



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

MINUTES

**SEPTEMBER 4, 2020
9:00 AM**

REGULAR MEETING

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 9:00am. In attendance was Chairman Samuel Hardwick (by teleconference), Members Mary Margaret Norman (by teleconference), and Rick Houser (by teleconference). Member Danny Stutzman was not in attendance. Also, in attendance was Town Administrator Phillip Cordeiro, Finance Officer Jaclyn Patterson and Town Clerk Emily Hurd. ABC Store Manager Laurie Pritchett (by teleconference) entered the ABC Board Meeting late.

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. Cordeiro polled those on teleconference and Hurd stated no one had registered to speak. There were no comments.

The next item on the agenda was the Financial Report. Patterson stated the audited financial statements were almost complete. She stated she has been reviewing those statements and asking the auditors a lot of questions as the totals based on the auditor's categorizations do not match the information from Dalcom. Patterson wants to make sure that she has a clear understanding of that information. She has requested additional information from the auditors for clarification.

Patterson stated she was unable to do the August financials since there was a day of sales missing. Dalcom's information does not match the QuickBooks information which has thrown everything off, including inventory and taxes due. When asked, Patterson stated Dalcom has someone working on the case. She stated Pritchett had informed her there was a problem with that day, but she unsure what the problem was.

Member Houser requested holding off payments to the Town so they could focus on making payments on their debt. He wanted to focus on paying the loan obligation first, then work on paying the Town back since they have until the end of the fiscal year. Chairman Hardwick and Member Norman agreed that was a good plan.

The next item on the agenda was the approval of the Consent Agenda. The Consent Agenda included Minutes from the ABC Board Regular Meeting on August 7, 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 they have received an offer from one of the developers they had previously worked with to purchase the ABC Store property. He explained they have no immediate plans for redevelopment which will allow the ABC Store to lease the property for a minimum of twelve months. Member Houser stated he would get more information during their negotiations. He stated the price was not that far off from the appraisal.



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Member Houser stated the space at the Foodlion Plaza was still available and he had reached out to Rick Turner regarding the costs of upfitting the space. He stated it would be a high cost to get into a new ABC Store, but they would be able to reinvest the funds from the sale of the property to open a second location without having to borrow a lot of money.

Cordeiro stated there were two main issues to be considered. The first issue is what the ABC Board should do if they sell the property, noting there were two options available; continue to rent the space or find another location suitable for the current ABC Store. The second issue is whether they should open a new ABC Store, noting the best, and possibly only, location would be the Foodlion Shopping Plaza.

Cordeiro stated the first issue was what to do with the current ABC Store. He explained he met with the realtor who manages the 5-Points Shopping Plaza, noting they have several spaces available. There is one front facing space and one space in the rear of the building. Cordeiro explained the current goal of the bidder was to redevelop the site the current ABC Store is on. The reason for selling the property is so that it can be developed for the best and highest purpose. The ABC Board does not have the funding to do accomplish this goal, so they can sell to a private investor. Cordeiro felt the longer the ABC Store remained in their location, the longer it would take to redevelop the property. The process could take approximately twelve to eighteen months so the ABC Store will need to find another location if they don't want to close the store.

The second issue was the possibility of opening a second ABC Store. He stated the clientele that patronize our current ABC Store would be separate from the clientele that would use a location on Capital Boulevard. Cordeiro expressed concerns about losing customers if the downtown ABC Store was closed for more than a year. His recommendation was to explore the location at the 5-Points Shopping Plaza as it was in the same vicinity with more parking, a larger sales floor, and a larger warehouse that allows for increased inventory. Cordeiro stated he felt that if the ABC Store was going to rent a space, moving to the 5-Points Shopping Plaza as soon as possible made the most sense. He stated the difference in the rental fee at 5-Points Shopping Plaza would be approximately the same as continuing to rent the current facilities. Cordeiro suggested relocating across the street while selling the property.

