



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

## MINUTES

**JANUARY 8, 2021**

**9:00 AM**

**REGULAR MEETING**

**(Rescheduled from January 1, 2021)**

**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 9:00am. In attendance was Chairman Rick Houser, Members Kirk David, and Danny Stutzman (teleconference). Also, in attendance was Town Administrator Phillip Cordeiro, ABC System General Manger Bridget Stanley, ABC Store Manager Laurie Pritchett, Finance Officer Jaelyn Patterson, and Town Clerk Emily Hurd. Guests included Rick Turner by teleconference.

The first item was to approve the Agenda.

**MOTION: TO APPROVE THE AGENDA AS SUBMITTED**

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

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.*

There were no conflicts of interest or appearances of conflicts.



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The next item on the agenda was Citizens' Comments.

Hurd polled those on teleconference and stated no one had registered to speak. 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 Regular Meeting on December 4, 2020 and Budget Amendment 2021-3.

**MOTION: TO APPROVE THE CONSENT AGENDA**

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

The next item on the agenda was Old Business. The first item under Old Business was to hire Bridget Stanley for the ABC System General Manager position at an annual salary of \$60,000.

**MOTION: HIRE BRIDGET STANLEY FOR THE ABC SYSTEM GENERAL MANAGER POSITION AT AN ANNUAL SALARY OF \$60,000**

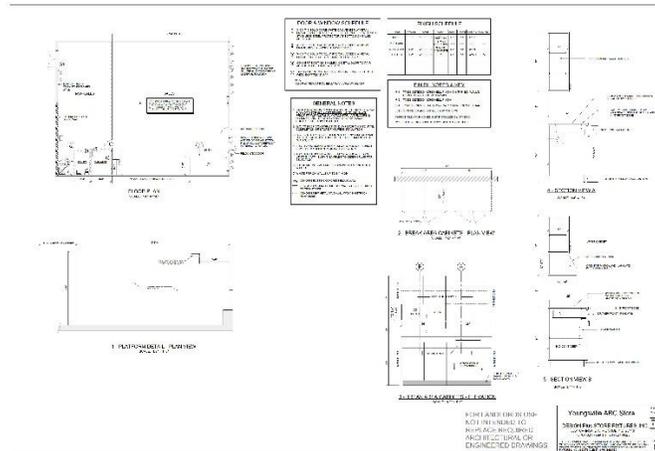
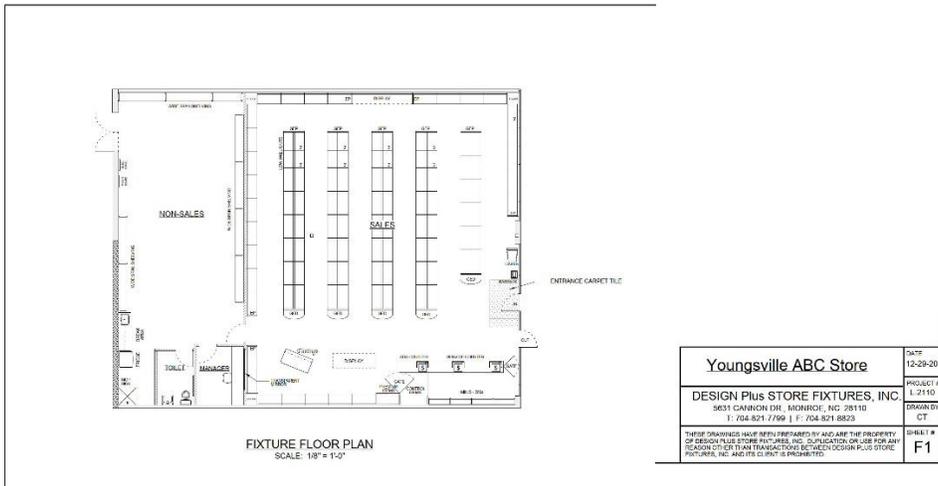
The motion was made by Member David and seconded by Member Stutzman. The motion passed unanimously. Stanley thanked the ABC Board.

The second item under Old Business was to discuss and approve the new ABC Store floor plans.

Mr. Turner presented the proposed floor plans for the new ABC Store.



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Mr. Turner noted the sales area will have shelving in rows to maximize inventory for a total 1,423' of shelf space. There will be three checkouts with approximately 15' of mini bottles behind the counter. Mr. Turner stated there will be a display cabinet with LED lighting that will allow for high theft items with another cabinet for premium items.

