

**Minutes of the Meeting  
October 21, 2019**

The Durham County ABC Board met at the administrative office, 2634 Durham Chapel Hill Boulevard, on the 21<sup>st</sup> day of October, 2019.

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

Board members Lawrence Daye, Donald Lebkes and Beverly Thorpe were present. General Manager Niegel Sullivan, Attorney George W. Miller, Jr., Durham County ABC Support Services Director Perlie Davis, Durham County ABC Financial Officer Lee Keatts, Durham County ABC Operations Coordinator Misty Walters and Agent Sean Hamilton with Alcohol Law Enforcement were 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 Items**

The Board considered approving the Board Meeting Minutes included in the meeting packet. Two minor corrections were made to the September Board Meeting Minutes prior to approval. Mr. Lebkes motioned to approve the Special Board Meeting Minutes of July 29<sup>th</sup>, Special Meeting Minutes of August 9<sup>th</sup>, August Board Meeting Minutes and September Board Meeting Minutes. Ms. Thorpe seconded the motion and the Board approved unanimously.

**General Business**

**Public Comment**

There were not any members of the public signed up for public comment.

**Financial Report**

**September Financials**

Mr. Keatts reported the summary of income statement results as included in the board meeting packet. He noted that there was no significant sales growth during the month of September.

**Support Services Report**

Ms. Davis reported to the Board on support services for the month. ZoomGrants is sending grantees a reminder that the first report is due October 31<sup>st</sup>. Two thousand and ninety-six entries were received for the specialty liquor lottery, which allows the winner to purchase rare and limited special order liquor. GoCanvas software is now utilized to automate reports to special order liquor customers and, per the request of the ABC Commission, the app will be presented at the next General Managers Meeting. Ms. Davis received accolades for incorporating GoCanvas into DCABC's special order liquor process. The Board discussed progress made regarding special order liquor processing.

### **Law Enforcement Report**

Agent Hamilton reported to the Board on law enforcement activity in September. Seventy ABC store checks were performed, 7 mixed beverage inspections, 54 inspections at non-mixed beverage outlets, 6 violation reports were submitted to the ABC Commission, 97 arrests were made, there were 155 charges from permitted establishments and 47 charges from non-permitted establishments totaling 183 misdemeanor charges and 19 felony charges. The Board discussed the number of violations. Agent Hamilton plans to expand ABC training in an effort to reduce violations in the future.

Agent Hamilton reported on progress made to clean out the evidence room at the law enforcement building. He noted issues including property sheets and evidence not consistently coinciding, which may indicate that some evidence was previously disposed of. Also, evidence was stored in a disorganized manner and some evidence was old and should have previously been disposed of. Special Agent Joyner is working with the District Attorney's Office to resolve the issues and dispose of the materials.

### **General Manager's Report**

#### **Building Projects Update**

Mr. Sullivan updated the Board on the status of building projects. The Hillsborough Road Store is in progress but, due to utility issues, the contractor has requested an extension to complete the project. Mr. Sullivan is pushing to have the parking lot completed before the Thanksgiving holiday.

Final permitting at the Holloway Street Store is expected to be complete in the next twelve weeks. NCDOT has agreed to handle the construction in the lower driveway and sidewalks. A search for the temporary store location is underway with assistance from a real estate agent and a proposal to the Board is forthcoming.

The Sherron Road Store location was approved by the Commission. Site plan approval is set for November 4<sup>th</sup> and a tentative closing date is December 4<sup>th</sup>. Attorney Miller is coordinating the title examination. The Board discussed financing options for the purchase of the store. Mr. Lebkes motioned to self-fund the real estate purchase while monitoring overruns with the option of borrowing at a later date if necessary. Ms. Thorpe seconded the motion and the Board approved unanimously.

#### **Generator Update**

Mr. Sullivan provided the Board with a copy of the lowest bid for the purchase of generators. He recommended installation begin at the Durham Chapel Hill Boulevard location. Mr. Lebkes motioned to purchase a generator to be installed at the Durham Chapel Hill Boulevard Street store. Mr. Daye seconded the motion and the Board approved unanimously. Mr. Lebkes motioned to make a budget amendment moving \$46K from operations to capital budget for the purchase. Ms. Thorpe seconded the motion and the Board approved unanimously.

#### **Disposition of Articles in ALE Building**

Mr. Sullivan reported that the ALE building should be cleaned out by the end of the week. Document shredding and garbage disposal is scheduled over the next few days. Mr. Sullivan provided a proposed list of items to be donated to the Sheriff's Department. Mr. Lebkes motioned

to donate all the assets from the ALE building that ALE will not utilize to the Durham County Sheriff's Office. Mr. Daye seconded the motion and the Board approved unanimously.

**Purchasing Strategy for Goods Sold**

Mr. Sullivan reported to the Board that he, Ms. Walters and Mr. Dorman visited New Hanover County ABC and met with the warehouse manager. New Hanover County ABC claimed to save \$1.25M last year through strategic purchasing. Mr. Sullivan outlined the potential savings through purchasing popular liquors in larger quantities when they are on sale.

**MXB Update**

Mr. Sullivan and Ms. Walters visited mixed beverage customers to discuss issues. They learned that the liquor ordering process has improved for customers. Also, it was discovered that the ABC ink stamps sometimes smudges while cleaning liquor bottles. Ms. Walters found a waterproof and chemical proof label that will resolve the issue. Mr. Sullivan requested permittees to provide a list of preferred special order liquors so DCABC can try to stock more items in the warehouse. He and Ms. Walters plan to meet regularly with permittees to improve communication and enhance customer relations.

**Other Business**

- **Review of Durham County ABC Board Compensation**  
Chair Miller moved the board compensation discussion to the January Board Meeting.
  
- **FY2020 Retreat Date Scheduling**  
The Board agreed to schedule the Board Retreat in January.
  
- **In-Store Spirituous Liquor Tastings**  
The Board discussed allowing in-store liquor tastings. They also discussed following Mecklenburg's policy with the addition of scheduling law enforcement officers on site during tastings. Ms. Thorpe motioned to allow in-store spirituous liquor tasting as permitted by North Carolina General Statute 18B-1114 and based on the Mecklenburg policy with the addition of law enforcement on site at every tasting. Mr. Daye seconded the motion and the Board approved unanimously.

**Adjournment**

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

Approved By: NA Miller