

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

MINUTES

**JUNE 7, 2019
9:00 AM**

REGULAR MEETING

YOUNGSVILLE TOWN HALL CONFERENCE ROOM

134 US 1A SOUTH

Chairman Samuel Hardwick called the Board Meeting of the Town of Youngsville ABC Board to order at 9:00am. In attendance was Chairman Samuel Hardwick, Members Mary Margaret Norman and Rick Houser. Also, in attendance was Finance Officer Jaclyn Patterson, ABC Store Manager Laurie Pritchett, Town Administrator Phillip Cordeiro, and Town Clerk Emily Hurd.

Chairman Hardwick recognized guests Danny Stutzman and Lori Cyrus, applicants for the vacant Youngsville ABC Board seats. He thanked them for attending.

Chairman Hardwick reminded everyone in attendance that Youngsville ABC Board Meetings were recorded, both video and audio.

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.

The next item was to approve the Agenda.

MOTION: TO APPROVE THE AGENDA AS SUBMITTED

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

The next item on the agenda was a Public Hearing for the FY 2019 – 2020 Proposed Budget. Chairman Hardwick opened the Public Hearing at 9:01am. As there were no comments, Chairman Hardwick closed the Public Hearing at 9:02am.

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

The next item on the agenda was the Financial Report. Patterson explained the taxes for May were not included in the Financial Report, so the totals look better than normal. She stated everything looks good. Patterson noted she included a Budget Amendment to show the increased costs of goods sold and taxes based on revenue because they look as if they will go over budget based on projections. She stated sales totals were increased to cover these costs as sales are looking great. The bottom part of the Budget Amendment shows how funds were moved around. Patterson noted that May had three payrolls and she missed the third one, so she used some overages to help cover that added expense.

Patterson stated a tree fell in the parking lot due to the wind and it cost \$450 to have it removed. Increases were made to repairs / maintenance to cover the costs. Patterson noted they used a local company, Allen's Tree Service.

Patterson stated the auditors will do inventory on July 1st. They will do the full audit in mid-August. Member Houser asked if everything from last year has been paid to the Town and Patterson stated it was in the stack of checks that needed to be signed. Once those checks have been processed, then everything will have been paid.

The next item on the agenda was the approval of the Consent Agenda. The Consent Agenda consisted of:

- i. Minutes from the ABC Board Meeting on May 3, 2019
- ii. Budget Amendment – ABC BA 2019-3

MOTION: TO APPROVE THE CONSENT AGENDA AS SUBMITTED

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 contract between the Youngsville ABC Board and the Town of Youngsville for services. Chairman Hardwick asked if the NC ABC Commission had looked over the presented contract and Cordeiro stated their legal council had approved. Cordeiro explained minor changes had been made such as changing "Company" to "ABC Board" and "Manager" to "Town". He noted Patterson was no longer a signer as she is the Finance Officer for both Boards. The Deputy Finance Officers will sign for both parties. Though there were some comments concerning Patterson being the Finance Officer for both Boards, Cordeiro stated he was confident in Patterson's abilities. Member Houser stated he wanted the correspondence entered into the record and Cordeiro stated it would be included in the minutes. Chairman Hardwick stated he did not see anything that stood out to him.

MOTION: TO APPROVE THE CONTRACT BETWEEN THE YOUNGSVILLE ABC BOARD AND THE TOWN OF YOUNGSVILLE FOR SERVICES

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

Email Correspondence consisted of:

Mr. Cordeiro,

Please see additional responses inserted below. Let me know if you have further questions.

Renee C. Metz

Chief Counsel

Director, Legal & Product Divisions

NC ABC Commission

Direct: (919) 779-8331

Fax: (919) 661-6165

Mail: 4307 Mail Service Center, Raleigh, NC 27699-4307

Physical: 400 East Tryon Road, Raleigh, NC 27610

This email is subject to NC Public Record Laws and may be disclosed to third parties.

From: Phil Cordeiro <pcordeiro@townofyoungsville.org>

Sent: Wednesday, May 8, 2019 9:20 PM

To: Metz, Renee

Cc: Jaclyn Patterson; Lee, Laurie; 'rick.youngsvilleabc@gmail.com'

Subject: [External] FW: Review Requested

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to report.spam@nc.gov

Renee:

Good evening, and **thank you so much** for your feedback!

Other than swapping Manager for Town, and Company for ABC Board, it seems as though you only made three recommendations on the contract. These are summarized below, with questions in red. When convenient, may you please respond to the questions?

Again, thank you!!!

1. Between Sections 4 and 5 you added, “(violations of Article 7 of Chapter 18B of NC General Statutes)”.
 - Was this recommending any specific revisions, or was it simply referring to your later commentary on the finance officer position in your e-mail? **[Renee Metz]** *The Town cannot control what the Ms. Patterson is doing when Ms. Patterson is functioning as an employee of the ABC Board. When Ms. Patterson is performing services for ABC Board, then Ms. Patterson must act as if employed only by ABC Board. And vice versa when performing services for Town. There can be no overlapping.*
2. “Mayor, Town Clerk, minutes of town meeting, etc.” was added to the signature pages.
 - I apologize, but I’m unclear what this is directing. Did you simply mean that I should add signature lines for the Mayor and Town Clerk? **[Renee Metz]** *Someone else needs to sign the document besides Ms. Patterson. It can be just you and Mr. Hardwick, but I would advise a second person for each party. For the Town, maybe the Mayor or the Town Clerk. For the ABC Board, potentially the General Manager or another board member.*
3. Your e-mail comments on the finance officer position.

