

Minutes of the Durham ABC Board's Board Meeting

March 24, 2026

The Durham County ABC Board held their monthly meeting at their administrative office, located at 3620 Shannon Road, Suite 200, on the 24th day of March 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, Gale Adland and Board Attorney George Miller III. Board Member Ryan Urquhart was present via Zoom. General Manager Lou Sordel, Assistant General Manager Deborah Warren, Operations Manager Michael Mitchell, Human Resource Director Tristin Coleman, Digital Strategist Ikzuri Garcia-Banda were all in attendance. Paul Young and Zell Hoole from DTW Architects were also present. Special Agent Teagan Gross from ABC Law Enforcement joined the meeting via Zoom.

Consent Items

Board Member, Donald Lebkes made a motion to approve the minutes from February 17, 2026, Board meeting and Frachele Scott seconded the motion. All Board members unanimously approved the February 17th, 2026, Board meeting minutes. There was no public comment.

Board Member, Donald Lebkes made a motion to approve the minutes from February 28, 2026, Annual Board meeting and Frachele Scott seconded the motion. All Board members unanimously approved the February 28th, 2026, Annual Board meeting minutes. There was no public comment.

Rachel Wadsworth was absent from this meeting and Lou Sordel presented the financial information.

Public Comment

Board Chairman Daniel Edwards addressed the public and asked if anyone was present and if they had any comments. No one from the public was present.

Special Agent

The ALE Special Agent, Tegan Gross, highlighted one of the activities from his summary report. Agent Gross commented on how they are working with the NC ABC commission to revoke the Mixed Beverage licensee of Dejavu permanently. He also commented that it is up to the NC ABC Commission if this address will be allowed to hold any liquor license. He also stated that we feel that we do not need to go to this extent as of now. He also presented the Summary of Activities report to the Board for February 2026.

North Carolina Alcohol Law Enforcement Summary of Activities February 2026

Checks at ABC Stores: 9

ABC Outlet Inspections MBX: 26

ABC Outlet Inspections Other: 5

Alcohol Education: 0

ABC Violations submitted to ABCC: 8

Total Arrests: 12

Total Charges at Permitted Outlets: 46

Total Charges at Non- Permitted Outlets: 11

Total Misdemeanor Charges: 57

Total Felony Charges: 9

On Friday, February 6, 2026, District IV Special Agents conducted a search warrant at La Morena Night Club, located at 1121 University Drive, Durham. This search warrant was in response to a recent shooting and the business selling alcoholic beverages without an ABC permit. As result of the search warrant the operators were arrested for selling alcoholic beverages without an ABC permit.

On Friday, February 6, 2026, District IV Special Agents conducted an ABC inspection at NT Mart, located at 2109 Roxboro Road, Durham. During the inspection Special Agents determined one of the employees had been consuming alcoholic beverages prior to working. An ABC violation report was subsequently submitted to the ABC Commission.

On Saturday, February 7, 2026, District IV Special Agents conducted an ABC inspection at Dejavu located at 2717 Cheek Road, Durham after observing the business was open after 2:30 a.m., as a result of the investigation the security guard and permittee were arrested for interfering with an ABC inspection and for having an unserved arrest warrant. An ABC violation report was submitted to the ABC commission for selling afterhours, allowing drug use on the premises, and interfering with an ABC inspection.

On Tuesday, February 10, 2026, District IV Special Agents were informed by the Durham County ABC board regarding a patron of store #12 attempting to purchase alcoholic beverages with a counterfeit 100-dollar bill. As a result of the investigation the suspect was identified and charged with felony uttering of a forged instrument and attempt to obtain property by false pretense.

On Thursday, February 12, 2026, District IV Special Agents conducted an ABC inspection at Bull City Cigar Lounge, located at 1214 University Drive, Durham. During the inspection Special Agents found multiple spirituous liquor bottles without the required tax stamps, and multiple empty spirituous liquor bottles with the tax stamps not defaced. As a result of the investigation, the permittee was charged with possessing of spirituous liquor bottles without the tax stamp and allowing criminal conduct to occur on the premises. An ABC violation report was submitted to the ABC Commission for the incident.

