

## Call Meeting to Order

Meeting called to order at 9:03 a.m.

## Attendees

Board Chair, Tim Hugo  
Board Vice-Chair, Mark Stepanian *via Teams*  
Board Member, Greg Holland  
Board Member, Jack Kerrigan  
Board Member, Lisa Jennings  
CEO, Dale Farino  
COO, Tom Kirby  
CFO, David Alfano  
CHRO, John Singleton  
AGC, LaTonya Hucks-Watkins  
Deputy Secretary, Chris Curtis  
Office of the Attorney General, Elizabeth Peay  
Senior Paralegal, Helen Gordon  
Sales Audit Lead Analyst, Martha Jackson

## Opening Remarks

Chair Hugo opened the meeting at 9:03a.m., noting that Vice Chair Stepanian was appearing via Teams.

## New Business - Board Approval

### Approve Minutes from September 24<sup>th</sup> Board Meeting

The Board reviewed the minutes from the September 24, 2025 Board meeting. Board Member Holland advised there was a scrivener's error in his name and it should be corrected to read "Board Member Holland." Board Member Kerrigan motioned to correct the error. Board Member Holland seconded the motion and the motion passed on a roll call vote of 5-0.

The Board reviewed the revised minutes from the September 24, 2025 Board meeting. Board Member Jennings moved to approve the minutes as revised. Board Member Kerrigan seconded the motion and the motion passed on a roll call vote of 5-0.

## Awards

### 2025 StateWays Best Practice Awards (Farino)

Best Distribution Innovation - Tyler Moore, Kate Sheehan, Bryan Vaughan and Greg Doerr, won the award for the best distribution renovation due to an increase in efficiency in our distribution center.

Best Stakeholder Outreach - LaTonya Hucks-Watkins - in April of 2022 we began our regulatory reform project with internal and external stakeholders with the goal to modernize our regulatory structure and streamline the regulations.

This inclusive approach was successful in winning the Best Stakeholder Outreach award.

Center for Alcohol Leadership Award – Chief Tom Kirby, was awarded for his leadership in alcohol control.

## Marketing Plan (Moore)

The Marketing division has three teams; consumer engagement, product acquisition, and category management. Within the consumer engagement team, we focus on the two main areas of impact, In Store Marketing & Experience, and Digital Marketing. On the digital side we manage the Spirited Virginia channels, including our email distributions, Facebook, and Instagram. These channels exist specifically as a marketing tool, with the purpose to drive sales. The communications division hosts the creative resources folks and our VA ABC channels, which delivers overall organization updates, education content, recruitment postings, as well as cross posting Spirited Virginia content.

For the In Store Promotional experience, we have four major types of content, Defined Displays, PODs, Front Counter, & Ad-Hoc Displays. Defined displays have discounts associated with them and are planned a year in advance. PODs, are mobile in-store display units that hold a recipe or a purchase combo and often offer a discount. These are planned about a ¼ of the year in advance, depending on what the suppliers want to push. The Front Counter display holds products and some kind of feeding holder. These are based off of what is hot right now, not planned in advance as much and are typically the impulse area. Ad-Hoc Displays are planned and executed as short as 2 weeks or a month before they go out. We review ad-hoc displays every week to decide what the next 4 weeks to 2 months will look like on these displays.

Existing Promotional Types, we hold four to five door buster sales events annually. A 20% off, flat percentage and tag sale, Spirited Thursday Sales-flat % and tag sale for 1 day, Holiday Based Sale-flat % and tag sale, 2-day sale. Lastly, the newest type, Buy 2 is a 4-day, in-store only sale, 8-10 brands. This is logistically the most challenging. Month Long Sales, Virginia Spirits Month is the only current example, and the only one that we have any kind of financial obligation to.

Previously, we used a third-party advertising group to put our ads together at the cost of \$43,000 per month. We've spent the first half of fiscal 26 working towards moving this advertising in-house which will provide cost savings to the Authority. Our marketing budget is less in 2026, but our digital ad spend is higher. We anticipate these results to trend positively

Halloween Doorbusters Results: Titos had an 112 % lift when we put it on sale. Halloween sales showed that when we put items on sale, people buy them; an 18% increase was seen with the skus included in this event. Full catalogue sales \$22, 834.751, ad spend was \$72,178. In 2024 sales were \$21,930,042 with an ad spend of \$116,445 so cutting our radio didn't negatively impact the campaign or its sales results. Bringing it in house didn't have a negative impact on us and we've actually seen an increase in our Impressions and Reach. We cut ½ a million dollars out of our mid-year spend. We were spending \$43000/month out of house.

Upcoming events, black Friday through Cyber Monday doorbusters, 2-day sales: New year's, super bowl and St. Patrick's day coming forward. Texting channel and META use will increase. From a digital content standpoint we are having more focus on specific barrel releases, sales, recipes, new product releases, events/tastings.

