

**Minutes of the Meeting
October 17, 2016**

The Durham County ABC Board met at the administrative office, 3620 Durham Chapel Hill Boulevard, on the 17th day of October, 2016.

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

Board members Pilar Rocha-Goldberg and Jacqueline Wagstaff were present. Acting General Manager Rufus Sales and attorney George W. Miller, Jr. were also present. Durham County ABC Support Services Director Perlie Davis, Durham County ABC Interim Chief Natausha Pettiford, Durham County ABC Finance Officer Lee Keatts, Durham County ABC Operations Coordinator Misty Walters and Gerrie Beland with Capital Associated Industries were also in attendance.

Conflict of Interest Review and Declaration

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

The Board unanimously agreed to move agenda item 3. Introduction of New Full Time Hires & Promotions to the second item on the agenda after Public Comment.

Consent Items

The consent items approved include the Minutes of the September Board Meeting and Minutes of the Special Meeting. Ms. Wagstaff motioned to accept the consent items. Ms. Rocha-Goldberg seconded the motion and the Board approved unanimously.

General Business

Public Comment

Chairman Burton stated that there are not any members of the public present this evening.

Introduction of New Full Time Hires & Promotions

Jackie Lyons introduced herself to the Board. She stated that she has been with DCABC for approximately one year and that she was recently promoted to Administrative Coordinator. Michelle House introduced herself to the Board and stated that she has been working as a full time Sales Clerk for four months at Store 1. Chairman Burton congratulated both employees.

CAI Compensation Study – Gerrie Beland, HROD Consultant

Chairman Burton introduced the Board to Ms. Beland, DCABC's in-house HR Consultant. Ms. Beland was assigned to perform a market analysis of DCABC salaries. Ms. Beland introduced herself and provided background about her company to the Board. She explained that fifteen DCABC positions and salary ranges were examined. The objective was to determine how DCABC salary ranges compare to the current market value figures for similar positions. Ms. Beland highlighted the results of the compensation study including comparisons to Orange and Wake

County ABC Boards. Proposed salary ranges were presented for Board consideration. The Board had a general discussion regarding the compensation report results and job descriptions and duties.

In summary, Ms. Beland stated that her research resulted in the recommendation to increase the salary range for nine positions, make no changes in the salaries of four positions and create a range for three positions where one is not presently in place.

Financial Report

September Financials

Mr. Keatts reported to the Board the summary of income statement results for September as included in the meeting packet. He noted that sales for the month, compared to the prior year, increased 10.98% and attributed the increase to an additional weekend sales day in September 2016 versus 2015. Due to the increase in sales, DCABC was ranked 2nd in year-over-year percent sales increases among the nine boards DCABC considers for comparison purposes.

Mr. Keatts next reported on cost of goods sold. He stated that, year to date, DCABC's cost of goods sold is 51.2% compared to 51.5% last year. Although the decrease appears minor, based on an estimated \$35M in sales, the improvement over last year totals \$107K annually.

First Quarter Capital Budget Update

Mr. Keatts disseminated to the Board the First Quarter Capital Budget Update reflecting Board approved capital budget items including new cash registers, a new delivery truck, surveillance and alarm system upgrades, facility repairs, replacement of inventory scanners, iPhones and blue lights and sirens. He noted that several items were purchased under the estimated and budgeted dollar amount.

Support Services Report

Ms. Davis reported to the Board the support services update as included in the meeting packet. She stated that DCABC will reconsider replacing register computers as other avenues are being explored at this time. A final decision will be made after the holiday season. Ms. Davis stated that she is continuing to problem solve EMV issues including errors related to customers utilizing pre-paid credit cards. She stated that, for the month of October, DCABC has been able to take advantage of a lower credit card processing rate and this will continue going forward.

Ms. Davis next reported to the Board on the decision to relocate computer servers to the new administrative office location including the necessity to upgrade network cabling and costs associated. She also reported to the Board that PCI Compliance certification renewal is required this year at an annual fee of \$859.20.

Ms. Davis stated that a timeline of events and communications regarding EMV implementation was previously made available to Board members. EMV implementation is slated to begin after the busy holiday season.

Ms. Wagstaff motioned to approve the amendments included in the Proposed Budget for Administrative Staff Move to Mechanics and Farmers Corporate Center. Ms. Rocha-Goldberg seconded the motion and the Board approved unanimously.

Law Enforcement Report

Police Highlights

Chief Pettiford reported to the Board on law enforcement activity in September. She stated that a customer purchased alcohol for a minor at the Durham Chapel Hill Boulevard store and was charged with aiding and abetting and was trespassed. Chief Pettiford stated that DCABC Law Enforcement attended community events including Community, Cops, Coffee and Conversation and the Gay Pride Parade. Other law enforcement activity for the month included a RASP training class, thirty-three permittee inspections, thirty-four compliance checks and alarm system and camera installation. Mr. Sales stated that all full time staff and part time key holders will receive a security code for tracking purposes.