On Friday, February 13, 2026, District IV Special Agents conducted an ABC inspection at K Mix, located at 3400 Westgate Road, Durham. During the inspection Special Agents located spirituous liquor bottles not bearing the tax stamp. An ABC violation report was subsequently submitted to the ABC Commission for the incident.

On Friday, February 20, 2026, District IV Special Agents executed a search warrant at Bull City Mini Mart, located at 2929 Angier Avenue, Durham. This search warrant was the result of the business selling controlled substances from the business to undercover Special Agents. As a result of the search, the permittee was arrested for multiple narcotics-related offenses. An ABC violation report was submitted to the ABC commission for the incident.

On Saturday, February 21, 2026, District IV Special Agents conducted ABC inspections at Annex, and High Dive both located in separate suites at 101 W Main Street, Durham. During the ABC inspection, Special Agents determined that the businesses were transferring spirituous liquor bottles between each other without approval. As a result, an ABC violation report was submitted to the ABC Commission for the incident.

On Wednesday, February 25, 2026, District IV Special Agents conducted an ABC inspection at La Costena Supermarket, located at 106 S Guthrie Street, Durham. During the inspection Special Agents determined the business was selling marijuana. As a result, the owner was arrested and charged with felony narcotics offenses. An ABC violation report was subsequently submitted to the ABC Commission for the incident.

Paul Young and Zell Hoole, DTW Architects and Planners

Mr. Young updated the Board on the new Store 4 on Page Road. He stated that the signage permit should be approved by the end of the week, then we can schedule the signage company to come and install it. Mr. Sordel and Mr. Young have scheduled a walk through at store #4 on Friday. The walk-through is being done to fix any problems that still exist. For example, the contractor needs to fix the entrance doors. They also need to come back and restripe the parking lot. Mr. Young and Attorney Miller are working on these issues with the contractors. Mr. Young also mentioned that there is a parking lot light that needs to be fixed that is on the adjacent shopping center's property. The generator has also been fixed and load tested. The engineer is going through all testing results and then the generator installation will be finished.

Deborah Warren, Assistant General Manager

Ms. Warren talked about a greater impact for the month. One of our "Greater impacts" for this month is focusing on women's history month. This month is dedicated to celebrating the extraordinary women and the sacrifices of American women throughout history. It honors women who have strengthened families, enriched culture and shaped the nation's future.

Ms. Warren reviewed what was presented at our Annual Board meeting and showed some pictures from the meeting.

Ms. Warren also reviewed some of the Grantee visits she went on and gave the Board the history behind these Grantees. She also talked about their strategic plans and how they will use the grant money we provided. She visited Lincoln Hospital, Durham Proud and El Futuro.

Mrs. Adland also visited these Grantees, and she talked about each of them and how their programs are ran, what their goals are, and what our grant distributions do for their programs. These programs have been highly successful with the grant money we have provided them.

Ms. Warren shared the experience we had with a bottle-signing event at store #4 with WWE Pro Wrestler Jacob Fatu. He is a WWE Smackdown pro wrestler, and he represented Fireball products with a bottle signing. It was a successful two-hour event. We had customers lined up around the building. There was discussion about increasing these types of personality events in the future.

Ms. Warren stated that we had fifteen in-store tastings during February and we have 24 set up for the month of March. 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 February and the beginning of March. Mrs. Adland requested that we send her the tasting schedule for each month.

Digital Strategist, Ikzuri Garcia-Banda

Ms. Garcia-Banda reported our baselines for three major categories on social media. We have 171 followers on Instagram, 642 followers on Facebook and 300 followers on LinkedIn. We saw an increase in Facebook interactions due to the Jacob Fatu event. She will continue to build up our events like the Jacob Fatu event on Instagram and Facebook. Currently we have 2,500 likes on Facebook and we will continue to measure these baselines every quarter. Our core audience on Facebook is males between the ages of 35 and 44 years old. We can also confirm that 60% of our LinkedIn followers are local people and over the past 30 days we have had sixty-five people looking at our page.

