

MINUTES

Indian Trail Alcoholic Beverage Control Board

Indian Trail Civic Building

March 22, 2010 6:30 PM

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

Attendees: Peggy Piontek- Town Clerk, Laurie Lee- NC ABC Commission, Rick Strawn, Rick Turner

Approval of Minutes

N/A for first meeting

Call to Order

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

Presentation

The agenda was reviewed. Mr. Porter introduced Laurie Lee with North Carolina Alcoholic Beverage Control Commission.

Laurie Lee NC Alcoholic Beverage Control Commission

- Distributed and introduced updated version of ABC Board information package
- Powers of ABC Board are specific to exactly what is stated in statutes. Town of Indian Trail has authority to appoint board members, choose Chairman, remove members for cause, and set compensation of board. Everything else having to do with opening an ABC store is the responsibility of the ABC board.
- All pricing set by state quarterly (uniform across state), can only sell spirits listed by state and fortified wines, no other products or supplies are allowed.
- First order of business for ABC Board is to consider options for opening a store:
 - IT ABC Board as independent owner or joint merger with other Union County or local area store/s (joint model encouraged by state, talk of it being made mandatory). Joint merger offers benefits of sharing overhead costs, experience, and division of duties.
 - Second, the board must select a location for a store in accordance with the statutes and post a sign 30 days prior to next commission meeting stating its intent for the location to the public with a phone number where the public can leave comments, which must be logged.
 - Then, a letter must be submitted to ABC Commission stating the date the sign was posted and requesting approval for the store location. ALE will conduct investigation. Once approved, board can proceed. Throughout this process, the Board is encouraged to contact other local boards for information and advice. Contact information for all boards is available on the NC Commission website.
- Board must secure funding through loans, lines of credit with future sales as collateral. Town or individual board members are not liable for loans, only the ABC Board as an entity. Board members must be bonded with \$5,000.00 minimum. Store employees will also need to be bonded with a recommended \$20,000.00 minimum.
- Possible store hours are 9AM-9PM Monday through Saturday. There are 5 mandatory closed holidays. Store hours and additional holidays are the decision of the board.
- Retail pricing is determined by a formula set in the statutes. Liquor cannot be purchased on credit. All liquor is purchased directly from individual suppliers and payment is made

directly to them because NC is not a bailment state. Federal law requires that all liquor bills must be paid within 30 days. Ms. Lee reviewed the breakdown of cost, taxes and fees paid to the government, and how profit and working capital is determined. Working capital can be invested, but must remain in the control of the board.

- Personnel Policy/Manual must be adopted and filed with ABC Commission.
- Board members must be familiar with ABC laws and regulations and abide by Meetings of Public Bodies Rules, attend regular meetings of the board, and monitor the performance and finances of its ABC store/s. Board should be sure to have a system of checks and balances in place and adopt an Ethics Policy that must be filed with ABC Commission.
- Commission is having a New Board Members and Managers Orientation Meeting in Raleigh May 6, 2010 at 10:00 AM.
- Commission offers free website hosting in connection with their site.
- As mandated, Fiscal year is July through June and board is required to have an annual outside audit.
- Commission recommends store is a minimum of 3,000 square feet for retail space and 1,000 square feet of warehouse space, but 5,000 square feet total may be better for the volume expected at this store. Average startup cost for new store in a rental space is \$250,000.00, with \$130,000.00 of that being for inventory.
- Employees will be employees of the IT ABC Board, not the town or county. Their compensation and benefits will be set by the board. They can participate in the state or local government retirement system, and some towns allow boards to tack onto the town health plan.
- Handout of ABC Commission's Annual Report for last year for information on how other comparable stores are performing.

General Discussion

- Contacting Banks for open line of credit
 - Suggested to use local bank
 - Must be a bank that uses collateralization "pooling" method for asset liability management
 - Decided to contact other local stores to get their experience in this area
- Look for staff
- Seeking out location for store, preferably on Hwy 74 corridor

Ethics Resolution

- Read into record by Ken Porter
- Signed by all board members
- Motion made to accept by Ken Porter
- Board voted and accepted unanimously

Public Comments

- Rick Strawn, Commercial Real Estate Owner, has several properties he would like to offer as potential store locations, some on the Hwy 74 corridor that are zoned accordingly
- Rick Turner, Design Plus Store Fixtures in Indian Trail, has worked with 350 NC ABC stores since 1976 doing custom construction design and up-fit, and design and installation of custom shelving and displays. His company can design entire store and coordinate all contractors and construction and/or submit proposals to board. They can handle/supply everything in the store that holds product from shelves to shopping carts, signage, and counters.

Next Meeting

Board agreed to set next meeting for April 1, 2010, at 6:30 PM, Indian Trail Civic Building

Adjourn

Motion to adjourn made at 7:30 p.m. by Jan Brown and was passed unanimously.