

## **Minutes of the Durham ABC Board's Board Meeting August 20th, 2024**

The Durham County ABC Board met at the administrative office, located on 3620 Shannon Road, Suite 200, on the 20th day of August 2024.

Board Chair Daniel Edwards called the meeting to order at 5:31 p.m.

In attendance were Board Chair Daniel Edwards, Board Members Donald Lebkes, Gale Adland, Board Attorney George Miller III, General Manager Lou Sordel, Assistant General Manager Deborah Warren, Human Resources Generalist Tristin Coleman, Operations Manager Michael Mitchell, Fiscal Service Director Rachel Wadsworth, Visual Compliance Manager Ikzuri K. Garcia-Banda and Paul Young from DTW Architects. Board Member Frachele Scott attended via Zoom. ALE Special Agent Tegan Gross from ABC Law Enforcement also joined us via Zoom.

### **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 for the July 25th, 2024 Board Meeting Minutes. Board Member, Donald Lebkes moved to approve the July 25, 2024 minutes and Board Member, Frachele Scott seconded the motion. The Board approved the July 25, 2024 minutes unanimously.

## **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 presented the July ALE Report to the Board**

### **North Carolina Alcohol Law Enforcement**

#### **Summary of Activities**

#### **July 2024**

Checks at ABC Stores: 32

ABC Outlet Inspections MBX: 35

ABC Outlet Inspections Other: 9

Alcohol Education: 0

ABC Violations submitted to ABCC: 5

Total Arrests: 31

Total Charges at Permitted Outlets: 81

Total Charges at Non- Permitted Outlets: 9

Total Misdemeanor Charges: 79

Total Felony Charges: 17

**On Saturday July 7, 2024**, District IV Special Agents, conducted surveillance at Joyland B P 315 located at 2406 Holloway St. While conducting surveillance they observed a patron purchase two alcoholic malt beverages, exit the store and enter his vehicle. Upon running his registration plate, they learned his tag was expired. A traffic stop was conducted and during the stop multiple open

containers as well as a concealed Ruger .22 caliber revolver (which had been reported stolen) was located in the center console. It was also determined during the stop that the patron was intoxicated. NCSHP was contacted and after arriving on scene, they placed the patron under arrest for driving while impaired and other traffic offenses. The patron was also charged with possession of a stolen firearm and carrying a concealed gun.

**On Sunday, July 8, 2024,** District IV Special Agents, conducted an underage tobacco compliance check at ABC licensed outlets in Durham County. During this operation, three businesses, Harris Teeter, located at 5116 Roxboro Road, Durham; Triangle Mini Mart, located at 2508 Hillsboro Road, Durham; and LBS Stop N Shop, located at 602 Martin Street, Durham sold tobacco products to an underage person. ABC violations were subsequently submitted to the ABC Commission.

**On Friday, July 19, 2024,** District IV Special Agents, conducted surveillance at Town and County Mini Mart, located at 1423 E Club Blvd, Durham. Special Agents observed a suspicious vehicle parked at the gas pumps. During a subsequent traffic stop and search of the vehicle, the driver was found to be in possession of a concealed handgun and controlled substances. The passenger was determined to have 10 felony outstanding warrants. The driver was cited for possession of a Schedule VI drug, possession of paraphernalia, and failure to notify law enforcement of carrying a concealed gun. The passenger was arrested for possession of a controlled substance and for their outstanding warrants.

**On Friday, July 19, 2024,** District IV Special Agents, conducted an ABC inspection at Miami Family Fare, located at 2219 Miami Blvd, Durham. During the inspection, Special Agents were not allowed to inspect the entire business, due to portions of the business being locked. An ABC violation was subsequently submitted to the ABC commission for the incident.

**On Friday, July 19, 2024,** District IV Special Agents, conducted an ABC inspection at House Restaurant, located at 4310 S Miami Blvd., Durham. During the inspection, it was revealed the business was selling spirituous liquor not purchased from the Durham County ABC board. ABC violation report was subsequently submitted to the ABC commission for the incident.

**On Friday, July 19, 2024,** District IV Special Agents conducted an enforcement operation in Durham, NC. The purpose of the operation was to address criminal activity in and around ABC permitted establishments. The operation led to 17 arrests consisting of 15 felony, 32 misdemeanor charges filed, 2 firearms seized, and 2 ABC violations submitted to the NC ABC Commission.

### **Paul Young, DTW Architects**

Mr. Young updated the Board on the new construction of store # 4 on Page Board in Durham. We are one-step away from getting the building permit. We hope to get the sewer permit approved by the end of the week so we can break ground on September 9<sup>th</sup>, 2024.

