

MINUTES
BREVARD ABC BOARD
June 27, 2019

RAHJ

Approved	
Robinson:	<u>TR</u>
Site:	<u> </u>
Jaisler:	<u> J </u>
Riecke:	<u>WCR</u>

The Brevard ABC Board met in regular session on Thursday, June 27, 2019 at 8:30 a.m. in the City Hall Administrative Conference Room.

Members Present: Geraldine Dinkins, Chair
 Tim Robinson
 Jack Jaisler
 William Riecke

Members Absent: Eric Crite

Staff Present: Mark Balding, ABC General Manager
 Denise Hodsdon, Executive Assistant

Special Guests: None

- A. Welcome & Call to Order**
- B. Quorum**

The meeting was called to order at 8:32 a.m. and a quorum was noted.

- C. Approval of Agenda**

Motion by Mr. Jaisler, seconded by Mr. Robinson, to approve the agenda as presented. Motion carried unanimously.

- D. Approval of Minutes**

- 1. Minutes from Regular Session – May 30, 2019**

Motion by Dr. Riecke, seconded by Mr. Robinson to approve the minutes of the Regular Session meeting on May 30, 2019 as presented. Motion carried unanimously.

- E. Public Hearing**

- 1. ABC FY 2020 Proposed Budget**

Mr. Balding noted that the proposed budget is based on an expected sales increase of 10%. The Board had approved the proposed budget at its meeting in May and there have been no changes in the numbers presented for the hearing. Ms. Dinkins opened the public hearing at 8:48 am. There were no members of the public present and the hearing was closed at 8:49 am.

F. New Business

1. Manager's Report / Sales Update / Human Resource Issues

Mr. Balding reported that he had no law enforcement report this month. He reported that April sales resulted in a 9.74% profit. May sales were up by almost \$56,000 over last year, resulting in a 15.12% profit. He noted that mixed beverage sales in the last three years are up by 30%. He reported that with the extremely strong Spring sales, percent profit is over 8% for the year.

Mr. Balding reported that the State Audit will begin on Monday, July 1st and inventory will take place over the upcoming weekend at both stores.

Mr. Balding said customers are raving about the new Pisgah Forest store and things are off to a good start. He will include a complete review of the new store status and demolition of the old location on the agenda for the July meeting.

He reported that an employee suffered a lost time injury in June and is facing a lengthy recovery. He is exploring best options to cover for the lost time while the employee is out.

2. Review, Approve and Adopt Proposed FY2020 Budget

Motion by Mr. Robinson, seconded by Mr. Jaisler to approve and adopt the FY2020 Budget. Motion carried unanimously. A copy of the approved budget is attached as Exhibit A.

3. Review and Approve FY2019 Budget Amendment

Mr. Balding explained that actual total revenues for FY2019 were higher than projected by \$252,722. He prepared an amendment to reflect the increase in revenue, thus effecting taxes, cost of goods and slightly lower expenses. The amended budget reflects the closing of the old store into the new store and he included the basic demolition and repair expenses in the budget. The required capital expenditures to date to open the new store are \$59,213.64. He noted that there are still some invoices coming in and this amount does not include the \$25,000 contribution from Square2. When all is said and done, the total capital expense will be approximately \$45,000, which will be transferred from the Board's Capital Reserve Fund.

Motion by Dr. Riecke, seconded by Mr. Jaisler to approve the Budget Amendment for the FY2019 Budget as presented. Motion carried unanimously. A copy of the approved Budget Amendment is attached as Exhibit B.

G. Unfinished Business

1. Review and Approve Accountant's Reports from April and May, 2019

2. Review and Approve Reconciliations and Bank Statements from April and May, 2019

The accountant's report and reconciliation and bank statement for April and May, 2019 were approved and circulated for signatures.

Additional Items:

Mr. Balding reported that he has talked with Lt. Robert Shuler and Chief Harris and they are agreeable to renewing the existing law enforcement contract at 5%. The new contract will require signature of the Board Chair.

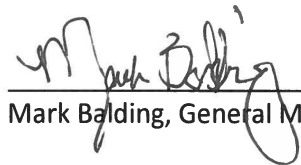
Ms. Dinkins' term as Board Chair expires at the end of June and Dr. Riecke has agreed to chair the Board for the upcoming year. Motion by Mr. Robinson, seconded by Mr. Jaisler to appoint Dr. William Riecke to the position of Chair for the Brevard ABC Board beginning July 1st for one year. Motion carried unanimously.

