

**Cumberland County ABC Board
October 8, 2018
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
 Neil Yarborough, Attorney
 Commissioner Jeannette Council, Liaison
 David Horne, General Manager
 John Russell, Deputy Director
 Walter Rea, 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 welcomed our guest Commissioner Jeannette Council to the meeting.

Mr. Boughman asked were there any agenda adjustments. There was none.

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

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 the approval of September 10, 2018 minutes.

MOTION: Mr. Crenshaw moved that the Board accept the September 10, 2018 minutes as mailed.

SECOND: Ms. Jackson

VOTE: Unanimous

Law Enforcement Report

Mr. Boughman asked for the approval of the September 2018 Law Enforcement Report in the package.

Mr. Rea asked the Board if they had any questions regarding the Law Enforcement report. He said that the officers are working hard on the Underage Campaign and found 3 under age persons

to assist. The officers are working until 2 AM on Friday and Saturday to address any issues with the bars. There were 151 store visits and 275 compliance checks.

MOTION: Ms. Jackson moved to approve the September 2018 Law Enforcement Report in the package.

SECOND: Ms. Sinclair

VOTE: Unanimous

General Manager's Report

Mr. Boughman asked for the September 2018 General Manager's reports.

Mr. Horne said the State was up 10.67% in August and we were up 12.09%. He said we had 3.5 less sale days in September, 2.5 days were due to Hurricane Florence. We closed early on Thursday, 9/13, and was closed Friday and Saturday, 9/14 & 9/15, respectively. The Owen Drive store has been closed since the storm. Mr. Horne said the September sales were down \$75,905, Over-the-counter sales were down \$1,710 and Mixed Beverage sales were down \$74,195. The year-to-date sales were up \$431,448. Mr. Horne said as of Saturday, October 6th, sales are up \$91K.

Mr. Boughman asked if we had insurance to cover the loss of sales at the Owen Drive store. Mr. Horne said the insurance does cover the loss of sales and profits. The cost of the liquor in the store at the time of the storm was \$222K. We were able to pull \$55K of undamaged liquor back in the warehouse. The total cost of the claim is \$165,478 for the damaged liquor.

Highland Roofing is contracted to repair the Owen Drive store roof for \$67K. The hold up for the restoration of the store is the flooring. The building was built in 1962 and underneath the tile are small asbestos squares that will have to be removed prior to starting the reconstruction of the store. EMC Insurance Company plans to bring in a company to remove the floor in a couple of weeks.

Mr. Horne said the earliest the Owen Drive store will open is after the first of next year. EMC Insurance Company is going to reimburse us for the cost to rebuild the store. Mr. Horne has estimated it will cost \$500K to rebuild the store.

Mr. Horne recommended the Board reserve \$500K for this capital project to ensure the system has enough working capital during the reconstruction of the Owen Drive store.

The Morganton Road store roof leaked due to the storm and has been repaired by the owner. The Person Street and Sycamore Dairy stores had some minor roof repairs for less than \$1,000 each.

The September's *Condensed Schedule of Revenue and Expenses by Store Location* the Income from Operation was \$300,478.

Mr. Boughman added Capital Ordinance Project to the agenda after the Weather Policy Change.

Mr. Boughman asked for a motion to approve the General Manager report.

MOTION: Ms. Jackson made a motion to approve the General Manager report.

SECOND: Mr. Crenshaw

VOTE: Unanimous

NEW BUSINESS

Warehouse Proposal

Mr. Horne said he received 3 proposals to build a 6,500 sq. ft. metal storage warehouse located at 424 Person Street adjacent to the current ABC store.

Proposals

Nichols Building, Inc	\$605,000.00
Southeastern General Contractors	\$450,000.00
RayWest Designbuild	\$605,452.20

Mr. Horne said based on the cost proposed for a 6,500 sq. ft. metal building he could not recommend to the Board to accept these bids from the vendors.

MOTION: Mr. Boughman made a motion to table the warehouse building.

SECOND: Ms. Jackson

VOTE: Unanimous

PWC Settlement

Mr. Horne said he requested \$18,550.66 and PWC has made a settlement offer for \$7,848.66 for the damages that occurred at the Ramsey Street store on July 10, 2018. PWC outlined settlement offer below:

Description of Loss	Requested Amt	Settlement Offer
CD Player, Microwave oven, Calculator	\$239.66	\$239.66
2 AC units	*\$14,311.00	*\$5,809.00
Loss of business due to outage (5hrs)	**\$4,000.00	**\$1,800.00
Total =	\$18,550.66	\$7,848.66

*Mr. Horne recommendation was to replace both units. PWC contractor advised that the 2 units could be repaired at cost.

**Mr. Horne recommendation included the cost for items not sold. PWC is offering the profit that was loss.

Ms. Sinclair recused herself from the PWC Settlement discussion.

MOTION: Mr. Boughman made a motion to give the authority to Mr. Horne to settle the claim for the Ramsey Street damages with PWC between \$9K and 10K.

SECOND: Ms. Jackson

APPROVE: Boughman, Jackson and Crenshaw

RECUSED: Ms. Sinclair

Weather Policy Change

Mr. Horne said the *Bad Weather Policy* (page 30, item A) states the ABC Board will pay for a taxi for an employee to get home if the roads are extremely dangerous. He is not sure when the policy was written but this policy is not a true reflection of the current system with 11 stores and 100 employees. The policy sounds like the Board would never close the stores for bad weather. Mr. Horne recommended the Board replace the old *Bad Weather Policy* with the new *Inclement/Adverse Weather Policy*. The new policy addresses how the employees will be paid if the ABC stores are closed or closes due to inclement weather.

Mr. Boughman asked for a motion for the weather policy change.

MOTION: Ms. Jackson made a motion to accept the new *Inclement/Adverse Weather Policy* and strike the *Bad Weather Policy*.

SECOND: Ms. Sinclair

VOTE: Unanimous

Capital Ordinance Project – Owen Drive Store

MOTION: Mr. Boughman made a motion to set aside a Capital Ordinance Project to handle the repairs of the Owen Drive store in the amount of \$500,000.

SECOND: Ms. Jackson

VOTE: Unanimous

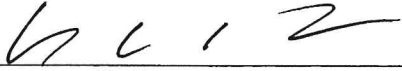
Ms. Jeannette Council announced that the County Commissioners have nominated Alex Warner and Dan Griffin as candidates to be the new ABC Board member.

Mr. Boughman asked for a motion to adjourn.

MOTION: Mr. Crenshaw moved to adjourn.

SECOND: Ms. Sinclair

The meeting adjourned at 6:45 PM.



Chairperson