



Youngsville ABC Board
P. O. Box 387
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Youngsville, NC 27596
(919) 556-3590
ABCStore@townofyoungsville.org

MINUTES

**JULY 17, 2020
10:00 AM**

REGULAR MEETING RESCHEDULED

YOUNGSVILLE TOWN HALL CONFERENCE ROOM

**134 US 1A SOUTH
(Teleconference and Web Conference was available)**

Chairman Hardwick called the Board Meeting of the Town of Youngsville ABC Board to order at 10:05am. In attendance was Chairman Samuel Hardwick (by teleconference), Members Mary Margaret Norman (by teleconference), Rick Houser (by teleconference), and Todd Casado (by teleconference). Member Danny Stutzman was not in attendance. Also, in attendance was ABC Store Manager Laurie Pritchett (by teleconference), Town Administrator Phillip Cordeiro and Town Clerk Emily Hurd.

The first item was to approve the Agenda.

MOTION: TO APPROVE THE AGENDA AS SUBMITTED

The motion was made by Member Norman and was seconded by Member Houser. The motion passed unanimously.

Chairman Hardwick read the Ethics Statement.

In accordance with G.S. 18B-201, it is the duty of every Board Member to avoid both conflicts of interest and appearances of conflicts. Does any member have any known conflict of interest or appearance of conflict with respect to any matters coming before the Board today? If so, please identify the conflict or appearance of conflict and refrain from any undue participation in the particular matter involved.

There were no conflicts of interest or appearances of conflicts.



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The next item on the agenda was Citizens' Comments. There were no comments.

The next item on the agenda was the Financial Report. There were no comments

The next item on the agenda was the approval of the Consent Agenda. The Consent Agenda included Minutes from the ABC Board Meeting on June 5, 2020.

MOTION: TO APPROVE THE CONSENT AGENDA

The motion was made by Member Houser and was seconded by Member Norman. The motion passed unanimously.

The next item on the agenda was Old Business. The first item under Old Business was to continue the discussion on the proposed remodel of the ABC Store, with a report from the Store Expansion / Renovation Subcommittee. Member Houser stated there was nothing to report at this time.

MOTION: TABLE THE DISCUSSION ON THE STORE EXPANSION / RENOVATION FOR ONE MONTH

The motion was made by Member Norman and was seconded by Member Houser. The motion passed unanimously.

The second item under Old Business was Budget Amendment 2021-1. Member Houser stated he would not support this Budget Amendment. Member Casado agreed, as he felt the working capital is low and needs to be built up. He stated the ABC Board shouldn't be paying profits to the Town since it ties their hands with operating the ABC Store. Member Norman agreed as well, noting it felt as if they were always paying the Town and never able to catch up. She stated there had to be another way to meet their obligations.

Member Houser inquired if Pritchett was able to answer questions regarding the budget and Pritchett stated she would try. Member Houser stated that when they approved the budget on June 30th, they were projecting total sales for the year to be \$1,606,000 but they came in almost \$200,000 higher than that figure. Then that corresponds to an additional \$60,000 that they just discovered in the last month. Pritchett explained she



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only manages the ABC Store and leaves the rest to the ABC Board. She noted that sales have been outstanding, but she was unsure how some of the numbers were figured. Chairman Hardwick felt this information was in Patterson's purview. Member Houser stated the ABC Board needed a Finance Officer but wasn't sure if Patterson was acting as a Finance Officer or bookkeeper. Cordeiro stated Patterson was acting as the Finance Officer, noting that most of the issues, questions and discussions have been centered on the budget. He explained ABC Boards were governed on general statutes that mirrored the Town Board, which separates the Finance Officer from the Budget Officer role. Patterson has done both the Budget Officer and Finance Officer roles, which can be problematic for several reasons. The sustainability of the ABC Store can best be addressed to the Budget Officer, which should be the manager, not the Finance Officer. Member Houser stated that was helpful. He stated he couldn't help but notice on the monthly reports, March for example, that the annual sales budget was \$1,556,000. However, if you look at the year-end totals, it's \$1,736,000. Member Houser stated those figures change every month and he didn't understand how they could change monthly without an official Budget Amendment. Cordeiro explained this was another reason the Budget and Finance Officers were separated, to encourage a back and forth conversation and internal controls. He recommended the ABC Board work towards having two separate people, noting it was hard to check your own work. Cordeiro stated this would allow the ABC Board to have, and witness, discussions during Board Meetings.

