Minutes of the Durham ABC Board's Board Meeting
July 15th, 2025

The Durham County ABC Board met at the administrative office, located at 3620 Shannon Road, Suite 200, on the 15th day of July 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 the matter. All Board members verbalized that they have reviewed the agenda and do not have any conflicts.

In attendance was the Board Chair Daniel Edwards, Board Members Donald Lebkes, Gale Adland, Ryan Urquhart, Frachele Scott and Board Attorney George Miller III. General Manager Lou Sordel, Assistant General Manager Deborah Warren, Operations Manager Michael Mitchell, Fiscal Service Director Rachel Wadsworth, Human Resource Director Tristin Coleman, Digital Strategist Ikzuri Garcia-Banda were all in attendance. Paul Young from DTW Architects and Planners was also in attendance. Special Agent Delello from ABC Law Enforcement joined us via Zoom. There was no one from the public in attendance.

Consent Item

Board member Frachele Scott made a motion to approve the June 17th Board minutes and Donald Lebkes seconded the motion and all of the Board members approved of the June 17th Board meeting minutes. The 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 Delello

Agent Delello praised the DCABC Board for their new credit card policy that was implemented on July 1st, 2025. The new policy has already made a huge impact on credit card fraud in the Durham County stores. Agent Delello stated he has not received any fraudulent credit card usage since we implemented this policy.

Agent Delello praised the manager of store 3 for a job well done in handling the theft suspect and getting the person to hand over a bottle that he was concealing. ALE was able to identify the suspect and they issued a no trespassing order. The same suspect tried to reenter the store and the manager said I gave you a no trespass order and you can't enter this store. Later, ALE found that the suspect was a habitual larceny offender and charged him with trespassing and breaking and entering store 3.

Agent Delello stated that the ALE department has hired a new agent, and his name is William Ford. Agent Delello will be training him and bringing him into our stores to introduce him to store personnel.

General Manager, Mr. Sordel asked Agent Delello "what are your best practices for checking ID's when a customer is paying with a gift card (like Amex, Visa, Master card gift cards) or cash app cards (Venmo, Apple pay). Mr. Sordel stated we will continue asking customers for ID's when it comes to using any type of credit card or gift card purchase. Agent Delello said he would look into "best practices" from other jurisdictions and get back to Mr. Sordel.

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

North Carolina Alcohol Law Enforcement

Summary of Activities

June 2025

Checks at ABC Stores: 13

ABC Outlet Inspections MBX: 9

ABC Outlet Inspections Other: 3

Alcohol Education: 0

ABC Violations submitted to ABCC: 1

Total Arrests: 8

Total Charges at Permitted Outlets: 12

Total Charges at Non- Permitted Outlets: 14

Total Misdemeanor Charges: 15

Total Felony Charges: 11

On Tuesday, June 3, 2025, District IV Special Agents conducted surveillance at an illegal outlet in Durham, NC. During the surveillance, agents observed a drug transaction between three individuals, and a traffic stop was subsequently conducted. As a result, the occupants were found to be in possession of a quantity of fentanyl and cocaine. They were subsequently arrested and charged with possession of cocaine and felony possession of schedule II.

On Tuesday, June 10, 2025, District IV Special Agents executed two search warrants at apartments located at 820 Martin Luther King Blvd., Durham for the illegal sale of alcoholic beverages. As a result of the investigation the residents were charged with Possess for sale alcoholic beverages without an ABC permit, and possession of drug paraphernalia.

On Wednesday, June 18, 2025, District IV Special Agents concluded an investigation involving stolen credit cards which were used at a Durham ABC Store to purchase more than $1000.00 worth of spirituous liquor. As a result of the investigation, Special Agents were able to identify and charge the suspects with financial card theft, financial card fraud, felony larceny, obtaining property by false pretense, and felony conspiracy.

On Wednesday, June 25, 2025, District IV Special Agents conducted an ABC inspection at Rockwood Family Fare, located at 2502 Durham Chapel Hill Road, Durham. As a result of the investigation the business was found to not possess any alcoholic beverage invoices despite receiving multiple warnings. As a result, an ABC violation report was submitted to the ABC Commission.

Closed session:

Board Member Ryan Urquhart motioned to go into closed session and Frachele Scott seconded the motion. The Board went into closed session at 5:40 pm.

The Board came out of closed session at 6:47pm and they continued the regular session meeting.

Chairman Edwards presented the 2025-2026 (July 2025-June 2026) Board meeting schedule. Board Member, Ryan Urquhart motioned to accept the 25/26 Board Meeting schedule and Donald Lebkes seconded the motion. All Board members accepted the motions and approved the 25/26 Board meeting schedule.

