

**Minutes of the Meeting  
June 21<sup>st</sup>, 2022**

The Durham County ABC Board met at the administrative office, located on 3620 Shannon Road, Suite 200, on the 21<sup>st</sup> day of June, 2022.

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

In attendance were Board Chair Daniel Edwards, Board Member Gale Adland, Board Member Donald Lebkes, Board Member Ryan Urquhart, General Manager Lou Sordel, Assistant General Manager Deborah Warren, Fiscal Services Director Phil Bair, Human Resources Generalist Tristin Coleman, Office Technology Assistant Ikzuri K. Garcia-Banda, Board Attorney George Miller III, Pablo Koe-Krompecher and Michael Kauffner with Clifton Property Investments, LLC, and Paul Young with DTW Architects were in attendance.

Board Member Frachele Scott, and ALE Special Agent Sean Hamilton 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.

**Consent Item**

The consent item approved was the May 17<sup>th</sup>, 2022 Board Meeting Minutes. Board Member Adland moved to approve the meeting minutes as presented. Board Member Lebkes seconded the motion. The Board approved unanimously.

**Public Comment**

No members of the public were in attendance. No public comments were made.

**Law Enforcement Report**

Agent Hamilton updated the Board on an ongoing investigation at a location in Durham. The subject of the investigation, revealed as Diamond Girls located on Angier Avenue in Durham, was previously fined \$10,000.00 for their involvement in criminal activity. After a shooting on June 5<sup>th</sup>, 2022 in which three people were injured, ALE investigated the incident as well as the business' involvement. The outcome of this was that Diamond Girls forfeited their liquor permit to Special Agent Pierce. The location will no longer be operating in Durham.

There were no questions presented at the time.

**Project Updates**

Mr. Young was invited by General Manager Sordel to speak to the Board:

**Highway 55 Update**

The majority of the pavement on the Highway 55 location has been completed, with the exception being the driveway to adjacent business, Affordable Dentures. The area has experienced heavy rain resulting in flooding of up to five or six inches, as explained by Mr. Young. As a result, public utilities have not been able to conduct their inspection of the property. With the lack of a water meter, there has been no progress on the plumbing inspection as of yet. In order to move the project along, Durham ABC has agreed to let patients of Affordable Dentures use Highway 55's parking lot for approximately four weeks, giving contractors an opportunity to finish the unfinished parts of the new location's driveway.

Mr. Young reported that the Highway 55 location appears nearly finished. The mechanical inspection has been finalized. The electrical inspection is partially completed as well – set to be completed by the weekend of June 25<sup>th</sup>, 2022. Once the water meter is in place, Durham ABC can move forward with finalizing the plumbing inspection.

**Presentation by Pablo Koe-Krompecher and Michael Kauffner of Clifton Property Investments, LLC**

Pablo Koe-Krompecher, president of Clifton Property Investments, LLC and his partner, Michael Kauffner, presented the Board with further details on the service their company offers. Honing in on Phase 1 of their business proposal, they spoke with the Board about creating heat maps for Durham County. Durham County ABC could use these heat maps as a guide of where to buy, relocate, and build properties in the future. Mr. Koe-Krompecher explained that the purpose of this service is to aggregate all available data in the public sphere, adding and subtracting filters of information to match the needs of Durham County ABC, with the end goal of helping DCABC make informed decisions about acquiring real estate in the future.

**Grant Report with Board Member Gale Adland**

Board Member Adland offered a brief summary of the Grant recipients for the current grant cycle. Out of 16 applicants, 13 were chosen to receive funding from Durham County ABC, totaling \$380,000.00 in bestowed grants for organizations directly impacting Durham County. Ms. Adland expressed her approval of the extended timeline of this grant cycle, as the added time allowed the Grant Committee (Board Member Adland, Board Member Lebkes) to reach out to applicants with questions and concerns about the status of their submitted applications, and gave those applicants enough time to respond and abide. Out of all 16 applicants, the committee had questions for five organizations. This included asking for more up-to-date financial statements, asking for a more detailed version of their program budget, etc. Board Member Adland called attention to the fact that this added time also allowed Durham ABC more space to reach out to organizations personally, offering help to those who may not have a staff member dedicated to, or familiar with, completing grant applications.

The grant committee has also begun discussing changes to be implemented for the next grant cycle, which aim to improve the grant application and approval process in the future.

