

THE CITY OF ASHEVILLE BOARD OF ALCOHOLIC CONTROL  
MINUTES OF REGULAR MEETING  
NOVEMBER 26, 2024

The City of Asheville Board of Alcoholic Control (“Board”) held its regular monthly meeting on Tuesday, November 26, 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 and Charles Triber.

MEMBERS ABSENT: Chappell Carter and Nian Avery, Board members

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

Chairwomen Cape called the meeting to order and welcomed all present.

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. Triber moved to approve the ABC Board meeting minutes for the October 29, 2024 regular meeting. Mr. Haner seconded the motion, and it carried by unanimous vote.

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LAW ENFORCEMENT REPORT: Chief Bottego reported for the month of October that his staff conducted 20 permittee inspections and 36 compliance checks. Staff dedicated significant time analyzing what MXB permittees were saying regarding tourism, sales, staffing and other Hurricane Helene-related challenges as their businesses significantly affect sales. In response to their challenges, his staff increased their presence at retail locations to be a resource as they recover from the catastrophe.

Mr. Bottego advised the Board that he secured the new property at 133 Broadway with new locks/keys and is working with neighboring businesses regarding parking needs, which haven't materialized to date. Discussion followed.

Chairwomen Cape asked Ms. Rogers if she had any insights on how the restaurant/bar community was faring. Ms. Rogers responded that there is considerable concern going into the third (and slowest) quarter of the year with lower revenue forecasts and scant savings; however, her members have had a lot of local support regarding giving them business. Many remain concerned about the water being safe. Ms. Rogers anticipates it will take about 18 months to fully understand the impact. Discussion followed.

FINANCIAL REPORT: Ms. Franklin presented the financial report for October 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. Total sales were ~\$2.3M, down 13% for the month compared to 2023. Year to date sales are 13% under budget. Mixed Beverage sales were \$461K, down 75%. Operating expenses were \$652K, down .68% and 12% under budget for the month, and year to date under budget 7.5%. Net Income After Tax was \$82K, down 86% from prior year, and 22% under budget. Distribution to City and County was calculated at \$927K, down 43% from prior year.

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Ms. Franklin advised the General Manager to suspend the first quarter distribution to City and County in order to more accurately assess the impact of Hurricane Helene to the Board. The GM concurred. Ms. Franklin is optimistic that by January she can make a recommendation regarding resuming City/County distributions, as amended.

Net Income After Tax is \$1.1M, down 43% from prior year. Gross sales year-to-date sales are \$15.4M, down 13% year to date. Profit Percentage to Sales is 8.69% year to date, a significant downturn due primarily to significant loss of sales. It is typical for ABC boards of our size to be around 9%.

Ms. Franklin reviewed with the Board each store's gross sales for the month of October (compared to 2023 sales). Total sales of ~\$3M for all stores, 34% down. The Louisiana and Enka locations were open every day in October. All other stores were closed various number of days due to closures from Helene. The mixed beverage outlet opened last October so the numbers for mixed beverage outlet should be more comparable year over year going forward. Starting in November Tunnel Road and Charlotte Street stores numbers will show only retail sales going forward.

Ms. Franklin reviewed the Net Income After Tax (Stores Only), which were \$289K, down \$516K. Charlotte Street store (#6) was closed 7 days.

Ms. Franklin presented a slide of October retail and mixed beverage sales by location. Retail was down 8%. Louisiana Avenue did the most in retail sales at 16.9%. Enka was second with 15.6% in retail sales. Tunnel Road, which typically does the most in retail sales, was closed 6 days but still managed 11.5% of total retail sales.

Ms. Franklin reviewed bottle counts with the Board for October. Total bottle count was down 62K for the month. Mixed Beverage bottles were down 44K.

Overall, N.C. spirit sales were up 5% with the exception of most boards in the Helene corridor, which were down. Surrounding ABC Boards: Weaverville was up 8% and Woodfin was down 6%. Black Mountain, Canton and Lake Lure ABC systems are currently not open for business.

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OPERATIONS REPORT: Mr. Bass advised the Board that a new delivery truck was put in to service for the warehouse and presented pictures. Mr. Combs added that the new truck is a 'medium size' to accommodate tight-space delivery challenges plus has a hydraulic lift gate to aid in the delivery of coolers, palletized products, etc. Also a new Hybrid Toyota Highlander SUV (35MPG) was purchased for administration to replace a high-mileage vehicle.

Mr. Bass advised the Board that a Bourbon 'drop' was held at our Long Shoals store (#8). To our amazement, all bottles were sold in thirty minutes with \$16K in sales.

BUY-INS: Mr. Bass stated that buy-ins are likely going to be trending downward from now on because of new product sales procedures as passed in SB527. Discussion followed.