Mr. Turner stated there would be a two-way mirror located near the Manager's office. There will be cameras as well, but the mirror adds convenience. He stated he has not included information on the display area until after the discussion with the ABC Board regarding the display unit. Mr. Turner noted distillers or management will be able to put up displays. There will be special lighting in the display area.

Mr. Turner stated there would be shelves along the front wall and film over the windows. He noted this was common as it was valuable space. Given the orientation of the building, it's a good move to take advantage of the area for shelving and cut down on the sun coming in.

Mr. Turner stated there would be an open ceiling concept with exposed steel overhead. This will make the ABC Store feel larger. There will be high bay lights with LEDs and track lighting on the perimeter. Ductwork for HVAC will be suspended in the stock room and flow into the sales area. The ductwork is rounded so it will look nice and it will fit between the rows of lights. Mr. Turner referenced samples in the plans he presented.

Mr. Turner stated the colors, flooring and finishes can be decided later. He stated the warehouse will have a break area and mop sink. All of this will be located together to keep the plumbing in one area. Mr. Turner stated it was a good layout for the space and will function nicely.

Patterson inquired about the rollup door. Chairman Houser explained code would require an additional exit separate from the rollup door, and there was no room because of the utility hookups. He stated the delivery truck should be able to back straight in. There was a brief discussion regarding the location of the loading dock and how the truck would unload. Pritchett noted they only received two deliveries a month and Chairman Houser stated they could communicate with the neighboring businesses regarding any vehicles parked in the back alley.

Patterson inquired about the costs. Cordeiro stated they will be allowed to put some of the costs into the lease. Chairman Houser explained the ABC Board needed to approve



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the plans so the landlord can price the lease rates based on the work they will be required to do. Once the lease has been agreed upon, then they can focus on the costs of the upfit and other items needed. Chairman Houser stated he wanted to approve the conceptual drawings of the layout for the ABC Store, then they can go back and negotiate with Mr. Turner and the Shopping Plaza.

Patterson asked for clarification on the items the landlord would be willing to pay for. Chairman Houser explained the landlord will install a “vanilla” shell for the space, which includes the HVAC, lighting, and the walls. As Mr. Turner can purchase items such as the lights directly from the manufacturer, he can get a better price. Chairman Houser stated they wanted to negotiate an allowance for items like the lighting and ductwork. Cordeiro stated the concept was to have the landlord reimburse Mr. Turner for the portions of the plan that will become a part of the building. The ABC Board would then be responsible for paying Mr. Turner directly for items specific to the ABC Store, such as shelving.

Mr. Turner explained he has a national contract for lighting, which gives him an advantage over smaller contractors. When he provides the lighting and flooring, it cuts out several of the middlemen, reducing the markup. By providing the lighting and flooring directly, he could save the ABC Board money. Cordeiro explained the landlord would write Mr. Turner a check for the expenses that are his responsibility to cover. Mr. Turner stated he wasn’t sure how the landlord would come back on costs for the space, but noted they normally include laying the ceiling tiles and lights. The landlord should come back and give the costs of what they would have spent on standard fixtures, with the extra costs to be covered by the ABC Board. The landlord would then reimburse the allowance amount. Cordeiro stated they would like to amortize as much as possible into the 10-year lease. Mr. Turner stated it would be simple to send the bill to the landlord, whichever worked best for the ABC Board. Cordeiro stated when negotiating the lease, the desired form of payment would be that the landlord pays Mr. Turner directly. If the landlord reimbursed the ABC Board, that could be considered revenue with a percentage then owed to the Town. Chairman Houser agreed the best way would be to negotiate the lease so that the ABC Board did not spend anything for those initial “vanilla” type items. Cordeiro reiterated the goal was to have the landlord pay Mr. Turner directly and Patterson agreed that was the best way. Chairman Houser stated he wanted the conceptual plans approved so they can go to the landlord and start negotiating the lease. When needed, Mr. Turner will then come back with more detailed plans to complete the costs budget.



