

**MINUTES OF THE REGULAR MEETING OF THE TOWN
OF LAKE LURE ABC BOARD**

MONDAY, OCTOBER 16, 2023
3:30 P.M.

THIS MEETING WAS HELD AT LAKE LURE TOWN HALL.

Present: Richard Sayles, Chair
Bob Cassano, Vice Chair
Trace Boswell, Board Member
Esther Lusk, Board Member
Peter O'Leary, Board Member

Trent McGuire, Store Manager
Rhonda Cook, Accountant

Absent:

Others Present: Scott Doster, Town Council Liaison

I. CALL TO ORDER

Chair Richard Sayles called the meeting to order at 3:30 p.m.

II. AGENDA ADOPTION

It was noted that Item D should be added to Section V ("New Business") for insurance claim update.

Mr. Bob Cassano made a motion to adopt the agenda, as amended. Mrs. Esther Lusk seconded. All board members voted in favor.

III. CONFLICT OF INTEREST STATEMENT

There were no conflict of interest.

IV. APPROVAL OF THE SEPTEMBER 18, 2023 REGULAR ABC BOARD MEETING MINUTES

Mrs. Lusk made a motion to approve the September 18, 2023 minutes, as presented. Mr. Trace Boswell seconded and all voted in favor.

V. NEW BUSINESS

A. *Discuss Insurance Renewal*

Mr. Trent McGuire noted that he sent Board members an email with insurance information. Mr. McGuire explained it is his understanding that workers companion insurance can be broken out of the Pen National policy and covered by Hartford, there is more coverage and a savings of \$250,000 associated with Hartford. Commissioner Doster asked if any deductibles are different between the two companies. Mr. McGuire called the insurance representative. The representative provided an overview of the insurance options. It was noted that Pen National had a small rate increase on business owners for all lines of coverage, including a significant increase related to the business personal property. The representative detailed the business owner enhancement form which does not include any changes from last year, but suggested considering employee dishonesty and money security and outdoor sign insurance. The representative stated that general liability coverages are good and suggested that the Board can increase cyber liabilities. It was noted that vehicle coverage is not needed. Ms. Lusk asked if the board has insurance and representative explained that the Board is insured. The representative detailed that the current workers comp policy is written for \$100,000, but can be adjusted. The Board determined that workers comp is sufficient as is. Representative discussed that Board members, the general manager, and the accountant are all covered by a required bond. It was noted that the premium breakdown is on the proposal sent to Mr. McGuire. It was also noted that business owner policy rates have gone up for all businesses. The representative explained that the workers comp rate under Pen National has increased so significant that other options are being sought, but the umbrella and bond has not changed. The representative explained that there has been confirmation from Hartford that they can provide a workers comp policy and the premium saves are significant.

Mr. McGuire noted that there are two full time employees and three part time employees, and that the wages are lower than what the representative provided. The representative noted that she can adjust this.

Mr. McGuire asked if insurance would auto-renew if no action is taken and the representative said no and that she needs direction whether or not the Board would like to switch to Hartford. Mr. McGuire noted that he will follow-up.

Ms. Lusk questioned if there is a catch with the Hartford option since it is so much lower and better than Pen National. The representative answered that there is no catch.

Mr. McGuire reiterated that he would follow-up with the representative prior to October 28. It was noted that Mr. McGuire thinks that the only change to the proposal is the

change in numbers for salaries. Ms. Cook noted that she would opt for \$150,000 for salaries to avoid underpaying and owing. Ms. Cook noted that the budget for salaries must stay on track.

Mr. McGuire called the representative back and asked if the proposed policy can be changed for employees and payroll to be \$150,000. The representative estimate that with this change, the premium for Hartford would be \$1,321 and Pen National would be \$3,521. There was Board consensus to opt for the Hartford Insurance, as discussed.

Mr. O’Leary made a motion to accept the Hartford Insurance policy, as discussed. Ms. Lusk seconded and all voted in favor.

B. Discuss ABC Store Operations

Mr. McGuire noted that he has a meeting scheduled with Fred from Foothills Security for training on October 24 and they will be testing the system at that time.

Mr. McGuire informed the Board that a new employee was hired and that the store is fully staffed.

Mr. McGuire detailed that the Holiday shipment will be this Thursday and he is expecting 20 cases to be delivered. It was added that a truck came today, as well.

Mr. McGuire noted that there was a recent tasting with End of Days, which did not sell a lot. Mr. McGuire also noted that the next tastings are Weldon Mills on November 4th and Bogue Sound the day before Thanksgiving.

