



# Alcohol Beverage Services

## APPROVED FY21 BUDGET

\$63,556,354

## FULL TIME EQUIVALENTS

442.50

 ROBERT DORFMAN, DIRECTOR

## MISSION STATEMENT

The mission of Alcohol Beverage Services (ABS) is to provide licensing, wholesale and retail sales of beverage alcohol products, enforcement and effective education and training programs, while promoting moderation and responsible behavior in all phases of distribution and consumption. The Department diligently promotes, enforces, and obeys all laws and regulations governing beverage alcohol while generating revenue for the benefit of Montgomery County's General Fund. The Department strives to provide its customers with the added benefits inherent with the oversight provided by the Montgomery County Government.

## BUDGET OVERVIEW

The total approved FY21 Operating Budget for the Alcohol Beverage Services is \$63,556,354, a decrease of \$486,427 or 0.76 percent from the FY20 Approved Budget of \$64,042,781. Personnel Costs comprise 57.63 percent of the budget for 312 full-time position(s) and 144 part-time position(s), and a total of 442.50 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 42.37 percent of the FY21 budget.

In FY21, Alcohol Beverage Services will transfer \$31.7 million to the General Fund and make \$9.3 million in debt service payments on Liquor Control Revenue Bonds for a total contribution of \$41 million.

The above projections and proposed expenditures form the basis for working capital decisions concerning the ABS Enterprise Fund.

The following information is provided to facilitate County Council and public input for final County Executive decisions on the determination of adequate working capital within, and use of resources in, the Liquor Enterprise Fund and net proceeds to be deposited to the General Fund. Consistent with Article 2B, Section 15-207, the County Executive must make resource allocation decisions for the Fund.





## COUNTY PRIORITY OUTCOMES

While this program area supports all seven of the County Executive's Priority Outcomes, the following are emphasized:





 **A Greener County**

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-  **Effective, Sustainable Government**
  -  **Safe Neighborhoods**
  -  **A Growing Economy**

## INITIATIVES

-  Enhance store operations by renovating select stores, piloting new store concepts, and implementing a retail training program.
-  Implement technology such as proof of delivery and electronic eyes in our Warehouse to improve delivery accuracy and efficiency.
-  Addition of a Loss Prevention Specialist to reduce inventory shrinkage and improve overall security.
-  Implementation of new point of sale system across all retail stores to improve customer experience.

## INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

-  Full implementation of voice picking technology that has significantly expedited the loading of products and reduced errors in the process.
-  Implemented the Top 1,800 program to ensure all retail stores are stocked with our customers' most demanded products.
-  Expanded marketing and outreach efforts to promote many of the existing features of Alcohol Beverage Services.
-  Implemented a customer service tracking system that allows for real time tracking of the customer satisfaction in the stores.

## PROGRAM CONTACTS

Contact Courtney Orsini of the Alcohol Beverage Services at 240.777.1921 or Estela Boronat de Gomes of the Office of Management and Budget at 240.777.2785 for more information regarding this department's operating budget.

## PROGRAM PERFORMANCE MEASURES

Performance measures for this department are included below (where applicable), with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY20 estimates reflect funding based on the FY20 Approved Budget. The FY21 and FY22 figures are performance targets based on the FY21 Approved Budget and funding for comparable service levels in FY22.

## PROGRAM DESCRIPTIONS

### Administration

The Administration Program provides comprehensive leadership for the Department including strategic planning, policy development and implementation, accountability, maintenance of partnerships with non-governmental service providers and human resource management. This program also provides all accounting, financial, procurement, and information technology services for the department. Finance and accounting staff perform special analyses, reporting, and preparation and monitoring of

the department's budget, as well as oversight of procurement and contract management. Information and technology staff provide the design, operation, maintenance, and protection of all information technology initiatives for the department.

| Program Performance Measures   | Actual FY18   | Actual FY19   | Estimated FY20 | Target FY21   | Target FY22   |
|--|---------------|---------------|----------------|---------------|---------------|
| Total sales overall  | \$294,864,912 | \$293,663,852 | \$300,993,163  | \$305,138,498 | \$309,506,226 |
| Transfer to General Fund   | \$21,163,320  | \$22,975,809  | \$26,474,980   | \$27,926,172  | \$26,000,000  |
| Gross Profit   | \$88,700,748  | \$88,573,116  | \$91,180,293   | \$96,812,959  | \$98,749,218  |
| Average Licensee Satisfaction Score from Annual Survey (scale of 1-5) <sup>1</sup> | 3.5           | 3.2           | 3.8            | 3.9           | 4.0           |

