

**ANGIER BOARD OF ALCOHOL CONTROL
MINUTES**

**February 8, 2024 6:30 pm
ANGIER BOARD ROOM**

A called meeting of the Town of Angier ABC Board was held on February 8, 2024 at the Angier Board Room.

Members Present and/or Participating:

Fran Bishop, Chair
Daniel Simon, Member
Joe Langley, Member
Dennis Gilby, Member

- Add
Tom Taylor

Others Present:

Maggie Sandrock, General Manager

Board Chair, Fran Bishop, called the meeting to order at 6:30 p.m.

1. Fran Bishop, Board Chair opened the meeting with a prayer.
2. All in attendance said the Pledge of Allegiance.
3. In an effort to avoid any possible conflicts, Board Chair, Fran Bishop read the following ethics reminder:
In accordance with GS 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?
4. Board members reported no conflicts.
5. Chair Bishop asked board members for any additions to the agenda. None presented.
5. Motion made by Board Member Simon to approve agenda. The vote was unanimously approved. (4-0)
6. Chairman presented minutes from January 8, 2024, meeting. Board Member Langley made the motion to approve the consent agenda. The vote was unanimously approved. (4-0)
7. Board Member Simon asked to discuss minutes and add a comment to a line to item 11 of the January 11, 2024, as follows: GM shared concern on current condition of the CCTV system, after some discussion, consensus was reached for the GM to check into both digital and cloud-based systems if the system needs to be replaced in the future. Board member Simons made the motion to add the above noted comment. The vote was unanimously approved (4-0).
8. Board Chair Bishop opened the floor for public comment. Brian Hawley 49 Kerry Lane and former ABC Board Chair indicated his appreciation for the board and their willingness to serve. Mr. Hawley shared that the CCTV system had been a topic of discussion in past meetings and indicated that it was vital and did indeed need to be addressed. He also advised the board that as chair he had written to the NCABC to get an exemption to deliver products to MXB customers.

Mr. Hawley shared his concern that if the board made the decision to lease outside warehouse space, necessitating the purchase of a vehicle that the expenditure would both adversely affect margins and additional could lead to the NCABC board reversing the exemption from delivering which would add further expenses to the store to provide those services such as gas, staffing, insurance, etc. Mr. Hawley suggested that as the board considers this option, they ensure to consider any unintended consequences of leasing outside warehouse space.

9. Chairman Bishop opened up the floor discussion of the quarterly audit reports and what disbursements were required as noted by auditor. GM Sandrock advised that in addition to voting to approve the disbursements to the Town, Law Enforcement, Library and Alcohol education, the board had to make the decision on how to distribute the Education funds. After brief discussion the board decided to distribute 4,000.00 to Sold Out and 3770.70 to the Harnett County Drivers Education system for their program. The Motion was made by Board Member Langley to distribute the requested funds to Sold Out (4,000.00) and HCS Drivers Ed (3770.70) and accrue the balance of 5017.24\ for future disbursements. The vote was unanimously approved. (4-0).

10. Chairman Bishop opened the floor for discussion of current standing regarding Narcan availability in the store as well as CPR and AED training. GM Sandrock updated the Board on the recommendation of Angier Police Chief Thompson which was not to have Narcan in house for several reasons. Chief Thompsons concerns were that the Police were 2 minutes away and that having Narcan in the store would require all employees to be certified through a training class to administer the drug. The Chief indicated that while the certification was good for 2 years, the drug efficacy was good for 6 months. Board Member Simon made a motion to approve training for CPR for the management team and any other store employees who would be willing to complete the training, leaving Narcan off the table and not requiring this drug in the store. The vote was unanimously approved. (4-0)

11. Chair Bishop opened discussion on the purchase of a supplemental AED device. Concerns that unit once used would need to be refurbished. GM Sandrock presented pricing from American AED which offers refurbished units at 695.00 which is the same price as the original purchase. Motion made by Board Member Simon to purchase a second AED device as a backup in the case of use and the need to refurbish the primary unit. The vote was unanimously approved (4-0)

12. Chair Bishop opened discussion regarding work being done on an Angier ABC Personnel Manual and the status of the draft which is to become the Angier ABC Board Policy and Procedure Manual. There was discussion regarding the difference between the Policy and Procedure Manual and the smaller Employee Handbook. GM Sandrock explained that once the full Policy and procedure manual was completed and approved by the board, the work on the employee handbook could be completed within a short amount of time.

13. Chair Bishop opened discussion regarding the possibility of using plastic pallets in the warehouse to protect boxes from water damage. GM Sandrock presented the board with 3 plastic pallet options that would serve to protect boxes from damage by using plastic pallets on the floor to stack pallets on. GM brought the board 3 options with loads of up to 20,000 lb. A motion was made by Board Member Gilby to approve the purchase of 21 pallets 48 x 48 inches at 56.92 each from source4industries. The vote was unanimously approved. (4-0)

14. Chair Bishop opened discussion of warehouse situation. GM Sandrock covered all issues related to expanding warehouse whether leasing warehouse space, expanding sales floor, etc. GM offered the suggestion of adding a shelf to each of the gondolas in the store. This would give an estimated 15-18 % increase of product on the floor easing the strain on the warehouse. GM to reach out to Design Plus who could accomplish this. Consensus was reached to table discussion of this issue until the March meeting by which time Design Plus would be able to provide drawings of what these gondolas would look like. Motion made by Joe Langley to table discussion of warehouse expansion vs expanding gondolas until the March Meeting. The vote was unanimously approved. (4-0)

15. Board Member Simon asked about the situation with unloading pallets during inclement weather and the problems the result. GM shared that the truck needs an awning of at least 14 ft but the building falls short of that height. GM shared with the board that a variety of options were investigated but setbacks became an issue as well as what would be approved by the planning board as well as ABC Board. The board requested this issue be added to the March agenda.

