

Cumberland County ABC Board
May 9, 2016
Regular Meeting
Main Office, 1705 Owen Drive, Fayetteville, NC 28304

PRESENT: Johnson Chestnutt, Chairman
 Wade Hardin, Vice-Chairman
 Alice Stephenson, Board Member
 Terri Thomas, Board Member
 Bob Lewis, Board Member
 Thomas Neville, Attorney
 David Horne, General Manager
 Bill Belvin, Chief Law Enforcement
 Debbie Disbrow, HR Director
 Walter Rea, Law Enforcement
 Carolyn Parker, Finance Officer/Secretary

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

Mr. Chestnutt announced that we will have a Public Hearing to review the Fiscal Year 2016-17 Budget in accordance to 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. Chestnut called the Public Hearing closed.

Mr. Chestnutt welcomed Attorney Thomas Neville to the meeting.

Mr. Chestnutt asked were there any agenda adjustments. Mr. Chestnutt said we need to add Item 10F - Bids for New Cameras and under Item 11 delete the Closed Session for Land Pursuit.

Mr. Chestnutt asked were there any announcements. Mr. Chestnutt announced the NC Association of ABC Boards' summer conference is at the Sheraton Four Seasons Hotel in Greensboro, NC on July 27 -30.

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 April 11, 2016 minutes.

MOTION: Mr. Lewis moved that the Board accept the April 11, 2016 minutes as mailed.

SECOND: Mr. Hardin

VOTE: Unanimous

Law Enforcement Report

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

Mr. Belvin said as you noticed we have a new law enforcement report which is harder to follow. April was a good month. We arrested two persons with crimes related to the stores, one person was involved in a big credit card fraud ring and the other person was running a flim-flam operation trying to beat the clerks out of change. The officers assisted the state and federal agencies, conducted 206 store surveys, assisted with 5 search warrants and attended 36 hours of training.

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

SECOND: Ms. Thomas

VOTE: Unanimous

General Manager's Report

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

Mr. Horne said we moved up to number 6 in the State and beat Durham for the month of March. The State was up 11.6% for March 2016 and we were up 10.6%.

Mr. Horne said the sales were up \$363,432 or 14.5% for April; the last time the system had an increase of that size in a month was in October 2006. April's over the counter sales were \$350K and mixed beverage sales were \$14K. Also, the year-to-date sales were up \$1,641,340. We are running 14% ahead in May and our inventory counts were good.

MOTION: Mr. Hardin moved that the Board accept the April 2016 General Manager's report.

SECOND: Ms. Thomas

VOTE: Unanimous

NEW BUSINESS

FY 2015-16 Budget Amendment & Working Capital

Mr. Horne said the FY2015-16 Budget line item for Building Improvement has \$20,000 for administration and \$30,000 for warehouse. He said there are no plans to do any building improvements for the office and warehouse this year. However, we are in need of vehicles for law enforcement this year due to the age of the cars, high mileages and high repair bills. Mr. Horne recommended that the Board amend the FY16 Budget to move \$50,000 in building improvement to Law Enforcement to purchase vehicles.

MOTION: Mr. Hardin made a motion to amend the FY15-16 Budget to move \$50,000 from building improvement, \$20,000 – administration and \$30,000 – warehouse, to vehicles for law enforcement.

SECOND: Ms. Stephenson

VOTE: Unanimous

Working Capital

Mr. Horne said that our current working capital is \$2.6 million which includes our cash on hand, inventory and buying power. He was looking at increasing the working capital to \$3.1 million which would afford us the opportunity to do buy-ins for liquor. Every three months we do buy-ins to save money. By increasing the working capital it will give us the flexibility to buy liquor in advance at a lower price and in turn make a profit on the liquor by having it on hand in the warehouse. Mr. Horne recommended that the Board increase the working capital by \$500K from \$2.6M to \$3.1M.

MOTION: Ms. Stephenson made a motion to increase the working capital from \$2.6M to \$3.1M effective May 9, 2016.

SECOND: Ms. Thomas

VOTE: Unanimous

Budget July 2016 – June 2017

Mr. Horne said he projected an increase of 3.2% for the operating revenue which is a \$1 million increase over last year. The plans are to keep the revenue projections conservative due to the uncertainty of the new President of the United States administration and any chance of Fort Bragg deploying troops.

The High Points of FY 2017 Budget:

- Building improvements estimated at \$146,000 which includes \$136K for the stores and \$10K for the warehouse.
- Equipment and software improvements for \$75,000 which includes \$30K for the stores, \$15K for the office, \$5K for the warehouse and \$25K for the law enforcement. Law enforcement needs a new software program to meet the State guide lines. We need to replace the server to have our email host in house. Currently we are using Host Excellence which has had problems such as being down for several days and has caused communication problems with the vendors and the stores.
- Two vehicles for \$60K for law enforcement.
- Cost of Living increase of 3% and longevity is included in the budget.

