

**Durham County ABC Board
Minutes of the Meeting
October 15, 2012**

The Durham County ABC Board met at the administrative office, 3620 Durham Chapel Hill Boulevard on the 15th day of October 2012.

Board Chair Kim Shaw called the meeting to order at 5:39 PM.

Board members Wayland Burton, Deirdre Guion, Kevin Nelson and Erroll Reese were also present. General Manager Emily Page and Attorney George W. Miller, Jr. were present.

Ms. Shaw read the Board's Conflict of Interest Review and Declaration statement. She asked board members to declare that they had no conflicts of interest with any items coming before the board and, if so, that they would recuse themselves from voting. All board members declared their agreement.

Consent Items

Consent agenda items included the Board Attendance Report, Adoption of Agenda and Minutes of the September 7, 2012 Emergency Meeting, Minutes of the September 10, 2012 Emergency Meeting, Minutes of the September 13, 2012 Emergency Meeting and Minutes of the September 17, 2012 Regular Meeting.

Ms. Shaw asked that the September 7, 2012 Emergency Meeting minutes be amended to add that she called that meeting to order. Also, on the September 10, 2012 Emergency Meeting Minutes, Ms. Shaw asked that it be noted that the meeting was adjourned and will re-convene on September 13, 2012.

Mr. Burton motioned for the consent agenda items to be accepted with the necessary corrections noted and Dr. Guion seconded the motion. The board approved the motion without objection.

Law Enforcement Report and the Financial Reports for September 2012

- **Law Enforcement Report for September 2012**

In September, there were 16 ABC law violations, 5 controlled substance violations, 6 traffic offenses and 2 criminal offenses. Law Enforcement provided alcohol education to 11 groups, assisted other agencies during 11 incidents, conducted 70 inspections, 63 compliance checks and conducted 28 hours of training.

Ms. Page noted that the internal training numbers were added to the remarks section of the Law Enforcement report. She also noted that beer and wine permittees had attended the September 29th RASP training conducted by Durham County ABC Law Enforcement which increased the participation numbers substantially. Ms. Shaw asked that future reports reflect unusual situations such as this one.

Ms. Shaw suggested that prior year statistics for the reporting areas be included in the Law Enforcement report for the sake of comparing data from one year to the next.

- **Financial Reports for September 2012**

The September retail sales were down 0.11% compared to last year. MXB sales were down 7.05% compared to last year.

Ms. Page noted that the entire state's sales were down in September.

Total sales for the month were \$2,052,889, representing a decrease of \$33,000 or a negative 1.58% as compared to last year. Sales were above the budget projections by \$1,735, a positive variance of .08%. Year-to-date sales of \$6,089,537 were up 2.66% compared to last year and 3.63% over budget.

Profit before distributions of \$76,615 was below budget for the month by \$39,233, representing a negative variance of 33.87%.

After profit distributions totaling \$57,686, there was net income of \$18,929, a variance of \$31,765 under budget. Year-to-date, net income of \$172,224 was over budget by \$144,806.

Compared to last year, September net income decreased \$23,550. Year-to-date net income was up \$73,418.

Technology Consultant Horizon II Contract

Ms. Page provided copies of the contract prior to the meeting via e-mail. She explained that Phase I of the contract with Hi-Tek POS was completed with their report assessing the current Durham County ABC POS system and commended the high quality of their work thus far. Phase II of the contract consist of consulting services to project-manage the implementation of the new POS system and supporting back office system. The Phase II contract is for \$23,100 which includes system implementation, planning and oversight. The amount of the contract is below the threshold which requires informal bidding, however, with the Phase I contract that was executed, the total amount for both phases of the project will exceed \$30K. The Board asked the opinion of Counsel who indicated that this was an area that was unclear because they are different contracts for different services yet the provider would remain the same. Attorney Miller stated that the only time that the bidding/RFP process is not required is when a contract is below the threshold amounts or when a vendor is the sole source of the service.

After further discussion by the Board, Attorney Miller suggested that Ms. Page could draft a summary of the situation which he could submit to an expert at the Institute of Government for review and opinion as to whether or not an informal bid is required. Ms. Shaw suggested that the board go into closed session to review a request from North Carolina Alcohol Law Enforcement. Dr. Guion motioned for the board to go into closed session per GS 143-318.11(a): (3) consult with attorney (5) facility leases or purchases (6) personnel matters. Mr. Reese seconded the motion and the board unanimously agreed.

After returning from closed session, Mr. Nelson motioned that Attorney Miller consult with the individual at the Institute of Government as discussed to get an opinion as to whether informal bidding is necessary in this situation. Mr. Burton seconded the motion and it was approved by the board. Ms. Page will draft the summary statement and send it to Attorney Miller.

POS System Proposal

An RFP process will be conducted for a vendor to provide a new Point of Sale and compatible back office technology system. Dr. Guion indicated that the RFP requirements should include prior North Carolina ABC system experience to ensure that our current technology compatibility problems will not be duplicated. All members of the Board agreed to this prerequisite experience for potential vendors.

FY2013 Grant Program

Mr. Burton distributed a recommendation for the FY 2013 grant program. He will send the recommendation to each board member via e-mail and would like feedback by October 31, 2012 by reply e-mail.

Warehouse Improvement Recommendation

Ms. Page brought a warehouse improvement recommendation that was previously submitted in August back before the Board. The recommendation now includes more information on the equipment specifications requested by the Board. The recommendation is attached as Appendix A. Mr. Burton motioned that the recommendation be approved and Mr. Reese seconded it. The board unanimously approved the motion.

Personnel Policy Recommendations

This item was not covered at the meeting and will be postponed until a future date.

Strategic Planning and General Manager's Report

Ms. Page provided the Strategic Planning and General Manager's Report in the board meeting packet which was distributed prior to the meeting. No discussion took place or questions were presented.

Other Business

Ms. Page stated that she will continue to try to schedule a date with Ms. White to celebrate her service on the Board.

Ms. Page reported that she had met with the State Department of Transportation's consultant about the expansion of Holloway Street which will affect DCABC's property. The planned changes in the road will impact the planning for the parking lot improvements at Store 1. Ms. Page recommended that this subject be re-visited at a future meeting when the state has finalized their plans for the Holloway Street expansion project and more information is known about the appraisal and offer that will be made for the land that will be taken by eminent domain.

Ms. Page shared a holiday preparedness plan to proactively address potential POS problems that may come up during the busy holiday season. Board members will review the plan on their own after the meeting.

Closed Business

Mr. Reese made a motion for the Board to go into closed session per GS 143-318.11(a): (3) consult with attorney (5) facility leases or purchases (6) personnel matters. Mr. Nelson seconded said motion and the board approved without objection.

Adjournment

Durham County ABC

The board returned from closed session and Mr. Nelson made a motion to adjourn the meeting. Dr. Guion seconded the motion and the Board approved without objection.

Approved By: _____
Kim Shaw, Board Chair