Ms. Garcia-Banda reviewed the interactions we are trying with Hulu. We are providing links on Hulu to advertise our personality events and Grant information. Ms. Garcia-Banda will also start working with local newspapers to help inform nonprofits about our Grant program.

Chairman Edwards suggested reaching out to Discover Durham to post events and Grant information.

General Manager, Lou Sordel shared information for Fiscal Services Director, Rachel Wadsworth

Mr. Sordel reviewed monthly and YTD sales figures with the Board. Retail sales were \$4,329,870 and mixed beverages sales were \$987,786. for the month of February. The YTD sales are 41,161,015. Compared to last year's sales we are down by \$500,000. Mixed Beverages sales were just under a million dollars during February with an increase of \$3,249. Mr. Sordel also reviewed the comparative sales report and stated that YTD we are down -1.2% but we still have some time to catch up. Mr. Sordel also reviewed the bottle comparison report, and the pricing strategy major brokers are taking with fast-moving products. Our total bottles sold in retail saw an increase of 2.27%, mixed beverage saw an increase of 8.43% and our overall number of bottles sold increased by 3.14 %. We hope to see better figures due to their new pricing structure. Mr. Sordel also reviewed the State ABC Boards Monthly Sales Summary which compares our sales to other comparable Boards in North Carolina. For the month of February, Durham County placed 6th out of the eight other boards. He also reviewed the bank analysis report with the board members.

Mr. Sordel reviewed the updated 2025/2026 Budget Amendment with the Board. There was a correction made to the net capital layout, and we should hit our adjusted budget of \$61,090,000.00. We have put several measures in place to help us make budget. We have cut part-time help during the slow periods and cut back on operating expenses in all departments. The total estimated expenses should be around \$57,609,402 and the total amount of distributions should be 3.2 million. He also mentioned that we budgeted correctly for the construction of the new store #4. Construction cost was at 1.6 million but the way it fell in between two fiscal years makes it look different. We also had about \$120,000 in change orders on this construction, which is standard with new builds. There was also some distribution changes made to the city and county of Durham, which will be about \$100,000 less. There were also adjustments made to the distributions for the Grant program. We also canceled the Grantee networking event for this year. Board member Donald Lebkes made a motion to approve the 2025/2026 amended budget and Frachele Scott seconded the motion,

and all Board members unanimously approved the 2025/2026 amended budget. There was no public comment.

MXB Operations Manager, Michael Mitchell

Mr. Mitchell stated we received three new mixed beverage accounts during February. Mr. Mitchell also reviewed our YTD budgeted sales versus actual sales and compared the MTD sales from February 2025 to February 2026. He stated that our budgeted sales were \$42,719,923 and the actual sales were \$41,161,015, which was short by \$498,103. Also, our retail liquor sales were \$3,344,580 and mixed beverage sales were \$987,786. Retail sales decreased by \$207,883 and there was an increase of \$3,249 in Mixed Beverage sales. The total sales during February are \$4,332,366. Wine sales added \$2,495.40 in sales during the month of February.

Mr. Mitchell also reviewed the sales from the first three weeks of March and compared them to the previous year's sales and said that we are running a little behind in our budgeted sales, but sales should pick up in April and May with all the various college graduations and other events happening in the area.

This year on Easter Monday, April 6th we will be opening stores 4,10 and 11 from 11:00am-8:00pm. All other stores will be closed. Mr. Mitchell discussed how we are going to staff these stores and how we are going to get the word out to our customers. To get the word out that we are open, we will distribute and post flyers, use word of mouth through our employees, and post on our website the new holiday openings.

Human Resources Director, Tristin Coleman

Mrs. Coleman reviewed what they will be talking about in tomorrow's manager's meeting. We will be discussing the importance of store security and what measures store employees and store security guards will take in case of any threatening situations. We will also brush them up on our standards and procedures during the meeting.

