

**Minutes of the Durham ABC Board's Board Meeting
February 21, 2023**

The Durham County ABC Board met at the administrative office, located on 3620 Shannon Road, Suite 200, on the 21st day of February 2023.

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

In attendance were Board Chair Daniel Edwards, Board Member Gale Adland, Board Member Donald Lebkes, General Manager Lou Sordel, Assistant General Manager Deborah Warren, Human Resources Generalist Tristin Coleman, Fiscal Service Director Rachel Wadsworth, Operations Manager Michael Mitchell, Visual Compliance Manager Ikzuri K. Garcia-Banda and Board Attorney George Miller III were in attendance. Member Frachelle Scott was in attendance via Zoom. ALE Special Agent Pierce was present from ABC Law Enforcement.

Also present were Sloan Peterson and Elina Muraka from Duke University. They both were observing our meeting for a college assignment for their Journalism class.

Conflict of Interest Review and Declaration

Chair 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 from the January 17th 2023 Board Meeting Minutes. The Board approved the January 17th, 2023 minutes and the Annual Retreat minutes from the January 11th meeting unanimously. Board Chair Daniel Edwards moved to approve the Retreat meeting minutes from January 11th and Board Member, Gail Adland moved to approve the Retreat meeting minutes as presented. Board Member, Donald Lebkes moved to approve the minutes from the Board meeting on January 17th and Ryan Urquhart seconded the motion.

Public Comment

There was no public comment.

ALE Agent Tyler Pierce

North Carolina Alcohol Law Enforcement Summary of Activities January 2023 Checks at ABC Stores: 23 ABC Outlet Inspections MBX: 19 ABC Outlet Inspections Other: 5 Alcohol Education: 1 ABC Violations submitted to ABCC: 4 Total Arrests: 11 Total Charges at Permitted Outlets: 14 Total Charges at Non-Permitted Outlets: 3 Total Misdemeanor Charges: 14 Total Felony Charges: 3

On Monday, January 2, 2023, District IV Special Agents conducted an ABC inspection at Chili's Bar and Grill, located at 6917 Fayetteville Road, Durham. During the inspection, Agents observed multiple paper

signs stating the business was low and spirituous liquor inventory. Upon further investigation, Agents located multiple spirituous liquor bottles not bearing the tax stamp. As a result, a violation report was submitted to the ABC commission.

On Sunday, January 15, 2023, District IV Special Agents conducted an ABC inspection at Goorsha, located at 823 Morgan Street, Durham. Upon entry into the business, Agents observed controlled substances being used in the business in the presence of the staff. District IV Special Agents located one subject and arrested them for possession of cocaine. The management was notified of the violation, and report was submitted to the ABC commission.

On Tuesday, January 17, 2023, District IV Special Agents responded to Fadhel Family Mart, located at 2927 Holloway Street, Durham in reference to a recent shooting, which occurred near the business. During the course of an ABC inspection, the manager was found to be possession of a schedule I controlled substance, Khat. He was subsequently arrested for possessing a controlled substance with the intent to sell and distribute within 1000 feet of school, drug use on the premise, and allowing violations to occur at an ABC establishment. As a result of the investigation, an ABC violation report was submitted, and their ABC permits were revoked. In addition, on February 1, 2023, District IV Special Agents executed a search warrant at Fadhel Family Mart and charged the manager with selling alcoholic beverages without an ABC permit.

On Monday, January 23, 2023, District IV Special Agents were notified by the Durham County ABC board, that Wills Social Bistro and Lounge, located at 5400 Miami Blvd., in Durham had purchased \$3000.00 worth of spirituous liquor with a bad check. The owner of the business refused to speak with the ABC Board and District IV Special Agent regarding the matter, and as a result was charged with obtaining property by false pretenses, and possession of non-tax paid alcohol. A violation report was submitted to the ABC commission for the incident.

Board Member, Gale Adland

Ms. Adland reviewed and discussed how the grantee site visits went with Criminal Justice Resource Center and Durham PROUD. These site visits are going very well and are very helpful the grantee and us. The visits have allowed us to understand what our grantees do and how they help our community in a positive way. The grantee money given to these programs have been very impactful. Ms. Adland talked about how these two programs are doing amazing things for the community with the money we have given them. Ms. Adland also stated there was a meeting last week to discuss how the Durham County ABC will be communicating with potential Grantees, what the timeline is for distributing checks to grantees and what the boards responsibility for managing the Grantee program. She also stated there has been some verbiage changes to the Grantee program and what is expected from the Grantee. Ms. Adland discussed the way the funds are distributed to the grantees and what changes she would like to make. Board Attorney, George Miller will review and submit amendments so we can move forward and start the March grantee program.

