

Minutes of the Durham ABC Board's Board Meeting November 19th, 2024

The Durham County ABC Board met at the administrative office, located at 3620 Shannon Road, Suite 200, on the 19th day of November 2024.

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

In attendance were Board Chair Daniel Edwards, Board Members Donald Lebkes, Gale Adland, and Board Attorney George Miller III. Board member Frachele Scott attended via zoom. General Manager Lou Sordel, Assistant General Manager Deborah Warren, Operations Manager Michael Mitchell, Fiscal Service Director Rachel Wadsworth, and Human Resource Generalist, Tristin Coleman were also in attendance. Paul Young from DTW Architects & Planners was also in attendance. Special Agent Spell 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 October 15, 2024, Board Meeting Minutes. Board Member, Donald Lebkes moved to approve October 15, 2024, Board Meeting minutes and Board Member, Frachele Scott seconded the motion. The Board approved October 15, 2024, minutes with an adjustment requested by Board member Don Lebkes. On the last page, last paragraph, there was a reference that Lou Sordel attended a NABCA conference. Mr. Lebkes would like to add that Lou went as a State of NC representative for this conference and NABCA paid for the

trip. Also, within the same paragraph it references a trip Lou took to Mexico. Let it be known that Lou paid for the trip to Mexico himself. Board Member Gale Adland moved to approve the October 15th Board minutes with the adjustments Mr. Lebkes requested and Donald Lebkes seconded the motion.

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.

ALE Special Agent Spell presented the October ALE Report to the Board

North Carolina Alcohol Law Enforcement Summary of Activities October 2024

Checks at ABC Stores: 7

ABC Outlet Inspections MBX: 21

ABC Outlet Inspections Other: 1

Alcohol Education: 2

ABC Violations submitted to ABCC: 2

Total Arrests: 4

Total Charges at Permitted Outlets: 8

Total Charges at Non- Permitted Outlets: 0

Total Misdemeanor Charges: 8

Total Felony Charges: 0

On Sunday, September 28, 2024, District IV Special Agent deployed to Western North Carolina to assist with humanitarian relief efforts due to Hurricane Helene. Special Agents from the district remained in Western North Carolina for approximately three weeks.

On Saturday, October 12, 2024, District IV Special Agents responded to La Morena Night Club, located at 1121 University Dr, Durham in reference to a homicide. During the course of the investigation Special Agents assisted the Durham Police Department with locating video surveillance footage and this information was forwarded to investigators. As a result of the ABC investigation, District IV Special Agents charged the permittee with allowing violations to occur, and selling alcoholic beverages after 2:00 a.m. A violation report was subsequently submitted to the ABC commission.

On Thursday, October 24, 2024, District IV Special Agents conducted an ABC inspection of Firebirds Wood fired Grill, located at 6910 Fayetteville Road, Durham. During the inspection Special Agents located multiple spirituous liquor bottles with the tax stamps unreadable and not properly defaced or replaced. Special Agents have warned the business several times over the past few years and recommended they contact the Durham ABC Board when the stamps fall off or become unreadable. As a result, an ABC violation report was completed and submitted to the ABC commission for the incident.

On Saturday, October 26, 2024, District IV Special Agents assisted the NCCU Campus Police with alcohol education during the NCCU homecoming event.

Special Agent Spell stated now that all of the agents are back from helping the hard-hit Hurricane Helene areas in western North Carolina. Now that they are back, agents will be ramping up security in all of the ABC stores during the months of November and December. There has been an uptick in thefts in our stores, and we are investigating many theft situations throughout Durham County. Special Agent Spell mentioned they are working on a theft incident at store 4 and they have warrants out for the arrest of this perpetrator.

Board Member Adland asked Special Agent Spell if ALE agents are informing Mixed Beverage accounts that they can put tape over their tax stamps to protect the MXB stamps. Special Agent Spell replied yes, we are educating the MXB accounts on proper instructions and that if they have any issues with the tax stamp to reach out to the Durham County ABC Board.

Paul Young, DTW Architects & Planners

Mr. Young updated the Board on the developments and construction of the new store 4 location. The grading and digging operations have begun and they are installing the storm drains. Unfortunately, we ran into rock about 2 feet under the soil so finding this layer of rock has slightly pushed our timeline back for the footings being placed. We should start the footings in about three weeks. This will put us in the middle of December. If we do not get a lot of wet weather, we should stay on track with our original timeline.

