

Cumberland County ABC Board
June 10, 2019
Regular Meeting
Main Office, 1705 Owen Drive, Fayetteville, NC 28304

PRESENT: Lee Boughman, Chairman
 Frances Jackson, Vice-Chair
 Tammy Sinclair, Board Member
 Paul Crenshaw, Board Member
 Alex Warner, Board Member
 Neil Yarborough, Attorney
 Patrick Mitchell, Rough Rider Security
 David Horne, General Manager
 John Russell, Deputy Director
 Doug Austin, Chief Law Enforcement
 Debbie Disbrow, HR Director
 Carolyn Parker, Finance Officer/Secretary

Mr. Boughman called the meeting of the Cumberland County Alcoholic Beverage Control Board to order at 6:00 PM.

Mr. Boughman announced that we would have a Public Hearing to review the Fiscal Year 2019-20 Budget in accordance with House Bill 1717. He said the Public Hearing is now open. There was no one present for the Public Hearing to review the budget. Mr. Boughman called the Public Hearing closed.

Mr. Boughman welcomed our guest Mr. Patrick Mitchell, Rough Rider Security, to the meeting.

Mr. Boughman asked that we do an agenda adjustments and move Mr. Mitchell before the announcements. Mr. Boughman asked Mr. Warner to introduce Mr. Mitchell. Mr. Warner said Mr. Mitchell is a friend.

Mr. Mitchell said he is retired from Fort Bragg, has a degree from Campbell University in Home Land Security and owner of Rough Rider Security, an armor car service. Mr. Boughman asked Mr. Mitchell to leave his armor car proposal with Mr. Horne.

Mr. Boughman asked were there any announcements. Mr. Horne announced that Ms. Jackson and Mr. Warner were reappointed to the Board for three years. Doug Austin was promoted to Chief of Law Enforcement. Mr. Rick Libero last day is June 11 but will be available to advise Chief Austin. Mr. Libero will be at the August board meeting to receive his plaque and firearm, per the Board's vote. The NC Association of ABC Boards' summer conference will be August 4-6, 2019 at the Pinehurst Resort in Pinehurst, NC. The registrations for the conference are due July 15. Please book your room as soon as possible due to the anticipated shortage.

Required Reading

Mr. Boughman read the required reading statutes GS 18B-201. The Board members did not have any conflicts of interest pertaining to the meeting.

Mr. Boughman asked for a motion to approve the May 13, 2019 Minutes as written.

MOTION: Mr. Crenshaw moved that the Board accept the May 13, 2019 Minutes as written.

SECOND: Mr. Warner

VOTE: Unanimous

Law Enforcement Report

Mr. Boughman asked for the approval of the May 2019 Law Enforcement Report in the package.

Mr. Austin gave the May 2019 Law Enforcement report and said there was no Sell to Underage Campaign Checks in May. The agents assisted other agencies with 18 incidents; there were 241 compliance checks and 146 store checks.

Agent Richard Skidmore received a plaque in recognition for his support of the Youth Conference at Beauty Spot Missionary Baptist Church on June 8, 2019.

MOTION: Ms. Jackson moved to approve the May 2019 Law Enforcement Report in the package.

SECOND: Ms. Sinclair

VOTE: Unanimous

General Manager's Report

Mr. Boughman asked for the May 2019 General Manager's reports.

Mr. Horne reviewed the May sales were up \$347,751, Over-the-counter sales were up \$288,683 and Mixed Beverage sales were up \$59,068. The year-to-date sales were up \$3,467,343. The Owen Drive store opened May 30.

Mr. Horne reviewed the May 2019 Condensed Schedule of Revenue and Expenses by Store Location with an Income from Operation of \$315,426.

OLD BUSINESS

Warehouse Update

Mr. Horne said Mr. Mackethan and he continues to look for property for a warehouse. The Toys R Us building is available for lease at \$30,000 per month or \$357,000 per year. Mr. Horne said the building would be ideal to put a store in the front and a warehouse in the back but, he could not recommend it for that price.

Update Total Vehicle Settlement

Mr. Horne said last month EMC sent a letter stating the settlement for Rick's vehicle was \$10,620. However, we received a check for \$17,228.64. There are no plans to replace the vehicle.

Budget July 2019 – June 2020

Mr. Horne said the projected revenue for FY 2019-2020 is \$40 million with \$3.6 million in distribution.

The High Points of FY 2020 Budget:

- One vehicle for administration for \$18K and a box truck for the warehouse for \$95K.
- Upgrade registers and installation for one store for \$20K.
- Additional law enforcement equipment for \$12K, which includes 2 portable radios and 2 Tasers.
- A 3.5% cost-of-living adjustment, merit wage increases, and longevity is included in the budget.
- Law Enforcement Officers reduced from 5 to 4. Chief Austin said that the department can function with four LE Officers.
- Staff Summary includes 65 full-time and 30 part-time positions. The positions by the department: Stores – 76, Warehouse – 8, Office – 7 and Law Enforcement – 4.