Mr. Young informed the Board that we have released the surveyors to start surveying the old store 14 property on Hope Valley Road for the rebuilding project. Mr. Young mentioned that it looks like they should be out to survey the old 14 location within the next 4 weeks. Mr. Sordel and Mr. Young are reviewing different roof styles for the new store 14 because of the roof issues we have been having with store 10 and other stores that have flat roofs.

The temporary store 14 location (old Sam's Bottle Shop) is having some roof problems as well. The roof is leaking in the front of the store after all of the rain we have received. The landlord is working with us to get this fixed. We are also changing the lighting inside this store to make it a little brighter.

Mr. Sordel invited all of the Board members to the ground-breaking ceremony for store #4 on Friday, September 6<sup>th</sup> at 11:00am.

### **George Miller III, Board Attorney**

Board Attorney Miller recommended that we update and approve the State's travel policy. The board reviewed and approved the current State of NC travel policy (N.C. General. Statutes. 138-7, exceptions to 138-5 and 138-6). The Board stated that we would continue to update the travel policy as the NCABC commission updates their travel policy.

Mr. Edwards requested a motion to accept the travel policy submitted by our Board Attorney, George Miller III. Board Member Lebkes made the motion to accept the Travel policy and Mrs. Adland seconded the motion and it was approved.

**Assistant General Manager, Deborah Warren**

Ms. Warren talked about the relocation of store 14. We closed the old store at 9:00 pm on the evening of Saturday August 3<sup>rd</sup> and we reopened at the new location on Monday August 5<sup>th</sup> at 9:00 am. The new store is located at 1112 NC Hwy 54, Durham. We had a great team of 26 employees help make this move so successful. This team moved an entire store in 8 hours. Thank you on a job well done.

We have a great relationship with Wake County ABC Board, so we invited them to Durham County ABC for a visit. We showed General Manager, Brian Hicks and Assistant General Manager, Bernie Wooten around our Admin office, warehouse and a few stores.

In the beginning of August, we did two Bourbon drops one at store 7 and one at store 11. Both drops were successful.

On July 31, we opened our newest location at 1517 Glenn School Road, Durham. We also did an allocated bourbon drop for the opening of this location and we did over \$40,000 in sales in only 1 ½ hours.

During the month of August, we have 38 scheduled in-store tastings and one is a bottle signing at store 10 with Master Blender, Dixon Dedman. This event will be held on August 29<sup>th</sup> from 12-2pm.

### **Fiscal service Director, Rachel Wadsworth**

Mrs. Wadsworth reviewed the July financial reports with the Board. Within these reports, she created a new spreadsheet that focused on the individual YTD store sales compared to the previous year. This report also included our total Mixed Beverages and wine sales by store. She stated, store retail sales are just slightly under 1% down and mixed beverage are up by 2%. Even though we are slightly down in retail sales, we feel we will turn it around soon.

The Board likes Mrs. Wadsworth's new spreadsheet and they asked to have the address for each store added to this report. She also reviewed the banking information and stated that we are paid-up on all of our current distiller invoices.

In September, we will be distributing the Grant money and Ikzuri will be notifying all of the Grantees so they can come pick up their checks.

Mrs. Wadsworth reviewed the bottle sales report, which shows that we are just slightly down in retail bottles sold and bottles sold in mixed beverage have increased. She also stated that our average dollar amount per credit card transaction has also gone down slightly.

Mrs. Wadsworth also reviewed where we are in relation to total sales with 9 comparable ABC Boards. During the month of July, we were listed as 5<sup>th</sup> in sales amongst the 9 Boards.

### **Visual Compliance Manager, Ikzuri Garcia-Banda**

Ms. Garcia-Banda reviewed our website and Google impressions for the month of July with the Board. We had 22,000 impressions and 1000 clicks during July. We have seen an increase in impression on our accounts.

We have started a Mixed Beverage lottery for two exclusive rare bourbons that we received. Mixed Beverage accounts can go on our website to sign up or they can sign up at either of our two mixed beverage locations. The two exclusive bourbons are Double Eagle Very Rare and Weller Millennium. This is strictly a lottery program for our Mixed Beverage accounts for a chance to purchase these allocated bourbons. This is not a lottery give away!

This year's Grant program was a huge success. We will be giving away \$500,000 in grant money to many programs throughout Durham County. The approved grant recipients have been notified, and will be coming to the office to pick up their check, sign a media release form and we will take a group picture.

