

BOARD MEETING MINUTES: February 23, 2022 ABC Headquarters

Call Meeting to Order at 9:34 a.m.

Attendees

Board Chair Tim Hugo
Board Vice-Chair Maria Everett
Board Member Greg Holland
Board Member William Euille¹
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

Introduction of Tim Hugo

Maria Everett, Vice-Chair, introduced Board Chair Tim Hugo to the group. Tim Hugo thanked Maria Everett and reported he looks forward to working with the Authority.

Approval of Minutes

The board reviewed the minutes from the January 11, 2023 and February 2, 2023 board meetings. Board Vice-Chair Everett moved to accept the minutes as amended, Board Member Rubin seconded the motion. The motion passed on a roll-call vote of 4 – 0.

Closed Session

At 10:00 a.m., Vice Chair Everett moved that the Board enter closed session Virginia Code §2.2 37.1(A)(1)(7)(19) to discuss personnel matters, probable litigations, and IT Security regarding issues in retail stores. Board Member Rubin seconded. The motion passed on a roll call vote of 4 – 0. Attending the closed session in full were Tim Hugo, Maria Everett, Greg Holland, Mark Rubin, John Daniel, Jim Flaherty, Travis Hill, Mark Dunham, Paul Williams and Chris Curtis. William Euille arrived to the meeting during the closed session.

When the Board returned from Closed session at 10:24, 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 litigations, and IT Security regarding issues in retail stores pursuant to §2.2 37.1(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.

New Business

Approve Recommendations of Real Estate Committee

Board Member Euille moved to accept the REC's recommendations as amended for two new stores, Store 529 (Alexandria) and 531 (Lovettsville). Lovettsville was previously approved by the board but this is an improved location. The Alexandria store is in southern Alexandria which is high-density area with many licenses. This store has generated some attention with support and opposition received. There are two petitions circulating with opposition and support. Supportive emails outnumber emails opposed. Concerns from the community concern that alcohol may increase the crime rate. The Authority has reached out to local state legislators in the area who are supportive of the store. Board Member Euille has not heard any community opposition other than some chatter online. He has spoken with the mayor and city council, who have not heard anything from citizens opposed to the store. The REC also approved two relocations, Store 045 and 294 (Baileys Crossroads), and three expansions 239 (Bowling Green), 270 (Henrico – Parham Road) and 385 (Fairfax – Twinbrook). Board Member Rubin seconded the motion, and the Board adopted the recommendations of the REC on a roll-call vote 5– 0.

Review Strategic Planning Process

Elizabeth Chu, CTO, and Barbara Peterson-Wilson, Strategy Manager, presented the Executive Summary of the Strategic Plan included in the Board's packet. This plan is for three years, which should be more actionable and tangible than a five year plan, which may become stale.

Board member Rubin moved to adopt the recommendations of the strategic plan, seconded by Vice-Chair Everett. The motion carried on a roll call vote of 5 – 0.

Listings Report

Products selected for in-store listings for on-shelf on April 1 were included in the materials presented to the Board. The next Board meeting will have a report of products recommended for removal from the stores.

Amendment to Ethics Policy

The Authority sells high-demand products, primarily whiskeys, through a lottery system. In the past Authority employees have been able to enter the lottery, but to avoid the appearance of impropriety, going forward employees will not be able to participate in the lotteries for high-demand products. This will be placed as an amendment to the Authority's Ethics policy.

Board Member Rubin moved to adopt the amendment to the Ethics Policy to prohibit employees from entering the lotteries, this was seconded by Board Member Euille. The motion carried on a roll call vote of 5 – 0.

Pay for Performance

As an Authority, the ability to pay for performance independently of the state's scheduled pay raises has been discussed since 2018. In the past, all Authority Employees received the same raise regardless of their performance. The Authority will still use the 5% budgeted by the General Assembly, but 2% will be the standard Increase with a 3% variable pay for performance. All employees will utilize a self-evaluation and consider how the performance was executed utilizing ABC's Core Values. This policy is not applicable to wage employees. Some processes for the evaluation are being accelerated for this year to accommodate this new process.

IT Security Exception

Mr. Hill reviewed Security Exceptions he has signed on behalf of the Board, a summary of which was provided in the Board's packet. Each exception is being addressed by the Authority. These are reviewed by the IT Security Officer and IA and signed by CEO.

Executive Order 23: COVID Penalties

The Board was provided with the Authority's response to Governor Youngkin's request to report all penalties in response to COVID guidelines put in place by Governor Northam. Governor Youngkin's office is reviewing the penalties assessed and the employees terminated for refusing to comply with previous Executive Directives and violations of standards of conduct regarding COVID regulations. Some penalties were assessed on multiple charges that all were not related to COVID.

Summary Suspension Orders

Mr. Hill reviewed recent Summary Suspension orders signed through his delegated Authority.

Legislative Action/Electronic Bill Summaries

John Daniels' team prepares these Legislative Action Summaries, presented to the Board in their materials as part of a delegated items.

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.

Comments from the Board

- March 12 – 15 – NABCA Legal Symposium
- March 20 – March board meeting
- April 20 – April board meeting
- June 8 – June board meeting (this is a change)

Public Comments

None

Meeting Adjournment

Meeting adjournment at 12:35 p.m.

ⁱ Mr. Euille arrived after the Board meeting was underway due to traffic conditions.

