

**Minutes of the Durham ABC Board's Board Meeting
August 16th, 2022**

The Durham County ABC Board met at the administrative office, located on 3620 Shannon Road, Suite 200, on the 16th day of August, 2022.

Board Chair Daniel Edwards called the meeting to order at 5:30 p.m.

In attendance were Board Chair Daniel Edwards, Board Member Gale Adland, Board Member Donald Lebkes, Board Member Frachele Scott, General Manager Lou Sordel, Assistant General Manager Deborah Warren, Human Resources Generalist Tristin Coleman, Visual Compliance Manager Ikzuri K. Garcia-Banda, and Board Attorney George Miller III.

ALE Special Agent Sean Hamilton and Paul Young with DTW Architects were virtually present via Zoom.

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 the July 19th, 2022 Board Meeting Minutes. Board Member Lebkes moved to approve the meeting minutes as presented. Board Member Scott seconded the motion. The Board approved unanimously.

Public Comment

No members of the public were in attendance. No public comments were made.

Law Enforcement Report

Agent Sean Hamilton briefed the Board:

On Friday, June 24th, 2022, agents from the capital district and ALE's Special Operations executed two search warrants on an establishment in Durham County that was selling alcoholic beverages without an ABC permission. In partnership with North Carolina Central University police, ALE searched a residence directly across the street from the NCCU campus. Later in the evening, another search was conducted in a significant location where agents seized over 1,000 beverages of spirituous liquors and over \$1,100 in unlawful currencies.

The address of this location, as requested by Board Chair Daniel Edwards, was 313 East Lawson Street.

Project Updates

Mr. Young spoke to the Board regarding the progression of several projects:

Highway 55

Having acquired the stocking permit, Mr. Young and Mr. Sordel informed the Board that a Durham County ABC team has been stocking the new location since early morning (August 16th, 2022),

with another truck due to arrive tomorrow morning before the contractors started paving the final topcoat of asphalt. The electrical, HVAC, plumbing, and fire marshal inspections are complete and signed off in the city system. By Friday (August 19th, 2022) the location will have pavement markings and signage installed. Mr. Young estimates that the final building inspection and the final zoning inspection will be completed on that day.

Mr. Young predicts that by the next week (August 22th – August 26th, 2022), Durham ABC will have certificate of occupancy. Once that is in hand the store can open with conditions.

Chair Edwards asked Mr. Young to identify these conditions. Mr. Young explained that burdens are things that the public works inspector thought were necessary, while Mr. Young believes they are arguable. Mr. Young emphasized that there is no public safety issue, and that these conditions will drag out beyond the ability for the public to enter the location and will be addressed further by Mr. Young and General Manager Sordel after the fact.

Board Member Lebkes asked for an estimated date on the opening of the new location on Highway 55. Mr. Young answered that, with the condition that DCABC receives the certificate of occupancy by early next week (August 22nd – August 26th, 2022), the store can open to the public at that point.

Page Road

Mr. Young predicts that DTW Architects will have the finished drawings for the Page Road location in December. Mr. Young estimates that the drawings will be approved sometime in the middle of December, with the site plan already approved. Once those drawings are complete, DTW Architects will await further direction from Durham ABC on how to proceed.

Hillsborough Road

Mr. Young has an on-site meeting with three general contractors tomorrow, on August the 17th, 2022. He expects Durham ABC to receive bids on that project by September 1st, 2022. Once those bids are in place, Durham ABC can decide how to move forward.

General Manager's Report

General Manager Lou Sordel presented the Board with the General Manager's Report, opening the floor for members of the staff to speak:

Human Resources Generalist Tristin Coleman

Human Resources Generalist Tristin Coleman describes an upcoming training meeting with Durham ABC store managers that focuses on harassment and communication, which will involve a PowerPoint on the matter and live training. Mrs. Coleman explains the main goals of this training are:

- 1) Assure that all store managers can recognize and identify the different type of harassment, ensuring that all team member concerns are taken seriously when and if they are brought up to store leaders.
- 2) Provide the store managers with training on effective and clear communication; understanding the four types of communication; knowing what to do to be an effective communicator with their team members
- 3) Bring all of the training together and assure the store managers, as well as their team members, know that the expectations are from the Board and the administration; to encourage those store leaders to document incidents; to hold counsel sessions with team members when necessary; to report up, having full confidence that the administrative staff is there to help.