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**MOTION: TO APPROVE PLANS AND DIRECT PROPERTY COMMITTEE  
TO PROCEED WITH LEASE EXECUTION**

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

Chairman Houser noted Mr. Turner has done this for over a hundred ABC Stores. He asked Mr. Turner to walk the ABC Board through the process. Mr. Turner explained the drawings would be sent to the landlord to negotiate what should be included in the lease. He stated he would give Chairman Houser a cover letter explaining the costs savings that can be given to the landlord during negotiations. Once the lease has been negotiated approving the upgrades, then they will start on the upfit. The lease should include the bathroom and dividing wall, but the office wall may be an additional cost. The break area and cabinets will be on the ABC Board as will be the open ceiling and lighting minus the allowance. The drawings will be structured in such a way that additional upfit items will be done while the landlord is doing the buildout. This will also help reduce costs and be more efficient by keeping contractors from having to come out twice. Mr. Turner stated the letter he would give Chairman Houser would explain this process and the additional costs will be presented by line item. He stated he's done enough upfits that he knows what the approximate cost should be. Mr. Turner stated he works for the ABC Board and will be there throughout the process until the ABC Store opens. He stated he would be their advocate and will help the ABC Board get through this process. Mr. Turner stated he will make sure that everything is done fairly. Once everything has been settled with the landlord, the buildout should only take approximately 60 days. The permitting process is not too lengthy. Once the upfit has been completed, it will only take them approximately a week to get the shelving ready.

Chairman Houser thanked Mr. Turner and noted he appreciated his attention to detail. He asked Stanley to join him and Cordeiro on the property committee. They will work with Mr. Turner and the landlord. The property committee will start the process for applying with the ABC Board. Chairman Houser stated he has experience with the process and would like to have Stanley shadow him through it.

Cordeiro introduced Austin Cavanaugh from NC ABC Commission. Mr. Cavanaugh stated he was in training to become an ABC Board Performance Auditor. When asked, Mr. Cavanaugh stated site visits were random and happened every two to five years, which includes looking financials. Pritchett noted they had a recent check in.



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The next item on the agenda was New Business. The first item was to discuss the implementation of an accidental injury policy for full-time employees. Cordeiro stated the Town started providing this service last year. He explained this coverage was not a health insurance but coverage like AFLAC. Cordeiro referred the ABC Board to a handout that showed examples of coverage. He noted giving employees coverage for accidents on and off the job helps reduce worker's compensation claims and the cost was minimal. Cordeiro noted the amount of frustration that it heads off is worth it. He stated this coverage was for full-time employees only. Patterson stated this cost was included in the Budget Amendment.

**MOTION: TO APPROVE AN ACCIDENTAL INJURY POLICY FOR FULL-TIME EMPLOYEES**

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

Patterson went over the Financial Statements. She noted sales were up from last year and were approximately \$1.1 million, making them \$200,000 over projected sales for the first six months. Patterson explained she only increased sales in the Budget Amendment by 70% because the first couple of months of the year are slow.

Patterson stated there was a lot going on this fiscal year and more budget amendments will be coming. She stated she tried to cover as much as she could in this one. Chairman Houser wanted to set a monthly finance meeting with him, Patterson, and Stanley so they can go through the finances. This will allow for more timely Budget Amendments and time for planning purposes as well. Pritchett noted sales were down for January but so was payroll.

Patterson stated she will need to redo the minimum distribution to the Town. Since the ABC Board sold the building and land, this additional revenue will go into the minimum distribution. When asked, Mr. Cavanaugh stated that was correct as it would be considered revenue. Patterson stated the ABC Board would need to decide if they wanted to include the extra distribution in the monthly payments or wait until the end of the year. She reminded the ABC Board they have not yet paid for the previous year. Cordeiro recommended taking the total amount payable because of the mandatory distribution and amortize the remaining months of the fiscal year, then add to the current calculations. He stated he was comfortable to defer over twelve months to help with cash flow. Chairman Houser stated the sale occurred in November and felt the ABC Board



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should go ahead and pay it. He stated he had hoped to reinvest all the money from the sale and felt that it shouldn't be considered income. Patterson stated she had explained that to Laurie Lee and was told that it would be considered income. She explained they would not be able to offset the expenses for the new ABC Store against the revenue from the sale of the property. Mr. Cavanaugh recommended following Laurie Lee's advice.

Chairman Houser reminded the ABC Board they had decided to hold off on paying the last \$48,000 until the end of this fiscal year. As they move forward with the new ABC Store, there is no doubt they will have to borrow money. He stated he would like to ask the Town to release the obligation. Chairman Houser stated he wasn't asking for a decision today but for the ABC Board to think about the prospect. Cordeiro stated he was waiting on information from the auditors, but the Town was working on not having the ABC Board pay it back.