Member Houser stated he still wasn't comfortable making any kind of Budget Amendment for this fiscal year when one of the things he learned from Laurie Lee was the time you budget for profit distributions to the Town is at the beginning of the fiscal year, not at the end of the year when the profits were made. He stated the ABC Board has been doing it this way for a long time. Member Houser explained this Budget Amendment was to make another distribution on top of the one that was approved on June 30th and he felt the ABC Board did not have enough capital to support it. He expressed concerns that accounts payable are over two times the inventory, especially since statute states inventory should be paid within thirty days. Member Houser noted they owed \$188,000 and wondered if they were past due. Pritchett stated there were no outstanding invoices. Member Houser noted there was \$188,987 in accounts payable and stated it was for liquor. Chairman Hardwick asked if it included money due to the Town and Member Houser stated Patterson had paid \$30,000 of the \$40,000 from the Budget Amendment approved in June. Pritchett explained the only invoice that was not yet paid was the shipment from July 14th and is due in August for a total of \$46,935.59. Chairman Hardwick felt there was something they were not seeing. Pritchett stated she didn't think



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it was the current inventory since that would be due in August. She noted that she has never been trained to be a Budget Officer since the Finance Officers have always done it.

Cordeiro asked if Pritchett could access the ledger to figure out what the \$188,000 was for and Pritchett stated that she did not have access to QuickBooks. When asked, Pritchett stated she was familiar with QuickBooks and could work the software. Pritchett stated SGC software had QuickBooks integrated without costing extra.

Chairman Hardwick stated they needed to investigate who needs to do the budget, and if they should have separate Budget and Finance Officers. He noted that if Pritchett can do QuickBooks, then she can be trained.

Cordeiro stated from a matter of accountability, the Finance Officer's responsibilities were to ensure the funds are available so that when checks are written, there are funds available and to ensure the statutory regulations are being followed. The Budget Officer's role is to ensure the actual cash flow and expenses/revenues are in accordance with the approved budget. Right now, Patterson was doing both. Cordeiro explained the manager was normally the Budget Officer. He noted it would be helpful to have a back up with QuickBooks access so they can look up specific line items in the general ledger. Both the Budget and Finance Officers should be able to access QuickBooks.

Chairman Hardwick asked the ABC Board how they would like to move forward. After a brief discussion, they decided to table the Budget Amendment until Patterson was in attendance.

MOTION: TABLE BUDGET AMENDMENT 2021-1 FOR ONE MONTH

The motion was made by Member Norman and was seconded by Member Houser. The motion passed unanimously.

The next item on the agenda was New Business. There was no New Business.

The next item on the agenda was Reports and Other Business. Pritchett stated business was still doing good. When asked, she stated they were no longer keeping a minimum number of people in ABC Store as they did not have enough customers. There was also a problem with people leaving instead of waiting to get into the ABC Store. Chairman Hardwick asked about sales and Pritchett stated they were still up even more this week.



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Member Norman asked if customers were standing six feet apart and Pritchett stated the floor was marked and signs were up. Chairman Hardwick asked if customers were adhering to that and Pritchett stated that most of them were. Member Casado inquired about face coverings and Pritchett stated there were signs up but some people were not wearing them. She noted masks were available for employees and customers. Member Casado stated masks were a requirement in North Carolina and felt employees should be required to wear their masks. He noted Sheetz was enforcing these requirements. Member Houser stated businesses have been mandated to police the customers concerning masks. Pritchett felt it wasn't right for ABC Store employees to get involved in someone's civil liberties by forcing them to wear a mask. She stated they were not going to request a customer leave if they didn't wear one. Member Casado stated the government mandate required the masks. He explained Sheetz has posted signage stating that masks are required and noted that if someone was not wearing a mask, then it was assumed to be for a medical reason. Member Casado stated all employees should be wearing face coverings based on the mandate. Pritchett expressed concerns about employees with medical conditions. Member Norman inquired as to what medical conditions the employees had and Pritchett noted some of the conditions. Pritchett reiterated that she did not feel comfortable telling someone they had to wear the masks, especially if something happened to them. Member Casado stated that any employee that did not want to wear the mask should provide a doctor's note and Pritchett stated she would get the required notes. Member Casado stated that out of the thousands of employees Sheetz had, only a few had legitimate reasons to not wear the masks. In those cases, the employees wore the face shields. He felt face masks / shields was the responsible thing to do. Pritchett stated it was a touchy situation and Member Norman agreed. However, Member Norman felt the employees should be wearing some sort of protection. Chairman Hardwick asked if Sheetz was requiring their employees to wear coverings and Member Casado stated it was a government mandate. Chairman Hardwick asked if they had any problems and Member Casado explained that as a business, they had a right to say what is part of the uniform, including face coverings. Member Casado explained that any employee that couldn't wear a mask was handled on a case by case basis. He stated the face shields work well for those with medical conditions. Member Casado felt this was something they should be doing in order to keep other people safe. Chairman Hardwick agreed, their main concern was to keep both customers and employees safe.