Board Member Scott commended the work of both Ms. Adland and Mr. Lebkes on the thorough job done when picking the recipients.

Board Member Adland made a motion to approve the recipients of the grant funds as chosen by the Durham County ABC Grant Committee. Board Member Urquhart seconds. The Board approves unanimously.

*To see further details of the organizations that were awarded the grant, see attached document.*

**Financial Report**

### **May 2022 Financials**

Durham County ABC sales of \$4,614,259 for May increased \$274,762 or 6.33% compared to the prior year. By business line, Retail sales increased \$2,466 or 0.07% and MXB sales increased \$272,296 or 38.75%. Budgeted total sales for May were \$4,166,685 so there was a positive budget variance of \$447,574 or 10.74%. May MXB sales for 2019 & 2018 were \$824,817 & \$775,101, respectively.

The May sales increase for Durham County ABC Board of 6.33% was ranked 1st among the 9 comparative boards (Cumberland, Orange, Wake, Mecklenburg, New Hanover, Greensboro, Triad and Asheville). The statewide increase was 2.72%.

Mr. Bair discussed profit distribution with the Board:

Profit before distributions for May was \$316,679 compared to the Operating Budget amount of \$343,910 giving a negative budget variance of -\$27,231 or -7.92%. Total May accrued Profit Distributions (based on Sales) were \$270,986 versus \$221,433 the prior year, an increase of \$49,553 or 22.38%. The BUDGETED Profit Distributions were \$205,708 so the actual for May was \$65,278 or 31.73% more than budgeted. The year-to-date Net Income at May 31, 2022 was \$2,791,365 (Eleven months). This represents \$1,304,683 higher year-to-date net income than what was expected in the Operating Budget. Last year the same time period the eleven months ended May 31 we were over budget in YTD Net Income by \$1,593,464. Year-To-Date Gross Sales are \$5,688,000 above Budget for the eleven months ended May 31, 2022.

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

General Manager Lou Sordel presented the Board with the General Manager's Report:

#### **Mixed Beverage Delivery Soft Start June 2022**

Mr. Sordel reports that the soft start of Mixed Beverage delivery has been a success, with three major accounts (Boxcar, Uncle Julio, and Kickback Jack's) all reporting they are very satisfied with the service. The delivery system, explained Mr. Sordel, is another step in Durham ABC's effort to shift the image of "control" to one of customer service - letting our customers know we are here to provide a service that aims to help them.

#### **Durham County ABC Organization Chart Proposal**

General Manager Sordel presented an updated proposal of Durham ABC's new organizational chart. Citing his discussions with Board Attorney Miller, who helped section the chart to be more inclusive and clearer to interpret. These changes allow easier reading for employees of Durham ABC stores, with an aim to assure that every employee, from an Associate to a Store Manager, understands that they do not have to go through several levels before talking to a General Manager, Human Resources, etc.

#### **Human Resources Update with Tristin Coleman**

Tristin Coleman, Human Resources Generalist for Durham County ABC, has been working in conjunction with members of the administrative staff to set up the first of many meetings between the administration and Store Managers. The purpose of these meetings, said Mrs. Coleman, is to discuss and establish expectations that the Store Managers have of the administrative staff and vice versa. This, and many of the meetings conducted in the future, will also serve as staff training outlines to familiarize the Store Managers with all separate aspects of the administration and how it works for them: such as Accounting, Human Resources, Logistics and Operations, Visuals and Technology, and more.

Mrs. Coleman also emphasized her continuous effort of assuring that Durham ABC is not following a narrative of being dictated by the schedules of part-time staff. She highlighted her hope in hiring full-time staffers that make Durham ABC a priority versus a fallback, assuring all stores and Store Managers have steady help.

Along with recruiting the best of the best job candidates, Human Resources Generalist Coleman disclosed her endeavor to reach out to all ABC Boards in North Carolina, having already contacted Wake County and Mecklenburg County, with the intent of making the Durham ABC employee benefits package the most attractive in the state. Having compiled the best benefits of every Board, Mrs. Coleman and Mr. Sordel can then aggregate the best features of each county and incorporate them into Durham ABC's offered benefits. Our aim, said Mrs. Coleman, is to be aggressive in attracting the best employees that North Carolina has to offer.

**Website Update with Ikzuri K. Garcia-Banda**

Office Technology Assistant Ikzuri K. Garcia-Banda presented the Board with a proposition to redo Durham County ABC's website. The renovation will offer guests and customers a modernized, easy to navigate version of the Durham ABC website.

