

Minutes of the Durham ABC Board's Board Meeting May 13th, 2025

The Durham County ABC Board met at the administrative office, located at 3620 Shannon Road, Suite 200, on the 13th day of May 2025.

Board Chair Daniel Edwards called the meeting to order at 5:30 p.m.

In attendance was the Board Chair Daniel Edwards, Board Members Donald Lebkes, Gale Adland, Ryan Urquhart and Board Attorney George Miller III. General Manager Lou Sordel, Assistant General Manager Deborah Warren, Operations Manager Michael Mitchell, Fiscal Service Director Rachel Wadsworth, Visual Compliance Manager Ikzuri Garcia-Banda and Paul Young from DTW Architects and Planners were also in attendance. Board Member, Frachele Scott and Special Agent Delello from ABC Law Enforcement joined us via Zoom.

Conflict of Interest Review and Declaration

Chairman Edwards read the Board's Conflict of Interest Review and Declaration statement and asked Board members if they have an actual conflict or appearance of a conflict of interest with any items coming before the Board and, if so, does the Board member wish to recuse him or herself from deliberating and voting on the matter.

All Board members verbalized that they have reviewed the agenda and do not have any conflicts.

Consent Item

There are three consent items for approval during the Board meeting held on May 13th, 2025.

Board member Donald Lebkes made a motion to approve the April 15th Board minutes with the exception of adding Maurice Jones' business title after his name. Board Member, Gale Adland seconded the motion with this correction. All Board members approved the April 15th Board meeting minutes.

The Board approved the proposed 25/26 fiscal budget to be put up for public discussion and public comments. The public can ask questions during the June 17th Board meeting or send questions to info@durhamabc.com. Board Member, Gale Adland made a motion to approve the proposed budget for public comments during the June Board meeting. Visit Durhamabc.com to sign up for the meeting. Board Member Ryan Urquhart seconded the motion. All Board members approved this decision, and it will be posted today for public comment.

The 25/26 Holiday schedule was presented to the Board for approval. There was much discussion about selected stores opening for the July 4th holiday. We have many employees throughout the team that are willing to work on this holiday, at time and a half pay. Stores 4,10 and 11 will be open for business from 9:00 am to 5:00 pm. This will be the first holiday we will be open to service customers and Mixed Beverage accounts. Board Member Donald Lebkes made a motion to approve the opening of selected stores on July 4th and the updated 25/26 holiday calendar. Board member Gale Adland seconded the motion. All Board members approved the 25/26 Holiday Calendar and for selected stores to be open on the 4th of July. The major changes are stores #4 (2121 TW Alexander Drive) #10 (5608 NC Highway 55) and #11 (3620 Durham-Chapel Hill Blvd) will be open from 9am-5pm on July 4th, 2025.

Public Comment

Chairman, Daniel Edwards addressed the public and asked if anyone was present and if they had any comments. No one from the public was in attendance in person or via zoom.

Special Agent Delello

Special Agent Delello presented the Summary of Activities for the month of April.

Agent Delello informed the Board that Agent Gross will be away for the next few weeks for Polygraph training and that the stores need to call Agents Williams and Delello if they need to report an incident or need help.

Mr. Sordel told Agent Delello that we have seen an increase in credit card fraud, and this has caused us to change our credit card policy. As of July 1st, our customers must show an ID while using a credit card. This new policy will be posted in each store and on our website.

North Carolina Alcohol Law Enforcement

Summary of Activities

April 2025

Checks at ABC Stores: 23

ABC Outlet Inspections MBX: 16

ABC Outlet Inspections Other: 15

Alcohol Education: 1

Violations submitted to ABCC: 1

Total Arrests: 23

Total Charges at Permitted Outlets: 45

Total Charges at Non- Permitted Outlets: 9

Total Misdemeanor Charges: 54

Total Felony Charges: 7

On Tuesday, April 1, 2025, District IV Special Agents received notification from ABC store number #12 in reference to a larceny. As a result of the investigation the suspect was identified and charged with larceny.

On Wednesday, April 2, 2025, District IV Special Agents conducted ABC outlet surveillance at the M&M Mini Mart, located at 2128 Angier Ave, Durham. During the surveillance, Special Agents observed an individual who appeared to be in the process of ingesting crack cocaine. After further investigation, the suspect was arrested for possession of crack cocaine and transported to Durham County Jail.