Gale Adland, Board Member

Mrs. Adland presented the Grant report on behalf of the DCABC Grant Committee. The Grant Committee consists of Board Members Mrs. Adland, and Donald Lebkes. Lou Sordel and Ikzuri Garcia-Banda worked with and supported the committee members during this process.

Mrs. Adland reviewed the process of how they selected this year's Grantee's that were submitted. They received requests totaling 1.385 million dollars this year and we are budgeted to disburse $500,000 in funds. Mrs. Adland reviewed the list of Grantees that will be receiving funds and the ones not receiving funds this year. All Grant requests that were submitted were reviewed and thoroughly discussed by the Grant committee. Board member Urquhart requested that the Board approve these funds to be dispensed as presented by Mrs. Adland. Board Member Frachele Scott seconded the motion, and it was approved by all Board members. The Grantees will be notified if they did or did not receive funds this year. After everyone has been notified, we will post it on our website.

Organization	Requested	Proposed	Last Year's Grant
BeLieving Your Future Today & EveryDay Youth Foundation	$ 100,000.00	$0.00	n/a
Boys & Girls Clubs of Durham and Orange Counties	$ 33,400.00	$20,000.00	$ 15,000.00
Center for Child and Family Health	$ 50,000.00	$0.00	n/a
Charles Hamilton Houston Foundation, Inc.	$ 67,930.28	$0.00	n/a
Durham Business and Professional Chain	$ 45,000.00	$0.00	n/a
Durham County Justice Services Department	$ 76,500.00	$70,000.00	$ 75,000.00
Durham PROUD Program	$ 50,000.00	$45,000.00	$ 45,000.00
El Centro Hispano Inc	$ 28,492.00	$0.00	n/a
El Futuro, Inc.	$ 209,048.90	$64,000.00	$ 75,000.00
Families and Communities Rising	$ 50,000.00	$0.00	n/a
Greater Ascension Community and Economic Development, Inc. dba GRACED, Inc.	$ 100,000.00	$0.00	n/a
Jubilee Home	$ 20,000.00	$19,000.00	$ 50,000.00
LIFE Skills Foundation	$ 50,000.00	$15,000.00	n/a
Lincoln Community Health Center Inc.	$ 65,000.00	$54,000.00	$ 65,000.00
Missy Lane's Charitable Foundation	$ 50,000.00	$0.00	n/a
Occoneechee Council, Boy Scouts of America DBA Scouting America, Occoneechee Council	$ 25,000.00	$0.00	n/a
Pinnacle Community Development Corp/TRY	$ 40,000.00	$0.00	n/a
Project Access of Durham County	$ 40,000.00	$15,000.00	n/a
Purpose Learning Lab, Inc The Premier Drop In Studio	$ 75,000.00	$54,000.00	$ 80,000.00
StandUp SpeakOut of North Carolina	$ 25,000.00	$0.00	n/a
Student U	$ 75,000.00	$44,000.00	$ 15,000.00
Urban Ministries of Durham	$ 85,000.00	$100,000.00	$ 80,000.00
Vault Theatre Limited	$ 25,000.00	$0.00	n/a
	$ 1,385,371.18	$500,000.00	$ 500,000.00

Paul Young, DTW Architects and Planners

Mr. Young talked about the construction progress for store 4 on Page Road. He also presented pictures of the progress we are making with this store. The interior walls have been framed and the rough electrical and plumbing is almost complete. The aluminum panels and sidewalks have been installed. They will start installing the sheet rock soon and you will notice the building process move along quickly. The HVAC duct work has also been installed. The AC unit is being installed on July 16th, and the proper people have been notified that we will shut down the street to have the unit installed. They are preparing the windows for installation sometime next week. The generator has been ordered and should be installed right before the store opens for business. We will also start on the grading of the parking lot and putting down stone providing that the weather cooperates. We are excited to say we are still on schedule to meet our construction deadline for November.

Mr. Sordel mentioned that we have been saving whiskey barrels to make a decorative focal point that will look like a Whiskey Rick house. We also plan to have a mural painted behind the registers and a tasting bar for events.

Fiscal Services Director, Rachel Wadsworth

Mrs. Wadsworth discussed the June retail sales, mixed beverage sales, sales by location, overall sales, bottles comparison report and the weekly banking report with the Board.
Durham County ABC sales were $4,565,339 during June, which was a decrease of $211,331 or -4.58% compared to the prior year. MXB sales increased $1,957.00 or 0.19%. Budgeted total sales for June were $4,395,700, so there was a positive budget variance. Our wines sale also increased by $400.00 compared to last year. Year-to-date sales held steady at $61,808,648.

Although June sales have slightly decreased for Durham County ABC Board by 4.59% and we were ranked 4th among the 9 comparative boards (Cumberland, Orange, Wake, Mecklenburg, New Hanover, Greensboro, Triad and Asheville). Statewide there was a decrease of -5.15%.