Mr. Robinson noted that at the next meeting, the Board will need to go into Closed Session to discuss a personnel matter.

H. Adjourn

There being no further business, Mr. Jaisler moved, seconded by Mr. Robinson to adjourn the meeting at 9:44 a.m.

Next regular meeting: The next meeting will be **Thursday, July 25, 2019 @ 8:30 a.m.**

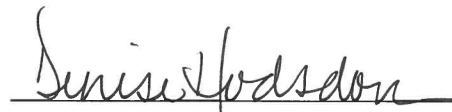


Mark Balding, General Manager



Geraldine Dinkins, Chair

Minutes Approved: July 25, 2019



Denise Hodsdon, Executive Assistant

Annual Proposed Budget

Brevard ABC Board

Brevard, N.C. 28712

WHEREAS, the proposed budget for FY2020 was submitted to the Brevard ABC Board on May 30th, 2019 by the General Manager and filed with the City Clerk of Brevard and the N.C. ABC Commission on May 31st, 2019.

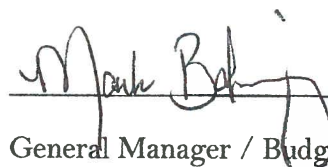
WHEREAS, on June 27th, 2019, the Brevard ABC Board held a public hearing on the budget pursuant to G.S. 18B-702;

WHEREAS, on June 27th, 2019, the Brevard ABC Board adopted a budget making appropriations in such sums as the Board considers sufficient and proper in accordance with G.S. 18B-702;

Budget Adopted on June 27th, 2019



Brevard ABC Board Chairperson



General Manager / Budget Officer

BREVARD ABC BOARD

Budget Document Fiscal Year 2019-2020

The following budget establishing revenues and setting expense appropriations is hereby adopted and effective July 1, 2019, through June 30, 2020.

Section 1. Estimated Revenues. It is estimated that the revenues listed below will be available during the fiscal year beginning July 1, 2019 and ending June 30, 2020 to meet the operational and functional appropriations as set forth in Section 2, in accordance with the chart of accounts prescribed by the state ABC Commission.

Estimated Revenues:

Sales	\$4,606,733
Other Income	\$100
Total	<u>\$0</u>
	<u>\$4,606,833</u>

Section 2. Appropriations. The following expenses are hereby appropriated for fiscal year 2018 - 2019 and are funded by the revenues made available through Section 1, herein.

Appropriations:

Taxes Based on Revenue	\$1,059,572
Cost of Goods Sold	\$2,441,621
Total	\$3,501,193

Operating Expenses

Salaries & Wages	Total \$325,000
Board Member Per Diem	\$10,500
Employer Payroll Taxes	\$20,000
Retirement	\$10,000
Rent/Lease	\$70,500
Business Insurance	\$50,000
Repairs & Maintenance Agreements	\$16,000
Utilities / Phone / Internet	\$25,000
Store & Office Supplies	\$18,000
Travel Cost / ABC Truck	\$3,000
Legal & Audit / CPA	\$19,000
Education & Employee Training	\$1,500
Dues & Subscriptions	\$3,500
Bank & Credit Card Fees	\$55,000
License & Vehicle Tax	\$300
Miscellaneous /Contingency Funds	\$13,500
Total	<u>\$640,800</u>

EXHIBIT A

Total Estimated Expenses	\$4,141,993
Operating Income	\$464,840
Distributions:	
City	\$ 150,000.00
County	\$ 50,000.00
Law Enforcement	\$ 22,323.00
Alcohol Education & Rehab.	\$ 12,000.00
Total Distributions	\$234,323
 Working Capital Retained	 \$230,517
 Total Expense, Distribution & Reserve	 <u>\$4,606,833</u>

Section 3. Copies of this Budget Document shall be furnished to the [appointing authority], the state ABC Commission, and to the Budget Officer and Finance Officer to be kept on file by them for their direction in the disbursement of funds.

Adopted by the Brevard ABC Board on 6/27/2019.

