

**Minutes of the Meeting**  
**May 17, 2021**

The Durham County ABC Board met virtually via Zoom Meetings on the 17<sup>st</sup> Day of May 2021.

Chair Lebkes called the meeting to order at 5:38 p.m.

Board members Daniel Edwards, Ryan Urquhart and Frachele Scott, Durham County ABC Attorney George Miller, III, ALE Special Agent Brian Doward and one person from the public that did not identify themselves, were present virtually via Zoom.

Board Chair Donald Lebkes, Board Member Gale Adland, Durham County ABC General Manager Niegel Sullivan, Fiscal Services Director Phil Bair, Operations Director Misty Walters and HR Generalist Wendy Wilder-Thomas were present in the room.

**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.

The consent items were approved as follows:

- Approval of April 19, 2021 Board Meeting Minutes with amendments
- Approval of May 3, 2021 Special Meeting Minutes with amendments

Mr. Edwards motioned to approve both consent items with amendments. Ms. Adland seconded. The consent item was approved unanimously.

**Budget**

Mr. Bair discussed the budget proposal for Fiscal year 2022. The proposal will be made public on the Board's website.

Once the budget is approved, it will be forwarded to public review. The public will have 15 days to review the proposal. Mr. Sullivan invites members of the public to the administration office for a detailed budget. On June 7, 2021 there will be a FY2022 Budget Public Hearing.

Ms. Adland moved to approve the budget for public hearing. The Board unanimously voted to submit the FY2022 budget for public review.

**Pulse Survey**

Margaret Pettyjohn with Catapult presented the results of the recent employee pulse survey.

The survey was conducted from April 20 through April 27. All responses were confidential. The overall participation rate was 59% (57 out of 96 employees.). There were 17 multiple-choice questions and one open-ended question. The satisfaction index included the percentage of participants who chose "agree" and "strongly agree" answers.

The categories analyzed included: communication, culture, job, executive leadership, immediate manager/supervisor, and professional development.

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The overall satisfaction index was 58.59%, with 18% answers unfavorable, 24% neutral, and 59% favorable.

Ms. Pettyjohn continued to break down results into subcategories and discussed how to go about implementing a six to eight-week action plan to address them.

**Law Enforcement**

There were 36 mixed beverage inspections and 22 other inspections. There were four alcohol education programs. Four alcohol-related violations were submitted the ABC commission. There were 63 arrests. There were 150 charges at permitted establishments and none at non-permitted establishments; 139 misdemeanors and 11 felonies.

Agent Doward discussed recent alcohol and drug-related investigations and arrests with the Board.

**Human Resources**

The board further discussed results from the survey among each other. Ms. Thomas-Wilder recommended implementing a follow-up plan to go into stores and organize a focus group to receive clarification on some answers.

Grant applications are now accessible to board members. Mr. Lebkjes suggested a committee meeting at the administration office to make grant funding decisions. A decision has to be made by June 30.

**Finance Report**

Mr. Bair discussed variances and comparative sales for each store for the month of April, as well as the Board's cash balance. April sales showed an increase of \$838,625 compared to the previous year. Retail sales showed an increase of \$107,515, or 3.03 percent. Mixed beverage sales showed an increase of \$731,110. Budgeted total sales for April 2021 were \$3,977,105, a positive budget variance of \$394,704 or 9.92 percent. Durham County ABC ranked 8<sup>th</sup> among the nine comparative Boards. The statewide increase was 32.62%.

**General Managers Report**

Mr. Sullivan said that retail sales remain strong due to purchasing strategy. The Board continues to purchase specialty bourbons to help Durham ABC stand out.

Mr. Sullivan discusses the bailment surcharge on NC products. He clarified that the state of North Carolina does not own any liquor products and all sales are made through an independent board. The increase in bailment surcharge is to pay for a new computer system and to add more trucks and trailers. The bailment surcharge is currently \$1.50 per case, and will increase to \$2.75 per case. This increase will result in a 20 cent increase per bottle on a case of 12, and 40 cents per bottle on a case of 6.

Mr. Sullivan also discussed the new NC House Bill 890 that will authorize online ordering for ABC stores among other things.

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*Capital Improvement*

Mr. Sullivan showed images of the new Holloway Street store. There was a delay in delivery of fixtures due to metal supply issues. Fixtures will be delivered and installed the week of July 12. The grand opening is scheduled for July 26. Mr. Sullivan said he will recommend a ribbon cutting ceremony.

The Sherron Road now has grass and landscaping, flooring, and fixtures. Project completion is scheduled for May 28. The grand opening will be June 1.

The Board has chosen the winning bid for the Highway 55 project – Racanelli Construction South, for \$2.6 million.

The TW Alexander project is under contract for \$500,000. Mr. Sullivan recommend closing on the property in June 2021. The proposed start timeline is between March and April 2022 with completion in 2023.

The Board closed on the Guess Road property on May 5.

The North Pointe project is scheduled to be completed in June 2021.

**The meeting was adjourned.**

Approved By: \_\_\_\_\_

A handwritten signature in cursive script, appearing to read "Donald Lebkes", written over a horizontal line.

Donald Lebkes, Board Chair