

MINUTES
BREVARD ABC BOARD
January 26, 2023

Approved
Jaisler: <u> </u>
Pearsall: <u> </u>
Brewer: <u> </u>
Mooney: <u> </u>

The Brevard ABC Board met in regular session on Thursday, January 26, 2023 at 8:30 a.m. in the Council Chambers at City Hall.

Members Present: Kevin Jones, Chair
Jack Jaisler
Frank Pearsall
Ron Brewer
Carl Mooney

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

Guest: Kristen Gentry, C.A.R.E. Coalition

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

Board Chair Kevin Jones called the meeting to order at 8:31 a.m. and a quorum was noted.

- C. Approval of Agenda**

Motion by Mr. Jaisler, seconded by Mr. Pearsall to approve the agenda as presented. The motion carried unanimously.

- D. Approval of Minutes**

1. Minutes from Regular Session – December 22, 2022

Motion by Mr. Jaisler, seconded by Mr. Pearsall to approve the minutes of the Regular Session meeting on December 22, 2022 as presented. The motion carried unanimously.

- E. C.A.R.E. Coalition Update – Kristen Gentry**

CARE Coalition Program Director Kristen Gentry updated the Board on the Coalition’s ABC Board-supported initiatives in 2022, which included:

- CARE Coalition Open House 2022
- Teen Health Connection Summit 2022
- Prevention Intern
- Youth-Led Behavioral Health PSAs
- Reconnect for Resilience Training
- Youth –Led “From Grief to Gratitude”

Ms. Gentry presented the CARE Coalition’s Youth Substance Misuse Prevention – ABC

Proposal for FY2022-2023, which includes the following:

• Voice of the Students meeting & food events	\$2,000
• CARE Member Appreciation	\$ 500
• Teen Health Connection Summit	\$1,275
• Advertising supplies for "Talk It Out"	\$3,000
• Bottle Locks	\$ <u>920</u>
TOTAL REQUEST	\$7,695

Following discussion, Mr. Pearsall moved, seconded by Mr. Brewer to approve the CARE Coalition proposal as presented and fund the request in the amount of \$7,695. The motion carried unanimously.

F. New Business

1. Manager's Report / Sales Update

Mr. Balding reported that December sales were up \$17,294 or 2.5%. Year to Date FY23 Net Sales are up \$65,760 over FY22 and FY23 Mixed Beverage Sales are up \$64,675 over FY22. Year to Date Profit is at 9.4%. Store #1 sales are up \$64,803, and Store #2 sales are down \$13,719. Mr. Balding noted that due to no power at Store #2 all day on Christmas Eve, sales for that day were down \$15,000 from last year.

Mr. Jones reviewed an FY2023 Budget Amendment (copy attached). He explained that the biggest adjustment is for vehicle expense due to the purchase of a Chrysler Pacifica van to use for delivery of mixed beverage orders, which was not in the original budget. Additional expenses have to do with repairing and repainting the existing box truck which is still being used. Adjustments for capital outlay include furniture for the conference room in Store #1 and additional shelving for Store #2. The final adjustment is for the increase in profit sharing for the fiscal year by \$40,000 to the City and \$13,333 to the County. Motion by Mr. Mooney, seconded by Mr. Brewer to approve the FY2023 Budget Amendment. The motion carried unanimously.

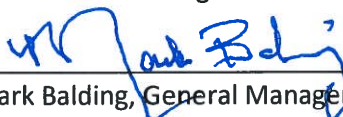
G. Unfinished Business

1. Review and Approve December Financial Report and Bank Statements

The financial reports for December 2022 were reviewed and circulated for signatures.

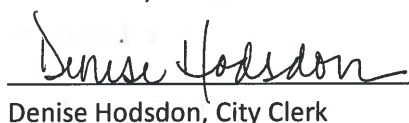
H. Adjourn

There being no further business the meeting adjourned at 9:24 AM.


Mark Balding, General Manager


Kevin Jones, Chair

Minutes Approved: February 23, 2023


Denise Hodsdon, City Clerk



Alcoholic Beverage Control Board
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Brevard, NC 28712 abcstore@comporium.net

FY2023 Budget Amendment



EXPLANATIONS FOR ITEMS IN AMENDED BUDGET

VEHICLE EXPENSES: From \$6000 to \$37600. In 2021 the North Carolina Legislature passed a law requiring ABC boards to offer delivery service to all wholesale customers. This became effective July 1 2022. The customers who have been requiring delivery are in mountainous terrain and our existing box truck does not handle mountain roads all that well. As employees using their personal vehicles would create insurance problems, it was decided to purchase a used Chrysler Pacifica to handle. This was an unbudgeted expense as we did not foresee the impact of the legislation during our 2022-2023 budget process. Cost of new vehicle \$21,616. Original Repairs and repaints have been ordered on the existing truck for an additional \$6000.

