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Belville ABC Board

John Clark, Chairman
Joseph "Joe" Henson, Vice Chairman
Tilita Alexander
Richard Trexler
Robert "Gene" Ward

Belville ABC Board Regular Meeting
63 River Road
Belville, NC 28451
May 16, 2023
6:30 PM

Attendees: Chairman- John Clark

Vice Chairman - Joseph Henson

Member - Tilita Alexander

Member - Gene Ward

Member – Richard Trexler

Attorney - Jim Eldridge

Staff: Tia Clemmons – General Manager

Alexa Causey – Store Manager

1. **CALL TO ORDER**
The meeting was called to order at 6:33 p.m. and began by reciting the Pledge of Allegiance.

2. **APPROVAL OF THE AGENDA**
Mr. Eldridge stated that an item needed to be added to the agenda to act on the proposal for Money Mastery.

Two items were added under New Business. An item, 6C was added under New Business – Proposal for Money Mastery and Item 6D – Proposed Budget Amendment.

Chairman Clark stated that there will be no need for a closed session.

A motion was made and approved 5-0 to accept all of the revisions to the agenda.

There were no conflicts

3. **APPROVAL OF THE MINUTES**

The minutes of the regular meeting held on April 18, 2023 were approved 5-0.
The minutes of the closed session meeting held on April 18, 2023 were approved 5-0.
□

4. **OLD BUSINESS**
A. **Report on Best Selling Items Per Store Status – Status of Extra Purchases**
Ms. Causey gave the following report:

The top 5 best-selling items for the month of April were as follows:

Tito's half gallon	343 bottles
Tito's fifths	331 bottles
Platinum half gallon	278 bottles
Smirnoff half gallon	221 bottles
Pinnacle half gallon	219 bottles

She also stated that she's made extra purchases of the Burnett's that is currently on sale.

Ms. Clemmons stated that Burnett's is the #6 highest seller and is on sale quarterly and they will save $6.42/case, $1.07/bottle @ 6 bottles in a case. Ms. Causey stated that 88 bottles were sold.

B. Alcohol Tastings – Past and Future

Ms. Clemmons stated that there was Tequila tasting at the Belville store on May 5th and Bird Dog Whiskey was at the Waterford Store on May 12th. She also has the following tastings scheduled:

June 16th & 19th – Bogue Distillery
July 14th – Bumbu
July 21st – Tito's

C. **Status of Current Staffing**

Ms. Causey stated that she is short one person at her store because one of her long time employees has resigned.

Chairman Clark asked about Naysha and was informed by Ms. Clemmons that is currently on vacation and plans to take the test for her driver's license upon her return.

D. Effort's in Finding a New Auditor

Mr. Trexler stated that he had reached out to 2 of the 3 ABC boards mentioned as references by Durham Lewis; they each spoke very highly of Mr. Lewis' firm. They've been using that firm for 10-15 years and have experienced no problems.

Mr. Eldridge stated that he has read Mr. Lewis contract and only had minimal comments and suggested a set of terms and conditions be added to the contract. These will be transmitted to the firm for inclusion in the contract.

Ms. Alexander still had concerns about the fees to be charged. Mr. Trexler stated that the other boards said his fees were reasonable. A motion was made and accepted 5-0 to hire Mr. Durham Lewis as auditor contingent upon his acceptance of the above conditions. The Board has authorized the Chairman to execute the contract after acceptance from Mr. Lewis.

E. **Proposed Storage Facility**

Mr. Henson proposes purchasing a storage container and having it placed in the Belville Riverwalk Park. He has already received verbal approval from the Town and they have given him a location where it can be placed. He looked into the cost for two sizes: 20 ft. at a cost of $2,800, and a 40 ft., at a cost of $5,900. He stated that the only thing needed to be done would be to install A/C in the unit and add an alarm because the Town already has security cameras in the park.

Chairman Clark inquired about the cost to have a hole cut in the steel wall the A/C and lights installed as well as hiring an electrician to wire everything.

Mr. Eldridge asked Mr. Henson to get this proposal with costs in writing. This should include the purchase, installation and all utilities. He also needs a written approval from the Town of Belville. He also asked that there be information in writing from the vendor so a full package can be presented to the Board for approval next month.

F. **Proposed 2023-2024 Budget**

The members discussed various cost accounts. In most cases 5% was added to the anticipated income as well as many of the cost accounts. Mr. Trexler requested additions to accounts for labor and associated payroll taxes and insurance to cover the potential hiring of a general manager should Ms. Clemmons decide to leave. He also added to utility accounts. He increased the General Insurance account to cover a potential storage unit.

Accountant fees were estimated but needed an annual cost proposal from Money Mastery to finalize. Mr. Trexler has eliminated the Covid account and added an account to cover the purchase and installation of the storage unit.

