

**Minutes of the Durham ABC Board's Board Meeting
October 17th, 2023**

The Durham County ABC Board met at the administrative office, located on 3620 Shannon Road, Suite 200, on the 17th day of October 2023.

Chairman, Daniel Edwards called the meeting to order at 5:31 p.m.

In attendance were Board Member Donald Lebkes, Board Attorney George Miller III, General Manager Lou Sordel, Assistant General Manager Deborah Warren, Human Resources Generalist Tristin Coleman, Operations Manager Michael Mitchell, and Fiscal Service Director Rachel Wadsworth. ALE Special Agent Gross, from the ABC Law Enforcement and Board Members, Frachele Scott and Ryan Urquhart joined us via zoom.

Conflict of Interest Review and Declaration

Chairman Daniel 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 attending Board members verbalized that they have reviewed the agenda and do not have any conflicts.

Consent Item

The consent item approved was from the September 19th 2023 Board meeting minutes. Donald Lebkes moved to approve the September 19th, 2023 minutes and Board Member, Frachele Scott seconded the motion. The Board approved the September 19th, 2023 minutes unanimously.

Public Comment

There was no 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 Gross

Agent Gross updated the Board on how well the yearly mixed beverage inspections are going and that the ALE department is ahead of schedule. They are also working on long term investigations including drug sales within ABC permitted establishments.

Visual Compliance Manager, Ikzuri Garcia-Banda

Ms. Garcia-Banda updated the Board with changes made to our website, which includes great drink recipes and food pairings for the up and coming holiday seasons.

This Friday, we will start posting our in-store tasting events on our website. We are using Eventbrite to get our message out to customers. It is easy for our customers to select a date on our website calendar to see what is happening in our stores.

We also will be attending the NC State Fair later this week and we will have a station representing Durham County ABC. We will be passing out Durham County ABC merchandise like pens, drink coasters and magnets.

Human Resources Generalist, Tristin Coleman

Mrs. Coleman talked about our employee product knowledge classes we are holding for our employees. On October 9th we held a tequila product knowledge class at Mezcalito Resturant in Durham. We are also planning to hold a bourbon and whiskey product knowledge class for our managers on Oct 23rd.

Mrs. Coleman updated the Board on with hiring process and how we are reaching new hires. We have also reached out to Durham Tech and let them know we are hiring and we have received some applicants for them already.

MXB Operations Manager, Mike Mitchell

Mr. Mitchell updated the board on our mixed beverage accounts, which includes eight new accounts.

Mr. Mitchell discussed our retail and mixed beverage sales during September 2023. We generated \$5,023,239.00 in total sales. From that total, mixed beverage did \$1,032,799.00 in sales during September. Mixed Beverage sales increased by \$82,873.00 or 8.2% compared to last September. Our year to date total is \$14,840,435.00 which is an increase of \$470,208.00 or 3.27 % compared to last September. The current sales numbers for October are on schedule to achieve our sales goals for October of 2023.

We are also holding a class for employees on how to read a plan-o-gram and how important product placement is on our stores.

Assistant General Manager, Deborah Warren

Ms. Warren introduced the theme for this month. The theme is “Making it happen”. We are giving our employees the tools to assist our customers and get them involved in the product selection. We invited our managers and Assistant managers to a Maker’s Mark barrel pick class. We did a women’s and men’s barrel selection. The women managers named their barrel selection “Southern Charm” and the men named theirs “Gentleman’s Choice, second to none”.

“This was a great team building approach,” stated Board member Lebkes.

Ms. Warren also shared a video with pictures of our product knowledge events, in store tastings and an employee and customer event held at store 10 with Scottie Pippen. We worked together with Mecklenburg and Wake counties to bring

Scottie Pippen to North Carolina. We sold 250 bottles during the Scottie Pippen's bottle signing. It was a great event and customers and employees loved it.

Fiscal Services Director, Rachel Wadsworth

Mrs. Wadsworth updated the Board on our retail sales and Mixed Beverage sales for the month of September. Year to date we are up 3.2% even though retail sales dropped a bit in September. We made up some of the loss in retail sales because mixed beverage sales were up 8% or \$82,000.

Mrs. Wadsworth reviewed all of the sales numbers, increases and trends with the Board. Durham County ABC sales of \$4,991,135 for September increased \$32,104 or 0.64% compared to the prior year. By business line, Retail sales decrease by \$50,770 or -1.26% and MXB sales increased by \$82,873 or 8.72%. Budgeted total sales for September were \$5,240,692 so there was a Negative budget variance of \$217,453 or -4.15%.

The September sales increase for Durham County ABC Board of 0.64% was ranked 5th among the 9 comparative boards (Cumberland, Orange, Wake, Mecklenburg, New Hanover, Greensboro, Triad and Asheville.). The statewide increase was 1.61%.

Year-to-Date Sales Growth Trend – Two Months Ended September 31:

2024 4.67%	2021 14.45%
2023 11.26%	2020 8.66%
2022 13.50%	2019 5.17%

For informational purposes, 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:

Dollars Sales Increase Percent Sales Increase

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%

Total September accrued Profit Distributions (based on Sales) were \$261,650 versus \$250,666 the prior year, an increase of \$10,984 or 4.38%.

General Manager, Lou Sordel

Mr. Sordel reviewed some updates we are doing at store 11. We are remodeling the bathroom, repairing some leaking pipes and fixing some termite damaged areas to the building.

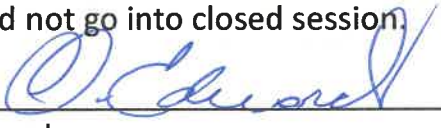
We are awaiting our bottle-engraving machine. We will be putting the machine in store 5 location on Sherron Rd. We are excited to offer bottle engravings to our customers during the holiday season.

We have also removed some shelving at store 10 and will be adding racking so we can add additional warehouse space for additional inventory. Our main warehouse is full with all of the holiday items and gift packs coming in.

Adjournment

Board Member, Donald Lebkes moved to adjourned the meeting at 6:30 PM.
Board Member, Frachele Scott seconded a motion to adjourn this meeting.

Board members did not go into closed session.

Approved by: , Daniel Edwards, Board Member.