THE CITY OF ASHEVILLE BOARD OF ALCOHOLIC CONTROL
MINUTES OF REGULAR MEETING
FEBRUARY 26, 2018

The City of Asheville Board of Alcoholic Control ("Board") held its regular monthly meeting on Monday, February 26, 2018 at 8:30 a.m. in the Conference Room at its Administrative Offices at 1 Cherry Street North in Asheville, North Carolina.

MEMBERS PRESENT: Lewis Isaac, Chairman; Board members: John Menkes, Edward Hay, Robin Cape and Jan Davis.

MEMBERS ABSENT: None

ALSO PRESENT: Mark Combs, General Manager; Diane Hallingse, Chief Financial Officer; Alfred Bottego, Law Enforcement Chief; Jason Thacker, Operations Manager; Debbie Bradley, Administrative Assistant and Vice Mayor Gwen Wisler, Asheville City Council's Liaison to the Board.

Chairman Isaac called the meeting to order.

READING OF THE CONFLICT OF INTEREST STATEMENT BY THE CHAIRMAN: "In accordance with General Statute 18B-201, it is the duty of every Board member to avoid conflicts of interest and appearance of conflicts. Does any member have any known conflict of interest or appearance of conflict with respect to any matters coming before the Board today? If so, please identify the conflict or appearance of conflict and refrain from any undue participation in the particular matter." No conflicts were noted.

ADDITION (S) TO AGENDA: The Chairman asked if there were any additions to the agenda. There were none.

Chairman Isaac and Mr. Combs welcomed Vice Mayor Gwen Wisler, Asheville City Council's new Board Liaison, to her first Board meeting. Mr. Combs informed the Board he met with Vice-Mayor Wisler earlier in the month to review the Board Orientation Booklet, current projects, new property and general questions & answers.

APPROVAL OF MINUTES FOR REGULAR MEETING: Ms. Cape moved to approve the ABC Board meeting minutes for the January 30, 2018 regular meeting. Mr. Davis seconded the motion, and it carried by a unanimous vote.

LAW ENFORCEMENT REPORT: Chief Bottego updated the Board regarding the recent Store #9 armed robbery. Suspects from several local law enforcement agencies investigated potential suspects and confirmed their alibis. In a show of support for traumatized employees, the ABC Board unanimously approved offering a reward of $1000 for information leading to an arrest. Chief Bottego received many phone calls regarding potential suspects to follow up on. Mr. Davis asked if Crime Stoppers had been contacted. Mr. Bottego answered yes, and WLOS, The Asheville Citizen-Times and the Waynesville newspapers publicized the reward and our resolve to catch the robber. Ms. Cape asked how we check suspects, who are already in the database, or new suspects if they are arrested for an unrelated crime. Mr. Bottego said it's a system called 'SR50'. He explained how it works and said it works well in helping to apprehend such suspects.

Law Enforcement was able to recover the robber's sweatshirt and mask used in the robbery from a neighbor who lives close to the store. Mr. Combs advised the Board that he directed the Chief to reassign his staff and focus more man-hours to following up on leads to hopefully apprehend the robbery suspect.
Chairman Isaac emphasized that it was important that the Board offer a reward to convey to our employees their empathy and disdain against high potential violence. The Board wants both our employees and the community to know that we are willing to make every effort to find and arrest the perpetrator.

Mr. Bottego reported that in January law enforcement staff conducted 40 permittee inspections, 40 compliance checks, 2 permittee re-stamps, 5 larceny arrests and 3 agency assists (APD).

Chief Bottego presented a chart of law enforcement activities for calendar year 2017 compared to 2016. He explained each item to include store checks, undercover store operations, permittee inspections, permittee spot checks, RASSP training sessions, alcohol education, permit application assistance, total number of arrest, alcohol/drug charges, outstanding warrants served, outside agencies assist, time sentenced by court, total time served, other agency warrants served and magistrate administration time.

ALCOHOL EDUCATION: Chief Bottego advised the Board on the following:

- Asheville Association of Independent Restaurants – going very well
- U.S. Bartender's Guild – beginning stages, they don't have a lot of members
- Boy Scouts (Grant)
- "Do the Right Thing" video
- 'Red Card' over-servicing – part of the fabric of the community
- Prom promise Campaign – getting starting for Prom season
- Radio Programming on-going – new messages being done

Ms. Cape asked if we had any data on Prom Promise stats comparing Prom Promise before implementation and after. Chief Bottego said that for the last nine (9) years of the Prom Promise Campaign, there have been no instances of kids not come home from the Prom.

