

Minutes of the Durham ABC Board's Board Meeting October 21st, 2025

The Durham County ABC Board met at the administrative office, located at 3620 Shannon Road, Suite 200, on the 21st day of October 2025.

Board Chair, Daniel Edwards 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 any matter. All Board members verbalized that they have reviewed the agenda and do not have any conflicts.

In attendance were, Board Chair Daniel Edwards, Board Members Donald Lebkes, Gale Adland, Frachele Scott, Ryan Urquhart and Board Attorney, George Miller III. General Manager Lou Sordel, Assistant General Manager Deborah Warren, Operations Manager Michael Mitchell, Fiscal Service Director Rachel Wadsworth, Digital Strategist Ikzuri Garcia-Banda were also in attendance. Paul Young and Zell Hoole from DTW Architects and Planners were also in attendance. Special Agent Tegan Gross from ABC Law Enforcement joined us via Zoom.

Consent Item

Board member, Frachele Scott made a motion to approve September 16th, 2025, Board minutes and Donald Lebkes seconded the motion. All of the Board members approved the September 16th Board meeting minutes. There was no public comment.

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.

Special Agent Tegan Gross

Agent Gross talked about a break-in that occurred at store 12 on North Pointe Drive in Durham. Two male individuals have been arrested and charged with this crime. General Manager, Lou Sordel thanked the ALE agents for securing the store after the break in occurred. ALE agents secured the store until the doors could be fixed. It was approximately \$2,000.00 worth of damage to the front door.

Special Agent Gross presented the Summary of Activities for the month of June 2025 to the Board.

North Carolina Alcohol Law Enforcement Summary of Activities September 2025

Checks at ABC Stores: 27
ABC Outlet Inspections MBX: 36
ABC Outlet Inspections Other: 18
Alcohol Education: 2
ABC Violations submitted to ABCC: 7
Total Arrests: 37
Total Charges at Permitted Outlets: 54
Total Charges at Non- Permitted Outlets: 13
Total Misdemeanor Charges: 55
Total Felony Charges: 12

On Friday, September 12, 2025, District IV Special Agents conducted surveillance at NT Mart located at 2109 Roxboro Road, Durham, NC. During surveillance,

agents observed an employee of the establishment, engaged in drug transactions with two patrons. After approaching the employee was found in possession of a quantity of cocaine and U.S. currency. They were subsequently arrested and charged with 2 counts of sale and deliver cocaine, PWIMSD cocaine, allowing violations to occur, and possession of drug paraphernalia. A violation report will be submitted to the ABC Commission.

On Saturday, September 13, 2025, District IV Special Agents conducted an after-hours inspection at Dejavu Sport Bar, located at 2717 Cheek Road, Durham, NC. As a result, the permittee and two employees were each found in possession of cocaine and fentanyl. All three were subsequently charged with multiple drug and alcohol related offenses. A violation report will be submitted to the ABC Commission.

On Wednesday, September 16, 2025, District IV Special Agents after receiving complaints about marijuana sales, with the assistance of the Durham County Sheriff's Office, along with DIV agents, executed a search warrant at Royal Smoke Dispensary, 204 N Hardee Street, Durham. As a result, agents seized nearly 8 pounds of marijuana, and US. Currency. The two were each charged with multiple felony drug related offenses.

On September 9, 11, 13, 15, 16, 24, and 30, 2025 District IV Special Agents conducted ABC inspections at multiple restaurants in Durham. Those restaurants consisting of Big Bad Breakfast, Press Coffee, Mil Amores, La Taqueria by Katsuji, and Spring Rolls were found to not be defacing the mixed beverage tax stamps. Only Burger was found in violation of not posting their ABC permit. ABC violation reports were submitted for those businesses.

On Saturday, September 13, 2025, District IV Special Agents conducted an ABC inspection at La Deportista, located at 2900 Holloway Street, Durham. During the inspection the armed security was found to be unlicensed, and an ABC violation report submitted to the ABC Commission.

On September 24 and 25, 2025 District IV Special Agents provided a Be a Responsible Seller educational program to the part time Durham ABC part time employees.

Paul Young, DTW Architects and Planners

Mr. Young updated the Board on the construction progress at the new store #4 location on Page Road. Mr. Young stated that they experienced a problem with the storm drain that was installed. Storm drains should be graded at 1 % or greater and our storm drain was laid at .5%. The company that laid the storm drain piping is digging it up and correcting the grade of the pipe at their expense.

The sewer inspection is pending right now. We have conditional power to the building, and we are waiting for Duke Power to install a meter and hook us up to the transformer. Spectrum is also on-site installing fiber internet and phone lines. We are in the home stretch on completing this store and we will keep you updated.

Lou Sordel mentioned that the wrong sliding doors were installed. They will reorder them and reinstall them at a later date. We are also working with the General Contractor to get the light poles painted black. The outside railing, the gate for the generator and dumpster will be painted black to match the exterior of the store.

Lou Sordel also noted that there has been some damage done to the service road alongside the store. We are in talks to have the construction company repair the service road because of the construction damages. We are also working through an issue with the expansion joints. The color between the expansion joints is too bright so we will be going to a darker color. Most of the shelving units have arrived and more will be arriving next week. Then Rick will start installing the shelving units. Next week they should start landscaping outside of the building.

Deborah Warren, Assistant General Manager

Mrs. Warren talked about the manager's meeting that was held at Mystic Farm Distillery on September 22nd. Marie Deveau from Catapult was our speaker. She

did an impressive job teaching our managers and assistant managers how to effectively communicate, manage, and motivate their employees. We also announced our manager of the year during this meeting. The 2024 Manager of the Year award was awarded to Sherry Nichols from store 1.

