



## ALCOHOLIC BEVERAGES ADVISORY BOARD

Marc Elrich  
County Executive

Meeting  
Tuesday, November 12, 2019  
Alcohol Beverage Services' Meeting Room  
201 Edison Park Drive, 1<sup>st</sup> Floor, Gaithersburg, MD 20878

### Minutes

*Members and Staff Present:* John Gaughan, Chair; Vernon Ricks, ABAB Member; Juliana Levitt, ABAB Member; Lt. Ruane, Montgomery County Police Department; Susan Heltemes, BLC; Robert Dorfman, Director, ABS; Kathie Durbin, Chief of Licensing, Regulation and Education; ABS and Evelin Chavez, ABS Liaison.

*Absent: None.*

John Gaughan called the meeting to order at 9:09 am. A motion was made to approve the September meeting minutes by Mr. Ricks, seconded by Ms. Heltemes, and unanimously approved by the members present.

#### *Evelin Chavez, ABAB Update:*

Ms. Chavez gave an update on the two (2) board vacancies. Beth Gochrach with the Boards, Committees, Commissions, said they are working on creating an online application system to announce the vacancies. Mr. Dorfman stated that the vacancy announcement should be made ASAP, online or an alternative.

#### *General Discussion:*

A few members of the board asked if it was possible to include that the team would like the public member to have a public health background. Its unclear if this can be announced in the vacancy announcement, but we can certainly look for this when candidates are interviewed and selected.

#### *John Gaughan, ABAB Member:*

Mr. Gaughan asked about the memo council members sent to the County Executive. He asked for Mr. Dorfman to provide the committee with information on this topic.

Mr. Dorfman talked about the memo that was sent to the CE by Council Members Hans Riemer, Sidney Katz, Evan Glass, Tom Hucker, and Craig Rice regarding the FY19 internal financial reports showing the that county-owned liquor stores are losing roughly \$5 million a year in profits.

Mr. Dorfman states that retail P&L statements were given to the County Council in Feb and September 2019. The information in the memo on the total money lost in the retail stores is accurate for FY19.

Overall, ABS is growing in profitability. For FY19, the agency transferred a little more than \$37.8 million to the county— roughly \$3 million more than it transferred in fiscal year 2018.

Mr. Dorfman explained that the department began charging county-owned alcohol stores the same markup fees that are charged to private businesses. Under this new financial review process, income for the county stores appears to have declined significantly over the past several years. He explained that the department developed a five-year plan more than a year ago to reverse the loss in the stores and turn a reasonable profit.

Wholesale operations income has grown by the same amount that was being charged as a mark up to the county retail stores. In other words, the additional markup fees paid to the warehouse balance out the additional mark up costs charged to the stores, therefore the county does not actually lose any money under the new review process.

Susan Heltemes, BLC Update:

Ms. Heltemes expressed the importance in announcing recommendations for current vacancies.

Ms. Heltemes expressed her concern with the way BLC handles the licensee violations. She suggested to perhaps change the fine fees to help reduce the number of violations. The board continues to remind licensees about the importance of complying with the licensing rules and regulations.

Ms. Heltemes believes that new board members should be informed on any establishment history appearing before the board. Ms. Durbin said she believes that the County Attorney should be involved with this issue.

Ms. Heltemes informed the committee members that BLC is politically influenced, and personally believes the board needs to be more creative with the fines. She informed the board members that when people talk to her about ABS concerns and/or problems, she tells them she has nothing to with it because she wants to avoid any conflict of interest. Ms. Heltemes gave an example of Society Lounge in Silver Spring and how they were not able to serve alcohol for two (2) weeks as consequence for their violation.

When a licensee goes before the board to obtain a license the board members are given a map of all the establishments in the area. They are encouraged to issue the license because there is no limit on the number of licensees that can be issued. Perhaps not having a certain limit of licenses is the problem.

Ms. Heltemes said Tom Hucker is in the process of preparing a meeting to discuss the issues taking place in the Silver Spring area. The board is trying their best to help reduce the issues going on in Silver Spring. Mr. Dorfman believes it would be helpful to have the BLC share their concerns with the CE so he is made aware of some of the issues he may not know of.

Robert M. Dorfman, ABS Update:

Mr. Dorfman talked about the status of rebranding the county retail stores and a brief update on some of the lease negotiations. He talked about the future plans for the retail stores and what is being done to improve the over all performance of the stores. Mr. Dorfman informed the board members that the Union has been informed of the current and future staffing model changes required and is fully supportive.

County council member, Andrew Friedson and his staff were invited to the ABS managers meeting in September and had a chance to meet our staff and tour the warehouse.

Mr. Dorfman informed the board members about his meeting with council member, Sidney Katz regarding the memo to the CE regarding store profitability. Mr. Katz and Mr. Dorfman agreed to meet again in November to allow ABS' Chief of Retail Operations to present the future plans for the retail stores.

Lt. Ruane, Montgomery County Police Update:

Montgomery County Police Lt. Ruane reported that to date, there have been 33 accidents, 29 that resulted in fatalities, 7 alcohol related and 11 involving pedestrians. Last year we had a total of 11 alcohol related accidents.

Ms. Heltemes asked if any of the 7 alcohol related cases were youth related. Lt. Ruane responded back saying he doesn't believe they were and could not confirmed. Mr. Dorfman stated that it would be nice to compare ourselves with other jurisdictions such as Baltimore City, Prince George's County, etc.

Mr. Ricks brought up prom season inspections. Lt. Ruane said that there weren't any prom accidents this year (2019).

Lt. Ruane explained there is a need for more staff to help with the compliance checks but unfortunately the department is dealing with a shortage in police officers. Ms. Durbin added that there has also been a shortage in youth participation. Typically, they look for youth between the ages of 18-21. Ms. Durbin stated that the biggest problem is having people check for ID's. Youth are scared for their safety and opt out on compliance checks.

Ms. Heltemes asked about drinks being sold from residential homes. Lt. Ruane said he does not personally know of any cases. He will look in to this issue and let us know what he finds out.

Mr. Gaughan asked about the employee morale in the police department now that a Chief has been appointed. Lt. Ruane explained that the department spent a lot of time without a Chief, but happy that Chief Jones was appointed to run the department. He stated that Chief Jones is someone that holds people accountable and believes he will do great in his role as Chief.

Lt. Ruane briefly touched base on some of the issues that took place in the Aspen Hill area after Police Chief J. Thomas Manger left about Aspen Hill incident and how those issues reflected on the department.

Lt. Ruane also reported that there have been over 1900 DUI cases this year alone, but in the previous years there have been more.

*Kathie Durbin:*

Ms. Durbin informed the board members that she taught a class at Montgomery College on hospitality law. There was a total of 26 compliance checks last month.

*Next Meeting:*

The next meeting of the ABAB is scheduled for Tuesday, January 14, 2020 at 9:00 a.m.

*Adjournment:*

There being no other business before the Board, the meeting was adjourned at 11:07 a.m.