



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

MONDAY, SEPTEMBER 18, 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
Patricia Crain, Store Assistant Manager
Rhonda Cook, Accountant

Absent:

Others Present: Scott Doster, Town Council Liaison
Terryjean Moody, Auditor

I. CALL TO ORDER

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

II. AGENDA ADOPTION

Mr. Bob Cassano made a motion to adopt the agenda, as presented. Mr. Trace Boswell seconded. All board members voted in favor.

III. CONFLICT OF INTEREST STATEMENT

There were no conflict of interest.

IV. **APPROVAL OF THE AUGUST 21, 2023 REGULAR ABC BOARD MEETING MINUTES**

Mrs. Esther Lusk made a motion to approve the August 21, 2023 minutes, as presented. Mr. Cassano seconded and all voted in favor.

V. **NEW BUSINESS**

A. ***Discuss ABC Store Operations***

Store Manager Trent McGuire explained that he had received two quotes for computers from Carolina Data. Board members reviewed the quotes. It was noted that a budget amendment would be required and that Mr. McGuire would be notified when he can purchase the computers.

Mr. McGuire provided Board members with a report regarding stale merchandise through August. Mr. Sayles asked if there is a way to know how long stale products have been in the store and Mr. McGuire expressed that he will follow-up but he thinks that he should be able to look at it on an annual report.

It was noted that Grey Hawk is open and busy.

Mr. McGuire reported that he had caught a former employee stealing and filed a criminal trespass and a criminal warrant against him.

Mr. McGuire explained that Foothills Security charges for all visits and that he is not satisfied with this. Mr. McGuire added that he will document any visits from them. Mr. Cassano expressed that the agreement with Foothills Security should detail whether or not there is a training/trial period and expressed that he thinks that there should be. Commissioner Scott Doster expressed that he would not pay the current charge. Mr. O'Leary asked if Foothills Security had provided an invoice and if the contract details support terms. Mr. McGuire stated that he would follow-up. Chair Sayles asked Mr. McGuire to keep him involved in communications with Foothills Security. Mr. McGuire agreed to keep Chair Sayles involved and added that the employee for Foothills Security was only at the store for a few minutes and charged over \$100. Mr. McGuire noted that one of their alarms went off and it took 23 minutes before law enforcement arrived. Mr. McGuire noted that the officer that arrived verified that he had gotten notification of the alarm right before his arrival, so it seems that there was a delayed notification from the security system.

Mr. McGuire detailed that the store is obtaining two coolers for free.

Mr. McGuire reported that truck orders had reduced significantly since the peak season came to an end and expressed that he wants to limit what is ordered.

Mr. McGuire noted that he is trying to operate the store without any employee overtime. It was noted that one part time employee would be leaving and the Board discussed

keeping them on retainer in case they would like to work any holidays or weekends in the future. Mr. McGuire expressed that there is a need to hire one more part time employee following the former employee's departure.

Assistant Store Manager Patricia Crain provided the Board with a year's worth of sales to the Tiki Bar.

Board members discussed the differences between liquor sales and mixer sales.

Mr. Boswell referred to the previous conversation regarding stale merchandise and expressed that he does not believe the report that was provided is accurate. Mr. McGuire and Ms. Crain stated that they would review the report for errors.

B. Audit Presentation

Auditor Terryjean Moody reviewed the annual audit. It was detailed that cash went down due to the former issues with unpaid bills making cash seem higher in past years. It was noted that another issue in relation to this was increased operating expenses for penalty fees and timing impact liabilities. Ms. Moody expressed satisfaction with the improvements that had been made and noted that this year's numbers seem to be solid and accurate. Ms. Moody explained that the Board does not owe the Town any money this year. It was detailed that revenues had increased but the cost of sales were down slightly. Ms. Moody noted that there is an operating lease line in which companies now have a right to use this asset and are required to be include it as a line item, strictly for the lease of buildings. Ms. Moody expressed that 2024 should be better because past discrepancies had been resolved and numbers should be more accurately compared since this year's numbers were accurate. Ms. Moody expressed that Ms. Cook and Mr. McGuire are doing a great job.

