

**Minutes of the Meeting
August 15, 2016**

The Durham County ABC Board met at the administrative office, 3620 Durham Chapel Hill Boulevard, on the 15th day of August, 2016.

In the absence of the Board Chair, Wayland Burton, and without objection by the Board, Board Member, Robert Nauseef, called the meeting to order at 5:30 p.m.

Board members Norwood “Andy” Miller, Pilar Rocha-Goldberg and Jackie Wagstaff were present. Acting General Manager Perlie Davis and attorney George W. Miller, Jr. were also present. Durham County ABC Law Enforcement Chief Rufus Sales, Durham County ABC Finance Officer Lee Keatts and Durham County ABC Operations Manager Misty Walters were also in attendance.

Conflict of Interest Review and Declaration

Mr. Nauseef 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 present verbalized that they have reviewed the agenda and do not have any conflicts.

The Board unanimously decided to remove the Proposed Deletion of Section 504 and the Use of Force Policy from Consent Items. Approval of GM Job Description was also removed from Consent Items because it was also and more appropriately listed under Other Business for Board review.

Consent Items

The consent items included approval of the Minutes of the June Board Meeting, Administrative Coordinator’s Job Description, Travel Policy, Vehicle Policy, Training Policy and Compensation Policy. Ms. Wagstaff motioned to accept the consent items with the removal of items stated above. Board Member Miller seconded the motion and the Board approved without objection.

General Business

Public Comment

Mr. Nauseef stated that there are not any members of the public present this evening.

Introduction of New Full-Time Hires & Promotions

Michael Mitchell introduced himself to the Board as a newly hired Clerk at Store 11. Jason Butler introduced himself to the Board and stated that he was promoted to Assistant Manager at the Holloway Street Store. Sherry Nichols introduced herself as a recently promoted Manager at Store 4. Jackie Lyons introduced herself as a newly hired clerk at the Hillsborough Road Store. Mr. Nauseef congratulated and welcomed the newly hired employees and promoted managers.

Financial Reports for June and July

Mr. Keatts stated that sales for June were \$2,682,834 which was greater than budget by \$257,399 or 10.61%. Compared to June of the prior year, actual sales increased by \$276,413 or 11.49%. With the fiscal year complete, FY2016 sales were up 8.39% versus the prior year. DCABC was ranked second in growth out of the nine boards that DCABC considers comparable boards. Profit before distribution was \$211,510 for the month which was a decrease of -\$32,330 or -13.26% versus last June after removing effects of retirement adjustment for GASB68. The majority of the \$32K decrease in profit was attributed to professional fees and expenses for engineering services for the development of a parking lot at the Hillsborough Road Store in addition to various operating expense account increases.

Profit distributions for June were \$111,520 versus \$83,779 the prior year for an increase of 33.11%. Based on the year-end decision of the Board, an additional \$800,712 was distributed for FY2016 bringing the fiscal year total to \$2,222,200, \$2M to the County and \$222,200 to the City. The FY2016 profit distribution was 11.11% greater than the previous year.

Sales for the month of July were \$2,724,264 which was in line with the budget. Compared to July the previous year, actual sales increased by \$126,661 or 4.88%. DCABC remained second in growth out of the nine boards DCABC considers comparable boards. Overall, the state increase was approximately 3% for the month of July. Therefore, DCABC was consistent with sales growth throughout the state. The profit before distributions for July was a decrease of -\$9,868 or -4.59% compared to the previous July. The decrease is related to a number of expenses that are higher this year in addition to employee pay increases that are distributed in July.

The total profit distribution for July was \$137,110 versus \$120,696 the prior year which is an increase of 13.6%. Part of the increase relates to the Board's decision to give 60% increase to the monthly distribution of profit.

The Board had a general discussion regarding additional credit card fees and professional expenses incurred in FY2016. Attorney Miller will provide supporting information to account for increased hours spent on DCABC legal matters.

At this time, Ms. Rocha-Goldberg entered the meeting. Mr. Nauseef read the Board's conflict of interest review and declaration statement and asked Ms. Rocha-Goldberg if she has reviewed the agenda and if she has a conflict of interest with any items coming before the Board. Ms. Rocha-Goldberg stated that she has reviewed the agenda and she does not have any conflicts of interest with any items coming before the Board.

Support Services

Ms. Davis presented to the Board the support services update. She stated that there have been delays regarding implementation of EMV related to glitches that were discovered during testing and training. Card reader software programmers have worked on an update to resolve the issues and the POS provider has handled testing which is now complete. One unresolved issue outstanding is the absence of an alert tone to notify the customer to remove their credit card. Within the past couple of days, an update has been installed and testing will begin at the Durham Chapel Hill Boulevard store to be sure proper functionality before implementation at all stores. The Board had a general

discussion regarding the prolonged process of EMV implementation, expenses incurred and expected timeline for completion.

