

**Minutes of the Meeting
August 20, 2018**

The Durham County ABC Board met at the administrative office, 2634 Durham Chapel Hill Boulevard, on the 20th day of August, 2018.

Board Chair, Andy Miller, called the meeting to order at 5:30 p.m.

Board members Lawrence Daye, Donald Lebkes, Beverly Thorpe and Ryan Urquhart were present. General Manager Rufus Sales, Assistant General Manager Eddie Hewlin, attorney George W. Miller, Jr., Durham County ABC Finance Officer Lee Keatts, Durham County ABC Support Services Director Perlie Davis and Durham County ABC Law Enforcement Chief Natausha Pettiford were also in attendance.

Conflict of Interest Review and Declaration

Chair Miller 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 verbalized that they have reviewed the agenda and do not have any conflicts.

Consent Items

The consent items approved included the June 4th Special Meeting Minutes and the June 18th Board Meeting Minutes. Mr. Sales corrected two typos in the June Board Meeting Minutes. Mr. Lebkes motioned to approve the meeting minutes. Ms. Thorpe seconded the motion and the Board approved unanimously.

General Business

Selection of Board Chair

Attorney Miller notified the Board that Mr. Miller's term as Chairman of the Durham County ABC Board is ending and it would be appropriate for the Board to determine who they wish to recommend to the Board of County Commissioners as Chair for the next term. Mr. Lebkes moved to recommend to the County Commissioners that Mr. Miller preside as Chairman for an additional year. Ms. Thorpe seconded the motion. No other recommendations were made and the Board voted unanimously to recommend Chairman Miller to serve as Chair for another year.

Introduction of New Board Member

Mr. Urquhart introduced himself to the Board and the Board welcomed Mr. Urquhart to DCABC.

Public Comment

Chair Miller stated that there are not any members of the public present for comment this evening.

Financial Report

June and July Financials

Mr. Keatts reported to the Board on the summary of income statement results included in the meeting packet. He noted year-end balance distributions of \$2.2M to the County, \$244K to the City

and \$217K for alcohol education. The Board discussed year-over-year sales trends from 2015 to present.

Mr. Keatts stated that conversion to the new computer system resulted in errors in the inventory cost data, specifically, cost of goods sold. He stated that the issue will resolve going forward with monthly physical inventory counts and continual data review.

Mr. Keatts reported to the Board that DCABC opened a \$360K money market account with M&F Bank as a loan requirement. Mr. Keatts recommended moving the money to a higher interest accruing account with SunTrust now that the loan is paid in full. Mr. Daye motioned to move the money market account funds to SunTrust. Mr. Lebkes seconded the motion and the Board approved unanimously.

Support Services Report

Ms. Davis provided an update on implementation of the new computer system. She stated that several issues have arisen involving inventory and accounting and that she is working with Dalcom to resolve the issues. The Board discussed the various technical problems with the new system.

Ms. Davis reported that the grant report format must be developed as the initial grant reports are due October 31st. She also stated that an outline for the annual report is in progress.

Law Enforcement Report

Chief Pettiford reported to the Board that all licensed establishments were inspected at least once this year and that a second round of inspections is planned. Chief reported that fraudulent DCABC checks were discovered in several states. SunTrust is aware of the situation and they are actively investigating. The fraudulent checks were not successfully negotiated and another ABC board has experienced a similar scenario.

General Manager's Report

Mr. Sales reported to the Board on recent retail store power outages, plumbing problems and air conditioning malfunction. He noted that a new air conditioning unit is likely needed and replacement costs will be researched.

Mr. Sales reported that due to higher than projected revenue in the month of June, an additional \$5,930 is available for alcohol education. Chair Miller noted that DCABC policy states that undistributed grant funds be designated to law enforcement for alcohol education. The Board discussed law enforcement's alcohol awareness initiatives. Mr. Daye motioned to allow the additional funds to be utilized by law enforcement. Mr. Lebkes seconded the motion and the Board approved unanimously.

Other Business

- **Proposed 2019 Board Meeting Schedule**

Mr. Sales provided Board members with a proposed meeting schedule for 2019. Ms. Thorpe motioned to adopt the schedule as presented. Mr. Lebkes seconded the motion and the Board approved unanimously.

- **Emergency Action Plan**
Mr. Hewlin reported that he is working on a draft emergency action plan to include a disaster recovery plan and business continuity plan for moving forward after a disaster. Innovation Emergency Management assisted the city with their emergency plan and were recommended. Mr. Hewlin stated that he is in contact with Innovation Emergency Management and is gathering requested information to customize a plan for DCABC.
- **NC General Assembly's Program Evaluation Division Site Visit**
Mr. Sales invited the Board to participate in the Program Evaluation Division site visit on August 27th beginning at 9:00 a.m. After an interview with the General Manager, those in attendance will visit mixed beverage and then the Durham Chapel Hill Boulevard and Hope Valley Road stores to observe daily operations.
- **NC Association of ABC Boards Conference**
Mr. Sales shared a correspondence from the NC Association of ABC Boards encouraging Board members to reach out to their legislators in opposition of privatization of liquor sales.

Mr. Sales reported highlights from the NC Association of ABC Boards Conference. Agnes Stevens was announced as the new Administrator of the ABC Commission. Customer service, product knowledge and ethics training were emphasized at the conference.

Closed Session

Mr. Lebkies 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): (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, 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.

Open Session

Chair Miller stated that the Board is back in open session.

Adjournment

Mr. Lebkies motioned to adjourn the meeting. Mr. Daye seconded the motion and the Board approved without objection.

Approved By: NA Miller