On the third topic, I would like to clarify this contract ***does not cover the finance officer position whatsoever—Ms. Patterson has executed a separate contract with the ABC board for the finance officer role.*** This contract covers the services of the town clerk, administrator, public works staff, and police officers. None of these employees would benefit from this contract as they are town employees and their compensation will not change as a result of this contract. ***Given this clarification (exclusion of the finance officer role), is your legal analysis still that the town’s finance officer cannot pre-audit this contract? [Renee Metz] I don't understand - Isn't Ms. Patterson the Finance Officer for both the ABC Board and for the Town of Youngsville? And doesn't she receive a personal gain (secondary employment) as a result? If so, she should not execute / sign this agreement.***

I also have one more comment and a few questions on the finance officer role in reaction to the following comment: “When she is working in her Town Finance Officer role, she will be on Town property using Town equipment addressing Town matters. When she is working in her role as ABC Board Finance Officer, she will be on ABC Board property using ABC Board equipment addressing ABC Board matters.”

Comment: Ms. Patterson currently performs some of her work for the ABC board on town property, using town equipment, and using IT infrastructure (e.g. her Office 365 e-mail address is property of the town).

Questions:

- ***Should she be prohibited from doing so? [Renee Metz] Technically, yes under the law.***
- ***If so, to what extent?***
- ***For example, can she use a town phone to make phone calls for ABC work? [Renee Metz] Technically, no. Just as I cannot use a State phone to make a personal call.***
- ***For example, if the ABC store manager walks across the street (to town hall) to ask Ms. Patterson a question is she prohibited from answering it on town property? This seems a bit unreasonable to me. [Renee Metz] So the Town would be paying for her time while she performs services for the ABC Board. If she were to trip and fall while doing so, where does liability and workers' compensation rest in that situation? The Town or the ABC Board? Whose insurance would cover expenses?***

Sincerely,

Phillip D. Cordeiro

Town Administrator

Town of Youngsville

P.O. Box 190 (Mailing)

134 US 1A South (Physical)

Youngsville, NC 27596

Main: 919.925.3401

Direct: 919.925.3399

Mobile: 919.322.8810

Fax: 919.556.0995



**This correspondence is subject to North Carolina public records law. Please note it — and any responses to it — may be subject to requests for review and may be disclosed to third parties.*

From: Lee, Laurie [<mailto:Laurie.Lee@abc.nc.gov>]

Sent: Wednesday, May 8, 2019 3:01 PM

To: Phil Cordeiro <pcordeiro@townofyoungsville.org>

Cc: Rick Houser (rick.youngsvilleabc@gmail.com) <rick.youngsvilleabc@gmail.com>

Subject: RE: Review Requested

Renee's comments are attached and also below the statutes cited here.

18B-101(8) – A local board is an independent local political subdivision of the State.

Nothing in this Chapter shall be construed as constituting a local board the agency of a city or county or of the Commission.

18B-201(i) – Nothing in this section shall allow participation in an action prohibited by G.S. 14-234 or G.S. 133-32.

§ 14-234. Public officers or employees benefiting from public contracts; exceptions.

- (a) (1) No public officer or employee who is involved in making or administering a contract on behalf of a public agency may derive a direct benefit from the contract except as provided in this section, or as otherwise allowed by law.
 - (2) A public officer or employee who will derive a direct benefit from a contract with the public agency he or she serves, but who is not involved in making or administering the contract, shall not attempt to influence any other person who is involved in making or administering the contract.
 - (3) No public officer or employee may solicit or receive any gift, favor, reward, service, or promise of reward, including a promise of future employment, in exchange for recommending, influencing, or attempting to influence the award of a contract by the public agency he or she serves.
- (a1) For purposes of this section:
- (1) As used in this section, the term "public officer" means an individual who is elected or appointed to serve or represent a public agency, other than an employee or independent contractor of a public agency.
 - (2) A public officer or employee is involved in administering a contract if he or she oversees the performance of the contract or has authority to make decisions regarding the contract or to interpret the contract.
 - (3) A public officer or employee is involved in making a contract if he or she participates in the development of specifications or terms or in the preparation or award of the contract. A public officer is also involved in making a contract if the board, commission, or other body of which he or she is a member takes action on the contract, whether or not the public officer actually participates in that action, unless the contract is approved under an exception to this section under which the public officer is allowed to benefit and is prohibited from voting.
 - (4) A public officer or employee derives a direct benefit from a contract if the person or his or her spouse: (i) has more than a ten percent (10%) ownership or other interest in an entity that is a party to the contract; (ii) derives any income or commission directly from the contract; or (iii) acquires property under the contract.

(5) A public officer or employee is not involved in making or administering a contract solely because of the performance of ministerial duties related to the contract.

(b) ...