<sup>1</sup> The Annual Licensee Customer Satisfaction Survey (FY17-FY19) has had a response rate of 8.4-10.6%. The Department has committed to increasing the response rate through active outreach to Licensees in FY20-FY21.

| FY21 Approved Changes   | Expenditures      | FTEs         |
|---|-------------------|--------------|
| <b>FY20 Approved</b>  | <b>13,641,311</b> | <b>21.20</b> |
| Shift: New Positions Approved in FY20 Budget from Retail sales operations and Licensure, Regulation and Education   | 158,388           | 2.00         |
| Decrease Cost: Debt Service   | (17,150)          | 0.00         |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | (467)             | 2.00         |
| <b>FY21 Approved</b>  | <b>13,782,082</b> | <b>25.20</b> |

## Delivery Operations

This program includes the distribution of distilled spirits, wine, and beer to licensed establishments and County retail stores.

| Program Performance Measures   | Actual FY18 | Actual FY19 | Estimated FY20 | Target FY21 | Target FY22 |
|--|-------------|-------------|----------------|-------------|-------------|
| Number of unique licensees affected by a delivery discrepancy (monthly average)- licensees only                        | 494         | 502         | 498            | 498         | 498         |
| Number of unique licensees affected by a delivery discrepancy of stock Items (monthly average)- licensees only         | 395         | 408         | 403            | 400         | 395         |
| Number of unique licensees affected by a delivery discrepancy of special order Items (monthly average)- licensees only | 299         | 294         | 281            | 271         | 260         |
| Percent of items shipped on time and intact- licensees only  | 98.1%       | 97.9%       | 98.0%          | 98.1%       | 98.2%       |

| FY21 Approved Changes   | Expenditures     | FTEs         |
|---|------------------|--------------|
| <b>FY20 Approved</b>  | <b>7,182,371</b> | <b>83.00</b> |
| Enhance: Upgrade Delivery Fleet (New Truck)   | 150,000          | 0.00         |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | (304,343)        | 0.00         |
| <b>FY21 Approved</b>  | <b>7,028,028</b> | <b>83.00</b> |

## Licensure, Regulation and Education

This program includes issuance of beverage alcohol licenses; inspecting and investigating licensed facilities to ensure compliance with all applicable laws, rules, regulations; and serving as support staff and providing expert testimony at hearings for issuance, fining, suspension, or revocation of licenses. This program also encompasses community partnerships by defining issues and strategies, and monitoring efforts with various agencies, departments, civic organizations, businesses, and individuals to provide and coordinate innovative programs and measures to ensure safe and vibrant communities relative to the service and consumption

of beverage alcohol.

| Program Performance Measures  | Actual<br>FY18 | Actual<br>FY19 | Estimated<br>FY20 | Target<br>FY21 | Target<br>FY22 |
|---|----------------|----------------|-------------------|----------------|----------------|
| Number of annual alcohol compliance checks to minors (under 21)   | 400            | 400            | 400               | 400            | 400            |
| Number of licensed business inspections   | 4,567          | 3,884          | 4,000             | 4,000          | 4,000          |
| Number of valid licensed businesses registered with ABS   | 1,048          | 1,046          | 1,050             | 1,050          | 1,050          |
| Percent of licensees that fail compliance checks (Number of establishments that fail/Number of total compliance checks) | 28.0%          | 30.0%          | 28.0%             | 27.0%          | 25.0%          |
| Rating of licensed businesses satisfied with ALERT training (scale of 1-5)  | 4.6            | 4.8            | 4.8               | 4.9            | 4.9            |
| Rating of licensees satisfied with Licensing Application Process (scale of 1-5 )  | 4.5            | 4.8            | 4.8               | 4.9            | 4.9            |

| FY21 Approved Changes   | Expenditures     | FTEs         |
|---|------------------|--------------|
| <b>FY20 Approved</b>  | <b>1,938,327</b> | <b>11.39</b> |
| Shift: New Positions Approved in FY20 Budget - Reallocation to Administration Program   | (79,194)         | (1.00)       |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 33,496           | 0.00         |
| <b>FY21 Approved</b>  | <b>1,892,629</b> | <b>10.39</b> |

## Marketing

This program leads the marketing efforts for the Department, including design and branding, advertising, internal and external communications, merchandising, retail pricing, events, promotions, and highly allocated product selection.

