

# MINUTES

## **Indian Trail Alcoholic Beverage Control Board**

Law Offices of Goodwin & Hinson, PA

May 19, 2011 6:30 PM

**Board Members:** Ken Porter- Chairman, Wes Hinson, Jan Brown

**Attendees:** Nancy Ratcliffe, Charles Fowler

### **Call to Order**

The meeting was called to order by Wes Hinson at 6:30 PM. Ken Porter arrived shortly after meeting was called to order.

### **Presentation**

Request made by Ken Porter to add e) Bank Update. Motion made by Jan Brown to accept updated agenda, seconded by Ken Porter, and approved unanimously. Ken Porter opened the floor for public comments, but there were none.

### **Approval of Minutes**

Meeting Minutes for March 17 were reviewed by board members. Motion made by Wes Hinson to revise second paragraph of Board Discussion & Possible Action regarding regularly scheduled meetings and approve minutes with revision, seconded by Ken Porter and passed unanimously.

### **Store Business and Sales Reports**

- Nancy Ratcliffe provided April statements. Ken advised that that the current statement is undergoing revisions because of inventory adjustments and depreciation. Ken highlighted some numbers: Year-to-Date Sales (with exception of depreciation) are \$1,047,179.00, gross profits 32.96%, total cost of sales is \$400,863.87 & 38.28%, expenses are holding at 20% of gross profit. With adjustments made to date, it appears that store is retaining 12.72% of net income.
- Ken advised that Nancy has been accumulating her time for store bookkeeping because there is not an in-store bookkeeper. The \$1500-\$1800 that was originally budgeted is not going to hold, because of extra duties that Nancy has been performing for the ABC Board. Ken said \$2,000.00 is a more realistic amount and is a reasonable deal for the board, considering the services Nancy is providing. Board agreed unanimously. Ken and Nancy are in communication 3-4 times a week relative to records, presentation, and practices to make this the best ABC Board in the state.
- Ken projects that based on year-to-date numbers for the new store, they should be able to pay their loans back in 3-5 years, depending on contributions. Thanks to the efforts of the Board, Nancy, and Charles, Ken believes that the store is off to a great start and will become the record-setting, flagship store that they desire.

### **Site Warehouse Expansion**

- Wes Hinson provided Board with update that original landlord upfit reimbursement check for \$134,000.00 has been received and deposited to payoff and cancel upfit loan.
- Amendment/Addendum to the store lease that was approved at last board meeting has been submitted to landlord. We are waiting on signed copy back from landlord.

- Wes pre-submitted the required building plans to the landlord for their review. They have already been reviewed and written approval of building plans has been received, so they are just waiting for the approved lease addendum.
- The landlord is allowing \$20,000 for new warehouse space and the Board has accepted a bid from Maxco for upfit contract estimate of \$18,830.00. Jan Brown advised that he has already begun work on acquiring the needed permits.
- Jan Brown reported to Board that a water problem has been found in the existing part of the store that will require tearing up the floor to find and repair the problem. An investigation is being done now to determine the source of the water problem and if the repair is the responsibility of the landlord. Jan is arranging for this work to be done on a Sunday, so as not to disturb business. Some of the flooring can be saved and there is some leftover from the original store upfit, but some additional flooring may need to be purchased. Also, if concrete work has to be done outside as a part of the repair, there is discussion of adding an ADA/handicap accessible ramp for the front of the store at that time.

### **Store Personnel Issues**

- Mr. Fowler reported that the termination and transition went well. Will is doing great and is very conscientious of doing things right. He said Melissa is doing a tremendous job and stepping up to the tasks assigned. He said both are very appreciative of the opportunity they've been given and are willing to learn. Mr. Fowler is also cross-training other associates to help with productivity. He feels there is now a much better morale and sense of teamwork among the associates in the store.

**Ken Porter made a motion to move agenda item e) Bank Update up before d) Store Financials, Distributions, and Annual Budget Prep. Seconded by Wes Hinson and approved unanimously.**

### **Bank Update**

- Wes Hinson has been working with Richard Jones at the bank regarding a desperately needed Landlord Subordination Agreement. Wes said the delay was a matter of getting the landlord and the bank on the same page, which has now been accomplished and the required document should be to Richard tomorrow.

### **Store Financials, Distributions, and Annual Budget Prep**

- Ken reported that he, Nancy, and Charles have met and torn apart the budget line by line, gone through all expenses, and compared them to other ABC Boards in the system. They feel the initial budget was a bit conservative and have revised the numbers based on the actual history and experience of the store. Ken reviewed the newly proposed budget in detail with the Board.
- Charles reported on progress with sales and mixed beverage accounts. He is continuing to acquire new accounts from local business.
- Charles also recommended the Board acquire a specific ALE Officer through the Union County Sherriff's Office or the State ALE office with the commission they pay.
- Nancy advised Board must decide how certain notes/loans (short and long term) are going to be paid off in order to determine budgeting going forward.
- Wes Hinson made a motion to have Ken Porter prepare the Budget Analysis to be presented to the Board with the budget by June 1. Seconded by Jan Brown and approved unanimously.
- Wes Hinson made a motion to approve the budget as presented. Seconded by Jan Brown and approved unanimously.

### **Board Discussion & Possible Action/Comments**

Letterhead will be emailed to Board for their review and approval.

Board discussed applications, fees/travel expenses and attendance for upcoming conference.

**Next Meeting**

Next meeting is June 30, 2011, at 6:30 PM at the Law Offices of Goodwin & Hinson, PA.

**Adjourn**

Motion to adjourn made by Jan Brown, seconded by Wes Hinson, and was passed unanimously.