The estimated profit to the County is \$2.8 million and there is \$256,300 in contingencies. The distributions to the County are paid quarterly and as of March 2016 we have given \$2,277,493 which is a 19% increase over last year this time.

MOTION: Mr. Hardin made a motion to approve the Budget for July 2016 – June 2017.

SECOND: Ms. Stephenson

VOTE: Unanimous

General Insurance Renewal

Ms. Parker said the Board received four bids for the general, property liability, automobile, umbrella, and workers compensation for the period July 1, 2016 to July 1, 2017 from Charles Lunsford Sons & Associates – Ohio/Liberty \$114,906, Nationwide – Acadia/Berkley Mid-Atlantic \$96,003.60, Southeastern Insurance – Penn National (no workers compensation) \$52,376, and Surry Insurance – EMC \$79,343. Ms. Parker recommended that the Board select Surry Insurance for \$79,343 for insurance coverage.

Ms. Parker said the Board received two bids for the professional liability insurance for the period July 30, 2016 to July 30, 2017 from Southeastern Insurance – Argonaut Insurance \$10,400 and Surry Insurance – EMC \$6,728. Ms. Parker recommended that the Board select Surry Insurance for \$6,728 for professional liability insurance coverage, which covers law enforcement, public official and employment practices.

MOTION: Ms. Thomas moved to select Surry Insurance bid for general, property liability, automobile, umbrella and workers compensation insurance for the period July 1, 2016 to July 1, 2017 for \$79,343; and Surry Insurance bid for the professional liability insurance, which covers law enforcement, public official and employment practices for the period July 30, 2016 to July 30, 2017 for \$6,728.

SECOND: Ms. Stephenson

VOTE: Unanimous

Pest Control Service

Ms. Parker said that we received two bids for the pest control service for the period July 1, 2016 to June 30, 2017. The bids were submitted for interior & exterior service. We currently use Master Exterminators who provides excellent service and there are no complaints from the staff.

No.	Vendors	Annual Fee	Mthly Fee
1	Master Exterminators - Renewal	\$3,360	\$280
2	Clegg's Pest Control	\$4,200	\$350

MOTION: Mr. Hardin moved to renew the pest control service to Master Exterminators for interior and exterior service for \$3,360 for the period July 1, 2016 to June 30, 2017.

SECOND: Mr. Lewis

VOTE: Unanimous

Lawn Care Service

Ms. Parker said we received three bids for lawn care service for the period July 1, 2016 to June 30, 2017. The month to start cutting was changed from April to March. Mr. Horne recommended to the Board to remain with Forrest Landscaping because he does an exceptional job maintaining the system's lawn. Forrest Landscaping was not the lowest bidder.

No.	VENDORS	Annual
1.	Forrest's Landscaping & Lawn Care - renewal	\$9,600
2.	East Gate Gardeners	\$8,500
3.	Johnathan Pratt Landscaping Service	\$27,408

MOTION: Ms. Thomas moved to remain with Forrest Landscaping \$9,600 for the period July 1, 2016 to June 30, 2017.

SECOND: Mr. Lewis

VOTE: Unanimous

New Security Cameras

Mr. Horne said the FY16 budget allotted \$65,000 to upgrade the current video surveillance system in the stores from analog to digital. We received four bids based on the bid specification requirements. He recommended Advanced Tech, the lowest bidder, to install the new cameras in the stores. Mr. Horne said that he has first-hand knowledge that Advanced Tech does good work and Bill has worked with Advanced Tech at the Rowan County ABC Board. Some of Advance Tech customers are NASCAR, HYW 55, Apples Stores, ABC stores in the State, and County school systems in the State. Also, they came in under the budget amount and they are the only company guaranteeing the cameras and hardware up to 3 years.

No.	VENDORS	Annual
1.	Holmes Security	\$78,875.00
2.	Business Protection	\$67,786.25
3.	Advanced Tech	\$62,841.50
4.	Safewatch Security	\$111,555.88

MOTION: Ms. Stephenson moved to select Advanced Tech to upgraded the camera system for the stores for \$62,841.50.

SECOND: Ms. Thomas

VOTE: Unanimous

Mr. Chestnutt asked for a motion to go into Closed Session.

MOTION: Ms. Thomas made a motion to go into Closed Session for personnel matter, GS 143-318.11(a)(6).

SECOND: Mr. Lewis

VOTE: Unanimous

The meeting adjourned at 7:03 PM.

Chairperson