

**Minutes of the Durham ABC Board's Board Meeting
April 15, 2025**

The Durham County ABC Board met at the administrative office, located at 3620 Shannon Road, Suite 200, on the 15th day of April 2025.

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

In attendance was the Board Chair Daniel Edwards, Board Members Donald Lebkes, Gale Adland, 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, Visual Compliance Manager Ikzuri Garcia-Banda. Board Member, Frachele Scott, Special Agent Delello from ABC Law Enforcement, Paul Young from DTW Architects and Planners and Garry Cutwright Calculus Commercial 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 March 11th, 2025, Board Meeting Minutes. Board Member, Gale Adland moved to approve March 11th, 2025, Board Meeting minutes and Donald Lebkes seconded the motion. All Board members approved the March 11th Board meeting minutes.

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.

March ALE Report

Special Agent Delello

North Carolina Alcohol Law Enforcement Summary of Activities March 2025

Checks at ABC Stores: 19
ABC Outlet Inspections MBX: 20
ABC Outlet Inspections Other: 23
Alcohol Education: 1
ABC Violations submitted to ABCC: 7
Total Arrests: 30
Total Charges at Permitted Outlets: 54
Total Charges at Non- Permitted Outlets: 13
Total Misdemeanor Charges: 62
Total Felony Charges: 5

On Wednesday, March 5, 2025, District IV Special Agents conducted an ABC inspection at Durham Convenience and Tobacco located at 950 E Main Street, Durham. During the inspection the business was found not to be posting the ABC permit, and not to file their alcoholic beverages invoices separately and apart. As a result, an ABC violation report was submitted to the ABC Commission.

On Monday, March 10, 2025, District IV Special Agents conducted an ABC inspection at Grab and Go Mart, located at 1601 Market Street, Durham. During the inspection the business was found to be selling glass tubes and splitters without maintaining the required drug paraphernalia log. As a result, an ABC violation report was submitted to the ABC Commission.

On Tuesday, March 11, 2025, District IV Special Agents conducted an ABC inspection at Wine Feed, located at 307 S Roxboro Road, Durham. During the inspection the business was found to be in possession of spiritous liquor not maintaining the required mixed beverage stamp. As a result, an ABC violation report was submitted to the ABC Commission.

On Tuesday, March 11, 2025, District IV Special Agents conducted an ABC inspection at Del Rancho restaurant, located at 5279 Roxboro Road, Durham. During the inspection the business was found to be in possession of spirituous liquor not maintaining the required mixed beverage stamp. As a result, an ABC violation report was submitted to the ABC Commission.

On Wednesday, March 12, 2025, District IV Special Agents conducted an ABC inspection at Fox Center, located at 100 Fuqua Drive, Durham. During the inspection the business was found not to have updated their permits through the ABC commission to reflect a change in management. As a result, an ABC violation report was submitted to the ABC Commission.

On Wednesday, March 12, 2025, District IV Special Agents conducted an ABC inspection at Millennium Hotel Durham, located at 2800 Campus Walk, Durham. During the inspection the business was found to be in possession of spirituous liquor not maintaining the required mixed beverage stamp. As a result, an ABC violation report was submitted to the ABC Commission.

On Monday, March 17, 2025, District IV Special Agents assisted the NC Lottery Commission with an investigation at Buy and Go 3, located at 2947 Chapel Hill Road, Durham. During this investigation the NC lottery commission conducted a compliance check where a clerk received a \$1000 redeemable lottery ticket and then reported to the consumer it was a smaller amount, only to keep the money themselves. As a result, the Special Agent investigating the incident, identified the clerk, arrested and charged them with obtaining property by false pretenses, embezzlement, and larceny by employee. An ABC violation report was submitted to ABC Commission at the conclusion of the investigation.

