

Regular Session, January 27, 2012, 9:30 a.m.
Catawba County Board of Commissioners
(Rescheduled from February 6, 2012)

Alcohol Beverage Control Board

Merger with Taylorsville 429 01/27/12

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Resolution

ABC Board – Merger with Taylorsville 429 01/27/12

The Catawba County Board of Commissioners met in regular session on Friday, January 27, 2012 at 9:30 a.m. in the Robert E. Hibbitts Meeting Room of the 1924 Courthouse, 30 North College Avenue, Newton, North Carolina.

Present were Chair Katherine W. Barnes, Vice-Chair Lynn M. Lail and Commissioners Dan A. Hunsucker, Barbara G. Beatty and Randy Isenhower.

Also present were County Manager J. Thomas Lundy, Assistant County Manager Dewey Harris, County Attorney Debra Bechtel, Deputy County Attorney Anne Marie Pease and County Clerk Barbara Morris.

1. Chair Katherine W. Barnes called the meeting to order at 9:30 a.m.
2. Commissioner Randy Isenhower led the Pledge of Allegiance to the Flag.
3. Commissioner Dan Hunsucker offered the invocation.
4. Commissioner Barbara G. Beatty made a motion to approve the minutes from the Board's Regular Meeting of January 17, 2012. The motion carried unanimously.
5. Recognition of Special Guests: Chair Barnes welcomed everyone present and expressed her appreciation for all the members of the press who were in attendance.
6. Public Comments for Items Not on the Agenda: None.
7. Presentation:
Chair Barnes presented the 2011 Distinguished Budget Presentation Award from the Government Finance Officers Association to Budget Manager Jennifer Mace and Budget Analysts Paul Murray and Katrina Crooks. The award is given to local governments that prepare and publish a budget document judged to be both informative and understandable. Catawba County has won the award for 23 consecutive years.
8. Appointments:
Vice-Chair Lynn Lail recommended the reappointment of Jane Murphy for a sixth term on the Nursing and Rest Home Advisory Board. Ms. Murphy's term will expire on February 14, 2015.

This recommendation came in the form of a motion. The motion carried unanimously.

9. Departmental Reports:

Alcohol Beverage Control Board

Catawba County Alcohol Beverage Control Board General Manager J. Ray Abernathy presented a request for the Board to consider a merger of the Taylorsville Alcoholic Beverage Control (ABC) Board with the Catawba County ABC Board. Since the dismissal of the Taylorsville ABC Store Manager in June 2011, the Taylorsville store has been under the daily management Mr. Abernathy. The Taylorsville Town Council asked Mr. Abernathy to assist the Council in identifying a short term management solution and he volunteered to manage the store during the interim, with the full support of the Catawba County ABC Board. The Taylorsville Town Council indicated that Mr. Abernathy's commitment and expertise were exceptional assets to the operations, sales strategies and efficiencies of the Taylorsville store. The Council noted that Mr. Abernathy received no compensation for his services, except for mileage reimbursement. His management of the Taylorsville store was intended to be an interim solution only, and a decision was due on the management of this facility.

The Taylorsville ABC Board recommended that the Taylorsville ABC Board merge with the Catawba County ABC Board, which would result in the following benefits for Taylorsville: elimination of outside accounting services (\$6,000 yearly savings); elimination of certified audit services (\$6,000 yearly savings); utilization of an efficient staff of cross-trained personnel to provide auditing, accounting, tax payments, payroll and human resource services; general managerial oversight with over 25 years of experience; improved benefits for clerks and manager; in-house accounting on a daily basis, which is expected to greatly improve checks and balances; allow store to have two shipments of product weekly instead of one shipment monthly; and allow for better product selection for customers

The conditions of this consolidation are that the Town of Taylorsville will appoint an ABC Board Member to join the Catawba County ABC Board, which will consist of six members, five named by the Catawba County Board of Commissioners and one by the Taylorsville City Council. There will be no term limits for Board members. The Chairperson will be appointed for a one year term by the Catawba County Board of Commissioners. The Town of Taylorsville would receive a onetime "windfall" profit from the Catawba County ABC Board in the dollar amount associated with the store's liquor inventory on December 31, 2011, at 9:01 p.m., which could be as much as \$80,000. The Taylorsville store will remain in its current location and remain in a previous three-year lease agreement between the local board and the Town of Taylorsville. Either participant in the consolidated system may at any time, with the approval of the North Carolina Alcoholic Beverage Control Commission and in consistence with any agreement between the parties, discontinue participation as a part of the consolidated system. The merger has no impact on quarterly distributions to the Town of Taylorsville and other recipients as previously required. In compensation for running the system, Catawba County ABC will receive one half of one percent of gross sales (.5%). This approach to compensation makes the merger profitable for both parties.

