

Cumberland County ABC Board
January 13, 2020
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
 David Horne, General Manager
 John Russell, Deputy Director
 Debbie Disbrow, HR Director
 John Crawford, Chief Law Enforcement
 Carolyn Parker, Finance Officer/Board Secretary

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

Mr. Boughman asked were there any agenda adjustments. Mr. Boughman asked Mr. Horne if he would like to add Cedar Creek to the agenda under New Business, Item B. Mr. Horne agreed.

Mr. Boughman asked were there any announcements. Mr. Boughman welcomed Ms. Parker back.

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 December 9, 2019 minutes.

MOTION: Ms. Jackson moved that the Board accept the December 9, 2019 minutes as mailed.

SECOND: Ms. Sinclair

VOTE: Unanimous

Law Enforcement Report

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

Mr. Crawford gave the December 2019 Law Enforcement report and said there were 8 permittee inspections and 319 compliance checks in December. Charges included 8 unauthorized

possessions; and 1 sell/give to intoxicated. There were 1 all other criminal charges for a total of 10 charges. There were zero thief reported in December. There were 305 ABC store checks.

MOTION: Ms. Jackson moved that the Board accept the December 2019 Law Enforcement Report.

SECOND: Mr. Crenshaw

VOTE: Unanimous

General Manager's Report

Mr. Boughman asked for the approval of the December 2019 General Manager's reports.

Mr. Horne reported that the State's sales for November were up 11.20% and we were up 11.99%. The State's sales for December were up 4.0% and we were up 2.03%. Mr. Horne said the December sales were up \$91,083, Over-the-counter sales were up \$46,764 and Mixed Beverage sales were up \$44,319. So far, this fiscal year sales are up \$1,662,151. Income from Operation was \$617,399.

Mr. Horne said the financials through December 2019 shows that the Income from Operations is up 12.25% of sales over last year 11.87%. The Total Operating Expenses are down 12.74% of Sales from 13.25% last year, even though the expenses are higher. The Salaries Expenses are down 6.45% of Sales from 6.87% last year. Mr. Horne said it is always a good thing when your income increases and your expenses decrease.

Mr. Horne said there is a tasting scheduled for Thursday, January 30 at the Raeford Road store from 4 pm to 6 pm. NC Broad Branch Distillery will have three items to taste. Their products consist of flavor blended bourbon, vodka and rum.

MOTION: Mr. Warner made a motion to accept the General Manager's report.

SECOND: Ms. Jackson

VOTE: Unanimous

NEW BUSINESS

CCABC Policy and Procedure Manual Update

Mr. Horne recommended that the policy and procedure manual be updated to make it easier to read and to reduce redundant sections. The manual is 55 pages which is too long and repeats quite a few things with different directives. Mr. Horne suggested that over the next 6 months Ms. Disbrow, Mr. Russell and himself work on it and present 10 pages per meeting to the Board.

The Board concurred to accept Mr. Horne's recommendation to update the policy and procedure manual.

Cedar Creek Store 11

Mr. Boughman said he asked Mr. Horne to do a profit analysis of the Cedar Creek store for this meeting.

Mr. Horne started the presentation by reviewing Cedar Creek's Profit or Income from Operations from the annual audits starting with the opening year 2005 to 2019. Based on his analysis the store total Income from Operations over the past 15 years was \$450,249. We have stores that will do that in one year. The first six months ending December 2019 Cedar Creek's Income from Operations is \$63K compared to \$62K prior year and this was the busy season. Based on the analysis the store will probably average \$90K in profit per year.

Mr. Horne listed three options to do for Cedar Creek.

Cedar Creek Store Recommendations

Number	Options	Potential Results
1	Do Nothing	Estimated annual Income from Operations between 80K to 90K per year
2	Change Store Hours	Change store hours from 10 am - 9 pm to 12 pm - 8 pm, estimated to save 28K in payroll. Cost appropriately 350K to run the store per year including indirect cost.
3	Close the Store	Most customers will drive 5 miles to the Person St. Store. This will save in expenses and add appropriately 200K in profit at Person St.

Mr. Horne presented a list with the top ten boards' profit percentages for FY 2019 including their number of stores. Out of the ten ABC Boards Cumberland was number 7 in gross sales but number 9 in Income from Operations at 10.82%. The only ABC Board close was Catawba in 9th place with 10.09% in Income from Operations with 12 stores. The boards with fewer stores in the list from number 5 to 10 had a higher percentage of Income from Operations.

Mr. Horne said that based on his findings he recommended that the Board close the Cedar Creek Store.

MOTION: Mr. Boughman made a motion to close the Cedar Creek Store #11 effective Saturday, February 15, 2020.

SECOND: Ms. Jackson

VOTE: Unanimous

Mr. Yarborough said to check with the insurance company regarding the coverage for a closed property that we own.

Mr. Boughman announced that he asked Mr. Horne to review the Ramsey Street numbers for next month.

CLOSED SESSION

MOTION: Ms. Jackson made a motion go into closed session to discuss real estate, GS 143-318.11(a)(5).

SECOND: Ms. Sinclair

VOTE: Unanimous

The Board went into closed session.

MOTION: Ms. Jackson made a motion to come out of closed session.

SECOND: Ms. Sinclair

VOTE: Unanimous

Mr. Boughman asked for a motion to adjourn.

MOTION: Ms. Jackson moved to adjourn.

SECOND: Ms. Sinclair

The meeting adjourned at 7:15 PM.



Chairperson