Pritchett asked the ABC Board if they would like for her to ask customers to leave the ABC Store and Member Casado said no. He stated that customers and employees were different. Member Casado stated he did not want the employees to get into a back and



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forth with customers. He noted they could not legally ask customers to provide a medical reason for not wearing the mask, but they could ask the employees. From a customer standpoint, you can assume a medical condition for not wearing a face covering. For employees, the ABC Board can require them to wear face coverings or provide a doctor's note if they cannot. Member Houser stated the employees could offer a mask to the customer if they don't have one or wait on them at the door. He expressed concerns that enforcement would be held against the business, not the customers. Member Casado stated the Sheetz legal department felt comfortable with signage that states "assume medical condition". This removes confrontation between employees and customers. He noted that anyone can lie about having a medical condition and they didn't want to turn customers away. Member Casado felt they should be adding a requirement to the dress code policy that makes the masks mandatory for staff. Any concerns by the employees can be addressed on a case by case basis.

Chairman Hardwick inquired about what the Town was doing. Cordeiro explained the situation was different than a retail business. He stated the Town encourages customers to wear masks but did not confront them. Employees are encouraged to do what is in their best interest at their own discretion. Town Hall has a window barrier between the customer and staff, with voice ports. Because of this barrier, employees are not required to wear masks as the existing barrier achieves that purpose. Cordeiro agreed it was a touchy topic but because the Town employees don't have close contact, the decision was made to not require staff to wear masks. Since the retail setting is different, he noted it was entirely up to the ABC Board to decide how to proceed. Chairman Hardwick stated his main concern was the protection of staff and customers along with the appearance of doing what they can to protect people. The barrier at the register helps but there was still concern when they had contact with customers on the sales floor. Chairman Hardwick felt they should be cognizant of not spreading the virus and doing the best for everyone involved.

Member Houser stated there was a store in Wake Forest that has a shield in front of the cash register, but the employees weren't wearing masks. This directly affected their business and now it is required of staff to wear masks. He expressed his concerns this would happen at the ABC Store.

Member Norman stated people had mentioned to her that they weren't wearing masks at the ABC Store. Member Casado reiterated it was mandatory for retail businesses, along with keeping a six-foot distance, unless an employee seeks an exemption. He stated it was up to the business to allow customers who say they have an exception, but it is a



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requirement for employees. Chairman Hardwick asked if a face shield would be better for employees with medical conditions and Pritchett stated that she wasn't aware they were available. Pritchett noted they have received a lot of positive comments from people about the ABC Store not making them wear masks when they enter the store. She stated there was signage posted per Governor Cooper's mandate. Member Norman stated it didn't look good to have signage mandating face coverings when the employees weren't wearing them.

Member Houser cautioned the ABC Board about asking questions regarding health. Chairman Hardwick explained he was trying to figure out if face shields would work better than masks. Member Houser stated he would run some face shields by the ABC Store for them to try. Pritchett stated they have plenty of masks and inquired if bandanas would be okay for the employees to wear. Member Houser explained how the face shields worked.

Pritchett noted one ABC Store has created a drive through window at their store and Cordeiro requested that she have more information regarding costs before presenting to the ABC Board.

Chairman Hardwick requested that Pritchett post a sign based on the phrasing suggested by Member Casado. This will cover the ABC Store and keep the employees from having to confront customers. Member Norman also requested that Pritchett get medical documentation for employees that do not want to wear masks, otherwise all employees should wear one. Chairman Hardwick suggested getting face shields that will give the opportunity for people who can't wear the masks. When employees are out from behind the register shield, they need to have some type of face covering. This will show the ABC Store is trying to help people and stop the spread of COVID-19. Chairman Hardwick stated employees should be covered when in contact with customers. Pritchett clarified the language for the signage and that employees would not confront customers regarding face masks. She stated that she has not seen face shields for sale around here. Chairman Hardwick requested that she needed to move forward with the signage and requested that Member Houser deliver some face shields to the ABC Store for the employees to test. Cordeiro stated he would purchase more face shields for the ABC Store as well.