Chair Edwards asked Mrs. Coleman if any particular prompted this training, and if there was not already a harassment policy in place to deal with these kind of issues. Mrs. Coleman explained to the Board that the current policy seemed to highly isolate harassment as sexual harassment. The purpose of her training, Mrs. Coleman described, is to emphasize the types of harassment – such as power harassment, retaliation harassment, cyber harassment – and go through the different levels of harassment that store managers may not be aware of. This way, said Mrs. Coleman, they can better identify it. The training will also focus on encouraging team members to report up, knowing that the administration and the Board is there to support them, therefore lessening the stigma of reporting up and documenting incidents. This training intends to assure the store managers know recurrent defenders will be held accountable.

Board Member Adland added that this training should also include customer harassment, explaining that in the culture of “the customer is always right” our team members may take harassment from outside sources that Durham ABC should help them identify and address – a topic that is tricky when it comes to customer service, says Ms. Adland. Mrs. Coleman agrees this point is well taken, and together the Board and the administrative team decided that this is something to implement in a future team meeting.

Visual Compliance Manager Ikzuri K. Garcia-Banda

Visual Compliance Manager Ikzuri K. Garcia-Banda presented the Board with updates on the website, assuring the Board that all is going according to plan and most of the skeletal aspect of the website is getting

Assistant General Manager Deborah Warren

Assistant Manager General Warren presented the Board with several items:

Highway 55 Opening Preparation

A dedicated team of five - Assistant General Manager, Deborah Warren; Operations Manager, Michael Mitchell; Purchasing and Logistics Manager, Malon Chase; Store Manager for Durham ABC Store 10 (the location on Highway 55) Christa Hinson; Assistant Store Manager for Durham ABC Store 11, Hubert Nobles; and Store Associate for Durham ABC Store 10, Quandra Carlton – began the day early, cleaning up in preparation for Store 10’s first delivery. Once the delivery arrived, the team began stocking. Ms. Warren reports the new location is in fantastic shape, with everyone having fun and working hard to get it ready for its opening.

Store 12: Reorganization, Marketing, and a Tasting

Assistant General Manager Warren spoke to the Board about Durham ABC Store 12, where she and the team members successfully reorganized certain liquors. Ms. Warren says this was done in order to make certain liquors “pop”, mentioning an ongoing rise in tequila as a trending liquor. Ms. Warren and the team at Store 12 used their marketing and merchandising experience to make the new section as attractive to customers as possible, assuring the reorganization was a success.

Ms. Warren also commended Store 12 and Durham ABC for hosting their first tasting since the pandemic of COVID-19 began, held on Thursday, August 11th, 2022. Assistant General Manager Warren assured the Board that this tasting was the first of many to come; a reintroduction that she and the entire team of Durham ABC is excited about.

Ms. Warren closed her presentation with a photographic recap of the 2022 State Conference.

July 2022 Financials

Mr. Bair discussed profit distribution with the Board:

Durham County ABC sales of \$4,702,537 for July increased \$237,741 or 5.32% compared to the prior year. By business line, Retail sales increased \$146,822 or 3.98% and MXB sales increased \$90,919 or 11.74%. Budgeted total sales for July were \$5,000,000 so there was a negative budget variance of (\$297,426) or (5.95%)

The July sales increase for Durham County ABC Board of 5.32% was ranked 2nd among the 9 comparative boards (Cumberland, Orange, Wake, Mecklenburg, New Hanover, Greensboro, Triad and Asheville.). The statewide increase was 2.42%.

Profit before distributions for July was \$383,547 compared to the Operating Budget amount of \$491,400 giving a negative budget variance of -\$107,853 or -21.9%. Total July accrued Profit Distributions (based on Sales) were \$238,503 versus \$216,725 the prior year, an increase of \$21,778 or 10.05%.

Closed Session

Board Member Adland moved for the Board to go into closed session. Board Member Lebkes seconded the motion. The Board approved unanimously. The Board went into closed session

Adjournment

Board Member Lebkes motioned to adjourn the meeting. Board Member Adland seconded the motion and the Board approved without objection, and the meeting was adjourned at 7:50 PM.

Approved by: _____



Daniel Edwards, Board Chair