

THE CITY OF ASHEVILLE BOARD OF ALCOHOLIC CONTROL  
MINUTES OF REGULAR MEETING  
OCTOBER 29, 2024

The City of Asheville Board of Alcoholic Control ("Board") held its regular monthly meeting on Tuesday, October 29, 2024 at 8:30 a.m. in the Conference Room at its administrative office at 24 Old Brevard Road, Asheville, North Carolina.

MEMBERS PRESENT: Robin Cape, Board Chair; Board members: Max Haner, Chappell Carter and Charles Triber.

MEMBERS ABSENT: Nian Avery, Board member

ALSO, PRESENT: Kim Roney, Asheville City Council Liaison; Mark Combs, General Manager; Hannah Franklin, Chief Financial Officer; Jason Thacker, Operations Manager; Jonathan Bass, Assistant Operations Manager; Alfred Bottego, Chief Law Enforcement Agent; Shelley Calloway, Deputy Finance Officer; Debbie Bradley, Administrative Assistant; Meghan Rogers, Director of Asheville Independent Restaurants Association (A.I.R) and Peter Pollay, local restaurant owner.

Chairwoman Cape called the meeting to order and welcomed all present. She asked all present how they fared in the catastrophe caused by hurricane Helene. Much discussion followed.

Mr. Combs reminded the Board that in 2014 ABC staff contracted with a Federally-funded communications consortium (ERC) to build a dedicated fiber-optic "loop" system to substantially increase the reliability of internet connection for credit/debit card processing. This project is what enable ABC stores to come back up more quickly than most commercial establishment. It was a prescient investment.

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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 reported.

APPROVAL OF MINUTES FOR REGULAR MEETING: Mr. Haner moved to approve the Board meeting minutes of the September 24, 2024 regular meeting. Mr. Carter seconded the motion, and it carried by a 4-0 vote.

LAW ENFORCEMENT REPORT: Chief Bottego reported key data for September, emphasizing that the total lack of electricity and communications resulted in four (4) major store break-ins and significant thefts: Three break-ins occurred at Tunnel Road (store #7) and one at Sweeten Creek (Store #1). All alarms were inoperative and the two stores were quickly secured. The City instituted a curfew; however, Chief Bottego decided to not assign an agent in the Tunnel Road store due to non-existent communications and a high potential for personal endangerment. To date theft losses are approximately \$13,000 and property damage is estimated at \$41,000. Discussion followed.

FINANCIAL REPORT: Ms. Franklin presented the financial report for September to include copies of related financial statements presented for the Board’s review and/or action. She advised and explained various entries and matters with respect thereto, such as total sales, sales by store, operating expenses, net income after tax, cash distributions and profit percentage to sales.

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Mr. Franklin informed the Board that there was one less sales day compared to last year. Then heavy rains and hurricane Helene hit Asheville and stores were closed early on Wednesday and Thursday, September 25th and 26th, with all stores closing on Friday and Saturday, September 27th & 28th; therefore, 3 full days and 2 early closures significantly affected sales. Due to catastrophic damage throughout the community, on Monday, September 30th only one store (store #5) was able to open for business.

Total sales were \$3.4M, down 21% compared to September 2023, or down a total of \$924K for the month. Year to date we are 6% under budget. Mixed Beverage sales were \$1.3M, down 20%. Operating expenses: \$677K, up 4.35%, but under budget for the month and year to date. Net Income After Tax: \$186K, down a staggering 63%. Year to date distribution to City and County (\$861K) is also down 25% compared to the prior year.

Profit Percentage to Sales slide: Net Income After Tax is \$1.076M, down 25% from prior year; Gross sales year-to-date are \$12M, down 5.7% year to date. Profit Percentage to Sales is 9.91%.

Ms. Franklin reviewed with the Board each store's gross sales for the month of September (compared to 2023 sales). Total sales were \$3.4M for all stores, down 21%. North Carolina ABC Boards were down an average of 10%. New Hanover ABC, which we often benchmark with, was also down 12%. Our neighboring ABC Boards: Black Mountain was down 16%, Fletcher was down 16%, Weaverville was down 19% and Woodfin was down 19%. Black Mountain ABC and Canton ABC were severely damaged and remain closed.

Ms. Franklin reviewed Net Income After Tax (Stores Only): \$400K compared to \$702K last year, down \$302K. Bottle counts were also discussed (slide).

