

**Minutes of the Meeting
May 13, 2019**

The Durham County ABC Board met at the administrative office, 2634 Durham Chapel Hill Boulevard, on the 13th day of May, 2019.

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

Board members Lawrence Daye, Donald Lebkes and Beverly Thorpe were present. General Manager Rufus Sales, Assistant General Manager Eddie Hewlin, attorney George W. Miller, Jr., Durham County ABC Support Services Director Perlie Davis, Durham County ABC Finance Officer Lee Keatts and Durham County ABC Law Enforcement Chief Natausha Pettiford were in attendance. Mitch Pittman and Greg Tedder with Durham County ABC Law Enforcement, former DCABC employee Tania Horton and Clay Joyner and Israel Morrow with Alcohol Law Enforcement also attended the meeting.

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

Consent Items

The consent items approved were the April 15, 2019 Board Meeting Minutes and the Special Meeting Minutes of April 2, 2019. Mr. Sales noted a correction to the Special Meeting Minutes. Ms. Thorpe motioned to approve the meeting minutes with the correction addressed by Mr. Sales. Mr. Lebkes seconded the motion and the Board approved unanimously.

General Business

Public Comment

Mr. Joyner introduced himself and Mr. Morrow as supervisors with Alcohol Law Enforcement. He provided the Board with a summary of activities performed since contracting with DCABC for law enforcement services on May 1st.

Mr. Pittman introduced himself to the Board as a DCABC Law Enforcement Officer. He thanked the Board for his employment with DCABC. Mr. Pittman requested a severance package and the opportunity to purchase his service weapon at the end of the month when his position is terminated.

Ms. Horton introduced herself to the Board as a former DCABC employee. She stated that she worked four years with DCABC and described an occurrence while working in a supervisory position which resulted in a grievance.

Mr. Tedder thanked the Board for his employment with DCABC Law Enforcement. He requested that the Board approve a severance package for DCABC Law Enforcement Officers.

Financial Report

April Financials

Mr. Keatts reported the summary of income statement results as included in the board meeting packet. He noted that DCABC was ranked number one in sales out of the nine boards that DCABC considers for comparison purposes.

Budget Amendment

Mr. Keatts reported to the Board the 2019 budget amendment request as follows: \$12K for supplies, specifically paper bags, attributed to sales growth and \$25K for building repair expenses at the warehouse for air conditioner and plumbing expenses. The recommendation includes the reclassification of miscellaneous contingency account expenses in the amount of \$37K to cover the amendment and balance the budget. Mr. Lebkes motioned to approve the budget amendment as presented. Ms. Thorpe seconded the motion and the Board approved unanimously.

FY2020 Proposed Budget

Mr. Keatts reviewed the proposed budget with the Board. He reported that the investment with North Carolina Capital Management Trust has earned \$70K in interest income to date and is projected to total \$90K by the end of the fiscal year.

Statutory grant funds in FY2020 total approximately \$254K. Increased revenues directly affect the dollar amount of grant funds available to distribute.

Health insurance premiums are expected to increase 40% in the upcoming fiscal year. Mr. Keatts compared the history of premiums over the past several years and also reviewed Durham and Orange County ABC Boards' insurance plans and rates.

The Board discussed purchasing generators and agreed that the expenditure is planned for the current fiscal year.

The Board discussed capital expense funds budgeted for a new retail store.

Profit distributions to the City and County were reviewed. The County previously expressed the hope to receive \$2.3M this year.

Chair Miller recommended to include \$2.3M in the budget for profit distributions to the County. Mr. Lebkes motioned to budget for profit distributions to the County in the amount of \$2.3M. Ms. Thorpe seconded the motion and the Board approved unanimously.

The Board discussed the history of profit distributions to the City and County. It was determined that the budget document will not balance if the profit distribution of \$2.3M is included in the budget. Instead, the Board agreed to distribute additional funds above the statutory amount at the end of the fiscal year 2020.

Mr. Lebkes motioned to reconsider the motion to include \$2.3M in the budget for profit distributions to the County. Ms. Thorpe seconded the motion and the motioned carried 3-1.

Mr. Lebkjes motioned to approve the statutory budget as presented. Ms. Thorpe seconded the motion and the Board unanimously.

The Board agreed to approve profit distributions to the City and County for the current fiscal year. Ms. Thorpe motioned for the Board to approve the distribution to Durham County in the amount of \$2.3M. Mr. Lebkjes seconded the motion and the Board approved unanimously.

Support Services Report

Ms. Davis reported on support services for the month. The purchase of digital signage, iPods and networking cable were discussed. All grantees have submitted required reporting and fourteen grant applications were received for the upcoming fiscal year.

Law Enforcement Report

Chief Pettiford reported to the Board on law enforcement activities during the month including several cases of larceny at retail stores that resulted in arrests. Chief requested clarification be provided to law enforcement employees regarding other employment opportunities with DCABC once ALE assumes all law enforcement responsibilities.

General Manager's Report

Mr. Sales reported that the law enforcement contract with ALE went into effect beginning May 1st. A warehouse manager was hired and is scheduled to begin this month. A contract with Developmental Associates was signed and the Board can expect to receive a list of candidates for the general manager position next week. DCABC is in the due diligence phase of purchasing real property on Highway 98. The parking lot project plans for the Hillsborough Road Store were approved and contract bids are expected soon.

Other Business

- **Grants**

Mr. Lebkjes and Ms. Thorpe volunteered to participate in the grant subcommittee. A grantee extended an invitation to the Board to attend an alcohol awareness event and present an award.

- **ABC Commission Audit Report**

Mr. Sales reported to the Board that the audit report is complete. He distributed the findings and recommendations to Board members. The recommendation to increase communication with customers regarding special liquor orders was addressed by ensuring weekly status updates on orders. DCABC will continue to hold special order payment checks until the product is delivered or returned to customers if unable to deliver. As recommended, closed session items will be listed more specifically in the Agenda and Board Meeting Minutes. All DCABC policies were submitted to the Commission for approval as required. The grievance policy was clarified.

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.

Closed Session

Mr. Lebkes motioned for the Board to go into closed session to discuss a personnel matter; specifically, the status of an employee complaint. Mr. Daye seconded the motion and the Board approved without objection.

Open Session

The Board returned to open session. Mr. Lebkes motioned to approve the Executive Session Minutes of the April 2nd Special Meeting. Mr. Daye seconded the motion and the Board approved unanimously.

The Board discussed hiring an interim General Manager. Mr. Sales stated that Misty Walters is involved with many managerial special projects and recommended her to act as the interim General Manager. The Board discussed Ms. Walters' professional experience with DCABC. Ms. Thorpe motioned to offer the position of acting General Manager to Ms. Walters effective June 1st. Mr. Daye seconded the motion. The motion carried with a 3-1 vote.

Adjournment

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

Approved By:  _____