

THE CITY OF ASHEVILLE BOARD OF ALCOHOLIC CONTROL  
MINUTES OF REGULAR MEETING  
APRIL 29, 2025

The City of Asheville Board of Alcoholic Control ("Board") held its regular monthly meeting on Tuesday, April 29, 2025 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: Chappell Carter, Charles Triber, Jan Davis and Kimberly Collins.

MEMBERS ABSENT: None

ALSO, PRESENT: Kim Roney, Asheville City Council Liaison; Mark Combs, General Manager; Hannah Franklin, Chief Financial Officer; Shelley Calloway, Deputy Finance Officer; Jason Thacker, Operations Manager; Alfred Bottego, Chief Law Enforcement; Terrie McCracken, Accounts Payable; Edwin Strickland, N.C. ABC Commission Auditor/Program Analyst, and Meghan Rogers, Asheville Independent Restaurant Association. (A.I.R.)

Chairwoman Cape called the meeting to order and welcomed all present. She introduced Edwin Strickland, who is present today to audit the Asheville ABC for compliance with State Statutes, administrative codes and Commission rules. Mr. Strickland stated that he is responsible for conducting compliance-based audits (including financial solvency and performance standards) via field visits to ABC Boards across the state. He is not performing a financial audit as boards must conduct and submit annual financial audits from a certified auditor.

READING OF THE CONFLICT OF INTEREST STATEMENT BY THE CHAIR: "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.

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APPROVAL OF MINUTES FOR REGULAR MEETING: Mr. Triber moved to approve the Board Meeting Minutes for the March 25, 2025. Mr. Davis seconded the motion, and it carried by unanimous vote.

APPROVAL OF MINUTES FOR SPECIAL MEETING: Mr. Carter moved to approve the Special Meeting Minutes for April 16, 2025. Mr. Triber seconded the motion, and it carried by unanimous vote.

LAW ENFORCEMENT REPORT: Chief Bottego reported for the month of March that law enforcement staff conducted 20 permittee inspections, 59 compliance checks and 6 criminal charges (larcenies).

Chief Bottego informed the Board that he stepped up law enforcement visibility at retail location. He is also speaking to multiple MXB permittees regarding their upcoming permit and status (to remain open for business). As discussed in a prior meeting, it appears to him that many current permittees may not renew permits. He added that his staff has not received many re-stamp requests (moving spiritous products from one permittee to another), but is hopeful restaurants and bars are still in the re-building stage. Discussion followed.

Chairwoman Cape asked Ms. Rogers (A.I.R) if she had any insights regarding restaurants in her organization. Ms. Rogers responded that a recent survey from the Chamber of Commerce showed that 37% of area businesses are at a moderate risk of closure with 19% a serious risk. Discussion followed.

Chairwoman Cape advised Ms. Roney that she had read that language in the City's Community Development Block Grant Disaster Recovery (CDBG-DR) application resulted in denial of the grant. Ms. Roney advised that the City filled out the application in accordance with the Biden administration; however, the new administration changed the rules. Subsequently, city staff worked closely with the Hagerty Firm to re-write the grant application to be in compliance. She reported that the State's application for \$700M was recently approved by the Federal government. Recovery funds set aside by North Carolina have not yet been allocated. Discussion followed.

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Chief Bottego informed the Board that he has initiated his alcohol education campaign, which is the Responsible Alcohol Seller Server Program (RASSP), which will include ABC Board staff this year.

Chief Bottego advised the Board that the Prom Promise campaign went well and thanked the Board for funding the program.

**FINANCIAL REPORT:** Ms. Franklin presented the financial report for March 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 \$3.7M, down 11.29% from prior year. Down 5% in retail sales and 22% in mixed beverage sales. Mixed Beverage sales were \$1.2M. Operating expense \$689K, 6.8% over prior year, under budget 7.3% for the month, under budget year to date 6.4%. Net Income After Tax \$255K, down 41% from prior year, 34% down year to date. Distribution to City and County \$2.1M down 33% from prior year.

**PROFIT PERCENTAGE TO SALES:** Ms. Franklin reviewed Profit Percentage to Sales. Net Income After Tax is \$2.7M. Gross sales are \$35M, down 10% year to date. Profit Percentage to Sales is 8.84%, below our goal of 9%. Discussion followed.

**GROSS SALES BY STORE:** Ms. Franklin reviewed with the Board each store's gross sales for the month of March (compared to 2024 sales). Seven out of ten store recorded negative sales. Long shoals, Enka and Leicester all had growth. Long Shoals mixed beverage sales were up \$7,300 and Enka's mixed beverage sales were up \$1,600. State was down 6.2%. All of our surrounding boards were down except Fletcher was up 2%. All the big boards we track from Cumberland to New Hanover were down between 3-8%.

