

MINUTES
BREVARD ABC BOARD
May 27, 2015

The Brevard ABC Board met in regular session on Wednesday, May 27, 2015 at 8:40 a.m. in the City Hall Administrative Conference Room.

Members Present: Tracey Love - Chair
 Brian P. Philips
 Cameron K. Austin
 LeRoy H. Cowan

Staff Present: Mark Balding – ABC General Manager
 Chiffon Hwang – Recording Secretary

Welcome & Introduction

At 8:40 a.m., Ms. Love called the meeting to order.

Conflict of Interest Statement

Mr. Balding covered Conflict of Interest Statement before going into agenda. After reading the statement aloud, he asked if a member had a conflict with any agenda items, and members replied, “No.”

Approval of Minutes

Motion was made by Mr. Cowan to approve minutes from May 14th, seconded by Mr. Philips. Motion carried.

New Business

The April Law Enforcement Report reflected that one traffic stop was made, and a citation was issued for underage possession of liquor.

The accountant’s report is that the percentage profit for April was about 7%. The ABC Commission’s profit target for Boards is 6.5%.

Motion to approve accountant's report, bank reconciliation, and bank statement. Mr. Cowan second, motion carried.

April retail sales up 6.1% in comparison to last year. Restaurant and mixed beverage sales up over \$10K as well. April has been the best month to date for this fiscal year in regards to increased sales versus last year. Current May sales are up \$5K, but were down \$4K this Memorial Day versus last May. The ABC Store in Pisgah Forest set a sales record of almost \$8K on May 23.

Sales across the State were up 9.8% versus last April.

The Committee is still exploring all options regarding the alcohol education program that was brought to their attention last meeting by guest speaker Karen Gorman. Ms. Gorman will present to the board three to four options that she believes will be most effective. Mr. Balding has set aside 5% (\$11,416) in the proposed budget, but still feels that they will most likely not use the entire amount unless something strong and effective is introduced.

The amended budget for FY2015 was reviewed. Mr. Balding wanted to bring to the Committee's attention that store signage, equipment purchases, and additional shelving had been moved from line item expense to capital outlay. Also, operating expenses, including wages, Board member per diem, and bank credit card charges are slightly higher than budgeted. Please see attached **Exhibit A** for more details. Mr. Cowan made a motion to accept the amended budget, seconded by Mr. Austin, motion carried.

Proposed FY2016 budget was reviewed. Mr. Balding forecast a conservative 1.5% sales increase. Going down the figures under operating expenses, Mr. Balding communicated that wages in the FY2016 budget reflected an additional 8% to support the new employee evaluation system developed by the Board. The new performance evaluation system will be implemented on July 1st for both full time and part time employees. Also, additional expenses are included in the proposed budget to become EMV compliant. Effective October 1st, all ABC Stores will be required to support EMV (ID chips in credit cards) for increased security. This will require approximately \$4,500 to make the transition. New point of sale software and credit card readers will have to be installed. Carolina Data Systems, who provides point of sale software and equipment for 128 North Carolina Boards, will be assisting in the security transition. Please see attached **Exhibit B** for more details on the above mentioned topics and all other.

Reviewed first draft of the Employee Performance Evaluation for General Manager. Mr. Austin and Mr. Cowan brought up the areas that needed to be changed/corrected. Mr. Cowan will make all the changes to the forms, and email it to Mr. Balding. He also suggested at they go over the form again next month in a closed meeting for finalization.

Next meeting, board will hold a public hearing to present proposed budget and adopt the FY2016 budget. Mr. Balding will send out a media notice two weeks prior to that meeting. Board will also review and adopt the revised evaluation form for the general manager's position.

Adjourn

There being no further business, Mr. Cowan made a motion to adjourn, seconded by Mr. Philips, the Board voted unanimously to adjourn at 9:45 a.m.

Next regular meeting: June 24, 2015 @ 8:30 a.m.