Mrs. Wadsworth explained how her and Malon are constantly watching our inventory levels and purchasing what is needed and trending at this time. We are balancing our inventory levels and funds nicely during these slower months. Mrs. Wadsworth also shared business accounts information, profit distribution and where we sit after most of our invoices and bills are paid for the month of June.

MXB Operations Manager, Michael Mitchell

Mr. Mitchell said that we received four new mixed beverage accounts during June. Mr. Mitchell reviewed our YTD sales budget versus actual sales and MTD sales for June 2025 and June 2024. He stated we had a decrease of $219,373.00 in retail sales and a slight increase of $1,957.00 in Mixed Beverage sales. The total sales during June were $3,545,231.00, which is a decrease of 5.88%. Wine sales have increased by $400.00, adding $1,890.00 in sales during June. Mr. Mitchell also reviewed the sales from the first two weeks of July and compared them to last July and said that we are up $214,011.67 so far.

This year on July 4th we had 3 stores open for business and Mr. Mitchell shared the sales figures with the Board. Stores 4,10 and 11 were open from 9am-5pm. On July 4th, 2025, store 4 generated $43,639.50, store 10 generated $59,688.45 and store 11 generated $58,226.64. The sales from all three stores totaled $161,554.59 on July 4th, 2025.

General Manager, Lou Sordel updated the Board with the number of MXB accounts we received and lost over the five past years. Over the past five years we have had an average of 160 MXB accounts and we've lost an average of 115 accounts. So, we average around 52 new accounts a year.

Board member Frachele Scott asked the team if we are looking into opening any other holidays this year. The Board and Admin team discussed all of the other holidays we are allowed to be open under the new NC statute. After much discussion the Board does not have a problem with opening on any of the other holidays with the exception of Thanksgiving and Christmas day. We will be testing the next holiday, which is Labor Day. We will ask for volunteers to open stores

4,10 and 11 for Labor Day. We will revisit the other holidays for this year, after Labor Day.

Digital Strategist, Ikzuri Garcia-Banda

Ms. Garcia-Banda updated the Board on the allocated drops we posted on the website during July. We had three additional drops on July 4th, and the customers loved it. We dropped allocations at stores 4,10 and 11. The stores handled these unexpected drops with great precision.

Ms. Garcia-Banda also presented a new business card idea. She is working on new NFC business cards for the Board members and Admin staff. The cards are durable and very sharp looking. It also gives your contact info and a brief description of your position within the company and your previous accomplishments. These cards are great when we attend conferences and national meetings.

Human Resources Director, Tristin Coleman

As we were doing our annual evaluations for our clerks and part-time staff, we realized that product knowledge was not part of the evaluation process. This year during the evaluation process, we decided to add a new section for training in development and product knowledge for our part-time staff. We have asked the managers to hold a product knowledge stand up with their employees weekly. The store manager will ask each employee to select one product and share information and facts about that product with all of the other employees. This is meant to be a fun activity. It should be in an elevator pitch style and last for about one minute. We feel using this approach will build confidence in our employees and able them to talk to customers and other employees confidently about our products.

In August, we will be holding two classes with the Department of NC Treasury (Orbits) on the logistics of the pension and NC 401K program and how it works. This will allow our retirement aged employees to learn more about their retirement options and our other full-time employees will learn how the system

works and what it does for their future. In September, we will also be holding classes with Empower. This class will help our employees understand Durham County ABC's 401 plan. This is a great benefit for our employees, and we want them to understand it clearly. We want our employees to invest in themselves and know that we are invested in them. The Board members are totally on board with these educational classes. Mr. Urquhart stated that he would like to work with Mrs. Wadsworth to make a cheat sheet tool to break down the information and make it easy to understand. Mrs. Scott asked if these classes could be recorded for future training and for new employee training. Mrs. Coleman stated that she wants to add this class yearly during our yearly benefits cycle. Mr. Lebkes said we should also add a Social Security class as well, so employees better understand what their next steps are in retirement.

Lou Sordel, General Manager

Mr. Sordel updated the Board on inventory levels throughout our stores and warehouse. Currently we are sitting at 12 million in inventory. With the new SPA rule that started this year, we have changed our ordering process to make sure we have sufficient inventory levels, and we are not over stocked. Malon is doing a great job managing inventory levels.

Mr. Sordel updated the Board on the progress of our new roof. With all of the rain we've had recently, there have been no more leaks.

Mr. Sordel talked about the next NCABC Conference, which will be held in Greensboro, N.C. on July 27-30.

Adjournment

Board Member Gale Adland adjourned the meeting, and Donald Lebkes seconded the motion. All Board members approved without objection, and the meeting was adjourned at 8:18 PM.

Approved by:

Daniel Edwards, Board Chair