

**Minutes of the Meeting  
June 15, 2020**

The Durham County ABC Board met at the administrative office, 2634 Durham Chapel Hill Boulevard, on the 15<sup>th</sup> day of June 2020.

Chair Lebkes called the meeting to order at 5:33 p.m.

Board Members Frachele Scott and Gale Adland were present virtually.

Board Member Daniel Edwards, General Manager Niegel Sullivan, Durham County ABC Operations Coordinator Misty Waters, Durham County ABC Financial Officer Lee Keatts, Special Agent Sean Hamilton with Alcohol Law Enforcement, Durham County ABC Warehouse Manager Rader Dorman, Durham County ABC Support Services Director Perlle Davis and Attorney George Miller, III were present in the room.

**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.

**Consent Items**

The consent items were as follows:

- Approval of May 11, 2020 Board Meeting Minutes
- Approval of June 1, 2020 Budget Hearing Meeting minutes.

Mr. Edwards motioned to accept the consent items. Ms. Scott seconded and the Board approved.

**Support Service Report**

Ms. Davis reported that that there were 15 grant applications and that the total amount requested was \$476,622.50. The amount available for distribution is \$295,000.

The board will review the selection and give notifications by July 30. The funds will be distributed by Aug. 1. Because of COVID-19, the post-award grant meeting has not yet been scheduled.

**Law Enforcement Report**

Special Agent Hamilton reported to the board on law enforcement activity in May 2020. A total of 31 checks were performed at ABC stores; 30 mixed beverage inspections and 21 other inspections. There were 28 arrests, 78 charges from permitted establishments and four charges from non-permitted establishments. 76 charges were misdemeanors and six were felonies.

**Financial Report**

Mr. Keatts reported the summary of income statement results for May. Sales totaled \$4,144,000, an increase of 629,000 or 17.9% compared to the previous year. May 2020 had one extra Saturday that resulted in increased sales numbers. Mixed Beverage saw \$13,000 in sales and \$3,000 in returns. Durham County ABC was ranked 3<sup>rd</sup> among nine comparative boards. The statewide sales increase was 14.88%. Year-to-date as of end of May, Durham County ABC had 9.1% growth. Mr. Keatts said this was best year the board has had in five years.

*Proposed budget amendment:*

Mr. Keatts estimated that by end of the fiscal year, sales will be \$2 million more than what was budgeted. He went over COVID-related extra expenses and other amendments that affect the budget.

Mr. Sullivan pointed out that this was Mr. Keatts' last board meeting. He is retiring in July.

**Grant Program**

Mr. Edwards and Chair Lebkes met, with Ms. Davis in attendance, and reviewed 15 applications and discussed the amount they recommend for each of the grantees. All of the grant requests were approved, except for two. Approval is dependent upon how many years an organization has received funding, the total of their other funding sources and the extent of the grant application itself.

Mr. Sullivan noted that a previous grant recipient returned unspent funds. Those extra funds were given to Alcohol Law Enforcement (ALE) to use for its services. ALE was also unable to use the excess funds. Mr. Lebkes and Mr. Edwards decided when the funds are returned, they would increase the grant amount for five applicants.

Mr. Edwards motioned to approve the grant funds and recommendations, pending the excess amount. Ms. Adland seconded. The board voted to approve unanimously.

Mr. Lebkes suggested that all recipients come and meet with the board at a later date to give an update to show what they have done and how the funds have helped reach their goals. He also proposed the idea of staff member visits to the organizations during the year.

Currently, the board gives 2.3% of profits to the City of Durham and Durham County. Chair Lebkes requests that the board give an additional \$111,000 more. Durham County ABC is ranked #7 of nine boards in relation to the percentage of funds given to local government. Chair Lebkes discussed the idea of putting a system in place to calculate how much additional funding above the statutory amount the board will allocate based on yearly profit.

Ms. Scott motioned to give the county and city an additional \$100,000 and \$11,000 respectively for this fiscal year in a lump sum. Mr. Edwards seconded. The board voted to approve unanimously. The total fiscal year 2020 profit distributions approved by the board were \$2,400,000 to the County and \$266,664 to the City.

**Budget approval**

Ms. Scott motioned to approve the budget presented at the May board meeting for Fiscal Year 2021. Mr. Edwards seconded. The board voted to approve unanimously.

Mr. Edwards motioned to accept the amended budget proposal for Fiscal Year 2020. Ms. Scott seconded. The board approved unanimously.

**General Manager's Report**

Mr. Sullivan briefed the board on project updates. The Holloway Street location now has footing poured and walls up. Construction was slightly delayed by bad weather, but the project is still on schedule. Walls and sheetrock have been placed at the Riverview location. Mr. Sullivan highlighted new features that will reduce high-touch areas, such as counter space where customers can scan and bag their own products, and automatic doors. The fence is up at the Sherron Road location and earthwork is scheduled to begin.

Mr. Sullivan said that the board is starting to see an increase of Mixed Beverage customer traffic. He also noted that Durham County ABC saw more product returns than any other boards in the state.

Durham County ABC held another event with the Raleigh Bourbon and Banter club. He showed the board a presentation with sales numbers and photos of the setup and crowds from the events.

Mr. Edwards motioned to go into closed session. Ms. Scott seconded. The board voted and went into closed session.

Board returned to open session. The board meeting was adjourned.

Approved By: \_\_\_\_\_



Donald Lebkes, Board Chair

