

Minutes of the Durham ABC Board's Board Meeting February 18, 2025

The Durham County ABC Board met at the administrative office, located at 3620 Shannon Road, Suite 200, on the 18th day of February 2025.

Board Chair Daniel Edwards called the meeting to order at 5:32 p.m.

In attendance was Board Chair Daniel Edwards, Board Members Donald Lebkes Frachele Scott, and Board Attorney George Miller III. General Manager Lou Sordel, Assistant General Manager Deborah Warren, Operations Manager Michael Mitchell, Fiscal Service Director Rachel Wadsworth, Human Resource Generalist, Tristin Coleman and Visual Compliance Manager Ikzuri Garcia-Banda were also in attendance. Board Members Ryan Urquhart and Gale Adland were present via zoom. Special Agent Tegan Gross from ABC Law Enforcement also joined us via Zoom. We also had interns Jasmine Weaver and Adam Korolev from NCCU join our meeting to learn more about DCABC.

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 January 21st, 2025, Board Meeting Minutes. Board Member, Donald Lebkes moved to approve January 21st, 2025, Board Meeting minutes and Board Member, Frachele Scott seconded the motion. All Board members approved the January 21st, 2025, board minutes.

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 Tegan Gross presented the January ALE Report

North Carolina Alcohol Law Enforcement Summary of Activities January 2025

Checks at ABC Stores: 33

ABC Outlet Inspections MBX: 23

ABC Outlet Inspections Other: 8

Alcohol Education: 1

ABC Violations submitted to ABCC: 5

Total Arrests: 32

Total Charges at Permitted Outlets: 77

Total Charges at Non- Permitted Outlets: 1

Total Misdemeanor Charges: 79

Total Felony Charges: 0

On Friday, January 3, 2025, District IV Special Agents conducted an ABC inspection at Shooters II, located at 827 W Morgan St, Durham. During the course of the inspection the business was found to be in possession of multiple empty spirituous liquor bottles without the tax stamp defaced and without tax stamps. The business also failed to keep the invoices on the premises for the last three years. An ABC violation report was subsequently submitted to the ABC commission for the incident.

On Wednesday, January 8, 2025, District IV Special Agents conducted an ABC inspection at Rizzo Conference Center, located at 150 Dubose Home Lane, Chapel Hill in Durham County. During the inspection the business was found to have multiple locked closets and storage area which prevented Special Agents from conducting the inspection despite being open. An ABC violation report was subsequently submitted to the ABC commission for the incident.

On Thursday, January 9, 2025, District IV Special Agents conducted ABC outlet surveillance at Red Mill Store in Durham when they observed 3 individuals consuming alcohol in their vehicle as they were exiting the establishment parking lot. During a traffic stop investigation one of the occupants was found to be in possession of a stolen firearm from Wake County. All of the occupants were charged with alcohol-related offenses, and the owner of the firearm was charged with possessing a stolen firearm.

On Friday, January 10, 2025, District IV Special Agents conducted an ABC inspection at Fadhel Mart, located at 2627 Holloway Street, Durham. During the course of the inspection the business was found to be in disarray with trash in the parking lot and beside the building, and selling splitters without a drug paraphernalia log. Due to the continued issues with the business and their failure to correct the issues, an ABC violation report was submitted to the ABC commission.

On Wednesday, January 22, 2025, District IV Special Agents received information from ABC Store #10 regarding a male subject who stole a one-liter bottle of Lunazul Tequila spirituous liquor. On Thursday, January 23, 2025, the suspect was identified and a warrant for their arrest obtained for misdemeanor larceny.

On Thursday, January 30, 2025, District IV Special Agents conducted an ABC inspection at K Mix Karaoke Bar located 3400 Westgate Drive, Durham. During the inspection, Special Agents determined the owner of the business was refilling spirituous liquor bottles rather than purchase the required tax stamps through the ABC board. A violation report was subsequently submitted to the ABC Commission for the incident.

On Thursday, January 30, 2025, District IV Special Agents conducted and ABC inspection at Spring Rolls located at 701 W Main Street, Durham. During the inspection Special Agents located multiple bottles from other businesses, and tax stamps placed over defaced tax stamps. An ABC violation report was subsequently submitted to the ABC Commission.

Assistant General Manager, Deborah Warren

Ms. Warren talked about our moto for the month, which is “Continue to Shift”. We are always shifting our business so we can continue growing. We held many employee training courses, which included trainings at Crankarm Brewing Co., Dram and Draught and Alley 26 in Durham during January.

Ms. Warren showed the Board pictures of a business trip Mr. Sordel attended for a barrel buy at Partida Tequila and Herradura Tequila in Mexico. We have received the special barrel purchase of the Partida Anejo Tequila, and we are waiting for the Herradura barrel to arrive. Both of these are special barrel picks for Durham County ABC stores only.

We recently did an employee tasting and training on the Partida Tequila barrel pick and we will do the same for the Herradura once it arrives. Mr. Sordel mentioned that these training courses are very informational to our employees and help our employees grow and sell products. Board member Frachele Scott mentioned that she has had many great experiences at store 5. She mentioned that the manager, Ernest at store 5, has put his training experience to work and has upsold her on many occasions. She is pleased with the training we provide our

employees with and believes it is working. Mrs. Scott also mentioned how well Ernest trains his employees and speaking of a situation while he was training an employee on the “To Go” App. This speaks volumes on the respect his employees have for their management team.

