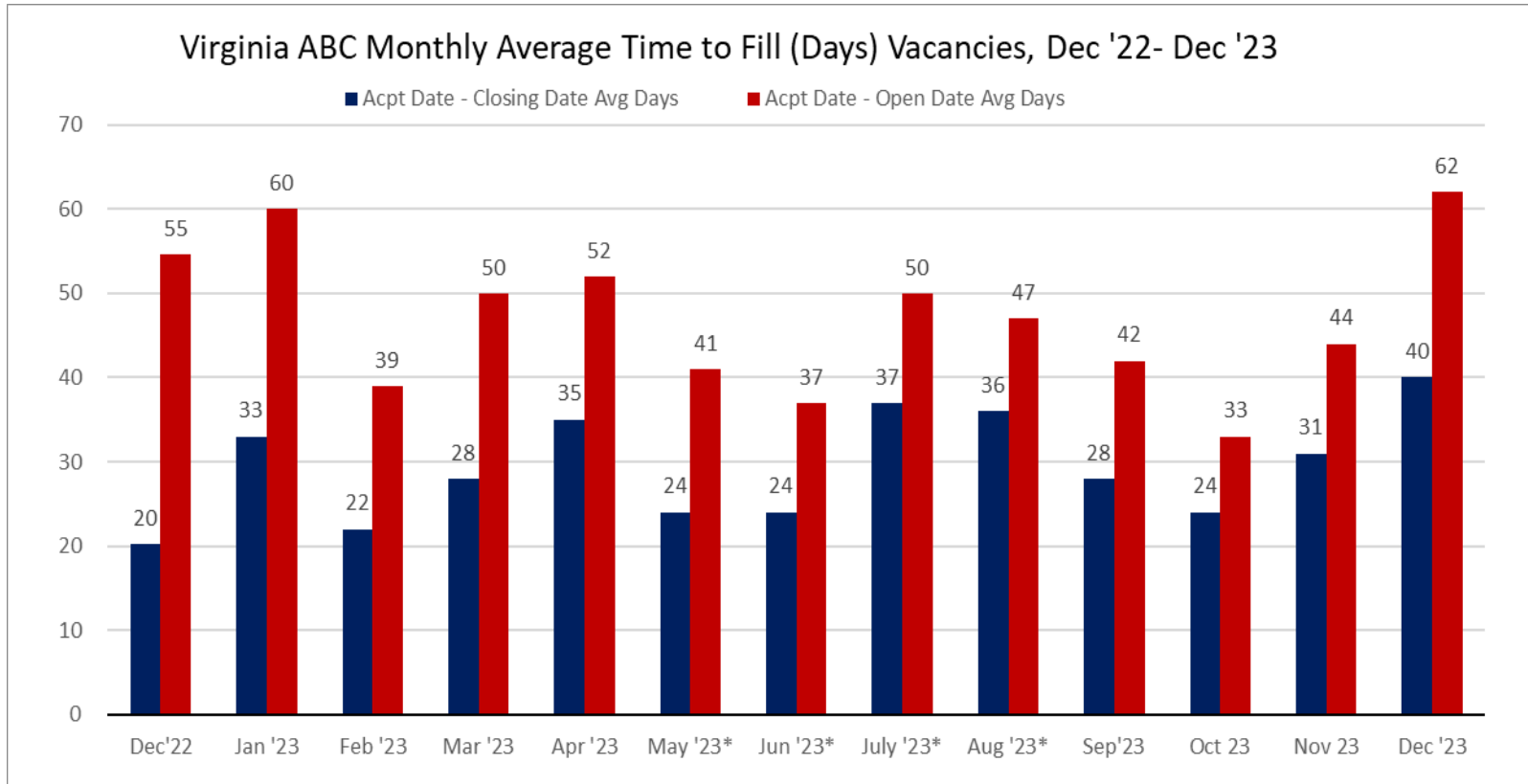
Notes:

- EET continues to send and collect employee life cycle survey data.
- EET continues to meet with DC Engagement Team monthly to gather employee suggestions and feedback. EET will be meeting with Leadership this month to determine how this team can be the most efficient.
- Additional recruiting KPIs have been identified and added to HR’s weekly TAP Report to help demonstrate employee acceptance rates and attrition rates.
- New Hire Attrition Rate: 51%



# Time to Fill: Up vs. last December and last month.

Time was trending downward in FY'24 but has increased to its highest point since last December.



