

**Minutes of the Meeting
August 17, 2020**

The Durham County ABC Board met virtually via Zoom Meetings on the 17th day of August 2020.

Durham County ABC Board Attorney George Miller, III called the meeting to order at 5:34 p.m.

Board Members Frachele Scott, Gale Adland, Daniel Edwards and Ryan Urquhart were present.

General Manager Niegel Sullivan, Durham County ABC Operations Coordinator Misty Walters, Durham County ABC Financial Officer Phil Bair, Special Agent Sean Hamilton with Alcohol Law Enforcement and Durham County ABC Support Services Coordinator Perlie Davis were present in the room.

Conflict of Interest Review and Declaration

Attorney 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 were as follows:

- Elect the Chair of the Durham County ABC Board
- Approval of June 15, 2020 Board Meeting Minutes

Attorney Miller opened the floor to nominations. Ms. Scott motioned to nominate current Board Chair Don Lebkes. Dr. Urquhart seconded. The board voted unanimously to elect Mr. Lebkes as Chair.

Law Enforcement Report

Special Agent Hamilton reported to the board on law enforcement activity in June and July 2020. A total of 34 checks were performed at ABC stores; 19 mixed beverage inspections and 10 other inspections. There were 23 arrests, 71 charges from permitted establishments and one charge from non-permitted establishments. 66 charges were misdemeanors and six were felonies.

Agent Hamilton reported that the state ABC Commission ruled that based on the current social climate surrounding COVID 19 that any establishment holding mixed beverage private bar permits should not be operational for on premise consumption. This ruling is for bars only.

Financial Report

Mr. Bair reported the summary of income statement results for June. Sales totaled \$3.7 million, an increase of \$575,000 compared to the previous year. Retail sales are up \$1.1 million, a 44 % increase. Mixed beverage sales decreased by close to 500,000 due to the impact of COVID-19.

Durham County ABC ranked 3rd among 9 boards. The statewide increase was 21%. Year-to-date, Durham County ABC had 9.63% growth. At the end of the 2020 fiscal year, Durham County made a \$2.4 million distribution to county and \$266,000 to the city from sales profit. \$300,000 in grants were distributed.

For July, sales totaled \$3.8 million, an increase of \$650,000 or 22.23%. The statewide sales increase was 22% compared to the previous year.

Mr. Sullivan commented that N. Roxboro Street store used to be the lowest volume store in Durham county. After moving into the new Riverview location, store sales have increased by \$106,872. He also mentioned trends that he has been seeing: Stimulus money is slowing down in market, more people going back to work and less are working from home, and more people are buying smaller sized bottles. These trends have had an effect on sales.

General Manager's Report

Project Updates:

Mr. Sullivan showed the board illustrations of what the new Holloway Street store will look like once complete. The completion date is now January 28, 2021. The store will be 6,000 square feet.

Mr. Sullivan showed the board images of what the future Highway 55 store will look like. The site will sit on 10 acres, with 2.44 usable acres. He showed the site plan and went over construction logistics. The Board expects to close on the property in December 2020. The proposed project start date is currently March or April 2021.

The new Riverview location on N. Roxboro Street opened on August 3rd. The retail area is 4,800 square feet, store stock room is 3200 square feet and the warehouse is 3,000 square feet. The previous store totaled 4,300 square feet. Mr. Sullivan showed photos of the completed store and images of opening day. He mentioned that the new store design has received much positive feedback.

Technology Improvements:

Mr. Sullivan stated that the Board has received a large number of requests from senior citizens who wish to be able to purchase products online and pick up curbside. Dalcom, the Board's technology vendor has created software that would allow for this function. It is called ABC Go.

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They would be able to offer it to other boards across the state. After an online product request, customers would have the option to complete their purchase in-store or curbside. Mr. Sullivan confirmed with Alcohol Law Enforcement (ALE) that the project falls within the state statutes because no money is being exchanged online; customers pay when they pick up. The Board would have to come up with controls and measure to ensure safety. The customer would pay on site, with the ABC employee bringing a hand-held payment device to the customer's car. Any car-delivery purchase would have to be credit card only. Customers with cash would have to go into the store to purchase.

Ms. Adland asked about the possibility of incorporating a designated senior citizens timeslot for purchasing products. Mr. Sullivan said some boards utilize their mixed beverage departments to accommodate seniors and that Durham County may look into that in the future.

Chair Lebkes shared his concerns surrounding the parking lot pick-up orders, such as whether Durham ABC has enough staff to carry it out successfully and whether parking space would be an issue.

Dr. Urquhart motioned that the Board move forward with the online ordering system for Durham ABC. Mr. Edwards seconded, the motion carried 4 to 1 with Chair Lebkes opposing.

Board Meeting Minutes Approval

Chair Lebkes revisited the consent items to approve the June 15 meeting minutes. Mr. Edwards motioned to approve the minutes. Ms. Scott seconded. The minutes were approved.

The next meeting will be held Sept 21 at 5:30 p.m.

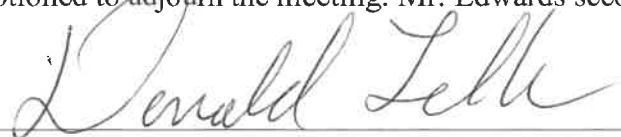
Dr. Urquhart motioned to go into closed session. Mr. Edwards seconded and the Board went into closed session.

The Board returned to open session. Dr. Urquhart motioned to approve the actions taken during closed session. Mr. Edwards seconded. The Board approved unanimously.

Chair Lebkes addressed a concerned from a community member about the line in the morning hours at the Riverview location. People are stopping their cars in the fire lane while shopping. Mr. Sullivan will reach out to other store managers in the strip and the Board will continue to monitor and address the issue.

Dr. Urquhart motioned to adjourn the meeting. Mr. Edwards seconded and the meeting was adjourned.

Approved By: _____



Donald Lebkes, Board Chair