

**Minutes of the Meeting
March 20, 2017**

The Durham County ABC Board met at the administrative office, 2634 Durham Chapel Hill Boulevard, on the 20th day of March, 2017.

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

Board members Norwood “Andy” Miller, Jacqueline Wagstaff and Lawrence Daye were present. General Manager Rufus Sales and attorney George W. Miller, Jr. were also present. Durham County ABC Support Services Director Perlie Davis and Durham County ABC Chief Natausha Pettiford 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.

Mr. Sales stated that the meeting agenda was revised to move the report on mixed beverage renovation costs to the Financial Report instead of the General Manager’s Report. Additional items in the revised agenda include Date Selection for April Board Meeting and ABC Chief Selection Process. Board Member Miller motioned to adopt the revised agenda as Mr. Sales stated. Mr. Daye seconded the motion and the Board approved without objection.

Consent Items

The consent items approved include the Minutes of the January 12, 2017 Emergency Meeting, Minutes of the January 17, 2017 Board Meeting, Section 103 Hierarchy of Documentation and Section 611 Compensatory Leave Time Guidelines. Board Member Miller motioned to accept the consent items. Mr. Daye 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 for comment; however, Ms. Parker-Evans with the County Commissioners office is in attendance of the Board Meeting this evening.

At this time, Ms. Wagstaff entered the meeting. Chairman Burton read the Board’s conflict of interest review and declaration statement and asked Ms. Wagstaff if she has reviewed the agenda and if she has a conflict of interest with any items coming before the Board. Ms. Wagstaff stated that she has reviewed the agenda and she does not have any conflicts of interest with any items coming before the Board.

Introduction of New Employees

Derek Daily (sp) introduced himself to the Board as a newly hired full-time Sales Clerk at the Roxboro Road Store. Mr. Sales stated that Mr. Daily is one of three new employees. Chairman Burton welcomed Mr. Daily to Durham County ABC and wished him success in his new position.

Financial Report

Chairman Burton stated the summary of income statement results for January and February was included in the Board packet. Mr. Sales stated that sales in February were below budget by \$47,208. He noted that sales were low during the month of February statewide and that DCABC was ranked fourth highest in sales out of the nine boards DCABC considers comparable.

Mr. Sales stated that estimated costs for the mixed beverage renovation and consolidation project totals \$60K. The Board had a general discussion regarding expenditures involved in the project. Ms. Wagstaff motioned to approve \$60K for renovation of mixed beverage location. Mr. Daye seconded the motion and the Board approved unanimously.

Support Services Report

- **EMV Status**

Ms. Davis stated that restart of EMV pilot testing at the Roxboro Road store in January proved unsuccessful due to performance issues. The decision was made to purchase new POS registers. The registers were installed on February 27th at the Roxboro Road store and the pilot was resumed. For approximately one month, no significant issues have arisen. As of today, the Durham Chapel Hill Boulevard store is utilizing new POS registers and processing EMV without any problems. Ms. Davis provided a schedule of EMV implementation at the remaining stores and stated that all stores will be processing EMV chip based credit cards by the end of April.

- **Credit Card Chargebacks**

Ms. Davis stated that with EMV equipment installed, DCABC is not liable for fraudulent credit card charges. However, DCABC must be vigilant regarding suspicious and fraudulent activity. Mr. Sales stated that DCABC is responsible for \$9K in chargebacks in January and \$7K in February. Safeguards are in place and Sales Clerks are practicing procedures to identify credit card misuse. Ms. Davis stated that Intellicheck ID verification app implementation is ongoing and will be completed in all stores by the end of April.

- **Budget Update for FY2017 Technology Projects**

Ms. Davis previously provided Board members with a copy of budget updates for technology projects.

Law Enforcement Report

Chief Pettiford stated that fraudulent chargebacks were the focus of law enforcement activity in January and February. She stated that seven warrants were taken out on an individual for obtaining property by false pretenses and identity theft for purchasing liquor totaling \$4K with a fraudulent credit card. An additional suspect has been identified using a fraudulent credit card and a warrant is forthcoming. Additional law enforcement activity included compliance checks at establishments.

