

**Minutes of the Meeting**  
**February 20, 2021**

The Durham County ABC Board met at the Rizzo Conference Center in Chapel Hill, NC on the 20<sup>th</sup> Day of February 2021.

Chair Lebkes called the meeting to order at 9:10 a.m.

Board members Ryan Urquhart and Daniel Edwards were present virtually via Zoom.

Board Members Gale Adland and Frachele Scott were present in the room. Also present were General Manager Niegel Sullivan, Durham County ABC Operations Director Misty Walter, Durham County ABC Financial Officer Phil Bair, Durham County ABC Attorney George Miller, III, Durham County Human Resources Generalist Wendy Thomas-Wilder, and Special Agent Doward with Alcohol Law Enforcement. (?)

**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.

The consent items were approved as follows:

- Approval of January 19, 2020 Board Meeting Minutes

Ms. Scott motioned to approve the January board meeting minutes. The consent item was unanimously approved.

General Manager Sullivan welcomed attendants and stated that the reason for the 2021 Work Session was to review financials and plan for future growth. He stated that the goal was to be four months ahead on the budget planning process, which was a first for Durham ABC. Also a first for Durham ABC is the goal to have a fully vetted budget prepared one month ahead of statutory requirement.

**Law Enforcement Report**

There were 34 mixed beverage inspections and 71 other inspections. There were no alcohol education programs. Two alcohol-related violations were submitted the ABC commission. There were 46 arrests. There were 82 charges at permitted establishments and eight at non-permitted establishments; 76 misdemeanors and 14 felonies.

Agent Doward discussed recent alcohol and drug-related investigations and arrests with the board.

**Human Resources Report**

Ms. Thomas-Wilder gave the board an update on the Covid-19 vaccine. Group 3 essential workers, which includes Durham County ABC staff, are eligible to receive the vaccine on March 10. She will pass along information to staff as she receives it. She stated that she is working with

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Paychex Flex to develop a new staff scheduling system. She hopes to have it operating in the next 30 to 60 days.

Mr. Sullivan discussed the upcoming poll survey. The survey gives administrators an idea of how staff members are feeling about operations and the ability to identify issues they were not aware of before. Mr. Sullivan said that the biggest issues are usually pay, benefits, and communication. Poll surveys are different each time and are developed to come up with an action plan to solve issues. It is recommended to follow up on the survey results after six months.

### **Financial Report**

Mr. Bair discussed variances and comparative sales for each store for the month of January, as well as the board's cash balance. January sales showed an increase of \$414,483 compared to the previous year. Retail sales showed an increase of \$879,830. Mixed beverage sales showed a decrease of \$465,347. Budgeted total sales for January were \$2,771,667, a positive budget variance of \$782,426 or 28.23 percent.

Mr. Bair stated that the board should consider installing more SafeDeposit boxes into stores. Durham ABC used the Durham-Chapel Hill Boulevard location as the pilot. Mr. Bair said that where deposits were taking four to five days with the previous cash courier, cash is deposited into the board's checking account by the next business day with SafeDeposit. He said the SafeDeposit box is safer because staff members are able to deposit money into the boxes all day long, reducing the amount cash left in registers.

**\*The board took a 5-minute break\***

### **General Manager's Report**

Mr. Sullivan discussed product buying and current inventory models for stores.

The warehouse continues to complete inventory weekly. The fiscal services director continues to complete the reconciliation process and send final variance numbers to store managers. Managers are then able to have conversations with their staff about trends. The new inventory schedule was successfully implemented and improves accountability.

The board along with Attorney Miller continues to update the policy and procedure manual.

Mr. Sullivan said he is working on improving efficiency. Breakage will be completed electronically from the store level beginning this month.

Mr. Sullivan said that retail sales continue to improve due to purchasing strategy, with a focus on the top 10 to 25 products. The board continues to purchase specialty bourbons to help Durham stay competitive. Sales for each store continues to trend upwards.

### **Capital Improvements**

Completion of the Holloway Street renovation project is scheduled for May 2021.

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The Sherron Road project is still delayed due to a gas line issue. Mr. Sullivan will update the board on the completion date at a later time.

Construction for the new Highway 55 location totaled \$3.18 million. Once approved by the board, construction will begin in March. Ms. Adland motioned to approve the total of \$3.18 million for the Highway 55 project. Ms. Scott seconded. The board unanimously approved the budget. The board has placed the existing Highway 55 location on the market.

Durham ABC continues to work on the site plan for the new T.W. Alexander location. Work will begin on the temporary location once permits are issued.

The board now owns the new administration office. Staff will be able to move into the building no later than the end of April.

**Closed Session**

Dr. Urquhart motioned that the board go into closed session. Mr. Edwards seconded. The board went into closed session.

**Adjournment**

The Board returned to open session. Ms. Adland motioned to approve the actions taken during closed session. Ms. Scott seconded. Edwards seconded. Ms. Adland, Ms. Scott, and Mr. Lebkes voted to approve the actions. Mr. Edwards and Dr. Urquhart voted against it. The meeting was adjourned.

Approved By: \_\_\_\_\_



Donald Lebkes, Board Chair

