Minutes of the Durham ABC Board's Board Meeting
June 17th, 2025

The Durham County ABC Board met at the administrative office, located at 3620 Shannon Road, Suite 200, on the 17th day of June 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, Ryan Urquhart. General Manager Lou Sordel, Assistant General Manager Deborah Warren, Operations Manager Michael Mitchell, Fiscal Service Director Rachel Wadsworth, Visual Compliance Manager Ikzuri Garcia-Banda, Human Services Generalist Tristin Coleman, and Paul Young from DTW Architects and Planners were also in attendance. Board Member Frachele Scott and Special Agent Bree Williams 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

The consent item approved was for the May 13th, 2025, Board Meeting Minutes. Board Member Don Lebkes moved to approve May 13th, 2025, Board Meeting minutes and Ryan Urquhart seconded the motion. All Board members approved the May 13th Board meeting minutes.

Public Comment

Chairman Daniel Edwards opened the floor for public comments, inviting participation from those present in person or via Zoom. No members of the public were in attendance for public comment, either in person or virtually.

Public Comment Hearing for FY 2025-26 Budget

The public budget for FY 2025-26 was opened for a public hearing, which remained open for 15 minutes. No members of the public were in attendance for public comment, either in person or virtually. No comments were received regarding the approved budget for FY 2025-26. The Board

FY 2025-26 Budget Approval

Board member Don Lebkes motioned to approve the budget for FY 2025-26, seconded by board member Ryan Urquhart. The motion was approved unanimously by the Board.

Alcohol Law Enforcement

Special Agent Bree Williams delivered the Summary of Activities for May, highlighting a notable increase in identity theft and credit card fraud incidents. In response, General Manager Sordel informed the Board that the Durham ABC team has taken decisive action to address these concerns by implementing a policy, effective immediately, mandating identification verification for all credit and debit card transactions. Chairman Daniel Edwards commended the policy as an effective measure to deter such issues.

North Carolina Alcohol Law Enforcement

Summary of Activities

May 2025

Checks at ABC Stores: 16
ABC Outlet Inspections MBX: 4
ABC Outlet Inspections Other: 12
Alcohol Education: 2
ABC Violations submitted to ABCC: 2
Total Arrests: 11
Total Charges at Permitted Outlets: 25
Total Charges at Non- Permitted Outlets: 15
Total Misdemeanor Charges: 31

Total Felony Charges: 9

On Tuesday, May 6, 2025, District IV Special Agents conducted a gambling investigation at Big Apple, located at 1515 Holloway Street, Durham. As a result of the investigation a search warrant was executed, and the suspect was arrested and charged with felony possession of video gaming machines, felony possession of schedule I controlled substance, and allowing violations to occur. A violation report was subsequently submitted to the ABC Commission for the incident.

On Tuesday, May 13, 2025, District IV Special Agents received information from Store 12 regarding the use of a stolen credit card. After investigating the incident, the subject was identified and charged with obtaining property by false pretense, financial credit card fraud, and financial credit card theft.

On Tuesday, May 13, 2025, District IV Special Agents concluded a month-long investigation into multiple stolen guns seized from a subject in April. As a result of the investigation the subject was charged with two counts of possession of a stolen firearm in Durham and Orange Counties, and possession of a firearm by convicted felon.

On Thursday, May 29, 2025, District IV Special Agents conducted an ABC inspection at Han Dee Hugos, located at 1001 S Miami Ave, Durham. During the inspection Special Agents found the business not to be in possession of their ABC permit. In review of the past inspections the business had been warned 4 occasions over three years to obtain a new permit. As a result, a violation report was submitted to the ABC Commission for the incident.

Construction Update for Store 4 on Page Road

Architect Paul Young provided an update on the construction progress for the new Store 4 location on Page Road. He reported that significant progress was made over the past month, including the completion of the concrete slab (prior to staining and polishing), underground plumbing, and electrical installations. The roof has been fully completed, with only the concrete for the stairs to the dumpster remaining to be poured. For the upcoming month, Mr. Young outlined the following planned activities: interior wall framing, overhead work for electrical, water, and HVAC systems, grading and stoning of the parking lot, and the potential installation of windows and aluminum panels. The Board, General Manager Lou Sordel, and Mr. Young engaged in a brief discussion regarding the feasibility of adding electric vehicle charging stations to Stores 4 and 10. The conversation focused on potential costs, infrastructure requirements, and the benefits of enhancing customer accessibility and sustainability.

Assistant General Manager, Deborah Warren

On June 3rd and 4th, we held our yearly benefits meeting for our full-time staff. Ms. Warren showed a slide show of what happened during these two meetings and what benefit information was covered by Tristin Coleman, Gallagher and Aflac.

Ms. Warren talked about the recent bourbon drops and how well they are doing. She mentioned we had 6 Bourbon drops in the past 30 days. Ms. Warren showed everyone a video of the progress that is being made with the construction of our new location on Page Rd in Durham.

Fiscal Services Director, Rachel Wadsworth

Mrs. Wadsworth discussed the May retail sales, mixed beverage sales, sales by location, overall sales, bottles comparison report and the weekly banking report with the Board. Durham County ABC overall sales are $5,498,629 during May which is an increase of $119,611 or 2.22% compared to the prior year. By business line, Retail sales increased $111,449 or 2.70% and MXB sales increased $8,162 or 0.65%. Budgeted total sales for May were $5,276,688 so there was a positive budget variance of $221,941 or 4.21%. May MXB sales for 2024, 2023, 2022, 2021 & 2020 were $1,257,578; $1,138,248; $974,969; $702,673 & -$10,059, respectively.