S/ _____
Mark Balding, General Manager

S/ _____
Tracey Love, Chair

S/ _____
Chiffon Hwang, Recording Secretary

Minutes Approved: June 24, 2015

Approved

Austin: N/A

Cowan: N/A

Philips: S/

Geraldine Dinkins: S/

Budget Amendment
BREVARD ABC
Fiscal Year 2015

Budget Amendment: *This budget amendment has been prepared to account for a change from revenues based on net sales that should have been retail sales, a decrease in anticipated retail sales for the year and the resulting lower taxes and cost of goods sold. In addition, operating expenses including wages, Board member per diem, and bank charges are higher than anticipated. Capital outlay for store signage, equipment purchases and additional shelving have been moved from expenses to capital outlay. As a result of the above, distributions have been adjusted to meet required distributions.*

	original budget	budget amendment	revised budget
Estimated Revenues:			
Revenues based on net sales	3,386,550	(3,386,550)	-
Revenues based on retail sales	-	3,149,491	3,149,491
Revenues reflecting actual sales	-	(123,946)	(123,946)
Other Income	500	-	500
Total Revenues / Retail	3,387,050	(361,005)	3,026,045
Appropriations:			
Taxes Based on Revenue	795,956	(84,836)	711,120
Cost of Goods Sold:	1,744,339	(185,918)	1,558,421
Profits before operating expenses:	846,755	(90,251)	756,504
Operating Expenses:			
Wages	245,000	6,700	251,700
Board Member Per Diem	8,400	2,100	10,500
Employer Payroll Tax	21,780	(635)	21,145
Retirement	14,250	(2,704)	11,546
Unemployment Tax	10,000	(5,990)	4,010
Rent/Lease	52,456	(42)	52,414
Business Insurance	61,500	3,624	65,124
Repairs and Maintenance Agreements	6,000	(4,815)	1,185
Store Front Upgrades	18,000	(18,000)	-
Utilities / Phone / Internet	19,600	(2,744)	16,856
Store and Office Supplies	13,000	-	13,000
Legal and Audit	16,000	-	16,000
Travel / Education	800	-	800
Dues and Subscriptions	1,650	-	1,650
Bank and Credit Card Charges	28,500	4,982	33,482
Miscellaneous / Contingency	12,000	(12,000)	-

Exhibit A Cont'd

Total Operating Expenses:	528,936	(29,524)	499,412
Working Capital Outlay			
Store Remodel / LED Signage	-	34,000	34,000
Office Equipment Replacement	-	3,500	3,500
Store Equipment / Additional Shelving	-	665	665
Total:	-	38,165	38,165
Profits Before Distributions:	317,819	(98,892)	218,927
Distributions:			
Profit Distribution: County	74,823	(25,350)	49,473
Profit Distribution: City	224,496	(70,167)	154,329
Law Enforcement	15,000	(3,500)	11,500
Alcohol Education	3,500	125	3,625
Total Distributions	317,819	(98,892)	218,927
Total Expense, Distribution & Reserve	3,387,050	(361,005)	3,026,045

BREVARD ABC BOARD

Proposed FY2015 - FY2016 Budget

	Budget
Estimated Revenues:	
Retail Sales	\$ 3,070,928
Other Income	\$ 500
Total Revenue	\$ 3,071,428
Appropriations:	
Taxes Based on Revenue	\$ 706,428
Cost of Goods Sold:	\$ 1,566,428
Operating Expenses	
Wages	\$ 270,000
Board Member Per Diem	\$ 11,250
Employer Payroll Tax	\$ 22,500
Retirement	\$ 14,250
Unemployment Tax	\$ 5,500
Rent/Lease	\$ 53,250
Business Insurance	\$ 69,500
Repairs & Maintenance Agreements	\$ 16,000
Utilities / Phone / Internet	\$ 20,000
Store and Office Supplies	\$ 13,000
Legal and Audit	\$ 17,000
Travel / Education	\$ 1,750
Dues and Subscriptions	\$ 1,750
Bank and Credit Card Charges	\$ 34,500
Miscellaneous / Contingency	\$ 20,000
Total Operating Expense	\$ 570,250
Total Estimated Expenses	\$ 2,843,106
Profit	\$ 228,322
Profit Distributions	
Law Enforcement	\$ 11,500
Alcohol Education	\$ 11,416
Adjusted Profit	\$ 205,406
City of Brevard (75%)	\$ 154,055
Transylvania County (25%)	\$ 51,352
Total:	\$ 228,322
Total Expense, Distribution & Reserve	\$ 3,071,428