

**MINUTES
BREVARD ABC BOARD
May 27, 2021**

Approved

Robinson: _____

Jones: _____

Pearsall: _____

Riecke: _____

The Brevard ABC Board met in regular session on Thursday, May 27, 2021 at 8:30 a.m. in the Council Chambers at City Hall.

Members Present: Jack Jaisler, Chair
 Tim Robinson
 Kevin Jones
 Frank Pearsall
 Ron Brewer

Members Absent: None

Guests: Larry Chapman, County Commissioner

Staff Present: Mark Balding, ABC General Manager
 Jackie Jarvis, Assistant Store Manager

A. Welcome & Call to Order

B. Quorum

Board Chair Jack Jaisler welcomed new Board Member Ron Brewer. He called the meeting to order at 8:28 a.m. and a quorum was noted.

C. Approval of Agenda

Motion by Mr. Jones, seconded by Mr. Pearsall to add an item for Public Comment to the agenda. The motion carried unanimously. Motion by Mr. Jones, seconded by Mr. Robinson to approve the agenda as amended. The motion carried unanimously.

D. Approval of Minutes

1. Minutes from Regular Session – April 22, 2021

Motion by Mr. Jones, seconded by Mr. Robinson to approve the minutes of the Regular Session meeting on April 22, 2021 as presented. The motion carried unanimously.

E. New Business

1. Manager's Report

Mr. Balding reported that April sales were up \$66,351 or 16% and that sales continue to increase. He pointed out that retail sales did flatten out somewhat, but mixed beverage sales were \$58,565

versus \$0 last year. Mr. Balding said the closure of BiLo has affected sales at the Pisgah Forest store and that sales were down \$13,000 in April compared to last year. May is trending down \$22,000 as of now, but he hopes to get some of that back from Memorial Day sales. Mr. Balding said he built in a 10% increase in the proposed FY22 Budget and if they can get something in the BiLo space this summer, we should have robust sales.

Law Enforcement Update: Mr. Balding, Mr. Jaisler and Mr. Jones met with Chief Harris, Sheriff Mahoney and Robert Shuler, and details for a patrol car were worked out. The law enforcement contract for FY22 has been approved and will remain with the Transylvania County Narcotics Task Force.

Capital Outlay Projects: Both stores are up and running with the new POS system. Phase 1 of the downtown store remodel has been completed and new tile will go in the lobby on May 30th. Phase 2 is scheduled for overnight June 15th. Phase 3 is scheduled for June 24th, 25th and the store will be closed on Monday, June 26th to complete the remodel.

2. Review and Approve Proposed Budget for FY22

Mr. Balding presented the proposed FY22 Budget for the Board's review (copy attached as Exhibit A). During discussion, Mr. Balding noted that the FY21 Budget Amendment is going to be rather extensive due to record sales and costs. Mr. Jones said he has reviewed the proposed FY22 budget and noted that it includes a projected increase in sales of 10%, which is consistent with our numbers. He noted that salaries/wages are also projected to increase by 10%. Mr. Jones said that for the past couple of years the proposed budget has actually been conservative. The original budget for this year was \$5.6M and that was a projected 10% increase from the previous year. It looks like we're going to end the year at roughly \$6M. Mr. Jones noted that the numbers are responsible, so he is proposing that we accept the recommended budget as what we will present for public hearing next month. He also proposed that the Board commit to once a quarter, checking back to the budget and seeing if we are in sync with it.

Motion by Mr. Jones, seconded by Mr. Pearsall to approve the proposed budget as presented. The motion carried unanimously.

Motion by Mr. Robinson, seconded by Mr. Brewer that once a quarter we commit to referring back to the budget during business review, so it becomes part of the year-over-year review as well as how are we doing to projections. The motion carried unanimously.

F. Public Comments

County Commissioner Larry Chapman expressed his appreciation to ABC Board members for what they do. He extended a welcome hand from the Board of Commissioners and said to let the County Manager know if there is anything the Board needs from the County. Mr. Chapman reported that they hope to finalize the County Budget in the next couple of weeks.

G. Unfinished Business

1. Review and Approve Accountant's Reports for April , 2021

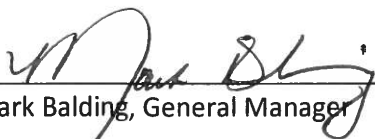
2. Review and Approve Reconciliations and Bank Statements for April, 2021

The accountant's report and reconciliation and bank statements for April, 2021 were circulated for signatures.

