

**Minutes of the Meeting
November 21, 2016**

The Durham County ABC Board met at the administrative office, 3620 Durham Chapel Hill Boulevard, on the 21st day of November, 2016.

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

Board members Norwood “Andy” Miller and Jacqueline Wagstaff were present. Acting General Manager Misty Walters and attorney George W. Miller, Jr. were also present. Durham County ABC Support Services Director Perlie Davis, Durham County ABC Chief Rufus Sales, Durham County ABC Finance Officer Lee Keatts, Shelby Hyman and attorney Larry Hall 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.

Chairman Burton requested that the Board move agenda item 7, Other Business, Grievance Hearing from Complaint, to the second item on the agenda after Public Comment. Ms. Wagstaff motioned to move Other Business agenda item to the second order of business and the Board approved unanimously.

Consent Items

The consent item for approval was the Minutes of the October Board Meeting. Attorney Miller requested an amendment to the October Board Meeting Minutes to reflect the time the meeting was adjourned and to include language regarding Closed Session minutes retained by counsel. Ms. Wagstaff motioned to accept the amendment to the October Board Meeting Minutes. Board Member Miller 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.

Other Business

Grievance Hearing from Complaint

Chairman Burton stated that the Board will hear the grievance complaint of a former employee in Open Session. Questions may be asked of the complainant and Board discussion will take place in Closed Session.

At this time, it was brought to the attention of Chairman Burton that there are two members of the public present and expressing interest in participating in agenda item Public Comment. Ms. Wagstaff motioned to reopen Public Comment to allow the individuals to speak. Board Member Miller seconded the motion and the Board approved unanimously. Chairman Burton requested

individuals present to sign-in on the public comment attendance sheet. Members of the public were given one minute to provide their comments.

Gena Coleman stated that she either presently works for DCABC and is not scheduled for duty or is a former employee and requested a letter from management stating that her services are no longer needed. Chairman Burton stated that open discussion does not take place during Public Comment and that the General Manager is available to discuss the request presented at a time other than at the Board meeting.

Terance Franklin stated that he does not have a comment to share with the Board but he requested to attend the Board Meeting. Chairman Burton stated that DCABC Board meetings are open to the public and therefore his attendance is welcomed.

The Board resumed agenda item: Grievance Hearing from Complaint; Shelby Hyman – Part time employee.

Attorney Larry Hall introduced himself to the Board as counsel for Shelby Hyman, former employee of DCABC. He stated that Ms. Hyman was asked to surrender her position or be terminated after ten months of valuable service due to DCABC personnel policy regarding employees working with family members. Mr. Hall presented Ms. Hyman's complaint and opinion that there was no violation of policy. He requested that the Board consider the circumstances and allow Ms. Hyman to be reinstated as an employee of DCABC.

The Board requested additional details from Ms. Hyman regarding her resignation. Chairman Burton assured Ms. Hyman that the Board will discuss and consider her complaint during Closed Session and a decision will be communicated to her. He thanked Ms. Hyman and Mr. Hall for bringing this matter to the Board.

Financial Report

Mr. Keatts reported to the Board the summary of income statement results for October as included in the meeting packet. He noted that sales for the month statewide were low due to the recent hurricane and that DCABC was impacted by a 2.69% decrease in sales for the month compared to last year. He stated that, on the upside, November sales for DCABC the first three weeks of the month have increased 6% over last November. The Board discussed power outages and internet interruption at stores and cancelled mixed beverage orders due to inclement weather.

Mr. Keatts reported to the Board that the Department of Labor's Fair Labor Standards Act regarding changes to minimum salary requirements for employees to be considered exempt from overtime rules are effective December 1st. He stated that all DCABC exempt employees' salaries were reviewed and one manager's salary will require an adjustment to comply with the new rule. The Board unanimously decided to move discussion of personnel salaries to Closed Session.

Support Services Report

Ms. Davis reported to the Board that the support services update was included in the meeting packet. Chairman Burton recommended that comparisons between several companies including pricing be provided before a Board decision is made regarding the purchase of audio and video equipment for retail stores.

Law Enforcement Report

Chief Sales stated that law enforcement activity for the month included compliance checks, inspections and emphasis on security at retail stores.

CAI – GM Search Sort Criteria

Chairman Burton reported that CAI requests that the Board decide on specific criteria of applicants in order to sort employment applications. Specific criteria includes skills, education and experience appropriate for an applicant to be considered for the position of general manager. The November 26th application acceptance deadline is approaching and CAI reportedly received more than fifty applications. The Board discussed essential criteria for applicants including a background in retail and accounting along with computer skills and five years of managerial experience. A Special Board Meeting with CAI to review applications was scheduled on December 1st at 4:30 p.m.

General Manager's Report

- **Cost of Goods Sold**

Ms. Walters reported that DCABC is continuing efforts to improve cost of goods sold numbers. She noted that decreased mixed beverage sales for the month negatively impacted DCABC's cost of goods sold figures for the month as less inventory was purchased. Additionally, she stated that the warehouse is at capacity and that there is not any extra space for stockpiling more sale-priced product at this time; however, after the holidays, the liquor gift packages will be sold and more warehouse space will be available.

- **Temp Staffing Comparison**

Ms. Walters reported that there are two full-time warehouse positions open and, additionally, temporary warehouse employees are needed for busy delivery days and holidays. She stated that DCABC is considering two agencies for temporary employment services. Contracts submitted are under review by Board attorney.

- **New Hires/Open Positions to be Filled**

Ms. Walters stated that several full-time clerk positions were recently filled and that there is currently one open position. She expects interviews to be conducted next week.

- **Talk It Out Bags/Signage**

Ms. Walters reported on DCABC's participation in Commission Chairman Gardner's Talk It Out initiative and stated that the purchase of a three to five month supply of paper bags will cost approximately \$15 -\$18K.

- **Customer Complaints**

Ms. Walters stated that a customer complaint was brought to her attention and reported that the issue was resolved.

Other Business

Chairman Burton brought it to the Board's attention that a thank you card was received from Ms. Mack for a floral arrangement and plaque in recognition of her retirement from DCABC. On behalf of Board Member Daye, Chairman Burton expressed appreciation for DCABC Board member and

management personnel attendance at Mr. Daye's father's funeral. Chairman Burton notified the Board that a former DCABC warehouse employee has passed and that a floral arrangement will be delivered to the funeral.

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. Board Member Miller seconded the motion and the Board approved without objection.

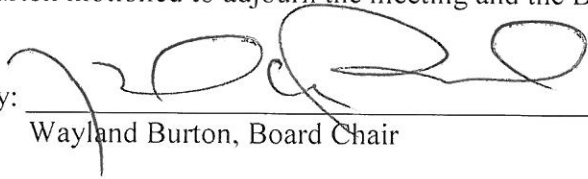
Open Session

The Board returned to open session. Chairman Burton reported that the Board took action in Closed Session to resolve the complaint of Ms. Hyman and render a decision regarding a salary increase to comply with the Department of Labor's Fair Labor Standards Act.

Adjournment

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

Approved By:



Wayland Burton, Board Chair