General Manager, Lou Sordel

Mr. Sordel reviewed our inventory cost in both the stores and warehouse. Currently we are sitting at 11.6 million dollars in inventory with our warehouse and stores. We are currently up by \$400,000 in inventory and that is due to us ramping up for springtime and holidays sales.

The new pricing structure that the Commission implemented, and the aggressive sale pricing brokers are offering have made a noticeable change in our sale figures and bottle counts.

There are a lot of products shifting and contract changes with some of the major brands and brokers. Proximo has left RNDC and moved to Johnson Brothers and there are other supplier changes coming.

There was also discussion about Mixed Beverage delivery fees. The Commission and the NCABC Association prefer us to minimize the delivery fee. Currently we have about thirty deliveries a month. Some of our largest mixed beverage accounts use the delivery program. Due to the increase in gas prices and other delivery expenses we would like to increase the delivery fee to \$150.00 to \$200.00. The board will allow the Operations team to review delivery charges and select an amount between \$150.00 and \$200.00.

Board member Frachele Scott made a motion to increase the mixed beverage delivery charge from \$100.00 to \$150.00-\$200.00. Chairman, Daniel Edwards seconded the motion and all other Board members approved this change.

During the Conference John Carr from the NCABC Commission talked about some Changes that may occur on the next Omnibus Bill. Changes to the can cocktails category and beer & wine categories were discussed, but they are in the preliminary stages. Also, distilleries in North Carolina have requested to be exempt from some of the taxes associated with NC products. This is still under review as well. The Commission is putting plans in place to build a new warehouse, and they talked about how they will pay for the construction. Also

mentioned was, although sales statewide are down, we are doing better than other controlled and non-controlled states.

Mr. Sordel reviewed what was talked about during the NCABC Conference. There is currently a penny shortage but so far, we have not been affected. During the conference there was some talk about the Commission changing their pricing structure but in the end the Commission said we need to change our pricing structure with our IT provider. They ask us to use the rounding method that the Department of revenue uses.

Mr. Sordel also presented information during the conference on our holiday sales from selected Durham County ABC stores that were open during the approved holidays. He outlined what our sale figures, labor cost and store staffing for the past four holidays. He feels that this information should be reviewed again at the Cherokee Conference to show other General Manager's and Board members our results.

Dalcom and two other IT vendors in North Carolina presented some of their new platforms that they are working on. One new platform involves the replacement of the e-licensee platform. E-licensee will be updated to the new "ABC to Go" platform. Mecklenburg County ABC has already tested and switched over to the new licensee platform. Dalcom is also working on a new POS system that is more user friendly for our type of retail business. We will need to purchase this new POS system. Mr. Sordel wants to see how their inventory system runs before we purchase anything. He explained to the Board how our inventory system works now and some things we will be looking for in the new POS system.

Mr. Sordel did talk about a Commission policy that states we can only schedule 3 store tastings per store, per week. He also made the Board aware that we can now post store location information on billboards. He will look into the cost of renting a billboard on Highway 85, which is close to the Glenn School Road store. We can post store information, but we cannot advertise anything brand related.

Mr. Sordel will be approaching the Commission about two things that we would like approval on for our stores. We are reviewing ideas of installing an electric car

station at one of our stores and creating a “ABC To Go” drive up door/window at the new Ellis Road property.


Mr. Sordel asked the Board to approve the room rate fee for the Phoenix National Conference. The Conference will be May 17th -21st, 2026. The room rate will be 265.00 per night. Board Member Gale Adland made a motion to approve this room rate and Chairman Daniel Edwards seconded the motion and the other board member unanimously approved it.

The Board discussed moving the Board meeting for May from May 19th to May 12th. The Board unanimously approved this change.

Adjournment

Chairman Edwards, moved to adjourn and go into closed session. Donald Lebkes made a motion to go into closed session and Gale Adland seconded the motion. The meeting was adjourned at 7:31 pm

All Board members and Lou Sordel went into closed session to review employee pay increases and to review and approve the proposed budget.

Approved by:  _____

Daniel Edwards, Chairman