Chairman Clark had concerns that the expenses were increased by approximately $200,000. This seems excessive. Mr. Trexler countered that he is estimating an increase in revenue of $355,000. The budget includes $12,000 for the storage unit that is not supported by a savings from the purchase of products that are estimated at $1.00 per half gallon with monthly sales at 400 bottles. The proposed budget also increases salary & wages by $80,000.

Ms. Alexander also questioned the $80,000 increase in the salary & wages account. She suggested an increase of $20-25,000 instead.

This proposed budget estimates revenues at $7.455m from this year's $7.1m. And the Board is committing to a profit for the Town of $375,000. Mr. Trexler recused himself from the Town profit discussion due to his recent employment with the Town.

Mr. Trexler was directed to revise his proposal based on today's comments and prepare it in the standard format that we have used in the past for submission to the Commission.

Chairman Clark stated that the public hearing would be held during the Board meeting on June 20, 2023. Mr. Eldridge stated that the public notice needs to be posted on June 8th or 9th as well as published in the paper. The notice needs review by Mr. Eldridge.

Chairman Clark asked Ms. Clemmons to send him the contact information for the Law Enforcement Fund and the Alcohol Education Fund. The Board, at last month's meeting, gave approval to pay the extra profit payments to both funds before the end of the fiscal year. And as requested by the Board, the Chairman sent a letter to Money Mastery to confirm the values of the extra payments and then seek approval from last year's auditor.

5. **NEW BUSINESS**

A. **General Manager's Financial Report**

Ms. Clemmons stated that we were number 1 in sales for the month of April and our sales are up 3.56%. For the monthly comparison, Store 2 is down 1.13% and as a whole we are down 2.93%. For the first 13 days of May we are down 7.2%.

Chairman Clark noted that there was a savings of just under $2,300 for the month.

Chairman Clark stated that Ms. Chestnut is still working with Mr. Gaskins regarding the issues with the inventory. There is a $77,000 disparity for the month of February. This issue is holding up the distributions for the third quarter and will also hold them up for the fourth quarter if it isn't corrected. He asked Mr. Henson to reach out to him about this issue.

Ms. Clemmons stated that she worked on some full store inventory on Sunday, 17 out of 47 sheets; however she has not yet heard back from Mr. Gaskins.

Budget vs. Actual

Chairman Clark went through a couple that he had minor issues with.

- Operating Revenues are up about 7%
- Gross Profit is up 8%
- Phone/Cable is off about $10
- Insurance – need to add $21
- Store Supplies is over budget and Office Supplies is right at the budget. He advised Ms. Clemmons to work with both accounts if she needs to order anything within the next 6 weeks since both accounts can sometimes be interchangeable.
- Casual Labor – He asked Ms. Clemmons to keep an eye on this account because it is right at

budget

B. **Refrigerated Cases for Stores**
Ms. Clemmons has the new case installed in the Waterford store. The electrician went to Store 1 on Friday to take a look at what's needed and provide an estimate. Once that is installed, she will order the case for that store.

Chairman Clark inquired about the fence gates. Ms. Clemmons has received two quotes: First Line of De-Fence - $475 and Pro Fence - $400. She wasn't able to get in touch with Davis Fencing. Chairman Clark informed Ms. Clemmons that she has authority up to $500 and to go ahead and take care of it.

C. **Proposal for Money Mastery**
The Board has received the proposal but needs to know the annual value. We are awaiting information from Ms. Chestnut.

Mr. Trexler stated that a national payroll service is $40/month, $6/person. They offer full payroll services including W2's and 1099's. Mr. Eldridge stated that if the Board were to choose to go with a national payroll service, Money Mastery would still be performing the same services; however the contract would have to be changed to include the national firm.

Chairman Clark stated that he would like to stay with one firm. Ms. Alexander stated that she'd like to stick with just one firm for now due to the issues that they are currently having, but she wouldn't mind revisiting it in the future. Mr. Ward and Mr. Henson both agreed that they would revisit this issue at a later date.

Chairman Clark then asked for Board approval to sign the proposal for Money Mastery once he receives the annual costs.

A motion was made and approved 4-0. Mr. Trexler was a "nay".

D. □**Proposed 2nd Budget Amendment**
The members discussed the proposed budget amendment. The new costs will cover anticipated costs for May and June. Major questions were raised on the account for Office Supplies. Mr. Trexler must revise the budget amendment and prepare it in the standard format for approval and further discussion at the next meeting.

6. **BOARD MEMBER REPORTS**
   A. **Joe Henson** – He will continue working on getting the storage building and preparing a full cost proposal for Board review.
   B. **Tilita Alexander** – Nothing at this time.
   C. **Gene Ward** – Nothing at this time
   D. **Richard Trexler** – Nothing at this time
   E. **Tia Clemmons** – She reported that everyone has completed their RASP training last month so the full Belville ABC staff has now been certified.

7. **PUBLIC COMMENTS**
There were no public comments.

8. **ADJOURNMENT**
Mr. Trexler made a motion that the meeting be adjourned; it was passed 5-0. The meeting adjourned at 8.11pm.