## Virginia ABC Board Meeting Minutes

DATE: November 21, 2025

The meeting adjourned at 10:07 a.m. to attend a Board Appeal hearing.

### Board Appeal Hearing

The Board conveyed in the Hearing Room at 10:20a.m. to hear the appeal of Juicy Brewing, license #013307735. After careful consideration the Board moved to uphold the Administrative Law Judge's decision, which was seconded by Board Member Kerrigan. The motion passed on a roll call vote of 5-0.

### Closed Session

At 10:28 a.m. Board Member Stepanian made a motion to move into closed session. Board Member Kerrigan seconded the motion. The motion passed on a roll call vote of 5-0.

### Return to Open Session

The Board returned from closed session at 10:42 a.m., Board Member Stepanian moved to return to open session, Board Member Kerrigan seconded the motion. The motion passed on a roll call vote of 4-0.

### Reports for Approval (Crumble)

Virginia Higher Education Substance Use Advisory Committee (VHESUAC) a collaborative of all institutions of higher education in Virginia. VHESUAC discusses education, prevention, treatment, and recovery options at these institutions. Both private and public universities participate in VHESUAC. This report is the strategic planning activity for this past year.

Virginia's Office for Substance Abuse Prevention (VOSAP), per the Code of Virginia VA ABC, oversees VOSAP, a collaborative of all state agencies that relate to youth substance use prevention. VOSAP discusses statewide spending on prevention and compares Virginia youth substance use to the national trends.

Board Member Holland made a motion to accept both reports as written, and Board Member Jennings seconded the motion. The motion passed on a roll call vote of 5-0.

### FY2025 VA ABC Annual Report (Alfano)

The draft ABC Annual Report was distributed to the Board for review in advance of the meeting. The Board deferred approval pending review of the APA Opinion Letter which is expected to be available in early December.

### Financial Update (Alfano)

September net revenues of \$92.4M are \$1.0M favorable to the budget. However, sales are \$2.4M below September 2024. Operating expenses of \$24.9M are consistent with prior months and are \$0.4M favorable to budget. Net profits in September are \$15.4M or \$0.7M favorable to budget. Year-to-date, net revenues are \$296.6M or \$3.7M favorable to budget but are 0.8% less than last year. Net Profits of \$55.1M are \$3.8 million dollars ahead of budget. October results are being finalized and will be available for the December 9, 2025 Board meeting.

## Virginia ABC Board Meeting Minutes

DATE: November 21, 2025

### **Penny shortage (Alfano)**

The U.S. stopped minting pennies last week. To address the shortage of pennies in circulation, ABC obtained and distributed to stores \$3,600 in pennies. We evaluated the number of cash transactions and estimated that rounding down on each cash transaction could impact net profits by as much as \$150,000 annually. The recommendation is to round cash transactions up and down to the nearest nickel. Before seeking formal Board approval, ABC will provide public notice for 45-days and seek verbal comments in a public meeting during the January 15, 2026 Board meeting. The effective date of the change is tentatively scheduled for February 1, 2026.

### **Happy Hour (Hucks-Watkins)**

At a previous Board meeting we discussed Eric Terry with the Restaurant & Lodging Association's request to increase happy hour times. Now that the public comment period is over, we wanted to provide an update. On September 23, 2025, we received a petition from Eric Terry to change happy hours from 9p.m. to midnight. It was published on September 29, 2026, we received 35 total comments. 20 comments are in favor of amending and 15 comments are opposed to amending, which we will review at the January 15, 2026 meeting. The Authority must decide to approve, reject or modify the petition before February 6, 2026.

### **Comments from the Board**

Chair called for comments from the Board; none were received.

### **Comments from the Public Comments**

Chair Hugo called for any public comment.

Mr. Tom Lisk, Representative of the Virginia Restaurant, Lodging, & Travel Association. I would ask you to maintain an open mind until you hear their presentation. I think there are false assumptions about overserving when we are trying to get more people in the restaurants to help their ratio by selling more food. You could certainly go through with the petition and it would not limit the Board from deciding what to do with the proposal. The impact of the MBAR litigation also should not affect this bill. We are not seeing rampant violence in other states with later happy hours.

### **Closed Session**

At approximately 12:28pm, Board member Jennings made a motion to move into closed session. Board member Kerrigan seconded the motion. Motion passed on roll call vote of 5-0.

### **Return to Open Session**

The Board returned from closed session at 12:54 p.m. Board Member Stepanian moved to return to open session; Board Member Kerrigan seconded the motion. Motion passed on a roll call vote of 5-0.

### **Meeting Adjournment**

Meeting adjourned at 12:55 p.m.

Next meeting: December 9, 2025