Year-to-Date Sales Growth Trend – Eleven Months Ended May 31:

FY2025 -0.29% FY2022 14.20%
FY2024 2.30% FY2021 11.61%
FY2023 10.57% FY2020 9.10%

The ANNUAL sales growth trend is shown below for the previous 5 years.
Year-Over-Year Sales Increase Trend – For 12 Months Ending June 30:

FY2024	$ 79,235	00.13%
FY2023	$6,045,743	10.78%
FY2022	$6,862,663	13.94%
FY2021	$5,036,536	11.40%
FY2020	$3,880,751	9.63%
FY2019	$2,971,076	7.96%

MXB Operations Manager, Mike Mitchell

Mr. Mitchell reviewed our YTD budget versus actual sales for May 2025 and May 2024, and stated an increase of $119,611.44. Retail sales were up by $111,449.00 and Mixed Beverage sales were up by $8,162.00. The total sales during April were $5,498,629.00, which is an increase of 2.22%. Wine sales have also increased, adding $2,590.00 in sales during May. Mr. Mitchell also reviewed the sales from the first two weeks of June and compared them to June of 2024 and said that we are currently down $14,319.49.

Visual Compliance Manager, Ikzuri Garcia-Banda

Ms. Garcia-Banda reported that the application period for the 2025-2026 Grant Program has concluded, with a total of 23 applications received. The review process for these applications is currently underway.

Ms. Garcia-Banda also provided an update on the development of the product search feature and website enhancements. The product search functionality is in the testing phase, with updates to other sections of the website scheduled to follow shortly.

Additionally, Ms. Garcia-Banda informed the Board of the operational schedule for upcoming holidays. Three locations — Stores 4, 10, and 11 — will operate from 9:00 AM to 5:00 PM on July 4, 2025. The stores will be closed on Monday, May 23, 2025. To promote the holiday hours, Ms. Garcia-Banda presented graphics she designed, which will be displayed on the website and in-store.

Human Resources Generalist, Tristin Coleman

Mrs. Coleman stated that during the month of June we will be performing our yearly manager and full-timer's evaluations.

Mrs. Coleman updated the Board on the employee benefit packages for 2025/2026. We are keeping our medical insurance with Cigna, our dental plan with Met Life and Vision with Community Eye Care. We changed our plans for STD/LTD and Group Life Insurance to Mutual of Omaha. Cigna will also continue the shoe wellness program.

General Manager's Report, Lou Sordel

General Manager's Report

General Manager Lou Sordel provided a comprehensive update on inventory levels across the organization's stores and warehouse. The current inventory valuation stands at $12.5 million. Mr. Sordel noted that inventory depletion is anticipated in the coming months due to reduced sales during the summer break for local colleges, with July, August, and September historically being the slowest months.

Mr. Sordel reviewed the organization's travel policies and per diem rates for travel reimbursement, ensuring the board was fully informed of the current guidelines. He presented the proposed lodging rates for FY 2024-2025 conferences, as follows:

- Greensboro 2024 Conference: $169.00 + tax
- Asheville 2025 Conference: $140.00 + tax
- Orlando 2025 Conference: $230.00 + tax
- Greensboro 2025 Conference: $172.00 + tax

A motion was made to approve the lodging rates as presented by Board Member Urquhart and seconded by Board Member Lebkes. The motion was unanimously approved by the board.

Mr. Sordel also confirmed the following conference dates:

- Greensboro, NC: July 27–30, 2025, featuring a presentation by **Master Blender Victoria Butler** from **Uncle Nearest Distillery**
- Concord, NC: March 15–18, 2026
- Cherokee, NC: August 23–26, 2026

Regarding the Store 4 Page Road project, Mr. Sordel supplemented Architect Paul Young's earlier update by presenting photographs illustrating the completed underground plumbing, electrical installations, roof, and concrete slab. He reiterated that next month's planned activities include interior wall framing, overhead electrical, water, and HVAC installations, as well as the commencement of grading and stonework for the parking lot.

Mr. Sordel presented an amendment ballot of the Bylaws for the NC Board of Directors. Mr. Sordel presented an amendment ballot for the Bylaws concerning the NC Board of Directors, specifically addressing revisions to Article VII, Section 2 Terms. The proposed amendment clarifies the term limits and eligibility for directors, maintaining the structure that directors serve a three-year term and are limited to a maximum of two consecutive terms. The amendment specifies that each director's term of office expires at the third Annual Business Meeting following their election, with directors continuing to serve until their successor is qualified and elected. Additionally, it introduces restrictions on reappointment or reelection: a director who continues to serve beyond their term limit is ineligible for appointment or election to a new term if they have reached the two consecutive term limit, with a mandatory waiting period until the next election cycle. The exact text of the amended section is as follows:

> "**Article VII - Board of Directors**
>
> Section 2 Terms — Directors shall serve a term of three years and can serve no more than two three consecutive terms. Each Director's term of office shall expire at the third Annual Business Meeting that occurs after the director was elected; however, a Director shall continue to serve until his/her successor has been qualified and elected and provided that a Director who

> continues to serve in this capacity shall not be eligible to be appointed by the Board of Directors if they have reached their two three consecutive term limit until after the next election cycle and a Director who continues to serve in this capacity shall not be eligible to be elected to a new term if they have reached their two three consecutive term limit until the next election cycles."

The Board briefly discussed the amendment, focusing on its implications for continuity and governance, with no final vote recorded at this meeting.

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 7:04 PM. This is an estimated time.

Approved by: D Edwards,

Daniel Edwards, Board Chair