FINANCIAL REPORT: Ms. Hallingse presented the financial report for January to include copies of related financial statements presented for the Board's review. She advised and explained various entries and matters with respect thereto, such as total sales, sales by stores, operating expenses, net income after tax, cash distributions and profit percentage to sales. Ms. Hallingse advised sales were up 11.5% over last January, State sales were up 8%. YTD sales are up 7%. Mixed Beverage sales are up 11.2% over last January. State Mixed Beverage sales were up 13.8%. YTD Mixed Beverage sales are up 11%. Operating expenses are up 12%, YTD up 3.7%. Net income after tax is up 15%, YTD up 14.25%.

Ms. Hallingse also stated that the year-to-date distribution to the City and County is $1,763,163 through January (up 14.24%). Profit Percentage to Sales through January is 12.49%, compared to last year's 11.79%.

Ms. Hallingse reviewed with the Board each store's gross sales by location for the month of January (compared to January 2017 sales). Only one store had a decrease in sales. Mixed Beverage Outlet was down 1.7%. Our neighboring ABC Board's sales for the month were as follow: Fletcher ABC store was up 1.5%, Weaverville ABC store was up 11.3% and Woodfin ABC store was up 4.9%.

Ms. Hallingse reviewed the Net Income After Tax by store location. Louisiana Avenue, Merrimon Avenue, Enka and Leicester Highway stores all had decreases in net income after tax this January compared to last January. Dual Repair issues and wage differences contributed to these decreases.

In last month's meeting the Board asked for the history of the amounts approved by Budget Amendments for the integration of the point-of-sale with the back office from Advanced Business Systems.

			Budget	Spent
•	FY 2016-17	Budget Amendment #1	$24,700	
•		Budget Amendment #4	$22,300	
			$47,000	$47,536.25
•	FY 2017-18	Original Budget Adopted 6/27/17	$5,000	
•		Budget Amendment #3	$37,315	
			$42,315	$38,025.00
	Initial Estimate from ABS: $23,050		$89,315	$85,561.25

OPERATIONS REPORT: Mr. Thacker updated the Board regarding progress on the point-of-sale system. Registers and all systems related to serving customers are working well. The inventory scanning system is potentially more advanced then the current system and will make us more efficient when all the bugs are worked out.

BUY-INS REPORT: Mr. Thacker reviewed product 'buy-in' numbers with the Board. Estimated gross profit for the month of February is $36,646.00. Mr. Combs asked Mr. Thacker to explain to Ms. Wisler how the buy-in program works. Mr. Thacker explained the buy-in process and how we are able to make additional profits when a product goes on sale. He reviewed a visual slide showing the February buy-ins. Discussion followed.

Mr. Thacker reviewed with the Board a visual slide showing the top 10 brand of spirits sold by Asheville ABC Board and the sales in dollars.

Mr. Thacker advised Board that keeping stores staffed has been challenging due to the flu season.

GENERAL MANAGER'S REPORT: Mr. Combs informed the Board that his credit card expense for the month totaled $63.69. Line item charges were shared with the Chairman.

Mr. Combs presented a chart of each store's Google ratings to include sample complimentary and derogatory comments. Discussion followed.

24 OLD BREVARD ROAD UPDATE: Mr. Combs presented architect Carroll Hughes' preliminary drawings of existing and proposed upfitting. After meetings with the City planning personnel and fire marshall, it was agreed upon that a full sprinkler system will not be required; however, there were some conciliatory measures in the plan to make everyone happy. There was further detailed discussion regarding the scope of roof repairs, sewer versus current septic system, and overall security. Discussion followed.

OLD BUSINESS/NEW BUSINESS: Chairman Isaac and key staff will attend the General Manager's meeting in Greensboro, February 27-28.

Mr. Combs informed the Board that the budget process would be starting next month.

After discussion, it was determined that Chairman Isaac, Mr. Thacker, Ms. Cape and Mr. Combs will make arrangements to attend the NABCA Annual Conference May 21-24, 2018.

NEXT REGULAR MEETING: The next regular meeting of the Board will be Tuesday, March 27, 2018, at 8:30 a.m. in the Conference Room at its Administrative Offices at 1 Cherry Street North, Asheville, North Carolina.

ADJOURNMENT: The meeting was adjourned at 9:55 a.m.

Respectfully submitted,

Lewis J. Isaac, Chairman