Member Houser noted that employees behind the register shield were closer than six feet and felt they still needed to wear face coverings even behind the shield. Member Norman agreed they should have something over their mouth regardless. Member Casado stated



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the Sheetz employees that did use a doctor's note that prevented them from wearing masks were assigned face shields. He explained the employees realized they preferred the masks over the shields. Member Casado expressed concerns that if a doctor's note stated they could not wear face masks, then Pritchett should not allow them to switch back to masks if they don't like the face shields due to the liability. He encouraged Pritchett to keep up with, and enforce, the mandates as they are issued. This should not be optional. Member Casado stated the ABC Board was there to help if she needed them but mandates should be followed immediately. Pritchett stated she appreciated their help with this situation. She noted they do try to follow the mandates but had issues enforcing the requirements. Pritchett stated she would do as the ABC Board asks, noting she thought the face shields would work better. Member Norman stated that away from work, it was the employee's choice, but at work they need to follow the requirements. She noted Pritchett should set an example.

Member Houser stated he was glad he could sit on the teleconference call with Cordeiro, Patterson, Laurie Lee and the auditors. He wanted to point out that Laurie Lee had cautioned them on keeping more working capital than the statutory minimum. Member Houser stated he passed this information along to the other Members to share his thoughts. He felt the ABC Board really needed to take that into consideration between now and the next ABC Board meeting and think about that whenever Patterson comes back in with a Budget Amendment. Member Houser explained it was not completely up to Patterson to formulate the Budget Amendments. At the end of the year when they made more money than they thought because of increased sales, then we automatically give it to the Town. He felt the ABC Board needed to be more realistic and put more thought on what they were trying to accomplish.

Member Casado stated this would be his last meeting due to his current schedule. Pritchett and all the Members thanked Member Casado for being on the ABC Board. Chairman Hardwick wished him the best of luck.

Member Norman stated she and Member Stutzman were still working on the employee manual. She recommended training for Pritchett but felt that Member Stutzman should speak to this as he had more information. Member Norman felt these classes would be a big help for Pritchett as far as managing the ABC Store and improving employee performance. Pritchett noted that she has had some training and thought the employees were doing good. Chairman Hardwick stated they will look at this next month when Member Stutzman was in attendance.



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Hurd stated that an applicant, Ben Rupert, would be presented to the Board of Commissioners during their August Board Meeting. Member Houser asked if a letter of recommendation would be beneficial and Cordeiro stated he didn't think it would hurt. When asked, Hurd stated she would send Mr. Rupert's application to the ABC Board.

Cordeiro requested that a member of the Store Expansion / Renovation Subcommittee, possibly Member Houser, contact the realtors at the Shopping Plaza to see if they can make a more attractive offer. Since the pandemic, the market has taken a dive and he wanted to see if they could get a more competitive rate. Chairman Hardwick stated this was a good idea. Member Houser stated he would reach out to them but cautioned the ABC Board that he wasn't sure they could afford it until they got the Budget ironed out. Cordeiro agreed but felt they should start these conversations in preparation. Member Houser stated that Mr. Rupert's construction and cost estimating experience would be an asset to the ABC Board. Chairman Hardwick stated that if they could get a better deal, then maybe they can get started on the second ABC Store again.

The next item on the agenda was Closed Session. Chairman Hardwick stated the ABC Board needed to go into Closed Session to discuss personnel, NCGS 143-318.11 (6).

MOTION: TO GO INTO CLOSED SESSION TO DISCUSS PERSONNEL, NCGS 143-318.11 (6)

The motion was made by Member Houser and was seconded by Member Norman. The motion passed unanimously. The ABC Board entered Closed Session at 10:57am. The ABC Board exited Closed Session at 11:23am.

Chairman Hardwick noted the ABC Board went into Closed Session to discuss personnel.

MOTION: TO CREATE A NEW POSITION OF GENERAL MANAGER FOR THE ABC SYSTEM TO MANAGE FUTURE GROWTH OF THE ABC STORE, AND POSSIBLE SECOND ABC STORE, AND TO INSTRUCT THE TOWN ADMINISTRATOR TO BEGIN THE PROCESS OF RECRUITING FOR THE GENERAL MANAGER POSITION. UNTIL SUCH TIME, LAURIE PRITCHETT WILL CONTINUE TO MANAGE THE ABC STORE IN THAT CAPACITY.

The motion was made by Member Houser and was seconded by Member Norman. The motion passed unanimously. Chairman Hardwick stated he would contact Pritchett to



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discuss the changes early next week. Cordeiro offered his assistance and noted he would delay action until further notice.

The meeting adjourned at 11:26am.