



MEMORANDUM

TO: Mayor and Board of Commissioners

FROM: Bryan Gruesbeck, Town Manager

SUBJECT: ABC Request for Excess Working Capital Retention

DATE: September 12, 2016

Background: Jim Nass, Chair of the Pittsboro ABC Board, is requesting that the Pittsboro ABC be allowed to retain a share of its accumulated “working capital” to help save for improvements to the existing store and plan for additional store locations.

The Pittsboro ABC Board currently makes distributions to the Town of Pittsboro and local law enforcement, in addition to retaining four months of average gross sales as working capital. Working capital is composed of cash and investments and inventory minus liabilities.

In 2015, The Town Board of Commissioners voted to allow the Pittsboro ABC Board to retain a share of its working capital provided that they make the request on an annual basis. The share was split 60% to the Pittsboro ABC and 40% to the Town of Pittsboro.

During FY 2015-2016, the Pittsboro ABC gross sales exceeded the maximum amount that can be retained without Town approval by \$114,348. They are requesting to retain 60% of this amount (\$60,608) and to distribute 40% (\$45,740) to the Town of Pittsboro.

Attached please find the Memo from Mr. Nass. He will be at the Board meeting to provide an overview his request and update the Town Board of Commissioners on recent Pittsboro ABC operations.

Action Requested: Allow the Pittsboro ABC board to retain excess working capital, as presented.