

**Minutes of the Meeting
March 15th, 2022**

The Durham County ABC Board met at the administrative office, located on 3620 Shannon Road, Suite 200, on the 15th day of March, 2022.

Board Chair, Daniel Edwards, called the meeting to order at 5:42 p.m.

Board Chair Daniel Edwards, Board Member Gale Adland, Board Member Donald Lebkes, Board Member, Ryan Urquhart Durham County, ABC Interim General Manager and Operations Director Misty Walters, Office Technology Assistant Ikzuri K. Garcia-Banda, Fiscal Services Director Phil Bair, Board Attorney George Miller III, and Paul Young of DTW Architects were in attendance. Board Member Frachele Scott, Human Resources Generalist Wendy Thomas-Wilder, and ALE Special Agent Sean Hamilton were virtually present via Zoom.

Conflict of Interest Review and Declaration

Chair Edwards 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.

Public Comment

No members of the public were in attendance. No public comments were made.

Consent Item

The first consent item approved was the February 15th, 2022 Board Meeting Minutes. Board Member Urquhart moved to approve the meeting minutes as presented, with a slight correction in spelling. Board Member Lebkes seconded the motion and the Board approved unanimously.

Law Enforcement Report

There were no questions presented at the time.

General Manager's Report

Interim General Manager Misty Walters presented the Board with several topics of discussion:

Grant Program Update

The new grant cycle began on March 1st, 2022, with an information session held the next day, on March 2nd, 2022. Interested parties will have until April 30th to apply via ZoomGrants. All information has been listed on the Durham ABC webpage.

Project Updates

Ms. Walters informs the Board of several projects underway, inviting Mr. Paul Young of DTW Architects to join the discussion:

Highway 55

As of this date, March 15th, 2022, Mr. Young provided the Board with these updates for the upcoming location on Highway 55:

- The electrical, mechanical, and plumbing rough-in work is now completed.
- Electrical wiring is set to begin next week (the week of March 20th, 2022).
- There are now lights on the site.
- The roofing work has now been completed.
- The drywall has been installed and the finishing has begun.
- Windows and all but two doors have been installed, the location should be secure by the next week (the week of March 20th, 2022).
- Paving is set to begin one week from the meeting (approximately April 26th, 2022).
- All utilities are to run on site. This includes power, gas, water, and cable.
- An electrical generator and an automatic transfer switch are scheduled for shipment approximately two weeks from the date of this meeting (estimated March 29th, 2022).
- The turning lane has now been discussed with the adjacent business, Affordable Dentures. Both companies have verified a plan of installation.
- Turning lane work for Affordable Dentures extends into June due to their “high traffic” during the Spring season.
- Final inspections for the location are set for the week of May 23rd, 2022.

Coolers update

Electrical modifications for three locations (Store 4 located on TW Alexander Drive, Store 14 located on Hope Valley Road, and Store 11 located on Durham-Chapel Hill Boulevard) are complete. Unit installations are set to begin March 17th, 2022 at all three of the aforementioned locations. The products displayed in the coolers may vary slightly from store to store, but will likely include canned cocktails, as well as other ready-to-drink selections.

Sale Coolers are set to arrive on Thursday, March 17th, 2022. Back room coolers have been delayed until April.

Hillsborough Road Location

Masonry repairs are required to resolve cracks in the structure of Store 3, located on Hillsborough Road. The building has several cracks that Mr. Young identified as an effect from the building settling on uneven soil. Ms. Walters explained to the Board that the overall scope of the work needed on the location is yet to be formulated, with an informal bid process due to calculate the likely cost range. Work on those repairs is to begin immediately afterwards.

Page Road Location

Site plan is in for final approval. Architectural, electrical, plumbing, and mechanical drawings have been complete. Durham ABC is still waiting on Durham County utilities to lift the delayed review on utility drawings. There is a possible chance of a bid in September 2022, dependent on whether the utility review is lifted soon. However, if the utility review is not lifted in a timely manner, the work would need to be delayed to Spring, this due to winter weather and grading and foundation operations.

General Services 5 Year Inter-Local Agreement

General Manager Walters presents the Board with a continued 5 Year Inter-Local Agreement with Durham County. This agreement will include ground maintenance, such as landscaping, de-icing, debris removal), extermination and hourly fees for any other general services such as plumbing, electrical, or general repair work. The Board and General Manager Walters all agreed to move forward with the General Services 5 Year Inter-Local agreement.

Financial Report

February 2022 Financials

Fiscal Services Director Bair reported the summary of income statement results as included in the board meeting packet for February 2022. Durham County ABC sales of \$4,266,658 for February increased \$518,503 or 13.83% compared to the prior year. By business line, Retail sales increased \$47,759 or 1.41% and MXB sales increased \$470,744 or 134.80%. Budgeted total sales for February were \$4,166,685 so there was a positive budget variance of \$99,973 or 2.40%. February MXB sales for 2019 & 2018 were \$725,436 & \$667,901, respectively.

The February sales increase for Durham County ABC Board of 13.83% was ranked 7th among the 9 comparative boards (Cumberland, Orange, Wake, Mecklenburg, New Hanover, Greensboro, Triad and Asheville.). The statewide increase was 12.47%.

Mr. Bair discussed profit distribution with the Board:

Profit before distributions for February were \$558,754 compared to the Operating Budget amount of \$343,910 giving a positive budget variance of \$214,844 or 62.47%.

Total February accrued Profit Distributions (based on Sales) were \$207,321 versus \$189,212 the prior year, an increase of \$18,109 or 9.57%. The BUDGETED Profit Distributions were \$205,708 so the actual for February was \$1,613 or 0.78% more than budgeted.

The year-to-date Net Income at February 28, 2022 was \$2,066,235 (Eight months). This represents \$994,160 higher year-to-date net income than what was expected in the Operating Budget. Last year the same time period the eight months ended February 28 we were over budget in YTD Net Income by \$1,390,158. Year-To-Date Gross Sales are \$3,752,000 above Budget for the eight months ended Feb. 28, 2022.

Closed Session

Board Member Adland motioned for the Board to go into closed session. Don Lebkes seconded the motion. The Board approved unanimously. The Board went into closed session.

Adjournment

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

Approved By:

 BOARD CHAIR FILLIN

Daniel Edwards, Board Chair