



MECKLENBURG COUNTY ALCOHOLIC BEVERAGE CONTROL BOARD OF DIRECTORS MEETING MINUTES

May 18, 2010 @ 12:00 Noon

3333 North Tryon Street Charlotte, North Carolina 28206

DIRECTORS: Cleveland Edwards, Chairman

James K. Polk, Sr., Mary N. Richardson, Angeles Ortega-Moore and David Conway

STAFF: Chief Executive Officer Paul Stroup

Elton Shoemaker, Chief Financial Officer Mike Tully; Operations Director Jason Hughes; Law Enforcement Division Director Mike Crowley, Human Resource Director Laura Sherer; Education/Community Relations Director Mary Ward and Administrative Assistant Dawn Carey

GUESTS: Howard Phillips, HMP Service; Malcolm McLean, Providence Group; William Aldred, William Harris, James Ross, Marcus Philemon, Dr. Mary Howerton

ITEMS OF BUSINESS DISCUSSED AND ACTION TAKEN:

Chairman Edwards called the meeting to order.

Chairman Edwards introduced and welcomed Mr. Paul Stroup, the board's new Chief Executive Officer.

On behalf of the board of directors, Chairman Edwards presented each member of the executive search committee with tokens of appreciation for their service in assisting the board in the selection process: Mr. James Ross, Mr. William Harris, Mr. Marcus Philemon and Dr. Mary Howerton (*not present - presented later during the meeting upon her arrival*).

A plaque was also given to Mr. Elton Shoemaker in appreciation for his service as interim CEO.

I. CHAIRMAN REPORT

Director Conway noted one correction to the April 20, 2010 meeting minutes. The attendee roster did not list Director Conway as being present. Ms. Carey will make the change adding Director Conway to the attendee roster.

Motion was made by Chairman Edwards, seconded by Director Richardson and unanimously carried to approve the April 20, 2010 meeting minutes to include the noted correction.

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Future meetings were confirmed for June 15, 2010. The July meeting was not confirmed due to a conflict with the NC Association of ABC Boards summer conference. The board will confirm the July meeting date at its June 15 meeting.

**(Dr. Mary Howerton joins the meeting)*

Chairman Edwards polled the board for its interest in attending the NC Association of ABC Boards summer conference to be held July 18-21, 2010. Board directors will communicate their intentions to Ms. Carey as soon as possible for scheduling.

Mr. William Aldred, retiree of Mecklenburg County ABC Board, addressed the board regarding his retirement benefits. Mr. Aldred expressed concern that information was submitted to the North Carolina retirement system incorrectly. He requested the board's assistance in resolving this matter. Chairman Edwards advised Mr. Aldred that the board would discuss with the appropriate staff to investigate his claim and communicate their findings back to him without delay.

II. FINANCE

Mr. Tully reviewed financial highlights from the April 2010 financial report.

In follow-up from the April meeting, Mr. Tully advised the board of the pending land lease extension for the cell tower located at the board owned property, 100 Billingsley Road (Anuvia). Mr. Tully advised that the board has met its obligation to publish the notice of intent in the newspaper and requested board approval to adopt the resolution.

Motion was made by Chairman Edwards, seconded by Director Ortega-Moore and unanimously carried adopting the resolution declaring its intent to enter into agreement with Cellco Partnership (d/b/a Verizon Wireless).

Mr. Tully presented information from Woodie Properties offering to purchase Store #18, 6625 Carmel Road. Mr. Malcolm McLean summarized details of the offer: \$700,000 offer accompanied by a 5% (\$35,000) deposit was received, a sixty day due diligence period followed by a rezoning period, and a 6% broker's commission.

Mr. Tully requested board approval for a resolution declaring the intent to sell the Carmel Road property to Woodie Properties, LLC subject to upset bid.

Motion was made by, Director Richardson, seconded by Director Ortega-Moore and unanimously carried approving the adoption of a resolution declaring the intent to sell the 6625 Carmel Road property to Woodie Properties, LLC.

III. STORE OPERATIONS

Mr. Hughes reviewed the April 2010 sales report.

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Mr. Hughes discussed recent financial losses at store locations. He informed that management has identified a need to implement a policy that allows the CEO to give employees a polygraph test to determine the source of a loss when traditional means of investigation fail. If approved, management would work with the board's attorney to draft new procedures for conducting investigations and present the proposed policy to the board next month.

Director Richardson posed questions relative to Mr. Hughes' request: What is the current policy that speaks to this problem and what is the penalty? What is the race, gender and store location where the losses are occurring? Are there checks and balances during the accounting of monies – is there only one person counting money?

Mr. Hughes responded there is a policy that addresses employees willfully mishandling money and there have been employees terminated as a result of such conduct. However, he could not disclose the race nor gender of any such person while in open session as that is considered a personnel matter. Relative to checks and balances, Mr. Hughes noted there is only one person counting deposits, but deposits are counted at closing and again at the stores opening.

For clarity, Chairman Edwards expounded on the intent of this proposed policy that it would not determine a penalty for an employee, but would serve as a last resort measure when other options have been exhausted that an employee may be subject to a polygraph exam upon approval from the chief executive officer.

Director Richardson requested a better system of checks and balances when employees count money. Mr. Hughes stated although it may pose a challenge, management would work towards having two individuals count money, especially in store locations where losses are repetitive.

Motion was made by Director Ortega-Moore, seconded by Director Conway and approved with a 4 to 1 vote, authorizing management to develop and return to the board for adoption a policy that would incorporate polygraph exams to the personnel policy.

IV. MANAGEMENT

Mr. Shoemaker noted for the board's awareness legislative updates relative to industry news.

V. HUMAN RESOURCES

For many years, full-time employees of the board have received "service awards" in recognition of their years of full-time service.

The strict parameters of the board's recently adopted "Business Conduct – Gifts/Items of Value" have generated concerns from employees as to whether the acceptance of service awards is permitted.

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The ABC Commission has endorsed the board's "service awards" program, but in so doing, the Commission has also advised that the Mecklenburg ABC Board must establish a written policy, delineating the requisite years of service and specific award amounts. The Commission has directed that a copy of this policy be submitted to their office upon its adoption by the board.

Ms. Sherer requested board approval of the proposed "Service Awards" policy as presented. Upon adoption, the policy will be forwarded to the ABC Commission, disseminated to employees, and added to the board's personnel policy manual.

Motion was made by Chairman Edwards, seconded by Director Ortega-Moore and unanimously carried approving the proposed "Service Awards" policy as presented.

Motion was made by Chairman Edwards, seconded by Director Ortega-Moore and unanimously carried authorizing the board to enter into closed session as permitted under NCGS 143.318.11(A)(5) for the purposes of discussing real estate matters.

Motion was made by Director Richardson, seconded by Director Ortega-Moore and unanimously carried authorizing the board to return to open session.

The board took no action while in closed session.

VI. LAW ENFORCEMENT

Mr. Crowley reviewed the April 2010 activity report.

In light of recent security concerns within ABC stores and the community, Mr. Crowley gave a presentation of law enforcement's security initiatives to address the rise in criminal activity in and around ABC stores.

VII. ALCOHOL EDUCATION

Ms. Ward reviewed the April 2010 Activity Report.

There being no further business, the meeting was adjourned at 2:20 p.m.

Cleveland Edwards, Chairman