

**Minutes of the Durham ABC Board's Board Meeting
January 16th, 2024**

The Durham County ABC Board met at the administrative office, located on 3620 Shannon Road, Suite 200, on the 16th day of January 2024.

Chairman, Daniel Edwards called the meeting to order at 5:32 p.m.

In attendance were, Chairman Daniel Edwards, Board Members, Ryan Urquhart, Gale Adland, Attorney George Miller, General Manager Lou Sordel, Assistant General Manager Deborah Warren, Operations Manager Michael Mitchell, and Rachel Wadsworth, Fiscal Services Director. In addition, Board members Donald Lebkes and Frachele Scott joined us via zoom. ALE Special Agent Brandon Teal, from the ABC Law Enforcement also attended via Zoom. Paul Young from DTW Architects joined us via phone.

Conflict of Interest Review and Declaration

Chairman Daniel 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 attending Board members verbalized that they have reviewed the agenda and do not have any conflicts.

Consent Item

The consent item approved was for the December 19th, 2024 Board meeting minutes. Donald Lebkes moved to approve the December 19th, 2024 minutes and Board Member, Gale Adland seconded the motion. The Board approved the December 19th, 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, Brandon Teal

The ALE Special Agent, Brandon Teal reviewed the monthly permit checks and activities that happened during the month of December with the Board. The summary of Activities are as follows:

North Carolina Alcohol Law Enforcement Activities from December 2023

Checks at ABC Stores: 41
ABC Outlet Inspections MBX: 26
ABC Outlet Inspections Other: 9
Alcohol Education: 0
ABC Violations submitted to ABCC: 3
Total Arrests: 27
Total Charges at Permitted Outlets: 87
Total Charges at Non- Permitted Outlets: 0
Total Misdemeanor Charges: 76
Total Felony Charges: 11

On Tuesday, December 5, 2023, District IV Special Agents conducted ABC outlet surveillance checks at Fast Stop 2, located at 801 N Alston Ave, Durham after receiving multiple complaints of drug activity occurring on the premises. As result of the surveillance, Special Agents conducted a traffic stop on a suspicious vehicle, and arrested the driver for possession of cocaine, possession of methamphetamine, and drug paraphernalia.

On Tuesday, December 5, 2023, District IV Special Agents concluded a month long narcotic investigation by executing a search warrant at Hunky Dory, located at 718 Ninth Street, Durham. As a result, of the search warrant, the owner was arrested and charged with two counts of PWISD Marijuana, Felony maintaining a Store/Shop for sale of a controlled substances, allowing criminal conduct to occur on licensed premises, and possession of counterfeit goods. An ABC violation was subsequently submitted to the ABC Commission.

On Wednesday, December 6, 2023, District IV Special Agents concluded an ABC inspection at House Restaurant, located at 4310 S Miami Blvd., Durham. During the course of the investigation, Special Agents located several spirituous liquor bottles not posing the tax stamps. An ABC violation was subsequently submitted to the ABC Commission.

On Friday, December 8, 2023, District IV Special Agents conducted an ABC inspection at the Living Room, located at 1007 S Main Street, Durham. During the course of the inspection, Special Agents found the business was selling alcoholic beverages under suspended permits. The owner of the business was subsequently charged with selling without permits, and the business and an ABC violation submitted to the ABC commission.

On Monday, December 15, 2023, District IV Special Agents concluded a larceny investigation at Durham ABC Store #12, which occurred in late November. The suspect was identified and charged with Misdemeanor larceny, Poss/Sell Non-taxpaid and Transport Non-taxpaid.

On Tuesday, December 23, 2023, Durham ABC Store #10 reported two separate larcenies of spirituous liquor. After reviewing, the video District IV Special Agents identified the suspects and obtained warrants for arrest for the suspects for Misdemeanor larceny, Poss/Sell Non-taxpaid, and possess for sale without permits.

DTW Architects, Paul Young

Mr. Young talked about the water issue that we are having at store 10 on Highway 55. We are meeting with the contractor later today. There seems to a

ground water and domestic supply water issue at this store. We are also working with the landlord on our plans for a new store at the TW Alexander property. We would like to get the plans for the TW Alexander store to you soon so we can get it approved and move forward with the bidding process. We are also working on a design to replace the Hope Valley store and should have a design and cost ready in a few weeks.

