

**Minutes of Special Meeting
March 19, 2020**

The Durham County ABC Board met at the administrative office, 2634 Durham Chapel Hill Boulevard, on the 19th day of March 2020.

Chair Lebkes called the special meeting to order at 9:00 a.m.

Board Members Frachele Scott and Daniel Edwards were present. Board Member Ryan Urquhart was present virtually. General Manager Niegel Sullivan, Support Services Director Perlie Davis and Special Agent Sean Hamilton with Alcohol Law Enforcement were also present.

Conflict of Interest Review and Declaration

Chair Lebkes 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.

General Business

Public Comment

Chair Lebkes acknowledged that there were not any members of the public present for comment.

Cyber Security

Sullivan stated that he, along with Chair Lebkes, Ms. Scott and a few other staff members, attended the N.C. Association of ABC Boards meeting last week and watched two presentations on cyber security. He also mentioned the cyber incident that occurred within Durham County Government recently. Mr. Sullivan wanted to review what Durham County currently has in place in regards to cyber security. He believes that the Board is safe, but wants to cover all bases. Wesley Lemons, Chief Operations Officer with Dalcom, is present to speak with the Board virtually. Dalcom is the Board's IT provider and explained the security measures already in place, which includes firewalls, end-point encryption, network traffic monitoring, and email monitoring through a spam blocker. He further explained how hackers get through these protections by targeting companies' employees. The company employee is the weakest link and the most effective way to prevent attacks is to educate them. Mr. Lemons suggests employee education, and email traffic evaluation for a possible additional layer of security.

Pete Seeber, Chief Strategy Officer and Risk Manager for CORVID Cyberdefense was also in attendance virtually. He works as a government contractor. He explained the layered security approach and suggested training employees to not click on certain emails because 90% of cyber-attacks start in someone's inbox.

Ms. Davis, Support Services Director, mentioned that the Board already uses Dalcom for most of its security and that it is currently looking at options for additional layers of security. She explains that the Board currently performs data backups in the cloud. The Board does not store any credit card information on its systems, although it does have some personally identifiable information for employees that needs to be protected. If backup information in the cloud is corrupted, it could cause a big problem. The chance is low, but hackers are getting smarter. Ms.

Davis shared the coverage amount with the current policy. She's waiting on estimates from other companies for expanded coverage.

COVID-19

Sullivan acknowledged staff and board members for the work they've done during the COVID-19 pandemic. He then compared weekly reports to show the increase in sales.

The Board has enough products in the warehouse to meet increased demand.

The Board has cancelled all tastings until further notice, and staff is cleaning high touch areas more frequently, including credit card readers. The Board contracted with a third-party cleaning company starting March 17. They go in and sanitize stores and clean the air by spraying a solution from a fogger. The cost is \$400 per store.

Mr. Sullivan said that he recommends the entire staff wear gloves. He also recommends to extend the current attendance policy through April and has reviewed the HIPPA policy. He recommends keeping normal hours to prevent panic and explained that maintaining regular hours keeps the traffic flow steady and that reducing hours will cause more people to be in store at a time.

Mr. Sullivan said that in the event the Board has to close any stores due to staffing issues, it plans to close Hillsborough and Guess Road locations first, and will reallocate staff.

If a staff member falls ill to COVID-19, the Board will give the staff member and other store clerks/staff PTO for two weeks to prevent further spread. If a staff member gets sick, the Board will close the location and have the third-party company clean and sanitize the store.

The Board agreed to keep the current COVID-19 policy in place until the Governor lifts the state of emergency. Ms. Scott motioned to adopt the COVID-19 procedure change as amended. Mr. Edwards seconded. The Board approved unanimously.

Mixed Beverage Return Policy

With establishments closing because of the pandemic, permittees are requesting to return unused products purchased from Mixed Beverage. If the Board decides to move forward with returns, Sullivan said that he and Mr. Keatts, anticipate returning between \$325,000 and \$350,000 to permittees. The Board has to approve the policy since alcohol returns are prohibited by state statute. Sullivan proposes that mixed beverage returns are by appointment only and that permittees are required to give the number of bottles being returned. The number of returns cannot exceed 30 product codes. The seal cannot be broken, the permit stamp cannot be tampered with and the bottle must be clean. Checks will be returned to the business address on file and permittees will be given a receipt, which will need to be kept on file for three years.

Closed Session

Mr. Edwards moved that the meeting go into closed session to address the return policy. Ms. Scott seconds and the Board votes to go into closed session.

Open Session

Lebkes calls the special meeting back to order at 11:52 a.m.

Mr. Sullivan reads the approved policy. Policy will only be enforced through the duration of state of emergency declaration for this event. In addition to the policy details earlier discussed, returns will include a 5% restocking fee. Any bottle return that Durham County ABC Board deems unable to be returned, that bottle may be brought back and the NC ALE can make the final decision if it can be returned. Returns will be issued by check only and checks may take up to ten business days to process. The permittee will need have a notebook with current invoices to use while transporting liquor from their establishment to the Durham County ABC Mixed Beverage Department, which will act as the transportation permit.

Mr. Edwards moved to adopt the policy. Ms. Scott seconds and the Board unanimously votes to pass the policy.

Ms. Scott moves to go into closed session. Mr. Edwards seconds and the Board votes to go into closed session to approve the new Riverview ABC store location.

Ms. Scott moves to adjourn the special meeting at 12:10 p.m. Mr. Edwards seconds and the Board votes to adjourn.

Approved By:



Don Lebkes, Board Chair