



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

## MINUTES

**APRIL 20, 2021  
9:00 AM**

### REGULAR MEETING

### YOUNGSVILLE TOWN HALL CONFERENCE ROOM

**134 US 1A SOUTH**

**(Teleconference and Web Conference was available)**

Chairman Houser called the Board Meeting of the Town of Youngsville ABC Board to order at 9:01am. In attendance was Chairman Rick Houser, Members Kirk David, Lila Hedlund, and Mason Hurt. Also, in attendance was ABC System General Manger Bridget Stanley, Town Administrator Phillip Cordeiro, Finance Officer Jaclyn Patterson (teleconference) 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 Hedlund and was seconded by Member David. The motion passed unanimously.

The next item on the agenda was to swear in newly appointed Member Mason Hurt. Town Clerk Hurd swore in Member Hurt.

Chairman Houser went over 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.*



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Chairman Houser stated he would recuse himself during the discussion and vote on the proposal for installment financing. As he would leave the room, Member David would lead the ABC Board Meeting during his absence. There were no other conflicts of interest or appearances of conflicts.

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

Stanley polled those on teleconference and Hurd stated no one had registered to speak.

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 March 16, 2021.

**MOTION: TO APPROVE THE CONSENT AGENDA**

The motion was made by Member David and was seconded by Member Hedlund. The motion passed unanimously.

The next item on the agenda was Old Business. The first item under Old Business was an update on the renovation and relocation of the ABC Store. Chairman Houser noted they continue to make progress. He explained they ran into a building code matter regarding fire exits that they are working to resolve. Once that has been resolved, they will be able to get the building permit. Chairman Houser noted Mr. Turner has already ordered the fixtures but there were some concerns about the delivery being delayed. He stated Mr. Turner was doing the best he could during the pandemic and Stanley agreed he was doing a great job.

Chairman Houser noted the new POS software is in place and Stanley continues to work with the Town regarding the sign ordinance. Stanley noted they were waiting on the update for the emergency exit to complete the construction drawings, which she hoped to have later in the day. She showed the ABC Board samples of the flooring, paint colors, and countertops that she has chosen for the new store. Stanley explained the back display area will have a front porch style with two posts topped with a pergola awning, siding, and porch lights. She showed a beadboard backing that will be painted for the back of the shelving units.

Stanley explained the ABC Board has paid for a Text Amendment with the Town's Planning Department. The request will go before the Planning Board on May 4<sup>th</sup> and the Town Board on May 13<sup>th</sup>. The request asks for the ordinance to allow for 1.5 square feet



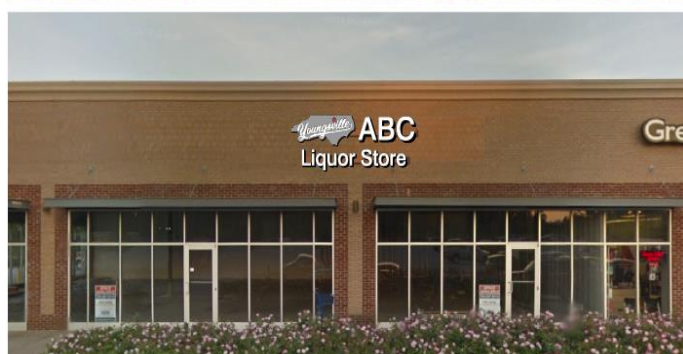
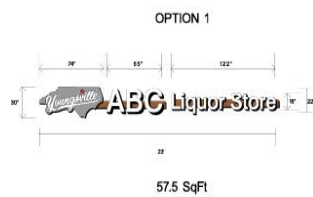
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per linear foot of store frontage. This will allow the ABC Store to have the sign Stanley previously presented from Mercury Signs. Stanley stated Mercury Signs would need four weeks from order to installation.

Chairman Houser noted they had previously tabled the approval of the sign. Cordeiro explained the motion could include approval contingent upon the approval of the Text Amendment by the Town.

Stanley stated she continues securing product for the new store and has been getting the word out for their Grand Opening on July 1<sup>st</sup>. Chairman Houser felt they could do a “coming soon” sign for the new location and Cordeiro recommended meeting with the Town Planner regarding temporary signage.

