

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

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

In the absence of the Board Chair, Andy Miller, and without objection by the Board, Board Member, Donald Lebkes, called the meeting to order at 5:30 p.m.

Board members Lawrence Daye and Ryan Urquhart were present. General Manager Niegel Sullivan, Attorney George W. Miller, Jr., Durham County ABC Support Services Director Perlie Davis, Durham County ABC Accountant Jackie Woody, Durham County ABC Operations Coordinator Misty Walters and Agent Sean Hamilton with Alcohol Law Enforcement were in attendance. Lowell Oakley and Joshua Anderson with Koonce, Wooten & Haywood, employee Tracy Price and Phil Hillsman with Alcoholics Anonymous were also present.

Conflict of Interest Review and Declaration

Mr. 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 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. Mr. Daye motioned to amend the Board Meeting Minutes to correctly reflect the actions of the Board. Mr. Urquhart seconded the motion and the Board approved unanimously.

General Business

Public Comment

Mr. Hillsman with Alcoholics Anonymous introduced himself to the Board. He provided Board members with a flyer containing informative AA materials to be displayed in DCABC retail stores. The Board had a general discussion regarding displaying AA flyers. Mr. Sullivan will notify Mr. Hillsman of the Board's final decision on the matter.

Financial Report

FY 2019 Audit Report

Mr. Oakley introduced himself and Mr. Anderson as accountant auditors presenting the DCABC annual audit report. He explained that the financial statements provided by DCABC are fairly stated resulting in a "clean opinion." Mr. Anderson provided detailed end of year financial figures.

August Financials

Mr. Sullivan reported the summary of income statement results as included in the board meeting packet. In August, DCABC was ranked 3rd in sales out of the nine boards that DCABC considers for comparison purposes. Mr. Sullivan noted increased sales at the TW Alexander Drive, Guess Road and Hope Valley Road Stores as reflected in the Comparative Sales Reports for August. The Board recognized DCABC employees' hard work as evidenced by continued sales increases.

Mr. Sullivan explained that two items were excluded in the Balance Sheet Summary; Dalcom expenses and ALE services were not included, which resulted in a reduced net position of \$31K. The adjustment will be corrected in the September Balance Sheet Summary.

Support Services Report

Ms. Davis reported to the Board on support services for the month. Per legislature, customers are no longer required to purchase a whole case of liquor for special orders nor are they required to prepay for liquor orders. Ms. Davis stated that she is working to expedite the special order process with GoCanvas software and automated e-mail reports to customers.

Electronic payment for mixed beverage products is on track to be available beginning October 1st. Digital signage monitors are installed in all retail stores.

Law Enforcement Report

Agent Hamilton reported to the Board on law enforcement activity in August. In June, 101 store checks were performed, 22 mixed beverage inspections, 38 inspections at non-mixed beverage outlets, 8 violation reports were submitted to the ABC Commission, 150 arrests were made, there were 230 charges from permitted establishments and 33 charges from non-permitted establishments totaling 251 misdemeanor charges and 12 felony charges.

An illegal distillery investigation concluded this month and parts of a liquor still were seized. Also, a special operation focusing on alcohol awareness and enforcement near local colleges resulted in 32 arrests and 132 charges. Agent Hamilton reported that he plans to utilize law enforcement grant funds to hold regularly scheduled alcohol educational classes. The classes will be available to employees and ABC permitted establishments, including those who have been criminally charged with alcohol violations. The classes are aimed to better advise permittees of alcohol rules and regulations.

General Manager's Report

Building Projects Update

Mr. Sullivan updated the Board on the status of the Sherron Road Store. Information is being prepared for the field investigator. The site planner is resubmitting the site plan and a meeting is scheduled to review the site plans. Financial disclosure forms were requested from Board members. A meeting with the ABC Commission is scheduled for site approval on October 9th at 10:00 a.m.

The Hillsborough Road Store parking lot expansion is in progress. Construction fencing is up, the large tree was removed and bricks for the wall were selected.

The Holloway Street Store permit is in progress and the site and building plans are now complete.

Generator Update

Mr. Sullivan provided the Board with copies of two contracts to purchase generators. He recommended starting installation at the Durham Chapel Hill Boulevard location. Attorney Miller was assigned to review the generator contracts and present his recommendations at the next Board meeting.

Recommendation for Vacation Policy Update

Mr. Sullivan recommended an amendment to the vacation policy prioritizing business needs during holiday weeks and on Saturdays. The Board did not take action on the policy update.

Other Business

- **Review of Durham County ABC Board Compensation**

Mr. Lebkes stated that additional information and Board member input is needed prior to a discussion regarding DCABC Board compensation.

- **FY2020 Retreat Date Scheduling**

Mr. Lebkes stated that the retreat should be rescheduled after two Board appointments are made.

- **In-Store Spirituous Liquor Tastings**

The Board discussed allowing in-store liquor tastings. It was decided that Mr. Sullivan will investigate liability issues and procedural rules and report back to the Board at the next Board meeting.

Closed Session

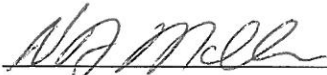
Mr. Urquhart motioned for the Board to go into closed session to discuss real estate – potential land procurement. Mr. Daye seconded the motion and the Board approved without objection.

Open Session

The Board returned to open session. The Board discussed allowing AA to post flyers in retail stores. Mr. Urquhart suggested that other organizations may also request posting flyers in stores. He expressed concern about excluding any one organization or requiring a designated area in all stores to accommodate all organizations' materials. Alternatively, to show support, the Board considered allowing organizations to post a link on the DCABC website to provide alcohol awareness information.

Adjournment

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

Approved By:  _____