General Manager's Report

- **Customer Complaints**

Mr. Sales reported to the Board on customer complaints regarding customers' inability to use prepaid credit cards. There is now a system in place for DCABC to accept prepaid cards. Additionally, an anonymous complaint was received stating a DCABC grant recipient did not pay for services received. After contacting the complainant, the name of the grantee was not revealed and it was determined that DCABC is not

responsible for obligations of a grantee. Lastly, a customer purchased liquor and attempted to return their purchase the next day. DCABC's policy is to not accept returns after the day the item was purchased. The customer pointed out that the sign notifying customers of this rule was not visible on the date of purchase. The issue was resolved with the customer swapping the bottle they wished to return for a similarly priced bottle of their choice.

- **Performance Reviews (Individual and Group)**

Mr. Sales stated that performance reviews are scheduled to take place annually in January. He is currently reviewing and rating employees while training managers on proper reviewing procedures. Participation by the employee receiving the review is encouraged and documentation to support a rating of less than satisfactory performance is required.

- **Conference Scheduling**

Mr. Sales stated that the Legal Symposium held in March was informative in the areas of law regarding alcoholic trends including soft drinks and candy containing alcohol. Potential issues include state laws not current with new technology in terms of regulating alcohol consumption in items that fall under regulations mandated by the food industry.

Mr. Sales reported to the Board that a table is reserved for DCABC to attend Durham's Annual Tribute Luncheon and requested Board members interested in attending to notify him.

Mr. Sales reported that the General Manager's conference is upcoming. He stated that he has invited two Store Managers to attend this year in an effort to provide employee development noting the benefits of product knowledge workshops. Chairman Burton stated that the new ABC Commission Chair will be in attendance at the conference.

Mr. Sales stated that the National ABC Association conference is scheduled in May and Board members interested in participating may notify him so that registration is finalized.

- **Training**

Mr. Sales reported that ethics, harassment and diversity training sessions are underway for employees. He stated that managers and administrative staff have received training on performing employee reviews. Also, Mr. Sales was recently trained to operate store registers and instructed on proper stocking and fronting in stores as well as product knowledge.

- **Repairs**

Mr. Sales stated that potholes in store parking lots are undergoing repair. He stated that the warehouse roof is leaking and reported that it has been patched several times before. He was notified by contractors that, although it can be patched once again, it will not be under warranty because it is in need of repair. Estimates for patching the roof total \$20K while roof replacement costs nearly \$100K.

- **Special Projects Update**

- **Mixed Beverage Store Renovation**

- Mr. Sales reported on the schedule for the completion of the mixed beverage store renovation: request for bids was published February 22nd, a walk through took place March 10th, bids will close March 24th, contractor selection will occur March 31st and construction begins April 1st with a completion date of May 1st. He explained that the project will be completed in stages so mixed beverage operations may continue during the process. Mr. Sales acknowledged that there is a possibility of the project running over thirty days to accommodate the phases necessary to keep the building functional for business during the construction.

- **Holloway Street Store**

- Mr. Sales reported to the Board on the Holloway Street Store condemnation lawsuit. He stated that mediation is scheduled to begin March 28th with a trial date of May 8th.

Other Business

Grant Subcommittee Volunteers

Chairman Burton requested Board member participation to form a grant subcommittee. It was decided that Chairman Burton and Ms. Wagstaff will make up the grant subcommittee.

ABC Chief Selection Process

Chairman Burton requested discussion from Board members on the selection process in promoting Natausha Pettiford as Chief of Durham County ABC. Board Member Miller noted his dissatisfaction with the selection process.

April Board Meeting

Chairman Burton stated that the April Board Meeting is currently scheduled on Easter Monday and suggested rescheduling the meeting. The Board had a general consensus to reschedule the April Board Meeting to April 11th.

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. A motion based on subdivision (a)(3) of this section shall identify the parties in each existing lawsuit concerning which the public body expects to receive advice during the closed session. General policy matters may not be discussed in a closed session and nothing herein shall be construed to permit a public body to close a meeting that otherwise would be open merely because an attorney employed or retained by the public body is a participant; (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; or (ii) the amount of compensation and other material terms of an employment contract or proposed employment contract; (6) to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee. Board Member Miller seconded the motion and the Board approved without objection.

The Board returned to open session. The Board decided to schedule a Special Meeting to consider the facts surrounding the Holloway Street Store condemnation lawsuit once more information is made available.

Adjournment

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

Approved By: 
Wayland Burton, Board Chair