Chief Pettiford reported to the Board on an incident that occurred at the Guess Road store. A customer purported he was being held hostage by an individual accompanying him and requested DCABC store personnel to call 911. Chief Pettiford stated that both Sales Clerks involved remained calm and were able to successfully call for help which resulted in a police officer apprehending the suspect. Chairman Burton commended DCABC Law Enforcement for preparing personnel to handle difficult situations and acknowledged the Sales Clerks at Guess Road for their exemplary performance.

Traffic Control Recommendations (Parking Lots)

Chief Pettiford recommended to the Board that DCABC hire or contract for additional law enforcement personnel to direct traffic in the parking lots of Hillsborough Road, Highway 55, Holloway Street and Hope Valley Road stores. Additionally, a “no left turn” sign at the Highway 55 store was recommended for immediate relief of traffic issues. Chief Pettiford requested additional time to gather several quotes for outsourcing traffic control personnel. She stated that she has contacted a private company and received a quote but learned that due to the short shifts (four hours) there are scheduling conflicts and additional fees charged.

General Manager’s Report

- **Cost of Goods Sold**

Mr. Sales reported to the Board that cost of goods sold numbers are improving and the goal is to get closer to 50%.

- **Employee Activity**

Mr. Sales reported to the Board on employee activity during the month of September including one employee on short term disability leave and two employees were out of work due to injuries, both of which have returned to duty. Mr. Sales reported that a departmental meeting was held with all full time personnel. Additionally, he stated that an Assistant Manager is retiring in December and he hopes to fill the position early for training purposes.

- **Management Situations**

Mr. Sales reported that three managers and two clerks were transferred to different stores and noted a smooth transition.

- **Customer Complaints**

Mr. Sales reported to the Board that a permittee requested DCABC accept credit cards for payment of mixed beverage purchases. He explained that the volume of sales would cause DCABC to incur a substantial cost in credit card processing fees.

- **Full Time Employee Request**

Mr. Sales recommended to the Board that DCABC hire three full time Sales Clerks, two full time warehouse employees and one full time Law Enforcement Investigator. He stated that with the addition of six newly hired employees, DCABC will remain within the profit percentage to sales goal as recommended by the ABC Commission. Ms. Wagstaff motioned to approve hiring six new full time employees as recommended. Ms. Rocha-Goldberg seconded the motion and the Board approved unanimously.

Other Business

- **Grant Funds**

Mr. Sales reported that, as previously approved by the Board, grant funds have been distributed to Durham Public Schools. He stated that hopefully discussions between DPS and DCABC Law Enforcement will result in collaboration of Alcohol Awareness Programs.

- **Time Sheets**

To comply with the annual audit recommendation, a memorandum of instructions and time sheets were provided to all employees.

- **Power Outages**

Mr. Sales reported that there were power outages during the recent storm. He explained that at the Holloway Street store, there was a miscommunication and employees were not made aware when electricity was restored which resulted in store closure from 7:00 p.m. to closing. Also, Hillsborough Road, Hope Valley and Roxboro Road stores experienced power outages and/or technical difficulties due to the weather.

- **Request for Board Meeting Schedule from Clerk to County Commissioners**

Chairman Burton notified the Board that he received a request from the Clerk to County Commissioners for DCABC's 2017 Board meeting schedule. The 2017 schedule was agreed upon as follows:

January 17th
February 20th
March 20th
April 17th
May 15th
June 5th (Public Budget Hearing)
June 19th
July (No Meeting)
August 21st
September 18th
October 16th

November 20th
December 18th

- **Scheduled Date for GM Search Subcommittee Meeting with CAI**

Chairman Burton stated that CAI will assist DCABC subcommittee consisting of Board Members Wagstaff, Daye and Miller in performing the general manager search. He noted that all Board members are welcome to attend the Special Meeting. The Board scheduled the first Special Meeting with CAI and DCABC subcommittee on October 25th at 5:30 p.m.

- **Grievance Hearing from Complaint**

Chairman Burton notified the Board that the attorney of the employee requesting a grievance hearing is not in attendance this evening. The Board will plan to place the grievance hearing on the agenda of the November Board Meeting.

Closed Business

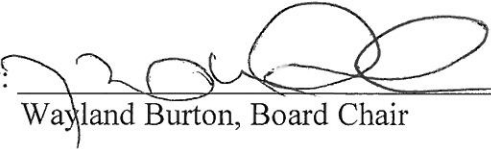
Ms. Wagstaff motioned for the Board to go into closed session per G.S. § 143-318.11(a): (3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged. Ms. Rocha-Goldberg seconded the motion and the Board approved without objection.

The Board returned to Open Session at 7:15 p.m. and the adjournment was at 7:17 p.m. The Closed Session minutes are retained by counsel because they deal with unfinished business of the Board.

Adjournment

Chairman Burton motioned to adjourn the meeting and the Board approved without objection.

Approved By:



Wayland Burton, Board Chair