

**Minutes of the Meeting
June 17, 2019**

The Durham County ABC Board met at the administrative office, 2634 Durham Chapel Hill Boulevard, on the 17th day of June, 2019.

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

Board members Donald Lebkes and Beverly Thorpe were present. Interim General Manager Misty Walters, Attorney George W. Miller, Jr., Durham County ABC Support Services Director Perlie Davis, Durham County ABC Finance Officer Lee Keatts and Agents Clay Joyner and Sean Hamilton with Alcohol Law Enforcement were in attendance. Kevin Lynk, Durham County ABC Store Manager, Charles Harris, Durham County ABC employee, Rader Dorman, Durham County ABC Warehouse Manager, DeWarren Langley with Charles Hamilton Houston Foundation, Tracy Price, Durham County ABC employee, and Moniqua McLean with North Carolina ABC Commission were also present.

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 May 13, 2019 Board Meeting Minutes. Mr. Lebkes motioned to approve the meeting minutes as presented. Ms. Thorpe seconded the motion and the Board approved unanimously.

General Business

Public Comment

Mr. Lynk introduced himself to the Board as the Holloway Street Store Manager with approximately twenty years of service with DCABC. He expressed his concern regarding the Warehouse Manager salary increase as the only salary recently adjusted. Mr. Lynk requested that the Board consider increasing salaries for other DCABC positions. Chair Miller stated that compensation plans are slated for review this upcoming fiscal year.

Mr. Harris introduced himself as a part-time DCABC employee with five years of service. He stated his concern regarding part-time employees' ineligibility for cost of living salary increases.

Mr. Dorman introduced himself to the Board as the Warehouse Manager. He presented the Board with a document outlining improvements made to the warehouse over the past several weeks. Mr. Dorman has reworked the warehouse employee schedule for shifts to start at 5:00 a.m. to allow for deliveries to stores by 7:45 a.m., which allows retail staff to stock shelves before stores are open to the public. He has labeled the warehouse floors to designate walking and non-walking areas as well as other improvements to safety measures. Also, he has begun the process of implementing trash free bins for recycling at the warehouse.

Mr. Langley introduced himself as a grantee during the present fiscal year. He spoke about his foundation and stated that DCABC grant funds previously received were not spent because the award of \$10K was not enough money; his foundation requested \$32K. Mr. Langley stated that his organization submitted two out of the three mandatory grant reports, but requests that DCABC consider an additional grant request despite the reporting issue. The Board requested further clarification regarding the lack of compliance with report filing and explained that many follow up communications were initiated by DCABC throughout the year.

Ms. Price introduced herself as an employee of DCABC for twenty-one years. She too requested the Board consider reviewing the compensation plan.

Financial Report

May Financials

Mr. Keatts reported the summary of income statement results as included in the board meeting packet. He noted that DCABC sales increased 9.87% over May of 2018, and that DCABC was ranked 5th in sales out of the nine boards that DCABC considers for comparison purposes.

Budget Amendment

Mr. Keatts presented a budget amendment to the Board to allow for end of year balancing of the budget. The items included were matters previously approved by the Board. The Board discussed the budget amendment. Ms. Thorpe motioned to approve the budget amendment as presented. Mr. Lebkes seconded the motion and the Board approved unanimously.

FY2020 Budget

Mr. Keatts stated that the next step in the budget process is for the Board to adopt the FY2020 Budget as previously presented. Once adopted, Mr. Keatts will forward the document to the ABC Commission and County Commissioners. Mr. Lebkes motioned to adopt the FY2020 Budget. Ms. Thorpe seconded the motion and the motioned carried in a 2-1 vote.

Performance Audit Report

All Board members present agreed to allow Ms. McLean with NCABC Commission to speak on the results of the performance audit report.

Ms. McLean stated that she was requested to perform an audit on DCABC's special order liquor process. She previously e-mailed all Board members with the findings. Ms. McLean requested feedback from the Board as well as a report on improvements implemented. She stated that the Commission recently received a complaint from a customer that has not received their special order product.

Chair Miller stated that the whole process is redesigned. Special orders are placed the same day received, orders are sent direct to suppliers as opposed to including the extra step of going through the warehouse, checks are no longer cashed prior to delivery of products and all special order customers are contacted weekly with status updates.

