

Minutes of the Meeting November 16, 2020

The Durham County ABC Board met virtually via Zoom Meetings on the 16th Day of November 2020.

Chair Lebkes called the meeting to order at 5:32 p.m.

Board Members Gale Adland, Daniel Edwards, Frachele Scott and Ryan Urquhart were present virtually via Zoom.

General Manager Niegel Sullivan, Durham County ABC Financial Officer Phil Bair, Durham County ABC Attorney George Miller, III, Durham County ABC Operations Director Misty Walters, Durham County Human Resources Generalist Wendy Thomas-Wilder, Support Services Coordinator Perlie Davis, and Special Agent Sean Hamilton with Alcohol Law Enforcement were present in the room.

Conflict of Interest Review and Declaration

Chair 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 verbalized that they have reviewed the agenda and do not have any conflicts.

Consent Items

The consent items were approved as follows:

- Approval of October 19, 2020 Board meeting Minutes

Ms. Scott motioned to approve the October board meeting minutes. Mr. Edwards seconded. The consent item was unanimously approved.

Open Meetings Law

Frayda Bluestein, University of North Carolina Professor of public law and government attended via Zoom to give the board a presentation on official meeting and public business laws.

Ms. Bluestein said that statute states the board has to give a notice of a meeting to the public whenever there is an official meeting of a public body and the majority of said body is in attendance. The majority of the Durham County ABC Board is three.

A public meeting is a meeting about anything that relates to the ABC board. Ms. Bluestein answered questions about the laws and statutes from board members.

Law Enforcement

Special Agent Hamilton reported on law enforcement activity in October 2020. A total of 34 checks were performed at ABC stores; 23 mixed beverage inspections and nine other

inspections. There was a total of three violations and 44 arrests. There were 79 charges from permitted establishments and 20 from nonpermitted establishments; 95 misdemeanors and four felonies.

Agent Hamilton noted that there were more charges at nonpermitted establishments during the month of October. The reason was that there were search warrants at establishments that were selling alcohol without permits.

Financial Report

Mr. Bair began by discussing the board's cash balance for October.

October sales showed an increase of \$678,564 compared to the previous year. Retail showed an increase of \$1.13 million. Mixed beverage sales showed a decrease of \$452,000.

Monthly October sales showed \$4.1 million versus budgeted sales of \$3.2 million, a 29.5% positive variance. Durham ABC ranked 5th out of nine comparative boards. Year-to-date sales showed an increase of 15.74 % from the previous month.

General Manager's Report

Building Projects

Mr. Sullivan showed the board a current image of the Holloway Street location. The project is scheduled to be completed by late April or early May. The board has planned to begin the project of getting the curb, sidewalk, and driveways built. The board was given a \$20,000 allowance in the contract; the curb project will cost approximately \$5,000.

The roof at the Sherron Road location was projected to be finished the week of the meeting. The projected completion date is January 28, 2021. Mr. Sullivan said he hoped to have the store open by early February.

The board has scheduled the closing of the Highway 55 property no later than December 20. The proposed start date is March 2021. The contractor is scheduled to give the letter of recommendation to board at the February 15 meeting for approval of the contract.

Mr. Sullivan showed the board an image of what the new T.W. Alexander location will look like. The proposed start date is between March and April of 2022 and project completion is projected for 2023.

Inventory Management

The Warehouse has begun weekly inventory counts. Mr. Sullivan said that count integrity has improved each week. Variance numbers decrease significantly each week. The General manager and Operations Director have been present at each inventory to ensure that staff is following the process that was developed and implemented.

The Fiscal Services Director now completes the reconciliation process and sends the final variance numbers to each store manager. Mr. Sullivan also discussed the bourbon lottery process, the board's top products, and holiday purchasing.

Staffing/Holiday Preparation

There is one assistant manager position posted and interviews will be conducted on October 17. Once that position becomes filled, the board will be fully staffed. Mr. Sullivan said that law enforcement is in place to handle the increase of traffic for the Thanksgiving holiday.

Mixed Beverage

Mr. Sullivan gave an update to the board about the position of its Mixed Beverage department. The Mixed Beverage department usually makes up approximately 20 percent of total sales. Because of this, it is critical that retail stores continue to have strong sales to offset the loss brought on by COVID-19. One way the board has tried to increase Mixed Beverage sales is by keeping popular products in stock more consistently, developing relationships with regular customers, and notifying them when certain products come in. The number one issue negatively impacting Mixed Beverage sales is the current COVID-19 pandemic, Specifically, Durham-based North Carolina Central University and Duke University are doing virtual learning; DPAC and the Durham Bulls have temporarily closed down; tourism is down; and Durham lacks an airport. Durham is currently ranked #6 in the state for Mixed Beverage.

Announcements

The next board meeting is scheduled for December 21.

Closed Session

Ms. Scott motioned that the board go into closed session. Dr. Urquhart seconded. The board went into closed session.

Adjournment

The board returned from closed session and the meeting was adjourned.

Approved By: _____



Donald Lebkes, Board Chair