

# MINUTES

**Indian Trail ABC Board**  
**Board of Directors – Regular Meeting**  
**Indian Trail ABC Board**  
**5880 Hwy 74 East, Indian Trail NC 28079**

**1. Call to Order: Time: 6:31 pm by: David, Thursday, May 29, 2019**

**PRESENT**

**Board Members:** Chairman David Cohen, Board Members Jim White, Jennifer Rehberg, Judith Silberquit and Jim Wojtowicz

**Attendees:** General Manager Jeff Sullivan, Finance Officer/AGM Shelly Hinson  
(First names will be used for Board Members and Attendees when appropriate)

**Guest: Mark Lesassier, ALE Assistant SAC, Robert Laatz, Michael Faulkenberry, Gary Evans and Marcus McIntyre, Indian Trail Town Councilman**

**Not Present:**

**2. CONFLICTS OF INTEREST**

**Chairman David Cohn** read **G.S. 18B-201**: *It is the duty of every Board Member to avoid both conflicts of interest and appearances of conflicts. In accordance with this statute, Robert asked everyone to review the agenda for the meeting and if any member has any known conflict or appearance of conflict with any matters coming before the Board today, that they identify the conflict and refrain from any undue participation in the matter involved. None were identified.*

**3. Additions and Deletions; Motion to Approve Agenda: May 29, 2019**

**ADDITIONS/CHANGES TO THE AGENDA – Additions- 7 f) Potter and Company engagement letter and contract to audit accounts for fiscal year 2019-2020, 7 g)**

**Alcohol Law Enforcement contract for fiscal year 2019-2020 for approval.**

**DELETIONS FROM THE AGENDA – N/A**

*David Cohn stated that he wanted to bring up to the Board and had something here I wanted to read to you, he had put some thoughts together. David stated there had been and I have heard a lot of controversy over the vote that we had and I am willing to put this vote back up again, if we want to put the vote up again. I want to ask the board how they felt about that and to vote on the allocation again, if they would like we can. If recusing myself from this vote would make you guys or anybody feel better, I will be happy to do it and Jim I don't know how you feel about that and as a board how do you feel about that.*

*Jim White stated first of all what was done at the last meeting is a done deal. Hopefully everyone understands where I was on the subject and Jim Wojtowicz, I hope you have gotten the check over at the Town by now. This vote has nothing to do with the distribution, it's done. This vote has to do with what I would consider an integrity vote on behalf of this board and so subsequently, if you will recuse yourself, I am going to change my vote because I know what this vote is all about. I am going to change my vote to be for it, not because I was for the distribution but because I understand what we are doing and I think it is proper move that you are making and I fully support it, you can count my vote in just for that reason.*

*Jennifer stated that she was going to side with Jim White on that and at the last meeting I stated that I was concerned that it could cause us an issue in the future. My vote is to leave the distribution, basically what done is done. I think what you are making a valid point for bringing this up today and I will give you some kudos for that.*

*Judith stated she voted for it last time and I stand by that and I am comfortable with it.*

*Jim Wojowicz stated I know David well enough to know is what he is trying to do and the integrity and rectify the controversy. As finance director, I will take a step back as well.*

*David stated I don't think it was necessary and not sure I need to bring that up for a vote or whether or not it is necessary. Seems that it is going to be the same vote and it is going to come out the same. Or do you think we should vote on it?*

*Jennifer stated she thought we should vote on it for the record, that you recused yourself, it would look better on record.*

**Decision to take another vote, with David Cohn and Jim Wojowicz recusing their self's for this vote and for the record:**

**APPROVAL FOR THE DISTRIBUTION OF \$200,000 TO THE TOWN OF INDIAN TRAIL:**  
**Judith made a motion for the distribution of \$200,000 to the Town of Indian Trail, as discussed;**  
**Seconded by Jim White, Judith's motion, as discussed; passed unanimously.**