(f) A contract entered into in violation of this section is void. A contract that is void under this section may continue in effect until an alternative can be arranged when: (i) immediate termination would result in harm to the public health or welfare, and (ii) the continuation is approved as provided in this subsection. A public agency that is a party to the contract may request approval to continue contracts under this subsection as follows:

(1) Local governments, as defined in G.S. 159-7(15), public authorities, as defined in G.S. 159-7(10), local school administrative units, and community colleges may request approval from the chair of the Local Government Commission.

(2) All other public agencies may request approval from the State Director of the Budget.

Approval of continuation of contracts under this subsection shall be given for the minimum period necessary to protect the public health or welfare.

There is no need for a services contract because G.S. 18B-702 sets forth the duties and responsibilities of the finance officer for all ABC Boards. The only agreement to be noted is that the Town Council consents to the dual role of the Finance Officer, a process Ms. Patterson should be completely excluded from. Any payment or employment terms are completely between Ms. Patterson and the ABC Board.

There should be no intermingling of Ms. Patterson's roles. When she is working in her Town Finance Officer role, she will be on Town property using Town equipment addressing Town matters. When she is working in her role as ABC Board Finance Officer, she will be on ABC Board property using ABC Board equipment addressing ABC Board matters.

Please let me know if you need anything further.

Renee C. Metz

Chief Counsel

Director, Legal and Product Divisions

NC Alcoholic Beverage Control Commission

Phone: (919) 779-8331

Fax: (919) 661-6165

Email: renee.metz@abc.nc.gov

Mail: 4307 Mail Service Center, Raleigh, NC 27699-4307

Location: 400 East Tryon Road, Raleigh, NC 27610

Email correspondence to and from this address is subject to the North Carolina Public Records Law and may be disclosed to third parties.

From: Phil Cordeiro [<mailto:pcordeiro@townofyoungsville.org>]

Sent: Wednesday, May 08, 2019 1:47 PM

To: Lee, Laurie <Laurie.Lee@abc.nc.gov>

Subject: RE: [External] Review Requested -- Proposed Contract Between the Town of Youngsville and the Youngsville ABC Board

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to report.spam@nc.gov

Laurie:

What a relief. I look forward to Renee's reply.

Thank you so much for your help!!!

Sincerely,

Phillip D. Cordeiro

Town Administrator

Town of Youngsville

P.O. Box 190 (Mailing)

134 US 1A South (Physical)

Youngsville, NC 27596

Main: 919.925.3401

Direct: 919.925.3399

Mobile: 919.322.8810

Fax: 919.925.3402



**This correspondence is subject to North Carolina public records law. Please note it — and any responses to it — may be subject to requests for review and may be disclosed to third parties.*

From: Lee, Laurie <Laurie.Lee@abc.nc.gov>

Sent: Wednesday, May 8, 2019 1:22 PM

To: Phil Cordeiro <pcordeiro@townofyoungsville.org>

Subject: RE: [External] Review Requested -- Proposed Contract Between the Town of Youngsville and the Youngsville ABC Board

Providing services is allowed. I misunderstood your contract. Renee Metz our chief legal counsel is looking it over now.

Laurie Lee | Pricing / ABC Board Audits | NC ABC Commission | **919.779.8354**

E-mail correspondence to and from this address is subject to the North Carolina Public Records Law and may be disclosed to third parties.

From: Phil Cordeiro [<mailto:pcordeiro@townofyoungsville.org>]

Sent: Wednesday, May 08, 2019 12:33 PM

To: Lee, Laurie <Laurie.Lee@abc.nc.gov>

Cc: Jaclyn Patterson <jpatterson@townofyoungsville.org>; Emily Hurd

<ehurd@townofyoungsville.org>; ABC Store <abcstore@townofyoungsville.org>; Mary

Margaret Norman (yabc.mmn@yahoo.com) <yabc.mmn@yahoo.com>; Sam Hardwick

(<yabc.sam@yahoo.com>) <yabc.sam@yahoo.com>; Rick Houser (rick.youngsvilleabc@gmail.com)

<rick.youngsvilleabc@gmail.com>

Subject: RE: [External] Review Requested -- Proposed Contract Between the Town of Youngsville and the Youngsville ABC Board

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to report.spam@nc.gov

Laurie:

The first paragraph of the contract reads as follows:

This management and services agreement is between the **TOWN OF YOUNGVILLE ABC BOARD**, an incorporated local government component unit in the State of North Carolina (**the "Company"**) and the **TOWN OF YOUNGVILLE**, an incorporated local government in the State of North Carolina (**the "Manager"**).

Thus, the ABC Board is the Company and the Town is the Manager in this contract. The Manager would provide to the Company the professional services set forth in Exhibit B. The contract does not cover the duties of the general manager of the ABC store whatsoever.

I don't understand how we can execute the sample law enforcement contract you provided if the following statement (from your message below) is true: "The Town has no authority to sign a contract with the ABC Board."

Are you, or anyone from your legal team, able to attend the board's next meeting (9am on June 7th) to provide more guidance on this topic? I think having an in-person discussion during a properly noticed public meeting would be the most efficient way to solve this problem while remaining in compliance with NC open meeting laws.

