

Durham County ABC Board

**Minutes of the Meeting
July 18, 2011**

The Durham County ABC Board met at the Law Enforcement Complex, 905 Fayetteville Street on the 18th day of July 2011.

Chairperson Emily A. Page called the meeting to order at 5:30 PM.

Other board members present were Michael Nelson, Erroll Reese and Connie White. Chief Operating Officer Dewanda Dalrymple, Law Enforcement Chief Derrick McMillan and Attorney George W. Miller, Jr. were present.

Consent Items

Consent agenda items included the Board Attendance Report, Adoption of Agenda and the Minutes of the June 20, 2011 Meeting. On motion by Ms. White, seconded by Mr. Reese, the consent agenda items were approved without objection.

Law Enforcement Report and the Financial Reports for June 2011

- **Law Enforcement Report for June 2011**

In June, there were 10 persons arrested with 11 total charges for various alcohol-related offenses and other offenses. There are now 4 cases pending in traffic court, 179 cases in district criminal court and 0 cases in superior court.

- **Financial Reports for June 2011**

The June retail sales were up 8.57% compared to last year. MXB sales were up 8.49% compared to last year.

Total sales for the month were \$1,889,738, representing an increase of \$148,933 or a positive 8.56% as compared to last year. Sales were above the budget projections by \$147,346, a positive variance of 8.46%. Year-to-date sales of \$23,967,592 were up 2.78% compared to last year and 0.71% over budget.

Profit before distributions of \$17,771 was below budget for the month by \$18,282, representing a negative variance of 50.71%.

After profit distributions totaling \$387,546, there was a loss of \$369,775, a variance of \$354,045 under budget. Year-to-date, net income of \$74,866 was under budget by \$168,376.

Compared to last year, June net income increased \$21,004. Year-to-date net income was up \$17,143.

Annual Incentive Bonus Plan for August 2011

Ms. Dalrymple had submitted a written request to the Board prior to today's meeting to implement the annual incentive bonus plan as per the Compensation Plan (revised and adopted 02/15/2010) and as contained in the FY2012 budget. After discussing the plan briefly, Chairperson Page called for a motion regarding the request. On motion by Ms. White and seconded by Mr. Reese, implementation of the August 2011 bonus plan was approved without objection.

Resolution for Loan with M&F Bank

Ms. Dalrymple reviewed a white paper detailing the financing options presented by M&F Bank to address the capital outlay budget for the 2012 fiscal year. All the projects planned total approximately \$1.5 million dollars, and the organization is budgeted to secure third party financing in the amount of \$972,000. The RFP process for this loan was not necessary since an RFP had been conducted very recently to secure an earlier loan, the result being that M&F Bank's terms were the best of those offered. Discussions were held with M&F prior to Mr. Mills' departure and it had been proposed that this would be a construction loan with interest only payments for a specified time. The motion was offered by Mr. Nelson and seconded by Mr. Reese for the Board to authorize the loan agreement for an amount up to \$1 million dollars based on the terms outlined in the term sheet from the bank. Chairperson Ms. Page and Board members Mr. Nelson and Mr. Reese voted in the affirmative for this motion with Board member Ms. White recusing herself from the vote.

Renovations Update for Administrative Office

The contractor, L. A. Downey and Sons plan to be finished with renovations this Friday, July 22, 2011. The final walk-thru is scheduled for Monday, July 25, 2011. Ms. Dalrymple stated that everything has gone well. There were three additions to the original project costs—repainting the stockroom floor, replacement of light fixtures and sidewalk grading repairs. The stockroom repainting has been completed, the lighting is being installed now and the sidewalk will be repaired starting tomorrow and will be finished the next day.

General Services Contract with Durham County

Ms. Dalrymple presented the General Services contract for the 2012 fiscal year. Monthly services for building and facility maintenance at all properties will be provided for a cost of \$2,648 per month. On motion by Ms. White, seconded by Mr. Nelson, it was approved by the Board that the General Services contract will be renewed for another year at the rate stated in the contract. A separate motion was offered by Ms. White, seconded by Mr. Reese that the Chief Operating Officer has the authority to sign the contract. This motion was approved without objection.

LE Vehicle Outfit Approval

The cost to outfit the new law enforcement vehicle is \$600.00 more than what was approved at last month's meeting. There is an additional cost because more of the equipment had to be replaced than originally anticipated and the new equipment is LED-equipped. On motion by Ms. White and seconded by Mr. Nelson, the additional \$600.00 needed to outfit the law enforcement vehicle was approved without objection.

Other Business

Chairperson Page called for a motion to ratify the decisions that were made by e-mail last week. Those decisions were to approve the grading (\$11,494.00) and lighting (\$5,508.00) expenses for the renovations at the Administrative Office and \$1,200 for the survey at the Hope Valley location. On motion by Mr. Nelson and seconded by Ms. White, the decisions that were made provisionally by e-mail were approved without objection.

The lease is up at the Falconbridge store at the end of July 2011. Mr. Mills was in negotiations with the leasing company to extend the lease for an additional six months for approximately \$100.00 more on the current rental rate each month. This would extend the lease through January 2012. The architect is anticipating that renovations at the Hope Valley location will be completed at the end of January 2012. The lease can be extended through the end of February 2012, but if the new location is ready, a month's rent for the current location would be paid unnecessarily. One other option discussed was ending the lease in January 2012, closing the Falconbridge location and assigning the employees to other stores until the new location is ready. On motion by Mr. Reese, seconded by Ms. White to extend the Falconbridge store lease for six months through January 31, 2012 for the additional \$100.00 per month was approved without objection.

Ms. Page informed the Board that there was a blurb in the Business Buzz section of the Herald Sun today about the new ABC store coming to the Woodcroft Shopping Center.

Ms. Page requested that the Board set a date to meet with M&F Bank to close on the purchase of the Hope Valley store in the Woodcroft Shopping Center. The closing needs to be scheduled before August 18th.

In the absence of a General Manager, the Board discussed budgetary and personnel decisions that can be handled by the Chief Operating Officer and the Board Chair without approval by the entire Board. On motion by Mr. Nelson and seconded by Ms. White, the decision to give the COO authority to make all budgetary decisions below \$5,000 and personnel decisions below the level of Store Manager with the Board Chair was approved without objection. Budget matters exceeding \$5,000 and personnel matters above the level of Store Manager require convening a special meeting of the Board.

Ms. Page asked that anyone who had not completed the NCABC registration form do so immediately and get it to Ms. Dalrymple.

Ms. Page mentioned that the funeral services for Ms. Shaw's husband would be tomorrow at Yates Baptist Church.

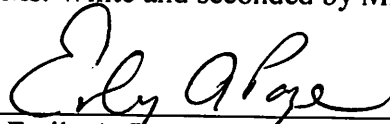
Closed Business

On motion by Ms. White and seconded by Mr. Reese, the Board went into closed session per GS 143-318.11(a): (3) consult with attorney (5) facility leases or purchases (6) personnel matters.

Adjournment

On motion by Ms. White and seconded by Mr. Nelson, the meeting was adjourned without objection.

Approved by:



Emily A. Page, Chairperson