

**Minutes of the Meeting**  
**June 19, 2017**

The Durham County ABC Board met at the administrative office, 2634 Durham Chapel Hill Boulevard, on the 19<sup>th</sup> day of June, 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, Durham County ABC Finance Officer Lee Keatts, Durham County 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 with the following exceptions: Chairman Burton notified the Board that he has relationships with board members associated with two grant applications and Ms. Wagstaff stated that she may also have a relationship with personnel from an organization submitting a grant application.

Chairman Burton requested to move Financial Report to item 3 on the Agenda and Law Enforcement Report to item 4 on the Agenda as both topics relate to Continued Budget Discussions. Chairman Burton motioned to adopt the Agenda with the stated changes and the Board approved unanimously.

**Consent Items**

The consent items approved were the Minutes of the April 11, 2017 Board Meeting and Minutes of the May 15, 2017 Board Meeting. Ms. Wagstaff 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.

**Introduction of New Employee**

Greg Tedder (sp) introduced himself to the Board as a new addition to DCABC Law Enforcement. The Board welcomed Mr. Tedder. Mr. Sales stated that there are additional newly hired employees that were unable to be present this evening but that they are expected to attend a future meeting.

**Financial Report**

**Budget Amendment**

Mr. Keatts reported to the Board that there most likely will not be any changes to the anticipated total grant distribution dollar amount for the fiscal year. He next reported on the summary of

income statement results for the month of May. Mr. Keatts stated that sales in May increased by \$249,573 or 8.81% over the prior year. There was a 9.41% statewide sales increase in the month of May. DCABC was ranked 5<sup>th</sup> among the nine boards DCABC considers comparable. Mr. Keatts also noted that miscellaneous income in the amount of \$112K was received from DOT for the Holloway Street condemnation settlement.

### **Law Enforcement Report**

#### **New Weapons, Holsters and Ammunition**

Chief Pettiford reported to the Board that law enforcement requests monies for new handguns to be included in the budget. Chief stated that the guns are in need of replacement because there are not any records pertaining to the current weapons including when they were purchased or serviced for maintenance and whether they are in good working order. Additionally, the guns are difficult to conceal and are double action, which makes them harder to shoot. Chief Pettiford recommended law enforcement purchase compact handguns since operations are more often than not undercover. Chief requested the Board approve the purchase of eight city compact 9mm handguns at the cost of \$513.60 each. The ammunition costs \$20 per box, which is less expensive than ammunition for the current .357 handguns.

The Board had a general discussion regarding whether there is a necessity for new handguns. They also discussed the option of purchasing only guns needed for new personnel rather than replacing all guns this upcoming fiscal year. Next, a discussion took place regarding the purchase of 9mm guns when the current inventory are .357 caliber. Mr. Sales recommended that all DCABC Law Enforcement carry the same caliber handgun. The Board concluded that all law enforcement personnel should carry the same caliber handgun and that a decision cannot be made regarding the purchase of .357 handguns without pricing information. Chief Pettiford was assigned to research the cost of .357 handguns.

#### **Continued Budget Discussion**

The Board discussed profit distributions to the City and County. Chair Burton motioned to distribute total distributions for the year in the amount of \$2M to the County and \$222,200 to the City noting that the figures are the same dollar amount as distributed last year. Board Member Miller seconded the motion and the Board approved unanimously.

Mr. Sales notified the Board that a balloon payment is due to M&F Bank in FY2017-18 and requested how the Board would like to proceed. Mr. Keatts explained that there are loans with balloon payments due in April and August, 2018. The Board discussed interest paid on the loans and possible banking strategies. Board Member Miller motioned to pay off the balloon loan due in April in the amount of \$400K. Ms. Wagstaff seconded the motion and the Board approved unanimously.

The Board discussed the Budget Amendment. Ms. Wagstaff motioned to approve the Budget Amendment as presented. Board Member Miller seconded the motion and the Board approved without objection.