Board Member Urquhart commended Ms. Garcia-Banda's initiative to offer this service, praising it as a "game changer" for Durham ABC.

**Durham County ABC Board FY 2022-2023 Budget Amendment with Phil Bair**

*See attached document for Durham ABC's FY 2022-2023 proposed Budget Amendment.*

Member Adland moved for the Board to accept the proposed budget amendment as it was presented. Board Member Lebkes seconded the motion. The Board approved unanimously.

**First Durham All Women's Bourbon Barrel Pick with Deborah Warren**

Durham County ABC hosted the very first All-Women Bourbon Pick with representatives from Maker's Mark. Assistant General Manager Deborah Warren presented the Board with the process the ladies went through to taste, pick, and create a custom blend of bourbon. Two groups of ladies were invited to blend and name these barrels, including members of the administration Ikzuri K. Garcia-Banda and Rachel Wadsworth, Assistant General Manager Warren, and Board Member Gale Adland, as well as Store Managers or Assistant Store Managers for Durham ABC Stores. The first barrel will be released later this year under the name "Durhabull 7". The second will be released during March of 2023 for Women's History Month under the name "A Woman's Touch".

Ms. Warren shared a slideshow of photos of the Bourbon Pick with the Board.

**Board Meeting Schedules FY 2022-2023**

*See attached document for Durham ABC's FY 2022-2023 Board Meeting Schedule.*

Per the suggestion of Board Member Lebkes, the Board is asked to add a meeting in July. This aims to improve the connectivity between the Board and the Administrative Staff during the Summer months. As such, a meeting on July 19th, 2022 has been added to the Board Schedule.

General Manager also asked the Board to push back the meeting in June 2023 from the third Tuesday of the month to the fourth Tuesday on the month of June. This will allow more time for the financials team

and the General Manager to work on the amendments of the next budget. The schedule for June 2023 calls for a Board Meeting on June 27, 2023.

Member Lebkes moved for the Board to accept Durham ABC's Board Meeting Schedule for FY 2022-2023 as discussed. Board Member Adland seconded the motion. The Board approved unanimously.

**Closed Session**

Board Member Adland moved for the Board to go into closed session. Board Member Urquhart seconded the motion. The Board approved unanimously. The Board went into closed session.

**Adjournment**

Board Member Lebkes motioned to adjourn the meeting. Board Member Urquhart seconded the motion and the Board approved without objection, and the meeting was adjourned at 8:15PM.

Approved by:  \_\_\_\_\_

Daniel Edwards, Board Chair

Submitted Applications	Requested	Recommendation (Committee)
<input type="checkbox"/> <b>Charles Hamilton Houston Foundation, Inc.</b> <a href="#">YMOE</a>	USD\$ 50,000.00	USD\$ 50,000.00
<input type="checkbox"/> <b>Community Health Coalition, Inc.</b> <a href="#">ABC-Always Be in Control</a>	USD\$ 17,500.00	USD\$ 17,500.00
<input type="checkbox"/> <b>Durham Business and Professional Chain</b> <a href="#">Preventive Programs on Alcohol Use on Your Health in Underage Drinking</a>	USD\$ 35,000.00	USD\$ 35,000.00
<input type="checkbox"/> <b>Durham County Criminal Justice Resource Center</b> <a href="#">Durham Adult Drug Treatment Court</a>	USD\$ 35,000.00	USD\$ 42,500.00
<input type="checkbox"/> <b>Durham County Teen Court and Restitution</b> <a href="#">Durham County Teen Court and Restitution</a>	USD\$ 25,000.00	USD\$ 25,000.00
<input type="checkbox"/> <b>Durham PROUD Program</b> <a href="#">PROUD Drug Education and Alcohol Counseling</a>	USD\$ 20,000.00	USD\$ 20,000.00
<input type="checkbox"/> <b>EI Futuro, Inc.</b> <a href="#">Sin Ataduras: Bilingual, Culturally-Responsive Substance Use Prevention and Treatment for At-Risk Latino Youth, Adults, and Families</a>	USD\$ 21,205.97	USD\$ 25,000.00
<input type="checkbox"/> <b>Jubilee Home</b> <a href="#">MH and Peer Support for Justice Involved Persons with SUD</a>	USD\$ 35,000.00	USD\$ 35,000.00
<input type="checkbox"/> <b>LIFE Skills Foundation</b> <a href="#">Substance Use Prevention &amp; Treatment Program</a>	USD\$ 20,000.00	USD\$ 20,000.00
<input type="checkbox"/> <b>Pinnacle Community Development Corp/TRY</b> <a href="#">TRY Resilience for All</a>	USD\$ 35,000.00	USD\$ 35,000.00
<input type="checkbox"/> <b>Purpose Learning Lab, Inc</b> <b>The Premier Drop In Studio</b> <a href="#">Finding Purpose in Mentorship, Prevention, &amp; Awareness</a>	USD\$ 25,000.00	USD\$ 15,000.00