On Wednesday, March 19, 2025, District IV Special Agents received information from the Durham ABC board reference the business known as Los Cabos, located at 4020 Chapel Hill Road, Durham not purchasing tax stamps for their spirituous liquor. As a result of the investigation, Special Agents found the business to be selling alcoholic beverages without a permit. The owner of the business was subsequently charged with selling without an ABC permit, and possession of non-tax paid alcoholic beverages.

On Saturday, March 22, 2025, District IV Special Agent while conducting ABC outlet surveillance observed multiple people patronizing the business while concealing semi-automatic assault style firearms. During a traffic stop to investigate the incident one 6 firearms were seized, with one being stolen, and a felonious amount of controlled substances. Two of these people were arrested and charged with felony firearm offenses.

On Saturday, March 22, 2025, District IV Special Agents while completing administrative task at the Durham ABC Law Enforcement office observed two people smoking crack cocaine in the parking lot. As a result, the people were apprehended and charged with possession of crack cocaine and drug paraphernalia.

On Sunday, March 23, 2025, the Durham Police Department assisted District IV Special Agents with the execution of a search warrant at 603 Ellis Road, Durham for sale of alcoholic beverages without a permit. During the investigation the operators were charged with selling without ABC permits, and multiple firearms were seized from other employees. In follow-up to this investigation on Tuesday, March 24, 2025, Durham Police and District IV Special Agents executed an additional search warrant at the owner's residence, where a felonious amount of controlled substances was seized and one of the occupants was charged.

Assistant General Manager, Deborah Warren

Ms. Warren presented pictures and what happened at the General Managers meeting in Ashville, N.C on March 17-20. The General Managers team visited our NC partners at Chemist Gin in Asheville, NC. We all toured the distillery and learned about their Gin and what their process is in making it.

We also attended the General Managers' meeting, and our team presented many great ideas during this statewide conference. Several employees from other NCABC Boards like Mecklenburg, Hanover, Asheville and Durham Counties held presentations on important things happening in their county. We are very proud of our group that represented DCABC at this meeting, which included Tristin Coleman, Ikzuri Garcia-Banda, Paul Young and Mike Beck (Area Vice President, Gallagher Benefit Services). Mrs. Coleman and Mr. Beck talked about health insurance plans and how to put together a new health plan for any size ABC board. Ms. Garcia-Banda talked about how to design a website and the importance of social media within our company. We also attended an NC product-only trade show, and a broker product trades show to learn more about their products.

On March 25 we held our monthly managers meeting and on March 26th we held our Full timer's staff meeting. Ms. Warren showed a slide show of these two meetings. We do this every month to teach our staff about new things happening and to train them in many different areas of our business. Next month we are bringing in a representative from Coastal Credit Union to talk about personal finances.

On March 27th we held our first ever Grantee Networking event at the Durham Hotel. We brought together all of our Grantee's that were awarded funds in 2024. This turned out to be a great event and all of the Grantees were able to network with other Grantees and talk about their programs.

On April 11th we attended the Urban Ministries Gala event. This event was done to raise money for their programs. They sold tickets for dinner and held an auction as well. It was well attended, and the Mayor of Durham was there and talked about the great things Urban Ministries does in Durham County.

Ms. Warren talked about the recent bourbon drops and how well they are doing. She listed the bourbon drops that were recently held. March 11th at store 4, March 21st at store 7, March 27th at store 12, April 1st at store 11 and April 9th at store 11.

Fiscal Services Director, Rachel Wadsworth

Mrs. Wadsworth discussed the March retail and mixed beverage sales, sales by location, overall sales and bottles comparison report and the weekly banking report with the Board. Durham County ABC sales were \$4,991,681 for March which decreased by \$321,252 or -6.05% compared to the prior year. By business line, retail sales decrease by \$255,075 or -6.18% and MXB sales decrease by \$66,177 or -5.58%. Budgeted total sales for March were \$5,538,853 and there was a negative budget variance of \$547,172 or -9.88%. March MXB sales for **2024** were \$1,186,292; **2023** \$1,234,561; **2022** \$1,048,049; **2021** \$583,778 & **2020** \$356,236, respectively.