Cordeiro stated the ABC Board would need to have a conversation regarding personnel, possibly during a Closed Session. He explained that if they opened a new ABC Store,



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more staff would be needed along with other considerations. There were other personnel challenges that will arise from moving to a new location they will need to discuss.

Chairman Hardwick stated moving to 5-Points Shopping Plaza was a smart idea. He felt this would give them what they have wanted, such as more parking and a larger warehouse. Chairman Hardwick stated they should move forward with investigating the 5-Points Shopping Plaza location. He stated that he did not think they should rent their current location, expressing concerns about any construction that may happen while they were there.

Cordeiro noted Michael Wallace, the realtor for 5-Points Shopping Plaza, had joined the meeting and was available for questions.

Member Norman inquired about the time frame for the developer to start work on the current ABC Store property. Cordeiro stated he felt it would be approximately sixteen to eighteen months if he had to hazard a guess based on conversations. He explained the sale of the property was based on a business decision that did have a time limit, so the proposed buyer would like to close as soon as possible to take advantage of tax procedures. Chairman Hardwick stated that did give them time to move to another facility without being rushed.

Cordeiro stated the ABC Board could negotiate with the 5-Points Shopping Plaza so that the space could be customized with the costs of the improvements incorporated into the lease instead of upfront. The ABC Board could do a lease with the new owner to stay in our current location until the new facility was available. Chairman Hardwick inquired about the square footage for the space at 5-Points Shopping Plaza. Mr. Wallace stated the front space was 1,738 square feet and the warehouse space was approximately 2,300 square feet. He explained the warehouse space would include a dock platform in the back, noting the roll up door that is currently closed can be reactivated. They will have the ability to use the front space for the sales floor with a warehouse in the back. Member Norman agreed this sounded like the smart way to go.

Member Houser stated he would like the ABC Board's approval to continue with negotiations regarding the sale of the current property and the lease at 5-Points Shopping Plaza. Member Norman asked if there was an offer on the table and Member Houser stated yes. Cordeiro clarified they would like the ABC Board's general feedback and approval to continue with negotiations. He stated there are still a lot of variables, so it



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was premature to share too many details. Chairman Hardwick and Member Norman stated they would like to move forward.

**MOTION: TO INSTRUCT MEMBER HOUSER AND TOWN
ADMINSTRATOR PHILLIP CORDEIRO TO CONTINUE
NEGOTIATIONS FOR THE 5-POINTS SHOPPING PLAZA
LOCATION AND THE SALE OF THE CURRENT PROPERTY**

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. Member Norman stated she had a customer request that Youngsville start a lottery for high end bourbons, like the lottery Wake County does for their ABC Stores. The customer had inquired why Youngsville was not currently doing that. Member Norman explained participants had to be a resident of Wake County in order to enter the lottery, so Youngsville residents were unable to participate. Cordeiro stated he would pass that request on to Pritchett. He clarified the lotteries were for big ticket items that ABC Stores had a hard time getting in. Member Norman stated the lottery in Wake County was held twice a year and limited to one bottle.

The next item on the agenda was Reports and Other Business.

Member Norman stated that ABC Store employees weren't always wearing masks. Chairman Hardwick stated that if they didn't want to wear the masks, then the employee should be wearing a face shield. Cordeiro stated he knows some of the employees are using the face shields as they prefer them to the masks. Chairman Hardwick felt face coverings showed consideration to the customers while protecting staff. Member Norman stated it looked better to have them on.

Chairman Hardwick noted today was his last day. He stated it has been a pleasure to serve on the ABC Board and looks forward to seeing what happens as they move forward. Chairman Hardwick stated he was available if he was needed. When asked, Cordeiro explained the Board of Commissioners would appoint a new Chairman at their Board Meeting next week. He stated they would appreciate any nominations or suggestions.