Ms. Warren also reviewed the January Bourbon drops we had in stores 5, 8, and 11. We also had many in-store tastings throughout the month. One of the tastings included Caramino Tequila which is represented by comedian Kevin Hart. We had an in store tasting with his product while he was in town performing.

Ms. Warren talked about our new wellness program and how much it has help the wellbeing of our employees. The wellness program is part of our Health insurance plan with Cigna. We are offering orthopedic shoes to all of our full-time employees at no charge. We are working with Bull City Running Company to educate and fit our employees with orthopedic shoes. Ms. Warren mentioned that our employees love this program and want to sincerely thank Mrs. Coleman for introducing this wellness program.

Fiscal service Director, Rachel Wadsworth

Mrs. Wadsworth discussed the January retail and mixed beverage sales. Durham County ABC sales totaled \$4,338,662.00 in January, which is an increase of \$66,030.00 or 1.55% compared to the prior year. By business line, Retail sales increased by \$102,956.00 or .78% and MXB sales decreased by \$36,926.00 or 3.91%. January MXB sales for 2024, 2023, 2022, 2021 & 2020 were \$907,472; \$1,001,300, \$535,748, \$288,574 & \$753,921, respectively.

Budgeted total sales for January were \$4,451,311.00, which shows a negative budget variance of \$112,649.00 or -2.53. Mrs. Wadsworth also reviewed the monthly bottle comparison report, which shows that our bottles sold for the month increased by 2.28%.

Mrs. Wadsworth also reviewed the State ABC Boards Monthly Comparison Sales Summary report. Durham County ABC ranked #1 in increased sales for the month of January.

She also reviewed our bank analysis report with the Board. She mentioned that we changed our banking deposit process with Southern First Bank. Now our deposits are available much faster, and the process is much smoother.

MXB Operations Manager, Mike Mitchell

Mr. Mitchell stated we received one new mixed beverage account during January. Mr. Mitchell reviewed our budget vs. actual sales for January 2025 verses January 2024 and he stated we had a decrease of \$743,739.00. Our wines sales were \$2,333.90, which is also a nice increase. Mr. Mitchell stated that we had an increase in our overall sales of \$66,030.00 compared to last year. Mr. Mitchell also reviewed the sales for the first two weeks of January compared to last January during the same time period. He reported last year's sales were at \$2,561,280.12 and so far, this January we are at 2,546,034.67.

Visual Compliance Manager, Ikzuri Garcia-Banda

Ms. Garcia-Banda mentioned that we are halfway through our bourbon lottery calls. We received over 5,000 entries this year, of these entries only 2,000 were eligible according to our posted rules. We had many duplicate entries and out of state entries that were not eligible according to our contest rules. Ms. Garcia-Banda reviewed some of the customers comments about our bourbon lottery program with the Board. Chairman Edwards requested that we make a banner or flyer and post on our website on how clean our bourbon lottery process and rules are and some customer comments.

Ms. Garcia-Banda reviewed our plans for a Grantee networking event planned for March 27th at the Durham Hotel. This event will allow our Grantees to connect with other Grantees, DCABC Board members, County Commissioners, Chamber of Commerce and Board members in efforts to build great relationships within Durham County. Board Member Adland respectfully asked that all Board members attend this networking event if possible.

Ms. Garcia-Banda stated that she is preparing for the next FY 2025-2026 grant cycle which launches on April 1st, 2025.

Human Resource Generalist, Tristin Coleman

Mrs. Coleman talked to the Board about the Wellness program for our fulltime employees. The Durham Department of Public Health will be speaking to our full-time managers and staff during two planned manager meetings on February 25th and 26th. They will be educating our employees about Planters Fasciitis and stress related techniques. We will also be rolling out other work-related sessions based on the employee survey we received. We hope to roll these programs out to our part time staff in the future.

Lou Sordel, General Manager

Mr. Sordel updated the Board on inventory levels throughout our stores and warehouse. Mr. Sordel stated that we are managing the inventory levels in our stores and our warehouse with the pending snowstorm. We have adjusted our schedules so we can get more products before the storm. We have also created an inclement weather team with employees at store 10. This store has a generator and will remain open during inclement weather.

Mr. Sordel updated the Board on the construction of our new store 4 location on Page Road. The concrete walls are being installed and should be completed in approximately three weeks.

We are also getting ready for the summer conference in Greensboro. The management team has communicated with the event center about the audio-visual issues we had last year hoping to get them fixed before the next conference.

We are also planning to meet with the committee for the Cherokee Conference planned for next summer. The leadership at the Cherokee Reservation has changed and we will need to renegotiate some changes for the next event.

We will be meeting with the management team and Paul Young to review the details for the new construction of store 14 on Hope Valley Road soon.

Adjournment

Chairman Edwards motioned to end the meeting and go into closed session. Donald Lebkes moved to adjourn the meeting and Frachele Scott seconded the motion. All Board members approved without objection, and the meeting was adjourned at 6:15 PM.

Approved by: _____

Daniel Edwards, Board Chair