

**Durham County ABC Board  
Minutes of the Meeting  
May 20, 2013**

The Durham County ABC Board met at the administrative office, 3620 Durham Chapel Hill Boulevard, on the 20<sup>th</sup> day of May 2013.

Board Chair, Kim Shaw, called the meeting to order at 5:30 p.m.

Board members Wayland Burton, Deirdre Guion and Kevin Nelson were present. General Manager Emily Page and Attorney George W. Miller, Jr. were also present. Additional attendees were DCABC Finance Officer Lee Keatts and Appraiser Jarvis Martin from Martin & Company.

**Conflict of Interest Review and Declaration**

Ms. Shaw 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 present verbalized that they do not have a conflict.

**Consent Items**

Consent agenda items included the Board Attendance Report, Adoption of Agenda, Minutes of the April 15, 2013 Board Meeting, Minutes of April 22, 2013 Special Meeting and Minutes of May 2, 2013 Emergency Meeting.

Mr. Nelson motioned for the consent agenda items to be accepted and the Board approved the motion without objection.

**General Business**

**Holloway Street Properties – Eminent Domain Decision**

Appraiser Jarvis Martin presented his assessment of the property value impact of the NCDOT eminent domain land seizure on DCABC's two Holloway Street properties. His report was based on damages not included in the NCDOT's appraisal report including an assessment by Coulter, Jewell and Thames on the site impact from the land seizure. Mr. Martin assesses that damage to both properties included the impact of a permanent Duke Power utility easement, the loss of three parking spaces in the front of the building and the adverse impact of this loss on the retail building and future sales, the cost to create new parking spaces on the owner's adjoining lot, the cost of restriping the front parking lot and re-installing bike racks. His report stated damages at \$128,800 for 1928 Holloway Street and approximately \$800 for 1930 Holloway Street.

Ms. Page stated that during a visit to the Durham City Planning Department to discuss possible code requirements as a result of the NCDOT plans, she and Dan Jewell were told that there is no requirement to replace the three lost parking spaces from a City parking code perspective. The initial site plan was approved with the knowledge that the site would eventually have three fewer spaces in front than it had upon the store's first opening and, even with the loss, the parking lot would still meet City code requirements.

*gm  
6/18/13*

Mr. Martin indicated that he would revise his report after clarification of the parking space requirements with Mr. Jewell and send a final report subsequent to the meeting with his final assessment of property value damages.

Ms. Page reported that the NCDOT traffic flow studies before and after the widening of the road indicate no significant changes and that traffic is predicted to grow very little over the next twenty years. Ms. Page consulted with Kathleen Rose of Rose & Associates Southeast, Inc., a real estate and economic advisory consultant. Ms. Rose opined that, based on the NCDOT traffic projections, the Holloway Street store should not experience an adverse business impact from the taking of the land.

Ms. Page indicated that she polled a number of possible resources including the City of Durham Economic Development office to identify a possible consultant that could address the impact that the parking lot changes may have on customer behavior; however, no such consultant had yet been identified. The Board discussed whether it is even possible to conclude the consumer behavior impact because DCABC does not have historical consumer information to use in an analysis against potential consumer behavior models.

The Board considered an Agreement for Entry which allows Durham County ABC the right to continue negotiations on the value of the property loss even while the Department of Transportation is permitted to go forward with its project. Mr. Burton motioned for the Board to enter an Agreement for Entry. Mr. Nelson seconded the motion and the Board approved without objection.

#### **Law Enforcement Report for April 2013**

The Board had a general discussion regarding the lack of clarity of the classifications listed on the Law Enforcement Activity Reports. Ms. Page will request additional information from the ABC Commission to provide clarification of each subject heading.

Ms. Page reported that she has requested a summary of hours and activities of the law enforcement department each week.

At this time, Mr. Reese entered the meeting. Ms. Shaw again read the Board's Conflict of Interest Review and Declaration statement. Ms. Shaw asked Mr. Reese if he has an actual conflict or appearance of a conflict of interest with any items coming before the Board and, if so, does he wish to recuse himself from deliberating and voting on the matter. Mr. Reese verbalized that he does not have a conflict.

#### **Financial Reports for April 2013**

Ms. Page noted from the financial reports that Durham County ABC's April sales were slightly below budget for retail sales and above budget overall. This was the first month retail sales were below budget. She noted that Durham County ABC continues to have sales increase percentages above state overall performance and above neighboring and other ABC Boards that DCABC uses for comparison.

gm  
6/18/13

Durham County ABC

Total sales for the month were \$2,196,921 which is an increase of 10.8% over last year and .82% over budget. Year-to-date sales were \$22,577,709 which is 7.13% over actual and 4.79% above budget.

Profit before distribution was \$186,805 for the month and \$1,867,412 year-to-date which is a 47.89% change over the same period last year and 37.46% increase over year-to-date last year.

After profit distributions, net income was \$125,372 for the month which is an increase of 82.6% over the same period last year. Year-to-date net income was \$1,233,032 which is an increase of 62.73% over last year.

