MECKLENBURG COUNTY ALCOHOLIC BEVERAGE CONTROL BOARD OF DIRECTORS MEETING MINUTES

June 16, 2026 @ 12 p.m.
3333 North Tryon Street Charlotte, North Carolina 28206

DIRECTORS:

Monifa Drayton
Marcus Kimbrough
Jerry (Jay) Neal
Dr. Wilhelmenia Rembert
Beverly Thorpe

STAFF:

Keva Walton, Chief Executive Officer
Vernetta Purcell-Morrow, Chief Operating Officer
Kevin Stone, Law Enforcement Chief
Michael Tully, Chief Financial Officer
Cherise Walker, Chief of Staff
Alicia Collins, Chancellor ABC University

GUESTS:

Harry Patel (Business, Logistics and Data Analyst)
Kayla Hickman (Community Investment Program Director)
Twan Barber (Deputy Finance Officer)
Scott Minderlein, Ed.D. (Dean of ABC University)
David McCoy (Assistant Chief of Law Enforcement)
Robert Rose (Digital Learning Experience Designer)
Brian Peter (VP of Logistics and Mixed Beverage)
Ashley Jacobs (VP of Retail Operations)

ITEMS OF BUSINESS DISCUSSED AND ACTION TAKEN:

I. BOARD

The meeting began at 12:05pm with all members in attendance.

Director Rembert made a motion to open the FY27 budget meeting, seconded by Director Thorpe. Motion carried unanimously.
Director Rembert made a motion to close the FY27 budget meeting, seconded by Director Kimbrough. Motion carried unanimously.

A. BOARD CHAIR REPORT

i. Director Kimbrough made a motion to approve May 19th meeting minutes, seconded by Director Rembert. Passed unanimously.

ii. Future meeting dates were discussed for July 21st and August 18th, 2026. Director Rembert and Director Neal will not be able to attend the July 21st meeting.

iii. As required by North Carolina General Statute 138A-35, Board Chair Drayton asked if there were any conflicts of interest or any conditions or

facts that might create the appearance of a conflict of interest with respect to any matters on the agenda.

PUBLIC COMMENT

Board Chair Drayton opened the meeting for public comment.

II. POLICY UPDATE

A. Secondary Employment Rules – Approval
Ms. Vernetta Purcell-Morrow draws attention to page 13 of the board packet and presented the updated policy addressing secondary employment relative to permitted establishments and presented for board approval. Director Kimbrough made a motion to approve, seconded by Director Thorpe. Passed unanimously.

B. Credit Card Policy Update
Mr. Michael Tully noted that the NC ABC Commission performance review mentioned the suggestion of a more comprehensive policy on usage of Board issued credit cards. Following the presentation by the Commission, an existing policy was produced that details the Board's overall travel policy which is approved annually as a component of the Board's travel policy – satisfying the state auditor's request.
Director Rembert inquired about the consequences for misuse of the company's credit card. It was then asked that Mr. Tully include the consequences in the policy in the event of misuse.

III. BUSINESS

A. FINANCE

i. Mr. Keva Walton reported May sales were under budget by approximately $447.2k and under last year's budget by $1.6MM. Operating expenses were $128.2k over budget for the month. Year-to-date gross sales were $2.5MM, which is under budget by $4.8MM and under last year by $4.4MM. The Cost of Goods Sold continues to be higher than budgeted and will continue to be closely monitored. Healthcare costs are a continued challenge, projected to be 4.9 while currently sitting at 4.5. Under Professional Fees, it was noted that while costs for IT support are typically highest, legal fees ranked highest in this expense category. The Board's Income From Operations was $3.0MM, which is under budget by $363.3k and under last year by $89.8k. The working capital sits at 8.4 weeks, which is $1.1MM below the statutory maximum. Mr. Walton noted page 24 of the board packet, specifically referencing the cash on hand.

ii. FY26 Budget Amendment – APPROVAL
Mr. Michael Tully is seeking approval for FY 2026 Budget Amendment 26-03, which includes individual line items that are projected to exceed initial budget amounts to be funded with line items projected to be below initial budget and remaining from working capital. Mr. Tully noted that there are more items that have decreased than in previous years.
Director Neal inquired about what the maintenance agreements include. Mr.

Tully noted some of these items include HVAC, lawn care, etc.
Director Rembert made a motion to approve the amendment, seconded by Director Thorpe. Passed unanimously.

iii. FY 2027 Budget Presentation
Mr. Keva Walton is seeking approval for the FY 2027 budget where the sales revenue is reduced to $273M from previously proposed levels with taxes and Cost of Goods sold adjusted accordingly, and the salaries and wages budget increased to $500k with the continuation of the Success Sharing Plan.
Director Rembert noted that the second paragraph of the Budget Message should address treatment and prevention, bringing attention to the non-profit grant partners that we support.
Director Kimbrough made a motion to approve the budget, seconded by Director Neal. Passed unanimously.

