

**Minutes of the Meeting
April 16, 2018**

The Durham County ABC Board met at the administrative office, 2634 Durham Chapel Hill Boulevard, on the 16th day of April, 2018.

Board Chair, Andy Miller, called the meeting to order at 5:30 p.m.

Board members Jacqueline Wagstaff, Lawrence Daye, Donald Lebkes and Beverly Thorpe were present. General Manager Rufus Sales, attorney George W. Miller, Jr., Durham County ABC Finance Officer Lee Keatts, Durham County ABC Support Services Director Perlie Davis and Durham County ABC Law Enforcement Officer Gregory Danner were also in attendance.

Conflict of Interest Review and Declaration

Chair 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 present verbalized that they have reviewed the agenda and do not have any conflicts.

Consent Item

The consent item approved was the March 12th Board Meeting Minutes. Ms. Wagstaff motioned to approve the March Board Meeting Minutes as presented. Mr. Lebkes seconded the motion and the Board approved unanimously.

General Business

Public Comment

Chair Miller stated that there are not any members of the public in attendance.

Financial Report

Mr. Keatts reported that sales for the month of March increased 8.73% over March of 2017. DCABC was ranked seventh among the nine Boards that DCABC considers comparable.

Mr. Sales recommended to the Board an employee compensation increase of 6% for full-time employees. The percentage was derived from a 2.2% cost of living adjustment, 2% for individual merit and 1.8% for unit performance.

At this time, Mr. Daye entered the meeting. Chairman Miller read the Board's conflict of interest review and declaration statement and asked Mr. Daye if he has reviewed the agenda and if he has a conflict of interest with any items coming before the Board. Mr. Daye stated that he has reviewed the agenda and does not have any conflicts of interest with any items coming before the Board.

The Board discussed the history of DCABC policy regarding employee salary increases. Ms. Wagstaff motioned to approve an employee compensation increase of 6% as recommended by the General Manager. Ms. Thorpe seconded the motion and the Board approved unanimously.

Mr. Sales recommended that the Board amend the DCABC cost of living adjustment guidelines for purposes of clarification. To determine the cost of living adjustments in the future, he recommends DCABC use the average of two sources: Congressional Budget Office's Economic Project for the Budget Fiscal Year and US Bureau of Labor Statistics. The Board discussed the history of the organization's determination of cost of living adjustments. Ms. Wagstaff motioned to approve the amended guidelines for calculating the cost of living adjustments. Ms. Thorpe seconded the motion and the Board approved unanimously.

Mr. Sales reported to the Board regarding his recommendation for a salary increase for part-time employees. He stated that part-time employees received a pay increase of one dollar per hour two years ago, an increase was not offered last year and that he recommends an increase of fifty cents per hour this year. The Board discussed salary ranges of part-time employees. Ms. Wagstaff motioned to approve a pay increase of fifty cents per hour to part-time employees. Mr. Daye seconded the motion and the Board approved unanimously.

The Board next discussed the Compensation Plan as included in the meeting packet. It was determined that there is some conflict in the policy language regarding whether the Law Enforcement Chief is evaluated by the General Manager or the Board. The Board discussed the matter as it relates to the organizational chart and agreed to revisit the conversation at a later date.

Mr. Sales discussed with the Board the Compensation Plan paragraph regarding red-circle pay increases. He summarized the guideline stating that once an employee receives payment above the competitive salary range for that position, the employee is no longer eligible for base pay increases. Mr. Sales stated that this policy is not currently being enforced as employees in this category have continued to receive cost of living adjustment increases. He recommended to the Board that the guideline be amended to allow employees a cost of living adjustments beginning this upcoming fiscal year. The Board discussed changing the policy to accommodate the present practice. The Board also discussed salary caps and adjusting salary ranges. Mr. Lebkies motioned to eliminate the red-circle pay increases. Ms. Wagstaff seconded the motion and the Board approved unanimously.

Support Services Report

Ms. Davis stated that Dalcom is preparing for the transition to the new POS system. Employee training will begin in May and the go-live date is July 1st. Ms. Davis will provide Board members with a training schedule. She updated the Board that two grant applications were submitted online and an additional ten applications are in process.

Law Enforcement Report

Officer Danner stated that the law enforcement report was included in the meeting packet. The Board discussed activity during the month of March as presented in report.

General Manager's Report

Mr. Sales stated that an Employee Appreciation Day is scheduled on May 8th from 12:00 – 2:30 p.m. He noted that the National ABC Conference takes place May 21 – 24. Mr. Sales reported that one Store Manager is on long-term disability and three full-time Clerks resigned last month. The Board discussed the circumstances of the resignations.

Follow-up Items

- **Retreat**

Mr. Sales stated that real estate matters are discussed during closed session.

Closed Session

Ms. Wagstaff motioned for the Board to go into closed session per G.S. § 143-318.11(a): (3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged; (6) to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee. Mr. Lebkes seconded the motion and the Board approved without objection.

Open Session

Chair Miller stated that the Board is back in open session.

Adjournment

Mr. Lebkes motioned to adjourn the meeting. Mr. Daye seconded the motion and the Board approved without objection.

Approved By: *NA Miller*