

**Durham County ABC Board
Minutes of the Meeting
November 19, 2012**

The Durham County ABC Board met at the administrative office, 3620 Durham Chapel Hill Boulevard on the 19th day of November 2012.

Board Chair Kim Shaw called the meeting to order at 5:41 PM.

Board members Wayland Burton, Deirdre Guion, Kevin Nelson and Erroll Reese were also present. Chief Derrick McMillan, General Manager Emily Page and Attorney George W. Miller, Jr. were present.

Ms. Shaw read the Board's Conflict of Interest Review and Declaration statement. She asked Board members to declare that they had no conflicts of interest with any items coming before the Board and, if so, that they would recuse themselves from voting. All Board members declared their agreement.

Consent Items

Consent agenda items included the Board Attendance Report, Adoption of Agenda and Minutes of the October 15, 2012 Meeting.

Mr. Reese motioned for the consent agenda items to be accepted and Dr. Guion seconded the motion. The Board approved the motion without objection.

Law Enforcement Report and the Financial Reports for October 2012

- **Law Enforcement Report for October 2012**

Chief McMillan responded to questions from the Board regarding the October Law Enforcement report. In October, there were 22 ABC law violations and 2 controlled substance violations. Law Enforcement provided alcohol education to 7 groups, assisted other agencies during 15 incidents, conducted 73 inspections, 102 compliance checks and conducted 18 hours of training. Law Enforcement conducted "CAP" training for 31 Durham County ABC store employees.

Dr. Guion made a motion that the Board go into Closed Session to discuss a personnel matter concerning law enforcement. Mr. Burton seconded the motion and the Board approved without objection.

- **Financial Reports for October 2012**

The October retail sales were up 3.15% compared to last year. MXB sales were up 6.64% compared to last year.

Ms. Page noted that other counties in the state with the exception of Orange County reported significant increases in sales over last October.

Total sales for the month were \$2,164,657, representing an increase of \$80,526 or a positive 3.86% as compared to last year. Sales were above the budget projections by



\$69,473, a positive variance of 3.32%. Year-to-date sales of \$8,254,194 were up 2.98% compared to last year and 3.55% over budget.

Profit before distributions of \$146,195 was above budget for the month by \$24,047, representing a positive variance of 19.69%.

After profit distributions totaling \$60,909, there was net income of \$85,286, a variance of \$30,206 over budget. Year-to-date, net income of \$257,509 was over budget by \$175,011.

Compared to last year, October net income decreased \$19,491. Year-to-date net income was up \$53,929.

Technology Consultant Horizon II Contract

Ms. Page distributed a recommendation made at last month's meeting to approve a Horizon II contract with Hi-Tek POS, a technology consultant that has been reviewing the technology system and providing recommendations for improvement. She also distributed an opinion from an expert in contracting requirements from the Institute of Government. The expert opinion is that informal bidding is not necessary for this contract since it is for services only.

Mr. Burton motioned that the Board accept the recommendation to approve the Horizon II contract with Hi-Tek POS. Dr. Guion seconded the motion. The Board approved the motion without objection.

Strategic Planning and General Manager's Report

Ms. Page provided the Strategic Planning and General Manager's Report in the Board meeting packet which was distributed prior to the meeting. Ms. Page made mention of the following items from the report:

- The ABC Commission approved the meal provision for store staff on December 24th and December 31st.
- The appraisal process for the portion of DCABC's Holloway Street properties that will be taken by the NC Department of Transportation due to eminent domain is underway.
- Ms. Page, several store managers, one assistant manager and one clerk attended a special training on the Scotch beverage category in conjunction with Orange County ABC employees. The training was sponsored by Southern Wine and Spirits and approved by the ABC Commission.
- Deadlines for the submission of information for the annual report were highlighted. Ms. Shaw suggested that the annual report include some staff stories as well.

