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Brevard ABC Board Meeting

February 19, 2013, 2013 (combined January and February meeting)

8:15 a.m. ABC Store Conference Room

Members/Staff Present: Chairman Tracey Love, Brian Philips, Roy Cowan, Milton Tynch, and General Manager Mark Balding.

Chairman Love opened the meeting and welcomed all present. She noted that there was no January meeting due to lack of a quorum, and January and February business would be covered in this meeting.

Mr. Tynch moved to approve the December regular monthly meeting minutes, seconded by Mr. Cowan. The motion carried.

Ms. Love presented the law enforcement report: no reported activity "due to adverse weather and other issues."

Mr. Cowan moved to approve the December and January financials (bank statements and reconciliation statements) and monthly accountant reports, seconded by Mr. Philips. The motion carried.

Due to board member scheduling conflicts, the board found it necessary to change its monthly meetings to the third Thursday of the month at 8:15 a.m. Mr. Tynch moved to approve, seconded by Mr. Cowan, and the motion carried.

Mr. Balding presented the manager's report:

- Mr. Balding will meet with Christine Caldwell, HR Manager for the City, to discuss the employee performance evaluation system and related employee services.
- The store has implemented the new Inventory and Store Management System.
- Mr. Balding proposed reinstating the Easter Monday holiday. Sales of the last three years have averaged a modest \$5,413. Mr. Cowan moved to reinstate the holiday, seconded by Mr. Tynch. The motion carried.
- December net sales for the combined stores were up 8%, or \$319,261.56, over December 2012 sales. December 2013 sales included one less Saturday than December 2012.
- January combined net sales were \$213,919.95, up 16%, or \$29622.89 over January 2013.
- The amended return filed for overpayment of Excise Taxes in June 2013 resulted in a return of \$5,483.78, which the NCDOR applied to the August 2011 penalty for "failure to file." [See manager's summary memo for a detailed breakdown of penalties.] Mr. Balding is filing NC-242s on each penalty, which is an "Objection and Request for Departmental Review (State Appeals Process.)"
- The switch to North American Merchant Services will occur March 1, bringing with it for the first time PCI compliance, which provides compliance in cases of credit card fraud. The addition of PCI will result in annual cost savings of the \$720 for combined stores.
- After discussion and value analysis, payroll will stay in house, with direct deposit being done using Quickbooks.
- Downtown lease renewal request was due in writing by January 31, with the final five years becoming effective 4/1/14. Final five years of lease incur a 5% increase at a rate of \$2,200.

- A scheduled HVAC service call at the PF store revealed problems (holes rusted in heat exchanger) that resulted in installation of a new unit, paid for by landlord, Chris Tull, at a cost of \$6,000.
- Storewide inventories were performed Sunday, January 26. Monthly inventory will now be accomplished using the new Inventory and Store Management System.
- On January 22, 2014, the Brevard store received the first truck shipment that separates the deliveries to the two stores, providing a more accurate snapshot of overall financial performance, as well as eliminating daily pick lists needed for PF and constant inventory adjustments in BOSS.
- LB&B (State ABC Warehouse) has not been very cooperative in coordinating a weekly truck delivery.
- Due to a scheduling conflict, the 2013 compiled accountant's report was not available.
- Mr. Balding is working with the state warehouse to change to weekly deliveries, rather than the current schedule of deliveries every other week.

Mr. Cowan moved to adjourn, Mr. Philips seconded, and the motion carried.

The next meeting is scheduled for Thursday, March 20, 2014 at 8:15 a.m.

Milton Tynch, Jr.
Secretary