| FY21 Approved Changes   | Expenditures   | FTEs        |
|---|----------------|-------------|
| <b>FY20 Approved</b>  | <b>0</b>       | <b>0.00</b> |
| Shift: Transfer from Warehouse Personnel to New Marketing Program   | 200,638        | 2.00        |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 701,018        | 2.00        |
| <b>FY21 Approved</b>  | <b>901,656</b> | <b>4.00</b> |

## Retail Sales Operations

This program oversees sales of distilled spirits, wine, and beer to retail customers and licensees through the operation of retail stores that are located throughout Montgomery County.

| Program Performance Measures  | Actual<br>FY18 | Actual<br>FY19 | Estimated<br>FY20 | Target<br>FY21 | Target<br>FY22 |
|---|----------------|----------------|-------------------|----------------|----------------|
| Total retail stores sales   | \$145,175,253  | \$140,865,450  | \$149,719,157     | \$154,286,348  | \$159,286,348  |
| Same Store Sales Year over Year   | \$144,735,894  | \$149,039,371  | \$156,450,000     | \$160,987,000  | \$165,655,000  |
| Average Licensee Satisfaction Score from Annual Survey- Retail Operations (scale of 1-5) <sup>1</sup> | 3.63           | 3.65           | 3.70              | 3.75           | 3.80           |

<sup>1</sup> The Annual Licensee Customer Satisfaction Survey (FY17-FY19 ) has had a response rate of 8.4-10.6%. The Department has committed to increasing the response rate through active outreach to Licensees in FY20-FY21.

| FY21 Approved Changes                        | Expenditures      | FTEs          |
|--|-------------------|---------------|
| <b>FY20 Approved</b>                         | <b>30,139,807</b> | <b>210.88</b> |
| Enhance: Two New Retail Stores - Spirit Only | 1,433,681         | 12.80         |
| Enhance: Retail Point of Sale System         | 551,520           | 0.00          |

| FY21 Approved Changes   | Expenditures      | FTEs          |
|---|-------------------|---------------|
| Increase Cost: Retail Store Leases  | 807               | 0.00          |
| Add: Retail Staffing Plan   | 0                 | 2.00          |
| Shift: Approved with FY20 Budget - Reallocation to Administration Program   | (79,194)          | (1.00)        |
| Shift: Transfer Building Improvements to CIP - ABS Retail Stores Refresh  | (1,335,881)       | 0.00          |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | (301,741)         | 0.00          |
| <b>FY21 Approved</b>  | <b>30,408,999</b> | <b>224.68</b> |

## Warehouse Operations

This program involves management of the County's beverage alcohol warehouse and includes the purchase, receipt, and storage of over 35,000 different stock and special order items.

| Program Performance Measures   | Actual FY18 | Actual FY19 | Estimated FY20 | Target FY21 | Target FY22 |
|--|-------------|-------------|----------------|-------------|-------------|
| Percent of shipped items returned - licensees only   | 1.0%        | 0.8%        | 0.8%           | 0.8%        | 0.7%        |
| Percent of items shipped on time and intact- stock products- licensees only                              | 98.7%       | 98.5%       | 98.7%          | 98.8%       | 98.9%       |
| Percent of items shipped on time and intact- special order products- licensees only                      | 90.2%       | 90.8%       | 91.0%          | 92.0%       | 93.0%       |
| Average licensee satisfaction score from annual survey- Wholesale Operations (scale of 1-5) <sup>1</sup> | 3.59        | 3.56        | 3.70           | 3.75        | 3.80        |

<sup>1</sup> The Annual Licensee Customer Satisfaction Survey (FY17-FY19 ) has had a response rate of 8.4-10.6%. The Department has committed to increasing the response rate through active outreach to Licensees in FY20-FY21.

| FY21 Approved Changes   | Expenditures     | FTEs         |
|---|------------------|--------------|
| <b>FY20 Approved</b>  | <b>9,741,825</b> | <b>97.23</b> |
| Shift: Transfer Warehouse Existing Personnel to New Marketing Program   | (200,638)        | (2.00)       |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 1,773            | 0.00         |
| <b>FY21 Approved</b>  | <b>9,542,960</b> | <b>95.23</b> |

## REALIGNED PROGRAMS

Funding in the following programs has been realigned to other programs within this department.