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OPERATIONS REPORT: Mr. Thacker advised the Board that staff made a herculean effort to re-open stores as quickly as feasible and get our staff back to work. Staff was at the mercy of the severe damages and downed infrastructure due to the lack of power, communications, and then a long-term water outage. For example, due to the community-wide water outage, sanitation became an instant issue for staff; however, Finance staffer Terrie McCracken quickly located portable toilets in Spartanburg, S.C. and was able to have them delivered to each store. Once the sanitation issue was addressed, power and communications were the next challenge. As power came back on, we discovered that our fiber-optic communications system (necessary to process credit/debit cards) was substantially intact, so stores were opened relatively quickly (compared to many other retail businesses). Discussion followed.

Mr. Thacker informed the Board that statewide moral and physical support from the ABC Commission, fellow boards and distributors was overwhelming. Mecklenburg County ABC Board conducted a donation drive and delivered substantial supplies directly to our warehouse for ABC staff and anyone else in need. Product distributors also added substantially to the shipment. Mr. Combs drafted a thank you letter for Chairwoman Cape which was sent to Mecklenburg's ABC Chair. The help and encouragement from the ABC community was heartfelt and greatly appreciated. Discussion followed.

Mr. Thacker presented a picture of the Canton ABC store and advised Board that it was severely damaged and remains closed. He spoke with their store manager and they are earnestly looking for a new location since this is the second major closure due to floods.

BUY-INS: Mr. Thacker reported that buy-ins totaled \$76K in September, down from prior year.

TOP 10 BRANDS, 2-MONTH COMPARISON: Mr. Thacker advised that Tito's is still number one and number two but a lot less bottles of each top ten brand were sold in September versus August.

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GENERAL MANAGER'S REPORT: Mr. Combs advised the Board that the ABC Board's budget and future sales will be substantially compromised because of the destruction to the entire community by Hurricane Helene. Lives were lost, homes washed away, and roads/bridges wiped out. Tourism will evaporate for the short term, which in turn compromises the \$3B tourist industry of the area. New challenges confront the community every day; nonetheless, the community's spirit is not broken and aid is pouring in from everywhere. Water availability (restoration) will take some time to restore, which will adversely affect timely recovery efforts.

Mr. Combs met with staff to discuss short term austerity measures to in light of a substantial and projected drop in sales, especially MXB sales. Staff discussed and is in the process of implementing: Postponing distributions to the City and County this quarter, ABC Grants re-calculations, full-time hiring freeze, several capital projects delays, Charlotte Street (Store #4) interior renovation, and a new electric fork truck/electrical work in the warehouse. Further discussion followed on lowering grant distributions if needed. Mr. Combs informed the Board he may need policy guidance prior to the third quarter grant distribution.

Mr. Combs advised Board that we he is still moving forward with the purchase of 133 Broadway Street. Discussion followed.

Ms. Roney stated that the Board of Commissions and the City Council met on November 12th and will discuss and make recommendations to City Council regarding two appointments to the ABC Board.

Mr. Combs advised that staff remains focused on customer service, well stocked shelves and employee morale.

Mr. Combs completed the revision of the Board's Personnel Manual with the last step to meet with Board attorney Cindy Rice. The goal is to present a draft to the Board for review and formal adoption at the November meeting.

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On behalf of all ABC staff, Mr. Combs thanked Board member Max Haner for his six years on the Board and his wise leadership and support. Board members and staff also lauded Mr. Haner.


Mr. Haner thanked fellow board members and staff for all their hard work and stated it was a pleasure working with everyone.

Lastly, Ms. Roney addressed the Board that there is much hard work ahead of us. "I'm really glad to hear that staff and everyone is safe and sound. I'm no longer going to be quiet about Asheville needing new revenue. I have made calls across the state that the ABC Boards are the right and ready tool to administrate cannabis if it is decriminalized." Discussion followed.

**NEXT REGULAR MEETING:** The next regular meeting of the Board will be Tuesday, November 26, 2024 at 8:30 a.m. in the Conference Room at its Administrative Offices at 24 Old Brevard Road, Asheville, North Carolina.

**ADJOURNMENT:** The meeting was adjourned at 9:40 a.m.

Respectfully submitted,



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Robin Cape, Chairwoman