The second item under Old Business was to continue the discussion of an agreement with Mercury Signs to procure installation of proposed ABC Store signage. Stanley showed the proposed signage to the ABC Board.





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Stanley explained the sign would be illuminated with channel-lit letters. She noted the logo would be lit from inside the box. Stanley stated they already had approval of the signage from the NC ABC Commission and the landlord. She noted Youngsville would be the only ABC Store in the state that has their logo in the sign.

**MOTION: APPROVE CONTRACT WITH MERCURY SIGNS FOR OPTION #1 CONTINGENT ON APPROVAL FROM THE TOWN OF YOUNGSVILLE ON THE REQUESTED TEXT AMENDMENT**

The motion was made by Member Hurt and was seconded by Member Hedlund. The motion passed unanimously. When asked, Stanley noted the cost of the sign was included in the approved Capital Budget.

The third item under Old Business was the presentation of proposals for installment financing in an amount not to exceed \$200,000 in relation to opening a new ABC Store. Chairman Houser recused himself from the discussion and vote then left the room.

Stanley explained Requests for Proposals (RFP) were sent to First Citizens Bank, Union Bank and Trust, and Benchmark Community Bank. They were requesting proposals for \$200,000 revolving line of credit. Both Benchmark and Union Bank came back with similar proposals, but First Citizens Bank was out of our range. Both Union Bank and Benchmark were also requested deposit services to get the best possible rates. During discussions and negotiations, Benchmark came back with a lower rate and have the best level of service. Based on the information received, Stanley recommended Benchmark for their line of credit services. Stanley stated Benchmark was offering a twelve-month term, renewable annually. She stated Benchmark stood out as they did not charge any fees.



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4/7/2021

Bridget Stanley, ABC Systems General Manager  
Youngsville Board of Alcoholic Beverage Control  
Post Office Box 387  
Youngsville, North Carolina 27596

Via Email: bstanley@youngsville.org

Dear Bridget:

Benchmark Community Bank is pleased to offer this commitment to make the following loan to the Youngsville Board of Alcoholic Beverage Control. This letter is an outline of the major points of understanding which the basis of the final loan documentation shall be and will survive the funding of this loan. These terms and conditions set forth herein are to become a binding, legal obligation, and furthermore such terms and conditions will become a part of the note and other Bank documents that will evidence this debt.

Hereinafter Benchmark Community Bank will be referred to as the Bank and the Youngsville Board of Alcoholic Beverage Control will be referred to as the Borrower.

**Borrower:** Youngsville Board of Alcoholic Beverage Control  
**Loan Amount:** \$200,000 revolving line of credit  
**Purpose:** To provide working capital and funding for inventory.  
**Interest Rate:** Tax exempt rate of 1.45% with a full deposit relationship.  
**Repayment Terms:** Interest only payments with a 12-month term renewable annually.  
**Origination Fee:** \$0  
**Collateral:** Unsecured  
**Prepayment Penalty:** No prepayment penalty.  
**Closing Costs and Expenses:** \$0  
**Other Conditions:** No deficiency judgment may be rendered against the Youngsville Board of Alcoholic Beverage Control for breach of contractual obligation under the Installment Financing Agreement.

This Commitment shall expire if not accepted or extended in writing by the close of business on May 19, 2021. (the "Commitment Expiration Date"). If this Commitment is accepted, time being of the essence, the Credit made pursuant here to must close on or before the close of business on June 30, 2021 (the "Closing Date"). Borrower acknowledges that the interest rate and other terms of the Credit outlined in the Commitment are based upon acceptance of this Commitment and closing of the Credit within the time periods set forth above and that these time periods are material factors in Bank offering this Commitment.

If this Commitment is acceptable to you, please indicate your acceptance by signing in the spaces provided below and returning the original letter to me.

We appreciate the opportunity to assist the Youngsville Board of Alcoholic Beverage Control with your loan request and we look forward to hearing your response.