*David stated that he took his ethics training today. David noted the discussion of Council people being on ABC Boards, this is not new and this has probably happened many times that there are Council people on the board. So we are not breaking new ground here and has been done many times before. Basically went on to read that it is a benefit for the public. I nor and I think I can speak for Jim Wojowicz too, that have no person gain, therefore it is legal, I think it is ethical and there is no conflicts of interest. They went over four our ways to have a conflict of interest and one is, do I have a way to gain personally and no I do not have a way to gain personally, I have no personal gain in this. Does my family have a way to gain personally, no my family does not have a way to gain personally out of this. Is it a way to gain a public contract? I don't know anyone in the liquor business or anybody that will make any money off of it, so I don't have anything there. Or use my position in a way of financial gain, I think you know I certainly wouldn't use it and don't know how I would use it, if I did. So there is no financial benefit for myself, my family member or a business. I am all about transparency, I believe in it wholeheartedly.*

**David stated he wanted to read something that he had went over. David stated I asked my wife and some other people that do different things to help him write this and these are my thoughts:**

**I very much appreciate everyone's participation and input in the discussions we held last meeting. As I noted last month, Jim, Judy and I are new to this board and we are leaning on you all – Jim, Jennifer, Jeff, to help educate us. We three new board members have completed our ethics training, we got great information from you all last month on past practices of this Board, and I truly believe we – all 5 of us on this Board – will continue to learn from each other.**

**I'm new, I'm learning, but I am excited about what we can do and how we can take this place to the next level. I know there has been talk and concern among folks about us new appointees. I think it's important for me to say this publicly, this Board is going to make Indian Trail's ABC store and future stores the best in the state.**

**What that means to me, and I hope what it means to all of you, is that Indian Trail ABC stores will provide top-notch service to Indian Trail citizens and all store customers. That our stores will be staffed by talented, respectful and happy employees focused on great service. And that our stores will financially successful – which is good for our stores and good for all the citizens of Indian Trail.**

**As you all know, I've spent the last 8 years serving the citizens of Indian Trail as a member of the Town Council. I am not running for reelection and my term ends in November. I intend to continue my public service here on this Board where I believe we can do great things.**

Us Board members may disagree on some things, we may stumble, but I know that each one of you is as committed as I am to the success of this Store and any future stores. I think we now have the expertise on this Board to get us a new store. Jim Wojtowicz has what, 30 years plus experience in public accounting and finance and has participated in probably 100's of capital improvement projects over the years. With the expanded board, we now have the manpower to gather information and get the due diligence done while leaving Jeff to manage the store.

I'm asking everyone here to look forward, leave any bad feeling behind you, and let's make this place the best in the state.

David stated he believed this with all his heart and I will very hard to make that happen. I have all the confidence in the world that Jim White, Jenn and Shelly with your experience and Judith your knowledge and Jeff your hard work and experience, that we are going to do some great things together. I hope we can put a lot of this stuff behind us and move on.

Jim White stated he knows that everyone knows where I wound up in the whole discussion. I was quite upset with what the Council did and was quite upset with the way this last meeting went, I make that no secret. I want to tell you that it is a done deal, I am ready to move on. I think this Board is now a good functioning board. I agree with David, it is time for us to either do something for a second store or our own store or let's shut up about it. That is my opinion. I think working with my Chairman, we can make that happen.

**APPROVAL OF THE AGENDA-**

**Jim Wojtowicz made a motion to approve the agenda as presented with changes. Seconded by Jennifer, Jim Wojtowicz motion: passed unanimously.**

**4. Review and Approval of Prior Meeting Minutes – April 18, 2019**

ADDITIONS/CHANGES TO THE MINUTES– N/A

DELETIONS FROM THE MINUTES – N/A

**APPROVAL OF THE MINUTES**

**Jim White made a motion to approve the minutes as presented:**

**Seconded Judith, Jim White's motion: passed unanimously.**

**April 18, 2019 minutes will be provided to Town of Indian Trail.**

**5. PUBLIC COMMENT**

Chairman Cohn opened the floor for public comments and stated limited to 3 minutes –

1. **Michael Faulkenberry** – Appreciated Cohn for what he just said by putting it on record. Appearance is what is important, have to be careful on what you do and how you do it. I made a request to the Town for all letters of recommendation for ABC board applicants. The email I received was that they are not required. That is a deception, that is not what I asked for and I emailed back the second time, then I received the information that I asked for. Can a third ABC Board member attend a Council meeting, does that break any open meeting laws? David stated in his opinion there is absolutely nothing wrong with that and nothing illegal. Jim White stated with a previous situation that the Board had we checked with the Commission on this matter to make sure it was not a quorum. Commission stated as long as ABC business is not discussed among the members it would be ok. Jim White thanked Faulkenberry for bringing it up.