Board Member Miller motioned to adopt the FY2017-18 Budget as recommended with the exception of law enforcement and technology items. Ms. Wagstaff seconded the motion and the Board approved unanimously. The Board unanimously decided to consider law enforcement and

technology equipment expenditures at the Board Retreat allowing for additional time to receive supporting information.

### **Support Services Report**

#### **Technology Associates Contract**

The Board requested additional information regarding technology items listed in the amended budget including inventory ordering redesign, new phone system, network wiring organization equipment, new computers and scanners. Ms. Davis provided further details supporting the recommended technology items. The Board discussed the scope of IT services handled by contractors versus in-house personnel. Chairman Burton requested that the Board receive copies of all IT contracts to determine what services are provided by each contractor. He also requested that further discussion regarding IT contracts be moved to the upcoming DCABC Board Retreat on July 15<sup>th</sup>.

### **General Manager's Report**

#### **Project Updates**

Mr. Sales reported to the Board that the mixed beverage project is approximately 70% complete. The warehouse roof repair is currently in progress. Chairman Burton requested the General Manager to report to the Board the square footage of the roof and the cost of repair. The warehouse truck is expected to be delivered next week.

#### **Other Business**

- **Review of Meeting with Commissioners**

Chairman Burton stated that he accompanied the General Manager and Board attorney to meet with the County Commissioners. Matters that were discussed include construction of new retail stores, expanding the number of stores, increasing profitability, DCABC expenditures over the fiscal year and concerns surrounding the "brunch bill" and associated county ordinances.

- **Planning of Agenda for Board Retreat**

Chairman Burton stated that items currently slated for discussion at the Board Retreat include the Travel Policy and technology and law enforcement equipment. He requested Board members submit additional agenda items to the General Manager. Chair stated that Board member attendance will create a quorum and therefore the retreat is a public meeting that requires an agenda and advertisement. The Board discussed additional details of the retreat including the date, time and meal planning. The Board decided to include additional agenda items regarding DCABC expansion and policy review.

- **Planning Open House for Mixed Beverage and New Administrative Offices**

Chairman Burton reported that he has notified the County Commissioners that an open house is planned and he proposed the time and date of August 9<sup>th</sup> from 9:00 - 11:00 a.m. He noted that August 9<sup>th</sup> may be an ideal day for the County Commissioners and other ABC Boards as it is considered a travel day following the NC Association of ABC Boards Conference. Ms. Wagstaff proposed August 16<sup>th</sup> from 9:00 - 11:00 a.m. Chair Burton recommended attendees arrive at the Mixed Beverage site for ceremonies and a tour followed by a shuttle service to the new administrative offices for light refreshments.

- **NC Association of ABC Boards Conference August 6<sup>th</sup> - 9<sup>th</sup>**

Chairman Burton requested Board members interested in attending the NC Association of ABC Boards Conference to notify the General Manager, especially if hotel accommodations are required.

- **Grant Subcommittee Report and Recommendation**

Chairman Burton stated that twenty-four grant applicants requested funds totaling \$623,967.98. DCABC has \$211K available grant funds to distribute. The grant subcommittee reported to the Board on applications received from various organizations including how monies will be spent, dollar amount requested and subcommittee recommendations. Also included in discussion were details relating to each applicant following subcommittee research. The Board decided to take additional time to compare subcommittee recommendations and finalize grant distributions at the Board Retreat. Chairman Burton requested the General Manager to notify all applicants that grant awards will be finalized on July 15<sup>th</sup>. He encouraged Board members to perform additional research on eligible grantees prior to the Board Retreat.

### **Closed Session**

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. (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. Mr. Daye seconded the motion and the Board approved without objection.

The Board returned to Open Session. Chairman Burton reported that the Board took action in Closed Session to accept and seal Executive Session Minutes.

### **Adjournment**

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

Approved By: 