

Cumberland County ABC Board
April 8, 2019
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
 Commissioner Larry Lancaster
 Crawford Mackethan, Franklin Johnson Commercial Real Estate
 David Horne, General Manager
 John Russell, Deputy Director
 Rick Libero, Chief Law Enforcement
 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 Larry Lancaster and Crawford Mackethan to the meeting.

Mr. Boughman asked were there any agenda adjustments. Mr. Boughman moved Real Estate Update from Crawford Mackethan after the Required Reading.

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.

Real Estate Update

Mr. Boughman asked Mr. Mackethan to give the Board an update on a new warehouse. Mr. Mackethan said that he has prepared an offer to purchase for \$675,000 for the Blount Street property and corner lot on Robinson Street and Blount Street. The owner of the properties has prepared for the Board a counter offer to purchase for \$735,000. He said the agreement would include a 120-day due diligence period to allow RAYWEST DESIGNBUILD to assess the property for \$15,000. He met with the Department of Transportation in regards to Robinson Street right of way requirements and landscaping. The City of Fayetteville said the property does not need a retention pond because the lot is less than one acre.

Mr. Boughman asked the Board if they had any questions. There was none.

Mr. Boughman thanked Mr. Mackethan for the information about the Blount Street property.

Mr. Boughman asked for the approval of March 11, 2019 and March 21, 2019 minutes.

Mr. Warner corrected the March 21, 2019 minutes to replace “rescued” for “recused”.

MOTION: Mr. Crenshaw moved that the Board accept the March 11, 2019 minutes as written and the March 21, 2019 minutes as corrected.

SECOND: Ms. Jackson

VOTE: Unanimous

Law Enforcement Report

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

Mr. Libero gave the March 2019 Law Enforcement report and said there were eight Sell to Underage Campaign Checks in March with three sold to underage. The agents assisted other agencies with 18 incidents and there were 211 compliance checks.

MOTION: Ms. Jackson moved to approve the March 2019 Law Enforcement Report in the package.

SECOND: Ms. Sinclair

VOTE: Unanimous

General Manager’s Report

Mr. Boughman asked for the March 2019 General Manager’s reports.

Mr. Horne announced that Chief Rick Libero has decided to retire effective September 1, 2019. He plans to post the chief position internal and external for 30 days. Mr. Libero plans to start using his vacation starting 06-01-2019. The plan is to have Mr. Libero train the acting chief to ensure a smooth transition.

Mr. Horne announced that the NABCA’s annual conference registration is due April 24. He needs to know tonight who plans to attend the conference.

Mr. Horne said the HB 91 - ABC Laws Modernization/PED Study will be heard by the House ABC Committee on Tuesday, April 16 at 3 pm. He was invited to attend the hearing. The committee will discuss the five requested changes: 1) Mandate merge of ABC Boards, 2) Allow special orders of less than a full case, 3) Allow ABC Boards to deliver to MXB customers for a fee, 4) ABC store liquor tastings, and 5) Allow counties and cities to enact ordinances permitting Sunday sales of liquor at ABC stores.

Mr. Horne said the March sales were up \$82,764, Over-the-counter sales were up \$75,800 and Mixed Beverage sales were up \$6,964. The year-to-date sales were up \$2,725,565. Mr. Horne

said as of Saturday, April 6, sales are up \$112K. He said FY18 sales were \$36.3M and so far this year sales are \$39.2M. He projects sales will reach \$40M next year.

Mr. Horne reviewed the April 2019 Condensed Schedule of Revenue and Expenses by Store Location with an Income from Operation of \$693,386.

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

MOTION: Ms. Jackson made a motion to accept the General Manager report for March 2019.

SECOND: Mr. Warner

VOTE: Unanimous

OLD BUSINESS

Owen Drive Update

Mr. Horne said the Owen Drive construction will be finished by the end of April, the floors installed the first week of May, the fixtures installed the second week of May. The store should be ready to open by Memorial Day weekend.

Mr. Horne received a report today from Bakertilly indicating that based on financial data supplied from 09/14/19 to 01/28/19 we would not be compensated for the loss of sales because of the excess sales at the other locations exceeded the calculated lost sales at the Owen Drive location. He said the final results to be determined by EMC Insurance Company.

NEW BUSINESS

Bank Service

Mr. Horne said that we received bank proposals from Capital Bank, First Bank, First Citizens, and BB& T. Mr. Horne recommended, after reviewing the Consolidated Bid Form, that the Board continue service with Capital Bank for the period of July 1, 2019 to June 30, 2022. Capital bank are offering a 0.20% Earning Credit Allowance to offset the bank fees and no charge for checks, deposit slips and deposit bags. Capital is offering 1.75% for the three law enforcement money market accounts.

In summary, First Bank is offering a 1.45% ECA which requires a higher balance to offset the fees; and any funds in excess of \$3.4M will earn 1.85% APR and would be moved to an investment account. All funds in a Sweep account are included in the working capital and funds must be accessible. There is no charge for supplies.

First Citizens had the highest fee with their .80% ECA and .05% interest rate. There is no charge for supplies.

BB&T is offering a variable 1.64% ECA and paying a one time \$750 toward the first order of checks and supplies over the 3-year contract.

Mr. Horne recommended the Board invest excess funds in a Government Portfolio with the North Carolina Capital Management Trust with a current 2.29% APR. The funds in the NCCMT account are not restricted and can be moved via ACH into the Capital Bank Cash Management account by the next day. There is no minimum required balance in the NCCMT account.

MOTION: Mr. Boughman made a motion to accept Capital Bank for the period of July 1, 2019 to June 30, 2022 and join the North Carolina Capital Management Trust Government Portfolio.

SECOND: Mr. Warner

VOTE: Unanimous

NAABC Conference

Mr. Horne said the NABCA annual conference is scheduled at the JW Marriott, Marco Island, FL from May 20-23, 2019 registrations are due by April 24. He asked the Board member who were going to the conference. The persons attending the conference are Mr. Horne, Ms. Jackson, Ms. Sinclair, Mr. Crenshaw and Mr. Yarborough.

MOTION: Ms. Jackson made a motion to approve the registration for those going to the NABCA annual conference.

SECOND: Mr. Crenshaw

VOTE: For: Jackson, Sinclair, Crenshaw and Warner
Opposed: Boughman

HB 91: Discussion

The Board discussed HB 91 Option 4 – ABC Store Liquor Tastings and Option 5 – Permitting Sunday Sales of Liquor at ABC Stores.

MOTION: Mr. Warner made a motion to take a stand that the Board is in opposition to Option 5 – Permitting Sunday sales of liquor at ABC Store and to send a letter to Mr. Jon Carr and to the Cumberland County Commissioners.

SECOND: Ms. Sinclair

VOTE: Unanimous

MOTION: Mr. Warner made a motion to take a stand that the Board is in opposition to Option 4 –ABC Store Liquor Tastings and to send a letter to Mr. Jon Carr and to the Cumberland County Commissioners.

SECOND: Ms. Jackson

VOTE: For: Warner

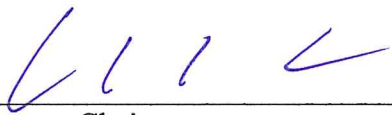
Opposed: Boughman, Jackson, Sinclair and Crenshaw

Mr. Boughman asked for a motion to adjourn.

MOTION: Mr. Jackson moved to adjourn.

SECOND: Ms. Sinclair

The meeting adjourned at 7:10 PM



Chairperson