2. **Marcus McIntyre** – Thanked you for serving on the ABC Board and with that comes responsibilities because you are in charge of the NC store in the county. I like your statement and forward thinking in terms of looking at either an expansion or relocation, to a more desirable area where increased shopping. I think those two things really good. In hearing comments from everyone here, seems like you all want to work together and that is a good thing. Marcus questioned the ABC Board policy on meeting minutes, the minutes taken at the meeting are approved at the next meeting and if I request the minutes when are they available to me or do I have to wait until they are approved to get those minutes? *David Cohn stated the minutes are supposed to be approved before they are sent out and as far as he knew it was a State Law.*

*Jim White stated let's put this on record that no one sends out the minutes, except to the Board for prior reading to be ready when they come to the meeting, no minutes are to go out of the office until they are approved.*

*Jennifer asked can we go ahead and make a motion to make this the ABC Board official policy, just so this is clear in the future. David stated he thought this was a good idea.*

**APPROVAL FOR NOT RELEASING MEETING MINUTES UNTIL THE BOARD HAS APPROVED, UNLESS RALEIGH IS REQUESTING THEM:**

**Jennifer made a motion from this point forward, we do not release meeting minutes until the Board has approved, unless Raleigh is requesting them, as discussed; Seconded by Judith, Jennifer's motion, as discussed; passed unanimously.**

*David discussed when we complete the minutes and they are requested by the public, you have a reasonable time to get them the minutes. Someone can't tell you when they are going to come down and get them at X time. The General Manager has due time to get the public the minutes and has to be within reason.*

*Jim stated that the official posting of the minutes are on the Indian Trail website, under ABC Board. As soon as they are approved tomorrow Jeff will send them over to Kathy Queen and she will have them posted for everyone to see and/or download. It is public knowledge at this point.*

**6. Business Items:**

**a) Update on LE report:** Mark Lesassier introduced himself to the Board. Mark thanked the Board for the partnership that ALE has had with Indian Trail ABC. Mark reported the April, 2019 law enforcement report.

*Jim Wojtowicz asked to make a comment, he stated he just turned around and I see that the minutes have been distributed already. We have approved them together or we may not have approved them. They have already been distributed so I guess going forward that's not going to happen anymore.*

*Shelly stated it is whatever the Board wants. Ever since I have been here everything the board files have in it, so do the guest files. We have always done that, for 5 years and the 10 years we have been in business. Jim Wojtowicz asked what if we had not approved the minutes tonight. Shelly stated if you don't want them in there anymore I will not put them in there. David stated we will not do that anymore.*

**b) Update on Sales Reports; Store Business; and General Operations**

**General Manager** – Jeff Sullivan reported – Monthly Sales – **April 2019 vs April 2018** – Retail and MXB + \$3,825.68 + 10.4%, state overall average -3.61%. Jeff reported other Union County ABC store sales from the Commission's Monthly Sales report. We are up 668 customers for month over last year. Did not include the Top 10 sales this time.

**c) Update on Store Financials – Finance Officer/AGM** – Shelly reported – **April 2019**

– General fund – 9.1% from last year. **April 2019** - Cash balances, A/P, Inventory at Cost with previous year comparison. Summary of Operations, Actual vs. Budget Comparison. Any changes noted at bottom of Summary of Operations. Budget comparison for April 2019 does not include the 5/29/2019 amendment until approved, will reflect on May's reports next month. Shelly included the Budget timeline so everyone will know where we are on the budget. After the budget approval, Jeff will make sure the Town gets a copy of this tomorrow and the Commission.

**7. Board Discussion & Possible Action/Comments -**

**a) Budget amendment approval** – Shelly reported the budget amendment for 5-29-2019 to cover these accounts and the 3<sup>rd</sup> quarter profit distribution, \$115,000.00 had to be put to Appropriated Fund Balance and will be taken out of working capital at the year-end audit, since the \$200,000 distribution was not in the budget for this year. Only \$175,000 was budgeted for this fiscal year.

