

Board of License Commissioners - Fiscal Year 2022 Budget Review Summary

Proposed FY 2022 Operating Budget

Expenditures by Fund Type

Fund	FY 2020 Actual	FY 2021 Approved	FY 2021 Estimated	FY 2022 Proposed	\$ Change	% Change
General Fund	1,368,115	1,606,600	1,696,200	1,696,700	90,100	5.6%
Total	\$ 1,368,115	\$ 1,606,600	\$ 1,696,200	\$ 1,696,700	\$ 90,100	5.6%

Authorized Staffing - All Classifications

Fund	FY 2021 Approved	FY 2022 Proposed	Change	% Change
General Fund	28	28	0	0.0%
Total	28	28	0	0.0%

FY 2022 Proposed Budget – Key Highlights

- Increased Compensation: Due to a reduction in anticipated vacancies and attrition, and to align with actual cost (\$127,900)
- Decreased Fringe Benefits: Adjustment to align with anticipated costs (\$46,300)
- Increased Operating Cost: Due to an increase in charges by the Office of Information Technology, offset by decreases in training, mileage reimbursement, and equipment lease costs (\$8,500)
- The Board continues to provide alcoholic beverage management services to the citizens, residents and visitors of the County in order to promote and maintain quality alcoholic beverage establishments that operate in a manner that benefits the community.
- The Board reported that it has streamlined the inspection process by incorporating technological improvements, such as using iPads to improve performance and reducing paper files whenever possible.
- The Board issued a new Standard Operating Procedures Manual based on the Maryland Legislative Audit.
- The Board successfully transitioned from in-person hearings to a virtual process.
- In FY 2020, the Board collected approximately \$1.47 million in revenue for approximately 630 licensed premises in the County. A breakdown of alcoholic beverage licenses by Councilmanic District is provided on page 5 of the full report.

Expenditures by Category

Category	FY 2021 Approved	FY 2021 Estimated	FY 2022 Proposed	Change Amount	% Change
Compensation	\$ 966,300	\$ 1,128,600	\$ 1,094,200	\$ 127,900	13.2%
Fringe Benefits	435,800	370,900	389,500	\$ (46,300)	-10.6%
Operating Expenses	204,500	196,700	213,000	\$ 8,500	4.2%
Total	\$ 1,606,600	\$ 1,696,200	\$ 1,696,700	\$ 90,100	5.6%



THE PRINCE GEORGE'S COUNTY GOVERNMENT
Office of Audits and Investigations

May 6, 2021

MEMORANDUM

TO: Calvin S. Hawkins, II, Chair
 Committee of the Whole (COW)

THRU: David H. Van Dyke, County Auditor *DH*
 Turkessa M. Green, Deputy County Auditor *TMG*

FROM: Nana Boadu, Staff Auditor *NB*

RE: Board of License Commissioners
 Fiscal Year 2022 Budget Review

Budget Overview

The FY 2022 Proposed Budget for the Board of License Commissioners is \$1,696,700. This represents an increase of \$90,100, or 5.6%, over the FY 2021 Approved Budget. The increase is largely due to an increase in compensation offset by a decrease in fringe benefit costs, to align with anticipated costs. The Board of License Commissioners' expenditures are funded entirely by the General Fund.

In FY 2021 the Board expects to make a supplemental budget request of \$89,600 for salary adjustments for full-time staff and emergency compensation expenses (hazard pay).

Budget Comparison - General Fund

Approved Fiscal Year 2021 to Proposed Fiscal Year 2022

Category	FY 2020 Actual	FY 2021 Approved	FY 2021 Estimated	% Change - Est vs App	FY 2022 Proposed	\$ Change	% Change
Compensation	\$ 933,197	\$ 966,300	\$ 1,128,600	16.8%	\$ 1,094,200	\$ 127,900	13.2%
Fringe Benefits	320,668	435,800	370,900	-14.9%	389,500	(46,300)	-10.6%
Operating Expenses	114,250	204,500	196,700	-3.8%	213,000	8,500	4.2%
Total	\$ 1,368,115	\$ 1,606,600	\$ 1,696,200	5.6%	\$ 1,696,700	\$ 90,100	5.6%

Authorized Staffing Count - General Fund

	FY 2021 Approved	FY 2022 Proposed	Change Amount	Percentage Change
Full-Time	9	9	0	0.0%
Part-Time	19	19	0	0.0%
Total	28	28	0	0.0%

Staffing Changes and Compensation

- FY 2022 compensation is proposed at approximately \$1.1 million, an increase of \$127,900, or 13.2% above the FY 2021 Approved Budget. This increase is primarily due to a reduction in anticipated vacancies and attrition, and to align with actual cost.
- The authorized staffing level for the FY 2022 Proposed Budget remains unchanged at nine (9) full-time positions. As of March 1, 2021, the Board reported that all of the full-time positions are filled.
- The FY 2022 Proposed Budget includes authorization for nineteen (19) part-time positions. This staffing level remains unchanged from the authorized staffing level in FY 2021. The Board reported seven (7) vacant part-time positions as of March 1, 2021. These vacant part-time positions will not be funded in FY 2022.