#### **Preliminary Operating Budget Review**

Ms. Page presented a preliminary draft of the FY2014 operating budget. The budget includes a forecast of a 1.5% increase in retail liquor sales and 3% increase in mixed beverage sales. Ms. Page noted that although FY2013 sales have been substantially up versus prior years, the forecast anticipates that the surge in the market may taper and that sales will return to more usual growth patterns.

Total operating expenses are budgeted to be 17.06% of sales. Income from operations is budgeted to be \$1,848,460 and net income after expenses and distributions is anticipated to be \$692,158.

#### **Preliminary Budget Document Review**

The proposed Budget Document required by G.S. § 18B-702 was presented by Ms. Page. It contains the same information as within the Operating Budget in the format required by the ABC Commission. Ms. Page informed the Board that the proposed Budget Document will be filed with the ABC Commission and the Board of County Commissioners and posted on the Durham ABC website.

Ms. Page asked the Board for available dates for a public hearing on the Budget Document noting that a minimum of ten days must lapse between the date of the public hearing and the date on which the final budget is approved.

After reviewing their calendars, Mr. Burton motioned for the Board to hold the public hearing on June 6 from 11:00 am – 12:00 noon. Ms. Guion seconded the motion and the Board approved without objection.

Ms. Page stated that all required public notices of the hearing would be made.

#### **Distribution to General Funds of Durham County/City**

Ms. Page presented a recommendation to distribute \$1,500,000 to the County of Durham and \$166,667 to the City of Durham for FY2013.

After discussion, Mr. Burton motioned for the Board to accept Ms. Page's recommended distributions to the County and City. Ms. Guion seconded the motion and the Board approved without objection. The recommendation is included as Appendix A.

gm  
6/18/13  
gm

### **Grant Program Update**

Mr. Burton reported for the grant committee that eight proposals have been received of which two are from new organizations who have not submitted proposals in previous years. The committee has developed a matrix regarding the organizations' qualifications. He reported that they will require additional clarification and information gathering from applicants in order to complete their evaluation and make a recommendation to the Board on which applicants can be fully or partially funded, if at all.

Mr. Burton requested that the grant committee present their recommendations at the June 17 Board meeting. He noted that based on this presentation date, the committee recommends changing the response date for final decisions to grant applicants to June 22 rather than June 15 as had been indicated in the grant application.

Ms. Shaw stated that since the recommendation came from a committee, no motion was required. The Board voted to approve the change without objection.

### **RFP Recommendation & Technology System Update**

A recommendation from the staff regarding a RFP bid from Carolina Data Systems was provided to the Board prior to the meeting along with a summary of feedback from Hi-Tek POS, a technology consulting firm working with Durham ABC. The staff recommended that the bid not be accepted and that a POS system with a decentralized architecture that is compatible with Durham County ABC's existing back office software system be sought.

After discussion, Ms. Guion motioned to accept all aspects of the staff's recommendation. Mr. Reese seconded the motion and the Board approved without objection. The recommendation is included as Appendix B.

### **Strategic Planning and General Manager's Report**

The Strategic Planning and General Manager's Report was provided in the Board meeting packet which was distributed prior to the meeting. Topics from the report that were discussed include:

- Store Locations
  - A resolution plan is being developed for the Woodcroft store parking lot problems noted.
  - A resolution plan is also being developed for the roof leakage and parking lot issues at Roxboro.
- Disposition of Vehicle Assets

Durham County ABC presently owns three vehicles that are not in daily use as noted in the report. Ms. Page recommended that the 2008 Silverado which was a law enforcement-equipped vehicle formerly assigned to personnel that is no longer with Durham County ABC and the 2001 Jeep Cherokee which was formerly used by the warehouse staff be sold. After discussion about the 2005 Crown Victoria which serves as an additional law enforcement vehicle with uses as noted in the report, the Board determined that it should also be sold.

6/18/13  
gm

Ms. Guion motioned for all three vehicles to be placed for sale. Mr. Reese seconded the motion and the Board approved without objection.

**Other Business**

The Other Business Report was provided in the Board meeting packet which was distributed prior to the meeting. Topics from the report that were discussed include:

- Ms. Page reiterated that employees had expressed gratitude to the Board for the Employee Recognition Event that was held May 1, 2013.

**Closed Business**

Mr. Nelson made a motion for the Board to go into closed session per G.S. § 143-318.11(a): (3) consult with attorney and (6) personnel matters. Mr. Reese seconded the motion and the Board approved without objection.

The Board returned from closed session. Ms. Shaw reported that General Manager Emily Page and the Board reached an agreement on an employment contract and Ms. Page signed an Interim Employment Agreement on May 3, 2013.

**Adjournment**

Dr. Guion made a motion to adjourn the meeting and Mr. Reese seconded the motion. The Board approved without objection.

Approved By:  \_\_\_\_\_  
Kim Shaw, Board Chair

*gm*  
6/18/13