

Minutes of the Meeting
March 15, 2021

The Durham County ABC Board met virtually via Zoom Meetings on the 15th Day of March 2021.

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

Board members Daniel Edwards, Ryan Urquhart, Gale Adland, Frachele Scott, Durham County ABC HR Generalist Wendy Wilder-Thomas, ALE Special Agent Brian Doward and Special Agent Clay Joyner were present virtually via Zoom.

Board Chair Donald Lebkes, Durham County ABC General Manager Niegel Sullivan, Financial Services Director Phil Bair and Durham County ABC 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.

The consent items were approved as follows:

- Approval of March 1, 2021 Special Meeting Minutes
- Approval of March 15 Board Meeting Minutes

Mr. Edwards motioned to approve both consent items. Ms. Scott seconded. The consent item was unanimously approved.

Law Enforcement Report

There were 56 mixed beverage inspections and 48 other inspections. There were no alcohol education programs. Five alcohol-related violations were submitted the ABC commission. There were 18 arrests. There were 44 charges at permitted establishments and none at non-permitted establishments; 43 misdemeanors and 1 felony.

Agent Doward discussed recent alcohol and drug-related investigations and arrests with the Board.

Human Resources Report

March 5th was Employee Appreciation Day and the Board provided lunch and gift bags for staff. Margaret Pettyjohn with Catapult talked to the Board about the staff pulse survey. She has worked with the leadership team to develop questions for the survey and provided recommendations for how to address answers.

The Board discussed the process and delivery of the survey.

Minutes of the Meeting March 15, 2021

Financial Report

Mr. Bair discussed variances and comparative sales for each store for the month of February, as well as the Board's cash balance. February sales showed an increase of \$331,203 compared to the previous year. Retail sales showed an increase of \$714,803, or 26.63 percent. Mixed beverage sales showed a decrease of \$383,600. Budgeted total sales for February were \$2,847,349, a positive budget variance of \$900,804 or 31.64 percent. Durham County ABC ranked 2nd among the nine comparative Boards.

All SafeDeposit cash safes have been ordered for the stores and are scheduled to be delivered next week. The Board's contract with the previous cash courier expires March 31st.

Mr. Bair and Mr. Sullivan discussed budgeting for Fiscal Year 2022 and the proposed salary market analysis for all employees prepared by Catapult. The Board asked at the February 20, 2021 work session to give a budget analysis at 90% and 100% of market rate.

Mr. Edwards motioned to move forward with 100% of the market analysis. Dr. Urquhart seconded. The Board voted unanimously to approve the analysis.

General Manager's Report

Inventory and Product Purchasing

Mr. Sullivan said that inventory continues to progress week by week, and management is seeing improved numbers and trends for variances. Employees are also able to identify theft or other inventory issues. He showed the Board inventory figures for each store.

Retail sales continue to be strong due to the purchasing strategy. Mr. Sullivan said that warehouse staff make sure that stores have adequate inventory of top 25 products and continue to purchase specialty bourbons. They continue to focus on tequila, one of highest grossing categories currently. The highest is bourbon.

Business Philosophy and Operational Developments

Mr. Sullivan explained that the Durham County ABC Board is classified as a state-regulated retailer. Its mission is to maintain safe sale of alcohol products, and to increase revenue. Mr. Sullivan said the Board is achieving all the goals included in the mission statement. Maximizing sales also maximizes profit distribution to the city and county. Mr. Sullivan has implemented numerous sales strategies over the last 18 months including: utilizing a buying strategy to maximize profitability on purchases; improving inventory operations; improving workflow and efficiency in the warehouse and inventory management; updating planograms used in stores and updated the Board's policy and procedure manual. Mr. Sullivan also discussed systems that improved efficiency, such as the automated process of liquor delivery to stores from warehouse, and automated daily sales posting. Mr. Sullivan discussed the importance of adequate customer service from staff.

**Minutes of the Meeting
March 15, 2021**

COVID-19

Mr. Sullivan said that the Board's participation in the Back on the Bull campaign with the city and county has greatly helped with mask-wearing with customers. There have been no complaints of failures to wear mask since the campaign was implemented and posted on entrance doors.

Mr. Sullivan brought a proposal to the Board that recommends giving staff two hours of paid time off per COVID shot as an incentive to get vaccinated. The employee would have to present their vaccination card to be eligible for compensation. A copy would then be retained in the employee's medical file and secured in the HR generalist's office.

Mr. Edwards said that he does not believe that two hours is sufficient and recommends an entire day off. He said that from personal experience, the second shot may make the recipient feel ill. Ms. Adland agreed. Mr. Sullivan then suggested a total of eight PTO hours for full vaccination. He clarifies that those who have already received their shots will still be eligible for compensation as long as their vaccination card is presented. The employee does not have to receive the shot during their work shift in order to be eligible for the incentive.

Mr. Edwards motioned that the Board approves the PTO incentive to employees; 8 hours for full-time staff, and four hours for part-time staff. Ms. Scott seconded. The Board unanimously approved the COVID-19 vaccination incentive package.

Capital Projects

The Holloway Street location is tentatively scheduled to open by the end on May 2021. The Sherron Road location is still in a holding pattern because of an ongoing gas easement issue. The parking lot should be completed in the next couple of weeks. The proposed completion date is mid to late April.

Ms. Adland motioned to complete the Sherron Road project with a \$159,568 budget for fixtures and technology vendors. Dr. Urquhart seconded. The Board unanimously approved the budget to complete the project.

Work on the Highway 55 location is scheduled to begin in April.

The proposed start date for new T.W. Alexander Drive location is March or April 2022.

The Guess Road location has been listed and is scheduled to close on April 2nd.

Completion of the North Pointe location is scheduled for June 21, 2021. Ms. Adland motioned to complete the North Pointe Road project with a \$174,655 budget for fixtures and technology vendors. Ms. Scott seconded. The Board unanimously approved the budget to complete the project.

The Board closed on the new administration office on February 17th. Project completion is scheduled for April 5th. Admin staff will move into the new building on April 9th and 11th.

Adjournment

**Minutes of the Meeting
March 15, 2021**

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

Approved By: _____



Donald Lebkes, Board Chair