Mr. Urquhart made a motion to approve the process changes discussed for the Grantee program, with the exception of any amendments George Miller, Board Attorney requests. Mr. Lebkes seconded the motion and the Board approved.

Visual Compliance Manager, Ikzuri Garcia-Banda

Ms. Garcia-Banda discuss how she is working with Gale and Donald on streamlining the grantee program and the process grantees need to follow. She also talked about the new website and any updates that are coming up soon. We are working with Dalcom to update our product search section. This will help customers search for which products they want and find out which stores have it in stock.

Human Resource Generalist, Tristin Coleman

Mrs. Coleman stated she is working on updating our Insurance benefits and talking to insurance companies about what we are looking for with our health insurance plans and what we want to achieve for the DCABC employees. We are also working on finishing our full time staff evaluations.

MXB Operations Manager, Mike Mitchell

Mr. Mitchell reviewed the Mixed Beverage accounts with the board. He also discussed the changes made to where the Mixed Beverage accounts are purchasing their products. We have moved over 50 accounts to purchase their orders out of the new store 10 on Highway 55. These changes will take effect on March 1st. He also discussed that we will be holding a product training class for Managers and Assistant Managers in March. The team is also working on a Newsletter for our Mixed Beverage accounts. This newsletter will have various topics that will inform the Mixed Beverage Accounts on barrel picks, industry news, recipes, and new items.

Mr. Mitchell reviewed the retail and Mixed Beverage sales for the month of January with the Board. During January, we did \$4,325,892.95 and mixed beverage did over 1 million dollars in sales.

Assistant General Manager Deborah Warren

We are doing great so far in 2023 and continuing our theme “We Must Show Them Who We Are”. We started the New Year, by regrouping our team and refreshing some of our team members. We are training our employees and giving them the tools to be great employees. Ms. Warren showed the board a slide show of our Certified Bourbon training. We collaborated with the broker and the Orange County ABC Board to accomplish a great training for our store employees. Ms. Warren also reviewed what we talked about during the February 11th retreat meeting and showed a slide show of the event. She also showed the Board pictures of some grantee site visits done during February.

Thanks to Southern Glazer’s Wine & Spirits, we offered our customers a bottle-engraving event at store 10 on NC Highway 55. You could have your name or a special occasion engraved on any bottle. Customers loved it.

The DCABC was highlighted in the Durham Magazine with an article advertising our grantees program in the February/March edition, on page 114.

We are also planning a bottle-signing event with famous rap star, Nelly . He has his own line of Moonshine called Mo Shine. He will be promoting his Mo Shine passion fruit and peach tea flavors at this event. Details will follow once the date and time has been confirmed.

Fiscal Services Director, Rachel Wadsworth

Rachel discussed the final summary with the board.

Durham County ABC sales of \$4,325,893 for January increased \$489,797 or 12.77% compared to the prior year. By business line, Retail sales increased \$24,245 or 0.73% and MXB sales increased \$465,552 or 86.90%. Budgeted total sales for January were \$4,141,963.06 so there was a positive budget variance of \$183,930 or 4.44%. January MXB sales for 2019 & 2018 were \$754,561 & \$593,014, respectively. The January sales increase for Durham County ABC Board of 12.77% and we were ranked 4th among the 9 comparative boards (Cumberland, Orange, Wake, Mecklenburg, New Hanover, Greensboro, Triad and Asheville.). The statewide increase was 10.77%.

Year-to-Date Sales Growth Trend – Seven Months Ended January 31:

2023 11.81%	2020 7.39%
2022 15.63%	2019 8.17%
2021 11.86%	2018 3.00%

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:

Listed are the Dollars Sales Increase, Percent of Sales Increase by FY-2022 \$6,862,663 13.94%, FY-2021 \$5,036,536 11.40%, FY-2020 \$3,880,751 9.63%, FY-2019 \$2,971,076 7.96%, FY-2018 \$1,273,763 3.53%.

Mrs. Wadsworth also discussed quarterly profit distribution and cash management funds with the Board. She also reviewed our comparative bottle sales, income statements and monthly sales compared to other counties in NC reports with the Board.

Lou Sordel, General Manager

Mr. Sordel commented on our current inventory levels in the warehouse and stores with the board. He also informed the board about a spring buy with the Tito’s brand.

He also talked about the General Manager’s Conference coming up in March. Board Member, Donald Lebkes stated that he and board member, Gale Adland would be presenting information about our grantee program at the GM conference.

Adjournment

Board Member, Ryan Urquhart motioned to adjourn the meeting. Board Member, Donald Lebkes seconded the motion and the Board approved without objection, and the meeting was adjourned at 7:02 PM. The Board members and Lou Sordel went into closed section.

Approved by: , **Daniel Edwards, Board Chair**