Cordeiro gave a brief overview of the mandatory distribution process for Member David and Stanley. Patterson noted that after paying off the loan for the land, they had income of \$200,000 from the sale of the property. She asked Mr. Cavanaugh if the profit or the total amount of the sale would be included in the minimum distribution and he stated he would follow up with Laurie Lee. Cordeiro stated the ABC Board's desire was to not have the entire amount of the sale subjected to the minimal distribution. He explained Mrs. Lee's interpretation of the law was that the gross sales amount of approximately \$400,000 would be subjected to the minimum distribution. Cordeiro felt this was not in the best interest of the ABC Board as their intention in selling the property was to invest in a new store. Mr. Cavanaugh understood where the ABC Board was coming from, but he wasn't sure if the entire sale price would be treated as income. He will investigate and get back to the ABC Board. Patterson expressed that she would like to know before the audit so she can be prepared.

Chairman Houser apologized for skipping the Finance Report earlier in the meeting. Stanley stated she would like to meet with Patterson to discuss the overall finances. Patterson stated she would add Stanley to QuickBooks.

The second item under New Business was a discussion on the implementation of 457(b) program with 5% employer contribution for full-time employees. Cordeiro stated the ABC Board has previously discussed offering retirement. He noted there was already a 457(b) account in place. Cordeiro proposed 5% contribution for full-time employees in order to keep the ABC Board competitive.



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**MOTION: TO APPROVE THE IMPLEMENTATION OF 457(b) PROGRAM WITH 5% EMPLOYER CONTRIBUTION FOR FULL-TIME EMPLOYEES**

The motion was made by Member David and was seconded by Member Stutzman. Member Stutzman noted this was an excellent opportunity for employees. He stated the more benefits they could offer was good for the employees as well as recruitment. The motion passed unanimously.

The third item under New Business was to consider rescheduling regular meetings to the third Tuesday at 9am at the Youngsville Town Hall. Chairman Houser reminded the ABC Board the changes would need to be properly posted and noticed.

**MOTION: TO RESCHEDULE REGULAR ABC BOARD MEETINGS TO THE THIRD TUESDAY AT 9AM AT YOUNGSVILLE TOWN HALL**

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

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

Pritchett stated employees were still wearing masks and the sign was still up on the door. They were only allowing six people in the ABC Store at one time based on the current restrictions. She explained they were requesting customers have their ID's ready to help facilitate the sales process. Pritchett stated they were rolling with it until things settle down.

Chairman Houser stated he was pleased Stanley had joined the team. He challenged everyone to recruit more Board Members as they needed more active committees. Chairman Houser noted it was helpful to have Member Stutzman on the personnel committee. He stated the new location was a priority but noted they also needed to better define their policies and procedures more formally. Currently, they follow the Town's policy but felt the ABC Board needed one more customized. Chairman Houser stated with Member David's retail experience, he can be help with the details like the warehouse and retail.

Chairman Houser stated the figures were very impressive, especially with projected sales exceeding \$2 million. He stated they needed to continue to focus on payroll as the major



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expense they can control. Chairman Houser stated they were over budget at the end of December though not by much. He stated they set the budget for this year to hold even with payroll from last year. Chairman Hardwick stated he didn't want the perception that payroll was being cut as all they want was to manage it better. Patterson noted December payroll included the Christmas bonuses. Pritchett stated they had higher payroll in December as they were trying to get through the holidays. She noted the most recent payroll was down to 218 hours as compared to 260 hours.

Member Stutzman noted COVID-19 cases were going up in the state and wanted to make sure they adhered to protocols and Chairman Houser agreed.

Member David stated he was still learning and working on understanding how things are done. He noted he has completed his ethics training.

Stanley stated she was glad to be here and excited to get started. She stated she would work on scheduling meetings next week. Pritchett welcomed Stanley and stated she was glad to have her.

Pritchett noted they have lost a couple of employees. One had to be terminated and other left to work at Speedway for more money. She stated she was working on hiring replacements, one of which has been there for about three weeks. When asked, Pritchett stated she found her by word of mouth and Elizabeth was doing well so far.

Hurd noted she would not have the minutes ready for the January 19<sup>th</sup> ABC Board Meeting. She stated she will get the new schedule posted.

The next item on the agenda was Closed Session. Chairman Houser stated there was a need to 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 David and was seconded by Member Houser. The motion passed unanimously. The ABC Board entered Closed Session at 10:06am and exited at 10:24am. The only action taken was to approve the Closed Session Minutes from December 4, 2020.



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The meeting adjourned at 10:25am upon a motion made by Member Stutzman, seconded by Member David and passed unanimously.