



ALCOHOLIC BEVERAGES ADVISORY BOARD

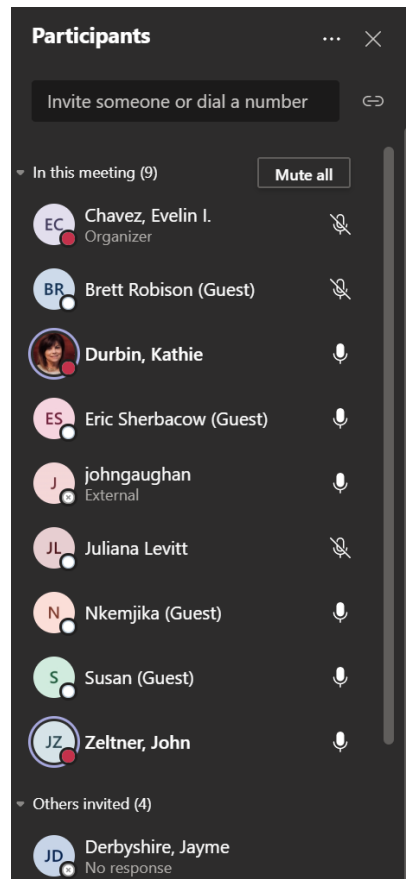
Marc Elrich
County Executive

Meeting
Tuesday, March 9, 2021
Alcohol Beverage Services
201 Edison Park Drive, 1st Floor, Gaithersburg, MD 20878

Minutes

Members and Staff Present (virtually through Microsoft Teams): John Gaughan, Chair; Brett Robinson, ABAB Member; Juliana Levitt, ABAB Member; Susan Heltemes, BLC; Evelin Chavez, ABS; John Zeltner, Chief of Wholesale Operations; and Kathie Durbin, Chief of Licensing, Regulation and Education & ABS (*Acting*) Director.

Absent: Lt. Michael Ruane, Montgomery County Police Department
Guest: Eric Sherbacow, Oracle



John Gaughan called the meeting to order at 9:02 am. A motion was made to approve the January meeting minutes by Ms. Levitt, seconded by Ms. Heltemes, and unanimously approved by the members present.

General Discussion:

Mr. Robinson expressed how the current county restrictions to limit customers in indoor dining to a ninety-minute dining period has made it hard on the hospitality side. Its also hard to keep up with all state and county orders, but overall thankful that he can still serve his customers.

Evelin Chavez, ABAB Update:

Ms. Chavez did not have any updates.

John Gaughan, ABAB Member:

Mr. Gaughan introduced the new board member, Dr. Nkemjika Ofodile-Carruthers and announced that Scott Maravilla was appointed to serve on the Merit Systems Protection Board and is no longer on the ABAB board. Mr. Gaughan made two requests for the next meeting- a) that ABS provide an update on what the plan is for the search on the department's new director and b) that ABS provides board members with an improvement plan report.

Kathie Durbin, ABS Update:

Ms. Durbin gave an update regarding the bill discussed in the last meeting. Maryland lawmakers were considering a bill that would add beer and wine to chain stores. This bill would take away powers of the local boards., . The actual intent of the bill was to entice chain stores to open up stores in food deserts or priority funding areas. However, ia e recent article quotes the sponsor as withdrawing the Bill this week. The Bill did not do well in a house subcommittee. The Bill is believed to have an adverse impact on small business as well. . Maybe at some point there will be a bill that will allow supermarkets but there are other things that need to happen before this goes through.

The Class A delivery bill would allow other counties and surrounding jurisdictions to deliver alcohol into Montgomery County. This bill would effect other Class A businesses who do not have the capacity to deliver around the state. This bill was also sponsored by Del. Lily Qi, D-Montgomery.

Mr. Robinson asked if this is the first time where there has been a bill that tried to put the licensing control at the state level. Ms. Durbin answered by explaining that the state does not license at a local level, they only license planes, trains and boats which go across jurisdictions. The only time the state comes in between is for manufactures.

