

**Meeting Minutes  
Board of License Commissioners  
Caroline County, Maryland**

**DATE:** Wednesday, June 26, 2019

**PLACE:** Health & Public Services Building  
403 S. 7<sup>th</sup> Street, 1<sup>st</sup> Floor, Room 110  
Denton, Maryland 21629

**BOARD MEMBERS:** Greg Eigenbrode, Chairman  
Glen Plutschak, Member  
Michael Mann, Alternate

**OTHERS PRESENT:** Crystal Dadds, Asst. Director of Codes  
Phillip Moore, Alcoholic Beverage Inspector  
Heather Price, County Attorney  
Melanie Smith, Administrative Assistant to the Boards

Chairman Eigenbrode called the meeting of the Caroline County Board of License Commissioners to order at 9:31 a.m.

## **TEMPORARY LICENSES**

### **C.C. Historical Society – WWI 100<sup>th</sup> Anniversary – Museum of Rural Life**

Ms. Dadds informed the Board that the Caroline County Historical Society is requesting a Special Class C One-Day Temporary License for June 27, 2019 to serve beer and wine at the Museum of Rural Life in Denton to commemorate the Great War of 1917-1919. There is an admission charge, but no band or DJ. The event is scheduled from 5:30 p.m. to 8:00 p.m. The applicant, Ms. Carolyn Spicher, who is filling in for Ms. Mackel of the Historical Society, offered her apologies that she could not attend the meeting in person. Her email to Ms. Dadds stated that they normally have approximately 50 people participate. The Board pointed out that because the Historical Society has a good reputation with the Liquor Board; they were confident to approve the request.

**Motion:** Mr. Mann motioned to approve the C.C. Historical Society's application for a Special Class C One-Day Temporary License for the commemoration event scheduled at the Rural Life Museum on June 27 from 5:30 to 8 p.m.

**Second:** Mr. Plutschak seconded the motion.

**In Favor:** The motion was unanimously approved (3-0).

## CONSENT AGENDA

The May 22, 2019 minutes was the only item on the consent agenda to be approved. Mr. Mann asked if he was eligible to vote because he was present for the May meeting only to observe. Ms. Price explained that, because Mr. Mann heard the meeting, even if he had only listened to the recording, he could legitimately vote to approve or deny the minutes.

**Motion:** Mr. Plutschak motioned to approve the consent agenda.

**Second:** Mr. Mann seconded the motion.

**In Favor:** The motion was unanimously approved (3-0).

## DISCUSSION

### RECKONING PERIODS

Ms. Dadds opened the discussion for members to consider a time frame that a violation would stay on a licensee's record before it might be expunged. Mr. Plutschak suggested that a minor violation could be expunged sooner than a major violation – such as selling alcohol to a minor. Ms. Price asked the Board if change of ownership or the transfer of a license would have any bearing on their requirement.

Mr. Plutschak appreciated her comment in view of issues that have recently occurred with transfers. He also recalled from a prior meeting that law enforcement officers were critical of expunging violations when licenses are transferred from one family member to another.

Ms. Price proposed that the Board could consider a licensee's request to expunge their record if the Board wanted to decide on a case by case basis. Mr. Plutschak asked Ms. Smith how long she kept violation records in her database. Ms. Smith stated that at one time the Board agreed to only look at violations that had occurred within three years of the last violation. Her violation records go back as far as they were recorded. When she reports violation history to the Board she will include all violations on record and highlight the dates they occurred. Ms. Smith added that if the Board were to vote to expunge a record she would then, remove those violations from her database entirely.

Inspector Moore was aware that other jurisdictions typically hold licensees accountable for five to seven years from the last violation. Those that allow their inspectors to write a citation may not consider minor violations in the same way as those that are summoned before the Board.

Ms. Price and Ms. Dadds stressed to the Board that if they create a policy and vote on it – that it is necessary for them to follow that policy.

