

September 21, 2015

Bryan Gruesbeck

Town Manager

Pittsboro, NC 27312

REQUEST OF THE PITTSBORO, NC ABC BOARD FOR APPROVAL TO RETAIN SIXTY PERCENT OF EXCESS WORKING CAPITAL AND DISTRIBUTE FORTY PERCENT OF EXCESS WORKING CAPITAL TO THE TOWN OF PITTSBORO, NC AS AN ADDITIONAL DISTRIBUTION AND TO CONTINUE THESE PROPORTIONS FOR ANY EXCESS WORKING CAPITAL IN FUTURE FISCAL YEARS UNLESS CHANGED BY THE PITTSBORO BOARD OF COMMISSIONERS

Under State statutes and NC ABC Commission regulations, the Pittsboro ABC Board is required to make a minimum distribution to the Town of Pittsboro and to local law enforcement. In addition, the Board is allowed to retain up to four months gross sales as working capital.

At the end of fiscal year 2014/15 the Board had accumulated excess working capital in the amount of \$80,000. Careful fiscal management has allowed us to accumulate this capital.

The Board is seeking approval from the Board of Commissioners to retain sixty (60) percent (\$48,437) of the excess working capital to begin preparing for funding of the growth of the ABC store(s), and to fund the repurposing of administrative space into retail space to facilitate additional sales. The Board proposes to distribute forty (40) percent (\$32,291) of the excess working capital to the Town of Pittsboro as an additional distribution. The Board further requests that approval be granted to apply the same proportions to any excess working capital in future fiscal years – that is to retain sixty (60) percent and distribute forty (40) percent to the Town of Pittsboro.

The Board believes that it is necessary to make this request in order to fulfill its fiduciary responsibility to the Town of Pittsboro by preparing for the future growth of the ABC system in Pittsboro, NC.

Our long range plan envisions three (3) Pittsboro ABC stores at the end of the next 20 to 30 years. At the end of this period the Board's plan envisions a downtown store, a store in north Pittsboro, and a store in south Pittsboro. With this approval, the Board feels confident that it will be able to fund these future requirements.

James Nass, Chair
Pittsboro, NC ABC Board
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