Assistant General Manager, Deborah Warren

Ms. Warren talked about our theme for January, which is “It starts with me”. She explain the theme by saying everything in our lives starts within ourselves. Ms. Warren showed the board a slideshow of some of the great things we are doing in our stores. We are also continuing in store tastings and we are utilizing our bottle engraver at our store 5 location. Our customers love the new engraving machine and our in store tastings. Ms. Warren showed a short slideshow of some of the events we had going on during December.

MXB Operations Manager, Mike Mitchell

Mr. Mitchell reviewed our new mixed beverage accounts and discussed our retail and mixed beverage sales during November 2022 vs 2023. For retail sales during December 2022, we generated \$7,223,953.00 and in December of 2023 we generated \$6,863,220.00. Our mixed beverage sales were \$1,052,947.00 during December 2023. Mixed Beverage sales decreased by \$37,650.00 or -3.45% compared to last December. Our current YTD sales are \$32,562,133.00 verse last year’s sales at \$32,369,007.00. So far, we are exceeding last year’s total sales by \$193,126.00.

Fiscal Services Director, Rachel Wadsworth

Mrs. Wadsworth reviewed our actual sales verse our budgeted sales for the month of December with the Board. She stated, although our overall sales are down 4.9% for the month, store 10 sales are very strong in retail and mixed beverage sales. Store 10’s sales are exceeding our expectations. Our retail

December bottle counts were down by 19,382 bottles and the mixed beverage was down 1,250 bottles. The team reviewed some of the reasons as to why we are seeing this decline in sales and that it is happening statewide and nationwide.

Mrs. Wadsworth also reviewed additional financial and accounts payable information with the Board. She also stated we are continuously looking at our expenses report and noted that our cost of goods is slowly going down. We are selling through some of our special purchases that we bought at a lower price. We will do more of these special purchases starting in May.

We have been working on depleting the stock on the Jim Beam Cream and our stores did an awesome job. We held a friendly competition between stores and our top selling store was Store 11 on Chapel Hill Blvd and Store 4 came in at a tight second place. During this contest, we sold over 1,000 bottles of Jim Beam Cream. Job well done!

General Manager, Lou Sordel

Lou Sordel updated the board with information on the bourbon lottery due to the absence of Ikzuri Banda-Garcia.

Ikzuri and Lisa did a great job in handling over 300 bourbon lottery calls. Customers were able to pick from 100 bottles of allocated bourbon, which was sent to our Sherron road location for pick up. We are currently working on the Mixed Beverage Bourbon Lottery now and will update you in February.

Lou Sordel also updated the Board in Mrs. Coleman's absence. Mrs. Coleman is actively hiring and holding interviews for various positions within our company.

Mrs. Coleman and Lisa Gosselin are collaborating to update MSDS data sheets and books in all of stores, warehouse and in the Admin office. They are also working on updating our emergency procedures and mid-year manager evaluations.

Lisa Gosselin has updated our employee shirt program and has placed a shirt order to replenish our inventory.

There was an incident at store 14 where a customer ran over the cement parking barrier in the parking lot and pulled it away from the rebar in the ground. Then, another customer ran over the rebar and it damaged their bumper. We have contacted our insurance company and are working with the customer. We contacted General Services and they repaired the problem.

Store 10 has water seeping between the city water meter and the building. It may be a leaking pipe in the ground. Mr. Young from DTW Architects has contacted a contractor to find out where it is leaking from and what we need to do to fix the leak.

We are talking with the owners of the Shell gas station by store 5 on Sherron road about placing a sign to advertise our store 5 location. We will be meeting with the owners in the near future to discuss options.

We have finished our retail bourbon lottery. Ikzuri and Lisa called over 300 customers that entered the retail lottery. Customer picked up their bottle at store #5 and some had their bottles engraved with our new engraving machine. We are currently working on the Mixed Beverage Bourbon lottery and will update you next month.


We are finalizing the details for our Board retreat. It will be held on March 2nd at the Durham Hotel. During this retreat, we will update you on our current revenue and what the rest of our year is looking like. We will also give you a forecast of what our 2024 and 2025 budget will look like. We will present a salary scale update, along with updated benefits for our fulltime and part time employees. We are currently pulling data from other ABC boards and US markets within our line of business. We will also talk about our Mixed Beverage delivery program and other store renovations.

Ikzuri is working on scheduling the site visits for our 2023/2023 Grantee's that we awarded funds to this year.

Adjournment

Chairman Edwards, moved to adjourn the meeting and Frachele Scott seconded that motion. The meeting was adjourned at 6:19

All of the Board members and Lou Sordel went into closed session.

Approved by: , Daniel Edwards, Board Member.