MINUTES OF THE REGULAR MEETING OF THE TOWN OF LAKE LURE ABC BOARD

Monday, July 20, 2026
3:30 P.M.

This Meeting was held at the Town Hall at The Landings

Present:

Mr. Richard Sayles, Chair
Ms. Esther Lusk, Board Member
Mr. Trace Boswell, Board Member
Mr. Peter O'Leary, Board Member
Mr. Bob Cassano, Vice Chair
Commission Scott Doster
Patricia Crain, Store Manager
Rhonda Cook, Accountant

Absent:

I. Call to Order

Board chair Richard Sayles called the meeting to order at 3:30 p.m.

II. Agenda Adopted

Trace Boswell made a motion to approve the agenda as presented. Esther Lusk seconded the motion and all were in favor.

III. Conflict of Interest Statements

There were no conflict of interest.

IV. Public Comment

There were no public comments made.

VI. Approval of the June 22, 2026, Regular ABC Board Meeting Minutes

Esther Lusk made a motion to approve the minutes from June 22, 2026. Bob Cassano seconded the motion. All members voted in approval.

VI. New Business

A. Audit Review with Edwin Strickland

Edwin Strickland of the North Carolina ABC Commission presented the Commission's performance review and compliance report. He commended the Board and staff for their perseverance following the impacts of Hurricane Helene and acknowledged the unique challenges experienced during Fiscal Year 2025.

Highlights of the presentation included:

Fiscal Year 2025 profit percentage to sales was reported at **2.17%**, reflecting substantially reduced sales resulting from the storm.

Sales declined by approximately **29%** compared to the previous fiscal year.

Operating costs decreased by more than **17%**, while salary expenses declined by approximately **13%**, reflecting reduced operating hours.

Inventory turnover and budget performance were discussed, with recognition that the extraordinary circumstances of the year significantly affected normal operating metrics.

Mr. Strickland noted that the Board has historically maintained strong financial performance and has consistently provided distributions to the Town.

Working capital requirements were reviewed, including statutory limitations and the process for retaining funds for future capital improvements with Town approval.

Compliance recommendations included:

Completion of required ethics training by recently reappointed Board members.

Consideration of annual budget amendments near the end of the fiscal year when necessary.

Review of procedures requiring Finance Officer approval of purchases and consideration of appointing a Deputy Finance Officer.

Submission of unsellable merchandise reports to the ABC Commission.

Continued review of shelf pricing accuracy. Encouragement for retail staff to participate in ABC Commission education and responsible alcohol sales training. Mr. Strickland concluded that the overall inspection was favorable and indicated that the identified items were routine administrative recommendations rather than significant deficiencies. Board members thanked Mr. Strickland for his presentation and guidance.

B. Discuss ABC Store Operations

Store Manager Patricia provided an operational update.
Ready-to-Drink (RTD) Sales: RTD beverages increased from approximately 6.22% of total sales at the end of June to 8.44% during the Fourth of July holiday period. Several products sold out during the holiday weekend, and staff discussed increasing inventory for future holiday demand.
Barrel Selection Program: The Board discussed the release schedule for the Lake Lure commemorative bourbon barrel selection. Members considered whether to release bottles before or during the Smokehouse Bourbon & Barbecue event in September and discussed reserving a limited number of bottles for charitable auction purposes. Maker's Mark Barrel Selection: Plans were reviewed for the upcoming barrel tasting scheduled for July 28. Additional discussion included future barrel selection opportunities and long-term planning for commemorative releases.
Annual Audit: The annual financial audit was scheduled for August 5, with requested documentation being assembled.
Inventory: Staff reported only minor inventory discrepancies during the annual inventory count despite maintaining over 18,000 bottles in inventory.
Technology Upgrades: Carolina Data has been paid for system upgrades, including replacement card readers and software updates. Installation is pending scheduling.
Building Lease: The Board briefly discussed the upcoming lease renewal for the ABC Store building and agreed staff would review the current lease for any required updates or rental adjustments.
Ethics Training: Board members discussed completing required ethics training promptly following reappointment to maintain compliance with Commission expectations.

C. Review Financial Report

Finance Officer Rhonda Cook presented the financial report.
Fiscal Year 2026 concluded with an estimated net profit of approximately $34,019, representing a significant improvement over the prior fiscal year.
The Board discussed the need to reconcile and amend annual budgets when actual revenues and expenditures vary significantly from adopted projections. Members reviewed Finance Officer approval requirements for purchases and discussed practical implementation of newly identified Commission procedures. Working capital limitations and annual distributions to the Town were discussed, including procedures for retaining funds for future capital improvements when appropriate. The Board also discussed quarterly distributions, accounting procedures, accounts payable timing, and communication with the Town regarding future capital needs and technology investments.

VI. Adjournment

With no further business, Peter O' Leary made a motion to adjourn the meeting. Esther Lusk seconded the motion and all voted in favor.

Attest:

Kimberly Martin, Town Clerk

Richard Sayles, Board Chair