Sincerely,

  
Kyle Williams  
Vice President  
Business Banker

Accepted and Agreed: Youngsville Board of Alcoholic Beverage Control

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Rick L. Houser, Chairman

Patterson stated she wanted to verify Benchmark would link to QuickBooks. Stanley stated she was working with Benchmark staff regarding the deposit services proposal. Cordeiro explained Chairman Houser worked for Benchmark which was why he recused himself. He noted the Town recently solicited banking services and will be switching to Benchmark in July. Cordeiro stated the decision was based on objective information making it a simple choice, noting their level of services exceeds Union Bank. He stated Benchmark offered a variety of services and resources that exceed those provided by Union Bank. Cordeiro felt the level of service from a technical perspective will also exceed Union Bank.

Patterson stated she has not had any issues with the checking at Union Bank but knew the Town was favoring Benchmark. She explained Union Bank just updated their systems. Patterson stated she was not writing a lot of checks at this time as most accounts payable were paid electronically. She felt switching to Benchmark would be fine if they are compatible with QuickBooks, which she was pretty sure they could do. Cordeiro noted



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the motion to execute the contract with Benchmark could be contingent on the approval of the Finance Officer.

**MOTION: DIRECT ABC SYSTEM GENERAL MANAGER AND FINANCE OFFICER TO EXECUTE CONTRACT WITH BENCHMARK COMMUNITY BANK CONTINGENT ON APPROVAL OF SERVICES PROVIDED BY FINANCE OFFICER**

The motion was made by Member Hedlund and was seconded by Member Hurt. The motion passed unanimously. Chairman Houser returned and Stanley explained the ABC Board will use Benchmark for the revolving line of credit and deposit services.

The next item on the agenda was New Business. The first item under New Business was the presentation of the Rules of Conduct Policy draft. Stanley explained she wanted to present the draft Policy to the ABC Board as they now had full membership. She stated she wanted to establish rules in general on how the ABC System runs. Stanley explained she used information from other advisory boards as well as ideas from her and Cordeiro. She explained the compensation portion, where compensation is tied to participation in all meetings during that month, will need to go before the Board of Commissioners for approval with the goal of making sure everyone on the ABC Board participates.

Chairman Houser expressed concerns about the wording for conflicts of interest. Cordeiro stated the language could be revised to be more specific for the ABC Board, noting the wording came from a Planning Board Policy. Chairman Houser felt it should reference NCGS 18B-201 but stated the remainder of the Policy looked fine.

Stanley stated there also needed to be a Vice Chairman appointed and asked for a volunteer. She noted it was good practice to have a backup in case the need arises. If a recommendation could be made today, the Board of Commissioners would be able to appoint the Vice Chairman during their May Board Meeting. After a brief discussion, Member David stated he would be happy to serve as Vice Chairman.

Stanley stated she will continue to finetune the Policy and would like to present a final version at the May ABC Board Meeting. She explained the NC ABC Commission would also need to approve the Policy. If approved, the Policy would go into effect on July 1<sup>st</sup> with the new fiscal year. Chairman Houser thanked Stanley for her work on the Policy.

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



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Stanley noted the Governor has opened retail back up to 100% but there were no major changes for the store. Staff continues to wear their masks and there are no complaints from customers. Chairman Houser noted mixed beverage sales have increased with the lessening of restrictions on restaurants.

Chairman Houser noted he was impressed with the inventory when he visited the ABC Store and stated the merchandising looked great. He stated he was very pleased.

Chairman Houser stated he would like to have lunch with each Member to touch base and see which committees their interest may lie and what direction they see the ABC Board moving towards.

Chairman Houser noted Stanley would bring the proposed budget to the next ABC Board Meeting. He felt discussions could be had during the regular meetings instead of work sessions or special called meetings.

Chairman Houser expressed concerns about the inventory on the reports and Stanley noted she had an update on that matter during her section.

Chairman Houser welcomed Member Hurt to the Board, noting he felt Member Hurt will do a great job.

Member Hedlund stated she also visited the ABC Store and met the staff. She noted she has completed her ethics training which took approximately 1.5 hours.