Sincerely,

Phillip D. Cordeiro

Town Administrator

Town of Youngsville

P.O. Box 190 (Mailing)

134 US 1A South (Physical)

Youngsville, NC 27596

Main: 919.925.3401

Direct: 919.925.3399

Mobile: 919.322.8810

Fax: 919.925.3402



**This correspondence is subject to North Carolina public records law. Please note it — and any responses to it — may be subject to requests for review and may be disclosed to third parties.*

From: Lee, Laurie <Laurie.Lee@abc.nc.gov>

Sent: Wednesday, May 8, 2019 12:22 PM

To: Phil Cordeiro <pcordeiro@townofyoungsville.org>

Cc: Jaclyn Patterson <jpatterson@townofyoungsville.org>; Emily Hurd <ehurd@townofyoungsville.org>; ABC Store <abcstore@townofyoungsville.org>; Mary Margaret Norman (<yabc.mmn@yahoo.com> <yabc.mmn@yahoo.com>); Sam Hardwick (<yabc.sam@yahoo.com> <yabc.sam@yahoo.com>); Rick Houser (<rick.youngsvilleabc@gmail.com> <rick.youngsvilleabc@gmail.com>)

Subject: RE: [External] Review Requested -- Proposed Contract Between the Town of Youngsville and the Youngsville ABC Board

Exhibit B in the copy I have talks about the duties of a "Manager". Is that not referring to the general manager of the ABC Board? Obviously I am not understanding your use of the terms "Company" and "Manager".

I have attached a sample law enforcement contract as an FYI.

Laurie Lee

Director

Pricing Division / ABC Board Audits

NC ABC Commission

400 E. Tryon Road, Raleigh, NC 27610

P: 919-779-8354 F:919-661-5927

laurie.lee@abc.nc.gov

E-mail correspondence to and from this address is subject to the North Carolina Public Records Law and may be disclosed to third parties.

From: Phil Cordeiro [<mailto:pcordeiro@townofyoungsville.org>]

Sent: Wednesday, May 08, 2019 11:09 AM

To: Lee, Laurie <Laurie.Lee@abc.nc.gov>

Cc: Jaclyn Patterson <jpatterson@townofyoungsville.org>; Emily Hurd <ehurd@townofyoungsville.org>; ABC Store <abcstore@townofyoungsville.org>; Mary Margaret Norman (yabc.mmn@yahoo.com) <yabc.mmn@yahoo.com>; Sam Hardwick (yabc.sam@yahoo.com) <yabc.sam@yahoo.com>; Rick Houser (rick.youngsvilleabc@gmail.com) <rick.youngsvilleabc@gmail.com>

Subject: RE: [External] Review Requested -- Proposed Contract Between the Town of Youngsville and the Youngsville ABC Board

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to report.spam@nc.gov

Laurie:

May you please put me in touch with your legal staff? I believe your interpretation directly contradicts state law in various areas.

Using just one of the topics covered as an example, the last bullet in Section 2, Exhibit B, of the proposed contract provides the town shall, "designate ABC law enforcement officers and inspect and enforce ABC laws in the town's jurisdiction." On this topic, NCGS § 18B-501(f) reads, in part, as follows:

*Contracts with Other Agencies. – Instead of hiring local ABC officers, a local board **may contract to pay its enforcement funds to a sheriff's department, city police department, or other local law-enforcement agency for enforcement of the ABC laws within the law-enforcement agency's territorial jurisdiction.***

Do you understand the contradiction between your assertion below and the law above? I could also cite others, but believe it would be more efficient for the town to work with your legal staff directly.

Again, thank you very much for your help!

Sincerely,

Phillip D. Cordeiro

Town Administrator

Town of Youngsville

P.O. Box 190 (Mailing)

134 US 1A South (Physical)

Youngsville, NC 27596

Main: 919.925.3401

Direct: 919.925.3399

Mobile: 919.322.8810

Fax: 919.925.3402



**This correspondence is subject to North Carolina public records law. Please note it — and any responses to it — may be subject to requests for review and may be disclosed to third parties.*

From: Lee, Laurie <Laurie.Lee@abc.nc.gov>

Sent: Wednesday, May 8, 2019 10:52 AM

To: Phil Cordeiro <pcordeiro@townofyoungsville.org>
Cc: Jaclyn Patterson <jpatterson@townofyoungsville.org>; Emily Hurd <ehurd@townofyoungsville.org>; ABC Store <abcstore@townofyoungsville.org>; Mary Margaret Norman (yabc.mmn@yahoo.com) <yabc.mmn@yahoo.com>; Sam Hardwick (yabc.sam@yahoo.com) <yabc.sam@yahoo.com>; Rick Houser (rick.youngsvilleabc@gmail.com) <rick.youngsvilleabc@gmail.com>

Subject: RE: [External] Review Requested -- Proposed Contract Between the Town of Youngsville and the Youngsville ABC Board

I apologize for taking so long to reply. I returned from vacation on Monday and wanted to run this by our legal staff just to be sure my thoughts were correct.

The Town has no authority to sign a contract with the ABC Board. The ABC Board may adopt policies such as those articulated in this contract and share those policies with the Town but there is no authorization in the statutes allowing for a contract between the two entities. The Town's authority is limited to (1) appointing ABC Board members, (2) setting compensation and (3) removing members for cause.

Laurie Lee

Director

Pricing Division / ABC Board Audits

NC ABC Commission

400 E. Tryon Road, Raleigh, NC 27610

P: 919-779-8354 F:919-661-5927

laurie.lee@abc.nc.gov

E-mail correspondence to and from this address is subject to the North Carolina Public Records Law and may be disclosed to third parties.