Commissioner Isenhower commended Mr. Abernathy on his work and both Commissioner Isenhower and Chair Barnes pointed out this was the first merger of this kind in the State and the State wanted to make this transaction a pilot for other entities to enter into such agreements. Commissioner Isenhower made a motion to approve the merger and adopt the necessary resolution. The motion carried unanimously. The following resolution applies:

RESOLUTION NO. 2012-

MERGER OF CATAWBA COUNTY ABC BOARD

WHEREAS, there presently exists an Alcoholic Beverage Control System which serves Catawba County and an Alcoholic Beverage Control System which serves the Town of Taylorsville; and

WHEREAS, the ABC Board of Catawba County, the ABC Board of the Town of Taylorsville, the Catawba County Board of Commissioners and the Commissioners of the Town of Taylorsville have determined it is in the public interest to have a Consolidated System to serve both Catawba County and the Town of Taylorsville as permitted by the merger provisions of Chapter 18B of the General Statutes of North Carolina; and

WHEREAS, the Consolidated System generates greater revenues for each participating member, rather than separate systems, because considerable savings are achieved through combined managerial, administrative, financial, warehousing and law enforcement functions; and

WHEREAS, the Consolidated System will keep separate records for the existing Taylorsville ABC store so that gross revenues, expenses and net revenues for that store may be readily determined for net profits from said store to be distributed as set out herein; and

WHEREAS, all net profit from the Taylorsville store, after distributions required by state and federal law, are to be distributed on a quarterly basis to the Town of Taylorsville after the percentage of the total administrative, warehouse, law enforcement and any other expenses directly attributed to the operation of the Taylorsville store have been retained by the Consolidated System; and

WHEREAS, the Board serving the Consolidated System shall be known as the Catawba County ABC Board and shall consist of six (6) members, five (5) of whom shall be named by the Catawba County Board of Commissioners and one (1) whom shall be named by the Taylorsville Town Council. The Catawba County Commissioners and the Taylorsville Town Council agree that the persons named to the Board shall become full members representing the best interests of both appointing authorities. Each Board member must be a resident of the appointing authority and must be known for his or her good character and ability. There are no term limits for Board members. The Chairperson for the Board shall be appointed by the Catawba County Board of Commissioners and will serve a one year term beginning on July 1st. There will be no limit to the times a Chairperson may be re-elected; and

WHEREAS, the existing Taylorsville store shall become a part of the Catawba County ABC System, so that the consolidated system and all assets from both existing systems shall be owned, operated and governed by the Catawba County ABC System. The Catawba County Board of Commissioners shall be designated as the appointing authority where appropriate and/or necessary pursuant to State law; and

WHEREAS, in order for this Consolidated System to be profitable for both the Town of Taylorsville and Catawba County, annual compensation for absorbing the ABC System of Taylorsville into the Catawba County ABC shall be one half of one percent of gross sales generated by the Taylorsville ABC store.

NOW, THEREFORE BE IT RESOLVED by the Catawba County Board of Commissioners that it hereby approves the Board and Consolidated System as set out in this Resolution and will request that it be submitted for approval by the North Carolina Alcoholic Beverage Control Commission.

BE IT FURTHER RESOLVED that either participant in the Consolidated System may at any time, with the approval of the North Carolina Alcoholic Beverage Control Commission, and in consistence with any agreement between the parties, discontinue participation as a part of the Consolidated System as provided by state law. In such case, the ABC Board for the withdrawing participant shall be established as provided by state law. If Taylorsville is the withdrawing entity, the Town of Taylorsville shall no longer have representation on the existing Board, and the existing Board shall continue to operate as the Catawba County ABC Board.

This the 27th day of January, 2012.

10. Other Items of Business:
Commissioner Randy Isenhower updated the Board and all present on the status of the State-mandated consolidation of eight county mental health agencies (3 LME's). He indicated that a Merger Committee was meeting monthly, bylaws were being drafted and hiring was already taking place. A 26 member Board will include 8 commissioners representing the counties, as well as other designated slots for specific professions/specialties. In the next month or so, the appointment of the board members will come before the Catawba County Board of Commissioners for its approval.

11. Attorney's Report: None.

12. Manager's Report.
County Manager J. Thomas Lundy requested the Board move into closed session pursuant to North Carolina General Statute 143-318.11(a)(6) to consider the qualification, competence, performance, character, fitness, conditions of appointment or conditions of initial employment of an individual public officer or employee or prospective public officer or employee. He did not anticipate any action upon return to open session. Vice-Chair Lail made a motion to move into closed session at 9:42 a.m. The motion carried unanimously.

13. Adjournment. The Board returned to open session at 10:41 a.m. No action was taken and Commissioner Hunsucker made a motion to adjourn at 10:41 a.m. The motion carried unanimously.

Katherine W. Barnes, Chair
Catawba County Board of Commissioners

Barbara E. Morris
County Clerk