Fringe Benefit

- Fringe benefit expenditures are proposed to decrease by \$46,300, or 10.6%, under the FY 2021 Approved Budget to align with anticipated costs.
- A five-year trend analysis of fringe benefit expenditures is included below.

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Approved	FY 2022 Proposed
Fringe Benefit Expenditures	\$ 267,998	\$ 304,023	\$ 320,668	\$ 435,800	\$ 389,500
As a % of Compensation	44.1%	33.2%	34.4%	45.1%	35.6%
Annual % Change	-11.9%	13.4%	5.5%	35.9%	-10.6%

Operating Expenses

- The FY 2022 operating expenses are proposed at \$213,000, an increase of \$8,500, or 4.2%, over the FY 2021 approved level. The major items comprising operating expenses are as follows:

• Office Automation	\$112,400
• General & Admin. Contracts	35,000
• Telephone	20,500
• General Office Supplies	10,000
• Training	9,000

- The accompanying table compares the FY 2022 Proposed Budget operating expenditures with the FY 2021 Approved Budget operating expenditures. In one (1) category, the FY 2022 Proposed Budget increases planned spending from the FY 2021 budget. In six (6) of the categories, the FY 2022 Proposed Budget level remains unchanged compared to the FY 2021 budget. FY 2022 expenditures decrease in three (3) categories.

Operating Objects	FY 2021 Approved	FY 2022 Proposed	FY 2021 - FY 2022	
			\$ Change	% Change
Training	\$ 13,000	\$ 9,000	\$ (4,000)	-30.8%
Mileage Reimbursement	10,600	8,000	(2,600)	-24.5%
Equipment Lease	3,000	2,100	(900)	-30.0%
General Office Supplies	10,000	10,000	-	0.0%
General & Administrative Contracts	35,000	35,000	-	0.0%
Miscellaneous (Court Reporter Fees)	7,500	7,500	-	0.0%
Advertising	6,000	6,000	-	0.0%
Printing	2,500	2,500	-	0.0%
Telephone	20,500	20,500	-	0.0%
Office Automation	96,400	112,400	16,000	16.6%
TOTAL	\$ 204,500	\$ 213,000	\$ 8,500	4.2%

- The only increase between the FY 2022 Proposed Budget and the FY 2021 Approved Budget is Office Automation (\$16,000 increase), as a result of an increase in charges by the Office of Information Technology.

Highlights

- The Board continues to provide alcoholic beverage management services to the citizens, residents and visitors of the County in order to promote and maintain quality alcoholic beverage establishments that operate in a manner that benefits the community.
- One of the Board’s overall goals is to increase compliance with alcoholic beverage laws, rules and regulations. The Board continues to participate in various community outreach events and meetings in an effort to educate and get feedback from County residents.
- The Board reported that it has streamlined the inspection process by incorporating technological improvements, such as using iPads to improve performance and reducing paper files whenever possible.
- Inspection staff have engaged in more thorough inspections. This process resulted in more violations and additional cases being placed on the administrative docket.
- Additional resources are being utilized for underage enforcement investigations. This trend is also resulting in additional cases being placed on the administrative docket. These operations are in conjunction with the Police Department.
- Multi-agency investigations, conducted in conjunction with the Police Department, Health Department and Department of Permitting, Inspections, and Enforcement (DPIE), have also increased the workload.

- The Board plans to increase the level of inspections performed for the Special Entertainment Permit licensees. In FY 2022, the Board plans to conduct 600 Special Entertainment Permit inspections, compared to 446 inspections in FY 2020 and an estimated 550 inspections in FY 2021.