Member Hurt stated he was happy to serve on the ABC Board. He stated he grew up in Youngsville and has family in town. Member Hurt noted he was active with the Masonic Lodge and other community activities. This was another opportunity for him to give back to the community and he was looking forward to helping the ABC System grow and prosper.

Patterson stated Stanley had more information regarding the inventory issues which she noted was her major concern. She stated sales are up and continue to grow as do the corresponding invoices. Patterson stated payroll costs have started to decrease. She stated the audit contract and engagement letter have been signed.



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Chairman Houser inquired about Patterson's contract negotiations and Patterson explained she and Stanley would be discussing her contract within the next week or two. Chairman Houser wanted to make sure it would be on the agenda. He also requested Patterson share her concerns about inventory with the auditors. Patterson noted the auditors do a physical inventory count each year and are already scheduled for this year. She hoped to have the inventory corrected before they arrive. Patterson noted most of the audit can be done remotely like last year.

Stanley explained they were having problems with the costs of goods sold, noting the ABC Store is now running the new software. She stated they tried to implement the new software at the first of the month but were not able to get it installed until April 6<sup>th</sup> and the inventory scanners arrived last week. Inventory is still not fully accurate, but they did a preliminary inventory with the new scanners yesterday and will be finalizing today. Stanley stated they have scheduled a full inventory count for the end of the month and noted they had several volunteers to help. Both Members Hedlund and David also volunteered to help. With all the help, Stanley felt they could complete inventory in just a couple of hours. She explained updating the inventory at the end of the month would give Patterson the most accurate inventory account for her reports.

Stanley stated Bryant has done a great job securing inventory for both stores and noted they were creating a lot of interest in the ABC world and social media as well as building relationships. She stated there were 25-30 customers waiting approximately three hours for last Tuesday's shipment and Member David stated he noticed all the shoppers. Stanley explained Bryant has built a reputation of getting the hard-to-get items. She stated the ABC Store did approximately \$12,000 in sales that day.

Stanley noted the ABC Store has an official Facebook page and one of the employees was being paid a bit extra to run their social media and marketing. She noted he has done a great job putting information out there. Stanley stated over 400 people have already signed up for the newsletter and noted she would send the link to the ABC Board.

Stanley stated their first tasting, End of Days Distillery out of Wilmington, would be on Friday from 4-7pm and encouraged the ABC Board to attend. Cordeiro cautioned the ABC Board that while they could attend the tasting at the same time, they were to limit their conversations to subjects other than ABC Board business amongst themselves. Stanley stated she was not getting a lot of participation from other vendors due to the pandemic. She explained tastings will be held in conjunction with an alcohol education class, noting the Youngsville Police Department would also participate. Stanley stated it was important





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that everything they do has a positive impact on the community so residents of the area will understand what the ABC Board does for the Youngsville community, explaining money from the ABC Store goes back into the community. She stated she wants to make tastings a community event.

Stanley stated they were on trend to reach \$215,000 in sales by the end of April. She set a budget of \$210,000 as a sales incentive for the employees, noting if they beat the set budget, they will earn lunch from Charon's Deli and coffee from Packhouse. Based on the current figures it looks like they will hit their goal. Stanley stated May's goal will be set at \$226,000 noting December was their highest month at \$225,000. She requested the ABC Board stop by the ABC Store to encourage staff and show their appreciation. When asked, Stanley stated Youngsville was listed as #14 in February for the state for comp sales versus last year. She noted Youngsville has seen growth versus last year where a lot of other ABC Systems showed a loss. Chairman Houser inquired how Youngsville ranked based on sales and Stanley stated she would send that information out. Cordeiro noted the NC ABC Commission website had a section on reports that showed good information and Stanley stated she would send those links as well.

Stanley stated she wanted to add another item each month called "great place to work" for updates. This will cover things they are doing to retain staff and to make sure the ABC Store is a good place to work. Stanley noted the employment posters were all updated, and the ABC Store was now in compliance. They are using an app for payroll called Homebase. There was a new feature that allows for employees to cash their paychecks early. Stanley explained Homebase would handle all the details so it would not affect the ABC Store, noting there were no fees involved. Patterson expressed some concerns and Cordeiro recommended she have additional discussions regarding this feature.

