

## BOARD MEETING MINUTES: March 20, 2023 ABC Headquarters

### Call Meeting to Order at 9:01\* a.m.

### Attendees

Board Chair Tim Hugo  
Board Vice-Chair Maria Everett  
Board Member Greg Holland  
Board Member William Eulle \*  
Board Member Mark Rubin  
Chief Executive Officer, Travis Hill  
Chief Government Affairs Officer, John Daniel  
Chief of Law Enforcement, Tom Kirby  
Chief Retail Operations Officer, Mark Dunham  
Chief Digital and Brand Officer, Vida Williams  
Chief Administrative Officer, David Alfano  
Chief Transformation Officer, Elizabeth Chu  
Deputy Secretary, Chris Curtis  
Chief Information Officer, Paul Williams  
Office of the Attorney General, Jim Flaherty  
Executive Assistant, Kathleen LaMotte

\* Mr. Eulle joined at 9:20

### Approval of Minutes

The board reviewed the minutes from the February 23, 2023 board meeting. The Board asked to add “Board Members” as also being unable to participate in the lottery. Board member Holland moved to accept the minutes as amended, Board Member Rubin seconded the motion. The motion passed on a roll-call vote of 4 – 0.

### Approve Recommendations of Real Estate Committee

Board Vice-Chair Everett moved to accept the REC’s recommendations as amended for one relocation, Store 253 (Charlottesville), one expansion, Store 139 (Winchester) and four renewals, Stores 114 (Colonial Heights), 168 (Arlington), 268 (Springfield) and 423 (Norfolk). ABC has outgrown the current square footage in Charlottesville, which is a very successful store. There are no items of controversy this month. Board Member Rubin seconded the motion, and the Board adopted the recommendations of the REC on a roll-call vote 5–0.

### Delisting Report

The Board reviewed parameters for delisting products in ABC stores and the results of the recent delisting process, the first completed since the COVID pandemic. The Authority will provide data to vendors on a monthly basis so suppliers may have more of an opportunity to see how their products are performing in our stores and to adjust their marketing plans if needed.

## Approve Resolution

The Board reviewed a resolution acknowledging certain ABC staff for their efforts at the recent National Conference of State Liquor Administrators (NCSLA) conference held in Richmond in October. Vice-Chair Everett said all aspects of the conference were well run, and she received many compliments from other attendees. Vice-Chair Everett moved to approve the resolution, Board member Holland seconded the motion, and the motion passed on a roll-call vote of 4 – 0.

## CEO Update

Mr. Hill reported that:

- The Legal Symposium held by the National Alcoholic Beverage Control Association (NABCA) in Northern Virginia last week and three ABC Board members attended. NABCA is an organization of control states who have been very supportive of ABC's efforts to improve retail.
- The Authority's Supplier Advisory Committee is meeting next week. There will be an update on the Authority's financial performance, marketing programs, and efforts around improving the listings and de-listings processes.
- A Town Hall for all ABC teammates will be held on Wednesday, March 22 at 1:00 and Board Members are welcome to join. Topics and updates discussed will include Distribution Center Optimization Impact, Year to date Financial Review, Review of Strategic Plan and Values Renewal, Performance Management and Digital Transformation Strategy.
- Update materials from the other Chiefs were provided in the Board's materials and the Chiefs will be available for questions from the Board after the hearing today.
- The Chiefs will participate in a strategic planning session to align new objectives with strategic goals.

## Closed Session and Hearing

At 9:24 a.m., Vice Chair Everett moved that the Board enter closed session Virginia Code §2.2 37.11(A)(46) to discuss investigations of applicants for licenses and permits of licensees and permittees before the Board. Board Member Euille seconded. The motion passed on a roll call vote of 5 – 0. Attending the closed session in full were Tim Hugo, Maria Everett, Greg Holland, Mark Rubin, William Euille, Jim Flaherty, Travis Hill, John Daniel and Chris Curtis. The closed session was suspended to conduct the hearing in the matter of Crisp Salad and Juice Bar.

## Return to Open Session

When the Board returned from Closed session at 10:45, Board Vice Chair Everett moved to certify that to the best of her knowledge nothing was discussed in the closed sessions but licensee matters pursuant to §2.2 37.11(A)(46), and only public business matters lawfully exempted from open meeting requirements was discussed. Board Member Euille seconded; the motion passed on a roll-call vote of 5 - 0.

## Internal Audit Update

Mike Skroki, the new director of Internal Audit, was introduced to the Board, reviewed materials in the Board book and reported that:

- The Authority is prioritizing audits of distillery stores.
- The audits of Small Purchase Charge Cards (SPCC) will begin in the next few weeks.
- Special projects are taking a lot of time and resources from the Audit Department.
- APA Audit will begin soon. The IT Audit team will be working on an asset management project. This effort will help mitigate findings with the APA.

- The Payment Card Industry (PCI) compliance audit was recently completed with no issues found.
- Many planned audits have been delayed but will be re-evaluated as ABC goes through a risk assessment to prepare the annual audit plan for FY24.
- Before the end of this (fiscal?) year will try to audit LRM and Education Grants
- An IT Audit of the POS Audit is on hold, some was covered during PCI, but many changes at the store meant it was moved to accommodate their busy season.

Chair Hugo requested more statistical analysis and numbers when the auditing is complete. Mr. Skroki will provide more granular detail for common findings and metrics achieved and needing to be met.

Mr. Hill added that Mr. Skroki will report out to the Board at a regular cadence and a report regarding efforts on retail shrink will be shared to the Board.

## Chief Reports

The Board heard updates from Elizabeth Chu, Chief Transformation Officer, Vida Williams, Chief Digital and Brand Officer, John Daniel, Chief Government Affairs Officer, Tom Kirby, Chief of Law Enforcement, Mark Dunham, Chief Retail Operations Officer, David Alfano, Chief Administrative Officer, Paul Williams, Chief Information Officer, and Travis Hill, Chief Executive Officer.

## Closed Session

At 12:45 p.m., Vice Chair Everett moved that the Board enter closed session Virginia Code §2.2 37.11(A)(1)(7)(19) to discuss personnel matters, probable litigation and store security. Board Member Rubin seconded. The motion passed on a roll call vote of 5 – 0. Attending the closed session in full were Tim Hugo, Maria Everett, Greg Holland, Mark Rubin, William Euille, Jim Flaherty, Travis Hill, John Daniel, Mike Skrocki and Chris Curtis.

## Return to Open Session

When the Board returned from Closed session at 1:30, Board Vice Chair Everett moved to certify that to the best of her knowledge nothing was discussed in the closed sessions but personnel matters, probable litigation and store security pursuant to §2.2 37.11(A)(1)(7)(19), and only public business matters lawfully exempted from open meeting requirements was discussed. Board Member Euille seconded; the motion passed on a roll-call vote of 5 - 0.

## Comments from the Board

April 20 – April board meeting

June 8 – June board meeting

July 20 – July board meeting

## Public Comments

None

## Meeting Adjournment

Meeting adjournment at 1:30 p.m.

