

**Minutes of the Meeting  
February 17, 2014**

The Durham County ABC Board met at the administrative office, 3620 Durham Chapel Hill Boulevard, on the 17<sup>th</sup> day of February, 2014.

Board Chair, Wayland Burton, called the meeting to order at 5:30 p.m.

Board members Deirdre Guion and Norwood "Andy" Miller were present. General Manager Barry Sessoms and Attorney George W. Miller, Jr. were also present. Interim Chief Keith Whitfield with Durham County ABC Law Enforcement, Lee Keatts, Durham County ABC Finance Officer, and Perlie Davis, Support Services Director for Durham County ABC, were also in attendance.

**Conflict of Interest Review and Declaration**

Mr. Burton read the Board's Conflict of Interest Review and Declaration statement and asked Board members if they have an actual conflict or appearance of a conflict of interest with any items coming before the Board and, if so, does the Board member wish to recuse him or herself from deliberating and voting on the matter. All Board members verbalized that they do not have any conflicts.

**Consent Items**

Consent agenda items included the Board Attendance Report, Adoption of Agenda and Minutes of January 27, 2014 Special Board Meeting.

Mr. Miller motioned for the consent agenda items to be accepted. Dr. Guion seconded the motion and the Board approved without objection.

**General Business**

**Public Comment/New Business**

Mr. Burton reported that there is no new business to discuss nor are there any members of the public present.

**Law Enforcement Report for January 2014**

Interim Chief Keith Whitfield reported to the Board that DCABC law enforcement conducted fifty-seven inspections, forty-four compliance checks, five RASP training classes for twenty-seven establishments and one hundred forty-nine employees. Two DCABC Board members also attended a class. Additionally, law enforcement audited all monies being held at the law enforcement facility and equipment of DCABC law enforcement.

Mr. Sessoms acknowledged Mr. Whitfield's accomplishments in the month of January as he is currently the only DCABC law enforcement officer. Mr. Sessoms provided an update to the Board on the open law enforcement position and stated that interviews are scheduled for the upcoming week.

The Board had a general discussion regarding DCABC law enforcement providing alcohol training to Durham Bulls concession employees. Mr. Whitfield will contact the Durham Bulls General Manager to coordinate training.

### **Financial Reports for January 2014**

Mr. Sessoms noted from the financial reports that Durham County ABC's sales for the month of January exceeded the sales of neighboring and other ABC Boards that DCABC uses for comparison. Mr. Sessoms attributes the strong sales to employees ensuring store shelves are well stocked and an extra Friday in the month of January.

Mr. Keatts reported to the Board that profit before distribution is higher for the month of January due to approximately \$20K of miscellaneous income received from law enforcement cash funds. The monies were identified as NC Drug Tax Revenue Funds during the exit inventory of a law enforcement officer. The funds are no longer being held at the law enforcement facility and have now been deposited into a separate DCABC bank account and, by statute, may only be used for law enforcement equipment purchases.

Mr. Keatts also reported to the Board that the January financial income statement reflects a higher than usual budget for building maintenance, professional services and miscellaneous due to the changes from the Budget Amendment that was approved at the January 27, 214 Board meeting.

Total sales for the month were \$2,180,425 which is an increase of 10.20% over last year and 5.73% over budget. Year-to-date sales were \$16,862,212 which is 6.92% over actual and 3.46% above budget.

Profit before distribution was \$190,838 for the month and \$1,534,752 year-to-date which is a 42.82% change over the same period last year and 22.70% increase over year-to-date last year.

After profit distributions, net income was \$114,139 for the month which is an increase of 46.20% over the same period last year. Year-to-date net income was \$941,796 which is an increase of 16.70% over last year.

At this time, Mr. Sessoms requested to move "POS/Technology System Update" to the next agenda item so that Perlie Davis may present her update to the Board. The Board approved the agenda amendment without objection.

### **POS/Technology System Update**

Ms. Davis reported to the Board that the database integrity issue has now been resolved and therefore testing has resumed. The go-live date is now set for March 24. The initial POS terminal was purchased and successfully configured and tested by Fusion. It is now in the DCABC pilot testing room. DCABC ordered the additional twenty-four terminals which are expected to arrive next week.

Ms. Davis reported that nine computers were replaced and cleaned and now ready for donation. Two computers will be retained by DCABC as backups. Once the twenty-four register computers are replaced, they will be prepared for donation as well.

Ms. Davis informed the Board that DCABC is continuing to evaluate IT support firms and two presentations are scheduled. Ms. Davis recommended that DCABC hire a new IT firm before the live date because the current IT support person will not be available during the implementation of the new system.

Ms. Davis also reported that it is anticipated that DCABC will exceed the previously budgeted amount for the new computer system due to the database integrity issue and the additional two weeks required of Netatwork and Fusion to resolve the issue. Mr. Keatts addressed the budget issue and explained that, although only a rough estimate is possible at this time, an additional \$6K will likely be required.