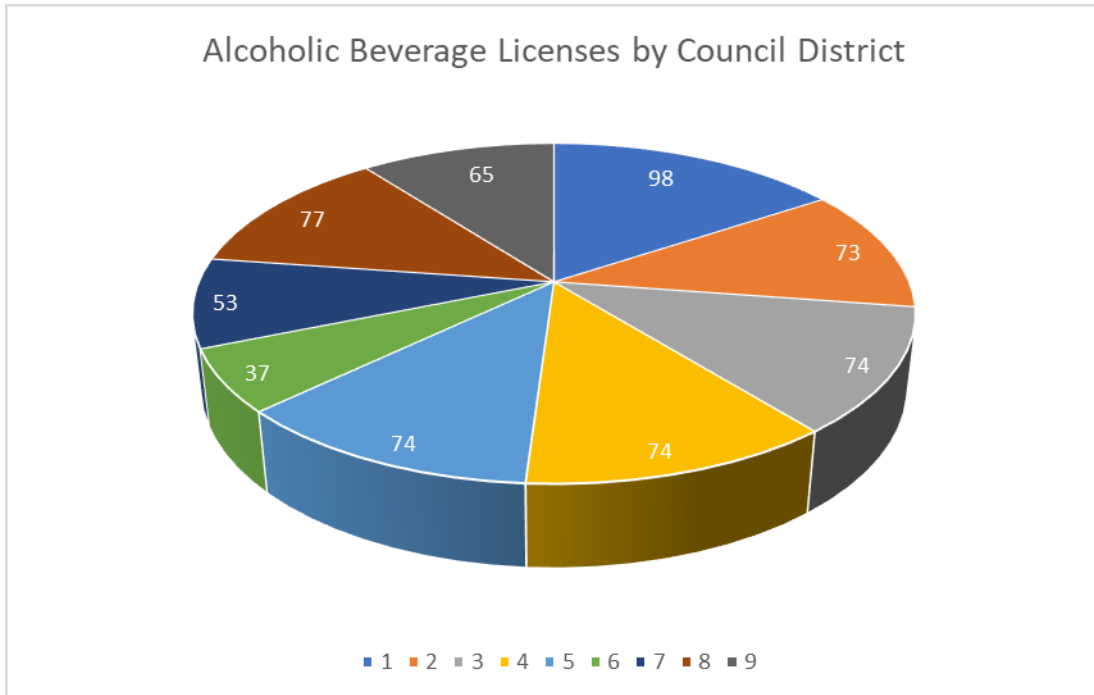
- In March of 2019, the Maryland Department of Legislative Services' Office of Legislative Audits completed a performance audit of the Board to evaluate the effectiveness and efficiency of its management practices. The State reported that the Board generally lacked adequate or comprehensive policies and procedures over significant aspects of its operations in each of the following four areas reviewed:
 - Licensing
 - Inspections
 - Disciplinary Procedures
 - Management Oversight

- In FY 2021 the Board reported as one of its accomplishments that it issued a new Standard Operating Procedures Manual based on the Maryland Legislative Audit.

- The following legislation, which passed the Maryland General Assembly 2021 session, will have a direct impact on the Board's programs and operations.
 - HB0974 – This bill will increase the Board's revenue. The Board has 52 AL at \$2,590 which would be an increase in revenue of \$134,680 annually and 8 BL+ at \$1080 which would be an increase in revenue of \$8,640 annually. This bill alters the alcoholic beverage licenses for which the Board of License Commissioners for Prince George's County may issue a Sunday off-sale permit; authorizing the Board to issue a Sunday off-sale permit to the holder of any Class A alcoholic beverages license, or to the holder of any Class B alcoholic beverages license with an off-sale privilege; altering a certain reinvestment requirement for an applicant for a Sunday off-sale permit; requiring the Board, by January 1, 2023, to conduct a study of Sunday off-sale permits; etc.

- All five (5) Board Commissioners are appointed by the County Executive, as required by HB 1317, and serve a three-year term. The current Board Commissioners are as follows:
 - Daphne Turpin Forbes, Chairwoman (Term expired June 1, 2020)
 - Armando Camacho, Vice-Chairman (Term expired June 1, 2020)
 - Kenneth Miles, Commissioner (Term expired June 1, 2019)
 - Tammy D. Sparkman, Commissioner (Term expired June 1, 2020)
 - Tammie Norman, Commissioner (Term expiring June 1, 2021)

- In FY 2020, the Board collected approximately \$1.47 million in revenue for approximately 630 licensed premises in the County. Below is a breakdown of alcoholic beverage licenses by Councilmanic District. (See Attachment 1 for a description of the types of licenses issued by the Board.) Estimated FY 2021 total revenues for permits/licenses, administrative fees and fines/penalties are \$2 million. The proposed revenue projection for FY 2022 is \$2.25 million.



- The Board projects that revenues for all License and Permit Fees (except Class A), will decrease in FY 2022 compared to the FY 2021 estimated revenue, while revenues generated from Administrative Fees and Fines are expected to increase. See summary of anticipated revenue, by category, below.

Revenue Category	FY 2020 Actual	FY 2021 Approved	FY 2021 Estimated	FY 2022 Proposed	\$ Change FY21 App. vs FY22 Prop.	% Change FY21-FY22
Class A License and Permit Fees	\$389,120	\$380,800	\$529,900	\$596,400	\$215,600	57%
Class B License and Permit Fees	649,169	1,206,800	884,000	994,900	(211,900)	-18%
Class C License and Permit Fees	39,731	63,200	54,100	60,900	(2,300)	-4%
Class D License and Permit Fees	13,035	53,100	17,800	20,000	(33,100)	-62%
Administrative Fees	268,930	359,900	366,200	412,200	52,300	15%
Fines	108,650	143,000	148,000	166,500	23,500	16%
Total	\$1,468,635	\$2,206,800	\$2,000,000	\$2,250,900	\$44,100	2%

- Due to the State of Emergency, the Governor authorized a 30-day extension on all licenses, permits, registrations or other authorizations issued by the State of Maryland, any agency of the State of Maryland or any political subdivision of the State. This extension has impacted revenues for licenses and fees.