Mr. Bass informed the Board that our annual Bourbon lottery, which consists of 139 bottles of the most difficult-to-get Bourbons, will be done differently than in the past. The process is as follows: 1) Participants must sign up in our office (one week); 2) Staff conducts a live drawing shown on our ABC facebook with 139 'winners' for the privilege of purchasing one each from the 139 bottles (in the order their number was drawn); 3) The following week all 139 'winners' will convene at the Enka ABC Store (#9) and select/pay for the bottle they choose (in the order their lottery number was picked). This system will ensure there will only be ~150-200 person present, which will alleviate past parking problems.

TOP 10 SELLERS: Mr. Bass advised that Tito's vodka is still number one (.750ml) and number two (1.75l). Surprisingly, Fireball Whiskey minis are number four on the list. Chairwomen Cape noticed that lower-priced vodkas have returned to the top 10 list. Discussion followed.

GENERAL MANAGER'S REPORT: Mr. Combs advised the Board that on a positive note, sales are starting to bounce back sooner than staff had anticipated, especially retail sales; however, MXB sales, our most profitable category, will continue to lag due to so many businesses closed or totally wiped out.

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Mr. Combs advised the Board that the purchase ('closing') for the property located on 133 Broadway will be on November 14th. The 131 Old Charlotte Hwy property for sale by the Board remains on the market.

**INDUSTRY TRENDS:** Mr. Combs advised the Board that alcoholic industry sales are trending downward both nationally and internationally, a trend they are forecasting for the next couple of years. All alcohol sales categories are down a combined 3% this year. Discussion followed.

**ABC PERSONNEL MANUAL:** Mr. Combs and his staff updated and revised the ABC Board Personnel Plan and presented the following highlights as follows:

- Mobile phone/e-mail/computer internet language modernized
- Paid Parental Leave (mirroring the City of Asheville's policy)
- Vacation days expanded to include a tiered system (based on years of service)
- Vacation time cash-out option (up to 40 hours/year)
- Sick leave: 1 day per month for all employees beginning at date of hire
- No-notice resignation: Management option to not pay vacation time
- Minor revisions (per ABC attorney) to the application process regarding criminal activity on the application
- Employment application can now be filled out on-line

A discussion followed on the cash-out option for vacation time. Chairwomen Cape invited Board to peruse and discuss why every employee, not just full-time, isn't compensated during emergency closures. Mr. Combs stated that part-time employees simply have fewer benefits; however, part-time employees also have more flexibility than full-time staff regarding schedules, number of hours worked, etc. They can take time off when they choose while full-time staff must schedule ahead of time and use sick or vacation when taking time off. Discussion followed.

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Ms. Roney asked if ABC is eligible for any emergency funds or catastrophe loans due to closure? Was staff eligible for unemployment, future reference? Mr. Combs responded that ABC is a quasi-government entity and had the foresight to keep sufficient cash reserves to weather such challenges. Fortunately, unemployment benefits were not necessary due to the quick re-opening of our stores. More discussion followed.

In Ms. Roney's review of the draft Personnel Policy, she suggested gender-inclusive language such as 'he/she/they' or 'the employee'. Chairwoman Cape suggested we use 'the employee,' Mr. Combs concurred and advised that he will make the necessary changes to the draft.

After discussion Mr. Haner moved to adopt the updated Personnel Manual effective January 1, 2025 with direction for Mr. Combs to make aforementioned gender-neutral and syntax edits. Mr. Triber seconded the motion and it carried by unanimous vote.

OLD BUSINESS/NEW BUSINESS: Ms. Franklin reviewed a slide showing the Board's holiday customs for employees:

- First week in December seven eligible employees (employees who have been 'grandfathered' since 2012) receive a longevity check
- Profit percentage-to-sales performance bonus (Full-time only) of \$300
- Holiday Bonus (All employees) \$250
- Store staff: meal provided on Christmas Eve and New Year's Eve

Mr. Franklin advised Board that while austerity is currently in place, we nonetheless endeavor to keep doing such things for staff. The Board concurred.

Mr. Combs informed Board that two new board members will be appointed by City Council January 14, 2025.

Chairwoman Cape advised that she sent a letter (from the Asheville ABC Board) to Governor-elect Josh Steins in support of Mr. Bauer, Chairman of the N.C. ABC Commission. Discussion followed.

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Mr. Combs advised that the Board traditionally does not meet in December. It was the consensus of the Board to continue this policy and there will be no meeting in December.

Lastly, Mr. Combs informed the Board that the Dodge that was previously assigned to him broke down and would not be repaired; however, staff advised that due to tax laws it would be more beneficial to both the Board and Mr. Combs to provide a \$200 vehicle allowance in lieu of a vehicle. He will drive his personnel vehicle and be responsible for all expenses to include fuel. Mr. Haner moved to assign Mr. Combs a car allowance of \$200. Mr. Triber seconded the motion, and it carried by unanimous vote.

**NEXT REGULAR MEETING:** The next regular meeting of the Board will be Tuesday, January 28, 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 9:51 a.m.

Respectfully submitted,

  
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Robin Cape, Chairwoman