Law Enforcement Report

Chief Sales presented to the Board the Law Enforcement report for the month of June and July. He stated that counterfeit money was received at retail stores. An imitation twenty dollar bill was identified during the transaction but a fifty dollar bill was accepted as payment. To address the issue, the US Treasury Department was contacted and requested to provide training to employees. Additionally, over the previous two months, there was an increase in violations at permitted establishments during inspections and compliance checks.

Updates

- **Staff Development**
 - **Ethics Class for Employees**

Ms. Davis reported to the Board that all ABC employees will take an ethics training class.
- **Clearing out Holloway Street (Old ABC Building)**

Ms. Walters reported to the Board regarding mold in the Holloway Street building and the need to remove boxes and ABC documents that were stored there. She contacted Junk Doctors for assistance with cleanup and received an estimate for demolition of the building. A second estimate for demolition has been obtained for cost comparison purposes. Shimar Recycling handled the shredding of documents in the building for a nominal fee.
- **Personnel Visits to New Hanover**

Ms. Davis reported to the Board that two visits to New Hanover ABC Board have taken place. DCABC personnel toured the warehouse and administrative offices for the purpose of learning operational procedures in the county. Ms. Davis noted that they are strategic in how they purchase monthly sale items which is done in accordance with price increases and decreases to provide better management of revenues. In addition, new strategies regarding scheduling were discovered and DCABC management staff has discussed the potential benefits. A new warehouse delivery schedule has been implemented in Durham which provides for management oversight in addition to more effective reporting techniques. Also, employee schedule adjustments in retail stores has improved efficiency with the use of part-time staff.

The Board had a discussion regarding employee schedules and store hours of operation and, specifically, that employees are scheduled to report to retail stores at 8:30 a.m. Board Member Miller motioned to open retail stores at 9:00 a.m. Ms. Wagstaff seconded the motion. Ms. Rocha-Goldberg voted in the affirmative and Mr. Nauseef abstained from voting on the matter. Board Member Miller stated that implementation should be completed in sixty days.

General Manager's Report

- **NC ABC Association Summer Conference**
Ms. Davis stated that a summary of conference events was previously disseminated to Board members.

Other Business

- **Organizational Change**
The Board had a general discussion regarding the Fiscal Services Director, Support Services Director and Operations Coordinator positions reporting to the Board for performance appraisals and increases. Ms. Wagstaff motioned to wait until all Board members are present to discuss and vote on the matter. Board Member Miller seconded the motion and the Board approved without objection.
- **Grant Funds to LE**
Ms. Davis stated that there are additional grant funds to distribute this year. Ms. Davis recalled that the Board previously approved any additional grant funds be distributed to DCABC Law Enforcement. She stated that a potential grantee did not claim their \$12K award this year. Ms. Wagstaff motioned to discuss and vote on the decision to distribute grant funds to Law Enforcement at the September meeting. Board Member Miller seconded the motion and the Board approved without objection.
- **Salary Plan Update – CAI Report**
Ms. Davis stated that the compensation study report was not updated and available for Board distribution today. She noted that although distribution to Board members was scheduled for today, Chairman Burton has targeted the October Board Meeting for Board review and approval of the report.
- **Chief of Police Pay Increase**
The Board had a general discussion regarding the annual pay increase to Chief Sales. Board Member Miller motioned for a five percent pay increase to Chief Sales. Ms. Rocha-Goldberg seconded the motion and the Board approved unanimously. The pay increase will be effective during the next payroll period.

Closed Business

Ms. Wagstaff motioned for the Board to go into closed session per G.S. § 143-318.11(a): (3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged; (5) to establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating (i) the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease; (6) to consider the qualifications, competence, performance, character, fitness, conditions of appointment, and/or conditions of initial employment of an individual employee; and/or to hear a charge against an individual employee. Ms. Rocha-Goldberg seconded the motion and the Board approved without objection.

Closed Session Minutes of the previous Board Meeting are presented to Board members during the following meeting for Board review and approval.

Open Session

The Board returned to open session. Chief Sales reported to the Board on the use of Tasers as less than lethal force. He stated that the use of force policy has been updated to reflect authorization by DCABC Law Enforcement to utilize Tasers.

The Board had a general discussion regarding deleting the introductory period language in policy Section 504. Board Member Miller motioned to move discussion and vote on the policy update to the September Meeting. Ms. Wagstaff seconded the motion and the Board approved without objection.

Adjournment

Ms. Rocha-Goldberg motioned to adjourn the meeting. Board Member Miller seconded the motion and the Board approved without objection.

Approved By:



Wayland Burton, Board Chair