Mr. McGuire explained that he contacted ALE who visited the Tiki Bar and found a few bottles that were not stamped. Mr. McGuire stated that he knows that the store employees stamp, but expressed that staff will cross check stamps moving forward. Commissioner Doster expressed that all business orders should be checked for stamps before they are received by the business. Mr. Boswell noted that he reviewed the Tiki Bar’s orders and they was down considerably for a few months, but he does not have last year’s numbers to compare. Mr. McGuire noted that store employees stamp right in front of the camera, but the security system only provides video footage from 30 days ago and that he will speak with Fred about expanding the number of day’s video footage is available. Mr. O’Leary asked if the concerns regarding charges from Foothills that were discussed last month were addressed and it was answered yes. Mr. Boswell noted that he tracked specific products through purchase reports and concluded that it was really hard to tell if the Tiki Bar was doing something wrong. Mr. Boswell noted that reports can be accessed from last year to compare in order better determine if there is an issue. Commissioner Doster noted that the Tiki Bar should be more careful since ALE visited them. Board members revisited the discussion regarding stamped bottles and Mr. McGuire noted that he can amend the form that businesses sign that add that the business confirms that products are stamped. Mr. Boswell asked if ALE can check on all businesses once a year.

Mr. McGuire noted that ALE can do random checks. Mr. McGuire noted that he wants to follow up with ALE.

Mr. McGuire noted that he pulled a report on stale merchandise and that he can ask the state to reduce the price to sell these products.

C. *Review Financial Report*

Ms. Cook provided the board with the financial report and noted that she noticed two errors that she will need to fix. Mr. O'Leary asked about the penalty and Ms. Cook noted that it is for a payment that was not mailed on time. Ms. Cook and Board discussed how to avoid this moving forward through metering, but it was noted that postal is out of the Board's control. It was detailed that payroll tax looks high when compared, which is one of the errors noted by Ms. Cook. Mr. O'Leary asked why professional fees were high in August and it was answered it was caused by paying the auditor and that September will be the same. Board members and Ms. Cook discussed the surcharges backdated that were discussed last meeting. It was noted that there was an overall profit in September. Ms. Cook noted there are more penalties that were received from 2019-2020 for withholding payroll taxes. Ms. Cook added that there are no records to see if these payroll taxes were paid at that time, and that the budget will be amended to account for these penalties. Ms. Cook stated that she will contact the state Department of Revenue before paying the penalties because they had previously thought that all unpaid taxes were now paid. Mr. O'Leary noted that this is something else to mention for the insurance claim.

D. *Insurance Claim Update*

Ms. Lusk explained that the former accountant, Debi Choi, sent the certificate of insurance. Ms. Lusk detailed that she called the insurance company the adjuster called back delayed because Ms. Choi would not answer his calls. Mrs. Lusk noted to the adjuster that Ms. Choi probably has other claims and the adjuster confirmed that there were other cases and that the Board's case will likely be transferred to the adjuster who is dealing with the other claims against Ms. Choi. Ms. Lusk further noted that she called and left the new adjuster a message on Friday and has not yet heard back from them. Mr. Cassano noted that the new adjuster should have a clear understanding since he is already dealing with claims against Ms. Choi. Ms. Cook reiterated that she will contact the Department of Revenue and determine if they can help with existing penalties. Board members discussed that banks should have past records, but it may be difficult to identify them since banks changed so many times. Ms. Cook agreed to speak with past employees with the bank.

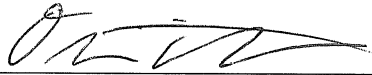
VI. ADJOURNMENT

Commissioner Doster asked if the utilities issue was resolved and it was detailed that the landlord had the issues checked and there was no leak found. Mr. McGuire noted that he will speak with Jennifer Duncan. Board members discussed marking the meter and tracking the usage if it has not already been done.

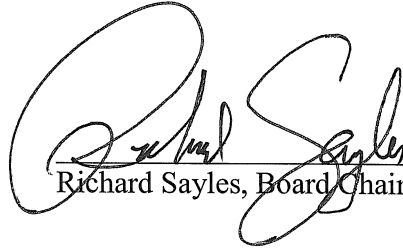
Ms. Cook asked what computer the board wants to buy so she can proceed with amending the budget. Mr. McGuire stated that he compared options and thinks the cheaper option would be best. Ms. Cook noted that she will work on a budget amendment for next month.

With no further business, Mr. Cassano made a motion to adjourn the meeting. Mr. Boswell seconded and all voted in favor. The meeting was adjourned at 4:54 p.m.

ATTEST:



Olivia Stewman, Town Clerk



Richard Sayles, Board Chair