H. Adjourn

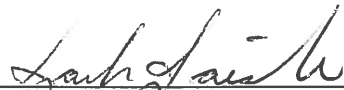
There being no further business the meeting adjourned at 9:12 AM.

Next regular meeting: The next meeting will be **Thursday, June 24, 2021 @ 8:30 a.m.**

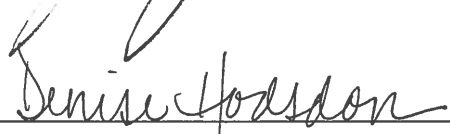


Mark Balding, General Manager

Minutes Approved: 6/24/2021, 2021



Jack Jaisler, Chair



Denise Hodsdon, Executive Assistant



Alcoholic Beverage Control Board
PO Box 1610 (828) 883-8128
Brevard, NC 28712 abcstore@comporium.net

Public Hearing on Proposed Budget

Notice is hereby given that a proposed budget has been submitted to the Brevard ABC Board, Brevard City Council, and the North Carolina ABC Commission for FY2022 ensuing operations. Detailed information regarding this budget is now on file in the General Manager's office at the downtown store for public review during normal business hours. The Brevard ABC Board will hold a public hearing on Thursday, June 24th, 2021 to consider this proposed budget. At that time, the public is free to voice their concerns or comments regarding this budget.

Public Hearing

Place: City Council Chambers / Brevard City Hall

Time: 8:30 a.m.

Mark R. Balding

General Manager

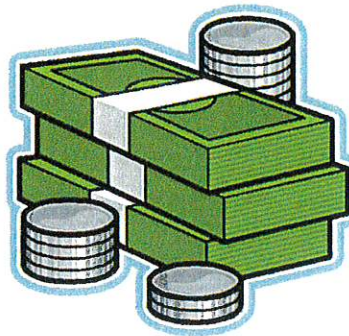
Brevard ABC Board

(828) 883-8128

Brevard

Alcoholic Beverage Control Board

FY2022



Board Members

Jack Jaisler – Board Chair

Tim Robinson

Kevin Jones

Frank Pearsall

Ron Brewer

General Manager

Mark Balding

Proposed Budget
Brevard ABC Board
Brevard, N.C. 28712

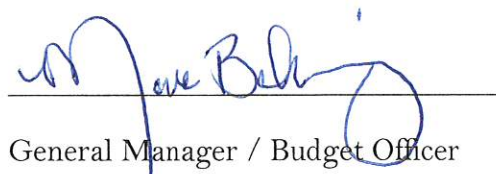
WHEREAS, the proposed budget for FY2021 was submitted to the Brevard ABC Board on May 27th, 2021 by the General Manager and filed with the City Clerk of Brevard and the N.C. ABC Commission on May 27, 2021.

WHEREAS, on June 24th, 2021, the Brevard ABC Board will hold a public hearing on the budget pursuant to G.S. 18B-702.

Proposed Budget Approved by Board on May 27th, 2021



Brevard ABC Board Chairperson



General Manager / Budget Officer



Alcoholic Beverage Control Board
PO Box 1610 (828) 883-8128
Brevard, NC 28712 abcstore@comporium.net

Mark Balding

General Manager

Budget Statement

May 25th, 2021

Dear City and County Residents,

The annual budget for the upcoming fiscal year (July 1ST, 2021 thru June 30th, 2022) has been prepared in accordance with North Carolina General Statute 18B-702 “financial operations of local boards”. Budget preparation and implementation are critical to any organization. This process is not only for estimating revenues and expenses, but also for prioritizing the needs of the Brevard ABC Board so we can continue our mission to effectively control the sale of alcoholic beverages while maximizing the financial contribution that we make to the community throughout the year. As you will see, this budget accomplishes those goals.

FY2021 Budget Overview

Revenue and Income

The budget projects revenue from liquor sales and other receipts to be \$6,573,700. Coming off one of the most challenging times in our history, which saw record sales in the midst of the lockdown for the COVID pandemic, we are well positioned to remain very strong from a profitability standpoint in FY22. Although, we anticipated a flattening of the growth curve, we are still seeing increased sales growth in comparison to record months this past year, but we do forecast a slowing of sales compared to the record year we are coming off of. Based on this, we still feel confident that a projected sales increase of 10% is attainable in the upcoming fiscal year.