Chair Sayles noted that many of the past penalties were caused by the former accountant and asked if there is any recourse that can be taken against them. Ms. Moody noted that the board could file a claim for liability insurance and Board members discussed. It was noted that the claim would be filed for failing to file taxes and payments. Mr. O'Leary asked if Ms. Moody had seen successful claims and she answered yes. Ms. Moody recommended contacting the former accountant and asking for her liability insurance information. Mrs. Lusk agreed to contact the former accountant. It was recommended that the Board generate a former letter to the former accountant and have it signed by all board members. Mr. O'Leary asked if any issues should be anticipated and Ms. Moody answered no, but noted that the claim will likely take some time. Ms. Cook stated that she will provide data to Mrs. Lusk to include in the letter. Board members discussed copying the Town's attorney and representatives of the ABC Commission to the letter. Ms. Moody advised that the Board should leave Ms. Cook out of communications with the former accountant. Commissioner Doster noted that he had been in contact with an attorney for the Commission regarding another subject and can talk to him about this issue as well. Board members discussed that all communications with the former accountable should be via email so there is a paper trail. Ms. Moody expressed that she

thinks that the former auditor will want to provide the Board the liability insurance information rather than going to litigation. Ms. Moody noted that Board can contact her if they have any questions. Ms. Cook asked which line item she should put any collections of penalties from the claim in and Ms. Moody answered miscellaneous revenues.

Commissioner Doster asked Ms. Moody to summarize her overall thoughts on the audit. Ms. Moody explained she has been auditing for the board for years and that operations were good under Woody, but struggles emerged with management and accounting after him which Ms. Cook and Mr. McGuire have not resolved. Ms. Moody expressed that she anticipates even more improvements moving forward and thinks that operations are in a good place as of now.

C. *Discuss Planters and Trees in Front of Store*

Chair Sayles noted that he was walking around the store a few weeks ago and noticed that a planter in front of the store was smoking due to someone putting a cigarette in it. Chair Sayles expressed that the landlord needs to be informed about it so they can prevent the issue moving forward. Mr. O'Leary noted that planters with mulch are a fire hazard. Chair Sayles referred to the store's smoking policy within the personnel manual. Board members discussed that employees should not smoke in front of the store. Board members also discussed whether or not that this should be added to the policy or if it will be enforced by management. It was determined that management will enforce smoking rules. It was also determined that it is not ABC Store employees who are smoking and leaving the remains in the planters and Chair Sayles stated that he would inform the landlord of this. Mr. Cassano asked if there should be an outside ash tray. Chair Sayles expressed that the landlord could determine whether or not he wants to put ashtrays in the plaza. Ms. Crain suggested that increased vegetation in the planters could help towards avoiding the issue. Chair Sayles reiterated that he would follow-up with the landlord.

D. *Discuss Smoking Policy*

Chair Sayles asked Ms. Crain if any employees smoke and Ms. Crain answered that no employees currently smoke. It was reiterated that if an employee does smoke, they should not do it in front of the store. Mr. O'Leary asked Mr. Cassano what Ingles' smoking policy was and Mr. Cassano noted that Ingles employees were told to go to their cars to smoke and they got two 15 minute breaks and a lunch break in which they could do so.

E. *Review Financial Report*

Ms. Cook provided Board with the financial report and Board members reviewed it. It was detailed that there was a loss due to increased purchases but the season is slowing down, so purchases are also slowing down. Ms. Cook added that another reason that sales are down is due to payments towards the auditor.

Ms. Cook noted that there were some old surcharges that were paid and that it was figured out that surcharge emblements may come later. Board members discussed that it would be good to review surcharges and surcharge emblements weekly so nothing is missed. Mr. Cassano recommended determining averages for surcharges as well.

Board members reviewed payroll.

Mr. O'Leary asked why mixed beverages sales were up in August and Ms. Crain answered Labor Day.

Board members noted that holiday orders have been submitted, but have not been delivered yet and that payments will be due when they are delivered.

Board members expressed that they like the yearly comparisons that Ms. Cook provided. Commissioner Doster pointed out that salary was almost identical to last year.

Mr. Cassano asked about the increase in utilities and Ms. Cook explained that the water bill has been high. Chair Sayles advised that this needs to be monitored because he is still worried that there is a leak. Ms. Cook noted that August's water bill was also high. Chair Sayles noted that the Town should be contacted about this to see if there are any errors occurring. Chair Sayles asked Ms. Cook to follow up with the Town regarding utility bills. Mr. Cassano added that the Town should be able to determine if there is a leak. It was noted that there is a commercial rate for water.

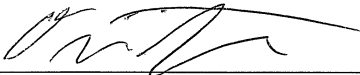
Ms. Cook noted that she had noticed that two telephone bills were being paid and that this is now resolved and a credit should be received.

VI. ADJOURNMENT

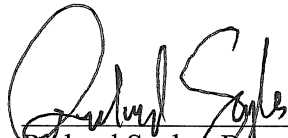
Mr. Cassano expressed satisfaction with staff and Ms. Cook.

With no further business, Mrs. Lusk made a motion to adjourn the meeting. Mr. O'Leary seconded and all voted in favor. The meeting was adjourned at 4:31 p.m.

ATTEST:



Olivia Stewman, Town Clerk



Richard Sayles, Board Chair