## Office of the Director

| FY21 Approved Changes   | Expenditures     | FTEs        |
|---|------------------|-------------|
| <b>FY20 Approved</b>  | <b>1,399,140</b> | <b>4.00</b> |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | (1,399,140)      | (4.00)      |
| <b>FY21 Approved</b>  | <b>0</b>         | <b>0.00</b> |

## BUDGET SUMMARY

|  | Actual FY19 | Budget FY20 | Estimate FY20 | Approved FY21 | %Chg Bud/App |
|--|-------------|-------------|---------------|---------------|--------------|
|--|-------------|-------------|---------------|---------------|--------------|

## BUDGET SUMMARY

|   | Actual<br>FY19    | Budget<br>FY20    | Estimate<br>FY20  | Approved<br>FY21  | %Chg<br>Bud/App |
|---|-------------------|-------------------|-------------------|-------------------|-----------------|
| <b>LIQUOR CONTROL</b>                   |                   |                   |                   |                   |                 |
| <b>EXPENDITURES</b>                     |                   |                   |                   |                   |                 |
| Salaries and Wages                      | 26,836,360        | 26,110,171        | 26,345,475        | 26,745,635        | 2.4 %           |
| Employee Benefits                       | 9,273,096         | 9,995,920         | 9,560,885         | 9,882,979         | -1.1 %          |
| <b>Liquor Control Personnel Costs</b>   | <b>36,109,456</b> | <b>36,106,091</b> | <b>35,906,360</b> | <b>36,628,614</b> | <b>1.4 %</b>    |
| Operating Expenses                      | 18,096,007        | 17,235,209        | 18,400,652        | 16,754,290        | -2.8 %          |
| Capital Outlay                          | 174,439           | 1,436,681         | 1,427,272         | 925,800           | -35.6 %         |
| Debt Service Other                      | 9,836,714         | 9,264,800         | 8,850,750         | 9,247,650         | -0.2 %          |
| <b>Liquor Control Expenditures</b>      | <b>64,216,616</b> | <b>64,042,781</b> | <b>64,585,034</b> | <b>63,556,354</b> | <b>-0.8 %</b>   |
| <b>PERSONNEL</b>                        |                   |                   |                   |                   |                 |
| Full-Time                               | 307               | 302               | 302               | 312               | 3.3 %           |
| Part-Time                               | 148               | 138               | 138               | 144               | 4.4 %           |
| FTEs                                    | 442.20            | 427.70            | 427.70            | 442.50            | 3.5 %           |
| <b>REVENUES</b>                         |                   |                   |                   |                   |                 |
| Bag Tax                                 | 7,019             | 0                 | 0                 | 0                 | —               |
| Investment Income                       | 145,294           | 41,410            | 166,665           | 91,900            | 121.9 %         |
| Liquor Licenses                         | 1,744,540         | 1,732,993         | 200,000           | 1,724,222         | -0.5 %          |
| Liquor Sales                            | 88,573,116        | 90,446,885        | 92,000,000        | 96,812,959        | 7.0 %           |
| Miscellaneous Revenues                  | 102,145           | 0                 | 12,856            | 0                 | —               |
| Other Charges/Fees                      | 19,519            | 23,418            | 23,418            | 23,887            | 2.0 %           |
| Other Fines/Forfeitures                 | 255,830           | 316,916           | 300,000           | 316,916           | —               |
| Other Licenses/Permits                  | 73,200            | 159,229           | 150,000           | 168,000           | 5.5 %           |
| <b>Liquor Control Revenues</b>          | <b>90,920,663</b> | <b>92,720,851</b> | <b>92,852,939</b> | <b>99,137,884</b> | <b>6.9 %</b>    |
| <b>GRANT FUND - MCG</b>                 |                   |                   |                   |                   |                 |
| <b>EXPENDITURES</b>                     |                   |                   |                   |                   |                 |
| Salaries and Wages                      | 0                 | 0                 | 0                 | 0                 | —               |
| Employee Benefits                       | 0                 | 0                 | 0                 | 0                 | —               |
| <b>Grant Fund - MCG Personnel Costs</b> | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>—</b>        |
| Operating Expenses                      | 18,708            | 0                 | 0                 | 0                 | —               |
| <b>Grant Fund - MCG Expenditures</b>    | <b>18,708</b>     | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>—</b>        |
| <b>PERSONNEL</b>                        |                   |                   |                   |                   |                 |
| Full-Time                               | 0                 | 0                 | 0                 | 0                 | —               |
| Part-Time                               | 0                 | 0                 | 0                 | 0                 | —               |
| FTEs                                    | 0.00              | 0.00              | 0.00              | 0.00              | —               |
| <b>Grant Fund - MCG Revenues</b>        | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>—</b>        |
| <b>DEPARTMENT TOTALS</b>                |                   |                   |                   |                   |                 |
| <b>Total Expenditures</b>               | <b>64,235,324</b> | <b>64,042,781</b> | <b>64,585,034</b> | <b>63,556,354</b> | <b>-0.8 %</b>   |