The Board considered reviewing past violations during license renewals. They could decide annually by vote what may or may not be expunged from the record. Mr. Mann observed that most of the establishments in Caroline County are trouble free but there are those that repeatedly offend the rules. He suggested that if a repeat offender were to keep their record clean for five years than they deserved to have their records expunged. He reminded the members that the first offense is not when they first come before the Board but when the

Inspector gives them their first warning as recorded in his inspection report. By the time they come before the Board the same violation should not occur again.

Chairman Eigenbrode understands their need for consistency but believes each case is unique and should be handled individually. He gave an example of a business that had back to back violations for underage sales. They transferred the license to a family member and a few years later transferred it back. Ms. Dadds suggested expungement not be permitted for major violations. She supported the idea that the Board decide on a case by case basis at annual renewals.

Chairman Eigenbrode would like to factor in quantity of sales. For instance, a small mom and pop business that has ten sales a day versus a booming business that checks 1,000 ID's a day should be treated more seriously. The Board agreed his thought had merit, but no one had an idea how to quantify that information accurately.

Ms. Price explained that the Board can choose to make this decision as an internal agreement or they can make it an official part of their Rules of Procedure. Mr. Plutschak asked if the Matrix was public knowledge. Ms. Price replied that all records are open to public scrutiny. Ms. Dadds pointed out that the Matrix is not an ordinance but rather a guidance document. Mr. Plutschak noticed one of the establishments that were before them seemed to be aware of the Matrix.

Ms. Dadds suggested that they title the document to make it clear that it is for the Boards guidance only, should it wind up in the public's hands. Ms. Price would also like to find a more appropriate name for the five-year period besides "reckoning period". Inspector Moore suggested they call it a probation period. Trial or penalty period was also suggested.

Ms. Dadds listed the directives given to staff for clarification:

- The five-year period will be listed on the Matrix form;
- The terminology for this period will be researched;
- The Board will consider expungement at each license renewal meeting; and
- The new title for the Matrix will reveal that it is a guidance document only.

The Board unanimously approved of the listed directives.

## **OTHER BUSINESS**

Chairman Eigenbrode amended the agenda to hear a request by the owners of Roadhouse 313 to extend an approval to transfer a license. Ms. Dadds explained that the owner's application to transfer a Class D – Beer, Wine & Liquor Tavern license from Sheldon's 313 was heard at the May meeting. The Board approved the transfer pending receipt of several outstanding documents.

Ms. Dadds mailed a letter to the owner on June 3, 2019 listing the documents that were outstanding. She listed each one and gave a progress report:

1. 7 additional signatures on the petition – has not been submitted;
2. Sales & Use Tax License – was provided;

3. A signed Operating Agreement – was provided;
4. Site Plan – was provided;
5. Workers' Compensation Insurance Certificate – This has been provided for Roadhouse 313, however, it is still outstanding to show that Sheldon's 313 has Workers' Compensation. She explained that the Sheldon's are still the license holders; the new license has not been issued. Ms. Dadds explained that they claimed to have had it, because the Insurance Company did email Ms. Dadds at renewals, to verify that the Sheldon's had renewed their Certificate in order to release the license, but only for a month. She still had no documentation to support the insurance companies' email. Ms. Dadds only has an email from April 30, 2019 that the Sheldon's came in to renew their policy for one month;
6. Bulk Transfer Permit – Mr. Dial informed Ms. Dadds that he had filed this. It typically is mailed to the License Board in 7-14 days from the date it is submitted. Ms. Dadds has not received anything to date;
7. Contract of Sale – has not been received;
8. Release from the Comptroller's Office – She received a communication from them requesting the County hold the transfer because they are delinquent on Sales & Use Tax and Corporate Tax. Ms. Dadds suggested this may be what is holding up the Bulk Transfer Permit also; and
9. Old License(s) - has not been received.

Ms. Dadds stated that she misspoke at the May hearing when she stated that the applicants had 60 days to submit everything. Rule and Regulation No. 2.21 state that they have 30 days from the date of the hearing to complete the transfer.

