

Durham County ABC Board

**Minutes of the Meeting
January 17, 2012**

The Durham County ABC Board met at the administrative office, 3620 Durham Chapel Hill Boulevard on the 17th day of January 2012.

Presiding Board member Kim Shaw called the meeting to order at 5:37 PM.

Other Board members present were Deirdre Guion, Erroll Reese and Connie J. White. General Manager Emily Page and Attorney George W. Miller, Jr. were present.

Consent Items

Consent agenda items included the Board Attendance Report, Adoption of Agenda and the Minutes of the December 19, 2011 meeting. On motion by Ms. White, seconded by Mr. Reese, the consent agenda items were approved without objection.

Law Enforcement Report and the Financial Reports for December 2011

• **Law Enforcement Report for December 2011**

In December, there were 3 ABC law violations, 3 controlled substance violations and 12 traffic offenses. Law Enforcement provided assistance to other agencies during 21 incidents, conducted 67 inspections, 89 compliance checks and spent two hours in training.

Ms. Page reported that the bulk of Law Enforcement's time in December was spent on holiday security at the stores. They also worked with the Durham Police Department to conduct license/DUI checks.

• **Financial Reports for December 2011**

The December retail sales were up 2.89% compared to last year. MXB sales were up 7.85% compared to last year.

Total sales for the month were \$2,894,223, representing an increase of \$101,168 which is 3.62% over last year in December. Monthly sales were under the budget projections by \$227,404, a negative variance of 7.28%. Year-to-date sales of \$13,037,337 were up 5.35% compared to last year and 1.32% over budget.

Monthly profit before distributions of \$257,899 was below budget by \$73,136, representing a negative variance of 22.09%. Year-to-date profit before distributions of \$787,347 was above budget by \$140,499 representing a positive variance of 21.72%.

After profit distributions totaling \$81,806, there was net income of \$176,093, a negative variance of \$43,926 under budget. Year-to-date, net income of \$414,253 was above budget by \$173,082.

Compared to last year, December net income decreased \$10,826. Year-to-date net income was up \$123,224.

Employee Merit Increase Approval

Ms. Page recommended approval of the budgeted 3% increase in salaries expense to be distributed as merit increases. Three percent of current base salaries is \$63,920, and the salary increases will not exceed this budgeted amount. On motion by Ms. White, seconded by Dr. Guion, the Board approved the recommendation without objection.

Chair Responsibilities/Recommendation for Chair

Ms. Shaw reiterated to the group that Kevin Nelson had asked if a discussion about Board Chair responsibilities and a recommendation for a Chair could be tabled until next month since he was not in attendance. Everyone agreed to table this agenda item until the February 2012 meeting.

NCCU Project Success Grant Proposal

Ms. Page sent the North Carolina Central University "Moving Forward with Project SUCCESS" proposal to all the Board members prior to the meeting. She reported that NCCU had responded to all the Board's requests regarding increasing the impact and expansion of the grant program further with Durham Public Schools. The funding amount requested by NCCU is \$34,152. On motion by Mr. Reese, seconded by Ms. White, the recommendation to accept the request from NCCU for continued grant funding was approved without objection.

The Board discussed continuing to fund NCCU's program after this year since this is the third year they will receive funding from DCABC. A result of the discussion is that NCCU will be asked to provide feedback from DPS regarding the "Eagles in Action" program which is offered to DPS students. The Board agreed that a discussion about the future direction of the grant program would be a useful topic among others for a possible Board retreat.

Strategic Planning and General Manager's Report

Ms. Page provided the Strategic Planning and General Manager's Report in writing in the Board meeting packet that was distributed prior to the meeting. She stated that she will be doing so each month in order to provide the Board with an opportunity to review strategic and operational matters prior to the meeting.

In reviewing the report, the following items were discussed and/or actions taken:

Construction at Woodcroft – New Store 14

Ms. Page requested the Board's approval of the additional capital required to complete modifications at Woodcroft, the new Store 14 location. Modifications to the current building are needed to expand the storage area and provide space for the Mixed Beverage (MXB) operation. The original plans did not take into account the volume of MXB clients that this store will serve. The storage room is also inadequately sized for inventory requirements. The expansion of the plans will cost approximately \$22,000.

Additional monies are also needed to 1) replace the heating/AC system which is original to the building and is currently in disrepair, 2) replace the original ceiling insulation to bring it to code and improve energy efficiency, 3) replace the water heater which is corroded and leaking and 4) install a water backflow preventer. Also, the original budget for the project underestimated architect fees and various other expenses that must be incurred with construction. The

aforementioned repairs and “under-budgeted” expenses will cost approximately \$48,677. The Board discussed allocating another approximately \$32,000 for other unforeseen expenses to be allocated at the General Manager’s discretion. A motion by Ms. White seconded by Mr. Reese to accept the request for the additional \$68,677 needed for the modifications, repairs and expenses at Woodcroft was approved without objection. Then, a motion by Ms. White seconded by Dr. Guion to raise the approved budget for the project from \$855,000 to \$955,000 was approved without objection. Finally, in order to facilitate the speedy opening of the Woodcroft location, a motion was made by Ms. White and seconded by Dr. Guion to approve an additional discretionary amount of \$32,423 to be used by the General Manager to handle any more cost overruns. The motion was approved without objection. Ms. White suggested that Ms. Page keep the Board informed as additional costs are incurred.

POS and Accounting System Follow-up

Ms. Page reported that she had received proposals today from two technology consultants which were yet to be reviewed. She will provide a recommendation at the next meeting.

Convention and Visitor’s Bureau Annual Tribute Luncheon

The Board members agreed that DCABC will continue to support this event.

Closed Business

The Board went into closed session per GS 143-318.11(a): (3) consult with attorney (5) facility leases or purchases (6) personnel matters.

Adjournment

On motion by Mr. Reese, seconded by Ms. White, the meeting was adjourned without objection.

Approved By: 

Kim Shaw, Presiding Board Member