The overall March sales decreased for Durham County ABC Board by -6.05% and we were ranked 4th among the 9 comparative boards (Cumberland, Orange, Wake, Mecklenburg, New Hanover, Greensboro, Triad and Asheville.). There was a statewide decrease of -6.21%.

Mrs. Wadsworth talked about the amended budget that was approved and that you will see the changes starting in April. The Board requested that we start referring to the amended budget numbers and not the original budget.

Year-to-Date Sales Growth Trend – Nine Months Ended March 31:

FY2025	-0.74%	FY2022	14.96%
FY2024	00.55%	FY2021	10.93%
FY2023	11.70%	FY2020	8.62%

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:

Dollars Sales Increase Percent Sales Increase

FY2024	\$79,235	00.13%
FY2023	\$6,045,743	10.78%
FY2022	\$6,862,663	13.94%
FY2021	\$5,036,536	11.40%
FY2020	\$3,880,751	9.63%
FY2019	\$2,971,076	7.96%

Total March accrued Profit Distributions (based on Sales) were \$217,947.25 versus \$231,797.33 the prior year.

Mrs. Wadsworth also reviewed the State ABC Boards Monthly Comparison Sales Summary report. Durham County ABC Board ranked 4th for the month of March. She also reviewed our bank analysis report, the bottle comparison report and our cash management funds with the Board.

Mrs. Wadsworth discussed the amended budget changes that were made during last month's meeting and agreed upon. She also discussed how much DCABC is projected to contribute to Durham County, the City of Durham and the ALE Department. She stated with the budget changes we've made we will be able to balance the amended budget. There will be discussions about monitoring the funds given to the county and city so that we can distribute our money to important things like store upgrades, new stores, a new warehouse and other projects that are needed for our company.

Board Member Lebkes asked that we add any major projects and upgrades to the cash management report so we can show where the money is going in the future. Mr. Sordel said that he will be meeting with Maurice Jones (Durham County Deputy County Manager External Affairs) this Thursday to discuss any distribution changes for the next budget.

Mr. Lebkes asked questions about the current loan we have on the land reserved for the construction of a new warehouse in Durham County. It was also discussed that the accounting department should label the appropriate projects on the cash management fund for next year.

Mr. Sordel and Mrs. Wadsworth reviewed the 25/26FY budget proposal with the Board. They discussed financial recommendations, new projects, and contributions to the City and County of Durham. They decided to continue reviewing the proposed budget, then they will send it out for a public hearing and then set a time to approve it in June. Mr. Sordel and Mrs. Wadsworth will present the proposed 2025-2026 budget to the board at the June Board meeting.

MXB Operations Manager, Mike Mitchell

Mr. Mitchell stated that we received four new mixed beverage accounts during March. Mr. Mitchell reviewed our budget vs. actual sales for March 2025 verses March 2024 and he stated we had a decrease of \$1,720,184.94. Our wines sales were \$2,135.05, which is slightly up. Mr. Mitchell stated that we had a decrease in our YTD sales of \$349,116.39 compared to last year. Mr. Mitchell also reviewed the sales from the first two weeks of April compared to the same period last April and stated we are down \$203,683.00 as of April 12th.

Chairman Edwards thought it would a good idea to track weather impact days to see how much bad weather affects our sales.

Mr. Mitchell review information about our MXB delivery program. Mr. Mitchell broke down the daily, weekly and yearly expenses and profit we make on the MXB delivery program from the past three FY years. After all delivery expenses were paid our net was \$17,810.71 during FY 22/23, \$12,904.81 in FY 23/24 and \$19,687.25 in FY 24/25. He stated that the net was lower during 22/23 because of vehicle repair expenses. He also talked about estimated labor hours for this program.

Mr. Sordel stated that we are happy with the MXB program, and it shows that the program is profitable enough for us to continue the program. We have trained our staff in the way we want them to conduct business and how to provide great

customer service. We have trained several employees in how to make deliveries to our MXB accounts and store transfers in case Brayan (MXB Driver # 10) is not available. We are happy with the delivery program, and we are glad we did not source out a company to deliver products to our MXB accounts.