The Board had a general discussion regarding the likelihood of IT projects exceeding anticipated budget and, during annual budget preparation, consideration should be given to this possibility.

### **Compensation Plan**

Mr. Burton requested that Mr. Keatts review with the Board the present salary increase and merit bonus schedule in place for DCABC employees. Mr. Keatts explained to the Board that salary increases are paid to DCABC employees in February based on a January annual salary review and merit bonuses are paid in July or August based on the July/August merit review. Mr. Burton recommended to the Board one annual review and pay increase per fiscal year to provide efficiency in budgeting, payroll, payroll taxes and employee benefits. Additionally, biannual reviews do not provide adequate time needed for performance improvements when necessary. A one-time annual review provides more quantifiable evidence to support pay increases for employees.

Mr. Burton recommended to the Board that an annual review and pay increase combining the salary increase and merit bonus be based on cost of living, which each employee will be entitled to, individual performance evaluation and team/unit performance. The team performance will be grouped by individual stores, mixed beverage, warehouse and administrative office based on how successful they are working together as a team to perform effectively. The team performance incentive portion will be spelled out clearly with detailed items in which the teams will be measured. Teams will be trained appropriately and updated quarterly on their performance so they are aware of their progress. To ensure transparency, all pay increases will be discussed in detail with each employee during their individual reviews. Employees will understand the exact dollar amount they are receiving for each of the three categories.

Mr. Burton requested for Board members to voice any objections to a combined annual salary and merit bonus increase. All Board members agreed that the General Manager should move forward with the logistics of an annual review and pay increase.

### **Strategic Planning and General Manager's Report**

- Hillsborough Road Store  
Mr. Sessoms reported to the Board that light bulbs burned out at the Hillsborough Road store and therefore needed to be replaced. The replacement bulbs were much brighter than the previous bulbs so new bulbs were ordered to replace all bulbs. Mr. Sessoms hopes that this will resolve the issue of poor lighting in the store. While installing the new bulbs, the light covers will be removed to determine whether that option is esthetically pleasing and further increase the lighting without having to purchase new fixtures.

- **Store Stepladders**  
Mr. Sessoms reported that, in an effort to promote workplace safety, he has ordered inexpensive yet sturdy stepladders that provide a guardrail at the top of the ladder. The stepladders presently being utilized are old and not as safe as the newly purchased ladders. The replacement stepladders are being delivered to all stores.
- **Employee Meetings**  
Mr. Sessoms reported that he has now held meetings with all full-time staff and assistant managers and meetings are scheduled with administrative staff, warehouse personnel and part-time employees.
- **ID Thirty and Under Policy**  
Mr. Sessoms reported that signage is being posted and DCABC is continuing to train employees to check identification cards of all customers under the age of thirty to ensure employees do not sell alcohol to minors.
- **Store Product Packaging**  
Mr. Sessoms reported to the Board on his progress in educating the public on how DCABC funds are spent by itemizing the dollar amount of tax money given to the city and county and monies spent on law enforcement and alcohol education by printing this data on customer packaging bags. He has requested pricing information and is meeting with a company that provides these bags.
- **Store Signage**  
Mr. Sessoms reported to the Board that, to keep the store shelves orderly, he is planning to utilize shelf clips to label products instead of tape that is presently being used.
- **Productivity Report**  
Mr. Sessoms is monitoring staffing needs and store production through productivity reports which identify how efficiently stores are performing on a daily basis.
- **Customer Service**  
Mr. Sessoms reported that he is pleased and impressed with DCABC employees' passion for providing great customer service. He is working with full-time employees and managers to engage part-time employees in the customer service initiatives.
- **North Carolina Central University Visit**  
Mr. Sessoms and Mr. Burton have been invited to the grand opening of a new North Carolina Central University facility to educate students on the effects of alcohol through simulation of driving while impaired. The simulation equipment was purchased by NC Central with grant funds provided by DCABC.
- **Grant Program**  
Mr. Sessoms reported that grant program guidelines and application is posted on the DCABC website and ads will be published in the newspaper this week. The Questions and Answers session for interested organizations is scheduled on March 7, and the deadline for application submission is April 30.

**Other Business**

- Mr. Miller informed the Board that after his recent visits to DCABC stores, he was impressed by the excellent customer service skills exhibited by employees noting that he witnessed employees come out from behind the counter to assist customers.

**Closed Business**

Dr. Guion motioned for the Board to go into closed session per G.S. § 143-318.11(a): (3) consult with attorney, (5) facility leases or purchases and (6) personnel matters. Mr. Miller seconded the motion and the Board approved without objection.

**Adjournment**

At 8:00 p.m., Mr. Burton motioned to adjourn the meeting and the Board approved without objection.

Approved By:

  
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Wayland Burton, Board Chair