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**NET INCOME AFTER TAX:** Ms. Franklin reviewed the Net Income After Tax (Stores Only). All stores were in the black. Overall down \$173K. Year to date down \$1.4M. Ms. Cape added that the Charlotte Street location is leased to the Board from the City of Asheville. Also we pay the condo association fee at Long Shoals. Discussion followed on new property purchased at 133 Broadway that is adjacent to the Mixed Beverage Outlet.

**RETAIL & MIXED BEVERAGE:** Ms. Franklin presented a slide of retail and mixed beverage sales by location. Retail sales were \$2.5M for the month and Mixed Beverage \$1.2M. Tunnel Road is at 15% in retail sales, which typically hovers around 17%. Discussion followed.

**BOTTLE COUNTS:** Ms. Franklin reviewed bottle counts with the Board for March. Regular, Mixed Beverage and Mini bottles were all down. Year-to-date we are down -\$10K regular bottles, -\$108K mixed beverage bottles and up in mini bottles.

**BUDGET AMENDMENT #3:** Ms. Franklin presented Budget Amendment #3 as follows: To amend Revenues to reflect estimated loss of sale of 131 Old Charlotte Hwy property, the estimated loss on disposal are to be changed as follows: To amend to decrease expected expenses for employee insurance in stores, warehouse and admin. To increase expected utility expenses in stores, warehouse and admin. Increase to Owner's Assessment for additional signage. Increase Legal and Other Professional Fees for additional attorney fees due to property sale and increases in payroll fees. To increase and reappropriate Auto Expenses in stores, warehouse and admin. And to record disposal of Land at 131 Old Charlotte Hwy. After a discussion, Mr Carter move to adopt and approve the Budget Amendment #3 and to authorize its execution by the Chair. Ms. Collins seconded the motion and it carried by unanimous vote.

**ANNUAL OPERATING BUDGET:** Ms. Franklin informed the Board that the proposed annual budget will be presented next month. The following items will be included:

- Revenue Projections for coming fiscal year
- Capital expenditures estimates/priorities
- Property/Liability insurance adjustments

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- Employee Health Insurance
- Local Governments Employee Retirement System (LGERS)
- Employee Compensation
- Drug & Alcohol Grants

OPERATIONS REPORT: Management and Supervision Training has been completed. It will also be offered to new hires as needed. Chief Bottego will lead staff's RASSP Training.

BOURBON DROP: Mr. Thacker informed Board that a bourbon drop was done on April 9th at the Leicester Highway store. There was considerable enthusiasm and the products sold out quickly.

BUY-INS & ALLOCATIONS: Mr. Thacker advised that the buy-ins total for March was \$74K. Things are on sale more often so this number will probably stay consistent each month. Ms. Cape explained to Mr. Strickland our buy-in process in detail. Allocations: For period 12/1/24 to 2/28/25 the top 4 allocated items sold were Eagle Rare, Blanton's, Buffalo Trace .750l and Buffalo Trace 1.0l. (\$178K, 1.47% of total sales).

TOP 10 SELLERS: Mr. Thacker advised that two of the Board's top ten sellers which made the list this month are lower-priced brands. Montezuma Gold Tequila ranked 24th in revenue and Platinum 7X Vodka, which was the sixth best seller, was 61st in revenue. Customer buying preference indicate they are purchasing less costly products, which affects sales. Discussion followed.

N.C. DISTILLED PRODUCTS: Mr. Thacker presented a list of North Carolina distilleries sales in Asheville. Their sales constitute approximately 1.8% of the Board's sales. Chairwoman cape advised that Cook's Mills and Southern Star are the only two on the list which are not located in Asheville and that the Board does all it can to support our local distilleries.

GENERAL MANAGER'S REPORT: INTERNATIONAL NEWS: Mr. Combs advised the Board that the European Union dropped Bourbon from their tariffs list. The tequila category remain robust; however, all others categories report flat or negative growth.

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Mr. Combs advised that former Board member Max Haner was a member of the grants committee and requested the appointment of a board member to replace him. Mr. Triber requested to be on committee, which all present endorsed.

Mr. Combs stated that the closing for 131 Old Charlotte Hwy is scheduled for Thursday, May 1st. Once sold, he will draft a letter to Mayor Manheimer requesting to retain the proceeds of the sale for future capital improvements, which is required by statute. Additionally, Mr. Combs drafted a *Resolution Concerning Capital Improvement* for the Board to review, and after discussion, Mr. Davis moved to approve the resolution, and Ms. Collins seconded the motion. It carried by unanimous vote. (A copy of the signed Resolution is included with these minutes.)

NEXT REGULAR MEETING: The next regular meeting of the Board will be Tuesday, May 27, 2025 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 9:38 a.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Robin Cape", written over a horizontal line.

Robin Cape, Chairwoman