Stanley introduced an ABC Team webpage noting it was more for the employees but wanted the ABC Board to see what was included. The webpage keeps documents, included a countdown timer for the new store, employee contact list, safety plans, various links to other webpages, a calendar of events and paydays, and customer comments. She stated customer reviews were overwhelming positive with only one 1-star review.

Stanley stated she will start posting for the new store positions around the first of May with the goal of having six part-time staff, one full-time shift supervisor and one part-time shift supervisor. She stated she would move staff between stores to ensure the best fit based on their knowledge and experience.



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Stanley stated the software upgrades were a success though there were still some small issues to work out. She stated SGC has been great, even helping with inventory and customers while they were at the ABC Store working on the system.

Stanley stated she would continue to share customer comments. She requested Members still needing to complete the ethics training to email their certifications once completed.

Stanley stated she would present the final draft of the budget during the May ABC Board meeting. This will allow time after discussion to take the feedback and make any changes necessary. Final voting on the budget will take place at the June ABC Board Meeting after a Public Hearing. Stanley requested all feedback to be received as soon as possible so there will not have to be multiple meetings. She explained she wanted to be as specific as possible for each month of the year, including the month an annual payment is made. When asked, Stanley stated she will also have one more budget amendment for approval in June.

Hurd stated her class schedule would prevent her from attending the May and October ABC Board Meetings. She stated the agenda packets would still go out on time and minutes will be based on the recording. Hurd noted Cordeiro and Stanley were more than capable of taking care of the ABC Board in her absence.

Hurd noted Chairman Houser's term was set to expire in June and inquired if he would be willing to serve another term. Chairman Houser stated that he would like to serve again and noted he would like to see the opening of the new ABC Store through. Hurd explained his re-appointment would be included on May's Board of Commissioners' agenda and his new term will expire June 30, 2024.

Hurd stated she received an email from LGERS regarding their Board of Trustees meeting and briefed the new ABC Board Members on the history of the application process so far. She explained the Board of Trustees' meeting is scheduled for Thursday, April 29<sup>th</sup> at 9:30am. The final agenda would be available on the website once it has been completed. The Board of Trustees will vote on whether to approve or decline the ABC Board's application to join LGERS. Hurd explained the Board of Trustees started meeting once a year as there was not a large need to review new applications. She explained the Youngsville ABC Board was created in June of 1971 which has created a problem finding the requested information. Hurd stated both Franklin County and the NC Boards of Elections did not have the needed information, nor did the State Archives Department. Based on the information received from those departments, Hurd stated the Board of



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Trustees could work around the missing paperwork. She stated she would keep the ABC Board updated.

Cordeiro stated he was glad to be back. He stated the ABC Team website was a “closed” site that was only available to those it has been shared with.

Cordeiro clarified the alcohol education classes that were joined with the tastings. He noted North Carolina Statutes only allow what the State specifically allows us to do in the context of events. He applauded Stanley and Bryant for being able to work within those constraints to satisfy the customers. Cordeiro explained alcohol education included an NC ABC Commission approved curriculum. The NC ABC Commission’s restrictions on tastings does not allow for advertisement outside of the ABC Store. However, if tastings are done in conjunction with alcohol education classes, then customers will understand there will be a tasting along with the advertised classes. Stanley will also do signage in the store as well as inserts in the shopping bags. He stated Stanley was trying to be creative while complying with the restrictions.

The next item on the agenda was Closed Session. Chairman Houser requested the ABC Board go into Closed Session to discuss personnel, N.C.G.S. 143-318.11 (6).

**MOTION: TO GO INTO CLOSED SESSION TO DISCUSS PERSONNEL,  
N.C.G.S. 143-318.11 (6)**

The motion was made by Member Hedlund and was seconded by Member David. The motion passed unanimously. The ABC Board entered Closed Session at 10:19am and exited at 10:45am. The only action taken was to approve the minutes from the February 16, 2021 Closed Session.

The meeting adjourned at 10:46am upon a motion made by Member Hurt, seconded by Member Hedlund, and passed unanimously.