16. Chair Bishop opened the floor for discussion by the GM on how she intends to lower overhead and increase margins. GM presented the following: track efficiencies and improve processes, develop sales strategies for staff to include training, customer relationship management, tasting note book to increase sales, scheduling more in store tastings to increase sales, explore on line ordering and implementing for Angier, increase customer retention and lead conversion by encouraging customer referrals, planning ahead for each season, planning to have season stock all season by ordering up, reducing the cost of goods by ordering extra product when those items go on sale thus increasing margins when the spirit goes back to regular price, evaluate schedule and reduce hours when feasible, reducing the cost of goods, training the staff via caravan style by team training on new products and how to share that with customers, eliminate low selling goods by requesting price reductions from the NCABC, inspire staff by ensuring staff feels they are invested in the store, review current contracts and investigate options for reducing those costs with other vendors, continue to track trends in spirits to get ahead of the sales curve and having the product before it goes crazy, capture additional customers in Harnett County with the 22,000 lots in development which results in 2.5 people in household or 55,000 additional residents which would result in approximately 33% increase in current population. Factoring in the additional residents would bring in an additional 4 million dollars in spirit sales to Harnett County of which Angier could easily capture half of those additional sales.

17. The Board Chair opened a discussion of a summary of sales, distributions etc. Chair concerned with the drop in margins over the span of the last 2 years. The goal is to reach a margin of 10 by the end of the year. The chair is also concerned with the budget and excess taxes that appear to have been paid. Already at 80% of budget and we are only halfway in our fiscal year. The chair has concerns regarding bank balances, disbursements, and high taxes already paid. The chair shared that Angier holds too much working capital and that it should be reduced and given as a disbursement to the town. The chair is also concerned that accounting issues may have occurred during the transition from QB Desktop to online. The Chair proposed bringing in a QB expert to come in as a contractor to assist in training and getting the books in order. The Chair proposed bringing in a trainer as a contract employee for a period of 4 weeks, 40 hours per week at a rate of \$50.00 an hour. Chair suggested that we pay the taxes that the IRS put into the wrong account again and then go after the money placed into the wrong account. The chair reached out to temp agency and interviewed person for the job. Board Member Taylor advised the board that GM is the person who should hire this person. Board Member Taylor

made the motion to have GM hire a person to train FO and GM in the new QB online. The vote was unanimously approved. (4-0)

18. GM advises the board that FO provided them in the packet a group of financial statements. GM asked that the board review the financial statements and advise what statements would best serve their needs.

19. GM provided update on sales January sales were up 4.5 percent increase. This was a January over January sales as the state numbers were not available at the time of the meeting. GM shared that tastings continue to pull in additional sales dollars and the store would continue to schedule them as a way to increase sales and draw new customers into the store. GM shared that one weekend had an increase of 20%. GM also shared that she had spent the day in Raleigh at the NCABC Commission at the request of Hank Bauer. The annual meeting between the NC Association of ABC Boards and the NCABC Commission is to meet with distillers and select new products coming into the state. Training continues and merchandising as well.

20. Member Langley commented on the current balances in the bank and shared that having over a million dollars in the bank and felt that working capital was way to high. Board Member Langley also shared that he felt if land was needed for future growth, the store's history of profitability would make it easy to get a loan for any project they may need to complete. GM shared her concerns that reducing working capital that might later necessitate borrowing money would not be financially prudent with current interest rates. Board Member Langley felt that reducing the working capital by \$500,000.00 would still leave the ABC Store with almost ten times the minimum requirement. GM shared that a truck will often have invoices totaling \$170,000.00 and when payroll and other expenses are included, reducing working capital by this amount may not be advisable. Board Member Taylor requested that he be given time to do some investigation into why working capital is so high and perhaps talk to the auditors to get a fuller picture of financials before any disbursements are made that would reduce working capital. Board Member Taylor asked that this discussion be tabled until some questions could be answered regarding working capital. Chair Bishop advised the board that she had spoken to both the previous auditor and current auditor for the ABC Board. Chair Bishop indicated that the previous auditor said they had not recommended working capital at that level and that the current auditor advised that working capital was set by the Board not an auditing firm.

21. Former Chair Hawley shared that part of the money was to be earmarked for investment into CD's and discussions were had regarding future growth in the Angier/Harnett County area and based on that growth look into purchasing land near the new bypass to capitalize on the future growth of the area. The investment account would earn interest that would be beneficial for the town while holding some money for growth in the area and a potential new store. Former Chair Hawley shared that there were many variables to look at when investigating building a new store. Former Chair Hawley offered to speak with anyone on the board at any time should the current board have any questions. Board Member Simon suggested that if the money in the account was held for the possibility of building a new store that the board should revisit the issue as part of doing their due diligence. Board Member Taylor suggested that the board should get back on track and look at purchasing land as expansion at the current location is not possible as the store is hemmed in and lacks space for expansion. Board Member Taylor suggested that the board should be looking for land now. Discussion regarding what would be needed for a feasibility study. Board Member Taylor made a motion to table the discussion on buying land until the March meeting. The vote was unanimously approved. (4-0)

22. Board Member Taylor took a moment of personal privilege and thanked the town commissioners for appointing him to the board and indicated he was looking forward to serving again.

Chair Bishop adjourned the meeting at 8:42.

Maggie Sandrock

Fran M Bishop, Chair ABC Board

Maggie Sandrock, General Manager