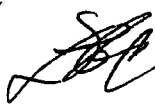


Brevard ABC Board Meeting

June 19, 2014

8:30 a.m. ABC Store Conference Room

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

MT  

Chairman Love opened the meeting and welcomed all present.

Mr. Balding presented the proposed budget for FY2014-2015. Mr. Philips moved to approve, seconded by Mr. Tynch, and the motion was approved.

Mr. Balding also presented the final revised budget for the 2014 fiscal year, noting that a previous amendment has been necessary due to the store's needing to purchase a truck and higher than expected revenues and lower expenses. Mr. Philips moved to approve the final revised budget, seconded by Mr. Austin, and the motion was approved.

Mr. Philips moved to approve the May 15 regular monthly meeting minutes and the May 21 Special Called Meeting seconded by Mr. Tynch. The motion carried.

Mr. Tynch moved to approve the April monthly accountant's report, seconded by Mr. Austin, and the motion carried.

Mr. Austin moved to approve the May monthly accountant's report, and May financials (bank statement and reconciliation statement,) seconded by Mr. Tynch, and the motion carried.

Ms. Love presented the law enforcement report: nothing of significance to the store to report.

Mr. Balding presented the manager's report:

- Accepted Brian Guinn's resignation. (last day worked was 6/7/14.) Michael Bradley will assume Mr. Guinn's position as sales clerk; Matt Galloway will assume more hours and fill Mr. Bradley's position.
- May sales up 13% over May 2013.
- Mr. Balding's analysis of American Express purchases revealed that the store would save ~\$1,500 per year by ceasing to accept the card. Rather than inconveniencing and alienating customers, the board suggested continuing to accept American Express.
- Perry Harper of Hammill Enterprises has agreed to extend our lease to 4/1/2024 if the board agrees to assist with store front modernization at a cost of \$18,000 to the store. This will require that the board begin setting aside funds for possible future relocation after 2024.
- Mr. Balding stated the need for a debit card for purchases of gas for the truck, store supplies, and subscription renewals such as Quickbooks. To date, Mr. Balding has been using his personal card and obtaining reimbursements from the store. Mr. Tynch moved to approve the issuance of a debit/card through United Community Bank, seconded by Mr. Philips, and the motion carried. This card is not to be used for cash advances. Ms. Love will make this request of UCB.

Mr. Phillips moved to adjourn, Mr. Tynch seconded, and the motion carried.
The next meeting is scheduled for Thursday, July 17, 2014 at 8:30 a.m.

Milton Tynch, Jr., Secretary

Desiree Perry

From: Brevard ABC Board <abcstore@citcom.net>
Sent: Thursday, June 19, 2014 12:35 PM
To: Desiree Perry; Lee Laurie; Tracey Love
Subject: Brevard ABC Board's Adopted FY2014-15 Budget
Attachments: brevardabc1415budget.pdf; brevardamemdment1415.pdf

Good afternoon! Attached is the adopted budget for FY2014-15 for your files. Also attached is Brevard's final budget amendment that was approved. Please give me a call with questions or concerns. Have a great day!!

Mark Balding
General Manager
Brevard ABC Board
(828) 883-8128
(828) 243-0096 Cell

Brevard

Alcohol Beverage Control Board

FY2014 - 2015 Proposed Budget

Board Members

Tracey Love, Chairperson

Milton Tynch

Cameron Austin

Leroy Cowan

Brian Phillips

General Manager

Mark Balding

Brevard
Alcohol Beverage Control Board

Mark R. Balding

Budget Statement

General Manager

May 29th, 2014

Dear City and County Residents,

The annual budget for the fiscal year July 1, 2014 through June 30, 2015 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.

FY2014-15 Budget Overview

Revenue and Income

The budget reflects revenue from the sale of spirituous liquor and wine to be \$3,387,050.00. Since the opening of a second retail store on June 1, 2013, the Brevard Board has seen an average increase in revenue of 13.8% over the last 11 months verses the previous year. It should be noted also, when looking back over the last 10 years, revenue from liquor sales has seen an average increase of 5.5% across the State over those 10 years with no year seeing a decrease in revenue. Based on these numbers, the revenue projection in this budget is reflecting an increase of 5.5% over last year. With our new outlet going into it's second year and based on the last 10 year history of liquor sales across the State, we feel a 5.5% revenue increase is indeed attainable.

Profit Distributions

The Brevard ABC Board has budgeted \$224,496 to go to the City of Brevard's general fund and \$74,823 to the County's general fund. This is up significantly over last year as distributions were negatively impacted by the cost involved in opening the 2nd retail outlet. The projected profit distributions for the upcoming year were also enhanced by the Board's employees and their ideas to cut cost where it was possible and maximize profits through hard work with an emphasis on continuous improvement. This has maximized our efficiency as a team on a daily basis.

Human Resources / Employee Compensation

The Brevard ABC Board operates two retail outlets and employees 12 people (4 full-time and 8 part-time employees). The Board is made up of (5) City appointed members. Employee compensation in the upcoming budget is based on a "Pay for Performance" basis and reflects \$6,700 being budgeted for potential performance compensation.

Alcohol Education

In compliance with the State ABC Commission, the City's Charter allows up to, but no more than 5% of profits to be distributed for education in our community. This is optional and we have not set aside funds for education in previous years. With a new campaign now in place across our State and greater resources being made available to combat underage drinking by ABC Commission Chairman, Mr. Jim Gardner, we feel as a Board it is an excellent time to begin expending more funds for education in our community. We have budgeted \$3,500 this year and will direct these funds for alcohol education at our local high schools. \$15,000 has been budgeted for alcohol law enforcement in our community for the upcoming year.