Capital outlay from \$7500 to \$11,800.

1-The opportunity to use long term inventory purchases during wholesale sales to increase gross profit is placing greater strain on storage abilities. One sales friendly solution is to add shelving in the store themselves, creating more visibility plus in store storage. Cost is \$9220.

2-Furniture for main store conference room was configured in the capital outlay and still is at \$3000.

Profit Sharing from \$266,666 to \$320,000

Brevard ABC board is nearing the maximum of retained profit allowed. The process to create a capital accumulation fund has been started. In the meantime we are required to increase profit sharing for the fiscal year by \$40,000 to the city and \$13,333 to the county.

FY23 ADOPTED BUDGET		Increase	FY23 AMENDED BUDGET	
Estimated Revenues:			Estimated Revenues:	
Retail Sales	\$ 6,352,500		Retail Sales	\$ 6,352,500
10% Increase in Sales			10% Increase in Sales	
Other Income			Other Income	
Total Revenue	\$ 6,352,500		Total Revenue	\$ 6,352,500
Appropriations:			Appropriations:	
Taxes Based on Revenue (23%)	\$ 1,461,075		Taxes Based on Revenue (23%)	\$ 1,461,075
Cost of Goods Sold: (52%)	\$ 3,303,300		Cost of Goods Sold: (52%)	\$ 3,303,300
Credit Card charges	\$89,500		Credit Card charges	\$89,500
Total Cost of Sales	\$ 4,853,875		Total Cost of Sales	\$ 4,853,875
Gross Profit	\$ 1,498,625		Gross Profit	\$ 1,498,625
Employee Expenses			Employee Expenses	
Wages / Board Member Per Diem	\$ 500,320		Wages / Board Member Per Diem	\$ 500,320
Employer Payroll Tax	\$ 38,274		Employer Payroll Tax	\$ 38,274
Retirement	\$ 20,000		Retirement	\$ 20,000
Total Employee costs	\$ 558,594		Total Employee costs	\$ 558,594
Profit After Employee Expense	\$ 940,031		Profit After Employee Expense	\$ 940,031
Building and Utilities			Building and Utilities	
Rent/Lease	\$ 111,000		Rent/Lease	\$ 111,000
Business Insurance	\$ 60,000		Business Insurance	\$ 60,000
Repairs & Maintenance Agreements	\$ 24,000		Repairs & Maintenance Agreements	\$ 24,000
Vehicle Expense	\$ 6,000	\$ 31,600	Vehicle Expense	\$ 37,600
General Repairs	\$ 12,000		General Repairs	\$ 12,000
Utilities / Phone / Internet	\$ 30,000		Utilities / Phone / Internet	\$ 30,000
Contingency	\$ 15,000		Contingency	\$ 15,000
Total Building Expense	\$ 258,000		Total Building Expense	\$ 289,600
Profit after Employee and Building	\$ 682,031		Profit after Employee and Building	\$ 650,431
Interior and daily			Interior and daily	
Store and Office Supplies	\$ 27,000		Store and Office Supplies	\$ 27,000
Travel Costs / ABC Truck - Employees	\$ 2,000		Travel Costs / Vehicles - Employees	\$ 2,000
Legal / Audit / CPA	\$ 20,000		Legal / Audit / CPA	\$ 20,000
Repair and General Maintenance	\$ 10,000		Repair and General Maintenance	\$ 10,000
Education & Employee Training	\$ 600		Education & Employee Training	\$ 600
Dues and Subscriptions	\$ 5,000		Dues and Subscriptions	\$ 5,000
License and Vehicle Tax	\$ 300		License and Vehicle Tax	\$ 300
Capital Outlay	\$ 7,500	\$ 4,300	Capital Outlay	\$ 11,800
total interior and operations	\$ 72,400		total interior and operations	\$ 76,700
Profit after all expense	\$ 609,631		Profit after all expense	\$ 573,731
Total Operating Expense	\$ 888,994		Total Operating Expense	\$ 924,894
Operating Income	\$ 609,631		Operating Income	\$ 573,731
Profit Distributions			Profit Distributions	
Law Enforcement	\$ 32,000		Law Enforcement	\$ 32,000
Alcohol Education	\$ 15,000		Alcohol Education	\$ 15,000
City of Brevard	\$ 200,000		City of Brevard	\$ 240,000
Transylvania County	\$ 66,666		Transylvania County	\$ 80,000
Total:	\$ 313,666		Total:	\$ 367,000
Net Income / Funds Retained	\$ 295,965		Net Income / Funds Retained	\$ 206,731