

Cumberland County ABC Board
June 8, 2020
Regular Meeting
Person Street, 424 Person St, Fayetteville, NC 28301

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 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 announced that we would have a Public Hearing to review the Fiscal Year 2020-21 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 asked were there any guest. There were none.

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

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

Required Reading

Mr. Boughman read the required reading statutes GS 18B-201. The Board members did not have any conflicts of interest concerning any matters on the agenda.

Mr. Boughman asked for the approval of May 11, 2020 minutes.

MOTION: Ms. Sinclair moved that the Board accept the May 11, 2020 minutes as mailed.

SECOND: Mr. Warner

VOTE: Unanimous

Law Enforcement Report

Mr. Boughman asked for the approval of the May 2020 Law Enforcement Report in the package.

Mr. Crawford gave the May 2020 Law Enforcement report. There were 275 store checks and 32 restaurants compliance checks, 29 permittee inspections, 1 violation report submitted, 27 alcohol education, and 3 other offenses. Six of our stores were broken into

the weekend of the protest. The stores were Ramsey Street, Ramsey Commons, Sycamore Dairy, Hope Mills, Raeford Road, and Spring Lake. Ramsey Common was looted by 15 to 20 people. One of the people involved with the Ramsey Common break-in has been arrested and 2 people were arrested for Hope Mills. The officers assisted FPD with 8 incidents.

Mr. Crawford commended Mr. Horne, Mr. John Haynes, Operation Manager, Officer Skidmore, and Officer Spann for an outstanding job protecting the stores.

Mr. Horne said the product cost loss was estimated at \$3,500 and retail loss at \$7,000 and the cost of glass repair after hours was \$5,289, which is a total estimated loss of \$8,700. Also, there is an over-time cost for the man-hours used that weekend.

Mr. Horne said that he would like to recognize Mr. Crawford for the best teamwork of law enforcement since he has been working at the ABC Board.

MOTION: Ms. Jackson moved that the Board accept the May 2020 Law Enforcement Report.

SECOND: Mr. Crenshaw

VOTE: Unanimous

General Manager's Report

Mr. Boughman asked for the approval of the May 2020 General Manager's reports.

Mr. Horne reported that the State's sales for May were up 14.42% and we were up 30.22%. He said the May sales were up \$1,073,781, Over-the-counter sales were up \$1,674,966 and Mixed Beverage sales were down \$601,185. June sales are up \$253,624 after 6 selling days. There were no calls for MXB buyback. So far, this fiscal year sales are up \$4,571,179. Mr. Horne said the Income from Operation was \$671,839.

Mr. Horne said Law Enforcement continues to do an excellent job supporting the stores.

Ms. Jackson asked if we were going to file an insurance claim for the break-in loss in the stores or eat the cost? Mr. Horne said that he would leave the decision to the Board to file a claim for \$10,000. There was no motion to file a claim with EMC Insurance for the stores' damages and the inventory loss.

OLD BUSINESS

Budget July 2020 – June 2021

Mr. Horne said the projected revenue for FY 2020-2021 is \$43 million with \$4.6 million in distribution.

The High Points of FY 2021 Budget:

- A box truck for the warehouse for \$84K.
- Upgrade registers and installation for one store for \$20K.

- Office upgrade Microsoft Dynamics Navision 365 for \$44K.
- New store fixtures and shelving for \$175K.
- A 3 % cost-of-living adjustment, merit wage increases, and longevity is included in the budget.
- Working Capital is \$4.1 million.
- Staff Summary includes 53 full-time and 35 part-time positions. The positions by the department: Stores – 69, Warehouse – 8, Office – 8, and Law Enforcement – 3.

The estimated profit range to the County is \$4.6M - \$5M and there is \$306,800 in contingencies. The distributions to the County are paid quarterly and as of March 2020, we have given \$2,741,531.

Mr. Horne asked the Board if there were any questions. Mr. Boughman opened the floor for discussion of the budget. Mr. Crawford recommended that the Board eliminate the LE part-time couriers and allow the ABC LE to pick up the deposit 3 days a week. The LE officers are working 10 hours a day and could easily handle the deposits and it would make us more available to the store employees.

Ms. Jackson asked were there any NC state laws that our money has to be deposited daily? Mr. Horne said as to his knowledge there are not any state laws that require the ABC Board to make a daily deposit.

Mr. Warner said Ms. Jackson has raised an important question. He asked legally do we need professional security to help us with the deposits and are we in violation of the state law by not making daily deposits? Mr. Horne said his initial response is we are not violating the state law.

Mr. Yarborough asked who does our deposits? Mr. Horne said we have four retired Fayetteville police officers that pick up our deposits and they are armed.

Mr. Boughman asked for a motion to approve the FY2020 - 2021 Budget.

MOTION: Ms. Jackson made a motion to accept the FY2020 - 2021 Budget as presented by Mr. Horne, General Manager, except for the LE Part-time couriers for \$22,700.

SECOND: Ms. Sinclair

DISCUSSION: Mr. Warner asked if it was legal for the Board to make deposit three times a week versus doing daily deposits?

Mr. Yarborough said that it is required that the local government make a daily deposit according to GS 159-32 and it is not an ABC Commission requirement according to GS 18-B.

Mr. Warner said he was satisfied with Mr. Yarborough's response.

VOTE: Unanimous

Store Hours

Mr. Horne said the store hours are currently 11 am to 8 am. Most ABC Boards have returned to their normal hours. He recommended returning to our normal hours from 10 am to 9 pm which would be ideal for summer and vacation season.

Mr. Boughman recognized Ms. Parker to speak before the Board. Ms. Parker said on behalf of the store employees they like closing at 8 pm.