During September, we also held two training days for our part-time employees. Tristin Coleman led the training focusing on excellent customer service.

We also held a Hennessy tasting and training at Lulu Bang Bang in September. Many of our employees learned Hennessy's history and what it takes to make Hennessy. The upper management of Diageo and Hennessy visited store 10 to see how we run our largest store in Durham County. They are visiting large Boards within the controlled states and trying to figure out why Hennessy sales are decreasing.

We held four Bourbon drops and twenty-six in-store tastings during the month of September. All were a great success. As of October 15th, we reached our 90th Allocated Bourbon drop in Durham County.

Fiscal Services Director, Rachel Wadsworth

Mrs. Wadsworth discussed the September retail sales, mixed beverage sales, sales by location, overall sales, bottles comparison report and the weekly banking report with Board members.

Our budgeted sales for September 2025 were \$4,640,916 and our actual sales were \$4,600,169 during September, which was a slight decrease of \$40,747.00 or -.088% compared to the prior year. Actual MXB sales increased by \$56,837 or 5.65%. We have continued to see increases in our wine sales. Our wines sales were \$2,162.65. This is an increase of \$468.00.00 compared to last year. We ranked sixth among the nine comparative boards (Cumberland, Orange, Wake, Mecklenburg, New Hanover, Greensboro, Triad, and Asheville). Overall, the statewide sales have increased by 3% and Durham County increased by 1.60 % during September. She also reviewed the bottles sold report and stated that the number of bottles sold has increased compared to last year.

Mr. Sordel mentioned that the changes with the State's SPA's program and having more special-order items on sale could be changing our sale trends.

Mrs. Wadsworth also shared business account information, profit distribution levels, Grantee distribution, cash management fund information, and our financials after our monthly bills with the Board members. Mrs. Wadsworth also reviewed the new Quarter 1 Comparative sales report by store location and overall sales from the past three months (July-September). Mrs. Wadsworth also reviews the Q1-FY 2026 Sales summary outlining the nine comparative boards. (Cumberland, Orange, Wake, Mecklenburg, New Hanover, Greensboro, Triad, and Asheville). Overall, we ranked 4th for the 1st quarter.

Mrs. Wadsworth reviewed the Bank Analysis report and our cash management fund with the Board. Our balances are lower in these accounts, but it is mainly due to finalizing construction costs for the new store 4 on Page Road, and the purchases of holiday items and increasing our inventory for the holiday season.

MXB Operations Manager, Michael Mitchell

Mr. Mitchell stated we received two new mixed beverage accounts during September. Mixed beverage sales were \$1,062,091 during September. Mr. Mitchell also reviewed our September YTD sales to show the Board that being open on Labor Day was beneficial to our bottom-line sales. We had an overall increase of \$72,446.00 during the month of September. He also compared the MTD sales for September 2024 and September 2025. He stated that retail liquor sales were \$3,538,078, which is an increase of \$15,608.00. There was also an increase of \$56,837.00 in Mixed Beverage sales compared to last September. The total sales during September were \$4,600.169.00. Wine sales added \$2,162.65 to the month of September's sales.

General Manager, Lou Sordel

Mr. Sordel updated the Board with our current inventory levels in stores and in the warehouse. There is an increase in inventory due to purchasing, holiday gift packs, top selling products and preparing for the busy holiday season. We are also buying more top-selling products that are currently on sale to make more gross profit. We are highly prepared for the holiday season.

The Board discussed some of the changes that are occurring within the NC Association of ABC Boards. There may be some changes during the next General Managers Meeting in March. Mr. Sordel will update the Board on the content that will be discussed during the next meeting.

Mr. Sordel notified the Board about a septic drain issue at store 14. The landlord is involved and has hired a company to come replace the pipe behind the store.

Mr. Sordel invited the Board to visit store 8 on Roxboro Street. We have purchased oval display tables. They look really nice and makes to store look cleaner and welcoming.

Mr. Sordel updated the Board the new layout and design for the new location on Page Road. It is a sharp looking updated design, and we are happy with the outcome.

Adjournment

Board Member, Frachele Scott made a motion to adjourn the Board meeting, and Ryan Urquhart seconded the motion to adjourn. All Board members approved without objection, and the meeting adjourned at 7:25 PM. The Board members and Mr. Sordel went into closed session.

Approved by: _____

Daniel Edwards, Board Chair

Digital Strategist, Ikzuri Garcia-Banda

Ms. Garcia-Banda has been working hard on a mural painting at the new store 4 location. She showed a video of her vision of the mural and what she has accomplished so far.

Ms. Garcia-Banda notified the Board that we have put in an application to participate in the Durham holiday parade. The parade will be held on Saturday, December 13. The Board and Admin team discussed what participating in the Durham parade would look like and what our plan would be. We want to show the public how we give back to our community through our Grant program.

Human Resource Director, Tristin Coleman

We kicked off our Wellness Shoe program for our fulltime employees. We are partnering with a local company, Bull City Running Company, to provide our employees with orthopedic and ergonomic shoes. This is done in partnership with our health insurance company, Cigna.

Mrs. Coleman also talked about our annual managers' meeting that was held in September. We held a training session for our managers that was hosted by Marie Deveau from Catapult. The purpose of this meeting was to motivate, innovate and invigorate our management team. The session consisted of how to be a motivational manager and how they can go back to their stores and motivate their employees. The Board and the Admin team talked about ways to identify the customers' experience while visiting our stores. Some examples of logging customers' experiences were creating a QR code where customers could rate their customer service experience or by rating their experience using the pin pad when they pay.

During September we also held a customer service and proper ID training class for our part-time employees. We plan to offer this class to our part-time employees on a quarterly basis.