On Wednesday, April 2, 2025, District IV Special Agents conducted ABC outlet surveillance at the Big Apple Food Mart, located at 1505 Holloway Street, Durham. During the surveillance Special Agent observed several individuals consuming alcoholic beverages on the premises. Upon further investigation one of the individuals was found to be in possession of a concealed handgun and cocaine. All of the individuals were subsequently arrested or cited drug and alcohol related offenses.

On Thursday, April 10, 2025, District IV Special Agents conducted ABC outlet surveillance at Buy Quick Mart, located at 419 Briggs Ave, Durham. During the surveillance Special agents observed a controlled substance purchase and conducted a traffic stop. During the traffic stop the suspect threw crack cocaine out of the window and fled the scene. Special Agents identified the suspect and charged him with felony-controlled substance charges, and charges of fleeing to elude arrest.

On Wednesday, April 23, 2025, District IV Special Agents conducted an ABC inspection at Pickleback 2, 711 Riggsbee Avenue, Durham. During the inspection Special Agents located multiple bottles not bearing the tax stamp, and multiple bottles of fortified wine which the business did not possess a permit for. As a result, the permittee was criminally charged and an ABC violation report submitted to the ABC Commission.

On Wednesday, April 23, 2025, District IV Special Agents investigated a fraud at ABC store #3 where a counterfeit bill was utilized. After further investigation the suspect was identified and arrest warrants obtained for Forgery of Instrument, uttering a Forged Instrument, and Obtaining Property by False Pretense.

On Tuesday, April 29, 2025, District IV Special Agents conducted ABC outlet surveillance at Joy Quick Mart, located at 3801 Duke St, Durham. During the surveillance Special Agents observed an individual consuming alcoholic beverage in the parking lot and then entered a business while concealing a firearm. As a result of the investigation, the suspect was arrested and charged with possession of a firearm by convicted felon, possession of a stolen firearm, concealing a gun, and resisting a public officer.

Paul Young, DTW Architects and Planners

Mr. Young talked about the construction progress for store 4 on Page Road. He also showed the Board pictures of the progress we are making with this store. The masonry portion of the building is finished, and the underground plumbing is also complete. The plumbing work was inspected and passed. The roof curbs are also in place, which means we can start installing the HVAC units on the roof. The stone will be placed around the perimeter and the vapor barrier will be installed. Then we will be able to pour the concrete slab. Once the slab is completed things will move along fairly quickly and we will start installing the roof and overhead electrical conduit. We will also start on the grading of the parking lot, stone base and retaining wall. We are excited to say we are still on schedule to meet our construction deadline for November.

Assistant General Manager, Deborah Warren

On April 23rd we held our monthly Full-timer's meeting and on March 26th we held our manager's meeting. Ms. Warren showed a slide show of what happened during these two meetings. We do this every month to keep our staff up to date on new things happening and to train them in many different areas of our business. During these meetings we had Daniel Spell reviewed how to check ID's and store security. We also had representatives William Fisher and Wendell

Mitchell here from Coastal Credit Union to talk about personal finances, financial responsibilities and how to create a budget.

On April 30th we held an employee training course about tequila with our partners at RNDK and Brown Forman. They trained our staff on several Herradura tequilas, so they have a better understanding of the different tequilas available. This great line up of tequilas also included the barrel pick we bought from Herradura.

Ms. Warren talked about the recent bourbon drops and how well they are doing. She mentioned we had 4 Bourbon drops in April. We also have 39 store tasting events scheduled during May. Instore tastings are a great way to educate our customers and have them sample products. Our newest store (4) will be equipped with a tasting bar to accommodate more tasting events. Ms. Warren talked about a recent tasting that Blue Shark did in six locations over the weekend. They sold 50 bottles during the six tastings.

Fiscal Services Director, Rachel Wadsworth

Mrs. Wadsworth discussed the April retail sales, mixed beverage sales, sales by location, overall sales, bottles comparison report and the weekly banking report with the Board.

Durham County ABC sales were \$5,093,881 during April which was an increase of \$65,645 or 1.31% compared to the prior year. By business line, Retail sales increased \$31,111 or 0.82% and MXB sales increased \$34,535 or 2.83%. Budgeted total sales for April were \$4,696,089 so there was a positive budget variance of \$397,792 or 8.47%. April MXB sales for 2024, 2023, 2022, 2021 & 2020 were \$1,218,933; \$1,099,620; \$1,085,450; \$719,033 & -\$12,077, respectively.

April sales increased for Durham County ABC Board by 1.30% and we were ranked 3rd among the 9 comparative boards (Cumberland, Orange, Wake, Mecklenburg, New Hanover, Greensboro, Triad and Asheville). The statewide increase was 1.28%.