The estimated profit range to the County is \$3.6M - \$4M and there is \$317,400 in contingencies. The distributions to the County are paid quarterly and as of March 2019, we have given \$2,535,548.

Mr. Horne asked the Board if there were any questions. Mr. Boughman opened the floor for discussion of the budget. After the discussion, he asked for a motion to approve the FY2019 - 2020 Budget.

MOTION: Ms. Sinclair made a motion to accept the FY2019 - 2020 Budget with the following amendments:

- Pay off the Spring Lake loan to the County for \$27,500
- Increase the Working Capital to \$4.1 million beginning July 1, 2019
- Decrease Law Enforcement from 5 to 4 Officers
- Decrease Clothing Allowance from \$7,500 to \$6,000
- Decrease Mandatory Classes from \$5,000 to \$4,000
- Increase Undercover Money from \$2000 to \$4,500
- Budget 3.5% for COLA, but give the employees the same percentage as Cumberland County for FY2019 - 2020 year.

SECOND: Mr. Warner

VOTE: For: Sinclair, Warner, Boughman, and Crenshaw
Opposed: Ms. Jackson

NEW BUSINESS

FY 2018-19 Budget Amendment 2

Ms. Parker said the purpose of the end of the year FY19 Budget amendment 2 is to satisfy the ABC Commission requirement that the Board operates under an annual balanced budget.

Section 1: To amend the estimated sales, taxes and cost of sales; the appropriations are to be made as follow.

<u>Description</u>	<u>Original</u>	<u>Increase</u>	<u>Amend 2</u>
Estimated Sales	36,000,000	3,300,000	39,300,000
Taxes on Sales	8,499,100	718,000	9,217,100
Cost of Sales	18,360,000	1,887,000	20,247,000

Section 2: To amend the operating expenses as outlined below.

<u>Description</u>	<u>Original</u>	<u>Increase</u>	<u>Amend 2</u>
Salaries & Wages	3,645,100	25,000	3,670,100
Bank Services	10,560	5,100	15,660
Licenses & Other Taxes	6,800	600	7,400
Drug Testing	1,800	1,700	3,500
Interest Expenses	1,000	3,100	4,100

Section 3: To amend the Distribution as outlined below.

<u>Description</u>	<u>Original</u>	<u>Increase</u>	<u>Amend 2</u>
Mandatory 3.5% & Bottle Tax	970,218	89,100	1,059,318

Motion to give the General Manager and Finance Officer the authority to move funds from contingencies to balance the expense accounts that are over the budgeted amount for the fiscal year. This motion must be requested by the GM and FO at the June board meeting every year.

Mr. Boughman asked for a motion to approve the FY19 Budget amendment 2 as presented.

MOTION: Mr. Crenshaw made a motion to adopt as presented the FY19 Budget amendment 2 and to give the General Manager and Finance Officer the authority to move funds from contingencies to balance the expense accounts that are over the budgeted amount for the fiscal year.

SECOND: Ms. Sinclair

VOTE: Unanimous

Request County Renew Travel Policy Effective 07/01/19

Ms. Parker said the State requires that the ABC Boards elect to follow the State officers and employees travel policy or the appointing authority travel policy. The County travel policy follows the Federal Government Per Diem Rates. The State requires that the local appointing authority approve the use of the County's Travel Policy annually by the Board. The Board's Chairman must send a letter written to the County Commissioners' Chair to request for the renewal of the County Travel Policy. The County Commissioners must send approval in writing and a copy of the travel policy to the NC ABC Commission.

MOTION: Ms. Jackson made a motion to renew the County Travel policy effective 07/01/19.

SECOND: Mr. Warner

VOTE: Unanimous

Auditor Contract – May & Place, PA

Ms. Parker said that the contract with the auditor May & Place, PA was set up with two optional years. This is the second optional year and the fee is \$12,200 for FYE June 30, 2019.

MOTION: Mr. Crenshaw moved that the Board remain with May & Place, PA to perform the June 30, 2019 audit for \$12,200.

SECOND: Ms. Jackson

VOTE: Unanimous

Board Members Ride with Law Enforcement

Mr. Boughman said he would like the Board members to be allowed to ride with the ABC Law Enforcement officers.

MOTION: Mr. Boughman made a motion to dissolve the June 11, 2007 policy that no Board member ride with the ABC Law Enforcement officers at night checking on the restaurants and bars.

SECOND: Mr. Warner


VOTE: Unanimous

Mr. Boughman asked for a motion to adjourn.

MOTION: Ms. Jackson moved to adjourn.

SECOND: Ms. Sinclair

The meeting adjourned at 7:00 PM



Chairperson