Visual Compliance Manager, Ikzuri Garcia-Banda

Ms. Garcia-Banda talked about the presentations at the General Manager's Conference in Asheville, NC. Both Ms. Garcia-Banda and Mrs. Coleman delivered great presentations on topics like website site design, social media and employee healthcare coverage. Ms. Garcia-Banda also talked about the website she created for the NC Association of ABC Boards and also created an online agenda, full bios for the Board members and the people that were presenting at the Asheville conference.

Ms. Garcia-Banda updated the board on the Drop Zone program and that the hits on our website are starting to level off to around 10,000 -12,000 hits per day. We are finally starting to filter out the third-party bots hitting our site every day.

Ms. Garcia-Banda talked about the Grant program which started taking entries on April 1st, 2025. We hosted our first ever Grantee networking event and it was a great success. We are already planning for next year's event.

Lou Sordel, General Manager

Mr. Sordel proposed moving the May Board meeting to May 13th because of the NABCA meeting that will be held in Orlando, Florida. Chairman Edwards moved to change the meeting to May 13th 2025, and the other Board members agreed and approved the change.

The Board members also stated that going forward ALE agents do not have to read the summary of activities each month. They would like to receive the summary at least a week prior to the Board meeting so they have ample time to review it and gather any questions. An ALE agent still must be present via zoom to

answer any questions board members may have. All Board members approved this change for Board meetings going forward.

Mr. Sordel updated the Board on inventory levels throughout our stores and warehouse. Mr. Sordel stated that we are managing the inventory levels in our stores and warehouse to accommodate the May holidays like Cinco de Mayo, Kentucky Derby and Memorial Day.

The NC Association of ABC Boards Planning Committee is moving quickly with the planning of the General Manager's meeting in Greensboro planned for June. We are excited to welcome Master Distiller, Victoria Eady Butler, from Uncle Nearest Distillery. Ms. Garcia-Banda is creating the agenda and schedule for this meeting which has added great quality to the event.

Mr. Sordel presented the 2025/2026 FY Holiday and Board meeting schedule. He also showed the Board a schedule of what other surrounding counties are doing for holidays in FY25/26. There was much discussion on the proposed holiday schedule and the Board and Mr. Sordel decided to continue discussing the holiday schedule and will revisit it during the May Board meeting.

Board Member, Ryan Urquhart, made a motion to approve the 25/26 Board meeting schedule and Board Member, Frachele Scott, seconded the motion and the 25/26 Board meeting schedule was approved unanimously.

Board Member, Gale Adland

There was much discussion about Grantees requesting sponsorships from the DCABC Board. These sponsorships would be awarded upon request and approved by the Grantee committee. There was a board-based conversation about doing sponsorships with leftover budgeted Grantee money from the Grantee program. The Grantee committee will come up with specific rules for a sponsorship program and submit it to the board for review and approval at a later date. Mrs. Wadsworth, Fiscal Services Director, will provide financial information to the Board and Grantee committee about our networking event and the money that may be left over from the 24/25 Grantee program.

Paul Young, DTW Architects and Planners

Mr. Young talked about the construction progress for store 4 on Page Road. He also showed the Board pictures of the progress with store 4. The masonry portion of the building will be finished by the end of this week and then we will start the underground plumbing. Once the brick is done, we will start on the roof. We will be installing a modern polished concrete look for the floor. Overall, we will be designing and fitting the store up for the future. More electricity and plumbing will be installed in the concrete slab. This will provide us with more electrical outlets in the middle and throughout the store for future upgrades.

Adjournment

Chairman Edwards motioned to end the meeting and go into closed session. Ryan Urquhart moved to adjourn the meeting and Donald Lebkes seconded the motion. All Board members approved without objection, and the meeting was adjourned at 7:28 PM.

Approved by: _____

Daniel Edwards, Board Chair

