

**Minutes of the Meeting  
December 20<sup>th</sup>, 2021**

The Durham County ABC Board met at the administrative office, located on 3620 Shannon Road, Suite 200, on the 20<sup>th</sup> day of December, 2021.

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

Board Chair Daniel Edwards, Board Members Donald Lebkes and Gale Adland, Durham County ABC Interim General Manager Misty Walters, Office Technology Assistant Ikzuri K. Garcia-Banda, Fiscal Services Director Phil Bair, and Paul Young with DTW Architects were in attendance. Board member Frachele Scott, Human Resources Generalist Wendy Thomas-Wilder, Board Attorney George Miller III, and ALE Special Agent Brian Doward, and Citizen Jonathan Burg were virtually present via Zoom.

**Conflict of Interest Review and Declaration**

Chair 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.

**Public Comment**

Jonathan Burg, a Durham County resident, joined the meeting to comment on his ongoing discussion with Dan Gurley, the Deputy Chief of staff for the North Carolina House Office of the Speaker. The two have been discussing ways to make ABC run more effectively, noting distribution issues with LB&B, and was curious to ask the Board and General Interim Manager Misty Walters what their ideas were on opportunities for the betterment of Durham ABC. Ms. Walters assured Dr. Burg that ABC General Managers statewide, including the former Durham County General Manager, have legislative committees with the North Carolina Association of ABC Boards and they work with legislators on a regular basis. Limited by time, she shared her email with Dr. Burg and encouraged him to contact her directly in the near future to have a one-on-one conversation.

**Consent Item**

The first consent item approved was the November 15<sup>th</sup>, 2021 Board Meeting Minutes. Board Member Lebkes moved to approve the meeting minutes as presented. Board Member Adland seconded the motion and the Board approved unanimously.

**Law Enforcement Report**

Ms. Walters asked those in attendance if there were questions for Agent Doward. There were no questions presented at the time.

**Financial Report**

**November 2021 Financials**

Fiscal Services Director Bair reported the summary of income statement results as included in the board meeting packet for November 2021. Durham County ABC sales of \$5,081,351 for November increased \$1,111,705 or +28.01% compared to the prior year. By business line, Retail sales increased \$589,090 or +16.10% and MXB sales increased \$522,615 or 167.73%. Budgeted total sales for November were \$4,166,685 so there was a positive budget variance of \$914,666 or +21.95%. November MXB sales for 2019 & 2018 were \$797,023 & \$798,144, respectively.

The November sales increase for Durham County ABC Board of +28.01% was ranked 1st among the 9 comparative boards (Cumberland, Orange, Wake, Mecklenburg, New Hanover, Greensboro, Triad and Asheville.). The statewide increase was +15.97%.

Mr. Bair discussed profit distribution with the Board:

Profit before distributions for November was \$197,816 compared to the Operating Budget amount of \$338,187 giving a negative budget variance of \$140,371 or -41.51%.

Total November accrued Profit Distributions (based on Sales) were \$242,792 versus \$201,586 the prior year, an increase of \$41,206 or 20.44%. The BUDGETED Profit Distributions were \$205,708 so the actual for November was \$37,084 or 18.03% more than budgeted

The year-to-date Net Income at November 30, 2021 was \$1,014,668 (Five months). This represents \$352,271 higher year-to-date net income than what was expected in the Operating Budget. Last year the same time period the four months ended November 30 we were over budget in YTD Net Income by \$920,973. The loss on disposal of the old Holloway St. building, \$467,200, pushed the net income/loss to -\$44,976. Net Operating Income of \$665,051 was approximately twice what was budgeted, \$338,154, for the month of November. Year-To-Date Gross Sales are \$2,000,000 above Budget for the five months ended Nov. 30, 2021

### **Grant Report**

Board Member Adland presented the Board with the following update:

Grant recipient Wake Monarch Academy was rewarded a \$35,000 grant as a scholarship for a student of Durham County, but were unable to enroll a Durham County resident. Attorney George Miller III reached out to the recipient and they are returning first installment they received, or \$17,500.

Durham County ABC has given out \$300,000 in grants in 2021. With Mr. Bair projecting a target of \$315,000, that leaves the Board with \$15,000 plus the previously allocated \$35,000 to bestow on another recipient, for a total of \$50,000. As agreed to by the Board, Board Members Don Lebkes and Gale Adland will form a grant committee to further discuss and find another organization(s) to receive these funds. They are hopeful to have an answer by the next Board Meeting.

### **General Manager's Report**

Interim General Manager Misty Walters presented the Board with several topics of discussion:

### **Project updates:**

The Highway 55 building is progressing steadily. Mr. Paul Young discussed the impact of unsuitable soils around the building with the Board, predicting an impact in cost if the soil proves to be more difficult to excavate than previously expected.

The location on T.W. Alexander is experiencing a six-month delay on site plan approval, this due to re-evaluation of the surrounding area. This will not inhibit the site plan permitting process. The tentative timeline for groundbreaking is September 2022, if not Spring 2023 depending on weather conditions. Ms. Walters pointed out this works in favor of her and Mr. Bair's strategy to continue building DCABC's working capital in the meantime.

**Coolers update:**

The public bid was opened on December 16<sup>th</sup>, 2021, with Mr. Paul Young there to assist. It is then recommended the Board award the contract to SGS Contracting, LLC in Durham, NC.

Interim General Manager Walters seeks a Board vote for approval, a total bid of \$107, 163.20 – which includes a 20% construction contingency, in case of extra expense being needed. Work to begin at the end of January 2022, tentatively.

Board Member Adland makes a motion to approve \$107, 163.20 for coolers. Board Member Lebkes seconds the motion. The Board approves unanimously.

**Board Meeting schedule for 2022:**

Ms. Walters asked the Board for approval of the 2022 Board Meeting Schedule. Board Meetings will now be held on Tuesdays evenings at 5:30pm instead of Monday evenings at 5:30pm. (The 2022 Board Meeting schedule is attached to the end of this document.)

Board Member Adland moves to approve board meeting schedule. Board Member Lebkes seconds the motion. The Board approves unanimously.

**Special Event**

Ms. Walters reports that the Old Hillside Barrel Release was a success, with a \$13,330.80 selling in less than two hours. Ms. Walters expressed her believe that this event put North Point's location on the map for Durham residents, with the coordinators of the event mentioning that "the staff was amazing".

Interim General Manager Walters commended the staff of Durham ABC stores, commenting on their great customer service, team engagement, and praising their execution of DCABC's metaphorical "take by the hand" approach – where team members lead customers to the sales floor and make recommendations for product. Engaged teams make selling experiences great for the customer, leading to big tickets and successful customer experiences.

Ms. Walters also commended the retail, warehouse, and administration teams at Durham ABC, and lastly thanks the Board for their continued support.

**Closed Session**

Board Member Adland motioned for the Board to go into closed session. Don Lebkes seconded the motion. The Board approved unanimously. The Board went into closed session.

**Adjournment**

Lebkes motioned to adjourn the meeting. Ms. Adland seconded the motion and the Board approved without objection.

Approved By:  \_\_\_\_\_  
Daniel Edwards, Board Chair