Brevard ABC Board / FY2019 Budget Amendment

Budget Amendment:

This budget amendment is necessary to reflect the higher than expected revenues, taxes and cost of goods and slightly lower expenses.
Amended budget reflects the closing of an old store into a larger new store.

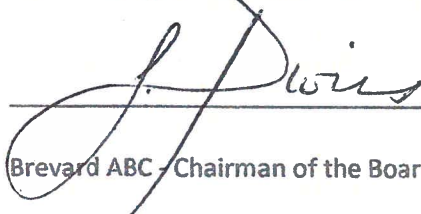
	original budget	budget amendment	revised budget
Estimated Revenues:			
Retail Sales	\$ 4,097,658	\$ 252,722	\$ 4,350,380
Other Income	\$ 100	\$ -	\$ 100
Total Revenue	\$ 4,097,758	\$ 252,722	\$ 4,350,480
Taxes Based on Revenue	\$ 942,484	\$ 227,524	\$ 1,170,008
Cost of Goods Sold:	\$ 2,171,812	\$ (21,812)	\$ 2,150,000
Total	\$ 3,114,296	\$ 205,712	\$ 3,320,008
Operating Expenses:			
Wages	\$ 304,000	\$ 11,000	\$ 315,000
Board Member Per Diem	\$ 10,500	\$ (600)	\$ 9,900
Employer Payroll Tax	\$ 26,000	\$ (7,500)	\$ 18,500
Retirement	\$ 16,000	\$ (3,250)	\$ 12,750
Rent/Lease	\$ 59,000	\$ -	\$ 59,000
Business Insurance	\$ 62,000	\$ (16,000)	\$ 46,000
Repairs and Maintenance Agreements	\$ 14,200	\$ 10,800	\$ 25,000
Utilities / Phone / Internet	\$ 21,000	\$ (1,391)	\$ 19,609
Store and Office Supplies	\$ 15,000	\$ 10,000	\$ 25,000
Travel Costs / ABC Truck	\$ 3,000	\$ (2,250)	\$ 750
Legal and Audit	\$ 16,000	\$ (300)	\$ 15,700
Education / Employee Training	\$ 1,500	\$ (125)	\$ 1,375
Dues and Subscriptions	\$ 2,200	\$ 19	\$ 2,219
Bank and Credit Card Charges	\$ 48,000	\$ 1,000	\$ 49,000
License and Vehicle Tax	\$ 300	\$ (35)	\$ 265
Miscellaneous / Contingency	\$ 13,500	\$ (13,500)	\$ -
Total Operating Expenses:	\$ 612,200	\$ (12,132)	\$ 600,068
Capital Outlay / Store Interior	\$ 3,000	\$ -	\$ 3,000.00
Total Estimated Expenses:	\$ 3,729,496	\$ 193,580	\$ 3,923,076
Operating Income	\$ 368,262	\$ 59,142	\$ 427,404
Profit Distributions:			
Law Enforcement	\$ 16,867	\$ 133	\$ 17,000
Alcohol Education	\$ 10,000	\$ (833)	\$ 9,167
City of Brevard (75%)	\$ 150,000	\$ -	\$ 150,000
Transylvania County (25%)	\$ 50,000	\$ -	\$ 50,000
Total	\$ 226,867	\$ -	\$ 226,167
Funds Retained for Working Capital	\$ 141,395	\$ -	\$ 150,000
Total Expense, Distribution & Reserve	\$ 4,097,758	\$ 252,722	\$ 4,350,480

The closing of the 63 Forest Gate Store(1,740 sq.ft.) and moving into the new location at 83 Forest Gate (4,400 sq.ft.) resulted in the following capital expenditures and will be classified as lease hold improvements. The required funds to open the new Pisgah Forest Store will be transferred from the board's Capital Reserve Fund.

Display Options: \$35,055.03
Moss Sign Company: \$10,800.00
McCall Technology: \$4,959.61
Brit & Tilson Glass: \$4,400.00
Carolina Data Systems: \$3,999.99
Project Capitalized Expenditures: \$59,213.64

Budget Amendment approved by Brevard Board of Directors June 27th, 2019

Copy of Budget Amendment sent to City of Brevard and NCABC.



Brevard ABC - Chairman of the Board of Directors



Brevard ABC - Budget Officer