Other Business

The Other Business Report was distributed in the Board meeting packet. Ms. Page highlighted a few items and brought forth a few additional matters:

- Ms. Page discussed the availability of a copier for donation as a result of the purchase of a new one. The Board suggested that the opportunity for the donation be made known to Durham Public Schools and to non-profit organizations in Durham County. Ms. Page will provide specifications on the available copier to Durham Public Schools and to Ms. Shaw who will publicize the opportunity through the Volunteer Center of Durham's information

network.

- Ms. Page suggested that she generate a certificate of appreciation for Ms. White from the Board that will be mailed along with a Durham County ABC shirt. The Board agreed that Ms. Page should proceed with this plan.
- Ms. Page mentioned that she distributed an ABC Commission report with financial performance information for all NC ABC Boards to the Board and to all staff.
- Ms. Page reported that she and Ms. Shaw met with the Chair and Vice Chair of the Board of County Commissioners on November 9. The purpose of the meeting was to discuss the NC ABC Commission draft audit report and other matters.

Closed Business

Mr. Burton made a motion for the Board to go into closed session per GS 143-318.11(a): (3) consult with attorney (5) facility leases or purchases (6) personnel matters. Mr. Nelson seconded said motion and the Board approved without objection.

Adjournment

The Board returned from closed session and Mr. Nelson made a motion to adjourn the meeting. Dr. Guion seconded the motion and the Board approved without objection.

Approved By:



Kim Shaw, Board Chair

gm

APPENDIX A



To: Durham County ABC Board Members
From: Emily Page, General Manager
Subject: Recommendation to Accept Hi-Tek POS Horizon II Proposal
Date: November 19, 2012

This recommends that the Horizon II proposal submitted by Hi-Tek POS for \$23,100 be approved. This proposal is for Hi-Tek POS' services for the following:

System Implementation Oversight

- Includes POS and back office technology system test lab verification
- Support network vendor research and recommendations (e.g. TWC, Frontier, or other telephony and digital options, etc.)
- Full system implementation oversight and verification
- Supporting network implementation
- Project management of implementation of POS and back office technology system and supporting network components

Hi-Tek POS' proposal falls within the FY2013 budget for the implementation of a new system. \$225K was budgeted and is projected to be spent as follows:

- FY2013 Budget	\$225,000
- POS and back office technology system implementation & testing (estimate)	<u><111,000></u>
	\$114,000
- Hi-Tek POS Horizon II Consulting	<u>23,100</u>
	\$ 90,900
- New hardware (high estimate)	<u>50,000</u>
- Remaining balance	\$ 40,900

Hi-Tek POS' consulting services have been an invaluable part of DCABC's preparedness to purchase a new POS and supporting back office system with confidence. In addition to the services committed to in the Horizon I contract, their vendor management of our current POS and back office system has saved the organization significant costs that have been previously been absorbed by DCABC. Hi-Tek POS' expertise will continue to add great value to the organization as DCABC moves forward with the implementation of our new systems.

APPENDIX A

Emily Page

From: George Miller Jr [gwmjr@hdmilp.com]
Sent: Wednesday, November 14, 2012 10:58 AM
To: Emily Page
Subject: Informal Bid - Request for an Opinion, Durham ABC

As I reported

From: Bluestein, Frayda S [mailto:bluestein@sog.unc.edu]
Sent: Tuesday, November 13, 2012 2:43 PM
To: George Miller Jr
Subject: Re: Informal Bid - Request for an Opinion, Durham ABC

Hi George:

I have reviewed your letter and attached memorandum. It appears to me that both of the contracts to date are service contracts, involving consulting work, but no purchase of apparatus, supplies, materials, or equipment.

The bidding requirements apply to purchase or lease purchase of apparatus, supplies, materials, and equipment, so pure services do not require bidding unless a local policy mandates it. Note that purchase of computers or computer software does trigger the bidding requirements, but again, it appears to me that this is consulting only. If my reading is correct, then no bidding is required, even above the \$30,000 mark.

I hope this is helpful.

Best regards,
Frayda



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