

BOARD/STAFF MEETING MINUTES

August 23, 2017
Board Conference Room

Chairman Jeff Painter called the meeting to order at 10:02 a.m.

Attendance

In Attendance: Chairman Jeff Painter; Commissioner Henry Marsh; Barry Wenzig, Director of Financial Management Services; Travis Hill, Chief Operating Officer; Mark Dunham, Director of Logistics; Jolyn Paoletti, Administrative Assistant, Wilson Jones, Director of Retail Operations; Sue Balsinger in for Debra Corley, Director of Procurement and Support Services; Paul Van Lenten, Chief Financial Officer; Patrick Griffin, Director of Hearings, Appeals & Judicial Services; Becky Gettings, Director of Communications; Susan Johnson, Director of Real Estate and Facilities Management; John Shiffer, Director of Marketing; Eddie Wirt, Chief Communications and Research Officer; Ryant Washington, Special Policy Advisor for ABC Law Enforcement; Lisa DeLuke in for Paul Williams, Chief Information Officer; Nannette Williams, Director of Internal Audit; Chris Curtis, Deputy Secretary to the Board; Faith Richardson, Interim co-director of Human Resources; Vanessa George, Interim co-director of Human Resources

Not in Attendance: Commissioner Judy Napier; Paul Williams, Chief Information Officer; Debra Corley, Director of Procurement and Support Services

New Business

Chairman Painter motioned to approve the minutes from the August 09, 2017 board meeting. Commissioner Marsh seconded the motion and with all in agreement, the minutes were approved as read.

Chairman Painter motioned to approve the six new business items. Commissioner Marsh seconded the motion and with all in approval, the ten new business items were approved as read:

1. Approval (for the record) to hire a part time Student Undercover Agent (position number varies) as requested by the Enforcement Division.
2. Approval (for the record) to hire a full time Administrative Technician (position number 00244) in the Charlottesville Regional Office, as requested by the Enforcement Division.
3. Approval (for the record) to hire a Fiscal Technician Senior (position number 00091) as requested by the Finance Division.
4. Approval (for the record) to hire five part time Security Officers (position number W71208) as requested by the Enforcement Division.
5. Approval (for the record) to expand ABC store #290 in York County from the current 2205 square feet, to 4410 square feet by expanding to the adjacent building space. The updated cost will be \$14 per square foot. This request is submitted by the Real Estate Division.
6. Approval (for the record) to renew the lease for ABC store #335 in James York Plaza in Williamsburg. The updated cost is \$18.66 per square foot. This request is submitted by the Real Estate Division.

Director Reports:

Lisa DeLuke in for Paul Williams, Chief Information Officer

Virginia ABC Information Technologies has hired two contractors and two contract project managers to start next week (week of August 28).

Sue Balsinger in for Debra Corley, Director of Procurement and Support Services

There are two new employees starting next week for Procurement.

Support Services is finishing up two open hotline complaints today. Starting next week, the complaint reports will be sent to the Board for review.

There is a procurement training with HR scheduled for next week where they will be testing new training regimes and implementing new procurement policies which they will enact once the Authority Transition is complete.

Patrick Griffin, Director of Hearings and Appeals and Legislative Services

The Lockn' Festival coordinators have requested an ABC license to sell mixed beverages. Since the event is not private, they are not able to obtain a mixed beverage license. Enforcement has been made aware and has reached out to the Lockn' organizer to ensure compliance among festival-goers. ABC will have agents at the event to enforce ABC laws.

Paul Van Lenten, Chief Financial Officer

Paul attended the Governor's Budget meeting on Monday August 21. Virginia's budget ended with \$136 million dollar surplus. The transfers were down, but ABC was listed separately and was not accounted for in the transfer. Originally, the General Assembly had requested ABC growth at 25% but in 2017, ABC produced 27.7% growth.

The Fee Study results should be completed this Friday, August 25 and ready for Board review.

Wilson Jones, Director of Retail Operations

Regional Managers will be coming in to the ABC Headquarters for their quarterly meeting September 19-21. There are time slots left on the agenda if any directors want to meet with them.

There are four employees who are eligible for retirement this year in the retail division. Retail management is already reviewing with ABC Human Resources about which positions they feel they may need to backfill following the Authority Transition.

Retail received back the results of the ABC store employee surveys. They were able to put together the top ten positive and negative results to share with the Board. Additional results and information will be shared once available.

Virginia is hosting the international monopolies conference in Pentagon City next week. The chairpersons from 42 countries come together for about three days each year to discuss topics of monopolies. The conference organizers would like to schedule some time for visitors see and shop at local ABC stores.

Ryant Washington, Special Policy Advisor for ABC Law Enforcement

Ryan Porter and Tom Kirby have been out this week attending NLLEA Annual Conference and the NIAA conference. David Huff has been out of the office at the NLLEA conference and is accepting a Law Enforcement award on behalf of ABC Enforcement

The recruitment for 15 Special Agent positions closed on August 18. There were over 500 applications which ABC Enforcement and HR are working to review.

