

**Minutes of the Durham ABC Board's Board Meeting
February 17, 2026**

The Durham County ABC Board held their monthly meeting at their administrative office, located at 3620 Shannon Road, Suite 200, on the 17th day of February 2026.

Chairman Daniel Edwards opened the meeting and called the meeting to order at 5:30 p.m.

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.

In attendance were Board Chairman Daniel Edwards, Board Members Donald Lebkes, Frachele Scott, Ryan Urquhart and Board Attorney George Miller III. Board Member Gale Adland was present via Zoom. General Manager Lou Sordel, Assistant General Manager Deborah Warren, Operations Manager Michael Mitchell, Fiscal Service Director Rachel Wadsworth, Human Resource Director Tristin Coleman, Digital Strategist Ikzuri Garcia-Banda were all in attendance. Special Agent Teagan Gross from ABC Law Enforcement joined via Zoom. We had two Durham County residents that attended part of the board meeting via zoom. Eliyah James, a UNC College Student that resides at 1439 E. NC Highway 54, Durham, NC 27713 attended and Jillian Hall a Durham County resident that resides at 817 N. Mangum Street Durham, NC 27701.

Consent Item

Chairman Edwards made a motion to approve the minutes from the January 20, 2026, Board meeting and Frachele Scott seconded the motion. All Board members unanimously approved the January 20th, 2026, Board meeting minutes. There was no public comment.

Public Comment

Board Chairman Daniel Edwards addressed the public and asked if anyone was present and if they had any comments. Elia James and Julian Hall were present from the public for part of the board meeting.

Elijah James, UNC College Student

Elijah James from the public entered the meeting. Ms. James lives in Durham and is a student that is working on a class project to learn more about how a city or state board meeting is run. She had no questions; she simply listened to our process.

Jillian Hall, Durham County resident and a mixed beverage business owner

Mr. Hall wanted to speak to the board about what the process is for mixed beverage accounts purchasing allocated spirits. Mr. Hall did state that since his request to join the meeting, he learned the process for mixed beverage accounts and just wanted to acknowledge that we are doing a wonderful job with our mixed beverage accounts, and our drop zone allocated bourbon process.

Special Agent

The ALE Special Agent, Tegan Gross, reviewed the activities that happened during the month of January with the Board. Agent Gross commented on how they are working on visiting all the mixed beverage accounts in Durham County. Agent Gross also commented on how well store employees and our security team are being vigilant with customer theft. ALE, Sua Sponte and store employees are working together to bring theft down by monitoring suspicious activity and

reporting it and checking customers' IDs. Store employees then send any information to ALE agents. Then ALE agents monitor any suspicious activity, then they locate the person with the information provided by the store or security officer.

Mr. Sordel commented that ALE has made a few new changes that Sua Sponte and store employees should be making to increase store security and help reduce theft.

Board member, Gale Adland asked about checking ID's when a customer makes a purchase with a credit card. Agent Gross stated yes, we do ask for an ID when someone makes a purchase with a credit card, and employees have been doing a great job with this.

North Carolina Alcohol Law Enforcement Summary of Activities February 2026

Checks at ABC Stores: 30

ABC Outlet Inspections MBX: 21

ABC Outlet Inspections Other: 3

Alcohol Education: 0

ABC Violations submitted to ABCC: 3

Total Arrests: 10

Total Charges at Permitted Outlets: 0

Total Charges at Non- Permitted Outlets: 41

Total Misdemeanor Charges: 33

Total Felony Charges: 8

On Monday, January 5, 2026, District IV Special Agents received a phone call from Person County Sheriff's Office regarding a Roxboro resident who had been a victim of Credit Card Fraud. The fraud happened at Durham County ABC Store #11. Detectives and Special Agents worked diligently to attempt to locate and appropriately charge the suspects. Charges were obtained for the suspects for financial credit card fraud, Felony Conspiracy, Obtain property by false pretense, and financial card theft.

On Thursday, January 8, 2026, District IV Special Agents were contacted by Durham ABC Store #4 in reference to a larceny. Employees advised a male subject entered the store and asked for a specific bottle. They were then observed grabbing a ½ gallon of Hennessy and placing the bottle in his jacket and leave the business without paying. An arrest warrant was obtained that day for Misdemeanor Larceny, Possess for sale without ABC permits, and possession of non-tax paid alcohol for the subject.

On Monday, January 12, 2026, District IV Special Agents conducted an ABC inspection of the licensed premises at Fast Food Mart 2, located at 1816 Mason Road, Durham. During the course of the inspection the business was found to not possess the required staple food inventory to sale fortified wine. An ABC violation report was subsequently submitted to the ABC Commission.

On Monday, January 12, 2026, District IV Special Agents conducted an ABC inspection of the licensed premises at Residence Inn Marriott, located at 1108 N Main Street, Durham. During the course of the inspection the business was found to possess multiple bottles not bearing the tax stamp. An ABC violation report was subsequently submitted for the incident.