## BUDGET SUMMARY

|                                  | Actual<br>FY19    | Budget<br>FY20    | Estimate<br>FY20  | Approved<br>FY21  | %Chg<br>Bud/App |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|-----------------|
| <b>Total Full-Time Positions</b> | <b>307</b>        | <b>302</b>        | <b>302</b>        | <b>312</b>        | <b>3.3 %</b>    |
| <b>Total Part-Time Positions</b> | <b>148</b>        | <b>138</b>        | <b>138</b>        | <b>144</b>        | <b>4.3 %</b>    |
| <b>Total FTEs</b>                | <b>442.20</b>     | <b>427.70</b>     | <b>427.70</b>     | <b>442.50</b>     | <b>3.5 %</b>    |
| <b>Total Revenues</b>            | <b>90,920,663</b> | <b>92,720,851</b> | <b>92,852,939</b> | <b>99,137,884</b> | <b>6.9 %</b>    |

## FY21 APPROVED CHANGES

|  | Expenditures                       | FTEs                     |
|--|------------------------------------|--------------------------|
| <b>LIQUOR CONTROL</b>  |                                    |                          |
|  | <b>FY20 ORIGINAL APPROPRIATION</b> | <b>64,042,781 427.70</b> |
| <b><u>Changes (with service impacts)</u></b>   |                                    |                          |
| Enhance: Two New Retail Stores - Spirit Only [Retail Sales Operations]   | 1,433,681                          | 12.80                    |
| Enhance: Retail Point of Sale System [Retail Sales Operations]   | 551,520                            | 0.00                     |
| Enhance: Upgrade Delivery Fleet (New Truck) [Delivery Operations]  | 150,000                            | 0.00                     |
| Add: Retail Staffing Plan [Retail Sales Operations]  | 0                                  | 2.00                     |
| <b><u>Other Adjustments (with no service impacts)</u></b>  |                                    |                          |
| Increase Cost: FY21 Compensation Adjustment  | 740,705                            | 0.00                     |
| Increase Cost: Annualization of FY20 Compensation Increases  | 519,226                            | 0.00                     |
| Shift: Transfer from Warehouse Personnel to New Marketing Program [Marketing]  | 200,638                            | 2.00                     |
| Shift: New Positions Approved in FY20 Budget from Retail sales operations and Licensure, Regulation and Education [Administration] | 158,388                            | 2.00                     |
| Increase Cost: Risk Management Adjustment  | 92,530                             | 0.00                     |
| Increase Cost: Annualization of FY20 Lapsed Positions  | 69,537                             | 0.00                     |
| Increase Cost: MLS Pay for Performance (Increase to Base Pay)  | 14,630                             | 0.00                     |
| Increase Cost: Retail Store Leases [Retail Sales Operations]   | 807                                | 0.00                     |
| Increase Cost: Print and Mail Adjustment   | 419                                | 0.00                     |
| Decrease Cost: Annualization of FY20 Operating Expenses  | (7,390)                            | 0.00                     |
| Decrease Cost: Debt Service [Administration]   | (17,150)                           | 0.00                     |
| Decrease Cost: Motor Pool Adjustment   | (38,275)                           | 0.00                     |
| Shift: Approved with FY20 Budget - Reallocation to Administration Program [Retail Sales Operations]                                | (79,194)                           | (1.00)                   |
| Shift: New Positions Approved in FY20 Budget - Reallocation to Administration Program [Licensure, Regulation and Education]        | (79,194)                           | (1.00)                   |
| Shift: Transfer Warehouse Existing Personnel to New Marketing Program [Warehouse Operations]                                       | (200,638)                          | (2.00)                   |
| Decrease Cost: Retirement Adjustment   | (260,566)                          | 0.00                     |
| Decrease Cost: Annualization of FY20 Personnel Costs   | (353,498)                          | 0.00                     |
| Decrease Cost: Council Compensation Adjustment   | (851,192)                          | 0.00                     |
| Decrease Cost: OPEB Adjustment   | (1,195,530)                        | 0.00                     |
| Shift: Transfer Building Improvements to CIP - ABS Retail Stores Refresh [Retail Sales Operations]                                 | (1,335,881)                        | 0.00                     |