From: Phil Cordeiro [<mailto:pcordeiro@townofyoungsville.org>]

Sent: Friday, May 03, 2019 12:38 PM

To: Lee, Laurie <Laurie.Lee@abc.nc.gov>

Cc: Jaclyn Patterson <jpatterson@townofyoungsville.org>; Emily Hurd <ehurd@townofyoungsville.org>; ABC Store <abcstore@townofyoungsville.org>; Mary Margaret Norman (yabc.mmn@yahoo.com) <yabc.mmn@yahoo.com>; Sam Hardwick (yabc.sam@yahoo.com) <yabc.sam@yahoo.com>; Rick Houser (rick.youngsvilleabc@gmail.com) <rick.youngsvilleabc@gmail.com>

Subject: [External] Review Requested -- Proposed Contract Between the Town of Youngsville and the Youngsville ABC Board

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to report.spam@nc.gov

Laurie:

Good afternoon. Attached is a proposed contract between the Town of Youngsville and the Youngsville ABC Board. When convenient, may you please review and provide feedback? In advance, please accept our sincerest gratitude for your time and consideration. Have a great weekend!

Sincerely,

Phillip D. Cordeiro

Town Administrator

Town of Youngsville

P.O. Box 190 (Mailing)

134 US 1A South (Physical)

Youngsville, NC 27596

Main: 919.925.3401
Direct: 919.925.3399
Mobile: 919.322.8810
Fax: 919.556.0995



**This correspondence is subject to North Carolina public records law. Please note it — and any responses to it — may be subject to requests for review and may be disclosed to third parties.*

The second item under Old Business was to continue the discussion on the proposed remodel of the ABC Store. Chairman Hardwick stated the Youngsville ABC Board now owns the property surrounding the current store and knew they would not move forward on the new building yet. However, he noted they needed to discuss improving the current store. Chairman Hardwick stated he was for improving shelving to make more space and asked Pritchett for her opinion. Pritchett noted she had spoken with Rick Turner, the contractor, at length and Mr. Turner felt improvements to the ABC Store would be wasting money at this time. Mr. Turner had explained that anything purchased now and moved into the new store at a later point would no longer look new. Another consideration was the longer the Youngsville ABC Board waited to build, there was the possibility of increased costs of materials. At this time, additional sales would be minimal and would not effectively cover the costs of the remodel and the amount of time the store would need to be closed. Mr. Turner's recommendation to Pritchett was to concentrate on updating the exterior, updating the signage, and move forward on the parking lot if able. Member Norman asked about having a cleaning service come in to spruce up the ABC Store and Pritchett stated they already had the ABC Store cleaned. Member Norman stated the old posters needed to come down off the walls and Pritchett stated they were working on it. Pritchett noted the liquor representatives were bringing replacements and they would be hung properly. Member Norman inquired about putting money into the parking lot and Pritchett stated the land behind the ABC Store could be cleared and made into a gravel parking lot. Chairman Hardwick agreed.

Pritchett stated she has worked at the ABC Store for twenty-four years. She explained that she has always been on top of getting new items in the store. The clerks write down requests, especially for residents. Pritchett stated she can still make room for more items with the current shelving situation. There are 787 individual items, not counting the twenty-seven new items that was placed on the most recent order. Pritchett noted that Youngsville carries half-pints that Wake County does not. She explained just because items are on the shelves doesn't mean they will sell. Pritchett stated dead stock does no good. Patterson asked if there were items that didn't sell, and Pritchett stated yes. Patterson asked what happened to items that didn't sell, and Pritchett explained the store could petition the NC ABC Commission to put the items on sale, but they still must pay the full amount of taxes. Pritchett noted they cannot send items back. Chairman

Hardwick asked if these items were selling at other stores and Pritchett stated other stores don't carry them and do not have an interest in getting them in. Pritchett reiterated there was room for new items and was in the process of ordering a variety of new selections. She noted they did not always receive everything they ordered but that could not be helped. Pritchett explained she went down the full list of items for each order, looking for the new items. Sometimes new items are not announced, and she does not want to miss out on anything. Chairman Hardwick asked if all the new items she ordered were from requests and Pritchett stated no. She explained some were items she thought would sell well in Youngsville and gave examples. Pritchett reiterated she could find room for the new items on the current shelving. Member Houser stated no one was questioning that Pritchett was doing a good job.