<input type="checkbox"/> <b>SouthLight Healthcare</b> <a href="#">Increasing access to mental health and substance use treatment for Durham County residents</a>	USD\$ 33,450.00	Decline
<input type="checkbox"/> <b>Straight Talk Support Group Transitional House</b> <a href="#">Peer support for justice-involved individuals living in Transitional Housing</a>	USD\$ 41,460.00	Decline
<input type="checkbox"/> <b>Training for Success / The Hub Durham</b> <a href="#">The HUB</a>	USD\$ 30,000.00	Decline
<input type="checkbox"/> <b>TROSA (Triangle Residential Options for Substance Abusers, Inc.)</b> <a href="#">Long-Term Substance Abuse Recovery for Individuals with Alcohol Use Disorder New</a>	USD\$ 25,000.00	USD\$ 25,000.00
<input type="checkbox"/> <b>Urban Ministries of Durham</b> <a href="#">Substance abuse education and recovery support</a>	USD\$ 35,000.00	USD\$ 35,000.00

\$380,000.00

	<u>Original Budget</u>	<u>Adjustment</u>	<u>Amended Budget - June 7, 2022</u>
<b><u>Estimated Revenues:</u></b>			
Sales	\$60,000,000.00	\$0.00	\$60,000,000.00
Proceeds from sales of Real Estate	\$1,400,000.00	\$0.00	\$1,400,000.00
Proceeds from sales of vehicles	\$30,000.00	\$0.00	\$30,000.00
Other Income - Interest	\$500.00	\$0.00	\$500.00
Total Cash Flow In	<u>\$61,430,500.00</u>	<u>\$0.00</u>	<u>\$61,430,500.00</u>
<b><u>Appropriations:</u></b>			
Taxes Based on Revenue	\$13,734,000.00	\$0.00	\$13,734,000.00
Cost of Sales	\$31,200,000.00	\$0.00	\$31,200,000.00
Operating Expenses:			
Personnel Expenses	\$5,115,391.00	\$105,386.00	\$5,220,777.00
Other Operating Expenses	<u>\$2,909,587.00</u>	<u>\$20,000.00</u>	<u>\$2,929,587.00</u>
Total Operating Expenses	<u>\$8,024,978.00</u>	<u>\$125,386.00</u>	<u>\$8,150,364.00</u>
Capital Outlay:			
TW Alexander - New Store Construction	\$2,000,000.00	\$0.00	\$2,000,000.00
Mixed Beverage Delivery Vehicles	\$120,000.00	\$0.00	\$120,000.00
Warehouse Delivery Van	\$60,000.00	\$0.00	\$60,000.00
Warehouse Equipment	<u>\$50,600.00</u>	<u>\$0.00</u>	<u>\$50,600.00</u>
Net Capital Outlay	<u>\$2,230,600.00</u>	<u>\$0.00</u>	<u>\$2,230,600.00</u>
Total Estimated Expenses	\$55,189,578.00	\$125,386.00	\$55,314,964.00
<b><u>Distributions:</u></b>			
Mandatory 3.5% & Bottle Tax (Plus 60%)	\$2,778,000.00	\$111,000.00	\$2,889,000.00
Law Enforcement	\$622,357.00	\$10,000.00	\$632,357.00
Alcohol Education & Rehab	<u>\$380,000.00</u>	<u>\$0.00</u>	<u>\$380,000.00</u>
Total Distributions	<u>\$3,780,357.00</u>	<u>\$121,000.00</u>	<u>\$3,901,357.00</u>
Working Capital Required (Appropriated Fund Balance)	<u>\$2,460,565.00</u>	<u>\$246,386.00</u>	<u>\$2,214,179.00</u>
<b>Total Appropriations</b>	<u>\$61,430,500.00</u>		<u>\$61,430,500.00</u>