**APPROVAL OF THE 2018/2019 BUDGET AMENDMENT DATED 5-29-2019:**

***Jennifer made a motion for the approval of the 2018/2019 Budget Amendment dated 5-29-2019, as presented;***

***Seconded by Judith, Jennifer's motion, as presented; passed unanimously.***

**b) Proposed Budget discussions and GM Letter to Town** – Jeff presented the GM letter to the Town with explanation and discussion. Jeff will email to Kathy Queen on Friday, due by June 1, 2019.

*Discussion on part time salary increases across the board, man hours worked, full time vs part time employees. Jim Wojtowicz requested a salary schedule for budget 2019/2020. Shelly to provide this. David requested that Jeff and Shelly to work together on getting this information together and making the decisions on what the Board needs and come back with what we think is best.*

*Jim Wojtowicz questioned the budget on the Income to Operations you are coming in at \$235,000 on the budget and actual through April \$375,000 of this year and we will hit about \$460,000. I would like someone to look into this Shelly and I will work with you.*

*Jim White would like Jeff to include in the budget figures to cover Workforce temp people to come in and help unload the trucks.*

*Jim White would like Jeff to include in the budget a geographical study of Indian Trail. Jim hopes to work with the Town of Indian Trail's planning board for all this information if possible.*

*David questioned discussing new stores in closed session. Shelly confirmed in closed session.*

*Jennifer questioned the budget line item on budget for travel, asked if strictly conferences, Jeff confirmed yes.*

**APPROVAL OF THE 2019/2020 PROPOSED BUDGET AND PROPOSED BUDGET LETTER:**

**Jim Wojtowicz made a motion for the approval of the 2019/2020 proposed budget and proposed budget letter; as presented;**

**Seconded by Jennifer, Jim Wojtowicz's motion; as presented; passed unanimously.**

**c) Review bid for updated register system and scanners plus discount before 5/31/19** – Jeff explained the quote for the new updated register system and scanners for checking trucks off and inventory. It will also have Mixed Beverage access to order on-line for our permittees. We will also have a MXB register that is portable to use during busy holidays as the fourth register. We will get a discount to pay in full by May 31, 2019. Discussion on whether to utilize a bank loan or pay in full for this new system. Jim Wojtowicz questioned a bid process on this upgrade. Shelly explained the vendors that offer ABC point of sale equipment and maintenance contracts. Jim Wojtowicz stated to pay cash, do budget modification and we can approve it.

**APPROVAL TO PURCHASE NEW UPDATED REGISTER SYSTEM AND SCANNERS WITH BUDGET MODIFICATION OF \$43,000.00 TO COVER THE EXPENSE AMOUNT:**

**Jim Wojtowicz made a motion to purchase new updated register system and scanners with budget modification of \$43,000 to cover the expense amount; as presented;**

**Seconded by Jim White, Jim Wojtowicz's motion; as presented; passed unanimously.**

**d) Contingency plan/cross training for handling store financials** – Judith stated she asked for this to be added to the agenda. Judith questioned the person performing the task of store financials, passwords to Quick Books or payroll in the event that Shelly cannot be here. Judith questioned does anyone else have this information that can perform these task if Shelly cannot be here. Judith stated she would like to move that Jeff begin shadowing Shelly in a more intensive way and that all her passwords immediately, if not sooner, get turned over to him so that we do have a backup in the event it is needed. That is not that anyone will take your place, but it is to say that we don't have to scramble somehow but that is necessary to protect everybody's interest. As the General Manager he does need that knowledge and that is why I made the motion. Judith stated she does not mean to formally sit down and train Jeff, she understands this busy time of year and why I used the word shadowing. I think with the audit coming up I know you have a lot on your plate and don't mean to be glued to your side 8 hours a day, but for him to watch. Shelly stated I have payroll next week and he can watch me. Judith stated she would like for Jeff to have the passwords and Jeff to have a bigger role in what is happening with you and begin shadowing you.

*Judith made a motion that Jeff gets the passwords, he begin shadowing Shelly, particularly in the audit season. When their schedules permit that there be more formalized training to ensure that everything keeps going in case of an emergency.*

Jim Wojtowicz asked Jeff's thoughts on this. Jeff stated he agreed with both sides.