**MXB Operations Manager, Mike Mitchell**

Mr. Mitchell reviewed our new mixed beverage accounts, discussed our retail sales, and mixed beverage sales during July 2023 vs 2024. Mr. Mitchell said we received three additional mixed beverage accounts during July. For retail sales during July 2024, we generated \$4,780,677.00, which was a decrease of \$34,550.00 compared to July 2023. Our wine sales for July were \$1,877.75 and our mixed beverage sales were \$964,120.31 during July 2024. Our YTD sales were \$4,780,677.00 verse last year's sales at \$4,815,227.00. Even though we did not hit our budget, we are putting plans in place to hit our budget for next month. We recently relocated store 14, which is in a high traffic area off Highway 54, the local colleges are back in session, and we have an extra weekend in the month of August.

Mr. Mitchell also reviewed the current August sales numbers as of August 19th. Although we are slightly down so far in August, we have the confidence that we will meet or beat our monthly budget.

**Human Resource Generalist, Tristin Coleman**

We are focusing on staff and development with a new and exciting wellness program for our employees. We will be working with an engagement consultant through Cigna. We are working to determine what type of programs and seminars are good for our company. These seminars will focus in a holistic and environmental approach on topics like, mental health, prevention, nutrition, physical well-being, and how to balance work and personal life. We are in the beginning stages and will outline the program in detail after our next meeting with Cigna.

We are also planning our yearly manager's meeting on September 23<sup>rd</sup>, 2024 at Mystic Distillery in Durham. This year's meeting will focus on job knowledge skills and motivating sales. This will show them how to upsell, increase sales, and how

reach sales goals. Shane McKenzie from Catapult will be speaking at this meeting. He will be talking about the Psychology of selling.

**Lou Sordel, General Manager**

Mr. Sordel updated the board with the recent store 14 relocation. We are also working on the inside and outside lighting to create the right vibe for this store. We are also working with the landlord to fix a leak in the roof.

Store 7 on Glenn School Road is doing well. We have had many Bourbon drops at this location to help call attention to the new location.

Mr. Sordel gave a brief update on the store 4 new build. He also shared a concerning issue at store 4. The restaurant next door to store 4 has had 3-4 incidents where they had a gas leak and we called 911 because the gas builds up in our store and we can strongly smell gas. I have notified Debbie, the manager of the shopping center and I hope she takes strict action with this restaurant. These incidents are very concerning and we will take action if this continues.

We are having issues with store 11 A/C system. We are looking to replace a unit and we were quoted almost \$30,000 to fix it. We are entertaining other ways to fix this unit and I will follow up with the Board once we have all of the information together.

Mr. Young and Mr. Sordel also talked about changing the roof style on any new store builds going forward. Many of our stores have flat roofs and we are seeing an increase of water damage and leaking roofs.

Mr. Mitchell and Mr. Sordel had a meeting to discuss the issues we have with store security. We are continuing to have scheduling issues with the sheriffs that do store security in our stores. We are removing the Sheriff's post at store 3 like we did for stores 1 and 7. We will replace them with Sua Sponte Security. We need to make sure all of stores have the proper security when they need it the most.

The bourbon drops have been going much better and the stores employees and customers understand the process much better.



We are collaborating with the Orange County ABC on picking and purchasing a special barrel of Herradura tequila. We will be going to Herradura in Mexico to select a special barrel of tequila and we will split the barrel with Orange County. This is not a company paid event and Mr. Sordel will be paying for my own expenses.

Also in the month of October, Mr. Sordel will be attending the NABCA Administrator's Conference in Montana. Mr. Sordel will be representing Durham County ABC Board with the NCABC Commission at this conference.

Mr. Sordel told the board that he is researching the idea of putting ATM's in selected stores. He is gathering information about this project and will present it to the board soon. He stated he would like to test an ATM at store #10 first.

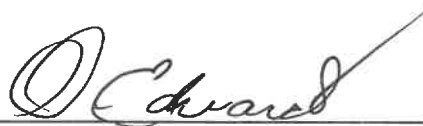
Mr. Sordel stated that while going through the audits Mrs. Wadsworth figured out a formula issue within Navision that was causing an error in the cost of goods. Dalcom made an error in the cost of goods formula when they upgraded our computer program last September. Rachel and her team did a great job figuring out the issue and correcting it with Dalcom.

The CEO of Dalcom has stepped into a new role with the company and restructuring is happening now.

### **Adjournment**

Chairman Edwards motioned to end the meeting and go into closed session. Donald Lebkes moved to adjourn the meeting and Gale Adland seconded the motion, all Board member approved without objection, and the meeting was adjourned at 6:43 PM.

Approved by: \_\_\_\_\_



Daniel Edwards, Board Chair