Despite her error she had informed them in the June 3, 2019 letter that the approval expires on June 22, 2019, reflecting the 30-day period. When she did not receive anything by Monday, June 24 she emailed Mr. Dial to say that he still hasn't completed his items nor filed for an extension and he needs to do so immediately because the Board was scheduled to meet June 26, 2019.

Ms. Dadds read the extension request that Mr. Dial emailed her the same day. She pointed out that she believes Mr. Dial is confused about the transfer process because they don't have a valid license but are still selling under the Sheldon's license.

Chairman Eigenbrode asked Ms. Dadds to clarify who was delinquent on the Worker's Compensation. Ms. Dadds replied that the Sheldon's are delinquent. She stated that the new owners somehow did not understand that although the Board approved the license transfer, they still did not physically have the license. Therefore, they have been operating under the Sheldon's license.

Chairman Eigenbrode noted that the Sheldon's thought they were free and clear of the license. He recalls the Sheldon's saying that before they left the last hearing they attended. He was certain their comment was recorded.

In response, Ms. Dadds noted that her email to Mr. Dial on June 17, 2019 informed him that the Comptroller's Office asked the Board to hold the transfer because they were delinquent in sales and use tax and corporate tax. And, that they have to provide a release before the Board can

complete the transfer of the license. She also suggested to him that this may be why his bulk transfer permit has not been issued.

Mr. Dial responded in an email, "I'm confused. Delinquency by who? I thought the Sheldon's paid on the final day of the year, therefore they were granted the new license and then we would be granted the transfer when we did our part. Please help me to understand."

Ms. Dadds explained to Mr. Dial that in order to renew a license, everything must be paid, so an audit was done at Sheldon's as of April 30<sup>th</sup> and they paid everything up to April 30<sup>th</sup>. Also, in the law, anytime a license is transferred they do an audit. The delinquency is obviously from April 30<sup>th</sup> to now.

Mr. Dial replied that he was going to pay their sales tax in July and then quarterly going forward. He asked if he should approach this differently. He also asked if this meant that they were still operating under the Sheldon's license until it is resolved, or don't they have a license at all.

Ms. Dadds stated that they still did not understand that Sheldon's was the license holder, even though the Board approved his transfer. She added that she thought that Mr. Dial also did not understand. She responded to Mr. Dial that the Sheldon's were the license holders and suggested that he contact the Comptroller's Office immediately. If he had been collecting sales tax since April 30<sup>th</sup> it should have gone under Sheldon's account.

Ms. Dadds explained to the Board that when the Bulk Transfer Permit is issued, it is sent directly to the Board to be issued simultaneously with the alcoholic beverage license. This lets the Comptroller's Office know precisely when Sheldon's sales and use tax ends and Roadhouse use tax starts. She assumes that Mr. Dial has contacted the Comptroller's Office to work all of this out.

Mr. Plutschak asked why they have not turned in the seven signatures. Mr. Dial had informed Ms. Dadds that Mr. Bradley had it completed and was supposed to have dropped it off to her.

Ms. Price noted that they have only submitted three of the required seven documents. She agreed that they would need more time to gather the information. She asked what the consequences were if their request was not granted. Ms. Dadds stated that they would not have a license and would have to apply for a new one.

Mr. Mann questioned approving the request because he felt that they should have made more progress than they had up to this point. He is concerned that they are going to continue the poor business habits of the previous owner by turning things in last minute and requesting extensions.

Mr. Plutschak asked when and how Mr. Dial was informed that the deadline was 30 days from the hearing rather than 60 days. He asked if Mr. Dial was called and told about this error.

Ms. Dadds replied that it was noted in her June 3<sup>rd</sup> letter that the deadline was June 22, 2019. A copy was emailed to Mr. Dial on June 6<sup>th</sup>. Her email read, "I haven't heard from you since the hearing and I wanted to touch base with you about your transfer. I have attached an approval letter listing the remaining items that you need along with what the Board approved for the

summer for your events. Please let me know if you have any questions.” Mr. Dial responded that he was going to stop in the office upon his return from the Outer Banks and he did bring in the Sales & Use Tax License, the signed operating agreement, and the site plan. Ms. Price asked if Ms. Dadds informed him that day of the error.

