

**Minutes of the Meeting
September 17, 2018**

The Durham County ABC Board met at the administrative office, 2634 Durham Chapel Hill Boulevard, on the 17th day of September, 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 in attendance. Lowell Oakley and Joshua Anderson with Koonce, Wooten & Haywood were also present.

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

Consent Item

The consent item approved was the August Board Meeting Minutes. Mr. Lebkes motioned to approve the meeting minutes as presented. Mr. Urquhart seconded the motion and the Board approved unanimously.

General Business

Public Comment

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

Audit Report

Mr. Oakley and Mr. Anderson reported to the Board on the results of the annual audit. Mr. Anderson stated that a clean audit and opinion was determined as there were not any material misstatements discovered during the audit. He reported to the Board on DCABC's net position including assets and liabilities and noted an 11% increase in working capital over the previous fiscal year. Mr. Oakley stated that Durham County ABC has a strong balance sheet and net asset position.

At this time, Mr. Daye entered the meeting. Chairman Miller read the Board's conflict of interest review and declaration statement and asked Mr. Daye if he has reviewed the agenda and if he has a conflict of interest with any items coming before the Board. Mr. Daye stated that he has reviewed the agenda and he does not have any conflicts of interest with any items coming before the Board.

Mr. Oakley stated that DCABC's overall financial position is strong with positive profitability. He noted that the results reflect excellent management. Mr. Oakley expressed appreciation to Mr.

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Keatts for his efforts throughout the audit process. The Board had a general discussion regarding the audit report.

Financial Report

August Financials

Mr. Keatts reported to the Board on the summary of income statement results. He stated that DCABC had the third highest sales in August compared to the nine other ABC Boards that DCABC considers comparable.

Support Services Report

Ms. Davis reported to the Board on progress regarding inventory scanners. She stated that the scanners are now utilized at all locations and inventory issues are being resolved, which will improve the liquor ordering process.

Ms. Davis notified the Board that the new grant report is now available for grantees to file their initial report. Also, the draft annual report will be available for Board approval at the next Board meeting.

Law Enforcement Report

Chief Pettiford stated that the law enforcement report was included in the meeting packet. Mr. Sales stated that there were recent fraudulent credit card charges at retail stores and the matter is currently under investigation.

General Manager's Report

Mr. Sales reported to the Board that prior to the storm, the warehouse was closed for one day due to a power outage. Employees were able to work extra hours to complete all deliveries for the week. Due to the hurricane, the Raleigh warehouse was temporarily closed interrupting DCABC's pickup schedule. There were power outages at Hillsborough Road and Hope Valley Road stores. Also, the Durham Chapel Hill Boulevard store parking lot flooded and there were water leaks at the Hope Valley Road store. Mr. Sales noted the importance of a disaster recovery plan and reported that creation of a plan is in progress.

Mr. Sales commended employees for working through the storm and keeping retail stores open to the public. The Board discussed expressing their appreciation to DCABC employees.

Closed Session

Mr. Lebkes 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. Ms. Thorpe seconded the motion and the Board approved without objection.

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Open Session

Chair Miller stated that the Board returned to open session.

Adjournment

Mr. Lebkes motioned to adjourn the meeting. Mr. Urquhart seconded the motion and the Board approved without objection.

Approved By: AP Miller

