



# MECKLENBURG COUNTY ALCOHOLIC BEVERAGE CONTROL BOARD OF DIRECTORS MEETING MINUTES

March 15, 2011 @ 12:00 Noon  
3333 North Tryon Street Charlotte, North Carolina 28206

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**DIRECTORS:** *Cleveland Edwards, Chairman*

*Angeles Ortega-Moore (1<sup>st</sup> half via teleconference), David Conway and Jerry Hwang*

**ABSENT:** *Harry Lomax*

**STAFF:** *Chief Executive Officer Paul Stroup*

*Chief Financial Officer Mike Tully; Law Enforcement Division Director Mike Crowley, Officers Tony Chesser, Tommy Shankle and Kemp England; Human Resource Director Laura Sherer; and Administrative Assistant Dawn Carey*

**ABSENT:** *Operations Director Jason Hughes, Education/Community Relations Director Mary Ward*

**GUESTS:** *Howard Phillips, HMP Services*

## ITEMS OF BUSINESS DISCUSSED AND ACTION TAKEN:

Chairman Edwards called the meeting to order.

Ms. Tonya Connor administered the oath of office to newly appointed board director Mr. Jerry Hwang.

### I. CHAIRMAN REPORT

Motion was made by Chairman Edwards, seconded by Director Hwang and unanimously carried to approve the February 15, 2011 meeting minutes.

Future meetings were confirmed for April 19 and May 17, 2011.

There were no presenters for public comment.

### II. STORE OPERATIONS

In the absence of Mr. Hughes, Mr. Stroup briefly reviewed the February 2011 sales report. He noted sales were down in February due to the CIAA tournament being held in March versus in February last year. Mr. Tully will compile a sales overview comparing February/March 2010 versus February/March 2011 to be presented at the next's month meeting.

## ABC BOARD MEETING

March 15, 2011

2 of 4

In follow-up to Store #18, Carmel Road, the store was closed on Saturday, March 8. The final paperwork regarding the sale of this location should be finalized by the end of March.

Chairman Edwards expressed concern regarding stores falling below 10% and continuing to decline. Mr. Stroup explained the decline is generally contributed to the opening and closing of stores.

Director Conway inquired why out of the top ten counties in North Carolina, Mecklenburg County was one of two that fell in the negative on the monthly state sales summary. Mr. Stroup explained the negative variance was due to \$1million dollars in sales from the CIAA falling in March instead of February.

### III. FINANCE

Mr. Tully reviewed the February 2011 financial highlights.

Chairman Edwards noted with the rising costs of credit card fees, these uncontrollable costs will continue to decrease the board's revenue and encouraged management to explore alternatives to offset these fees.

Director Hwang commented on the credit card industry relative to fees and posed that all boards collectively negotiate a statewide shared services model in attempt to control credit card fees.

Mr. Tully expressed the board shares in the states agreement with American Express but the state commerce department has not been successful in such agreements with other credit card companies.

Regarding inventory, Director Conway challenged management to develop a plan to improve the inventory turnover percentages. Mr. Stroup stated inventory turnover should be above 6% and the new ordering system will help to improve turnover rates.

*\*(Director Angles Ortega-Moore enters the meeting)*

### IV. ALCOHOL EDUCATION

In the absence of Mary Ward, Mr. Stroup noted the FY 2011 Alcohol Education and Grant Program Interim Evaluation. Director Ortega-Moore informed that Ms. Jennifer Hurd would be assisting again this year with the grant process.

V. LAW ENFORCEMENT

Mr. Crowley introduced Officers Tony Chesser, Tommy Shankle and Kemp England. Mr. Crowley recognized Officer England and Officer Shankle as they were instrumental in obtaining the grant for securing the motorized carts for the law enforcement division. He also acknowledged Officer Wayne Long for naming these carts "Al and Ed".

Mr. Crowley recognized Officer Chesser for completing the Drug Recognition Expert class. Chairman Edwards pinned Officer Chesser with an official "DRE" pin.

Mr. Crowley reviewed February 2011 activity reports.

VI. HUMAN RESOURCES

Director Conway commented on the longevity of store personnel; turnover within the system seemed to be a low. He questioned whether this was a trend and is there a succession plan in place to replace those associates nearing retirement.

Ms. Sherer stated turnover within the system remains low. Regarding a succession plan, she has been working with Mr. Stroup to develop a plan. Ms. Sherer will compile additional statistical data to present to the board at next month's meeting.

VII. MANAGEMENT

Mr. Stroup reviewed five priorities that he, as chief executive officer, will focus on for 2012:

- Operational effectiveness
- Build trust and respect within the community
- Planning
- Increase knowledge base
- Callabridge Landing

Mr. Stroup presented the Muzak contract for music programming and voice messaging service in all ABC stores. The contract would reduce the service from 5 years to 3 years with a 2 year renewable option. Motion was made by Director Ortega-Moore, seconded by Director Conway and unanimously carried approving the Muzak contract as presented.

Mr. Stroup updated the board on the lease renewal for the Mecklenburg County Sheriff's Department, who lease space in the 3333 North Tryon, ABC Headquarters building. The lease will expire spring 2011. Management has negotiated a lease extension for five years effective July 1, 2011.

Mr. Stroup informed the board of the intention of the NC ABC Commission to add an additional warehouse. Mr. Stroup will keep the board updated as information becomes available.

ABC BOARD MEETING

March 15, 2011

4 of 4

Mr. Stroup noted Director Ortega-Moore will conduct a short meeting reviewing Census information, Monday, March 21, 2011 at 10:00 a.m. here at the headquarters building.

There being no further business, the meeting was adjourned at 1:53 p.m.

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Cleveland Edwards, Chairman