

THE CITY OF ASHEVILLE BOARD OF ALCOHOLIC CONTROL
MINUTES OF REGULAR MEETING
MARCH 31, 2026

The City of Asheville Board of Alcoholic Control ("Board") held its regular monthly meeting on Tuesday, March 31, 2026 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, Kimberly Collins and Jan Davis.

MEMBERS ABSENT: None

ALSO, PRESENT: Kim Roney, Asheville City Council Liaison; Jason Thacker, General Manager; Mark Combs, Assistant General Manager; Hannah Franklin, Chief Financial Officer; Jonathan, Operations Manager; Alfred Bottego, Chief Law Enforcement; Johnathan Langford, Law Enforcement; Terrie McCracken, Retail Operations Coordinator; Debbie Bradley, Administrative Assistant; Meghan Roger, A.I.R. and Peter Pollay, Local Restaurant Owner.

Chairwoman Cape called the meeting to order, welcomed all present, and recognized Mr. Thacker as the new General Manager.

READING OF THE CONFLICT OF INTEREST STATEMENT BY THE CHAIRWOMAN: "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. Davis moved to approve the Board Meeting Minutes for the February 24, 2026 regular meeting. Mr. Carter seconded the motion, and it carried by unanimous vote.

THE CITY OF ASHEVILLE BOARD OF ALCOHOLIC CONTROL
MARCH 31, 2026 REGULAR MEETING
PAGE TWO

GENERAL MANAGER'S REPORT: Mr. Thacker advised that Diageo the largest spirits company, sales are down about 2%. They are reorganizing their leadership and corporate structure by replacing several of their executive team. Discussion followed.

GRANT'S: Mr. Thacker advised Board that the date for grants to be turned in has been moved up two weeks. Instead of the last Friday in May it will now be the second Friday in May. A letter was sent out to grantees alerting them of the change and it was also posted on the Asheville ABC Website. This will allow us more time to do the vetting of the candidates. Also, we will give them more leeway this first year on late arrivals.

Mr. Triber will be the Chair of the grant committee, with Mr. Carter serving as well.

Mr. Thacker noted that Cannabis Hyperemesis Syndrome is on the rise. Duke Hospital is seeing cases every day. States that haven't legalized marijuana is looking at this issue because it is causing numerous stomach issues. (Article in Packet)

All alcohol categories are down in sales for February except "Ready to Drink, RTD's". Unfortunately, Asheville can't benefit as much as other boards. We do not have sports teams or beaches nearby so it's hard to take advantage of the boom like others do. Chairwoman Cape stated that RTD's are a big topic of conversation... businesses that sell beer and wine think they should sell these as well. Mr. Thacker advised that the lobbyist for the ABC Association stated that there will be a big battle this summer to keep RTD's under the NC ABC Store umbrella. Discussion followed. (Article in Packet)

ABC GM CONFERENCE: Mr. Thacker passed out and discussed the following topics at the conference:

- MXB sales are up 1% statewide
- Control states sales are down 3.2% but open states are much worse.
- New Warehouse seems to be approved, just need a budget and a vote.

THE CITY OF ASHEVILLE BOARD OF ALCOHOLIC CONTROL
MARCH 31, 2026 REGULAR MEETING
PAGE THREE

- 11 Boards across the state are non profitable. These boards are being encouraged to merge with other/larger boards.
- Shelley Willingham, huge supporter of ABC, lost primary. Keith Kidwell, supporter of privatization also lost.
- Big battle coming to keep RTD's in ABC stores only.
- Omnibus Bill states we can be open every holiday except Thanksgiving and Christmas. Durman ABC's impact on being open on a few holidays was negligible. Chairwoman Cape advised Board to keep in mind our mission is to serve the community. Mr. Thacker has contacted other boards across the state to see what they are doing. Discussion followed.
- NC Economic Outlook: Unemployment rate is 3.9%, United States is at 4.4%. Mecklenburg and Wake ABC account for 1/3 of the NC population growth. NC is on track to being the 7th most populous state. What is hurting alcohol sales is mindful drinking, economic pressures, demographics, cannabis substitution, and Ozempic type products. Beer sales are currently at 37 year low.
- Probably of a U.S. recession remains low in 2026 (less than 25%).

Chairwoman Cape mentioned the National Cannabis Bill that will hit in October. How will it affect things in our state? Discussion followed.

Mr. Thacker reminded Board that Ms. Bradley is on the Program and Arrangement Committee for the N.C. ABC Association. He thanked her for all her hard work at the conference. Board concurred.

FINANCIAL REPORT: Ms. Franklin presented the financial report for February to include copies of related financial statements presented for the Board's review and/or action. Overall sales were \$3.3M, down 3% for the month. Year-to-date under budget .1%. Mixed Beverage sales were \$1.1M, up 5.3% from prior year, year to date up 17%. Operating expense were \$617K, under budget and down from prior year. Net Income After Tax is \$220K, under budget for the month, year to date over budget 10%. Distributions to the City and County is \$2.3M, up 16% from the last fiscal year.

THE CITY OF ASHEVILLE BOARD OF ALCOHOLIC CONTROL
MARCH 31, 2026 REGULAR MEETING
PAGE FOUR

PROFIT PERCENTAGE TO SALES for February: Net Income After Tax: \$2.8M compared to \$2.4M in 2025, up 16%. We ended the prior fiscal year at \$3.3M. Gross sales year-to-date are \$32.8M, up 3% over the prior year. Profit Percentage to Sales is at 10%, which is over the goal of 9% for large systems. Discussion followed.

To provide additional perspective due to Hurricane Helene's affect on sales in 2025, Ms. Franklin presented a slide of the last three Februaries comparing total sales, mixed beverage sales, profit before distributions, year-to-date distributions and profit percentage to sales. We are down in everything from 2024, due to the state of the economy not the storm.