Pritchett reiterated that Mr. Turner was adamant about holding off. Member Houser asked if Mr. Turner would be able to purchase additional shelving and Pritchett explained the ABC Store had already gotten rid of the fifth shelf as people never saw the items on the very top. Pritchett reiterated the bottom shelves can be easily rearranged to make room for new items. She noted Youngsville has one of the bigger stores in Franklin County, other than Franklinton. Pritchett stated Franklinton recently increased their store size, but it still looks empty. Patterson expressed concerns about closing for two weeks. Chairman Hardwick stated the ABC Store has looked bad for a long time. Pritchett stated the parking on the Holden Road side can be expanded, both for more parking and for safety concerns. Chairman Hardwick agreed that it needed to be investigated. Pritchett stated it would also help the delivery truck and the cardboard dumpster. Chairman Hardwick stated grading towards the back for overflow parking was as good opportunity. Pritchett stated Mr. Turner was trying to help the Youngsville ABC Board save money. Member Houser stated he didn't think it would be a waste of money if the shelves could be moved to the new store. Pritchett stated Mr. Turner did not believe the new shelves should be moved to the new store as they would then be noticeably older and used. Member Houser stated more shelves would mean more inventory and Pritchett stated that she can increase inventory with the shelf space she currently has. Pritchett stated the problem was loading the shelves with items that won't sell. Member Houser stated people go to the Wake Forest ABC Store over Youngsville because of the variety. Pritchett explained Youngsville had items that Wake Forest doesn't which attracts other people from the Wake Forest area. She stated people always mention how much of a selection that Youngsville has. Chairman Hardwick hoped the new store would give us the same influx of people as Wake Forest. Pritchett stated if requested, they will order items that Wake Forest has.

Chairman Hardwick stated most of the negativity is in the appearance of the store and the problems with the parking lot. Pritchett stated staff hears a lot of complaints about the parking lot. Chairman Hardwick stated if the Youngsville ABC Board investigated expanding the parking lot until the new store is built, even if it is gravel, it would at least buy the store more time and be a sign to the customers we are working towards improving the situation. Improving the looks a little bit in steps, would help. Chairman Hardwick stated he did want more shelving but noted it was hard in the limited space available. He agreed with Pritchett that if she can open more space, then he didn't want to spend money on shelving that we can't use as "new" in the new store. Pritchett

explained they currently had a black shelf for the minis and they can add another for the packs of minis, as well as the half-pints, to open more space on the bigger shelves.

Member Houser asked if Mr. Turner was unwilling to meet with the Youngsville ABC Board and Pritchett stated he would come in or teleconference with Youngsville ABC Board if they wanted him to. Member Houser stated it would be worth getting him on the phone and talking to him. Chairman Hardwick asked that it be set up for the next meeting. He stated with the new store and all the changes, there was a possibility of getting a developer to do something on that property. He asked a friend, who was a developer, for his thoughts and the friend stated they would research the possibilities. Chairman Hardwick stated this individual has done a lot of development in the area. Pritchett noted that Mr. Turner had a fee of \$3,500 and has architects that can take care of all that stuff. Patterson asked for clarification and Chairman Hardwick explained they would combine the land into one parcel and look at options, including selling the land so the ABC Store would lease from a development. Chairman Hardwick reiterated he wanted to know what a developer thought about going this route to see if it would be a viable option. Member Houser noted he had someone say the same thing. Member Norman asked what everyone thought was the best idea. Chairman Hardwick stated the appeal of having someone else develop the property included Youngsville getting a larger store and we can easily move out of the location if we wanted to move closer to Capital Boulevard. He stated it would give us more options in the future. Member Houser noted the Youngsville ABC Board needed to focus on paying off the land first and both Chairman Hardwick and Member Norman agreed. Chairman Hardwick noted that if the Youngsville ABC Board went the developer route, the land would be paid off very quickly. Member Houser noted the Youngsville ABC Board has a clean slate and were open to all options at this point. Chairman Hardwick stated the Youngsville ABC Board needed to research all options before making a decision.

Chairman Hardwick stated Youngsville ABC Board also needs to focus on generating more sales and more income for a variety of reasons. This includes improving the looks, providing service, and increasing the revenues for the Town and for us. Member Norman stated some improvements would be superficial, but cosmetics make a difference. She noted that Wake Forest has a shiny, new store but doesn't have that big of a selection. The outside does make a difference and will bring people in to see the varied selection that Youngsville has to offer. Pritchett stated new signs would help and Member Norman agreed that new signs would help create interest and draw more people in. Member Norman stated keeping the store clean and pretty, so that it sparkles, will help. Chairman Hardwick stated improving the parking would also be a great help and would increase the safety of our customers. Pritchett noted traffic was a problem. Patterson wanted to confirm there was new lighting in the back and Pritchett stated there was. She stated that she would love to have the LED lighting up front and has a quote at the office from Danco. Patterson stated that putting new, brighter lights in the store would help as well and Pritchett agreed it would be an improvement over the "dingy" lighting they currently have. Pritchett noted they would not have to close the store for these upgrades. Mr. Stutzman agreed with the suggestions

Chairman Hardwick summarized the action items. First, we need to have Mr. Turner make a presentation at the next Youngsville ABC Board meeting. Second, we need to investigate improving the parking situation as a temporary solution, which will help clean up the new property so that it will look better. Pritchett agreed. Member Norman inquired about the costs and Member Houser stated he would look into getting some quotes. Member Houser stated they would need to check with Town Hall for allowable parking solutions. Chairman Hardwick stated a temporary entrance, away from the intersection, would be ideal. Cordeiro stated an engineer would need to look at the property. Member Houser asked if the curb has already been cut and Chairman Hardwick stated he didn't think so. Pritchett asked if the "stop line" could be painted past the entrance so it wouldn't be blocked or at least some signage to keep the driveway from being blocked and Cordeiro stated he could express to NC DOT to mark Holden Road with a white line to help keep the driveways open when they come back to finish the improvements at the intersection.