On Friday, January 23, 2026, District IV Special Agents were contacted by Durham ABC Store #7 in reference to a larceny. Employees advised a male subject entered the store and stole a 750-milliliter bottle of Mystic Bourbon. An arrest warrant was obtained on January 6, 2026, for Misdemeanor Larceny, Possess for sale without ABC permits, and possession of non-tax-paid alcohol.

On Tuesday, January 27, 2026, District IV Special Agents conducted an ABC inspection at Cucchio Osteria, located at 601 N Main Street, Durham. During the inspection Special Agents discovered the business was purchasing alcoholic beverages from other than a licensed wholesaler, and an ABC violation report was subsequently submitted to the ABC Commission.

Deborah Warren, Assistant General Manager

Ms. Warren talked about “Enlarging our tent”, which is our new business theme for 2026. In 2026 we will be expanding our plans for the Durham County ABC Board. She also talked about focusing on a greater impact for the month. One of our “Greater impacts” for this month was to create WOW displays in our stores. Mr. Sordel asked us to create impactful displays, and we created two Jack Daniels displays that incorporated a 901 Indian motorcycle. With help from Dao Vo with RNDC we received two Jack Daniels Indian Motorcycles to display at stores 4 and 10. Ms. Warren showed several pictures of the display being built. We feel privileged to received 2 Indian motorcycles to be displayed at stores 4 and 10.

Ms. Warren stated that we had 15 in-store tastings for the first half of February. We are in the slower months, but we are picking up and scheduling more tastings for the springtime. We also held several successful allocated bourbon drops throughout the month of January.

On January 22,2026 we held a security training class with ALE agent Spencer Newman and about 15 Sua Sponte security officers that work in our stores. The training instructor, Mr. Newman, reviewed critical incidents that could happen in our stores and how they should be handled. The training involved improvements with store security, knowing your surroundings, use of the panic buttons, loitering, unlawful consumption, robbery, shootings, violent patrons, intoxicated patrons, filing incident reports, and how to deescalate situations just to name a few.

We held an employee bourbon barrel pick with our partners at RNDC and Brown Forman. Many of our store managers handpicked several bourbon barrels to be sold in our stores.

Ms. Warren also shared some customer reviews about our stores. She read some of the reviews from store 5 to the Board. Board Member Frachele Scott requested that we display these reviews to the public. Ms. Warren suggested that we post them on our website. She will work with Ikzuri to get them posted on our website.

Mr. Sordel mentioned as a reminder that March Board meeting is planned for March 24th because he will be away at a conference on the regular Board meeting date of March 17th. All Board members agreed to the date change.

Fiscal Services Director, Rachel Wadsworth

Mrs. Wadsworth reviewed sales figures with the Board. She was excited to notify them that we surpassed our sales figures compared to last year and we also surpassed our budgeted sales figures in January 2026. Mrs. Wadsworth also reviewed the retail and mixed beverages sales and mentioned that our retail sales have increased but our mixed beverage sales have slightly decreased. Our wine sales are still steadily increasing. It was mentioned that the decrease in mixed beverage sales could have been due to the bad weather (snow and ice). This bad weather also happened during Restaurant week.

Mrs. Wadsworth mentioned that many mixed beverage accounts are switching over to Fin Tech due to a credit card approval issue. Dalcom is working on the issue.

Mrs. Wadsworth reviewed the sales for the month of January. Our MTD sales for January were up 5%. Mixed Beverage sales are down -6.75% and retail sales are up 8.95 % for the year. We believe the bump may be due to the snowstorms we had and people prepared before the storms started and other surrounding counties closed during the bad weather. We have kept many of our stores open with adjusted hours and this helped our sales figures increase.

General Manger, Lou Sordel complimented Durham County General Services for a job well done in keeping our parking lots clear of snow and ice during the storms.

Our budgeted YTD sales are down by -3% but combined January sales were up by 3%. We have also seen an increase in retail bottles sales, but we have also seen a decrease in average dollar purchase per bottle. We have noticed that retail customers are purchasing lower-priced items. Retail YTD bottle sales are up 4% and mixed beverage is up 7%. Durham County is holding steady at a 5% increase in total sales, which put us in the # 1 spot compared to surrounding boards on our monthly comparison list. The NCABC Commission landed at a 3% gain for January.

Mrs. Wadsworth reviewed our banking information and our cash management fund with the Board and stated we are in a good position. She also said that percentage rates could change within the next 6 months, so we do not know what to expect from our cash management fund.

Mr. Sordel complimented Rachel and Malon for working as a team in balancing our money with alcohol purchases, grant distributions, profit distribution and ALE contract rates.

Board member Frachele Scott requested from Lou Sordel a year-to-year comparison of the sales from the same two weeks during the snowstorms.

Digital Strategist, Ikzuri Garcia-Banda

Ms. Garcia-Banda talked about preparing for the Annual Board meeting and briefed everyone on what she will be presenting for the digital and social media content and timelines in the up-and-coming fiscal year.

