

MINUTES

Indian Trail Alcoholic Beverage Control Board

Law Offices of Goodwin & Hinson, PA

May 24, 2012 6:30 PM

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

Attendees: Charles Fowler, Nancy Ratcliffe, Mayor Michael Alvarez, Paulette Cook, Gary D'Onofrio, Steven "Chip" Long

Call to Order

The meeting was called to order by Ken Porter at 6:30 PM.

Presentation

Wes made a motion to add specifically to the Public Comment portion of the agenda a time slot for each attendee that is applying to be a member of the ABC Board an allocated time by which to individually address the Board with anything they would like to say. Ken requested to add as item e) Budget Meeting Discussion. Both motions were seconded by Jan Brown, and approved unanimously.

Approval of Minutes

N/A

Public Comments

Ken Porter opened the floor for public comments and asked that each candidate applying to the Board take 2-5 minutes to speak. Gary D'Onofrio, previous member of IT Town Council, would like to stay involved in town activities because he is passionate about the Town of Indian Trail and feels it deserves the best representation and opportunities. He worked in past elections to get the Beer & Wine and ABC Store referendums on the ballot and passed. He understands the importance of transparency for a Board such as this, the difficulty of opening and operating an ABC Store, that it is different from other businesses, and commends the Board on their efforts so far. Chip Long, whose family has been in Union County for generations, welcomed the revenue opportunity that the ABC Store brought to IT, has experience operating bar businesses in the area, recently became involved with IT Arts & Historical Society, and would love the opportunity to be involved with the ABC Board, even if he does not become a Board member. Paulette Cook, a lifelong Union County resident and business owner in IT, is president of VFW Ladies Auxiliary and would like to help IT ABC Board in any way she can. Sitting Member Jan Brown spoke on the value contributions he had made to the Board and reiterated the accomplishments made by the Board during his years of service to date.

Store Business, Staff and General Operations, and Sales Reports

- Charles Fowler reported that the Wingate ABC Store just opened this week and they were very appreciative of the help the Indian Trail ABC employees have given. This location is far enough away that it should not have any effect on our sales.
- Charles provided April sales numbers of \$208,119, which is up 9%. Statewide sales were down 2.17%, so store is doing well. May sales so far are at \$167,000, looking to finish at around \$221,000. Inventory is still getting adjusted to the different drink product selection for the diverse nationalities in IT, which varies from the Monroe store, but is getting balanced out at around \$195,000.

- With the completion of the Firestone building, the parking situation seems to have resolved itself since the drive aisles are now clear of construction debris and equipment.
- Charles advised there was an unexpected expense of about \$5,000 to become Personal Credit Information compliant in order to be able to continue using credit cards. Work had to be done to the computer and security systems to become PCI compliant.
- Wes gave update on merchant services. Upon request for reconsideration, First Citizens came back with offer of 1.15%, which is a great rate, to take effect July 1.

Store Financials, End of Year Audit

- Nancy provided financial reports and reviewed in detail with Board.
- She stated they need to have a meeting before the end of June to figure all of their disbursements before the audit, but requested permission to make a distribution to the Town of Indian Trail of at least \$15,000 (the final figure will be more) for the first quarter. Ken made a motion to send \$15,000 to the Town, seconded by Wes and approved unanimously.
- Upon review of financials, Ken commented that he would like to make an effort to make additional monthly payments toward the principal balance of the existing line of credit with the bank and pay that off within a year or two. Ken made a motion authorizing the finance director, at her discretion, to pay up to \$5,000/month toward the line of credit as feasible in an effort to reduce the note balance early without incurring penalty, seconded by Jan and approved unanimously.
- Ken made a motion to designate the June 21, 2012 Board meeting to be their public budget meeting, seconded by Wes and approved unanimously. Cleared agenda item e).
- Ken gave a preliminary budget statement that their projected revenues are expected to be \$2.7 million, taxes contributed \$756,000, cost of sales \$1.3MM, operating expenses to be \$415,000, and total distributions (ALE, Town, Alcohol Education, Scholarship, etc.) to be \$178,000. This is based on the 18.5 months they have been in operation, and with acceleration of repayment plan, they intend to extinguish debt within 1-2 years.
- Nancy had to purchase new computer software in order to be able to customize budgets and reports to satisfy the State Commission requirements.
- Ken confirmed details and got a quote from the auditor for the new budget requirements. He feels we are still getting a great deal from Potter & Company for the audit quote at around \$6,000-\$7,000, final quote letter still to come. Nancy will be meeting with Potter & Company to help make upcoming audit as smooth as possible.
- Wes made a motion to accept April financial statements, seconded by Ken and approved unanimously.

Update on Site Flooring Issues

- Flooring will be finished over this Memorial Day weekend and everything will be back to business as normal on Tuesday.

Board Discussion & Possible Action/Comments

Wes to check with Town to make sure regular scheduled meeting on Town calendar.

Next Meeting

Next meeting is June 21, 2012, at 6:30 PM at the Law Offices of Goodwin & Hinson, PA.

Adjourn

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