Ms. Dadds stated that she had informed Mr. Dial that day. Ms. Price asked if she had that in writing. Ms. Dadds stated that the only thing she had in writing was the letter dated June 3<sup>rd</sup>. In unison the Board agreed that Mr. Dial should be approved for his request for an extension of their approval.

Mr. Mann stated that they, unfortunately, must honor the statement given at the Board meeting that Mr. Dial had 60 days to submit the required documents. The Board agreed that they believe Mr. Dial is trying to resolve this. Ms. Dadds agreed with the Board.

**Motion:** Mr. Mann motioned to, reluctantly, approve the request to extend the deadline for all missing documents to be turned in before July 22, 2019. If the documents are not turned in by 9 am that morning, they must return the license to the Planning Office and attend the July 24, 2019 meeting at 9:30 am. All items must be complete.

**Second:** Mr. Plutschak seconded the motion.

**In Favor:** The motion was unanimously approved (3-0).

## **DISCUSSION**

### **RULES OF PROCEDURE**

Ms. Dadds handed out the current Rules of Procedure that were created in 1993. The original was type written and Ms. Smith retyped it into a word document in order to edit it for changes. The original and edited copy was not included in their package, only the clean copy that Ms. Smith reformatted to resemble those of other Planning & Codes Rules of Procedure.

Ms. Smith explained that Ms. Dadds had asked her to create a word document for editing and reformatting the document to be more uniform to those used today. The process to do that involved taking a “photograph” of the PDF to change it into a Word document. As a result, many errors transferred with the document. None of her changes were to the substance of the document only the formatting.

The Board noticed some editing in the sections as well. Ms. Smith explained that because it was such an old document language had changed and she also updated the language within the document. Mr. Mann asked that the absent member, Mr. Loukides, be forwarded this document.

When the Board asked if they wanted it signed, Ms. Smith explained that the changes so far have only been to the formatting. The rules are also very old and before Ms. Price can approve it for legal sufficiency the members need to review it for additions, subtractions and changes.

Ms. Price suggested, for instance, that they may want to include the "Order of Appearance". Ms. Dadds explained that this will be an ongoing discussion on their agenda before a final version would be signed.

Ms. Dadds further explained that, unlike the Rules & Regulations, that pertains to the license holders of the County; the Rules of Procedure pertains to the operating guidelines of the Board. For instance, how the Board is made up and how they conduct their meetings, etc.

## **INSPECTORS REPORT**

Inspector Moore updated the Members on his progress and reports for June. There were two incidences that he felt merited the Boards attention. The Board agreed and directed staff to summons the licensees to appear at the July 24 meeting.

Inspector Moore had been trying to inspect 404 Taphouse for months and the previous owners have not given him access. The new owner allowed him access to finally inspect the establishment. Although Inspector Moore was told all the liquor was removed, he found quantities stored on the premise. The sanitary conditions were bad, and the Board suggested staff contact the Health Department.

Inspector Moore also discovered the previous owners were purchasing alcohol from a Talbot County store. This is a major violation of Rule No. 2.34 of the Caroline County Rules & Regulations.

Inspector Moore conducted operations this month that have typically been accomplished jointly with Law Enforcement. The Board has stressed the need for these operations to take place more frequently and the results revealed their concern was well founded.

Inspector Moore informed the Board that Dave's Place asked his advice on a "Twisted Tea" event. Fortunately, this prevented them from committing an unintended violation. Mr. Plutschak was pleased that licensees were calling him now to prevent violations.

## **DISCUSSION**

A licensee requested the Board modify a penalty that was set at a show cause hearing in 2018. Ms. Dadds and Ms. Price discussed the legal implications of approving the unprecedented request. The Board was provided counsel for their response.

There being nothing further to discuss Chairman Eigenbrode adjourned the meeting at 10:55 am.

  
Minutes prepared by: Melanie Smith