

**Minutes of the Meeting
December 16, 2019**

The Durham County ABC Board met at the administrative office, 2634 Durham Chapel Hill Boulevard, on the 16th day of December, 2019.

Board Attorney, George Miller Jr., stated that the term for the previous Board Chair has expired. Therefore, the first order of business was for the Board to elect a Board Chair. Ms. Thorpe nominated Mr. Lebkes as Chair of the Board. Mr. Urquhart also nominated Mr. Lebkes as Chair. With no other nominations brought forward, and all Board members voting affirmatively, Mr. Lebkes was announced as the new Chair of the DCABC Board.

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

Board members Ryan Urquhart, Beverly Thorpe, Daniel Edwards and Frachele Scott 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, Durham County ABC Warehouse Manager Rader Dorman and Special Agent Sean Hamilton with Alcohol Law Enforcement were in attendance.

Conflict of Interest Review and Declaration

Chair Lebkes 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 Item

The consent item was the November 18th Board Meeting Minutes. Ms. Scott motioned to approve the November Board Meeting Minutes as presented and the Board approved unanimously.

General Business

Public Comment

Josh Harmon, Durham County resident, was in attendance.

Financial Report

November Financials

Mr. Keatts reported the summary of income statement results as included in the board meeting packet. He noted that sales increased 9.59% over November of 2018 and DCABC was ranked 5th out of the nine boards that DCABC considers for comparison purposes. Mr. Keatts attributed inventory and purchase management to continued financial success for DCABC. Mr. Sullivan noted increased retail store sales growth as indicated in the Comparative Sales Report.

Support Services Report

Ms. Davis reported to the Board on support services for the month. She reported major progress in the special order liquor process at DCABC as evidenced by the State Commission requesting DCABC present on the subject at the annual General Managers' Meeting. Ms. Davis reported on

continued savings due to FinTech EFT electronic payments. The Board discussed the savings compared to credit card processing fees. She also provided an update on digital signage in retail stores and reported that the network firewall is no longer blocking video content as videos are accessed through the internet versus the DCABC network.

Law Enforcement Report

Special Agent Hamilton reported to the Board on law enforcement activity in October. Sixty-two ABC store checks were performed, 15 mixed beverage inspections, 38 inspections at non-mixed beverage outlets, 6 violation reports were submitted to the ABC Commission, 87 arrests were made, there were 190 charges at permitted establishments and 22 charges from non-permitted establishments totaling 212 misdemeanor charges and 6 felony charges.

General Manager's Report

- **Building Projects Update**
 - **Hillsborough Road**

Mr. Sullivan reported that the Hillsborough Road store project is having additional issues due to lack of depth in the gravel resulting in the inability to pave until after the first of the year.
 - **Holloway Street**

The Holloway Street store project is expected to be complete in twelve months and a March, 2020 start date is planned. A temporary store location has been identified.
 - **Sherron Road**

The closing for the purchase of the Sherron Road property took place on December 20th. The final site planning approval was received.
 - **Highway 55**

DCABC is now under contract for the purchase of the Highway 55 store location. State Commission approval will take place next month. The Board discussed the possibility of moving the administrative offices to the Highway 55 location.
- **Warehouse Racking and Forklift**

Mr. Sullivan discussed purchasing large quantities of popular liquor during sale periods and the necessity for additional racking to store the liquor. A smaller, electric forklift would be required to access the racking. He recommended the Board agree to purchase used racking and a forklift. Mr. Urquhart motioned to approve the purchase of the forklift if the quote is changed to thirty days instead of ten. Ms. Scott seconded the motion and the Board approved unanimously. Ms. Scott motioned to approve the expenditure of \$16,706 for the racking. Mr. Urquhart seconded the motion and the Board approved unanimously.
- **Generator Update**

Mr. Sullivan reported that a generator will be installed at the Durham Chapel Hill Boulevard store by the middle of January. He recommended that the Board consider the benefits of having a generator at each store before purchasing generators for all stores.

- **Staffing**
Mr. Sullivan stated that hiring is ongoing and DCABC is presently short staffed. The Board discussed personnel vacancies and upcoming retirements.
- **Project Management**
Mr. Sullivan recommended hiring a company to provide project management responsibilities for building projects.

Other Business

- **FY2020 Retreat Date Scheduling**
Chair Lebkjes stated that there are important matters warranting a Retreat including creating a five and ten year plan for DCABC, adjusting employee salaries to a competitive level and revamping the grant program. The Board agreed to schedule the Board Retreat on Saturday, February 8th from 9:00 a.m. – 1:00 p.m. Mr. Sullivan requested Board members submit agenda items for the Retreat at their earliest convenience.
- **Board Meeting Schedule**
Mr. Sullivan presented a schedule listing proposed monthly Board Meeting dates following the usual third Monday of the month except in January when the meeting is scheduled on Tuesday following Martin Luther King, Jr. Day. With the addition of the Board Retreat, Ms. Thorpe motioned to approve the 2020 schedule of DCABC Board Meetings. Mr. Urquhart seconded the motion and the Board approved unanimously.

Mr. Lebkjes stated that annual conferences are scheduled in March, May and August. Ms. Walters will provide agendas to Board members.

Attorney Miller invited new Board members to meet and discuss the history and work of the DCABC Board.

Adjournment

Mr. Urquhart motioned for the Board to adjourn. Ms. Thorpe seconded the motion and the Board agreed unanimously. The next meeting is scheduled on January 21st, 2020.

Approved By: Donald Zeller