Member Houser noted the signs could be done in cursive that would help with the branding process that Youngsville is currently working on and Pritchett stated she knew someone that could do outside murals. Cordeiro stated he would communicate with Mr. Turner about what he would need to bring to the meeting. Member Houser stated he would contact Mr. Turner and Cordeiro stated he would get the call-in information to Mr. Turner.

MOTION: TABLE THE DISCUSSION ON THE PROPOSED REMODEL OF THE ABC STORE UNTIL THE JULY BOARD MEETING

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

The third item under Old Business was the FYE 2020 Budget. Chairman Hardwick noted we had the Public Hearing earlier and there were no comments or complaints that he was aware of. Member Houser wanted to clarify any line items that were not fully spent could have their overages moved to other line items and Patterson explained the rules and procedures. Patterson stated a 60% deposit had been placed for the cash register though it will be August before it can be installed. Pritchett explained there was a high demand and August was the soonest it could be installed. She noted that July was also tricky as there were reports due. Patterson stated it would need a Budget Amendment from Fund Balance in the next fiscal year. Pritchett stated the new system would make the orders easier and Patterson agreed it would make everything, including reports, easier. Patterson noted she finally received the remaining information from the Pay and Classification Study.

MOTION: TO APPROVE THE FYE 2020 BUDGET AS PRESENTED

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

The next item on the agenda was New Business. The first item under New Business was a discussion on joining the NC Local Government Employees Retirement System (LGERS). Cordeiro explained ABC Store employees were eligible to participate. He stated previous concerns included back payments for prior years and that is not the case. Cordeiro stated it was now up to the Youngsville ABC Board if they want the full-time employees to be able to participate. If so, he would need direction from the Youngsville ABC Board to start working with LGERS to fill out the paperwork. A resolution would need to be approved at the next Youngsville ABC Board meeting. Pritchett asked how many years employees needed to work before retirement and Cordeiro stated employees are vested after five years of service for pension based on total years of service and a multiplier. Patterson asked if it was retroactive and Cordeiro explained an employee can purchase past service credit for previous years. If the Youngsville ABC Board becomes a member, employees will then begin getting credit at that time. Cordeiro noted if we became a member now, employees would be vested in 2024 and eligible for retirement benefits in the LGERS system. Cordeiro explained the graduated system and gave some examples. He also explained how to purchase credit for previous years' service. Patterson inquired about the costs of purchasing previous years and Cordeiro stated it was not appropriate for him to say but LGERS would work with the employees to figure the amount due for previous years. Member Houser asked if the employer would have to do a match if the employee chooses and Cordeiro stated the employer would not have to do anything. They will have the option to pay for some or all as a one-time decision and may be a conversation the members of the Youngsville ABC Board may want to have with their current employees. Cordeiro clarified the employer was not legally required for past payments but will be for future payments as an employer's match.

Pritchett stated she appreciated everyone looking into the retirement system. She stated two employees have worked for twenty-two and twenty-four years each and losing money from their paycheck is harsh, along with it not being retroactive. Member Norman wanted to clarify that employees would be able to draw both the retirement and social security at the same time and Cordeiro stated that was correct. Patterson asked if they did not want to contribute what was required and Pritchett stated they could not afford to at this time. Patterson offered an alternative of NC 401(k), like what the Town was doing for their employees. Cordeiro explained the employer could contribute on behalf of the employees, without the employees having to pay a matching amount. Cordeiro cautioned against making large policy-based decisions on retirement based on specific employees. If given the right direction, he can ask LGERS if they may be able to exempt current employees. Cordeiro stated he would get more information on options. Member Houser noted employees are the ones that will vote whether to participate or not. He inquired if the employees could vote to start LGERS but not participate so that it will be in place for future employees. Pritchett agreed that they could join LGERS for future employees. She stated that almost all the other ABC Stores participate. Pritchett stated she was interested in the NC 401(k) option that Patterson and Cordeiro mentioned. Member Houser asked for more information on the NC 401(k) option and Cordeiro explained the Town is providing a 5% employer match with no employee contribution needed. Member Houser asked about the costs of administering the program for two employees and Cordeiro stated it was included in the scope of services from the Town since Patterson already processes those reports for the Town. Cordeiro clarified that it

would be a separate report, but she is already familiar with the process. Member Houser stated it was an interesting option and noted that once we joined LGERS we can't get out. He noted NC 401(k) would be easier to suspend payments if something were to happen. Cordeiro stated he would confirm that with our Prudential contact and get more information. Member Houser wanted to clarify that LGERS was more like a pension that pays for life and NC 401(k) was only the amount put into the account and Cordeiro stated that was correct. Based on that information, Member Houser stated LGERS was a better retirement plan for future employees.

Mr. Stutzman stated he was familiar with the LGERS program and the way it works. He stated there was no way he would give this up because it also has health insurance. Mr. Stutzman stated retired employees would have social security and health insurance for free as a supplement to his Medicare. However, in his experience, employees were not allowed to choose the number of years when purchasing previous years credit. Mr. Stutzman stated it was all or nothing at that time. He recommended asking for clarification on years allowed to purchase. Mr. Stutzman also noted they were only allowed to purchase previous years after the five-year vested period and those previous years were purchased at the current salary.