Ms. Davis has tracked all long-standing orders and contacted customers for approval to replace orders not yet received. Two out of three such orders were recently received and delivered to customers. Ms. Davis reiterated that each customer is informed of the status of their order via email

on a weekly basis. Ms. Thorpe stated that DCABC also notifies the County Manager with status updates on a monthly basis.

Ms. McLean next addressed the audit report finding that some executive session topics are open session discussions. Chair Miller accepted the findings and safeguards are now in place to rectify the situation. The agenda clearly states the subject of closed session matters and only items listed on the agenda are discussed in closed session.

Lastly, DCABC personnel policies are to be reviewed and approved by the Commission prior to Board adoption to ensure all policies fall in line with ABC and federal laws. Chair Miller stated that all policies will be reviewed this upcoming fiscal year by human resources personnel and will be forwarded to the Commission for approval prior to adoption by the Board.

Support Services Report

Ms. Davis reported on support services for the month. A spreadsheet of all special liquor orders was included in the board meeting packet for Board member review. When liquor orders are cancelled by the supplier, customers are returned their original payment check.

Law Enforcement Report

Agent Joyner, ALE Supervisor in the Raleigh District, introduced Sean Hamilton as one of the Agents assigned to DCABC Law Enforcement. Agent Joyner stated that one hundred and twelve ABC checks were performed over the past month as well seventy-eight mixed-beverage inspections and fifty-nine additional inspections at non mixed-beverage outlets. The agency was responsible for one hundred and seventy-five misdemeanor and seventeen felony charges.

General Manager's Report

Ms. Walters updated the Board on recent power outages at stores. National Power is preparing a quote for installation of generators.

A customer complaint was received on May 15th. The customer entered a retail store with his dog without service animal certification. The Store Manager asked the customer to leave his dog outside due to the lack of verification. Ms. Walters informed all Store Managers and Sales Clerks that DCABC will not request service animal documentation in the future. If a customer confirms that it is a service animal, then store entry is allowed.

A warehouse delivery vehicle accident resulted in damage to a roof overhang at a restaurant. A draft delivery vehicle policy is prepared and will be submitted to NCABC Commission for approval.

A grease leak from a restaurant neighboring the N. Roxboro Road ABC store was determined to be the fault of a contractor. DCABC will be refunded for diagnostic expenses incurred.

The Hillsborough Road Store air conditioning unit broke down and was replaced with a new unit.

The ABC Law Enforcement building is being cleaned out in preparation for ALE to utilize the space. Ms. Walters will contact the District Attorney for guidance as to disposition of items in the evidence room. Law enforcement vehicles and various other law enforcement equipment will be

disposed of at GovDeals per usual DCABC practice. Ms. Walters recommended to the Board that a vehicle be retained for warehouse deliveries. Additionally, there are boxes of t-shirts and other DCABC Law Enforcement schwag to be disposed of.

Ms. Walters attended the Board of Commissioners Meeting along with Chair Miller and Mr. Keatts and she presented follow up reports including DCABC's draft audit response and monthly mixed-beverage report.

The Sherron Road property site plan was submitted. A public notice sign was removed from the property after thirty days. The sign will be placed back on the property for the benefit of investigators with a notation of when the sign was originally posted. With the sign reposted, Ms. Walters will submit a request for approval.

The Hillsborough Road Store parking lot informal bid process is upcoming and the deadline is scheduled on July 9th. Work on the parking lot may begin immediately afterwards; the contract states that it will take sixty days to complete.

The Holloway Street Store site plan is in the first review phase. Meanwhile, the Department of Transportation is moving forward according to the eminent domain agreement. Therefore, the DCABC marquee must be moved off the taken property, approximately five feet from its current location. The store's entrance and exit signs were removed and Ms. Walters will continue to try and locate them.

Parking lot seal and striping are now complete. An additional landscaping project is slated for completion before the end of the fiscal year.

Ms. Walters reported on the status of the Emergency Action Plan. It is not complete at this time and requires further attention.

Other Business

- **Grants**

The grant subcommittee previously delivered to the Board its recommendation for grant distributions. Mr. Lebkes motioned to accept the recommendation of the subcommittee on grant awards. Ms. Thorpe seconded the motion and the Board approved unanimously.

- **ABC Commission Audit Response**

Ms. Walters included a draft response to the audit in the meeting packet for the Board's consideration. Ms. Thorpe motioned to approve the response to the audit report. Mr. Lebkes 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: 