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Cordeiro stated he has received requests to change the time of the ABC Board meetings to later in the month. This will allow time for Patterson to prepare the financial statements. He asked if the ABC Board would like to wait until new Members have been appointed before continuing this discussion. Member Norman stated she had someone that was interested but he was unable to do meetings on Fridays. Member Houser stated he was open for any day of the week except for Wednesday mornings. He stated he did prefer mornings if possible. Cordeiro stated he would reach out to potential candidates to see what times would work best for them. A consensus for the fourth Thursday was reached and Cordeiro stated he would look into it.

Pritchett apologized for being late but there had been some more issues with Dalcom. She explained there were problems with inventory due to sales not posting properly again. Pritchett stated the auditors have been informed and agreed this was not the best way for a software to keep inventory. She stated this also caused her to have to redo her reports again.

Pritchett stated Allen's Tree Service was called in to cut some of the large limbs over the parking lot for \$500.

Member Norman asked Pritchett about starting a lottery in Youngsville for hard to get items. Pritchett explained they currently sold hard to get items as a "first come, first served" option. She stated it was hard for them to get the high-end items. Some distillers will allocate only 100 cases to the entire state. As that is not enough for each ABC Board to get some, they end up in the larger stores. Member Norman felt this may be a good way to keep interest in Youngsville. Pritchett explained it was up to the individual ABC Boards. She felt it wasn't right to limit who could enter the lottery. Pritchett noted they used to have a list of people that would request items to be held for them but found out they were having friends and family come in to purchase multiple bottles for them, making it an unfair advantage. She stated putting bottles on the shelf and limiting customers to one bottle seems to work better. Pritchett stated that if the ABC Board wanted to start a lottery, they would have to send their proposed policy to the NC ABC Commission for approval. She felt this was a lot of work for items they probably won't even be able to get in stock. Chairman Hardwick agreed it would be worth the effort if they were able to get something on hand. Pritchett expressed concerns about having people tell the employees to hold a bottle for someone and gave an example. When asked, Pritchett stated she would forward the email to Cordeiro for him to investigate.



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Chairman Hardwick noted Pritchett has worked on several different ways to get rare items and agreed putting them on the shelf and limiting the amount someone can purchase seems the fairest. He stated it was unfortunate that people had to go through this. Pritchett agreed that out of everything she has tried, putting items on the shelf seems have been the best way to spread the items amongst customers. She stated that she will hold an item if someone calls and states they are on their way, however if they don't arrive, the item will be put back on the shelf. Pritchett stated there were a lot of shortages this year and it was very frustrating. Member Houser noted the sales have been unbelievable this year and he appreciated all their hard work. He asked if Pritchett was trying to order more inventory and she explained that she was ordering everything she could. Pritchett stated the warehouse can hold 450 cases. She has been ordering close to 700 cases, knowing they won't be able to get everything. They always get less than 500 cases, even when she overorders. Member Houser suggested that she order even more just in case. Pritchett stated that she has been ordering alternate items along with all the special orders she can get. She stated they were doing their best.

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 9:52am. The ABC Board exited Closed Session at 9:58am.

Chairman Hardwick noted the ABC Board went into Closed Session to discuss personnel. No action was taken during Closed Session other than to approve the minutes of Closed Sessions for June 5, 2020, July 17, 2020, August 7, 2020 #1 and August 7, 2020 #2.

Cordeiro stated the realtor that manages the 5-Points Shopping Plaza has offered a tour of the site and requested the ABC Board meet next week to inspect the location. After a brief discussion, only Member Houser was available. Chairman Hardwick requested that Member Stutzman be included if he wished to attend the tour. As this was not a quorum, no Special Called Meeting was required.

Member Norman stated she will be resigning from the ABC Board but would serve until a replacement could be found. She felt the ABC Board was getting into areas that she didn't



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have the proper experience to advise them. Member Norman stated she has been on the ABC Board for six years and Chairman Hardwick stated they appreciated her service. Member Houser stated he enjoyed working with her and has seen her grow in her role with the ABC Board. Member Norman stated she wanted the ABC Board to have the best people to help them move forward.

Chairman Hardwick called the meeting adjourned at 10:03am.