MOTION: Mr. Boughman made a motion to return to our normal hours of 10 am to 9 pm starting with the next pay period, June 21, 2020.

The motion died due to lack of a second.

The Board will review the hours at the July board meeting.

NEW BUSINESS

FY 2019-20 Budget Amendment 2

Mr. Horne said the purpose of the end of the year FY20 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, other income, taxes, and cost of sales; the appropriations are to be made as follows.

<u>Description</u>	<u>Original</u>	<u>Increase</u>	<u>Amend 2</u>
Estimated Sales	40,000,000	5,000,000	45,000,000
Investment Income	-0-	7,300	7,300
Other Income	-0-	14,700	14,700
Taxes on Sales	9,377,100	940,000	10,318,000
Cost of Sales	20,607,000	2,594,000	23,201,000

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	3,756,200	25,000	3,781,200
Rent	246,900	4,100	251,000
Security	42,000	5,400	44,700
Credit Card Processing Fees	374,300	55,000	429,300
Late Payment Penalty	-0-	200	200
Drug Testing	3,100	400	3,500

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	1,078,191	135,170	1,213,361
Alcohol Education & Rehab	250,000	50,000	300,000

Section 4: To modify the capital outlay as outlined.

<u>Description</u>	<u>Original</u>	<u>Increase</u>	<u>Amend 2</u>
Car – Law Enforcement	-0-	5,000	5,000
Car - Warehouse	95,000	(5,000)	90,000
Equipment & Software - Stores	20,000	25,000	45,000
Building Improvement – Stores	-0-	7,400	7,400

Mr. Boughman asked for a motion to approve the FY20 Budget amendment 2 as presented.

MOTION: Mr. Crenshaw made a motion to adopt as presented the FY20 Budget amendment 2.

SECOND: Mr. Warner

VOTE: Unanimous

Request County Renew Travel Policy Effective 07/01/20

Mr. Horne 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: Mr. Boughman made a motion to renew the County Travel policy effective 07/01/20.

SECOND: Ms. Jackson

VOTE: Unanimous

General Insurance Renewal

Mr. Horne said the Board received two bids for the general, liability, automobile, umbrella, and workers compensation for the period 07/01/2020 to 07/01/2021 from Surry Insurance Company – EMC for \$132,571.67, and McGriff Insurance Services – Penn National, Casualty Mutual (auto), Business First Insurance for \$136,204.93. He recommended that the Board select Surry Insurance for \$132,571.67.

MOTION: Mr. Warner moved that the Board continue with Surry Insurance based on the recommendation from Mr. Horne and Ms. Parker for general, liability, automobile, umbrella, and workers compensation insurance for the period 07/01/2020 to 07/01/2021 for \$132,571.67.

SECOND: Ms. Sinclair

VOTE: Unanimous

Raeford Road – New HVAC

Mr. Horne said he received two bids for a new HVAC for the Raeford Road warehouse. Both bids recommended a Medium Gas Heat/Cooling Single Package Rooftop 10-ton unit which includes removal of old equipment and ductwork. Mr. Horne recommended Blackwell for \$14,456, even though they are \$500 more than Bass. He is more familiar with Blackwell’s work performance.

Vendors	Bid
Blackwell Heating & Air Conditioning	\$14,456
Bass Air Conditioning	\$13,956
Ivey Mechanical	No Bid

MOTION: Ms. Sinclair made a motion to accept Blackwell Heating & Air Conditioning bid for a new HVAC for Raeford for \$14,456.

SECOND: Mr. Warner

DISCUSSION: Mr. Crenshaw recommended that Mr. Horne ask Blackwell to match Bass’s bid for \$13,956.

VOTE: Unanimous

Real Estate 416 Glidden Street

Mr. Horne said we delivered the \$5,000 earnest money to Yarborough, Winters & Neville, PA, we are having the structural checked which is roughly \$2,000, getting a quote to repair the fence, consulted with Greg West, RayWest DesignBuild, to discuss the loading dock and garage doors, and received an alarm system quote from Holmes Security for \$13,803, which has a 90-day expiration date.

We received three responses for a phase I environmental assessment for the property. One response was from a company out of Cary and Raleigh to search old records only with no site visit for \$2,300.

<u>Company</u>	<u>Amount</u>	<u>Inspection</u>
EHC Environmental – Red Springs	\$17,500.00	On-site
Froehling & Robertson, Inc – Richmond, VA	\$11,823.75	On-site

Mr. Horne recommended that the Board select F&R, Inc to do the on-site phase I environmental assessment.

MOTION: Ms. Jackson made a motion to accept Mr. Horne's recommendation to select Froehling & Robertson, Inc to do the on-site phase I environmental assessment of the 416 Glidden Street property.

SECOND: Mr. Warner

VOTE: Unanimous

CLOSED SESSION

MOTION: Mr. Warner made a motion go into closed session to discuss attorney-client privilege, GS 143-318.11(a)(3).

SECOND: Mr. Crenshaw

VOTE: Unanimous

The Board went into closed session.

MOTION: Mr. Boughman made a motion to come out of closed session.

SECOND: Ms. Sinclair

VOTE: Unanimous

MOTION: Ms. Jackson made a motion go into closed session to discuss a personnel matter, GS 143-318.11(a)(6).

SECOND: Ms. Sinclair

VOTE: Unanimous

The Board went into closed session.

MOTION: Mr. Boughman made a motion to come out of closed session.

SECOND: Ms. Jackson


VOTE: Unanimous

Mr. Boughman asked for a motion to adjourn.

MOTION: Ms. Jackson moved to adjourn.

SECOND: Ms. Sinclair

The meeting adjourned at 8:00 PM.


Chairperson