Year-to-Date Sales Growth Trend – Ten Months Ended April 30:

FY2025	-0.54%	FY2022	15.04%
FY2024	00.61%	FY2021	12.17%
FY2023	10.24%	FY2020	8.18%

Mrs. Wadsworth talked about the amended budget and the financial reports she showed the Board reflect the amended budget numbers. Mrs. Wadsworth reported that our retail sales are up by 1% but down half of a percent for our yearly sales so far.

Mrs. Wadsworth created a report at the request of Board Member Frachele Scott. Mrs. Scott wanted to compare the Covid time period sales numbers to the current tariff tax situation to see if there are any similarities or trends. Mrs. Wadsworth found that there are not really any substantial changes at this moment. We will continue to watch this throughout this year and into next year.

Mr. Sordel alerted the Board that the Broker and distillers are not passing along any price increases at the moment. In fact, the brokers are increasing the number of items that are on sale compared to years passed. In May and June, they have increased the number of items on sale by over 150 items. They also have good inventory levels for any inventory shortages that may come up due to the tariff tax increases.

MXB Operations Manager, Mike Mitchell

Mr. Mitchell said that we received seven new mixed beverage accounts during April. Mr. Mitchell reviewed our YTD budget versus actual sales for April 2025 and April 2024, and he said we had a increase of \$65,645.16. Retail sales were up by \$31,111.00 and Mixed Beverage sales were up by \$34,535.00. The total sales during April were \$5,093,881.00, which is an increase of 1.31%. Wine sales have also increased, adding \$2,076.20 in sales during April. Mr. Mitchell also reviewed the sales from the first two weeks of May and compared them to last May and said that we are up \$146,501.76.

Visual Compliance Manager, Ikzuri Garcia-Banda

Ms. Garcia-Banda updated the Board on our website construction. We are in the testing stages of our product search and will be updating other sections of our website like our career page very soon.

She also updated the Board with our online traffic numbers over the past 30 days. We receive approx. 5,000 impressions a day. AI has recently updated the google search engine and we are noticing some issues. For instance, when customers do a google search for a store, it is referring them to the admin office and not to the specific store they are trying to reach. Ms. Garcia-Banda will be working with Google to refresh our google search and update store's information, hours of operation and holiday dates.

Ms. Garcia-Banda stated the Grant application process is moving along well. It seems that we have a lot more interest in the Grant program this year. Final reports from last year's Grant recipients are due on May 31st. I will be sending a reminder email out to the Grantees about the deadline for their final reports.

Human Resources Generalist, Tristin Coleman

Mrs. Coleman updated the Board with the success of our Wellness program for our employees. Our staff is every excited about this program and we had 100% participation with our full-timers, and we were able to extend it to 31 of our part time staff. There are guidelines in place for the approval of part-time employees receiving this benefit. Part-timers must have been employed by us for one year and work at least an average of 15 hours on a weekly basis.

Mrs. Coleman has been working with Gallagher to update our medical, dental and eye care plans. They reviewed offers from BCBS, Aetna, United and Cigna. After negotiating, we decided to stay with Cigna. Cigna really raised the bar by adding benefits and keeping the pricing the same. They will also continue our shoe

wellness program. She noted that we will be leaving Unum and going to Mutual of Omaha for our short- and long-term disability and Group Life Insurance.

Lou Sordel, General Manager

Mr. Sordel reviewed the top fifty selling items from April 2025 verses April 2000 during the Covid time period. The results show that the categories drastically changed within our top 50 items over the past 5 years. During April of 2020, our top three categories were Vodka, Whiskey and Tequila. In April of 2024 it was Tequila, Vodka and Whiskey. Now in 2025, it is Tequila, Vodka and Whiskey. Tequila, being our number one category, has continued to increase and dominate our sales.

Mr. Sordel updated the Board on inventory levels throughout our stores and warehouse. We currently are sitting at 12.6 million in inventory. We will start depleting our inventory soon due to the local college's going on summer break and slower sales. July, August and September tend to be our slower months.

Mr. Sordel updated the Board on the property we purchased for the new warehouse building. The old building has been completely demolished, and we have posted no trespassing signs around the property. This site is ready for construction once we are ready to start the new warehouse building.

Mr. Sordel invited the Board members to the next NCABC Conference, which will be held in Greensboro, N.C. on July 27-30.

Adjournment

Chairman Edwards adjourned the meeting and went into closed session. Donald Lebkes seconded the motion. All Board members approved without objection, and the meeting was adjourned at 6:55 PM.

Approved by: _____



Daniel Edwards, Board Chair