B. PROPERTY

i. Park Road Location (Store #06) Renewal Option – APPROVAL
Mr. Michael Tully is seeking approval from the Board to extend a new lease period, either 5- or 10-year lease for Store #06 located on Park Road. The current landlord, EDENS, LLC was approached with the 10-year proposal and has agreed in principal, with new lease language currently being negotiated. The lease terms are set up in 5-year increments. The current lease is set to expire on October 12th, 2026. If approved, the new lease will begin October 13th, 2026, and extend to October 13th, 2036. Director Neal made a motion to approve, seconded by Director Thorpe. Passed unanimously.

ii. South End Location (Store #27) Extension – APPROVAL
Mr. Michael Tully is seeking approval from the Board for an extension of the current lease, which is set to end January 2027. The extension requested has initially been set for one year. If approved, the new rent schedule would increase 3% following the January 2027 initial lease end date.
Director Kimbrough inquired about the potential for other locations, to avoid any last-minute decisions.
Director Thorpe made a motion to approve, seconded by Director Kimbrough. Passed unanimously.

iii. Catawba Commons Site Update
Mr. Michael Tully noted that the project is proceeding on schedule with the seller now making improvements to the property per the contract to purchase. Once the work has been completed, we will apply for a Revisions to Approved Plans (RTAP) for the project. The anticipated completion timeframe is for the end of 2026, at which time the purchase will be completed and work on the new store will commence.

iv. WT Harris/Statesville Road Potential Lease Site Update
Mr. Michael Tully gave an update on the potential store at this location, which is currently a Bob Evans restaurant. It was noted that this location would require a zoning change, and the landlord expects a favorable ruling by the end of July 2026 – which was approved June 15th, 2026. The intent for this location would be to enter a lease pending a positive due diligence period and approval from all authorities (Planning Commission, NC ABC Commission, and the Board). This location would become the new Store #11, and the David Cox location would become a mixed beverage only

location.

v. Commonwealth/Central Avenue Location (Store #14) Lease Status Update
Mr. Michael Tully gave an update on the lease for Store #14, which ends at the end of October 2027 with no intention from the landlord to extend the lease. Mr. Tully noted that there are a few realtors that have expressed interest in working with us that will be contacted to explore all property options. It is noted that, based on the knowledge of the area, finding property in the area may be challenging.

IV. ABC UNIVERSITY (Minderlein)

A. General Update*

Ms. Alicia Collins introduced Mr. Robert Rose for a report. Mr. Rose gave a verbal description and update of SpiritED learning platform.
Director Rembert asked if there has been any thought to offer courses externally for a fee. Mr. Tully noted that the Board cannot collect a profit from anything other than selling spirituous liquor.

Dr. Scott Minderlein provided an overview of the in-person training classes and the impact, noting the class participation snapshot.
40 mixed-beverage outlets have been taught ASSET classes (Alcohol Seller/Server Excellence Training) coupled with educational classes to administer Narcan medication. As a result, 146 units of Narcan have been distributed. There have been 5 applications of the Narcan units used to assist individuals.
Ms. Alicia Collins noted her excitement for the management courses that will be offered in FY 2027.

V. FUNCTIONAL AREA GROUP REPORTS Q&A (15 Mins)

Board Chair Drayton asked each team member to give a brief highlight if necessary.

A. DATA ANALYTICS UPDATE (Patel)
- i. May 2026 Statistics

B. OPERATIONS (Purcell-Morrow)
- i. May 2026 Sales Data (Jacobs)
- ii. Mixed Beverage Update (Peter)

C. HUMAN RESOURCES (Purcell-Morrow)
- i. Staffing Update

D. LAW ENFORCEMENT (Stone)
- i. May 2026 Activity Reports

E. ALCOHOL ED. COMMUNITY INVESTMENT (Hickman)
- i. Status Update

F. BUSINESS TECHNOLOGY
- i. General Update on Board's Information Technology

VI. CEO REPORT (Walton)

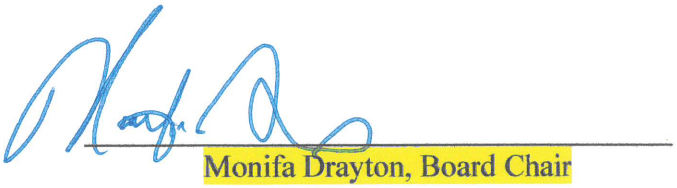
Mr. Keva Walton noted page 71 of the board packet, specifically regarding the ASSET class numbers compared to last year. Mr. Walton continued by noting pages 72 and 73 of the board packet, drawing attention to the Law Enforcement

community engagement team's commitment. The last item Mr. Walton mentioned is on page 82, highlighting the importance of IT.
Director Neal inquired about the Bottle Stamping machine. Mr. Walton noted that the machine is functional at Store 27 (South End) and incorporated into everyday use by store personnel. While the machine is not as fast as anticipated, there are work arounds that are being addressed. Board Chair Drayton inquired whether there was a return on this investment. Mr. Walton believes there to be value in the level of innovation that the machines bring that will support greater efficiency. Director Thorpe inquired about the increase in bottle sales for May for ABC To-Go retail. Mr. Walton noted that there is increasing customer adoption to this technology, which provides the ability to order product in advance versus going into the store to purchase. We've also increased awareness on social media and via customer newsletters.
Mr. Walton presented the strategic realignment, with special attention to warehouse weekly deliveries, centralized purchasing, and "buy ins." Mr. Walton asked Mr. Brian Peter to discuss the weekly deliveries. Mr. Peter noted that there is less physical strain on employees and an increase in teamwork throughout the warehouse department. Mr. Peter also noted that the PowerBI dashboard platform is being utilized for smaller "buy in" orders to ensure the items are selling as expected.
Mr. Peter provided an update on the Barrelpalooza event that took place on Saturday, June 13 noting the event went extremely well.
Mr. Walton noted that the Board's ABC Spirits stores will be open on Friday, June 19 for Juneteenth as well as July 4th.

VII. BOARD CHAIR'S EXECUTIVE SESSION

Board discussed upcoming process for Mr. Walton's evaluation. Dr. Rembert volunteered to lead this year's process.

Motion was made by Director Thorpe to adjourn, seconded by Director Rembert, and passed unanimously.



Monifa Drayton, Board Chair