Mr. Young showed the Board two designs for the new Hope Valley store location (14). He reviewed two designs with a slanted roof line. Mr. Young and the Board talked about either having the front of the store facing the Woodcroft shopping center or Hope Valley Road. Mr. Young also showed the Board 3-dimensional drawings to include a mezzanine space for this new location. The mezzanine area would allow us to put the office, breakroom and bathroom upstairs. This concept would allow us to have more square footage for the sales floor and back stockroom. There was much discussion about whether the Mezzanine concept would work for all of our employees because there would only be a stairway going upstairs and not an elevator. Paul stated that as long as we can accommodate everything the employees need on the ground floor we will not need to put in an elevator. There was also some discussion on adding a bar/tasting area to this location. This store will also have a loading dock, dumpster area and generator.

Mr. Sordel asked the Board what their thoughts were on the two designs. Chairman Edwards prefers the design that is facing the shopping center, and the perch is in the rear on the Hope Valley Road side.

Assistant General Manager, Deborah Warren

Ms. Warren showed the Board pictures and videos from our time working at the NC State fair with the NCABC commission. We attended the event to represent the Durham County ABC Board.

On October 28th we visited the High Point ABC Board. We had some store managers and admin staff come along for this visit. We visited their Admin office, warehouse and a few stores.

We also visited Southern Distillery in Statesville where we had a tasting and selected a barrel pick. Ms. Warren showed pictures and videos on this visit as well. Lou stated that our managers selected two barrels for our stores to sell.

Ms. Warren reviewed the allocation drops we made in stores during the month of October. All of the drops went well, and customers are happy.

Fiscal service Director, Rachel Wadsworth

Rachel discussed the October retail and mixed beverage sales. Our retails sales were \$4,281,370.00 and mixed beverage sales were 1,316,510.00. Total Sales for October landed at \$5,597,880.00. Our YTD sales are at 20,156,507.00. Mixed beverage sales increased by \$178,105.00 and retail increased by \$374,113.00 compared to last October. Our two Mixed Beverage locations are at approximately 50% retail sales and 50% Mixed beverage sales.

Mrs. Wadsworth reviewed the bank statements with the Board and stated that all of our shipment invoices for October are paid and a tax payment will be paid today.

Mr. Lebkes and Rachel discussed the sales between stores 1, 5 and 7. Stores 1 and 5 are still showing strong sales and it seems like the opening of store 7 has not decreased their sales.

MXB Operations Manager, Mike Mitchell

Mr. Mitchell reviewed our new mixed beverage accounts, discussed our retail sales, and mixed beverage sales. Mr. Mitchell stated we received three new Mixed Beverage accounts in October. Mr. Mitchell reviewed the retail and mixed beverage sales during October 2024 verses October 2023 and stated we had an increase of \$552,217.00 in overall sales. Our wines sales were \$2,270.70, which is also an increase. Mr. Mitchell also reviewed the November sales as of the 18th and compared the sales to the beginning of November last year to show the Board what our sales look like so far in the beginning of November. He also reviewed our budgeted sales, which were \$20,365,607.00. We were just short of our budget at \$20,156,506.00.

Human Resource Generalist, Tristin Coleman

Mrs. Coleman talked to the Board about the Wellness program she is setting up with the Durham County Department of Public Health. We are setting up a wellness program with a holistic approach for our team. Mrs. Coleman sent out a survey for employees to fill out so we can get this program started. Mrs. Coleman will continue to update the Board on the progress as we move along with the project.

Lou Sordel, General Manager

Mr. Sordel updated the Board on the inventory levels with the approaching holidays season. We are sitting at half of a million dollars in inventory due to the holiday season. Malon brought in a couple of direct shipments on our high-volume items that sale quickly. There are also many great gift sets in stores for gift giving ideas.

Mr. Sordel and Mrs. Adland also talked about visiting Lincoln Community Center in Durham. This is their first year being a part of our Grant program. The Grant Committee went to an on site tour to see how their operation runs and how they are helping our community. They both thought it was a well-organized and impressive program. They are really helping our community with the grant money we issued them.

Mr. Lebkes recommended that board members and Admin staff try to attend any other site visits scheduled, especially the Durham County Criminal Justice program on January 24th.

Adjournment

Chairman Edwards motioned to end the meeting and go into closed session. Don Lebkes moved to adjourn the meeting and Gale Adland seconded the motion. All Board members approved without objection, and the meeting was adjourned at 6:45 PM.

Approved by: _____

Daniel Edwards, Board Chair