GROSS SALES BY STORE: Ms. Franklin reviewed with the Board each store's gross sales for the month of February (compared to 2025 sales). Every store was down except Hendersonville Road up 6% and Tunnel Road up 15%. Tunnel Road is capturing all the sales from Charlotte Street store being closed. Mixed Beverage Outlet was up 4.5%.

NET INCOME AFTER TAX: Net Income After Tax (Stores Only). All stores with the exception of Biltmore, Mixed Beverage Outlet, Merrimon and Tunnel Road were down. The State was down 3.2%. Every ABC store in buncombe county was down. New Hanover was down 6%.

RETAIL & MIXED BEVERAGE: Ms. Franklin presented a slide of retail and mixed beverage sales by location with Tunnel Road (#7) the top-selling retail store with 20%. The mixed beverage outlet (#3) handled 77% of the mixed beverage sales. Enka (#9 is doing 14% of retail sales and Louisiana (#5) is doing 13% of retail sales. Long Shoals (#8) had a \$2K decrease in mixed beverage sales.

Canton ABC is hoping to reopen at the end of March. Discussion followed on helping other ABC Boards get products because they only get one truck a month.

THE CITY OF ASHEVILLE BOARD OF ALCOHOLIC CONTROL
MARCH 31, 2026 REGULAR MEETING
PAGE FIVE

BOTTLE COUNTS: Ms. Franklin reviewed February's bottle counts: Retail bottles were down (-5,700), overall bottles for the month were down. Retail sales down \$159K, mixed beverage up \$57K. March is trending the same way.

BUDGET AMENDMENT #1: Ms. Franklin presented Budget Amendment #1 as follows: To amend to reduce rent for cancelation of Charlotte Street lease, additional repairs including upgrades and roof repair at warehouse, reallocation of landscaping at Store #7 to repairs and record renovation of Store #4 at 133 Broadway, construction to begin in May 2026. After a discussion, Mr. Triber move to adopt and approve the Budget Amendment #1 and to authorize its execution by the Chairwoman. Ms. Collins seconded the motion and it carried by unanimous vote.

OPERATIONS REPORT: Mr. Bass advised the Board that staff hired a new store manager at Louisiana (#5). Staff interviewed four assistant managers and everyone did well. Ms. Vicki Suttles was promoted from assistant manager to manager.

Mr. Bass stated that Ms. McCracken has began transitioning into her new role. She is doing excellent.

Mr. Bass advised that the Jason Sandford article is in the packet for boards perusal. Mr. Sandford reached out to Mr. Thacker regarding how the weather affects the sales.

BUY-INS: Buy-ins for February are down due to distributor putting products on sale more often. Bourbon allocations are continuing to increase.

TOP 10 SELLERS: Mr. Bass advised that Tito's vodka (.750ml and 1/2 gallons) remain the top two sellers. Rain and Burnett's are in our top 10 but not high in revenue rank.

Ms. Collins reminded board members that the ladies' barrel pick is now available in stores and encouraged everyone to purchase a bottle. She also thanked staff for providing the experience and opportunity to select the barrel.

THE CITY OF ASHEVILLE BOARD OF ALCOHOLIC CONTROL
MARCH 31, 2026 REGULAR MEETING
PAGE SIX

LAW ENFORCEMENT REPORT: Chief Bottego reported that law enforcement staff conducted 25 permittee inspections, 26 compliance checks, 4 criminal charges, and 3 agency assists (APD and Highway Patrol). Discussion followed on APD hiring new officers and training.

Chief Bottego stated that our night agent is keeping property cleared and shuttling people to shelters.

Chief Bottego reported that the issue with the Fire Department event permit has been resolved. He clarified that the formal warning was on him, not the Board. Chairwoman Cape advised that we need to be more proactive with customer parking and traffic issues at bourbon drops. Discussion followed.

Chief Bottego stated that law enforcement staff has handled only two new permits this month.

The three schools for Prom Promise this year are AC Reynolds, TC Roberson and North Buncombe.

OLD BUSINESS/NEW BUSINESS: Mr. Thacker advised that the Broadway store has been approved by the ABC Commission even though there was a store there previous. Beverly Grant held an in person bid opening on March 3rd and then again on March 19th for each scope of work. They are hoping to begin construction early April. Ms. Collins asked if we have a design for store. Mr. Thacker stated that the plans for the store were done at the same time the mixed beverage outlet was done but the store was put on hold until now.

Mr. Thacker advised Board that the Budget Planning is beginning. Ms. Franklin and Mr. Thacker will meet with the Health Insurance agent regarding renewal.

Mr. Bass informed Board that new shelving has been installed at Long Shoals (#8), and encouraged members to visit the site to view it.

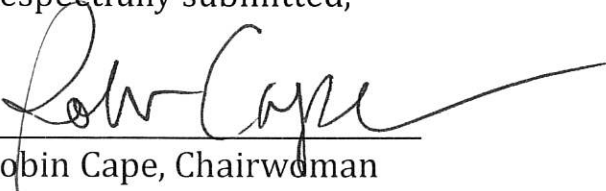
THE CITY OF ASHEVILLE BOARD OF ALCOHOLIC CONTROL
MARCH 31, 2026 REGULAR MEETING
PAGE SEVEN

Lastly, Chairwoman Cape advised Board that she stopped in and spoke with Mr. Karn, who was the first participant in our new parental leave policy. He was so thankful for the impact it had on his family.

NEXT REGULAR MEETING: The next regular meeting of the Board will be Tuesday, April 28, 2026 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,



Robin Cape, Chairwoman