Chairman Hardwick stated it was a great opportunity for future employees and lamented that current employees were caught in the middle. Cordeiro stated that, if the Youngsville ABC Board was interested, he would need to confirm with LGERS that we could exclude current employees, but future employees could participate. He noted he would also need to confirm that NC 401(k) could be suspended if the employer could no longer include the costs. Cordeiro asked for thoughts from the Youngsville ABC Board members. Member Houser asked if there was more information on the NC 401(k) option for them to look over at the next Youngsville ABC Board meeting and Cordeiro stated he would provide information. Cordeiro stated he would see if representatives for both options would be available for next month's meeting.

MOTION: TABLE THE DISCUSSION ON JOINING THE NC LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM TO THE JULY BOARD MEETING

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

The second item under New Business was to review the applications for the Youngsville ABC Board. Chairman Hardwick stated they received three applications, two of which were in attendance. He reminded the Youngsville ABC Board they did not have a vote but Cordeiro noted a recommendation could be made. Chairman Hardwick asked the applicants if they would like to introduce themselves.

Mr. Stutzman stated he was a current employee with the State and was familiar with the operations and policies. He was also familiar with our ABC Store as he currently lives within city limits and previously lived in the surrounding area. Mr. Stutzman agreed the sign and building needed to be updated. He noted he has been to Board of Commissioner

meetings to help get a feel for Youngsville. Mr. Stutzman stated he was a customer of the ABC Store, though he came in closer to closing. Living in the area has helped familiarize him with the local traffic and he has noticed how people cut through.

Member Houser clarified that Mr. Stutzman worked in Human Resources (HR) and Mr. Stutzman stated he currently serves as HR in the Department of Insurance. Mr. Stutzman gave a summary of current and previous jobs duties. Member Houser felt Mr. Stutzman would bring a needed skill set and can work with staff and Mr. Stutzman stated he would be willing and able to help staff. Mr. Stutzman explained he received community service leave from work so that would open him for meetings and help at the ABC Store.

Lori Cyrus noted she moved to Youngsville thirteen years ago and she has four older children. She stated she is very familiar with the traffic problems. Mrs. Cyrus stated she works at a law firm in Rocky Mount and is a social security disability case manager. She gave a summary of previous and current job duties. Mrs. Cyrus stated she helps with her husband's business and understands timelines and costs. She stated she enjoys being in Youngsville and would like to be a part of changing the ABC Store to be more in line with where Youngsville is heading. Mrs. Cyrus stated that she also avoids the ABC Store during certain times of the day due to traffic and has witnessed several people walking across traffic instead of trying to drive. She agreed there was a safety concern. Mrs. Cyrus ended by saying she would like to volunteer to help Youngsville grow.

Chairman Hardwick thanked Mr. Stutzman and Mrs. Cyrus for their interest and coming to the meeting. Member Houser stated Todd Casado, the third applicant, was the District Manager for Sheetz, managing ten stores in our area. He noted Mr. Casado lives in Stephen's Glen and has two children. Member Houser stated Mr. Casado cares a lot about Youngsville and has been involved in helping get donations for the local soccer fields. He stated Mr. Casado has good experience managing stores.

Member Houser noted we had three excellent candidates and Chairman Hardwick agreed. Member Norman stated she was happy to have anyone willing to help. It was nice to see the difference aspects and thoughts. She noted she was happy to see Youngsville grow and improve. Member Norman stated the Youngsville ABC Board did not have a big influence on what is going on, but it is important for that area of town to make an impression. This area is growing, and we need to have the things people want when they move here. Chairman Hardwick stated he hears a lot of love for this Town and noted everyone is after the same thing; to work with the Town to improve.

Chairman Hardwick stated he would direct the Board of Commissioners that the Youngsville ABC Board is fine with all three candidates.

The third item under New Business was to appoint Laurie Pritchett as Deputy Finance Officer for the Youngsville ABC Board.

MOTION: TO APPOINT LAURIE PRITCHETT AS DEPUTY FINANCE OFFICER FOR THE YOUNGSVILLE ABC BOARD

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

The next item on the agenda was Reports and Other Business. Member Houser asked if Member Norman's reappointment had been made and Hurd stated that Member Norman had been reappointed at the previous Board of Commissioners Meeting. When asked if she would need to go through ethics training again, Cordeiro stated he would check into it.

Patterson had more questions concerning the ability of future employees being able to opt out of LGERS. Cordeiro stated he would investigate it, but it was not desirable, and Patterson agreed.

Hurd stated she had researched the legal name for the Youngsville ABC Board. Based on information gathered, it was created as the Town of Youngsville Alcoholic Beverage Control Board and has been referred to as the Youngsville ABC Board in official paperwork.

Cordeiro wanted to renew the Youngsville ABC Board's invitation to the branding workshop on June 24th at 6pm at the Youngsville Community House. He gave a summary of focus groups and asked they recommend individuals they thought may need to be included. Member Houser stated someone would be there to represent the ABC Store. When asked, Cordeiro stated all focus groups would meet at Town Hall with the Board of Commissioners, Youngsville Planning Board, Youngsville ABC Board, and the public meeting at the Community House on Monday night.

The meeting adjourned at 10:16am on a motion made by Member Houser, seconded by Member Norman, and passed unanimously. Cordeiro expressed his gratitude to the applicants in attendance.