*Jim Wojtowicz stated he would like to second Judith's motion and looked forward to the next meeting to get updated on how this is going.*

**APPROVAL FOR JEFF TO GET SHELLY'S PASSWORDS, BEGIN SHADOWING SHELLY, PARTICULARLY IN THE AUDIT SEASON AND WHEN SCHEDULES PERMIT THAT THERE BE MORE FORMALIZED TRAINING TO ENSURE THAT EVERYTHING KEEPS GOING IN CASE OF AN EMERGENCY:**

***Judith made a motion for Jeff to get Shelly's passwords, begin shadowing Shelly, particularly in the audit season and when schedules permit that there be more formalized training to ensure that everything keeps going in case of an emergency; as discussed; Seconded by Jim Wojtowicz, Judith's motion; as discussed; passed unanimously.***

e) Upcoming GM and Board conference at Southern Pines – August 2019 – Jeff presented the information on the upcoming ABC Board's Annual Summer Conference that will held on August 4-6, 2019 at the Pinehurst Resort in Pinehurst, NC. Jim White requested that Jeff get the room registrations off as soon as possible to get rooms at the resort location.

**APPROVAL FOR JEFF SULLIVAN, ANY AND ALL BOARD MEMBERS THAT SIGN UP TO ATTEND BY JULY 1, 2019, THE STORE WILL PAY FOR THEIR EXPENSES TO ATTEND THE ABC BOARD'S ANNUAL SUMMER CONFERENCE, AUGUST 4-6, 2019 AT THE PINEHURST RESORT IN PINEHURST NC:**

***Jim White made a motion for Jeff Sullivan, any and all Board members that sign up to attend by July 1, 2019, the store will pay for their expenses to attend the ABC Boards' Annual Summer Conference, August 4-6, 2019 at the Pinehurst Resort; as detailed in registration form; Seconded by David, Jim White's motion; as discussed; passed unanimously.***

f) Potter and Company – engagement letter and contract to audit accounts for fiscal year 2018/2019 for approval – Shelly presented the engagement letter and contract from Potter and Company. Shelly reported that Potter will be here on July 1, 2019 for the spot check for the inventory audit. Shelly reported that the price did not increase from last year at \$7,900. Jim White stated if we want to change audit firms for next year, it should be started earlier.

**APPROVAL OF POTTER AND COMPANY ENGAGEMENT LETTER AND CONTRACT TO AUDIT ACCOUNTS FOR FISCAL YEAR 2018/2019:**

***Jim White made a motion for Potter and Company's engagement letter and contract to audit accounts for fiscal year 2018/2019; as presented; Seconded by Jennifer, Jim White's motion; as discussed; passed unanimously.***

g) Alcohol Law Enforcement contract for fiscal year 2019/2020 for approval – Shelly presented the renewal of the Alcohol Law Enforcement contract for fiscal year 2018/2019. Shelly reported that Indian Trail ABC has had a contract with ALE since 2010 with always great service from them. Mark Lesassier reported to the Board the services that the contract provides to the Indian Trail ABC Board, the Town of Indian Trail and Union County. The new contract amount increased from \$30,000 to \$35,000 a year and first increase since 2010.

**APPROVAL OF RENEWAL OF THE ALCOHOL LAW ENFORCEMENT CONTRACT FOR FISCAL YEAR 2018/2019 for \$35,000.00:**

***Jim White made a motion for renewal of the Alcohol Law Enforcement contract for fiscal year 2018/2019 for \$35,000.00; as presented; Seconded by Jennifer, Jim White's motion; as discussed; passed unanimously.***

**8. General Manager Remarks –**

**Jeff** – Jeff thanked everyone for the meeting, their support and all the approvals. I appreciated the support of the new board and earning your support. Jeff explained to Jim Wojtowicz the mixed beverage service process.