Profit Distributions

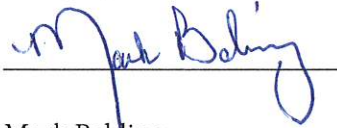
After all the expenses required to meet the needs of the business, our estimated profit will be \$688,788 before profit distributions. North Carolina ABC statutes require that the Brevard ABC Board distribute specific percentages of profits to the general funds of the City of Brevard and Transylvania County. This budget reflects \$200,000 of the board's profit going to the city and \$66,666 to the county. 5% of this profit is required by State Statutes to go to law enforcement and up to 5% can be expended toward alcohol education per Brevard's Appointing Authority. As we continue to support the ABC Commission's "Talk it Out" campaign in our effort to eliminate under age drinking, this budget sets aside \$12,000 for this initiative. We have also agreed on a new law enforcement contract for the upcoming year, which will keep our enforcement within the city and county through the Transylvania County Narcotics Task Force. We are excited to keep this in place. Remaining profits generated by the board will be directed to the board's cash working capital.

Human Resources / Staffing Levels

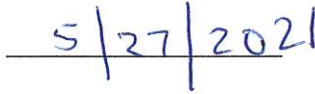
As we incurred record sales growth in FY2021, the need to add additional staffing was required. Last year's budget included 12 part-time and 2 full-time employees. As the year progressed, we had to react accordingly in adjusting our manpower to handle record sales. Going into the FY2022 budget year, the board will consist of 16 part-time and 2 full-time employees. This has obviously increased our labor costs and has resulted in a fairly significant adjustment in last years budget. This budget adds an additional \$95,000 increase in wages versus the underestimated wages in FY21 of \$370,500. All wages including board member per diem are projected to be \$465,500. It should be noted that the ABC Board approved a wage increase of \$1.00 per hour in support of the county's Living Wage Coalition that sets the rate at \$13.00 per hour. Entry level pay for part-time employees has been raised from \$12.24 an hour to \$13.25 an hour. The need to move a full-time Sales Clerk to a position supporting all inventory activities between both stores is part of this budget's wage increase.

This outlines our proposed budget. The Board and Staff of the Brevard ABC Board appreciate the opportunity to serve the City of Brevard and Transylvania County.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark Balding", written over a horizontal line.

Mark Balding

A handwritten date "5/27/2021" in blue ink, written over a horizontal line.

Date

General Manager

Jack Jaisler

A handwritten signature in blue ink, appearing to read "Jack Jaisler", written over a horizontal line.

ABC Board Chairperson

A handwritten date "5-27-2021" in blue ink, written over a horizontal line.

Date

BREVARD ABC BOARD

Budget Document

Fiscal Year 2022

The following budget establishing revenues and setting expense appropriations is hereby adopted and effective July 1, 2021 through June 30th, 2022

Section 1. Estimated Revenues. It is estimated that the revenues listed below will be available during the fiscal year beginning July 1, 2021 and ending June 30, 2022 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 (based on 10% increase)	\$6,573,600
Other Income	\$100
Total	\$0
	\$6,573,700

Appropriations:

Taxes Based on Revenue	\$1,511,951
Cost of Goods Sold	\$3,484,061
Total	\$4,996,012

Operating Expenses

	Total
Salaries & Wages / Board Per Diem	\$465,500
Employer Payroll Taxes	\$36,000
Retirement	\$20,000
Rent/Lease	\$105,000
Business Insurance	\$55,000
Repairs & Maintenance Agreements	\$16,000
Utilities / Phone / Internet	\$30,000
Store & Office Supplies	\$27,000
Travel Cost / ABC Truck	\$3,000
Legal & Audit / CPA	\$20,000
Education & Employee Training	\$600
Dues & Subscriptions	\$7,000
Bank & Credit Card Fees	\$85,000
License & Vehicle Tax	\$300
Miscellaneous /Contingency Funds	\$13,500
Total	\$883,900
Capital Outlay	\$5,000
Total Estimated Expenses	\$5,884,912
Operating Income	\$688,788

Distributions:

City	\$ 200,000.00
County	\$ 66,666.00
Law Enforcement	\$ 26,000.00
Alcohol Education & Rehab.	\$ 12,000.00
Total Distributions	\$304,666
Working Capital Retained	\$384,122
Total Expense, Distribution & Reserve	\$6,573,700

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.