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 black ink, appearing to read "Mark Balding", with a stylized flourish at the end.

Mark Balding

General Manager

BREVARD ABC BOARD

Proposed FY2014 - FY2015 Budget

	Budget
Estimated Revenues:	
Sales	\$ 3,386,550
Other Income	\$ 500
Total Revenue	\$ 3,387,050
 Appropriations:	
Taxes Based on Revenue	\$ 795,956
 Cost of Goods Sold:	 \$ 1,744,330
 Operating Expenses	
Wages	\$ 245,000
Board Member Per Diem	\$ 8,400
Employer Payroll Tax	\$ 21,780
Retirement	\$ 14,250
Unemployment Tax	\$ 10,000
Rent/Lease	\$ 52,456
Business Insurance	\$ 61,500
Repairs & Maintenance Agreements	\$ 6,000
Store Front Upgrades	\$ 18,000
Utilities / Phone / Internet	\$ 19,600
Store and Office Supplies	\$ 13,000
Legal and Audit	\$ 16,000
Travel / Education	\$ 800
Dues and Subscriptions	\$ 1,650
Bank and Credit Card Charges	\$ 28,500
Miscellaneous / Contingency	\$ 12,000
Total Operating Expense	\$ 528,936
 Total Estimated Expenses	 \$ 3,069,222
 Profit	 \$ 317,828
 Profit Distributions	
City	\$ 224,496
County	\$ 74,823
Alcohol Education	\$ 3,500
Law Enforcement	\$ 15,000
Total:	\$ 317,819
 Total Expense, Distribution & Reserve	 \$ 3,387,050

Annual Proposed Budget

Brevard ABC Board

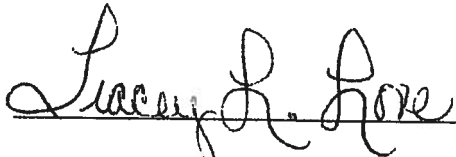
Brevard, North Carolina

WHEREAS, the proposed budget for FY2014-15 was submitted to the Brevard ABC Board on June 1st, 2014 by the General Manager and filed with the City Clerk of Brevard and the N.C. ABC Commission on June 2, 2014;

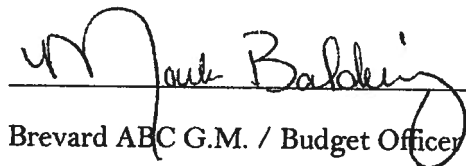
WHEREAS, on June 19th, 2014, the Brevard ABC Board held a public hearing on the budget pursuant to G.S. 18B-702 ;

WHEREAS, on June 19th, 2014, 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 19th, 2014.



Brevard ABC Board Chairperson



Brevard ABC G.M. / Budget Officer

2nd BUDGET AMENDMENT

BREVARD ABC

Fiscal Year 2014

Budget Amendment:

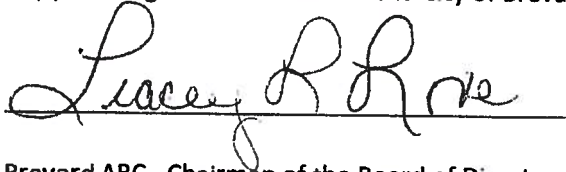
This budget amendment is necessary to reflect the higher than expected revenues and lower expenses.

	original budget		budget amendment	revised budget
Estimated Revenues:				
Sales	2,774,500		325,500	3,100,000
Other Income	500		2,400	2,900
Total Revenues	2,775,000		327,900	3,102,900
 Appropriations:				
Taxes Based on Revenue	675,000		53,000	728,000
 Cost of Goods Sold:	1,470,000		111,000	1,581,000
 Operating Expenses:				
Casual Labor	0		1,450	1,450
Insurance Expense	74,000		(19,014)	54,986
Supplies Office Expense	14,600		600	15,200
Credit Card Discount Expense	27,000		6,377	33,377
Maintenance Agreements	8,500		(6,332)	2,168
Tax Penalties Expense	0		7,933	7,933
Payroll Expenses	46,400		-	46,400
Salaries	265,000		-	265,000
Rent	54,000		-	54,000
Repair & Maint. General	6,500		-	6,500
Heat & Light Expense	19,000		-	19,000
Travel Expense	3,000		-	3,000
Legal & Audit	20,000		-	20,000
	0		-	-
Total Operating Expenses:	538,000		(8,986)	529,014
	92,000			264,886
Distributions:				
Profit Distribution: County	20,000	0.2	22,501	42,501
Profit Distribution: City	60,000	0.7	67,504	127,504
Law Enforcement	12,000	0.1	-	12,000

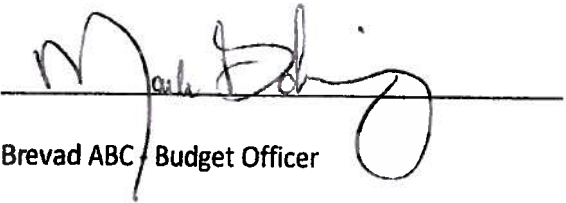
	0	-	-
Total Distributions	92,000	90,005	182,005
Working Capital Retained:	0	82,881	82,881
Total Expense, Distribution & Reserve	2,775,000	327,900	3,102,900

Budget Amendment approved by Brevard Board of Directors June 4th, 2014

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



Brevard ABC - Chairman of the Board of Directors



Brevard ABC Budget Officer