**9. Board Members comments –**

**Jim White** – thanked everyone and Council member for coming out. Thanked Jeff and Shelly and wished us well for the next 2 months, keep up the good work. Jim asked to clarify some points from the last meeting to go on record that he felt were some points that were not clarified. Jim stated he didn't want a discussion, just read my statement for the record and are as follows:

*1. Clarify why the Board had the \$1M in the bank. We were not just sitting on these funds, the GM, Finance Officer and the previous Board had plans to build a stand-alone store with possible second location optional. The finance officer had set up meetings with Rick Turner, Design Plus and Wes Hinson for store designs and real estate options and opportunities on numerous occasions. We had already moved \$100,000 into a money market/building account with plans to move \$100,000 every fiscal year towards our building fund, as directed by the Commission. We were waiting on the GM to get quotes for the survey. The GM received two quotes, one from an Asheville company for \$22,000 and one from the company out in the Midwest for \$44,000. So we were far from square one in our plans for the new store location. The previous Board had plans for these funds and would like this to go on the record concerning the statements made at the last meeting. This is always why we have stayed closer to the maximum in working capital to save for future plans for the store, but especially for future larger profit distributions to the Town of Indian Trail and the citizens of Indian Trail. No longer having lease payments only insures larger profit distributions in the future. Now I am looking forward to working with my Chairman on this project and hope this Board can expedite this process to reach our desired decisions. This also needs to go on record.*

*Jim stated he would like to talk about his action plan that he has for what my next step is. I plan on using the month of June to try to determine the cost of establishing a second store the same size as this one. I plan on using knowledgeable people to accomplish this task.*

*2. Clarify that we have never just given the Town the minimum amount since day one. We have always used the Statues 18B-805B to figure the amount due to stay in line with our budget for fiscal year. Most ABC Boards in the state use this formula to figure their quarterly profit distributions. We have always given over the minimum amount due with any catch up over maximum working capital in the 4<sup>th</sup> quarter after our audit is completed. We want this to go on record that we have never just given the Town of Indian Trail the minimum amount due in the history of the Indian Trail ABC Board.*

**David** – stated Jim White should get board approval before accomplishing his action plan. When someone goes out to speak for the Board, it needs Board approval. David stated he understood what Jim White's had read and you had plans, but I think they are going to happen quickly. David stated he was an ABC Board fan and I support keeping the money and doing this, like tonight and not giving the Town as much money. We need to save money for a new store. The Town and us are partners and letting them know what we are doing will only go smoother. I may be removed, but I want to be here, I have always supported the ABC Board. This is where my heart is. This is what we are here for to make sure the Town profits.

**APPROVAL OF THE BOARD ALLOWING JIM WHITE TO START HIS ACTION PLAN ON ESTABLISHING THE COST OF A SECOND LOCATION WITH NO COST:**

***David made a motion for the board to allow Jim White to start his action plan on establishing the cost of a second location with no cost; as presented; Seconded by Jim Wojtowicz, Jim White's motion; as discussed; passed unanimously.***

**Jennifer** – stated that tonight was a good meeting. I want to clarify something that I was concerned about the appearance of conflict of interest and that no one took that personal. It was not meant to be personal towards anybody. I think it is great what you are trying to do. We have a good mix here. Jennifer questioned if the finance officer is usually the one that handles the minutes. Shelly stated that the General Manager is the secretary to the Board. Jennifer stated she would like to thank Shelly on behalf of the Board on all the hard work on the typing the minutes from the last meeting. Jeff good meeting tonight. Good idea on how we will handle the meeting minutes for numerous reasons. Be careful on who you speak to.

*Jeff questioned what board packages have at the Town meetings. Jeff stated this is a lot of work to put these together, but it has a lot of information in them that go to the public, like the quotes from SCRC tonight. Jeff stated he isn't trying not to be transparent, but he would rather the public ask for something, instead of giving them the information. Jim Wojtowicz he didn't think we should do it at all. David stated he didn't think we should do it and if they ask, you can give it to them later. Jeff suggested the page of what's in the package and the agenda.*

*Future Indian Trail ABC Board Meetings - Only the Agenda will be available for the public*

**Jim Wojtowicz** – Good meeting and appreciate your efforts, keep it going and look forward to going forward.

**Judith** – I am glad to be here. Grateful for what you do of course. In regards to concerns on appearance and we are all honest people and want to do right by the Town, store and employees.

**10. Adjournment –**

**Next Board Meeting Scheduled: June 2019 public budget/regular board meeting**

**Thursday, June 27, 2019 at 6:00 pm at the Indian Trail ABC Store**

Motion to adjourn Indian Trail Board Meeting made by Chairman or Board Member **Jim White**, Seconded by Chairman or Board Member **Jennifer**, passed unanimously.

**Adjournment: 9:00 pm -Time**