Board Chair


General Manager

Adopted by the Brevard ABC Board on 5 / 27 / 2021

Adopted FY21 Budget

Proposed FY22 Budget

2021 Budget

2021 Budget

Estimated Revenues:

Retail Sales / Forecasting 10% Increase	\$ 5,387,023
Other Income	\$ 100
Total Revenue	\$ 5,387,123

Estimated Revenues:

Retail Sales / Forecasting 10% Increase	\$ 6,573,600
Other Income	\$ 100
Total Revenue	\$ 6,573,700

Appropriations:

Taxes Based on Revenue (23%)	\$ 1,239,038
Cost of Goods Sold: (53%)	\$ 2,855,175
Total:	\$ 4,094,213

Appropriations:

Taxes Based on Revenue (23%)	\$ 1,511,951
Cost of Goods Sold: (53%)	\$ 3,484,061
Total:	\$ 4,996,012

Operating Expenses

Wages / Board Per Diem	\$ 360,000
Employer Payroll Tax	\$ 28,800
Retirement	\$ 14,400
Rent/Lease	\$ 104,500
Business Insurance	\$ 55,000
Repairs & Maintenance Agreements (CDS, Cintas, McCall's Tech, Pye-Barker)	\$ 17,000
Utilities / Phone / Internet	\$ 25,000
Store and Office Supplies	\$ 22,000
Travel Costs / ABC Truck - Employees	\$ 3,000
Legal / Audit / CPA (Carland & Andersen, Gray & Molis)	\$ 19,000
Education & Employee Training	\$ 1,500
Dues and Subscriptions (League of Municipalities, N.C. ABC Assoc, Brevard Chamber, Sirius, Quickbooks)	\$ 7,000
Bank and Credit Card Charges	\$ 60,000
Miscellaneous / Contingency	\$ 13,500
License and Vehicle Tax	\$ 300
Total Operating Expense	\$ 731,000

Operating Expenses

Wages / Board Per Diem	\$ 465,500
Employer Payroll Tax	\$ 36,000
Retirement	\$ 20,000
Rent/Lease	\$ 105,000
Business Insurance	\$ 55,000
Repairs & Maintenance Agreements (CDS, Cintas, McCall's Tech, Pye-Barker)	\$ 16,000
Utilities / Phone / Internet	\$ 30,000
Store and Office Supplies	\$ 27,000
Travel Costs / ABC Truck - Employees	\$ 3,000
Legal / Audit / CPA (Carland & Andersen, McKellar, Rahn)	\$ 20,000
Education & Employee Training	\$ 600
Dues and Subscriptions (League of Municipalities, N.C. ABC Assoc, Brevard Chamber, Mood Mix, Quickbooks)	\$ 7,000
Bank and Credit Card Charges	\$ 85,000
Miscellaneous / Contingency	\$ 13,500
License and Vehicle Tax	\$ 300
Total Operating Expense	\$ 883,900

Capital Outlay / Store Interior	\$ 5,000
Total Estimated Expenses	\$ 4,830,213

Capital Outlay / Store Interior	\$ 5,000
Total Estimated Expenses	\$ 5,884,912

Operating Income	\$ 556,910
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Profit Distributions

Law Enforcement	\$ 23,500
Alcohol Education	\$ 12,000
Adjusted Profit	\$ -
City of Brevard	\$ 150,000
Transylvania County	\$ 50,000
Total:	\$ 235,500

Funds Retained for Working Capital	\$ 321,410
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Total Expense, Distribution & Reserve	\$ 5,387,123
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Operating Income	\$ 688,788
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Profit Distributions

Law Enforcement	\$ 26,000
Alcohol Education	\$ 12,000
Adjusted Profit	\$ -
City of Brevard	\$ 200,000
Transylvania County	\$ 66,666
Total:	\$ 304,666

Funds Retained for Working Capital	\$ 384,122
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Total Expense, Distribution & Reserve	\$ 6,573,700
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