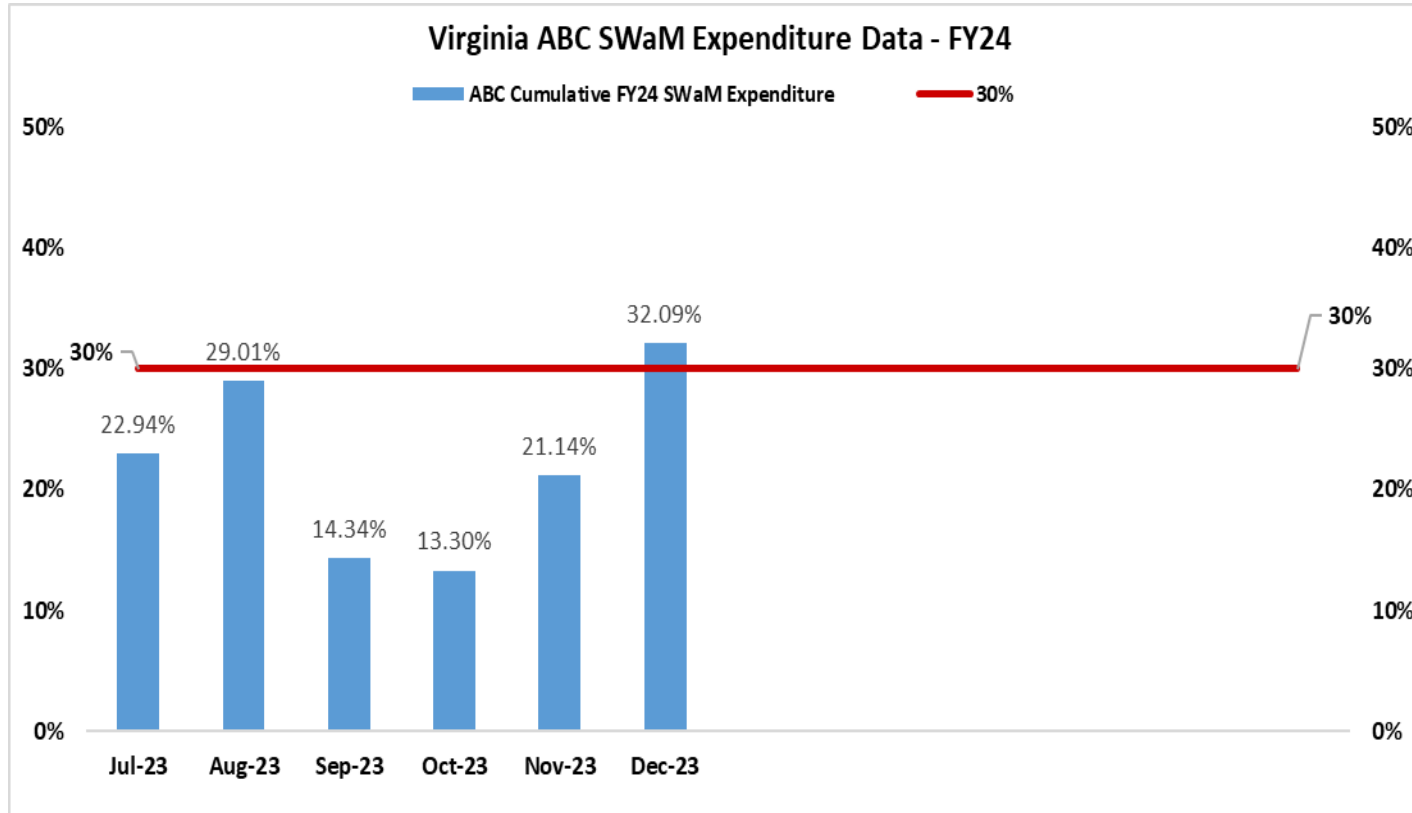
Source: HR System Query

## 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.
- December 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 well below target

SWaM spending was above target for December but 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 December '23 was driven by Treo, the vendor that manufactures counters for ABC retail stores.

# Board Commentary



# Public Comments