## FY21 APPROVED CHANGES

|                                    | Expenditures      | FTEs          |
|------------------------------------|-------------------|---------------|
| <b>FY21 APPROVED</b>               | <b>63,556,354</b> | <b>442.50</b> |
| <b>GRANT FUND - MCG</b>            |                   |               |
| <b>FY20 ORIGINAL APPROPRIATION</b> | <b>0</b>          | <b>0.00</b>   |
| <b>FY21 APPROVED</b>               | <b>0</b>          | <b>0.00</b>   |

## PROGRAM SUMMARY

| Program Name                        | FY20 APPR<br>Expenditures | FY20 APPR<br>FTEs | FY21 APPR<br>Expenditures | FY21 APPR<br>FTEs |
|-------------------------------------|---------------------------|-------------------|---------------------------|-------------------|
| Administration                      | 13,641,311                | 21.20             | 13,782,082                | 25.20             |
| Delivery Operations                 | 7,182,371                 | 83.00             | 7,028,028                 | 83.00             |
| Licensure, Regulation and Education | 1,938,327                 | 11.39             | 1,892,629                 | 10.39             |
| Marketing                           | 0                         | 0.00              | 901,656                   | 4.00              |
| Office of the Director              | 1,399,140                 | 4.00              | 0                         | 0.00              |
| Retail Sales Operations             | 30,139,807                | 210.88            | 30,408,999                | 224.68            |
| Warehouse Operations                | 9,741,825                 | 97.23             | 9,542,960                 | 95.23             |
| <b>Total</b>                        | <b>64,042,781</b>         | <b>427.70</b>     | <b>63,556,354</b>         | <b>442.50</b>     |

## FUNDING PARAMETER ITEMS

CC APPROVED (\$000S)

| Title  | FY21          | FY22           | FY23           | FY24           | FY25           | FY26           |
|--|---------------|----------------|----------------|----------------|----------------|----------------|
| <b>LIQUOR CONTROL</b>  |               |                |                |                |                |                |
| <b>EXPENDITURES</b>  |               |                |                |                |                |                |
| <b>FY21 Approved</b>   | <b>63,556</b> | <b>63,556</b>  | <b>63,556</b>  | <b>63,556</b>  | <b>63,556</b>  | <b>63,556</b>  |
| No inflation or compensation change is included in outyear projections.  |               |                |                |                |                |                |
| <b>Annualization of Positions Approved in FY21</b>   | <b>0</b>      | <b>215</b>     | <b>215</b>     | <b>215</b>     | <b>215</b>     | <b>215</b>     |
| New positions in the FY21 budget are generally assumed to be filled at least two months after the fiscal year begins. Therefore, the above amounts reflect annualization of these positions in the outyears. |               |                |                |                |                |                |
| <b>Elimination of One-Time Items Approved in FY21</b>  | <b>0</b>      | <b>(1,377)</b> | <b>(1,377)</b> | <b>(1,377)</b> | <b>(1,377)</b> | <b>(1,377)</b> |
| Items recommended for one-time funding in FY21, including one new delivery truck, new retail store build outs, and retail Point of Sale software, will be eliminated from the base in the outyears.          |               |                |                |                |                |                |
| <b>Debt Service</b>  | <b>0</b>      | <b>1,603</b>   | <b>1,229</b>   | <b>1,018</b>   | <b>959</b>     | <b>583</b>     |
| Debt service estimates include Liquor Control Revenue Bonds, Master Lease Agreements for Forklifts, Delivery Trucks, and ERP system.   |               |                |                |                |                |                |
| <b>Retiree Health Insurance Pre-funding</b>  | <b>0</b>      | <b>(71)</b>    | <b>(166)</b>   | <b>(163)</b>   | <b>(174)</b>   | <b>(36)</b>    |
| <b>Subtotal Expenditures</b>   | <b>63,556</b> | <b>63,926</b>  | <b>63,457</b>  | <b>63,249</b>  | <b>63,179</b>  | <b>62,941</b>  |



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ANNUALIZATION OF FULL PERSONNEL COSTS

|                                     | FY21 Approved  |              | FY22 Annualized |              |
|-------------------------------------|----------------|--------------|-----------------|--------------|
|                                     | Expenditures   | FTEs         | Expenditures    | FTEs         |
| Two New Retail Stores - Spirit Only | 643,681        | 12.80        | 858,241         | 12.80        |
| <b>Total</b>                        | <b>643,681</b> | <b>12.80</b> | <b>858,241</b>  | <b>12.80</b> |

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