MXB Operations Manager, Michael Mitchell

Mr. Mitchell stated we received eight new mixed beverage accounts during January. Mr. Mitchell also reviewed our YTD budgeted sales versus actual sales and compared the MTD sales from January 2024 to January 2025. He stated that our budgeted sales were \$38,058,842 and the actual sales were \$36,828,649,

which was short by \$293,469. Also, our retail liquor sales were \$3,738,202 and Mixed beverage sales were \$846,234. Retail sales show an increase of \$307,013 and there was a decrease of \$61,239 in Mixed Beverage sales. The total sales during January are \$4,584,436. Wine sales added \$2,547.00 in sales during the month of January.

Mr. Mitchell also reviewed the sales from the first two weeks of January and compared them to the previous year's sales and said that we are running a little behind in our budgeted sales but with all the new mixed beverage accounts and better weather we feel this is not an issue.

Human Resources Director, Tristin Coleman

Mrs. Coleman talked about two full-time employees and manager's meeting that will be held in January. We will discuss cutting labor costs with the managers during the slow months. We will also talk to them about increasing sales and how to help us achieve our budget. We are also cutting labor costs by not allowing any overtime for full-time employees unless it is approved by the store operations management team. We will also be working with Angela Shaw to help educate our full-time employees about the value of our 401K plan and planning for retirement now instead of later.

Board member Donald Lebkes asked Tristin to investigate the prospective new government plan that will set up a \$1,000 savings account for every child born this year. Mrs. Coleman is going to investigate this plan and see if any of our employees qualify or need information about it.

Board Member Ryan Urquhart asked if we offer financial planning on how to preserve and understand taxes for employees that will retire soon. Mrs. Coleman stated that Orbits does have agents to help employees through the retirement process, but she will look further into the tax preparation portion for retirees.

Board Member Frachele Scott mentioned that we are doing a great job of educating our employees about their financial retirement and giving them the tools to make their own decisions with their retirement.

General Manager, Lou Sordel

Mr. Sordel noted that our warehouse manager, Malon, is working hard to balance the inventory levels to match the current sales. Last month he cut inventory costs by \$60,000 and last year during the same time he had cut it by \$760,000. So far, he has cut the cost of inventory by \$330,000 this year without affecting stores inventory levels and causing inventory outages. The new pricing structure that brokers follow and the aggressive sale pricing and offerings to mixed beverage accounts have been noticeable in our sale figures and bottle counts. There are a lot of shifting and contract changes with some major brands and brokers in our business. Proximo has left RNDC and moved to Johnson Brothers and there are many other changes coming.

There was much discussion between Mr. Sordel and the Board members about when and how many stores were opened during two major snowstorms. We believe we captured some sales from surrounding counties that were not opened during these two snowstorms. We opened most of stores with some adjusted hours on different days. Mr. Sordel also stated that he has a plan for upper management to work in stores that have generators, if employees cannot make it in right away. It only takes two employees to open a store. Going forward, we will safely open stores that have generators during inclement weather.

Mr. Sordel mentioned that he has drafted the agenda for the annual Board meeting set for February 28th, 2026. Mrs. Wadsworth will be talking about the forecasting of sales for the rest of the year, and she will discuss the budget outline for next year. We will also need to approve an amended budget for this year.

The Store Operations management team will be talking about labor cost and what they can do to save money moving into the next year. Malon Chase will talk about our inventory turnover and where the NCABC wants us to be with inventory turnover. He will also talk about an aggressive pricing strategy that we tested last year. We will be requesting a discount from the state for the bottom 200 selling items. Ikzuri will talk about marketing ideas and creative ways to advertise our stores, not liquor. Lou Sordel will present the annual report to the Board and then

present it to the county soon. Mr. Sordel will notify the Board Members once we have scheduled a meeting with the Durham County Clerk's office.

Mr. Sordel updated the Board on incomplete items at the new Store 4 on Page Road. The generator should have been installed but they found out that the two main cables were installed incorrectly. They are fixing the issue and hopefully we can fire up the new generator soon. We will reframe from paying them the remainder of the bill until it is fixed. We need work done to the front doors as well. They should be breakaway doors but one is stuck and does not work properly. With the weather the HVAC company got behind so the HVAC gate on the roof has not been installed yet. We have installed the LED shelf lighting at store 4 and we are still adjusting the settings to what works best. Duke Energy has finished the parking lot lights. With that being finished, we will finish landscaping and have the parking lot restriped soon.

General Manager Lou Sordel will be attending the General Managers' conference in March. He requested that the Board approve the overnight hotel rate increase to \$179.00 plus tax. Board Member Frachele Scott moved that we approve the travel rate increase up to \$179.00 plus tax for this meeting. Board member Ryan Urquhart seconded the motion, and it was approved. Board Chairman Edwards asked if all are in favor and all Board members were in favor, and it was approved.

Adjournment

Chairman Edwards, moved to adjourn and go into closed session. Frachele Scott motioned to go into closed session and Donald Lebkles seconded the motion. The meeting was adjourned at 6:45 pm

All Board members and Lou Sordel went into closed session.

Approved by:  _____

Daniel Edwards, Chairman