

Cumberland County ABC Board
September 12, 2016
Regular Meeting
Main Office, 1705 Owen Drive, Fayetteville, NC 28304

PRESENT: Johnson Chestnutt, Chairman
 Wade Hardin, Vice-Chairman
 Terri Thomas, Board Member
 Bob Lewis, Board Member
 Frances Jackson, Board Member
 Neil Yarborough, Attorney
 Commissioner Jeannette Council, Liaison
 Scott May, May and Place, PA
 David Horne, General Manager
 Bill Belvin, Chief Law Enforcement

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

Mr. Chestnutt welcomed Mr. Scott May, May and Place, PA and Commissioner Jeannette Council to the meeting.

Mr. Chestnutt asked were there any agenda adjustments. Mr. Chestnutt said add Computer & Microsoft Exchange Software to New Business – Item 10-B. There were no objections.

Mr. Chestnutt asked were there any announcements. There was none.

Required Reading

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

Mr. Chestnutt asked for the approval of August 8, 2016 minutes.

MOTION: Ms. Jackson moved that the Board accept the August 8, 2016 minutes as mailed.

SECOND: Mr. Hardin

VOTE: Unanimous

Auditors' Report

Mr. Scott May, May & Place PA, presented the audit for fiscal year ending June 30, 2016 to the Board. The audit includes the Independent Auditor Report, Management Discussion & Analysis, Basic Financial Statement, which includes Notes & Disclosures and Supplemental Schedules required by the NC ABC Commission. Mr. May highlighted the Statement of Net Position, the Statement of Revenues, Expense, and Changes in Fund Net Position, and Statement of Cash Flows.

The Board paid off the BB&T Note this year, which decreased the Long-term Debt to the two loans with the County.

The Board gave the County \$2,767,086 in profit and \$192,950 in ARE for the fiscal year. Every store in the system is profitable. The financial records are accurate and properly reflect the financial position of the Board. He said it was a pleasure working with the staff and they do an excellent job.

Ms. Parker informed the Board that Amendment 4 moved \$5,000 from Contingencies to Administration Group Health to ensure the account did not exceed the budgetary line. The Board made a motion at the June 13, 2016 meeting 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.

Mr. Chestnutt suggested that the Board look closely at the 2016 expenses in comparison to last year and analyze the significant increases at the next meeting.

MOTION: Mr. Lewis moved to accept the Auditors' Report prepared by May & Place, PA for June 30, 2016.

SECOND: Mr. Hardin

VOTE: Unanimous

Law Enforcement Report

Mr. Chestnutt asked for the approval of the August 2016 Law Enforcement Report in the package.

Mr. Belvin said the agents assisted state and federal agencies. There were 176 store visits.

MOTION: Mr. Hardin moved to approve the August 2016 Law Enforcement Report in the package.

SECOND: Ms. Thomas

VOTE: Unanimous

General Manager's Report

Mr. Chestnutt asked for the approval of the August 2016 General Manager's report.

Mr. Horne said the State was up 3.83% in July and we were up 4.86%. The August sales were up \$97,058 and year-to-date up \$224,326. Most stores experienced an increase except Spring Lake due to the road construction. August's over the counter sales were up \$52K and mixed beverage sales were down \$45K. The inventory for August was very good.

Mr. Horne said to follow-up on the *Talk it Out NC Campaign*; he spent a half-day with Ms. Hope Walker, Director Program Development and Strategic Partnerships, to discuss our options to work with the school system to help reduce underage drinking. The programs availability is limited until spring when we plan to visit at least two schools. The Commissioner is paying for the cost of the program.

Mr. Horne said that he has contacted the NC Director of Boy Scouts to schedule a meeting to try to collaborate with them. He asked the Board to suggest other organizations that may benefit from the Campaign. Ms. Council recommended Mr. Horne contact the Fayetteville-Cumberland Youth Council and to suggest the possibility of adding the Campaign to the school's system curriculum. Mr. Lewis recommended contacting Dr. Mary Black or Ms. Betty Musselwhite at Cumberland County Schools. Mr. Hardin recommended contacting the mega churches in Cumberland County.

Mr. Horne said all the sales associates had their annual Customer Service and Alcohol Intoxication training. Ms. Debbie Disbrow, HR and Mr. Bill Belvin, Chief Law Enforcement did a great job putting the course together.

MOTION: Ms. Thomas moved that the Board accept the August 2016 General Manager's report.

SECOND: Ms. Jackson

VOTE: Unanimous

NEW BUSINESS

FY17 Budget Amendment 1 – New HVAC Raeford Road

Mr. Horne said the 12.5-ton commercial HVAC unit stop cooling at the Raeford Road store in August and to repair the condenser it would have cost \$7,000. He consulted with Mr. Chestnutt on purchasing a new unit instead of repairing the 13-year old unit. Blackwell Heating and Air, Inc. provided a quote for \$12,394 to replace the unit, which included the cost of the crane rental and installation. Mr. Horne inquired with other companies and even looked into purchasing a unit and have someone install it. The cost to purchase a unit was \$11,500 and that price did not include installation and moving the unit. Mr. Horne requested that the Board amend the FY17 Budget to move \$12,394 from Contingencies to the Raeford Road Store for the new HVAC purchased in August 2016.

Mr. Hardin recommended Mr. Horne revisit purchasing maintenance agreements for the units because one of our main expenses is the repair of units.

MOTION: Mr. Hardin made a motion to amend the FY17 Budget to move \$12,394 from Contingencies to Capital Outlay for the new HVAC system at Raeford Road.

SECOND: Ms. Thomas

VOTE: Unanimous

Computer & Microsoft Exchange Software

Mr. Horne presented a quote from NOAH Computer Services, Inc. to replace the back office server and our e-mail exchange. We are currently on Host Excellence that has two versions, Outlook and Horde e-mail. These two email systems do not always work together. The stores use Horde and a lot of time they are unable to see or open the email files. The disadvantages include resetting the firewall 1 to 2 times per week, email system crashes with up to 5 days down time, and we have vendors that deny our emails because the system is not secure and encrypted.

Mr. Horne said NOAH's quote would replace the Server to bring us up-to-date and more commercial, Outlook email, Server Rack for organization, and our own e-mail exchange. He recommended we accept this quote for \$16,949.11 to replace all equipment and get our own email exchange.

The Board discussed the bid. Mr. Hardin asked were there other bids and felt hesitant to prepay for the equipment. Mr. Horne response was there are limited vendors in Cumberland County that did this type of work for this size business. Mr. Chestnutt said that NOAH does work for his company and has never had a problem with their service.

Ms. Jackson asked had he sought to get assistant from the County's IT department. Mr. Horne said that subject has never been discussed, but would consider it.

Mr. Yarborough suggested that we ask if the company would consider a 20% retainer.

Mr. Chestnutt asked for a motion to purchase a new server and e-mail exchange from NOAH Computer Services for \$16,949.11.

MOTION: Mr. Lewis made a motion to purchase a new server and e-mail exchange from NOAH Computer Services for \$16,949.11

The motion died for a lack of a second.

Mr. Chestnutt asked were there any other motions.

MOTION: Ms. Thomas moved to adjourn.

SECOND: Ms. Jackson

VOTE: Unanimous

The meeting adjourned at 7:14 PM.

Chairperson