

**Durham County ABC Board  
Minutes of the Meeting  
September 17, 2012**

The Durham County ABC Board met at the administrative office, 3620 Durham Chapel Hill Boulevard on the 17<sup>th</sup> day of September 2012.

Board Chair Kim Shaw called the meeting to order at 5:35 PM.

Other Board members present were Wayland Burton, Deirdre Guion, Kevin Nelson and Erroll Reese. General Manager Emily Page and Attorney George W. Miller, Jr. were present. Fred Roberson, Ed Roberson and Barbara Walker of Roberson CPA Firm, PLLC and Moniqua McLean and Agnes Stevens from the NC ABC Commission were also 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 August 20, 2012 regular meeting. Mr. Nelson motioned for the consent agenda items to be accepted. Mr. Reese seconded the motion and the board approved the motion without objection.

**Financial Audit Report for Fiscal Year Ended June 30, 2012**

Barbara Walker presented the report on behalf of Roberson CPA Firm, PLLC. Ms. Walker reported that they had conducted inventory counts at all the stores and then she spent 3 ½ days in the administrative office conducting audit procedures. She reported that everything was fine and there were no adjustments necessary to any of the financial reports. Ms. Page commended Mr. Keatts, Fiscal Services Director, for his work in leading the financial reporting process and, along with his staff, ensuring that Durham ABC's reporting is so accurate and well managed. Ms. Walker also applauded Lee Keatts and his staff for their help in making the audit process run so smoothly. Ms. Walker thanked the board for the opportunity to conduct the audit again this year since this work had gone out for bid to other companies this year.

**NC ABC Commission Audit Draft Report**

Dr. Guion 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. Reese seconded the motion and the board approved it without objection.

Upon coming out of closed session, the agenda was resumed.

**Law Enforcement Report and the Financial Reports for August 2012**

- **Law Enforcement Report for August 2012**  
In August, there were 24 ABC law violations, 2 controlled substance violations and 3 traffic offenses. Law Enforcement provided alcohol education to 6 groups, assisted other

agencies during 11 incidents, conducted 75 inspections, 100 compliance checks and conducted 40 hours of training.

Dr. Guion made a motion that details of internal Law Enforcement training efforts for Durham County ABC employees be included in the Remarks Section of the Law Enforcement report each month. Mr. Reese seconded the motion and the board approved it without objection.

- **Financial Reports for August 2012**

The August retail sales were up 10.34% compared to last year. MXB sales were up 16.75% compared to last year.

Total sales for the month were \$2,168,114, representing an increase of \$227,057 or a positive 11.70% as compared to last year. Sales were above the budget projections by \$139,710, a positive variance of 6.89%. Year-to-date sales of \$4,036,648 were up 4.97% compared to last year and 5.53% over budget.

Profit before distributions of \$150,737 was above budget for the month by \$115,482, representing a positive variance of 327.56%.

After profit distributions totaling \$60,943, there was net income of \$89,794, a variance of \$113,941 over budget. Year-to-date, net income of \$153,293 was over budget by \$176,571.

Compared to last year, August net income increased \$103,820. Year-to-date net income was up \$96,967.

### **Personnel Policy Recommendation**

Ms. Page is recommending that Section 806 of the Personnel Policies Manual with respect to the grievance process be amended to allow the General Manager to bring in a third party to review a grievance if it is not resolved after the initial review. This third party would serve in a Human Resources capacity to allow an objective view of the situation from someone outside the chain of command.

After some discussion about the recommendation, the board decided to table the discussion until a future meeting.

### **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.

Ms. Page highlighted the decision to delay the installation of the new POS system until after the holidays.

The board wanted to know whether a manual backup system could be put in place in case the current POS system experienced any system-wide failures. Ms. Page indicated that a manual system is not a viable alternative given the level of automation in the sales process. She will engage the staff and Hi-Tek POS in holiday preparedness planning to determine what can be done

to prevent system shutdown issues from arising.

**Other Business**

Ms. Shaw inquired about plans to honor former Board Member Connie White which was discussed at last month's meeting. Ms. Page stated that she had been in contact with Ms. White via voicemail exchanges thus far and that she would continue to pursue some possible dates when this event can take place.

Ms. Shaw stated that she and Mr. Burton presented the check to Durham Public Schools last month at the school board meeting as planned. The School Board was very appreciative of the award.

**Closed Business**

Mr. Nelson 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. Reese seconded said motion and the board approved without objection.

The board came out of closed session and adjourned the meeting.

**Adjournment**

Mr. Reese made a motion to adjourn the meeting which Mr. Nelson seconded and the Board agreed without objection.

Approved By: \_\_\_\_\_  
Kim Shaw, Board Chair