Ms. Heltemes asked if this is the same legislation that was proposed in Prince George's County. This bill is intended to lure more grocery stores to Prince George's County by promising that they can sell wine and beer. Prince George's County had an identical local bill but since the statewide bill didn't move forward this wouldn't move forward. The problem with Prince George's County is that they don't have more Class A's and sell their licenses because they are limited, so the retail association is trying to go around it.

The carry-out bill will move forward meaning that business will continue to sell alcohol for carry-out if it goes through the senate. There were a few things that were unfavorable to other jurisdictions, but they are still working on amendments to this bill.

State Del. Eric Luedtke introduced legislation to exempt Montgomery County bars and restaurants from paying on-premises alcohol licensing fees in 2021-2022. The county is also working with its finance team for the possibility of refunds for 2020-2021 fees. That bill is still working its way through. The problem is that the state is lagging in getting things done so it's been a challenge.

ABS is currently in the process of interviewing for two inspector positions. One employee retired and another employee left a while ago leaving two vacant positions. Ms. Heltemes expressed her concern on phone call inspections.

Ms. Durbin informed the board members that ABS has been working on multiple projects. The Chief of Retail Operations has been negotiating new leases and looking at additional spaces for ABS retail stores. As the county re-opening ABS will expand the retail store hours but not until employees begin getting vaccinated.

Ms. Durbin also added that the County Attorney's office along with other county officials are expanding the county executive order to increase outdoor social gathering number but nothing yet about the businesses.

John Zeltner, BLC Update:

Mr. Zeltner discussed volume throughout the last 12 months. As the on-premise shutdown from March through June, the off-premise spiked; the volume was up, and the dollars were up. Then after July, ABS dollars began to decrease and that's because people are buying less expensive products than they did in the past.

ABS has been working closely with the IT team to continuously upgrade iStore to make it more user friendly. No other distributor has that option. The only options usually available is to call in to place an order, the call center will call to take the order(s) or have sales representative will take the order and transmitting it to the company. The iStore tool is being designed to be like Amazon.

The other thing that ABS started last month is a new iStore process that will give licensees full control of all orders that are made for their business. ABS has developed a unique PIN for each licensee to share with approved staff and sales reps that will be permitted to order product for their account. This unique PIN was emailed to each licensee on January 23 and made visible in their iStore account.

At one point there was a maximum amount that could be ordered or made it allocated because no one knew what the inventory was. That was suppressing ABS' ability to get more inventory because they would look at the volume amount purchased, and it wasn't accurate. Now, licensees will be able to see the inventory.

Point of Delivery system is another IT enhancement that was created. This system allows the delivery driver to have a handheld device that can check the order for accuracy. Any changes that need to be made can be made immediately from that device. This is a much more efficient process that allows the licensee to receive the credit right away instead of waiting days like they have before.

ABS had some items out of stock. We don't want to keep blaming the pandemic, but Mexico shut down their operations for over a month during the month of May of last year. During the

last week of March, they reduced their operations to 25% before completely shutting down. So, as you can imagine, catching up on all the Corona brands was tough. Licensee were informed of these issues through the ABS Communication Center.

Susan Heltemes, BLC Update:

Ms. Heltemes informed the board members that Julie Verratti the co-founder of a popular craft brewery in Silver Spring has been appointed to the U.S. Small Business Administration. As associate administrator of field operations, Verratti will lead the SBA's 68 field offices and 10 regional offices to deliver products and services for America's small businesses. She will step away from her full-time role at Denizens to accept the presidential appointment.

Ms. Heltemes also talked about Montgomery County Board of License Commissioners' backlog on show cause hearings.

Lt. Michael Ruane, MCPD:

No updates.

Next Meeting:

The next meeting of the ABAB is scheduled for Tuesday, May 11, 2021 at 9:00 a.m.

Adjournment:

There being no other business before the Board, the meeting was adjourned at 10:34 a.m.