In-service for 2018 will start early spring, ABC Enforcement Training Unit is currently preparing for that by scheduling trainers and classes.

Chief Washington is working with Enforcement management on the best ways to realign and reallocate duties to ensure that no operations are affected by current vacancies, sickness, and retirements which are affecting the Bureau.

The Quarterly report was sent to the board last week; they sent it back with some revisions. Chief will send out an updated copy to the Board for final review today.

Eddie Wirt, Chief Communications and Research Officer

Communications is currently working with ABC IT to gain Regional Managers access to BI. With the Regional Managers meeting in September, they can be trained on the system at that time.

FOIA Update: Communications received a FOIA request from a reporter out of Roanoke about employee misuse of computers. There are no current documented records from IT but Communications is waiting on response from Enforcement and HR. The due date for that report is by end of day today.

There are three positions that require fill or back fill, the Board will be receiving requests for approval for those soon.

Eddie is waiting on the update about the Transition Report. Hallie is working to finalize and expects a draft to be routed internally within the next 10 days.

John Shiffer, Director of Marketing

Marketing has approved 57 new products for review. They are de-listing 266 items and putting 16 items on probation.

Dry Fork showed up on the de-listing schedule, but based on ABC's relationship, they will be moved to probation until the end of November. Further details on the numbers specific to the de-listings will be listed on the weekly report for this week.

Becky Gettings, Director of Communications

An ABC Flickr account was set up this week. Flickr is used for sharing photos, but is not a social media style site. Communications is using the system as a photo storage site. Jeb Inge has set up albums for individual divisions and ABC employees can go in and access the photos that they would like. It is set up for employee photos, not promotions or product photos.

A news release will be coming out regarding the award that ABC Enforcement received on August 23 once more information becomes available.

Mark Dunham, Director of Logistics

The previous warehouse goal was 22,000 cases in an eight hour shift. The Logistics team has been able to meet that goal over a dozen times so they have set a new goal to be able to do 23,000 cases in one 8 hour shift. Some 2017 statistics include:

- Average cases completed per day is 19,284
- Average stop time was 2:55pm

There are currently eight part time warehouse workers needed. Logistics is recruiting to fill those roles.

The Logistics team has reviewed employee engagement practices specifically to review training and employee performance incentives. They are working to reward top team producers, move up lower producers to encourage interest in the trainers program. Part time workers are eligible to become a trainer, as long as they meet the criteria. There are several workers who have hit the 100% picking accuracies, and they will begin receiving monthly awards to increase incentive to produce at better accuracy.

Logistics is working with Retail to improve warehouse forecasting. They are working to expand their pilot program and are meeting with the Richmond Regional Managers to ensure that there are less adjustments to orders ongoing.

Logistics is planning on implementing 53 week forecasting. They will continue to forecast monthly, but they need to be able to improve forecasting for holidays so that they can plan ramp up and start orders over two weeks prior to the holidays so they are not overwhelmed. They will begin this for the upcoming Labor Day holiday.

Logistics is reviewing attached items and standard items at stores have in-stock. Any stores with over 93% over-stock, they are reviewing what issues are causing the high in-stock numbers

Logistics has been capturing data over last 12 months so they can review the warehouse processes to increase efficiencies, make a more uniform system to, and see where there are areas that can be improved upon.

Barry Wenzig, Director of Finance

Finance is trying to balance resources with all of the deadlines that they have to meet this month. There are several reports due at the end August and they are working on completing the VHS pension Liability plan. After those are done, they will review the Management Analysis and have footnotes prepared for review.

Travis Hill, ABC Chief Operating Officer

Property Project – RFPs were received and are being reviewed by the project team. November 1 is the due date for the report to the Governor and General Assembly.

Travis will have a meeting with Senator Reeves who is the Chair of Rehab and Social Services committee on Friday August 25. Senator Reeves wants to hear an update about the Authority Transition.

ABC LAMP graduation last week went well. One of the projects that the team focused on was onboarding. The team had mentioned several items that can be used to improve upon current onboarding practices. Travis will review some of those items to implement.

Virginia Spirit Month's initial launch event is scheduled for August 29. "Love" letters are scheduled to arrive at the Short Pump store on August 25.

There will be ABC Transition Update during the annual service awards in September to review and provide employees with an update on the Authority Transition.

Chip/Pin Project – The liability cut over will take place on September 29. Elevon has caused some delays and the due date is now rescheduled for October 6. Travis is concerned about completion give delays be vendor.

Legislative proposals are due Friday for the legislative session next year. Travis is going over the proposals tomorrow with Deputy Secretary Victoria Cochran, which will include:

- Fee Study: report has been received and Travis will present findings
- Licensing Project: no longer requiring license applications to be notarized
- “Reach Goal”: delivery of spirits

Public Comments

None

Comments from the Board

Question from Jeff Painter: How often are the ABC store shelves changed?

Answer: It is typically changed quarterly, unless there are promotions.

Adjournment:

At 10:42am, with no further business, Chairman Painter moved to adjourn for the day. Commissioner Marsh seconded and the motion was carried unanimously.