- A breakdown of the total number of violations and the fines collected, by violation type, is provided below.

Violation Description	FY 2019		FY 2020		FY 2021 (YTD)	
	# of Violations	Fines	# of Violations	Fines	# of Violations	Fines
After hours	0	\$ -	1	\$ 1,500	0	\$ -
After hours; Bottle Service Special Entertainment Permit	0	-	0	-	0	-
Failure to Comply with Board	0	-	0	-	0	-
Failure to Comply with Workers Comp.	0	-	0	-	0	-
Growler without a permit	0	-	0	-	0	-
Public Nuisance	4	6,000	1	1,500	0	-
Purchase from other than Wholesaler	3	4,500	5	6,000	1	1,500
Sale to a Minor	49	73,500	37	61,500	25	37,500
Special Entertainment Permit	2	No Fine Required	5	\$ 4,500	0	-
Sunday Sales Without a Sunday Sale Permit	0	\$ -	0	\$ -	0	-
Threat to Peace and Safety	2	No Fine Required	0	\$ -	0	-
Threat to Peace and Safety; Minor on Premises with a Special Entertainment Permit	1	1,500	0	-	0	-
Fraud on Application	1	1,500	1	1,500	0	-
Pecuniary Interest	1	1,500	0	-	0	-
Alteration	0	-	1	1,500	2	3,000
Trade Name	0	-	2	4,500	1	1,500
County Executive/Governor's Order	0	-	0	-	10	10,500
Consumption	0	-	0	-	1	1,500
License Responsibility	0	-	0	-	1	No Fine Required
Noise	0	-	0	-	1	1,500
Total	63	\$ 88,500	53	\$ 82,500	42	\$ 57,000

Attachment: Attachment 1 – Description of Licenses

Attachment 2 – Map of Licensees by Councilmanic District

Attachment #1

Pursuant to Alcoholic Beverage Articles of the Annotated Code of Maryland the Board of License Commissioners is prohibited from issuing any license with an off-sale privilege. All licenses issued are for on the premises sales only.

CLASSES OF LICENSES:

Class A License	Off Sale only, six (6) days a week; No sales of alcoholic beverages on Sunday
Class B License	On Sale seven (7) days for sale of beer and wine, six (6) days for sale of alcohol over 15.5% by volume
Class C License	On Sale only, seven (7) days
Class D License	On Sale, seven (7) days

DESCRIPTION OF CLASS OF LICENSES AND HOURS OF SALES

Class A, Beer	Off sale of beer only from 6:00 a.m. to 12:00 midnight, Monday through Saturday. No sales are permitted on Sunday. Consumption on the premises is prohibited.
Class A, Beer and Wine	Off sale of beer and wine only from 6:00 a.m. to 12:00 midnight, Monday through Saturday. No sales are permitted on Sunday. Consumption on the premises is prohibited.
Class A, Beer, Wine Liquor	Off sale of beer, wine and liquor from 6:00 a.m. to 12:00 midnight, Monday through Saturday. No sales are permitted on Sunday. Consumption on the premises is prohibited.
Class B, Beer	On sale consumption of beer only from 6:00 a.m. to 2:00 a.m., seven (7) days a week with meals available. Licenses issued prior to July 1, 1975, may exercise off sale privileges.
Class B, (GC), Beer, Wine Liquor	On Sale consumption from 9:00 a.m. to 10:00 p.m. of beer, wine and liquor seven (7) days a week. Exclusively for the use on the premises of the M-NCPPC golf courses located within Prince George's County.
Class B, Beer and Wine	On sale consumption of beer and wine only from 6:00 a.m. to 2:00 a.m., seven (7) days a week with meals available at all times. Licenses issued prior to July 1, 1975 may exercise off sale privileges.
Class B, Beer, Wine & Liquor	On sale consumption of beer, wine and liquor from 6:00 a.m. to 2:00 a.m. Monday through Saturday, with on sale consumption of beer and wine from 8:00 a.m. to 2:00 a.m. on Sunday with meals available at all times. A special Sunday Sales Permit is required (R.R. No. 66) for on sale consumption of liquor on Sunday pursuant with the permit, liquor may be consumed Sunday from 12:00 noon to 2:00 a.m. On Friday and Saturday premises with approved entertainment are permitted to remain open for on sale consumption of beer, wine and liquor 3:00 a.m.

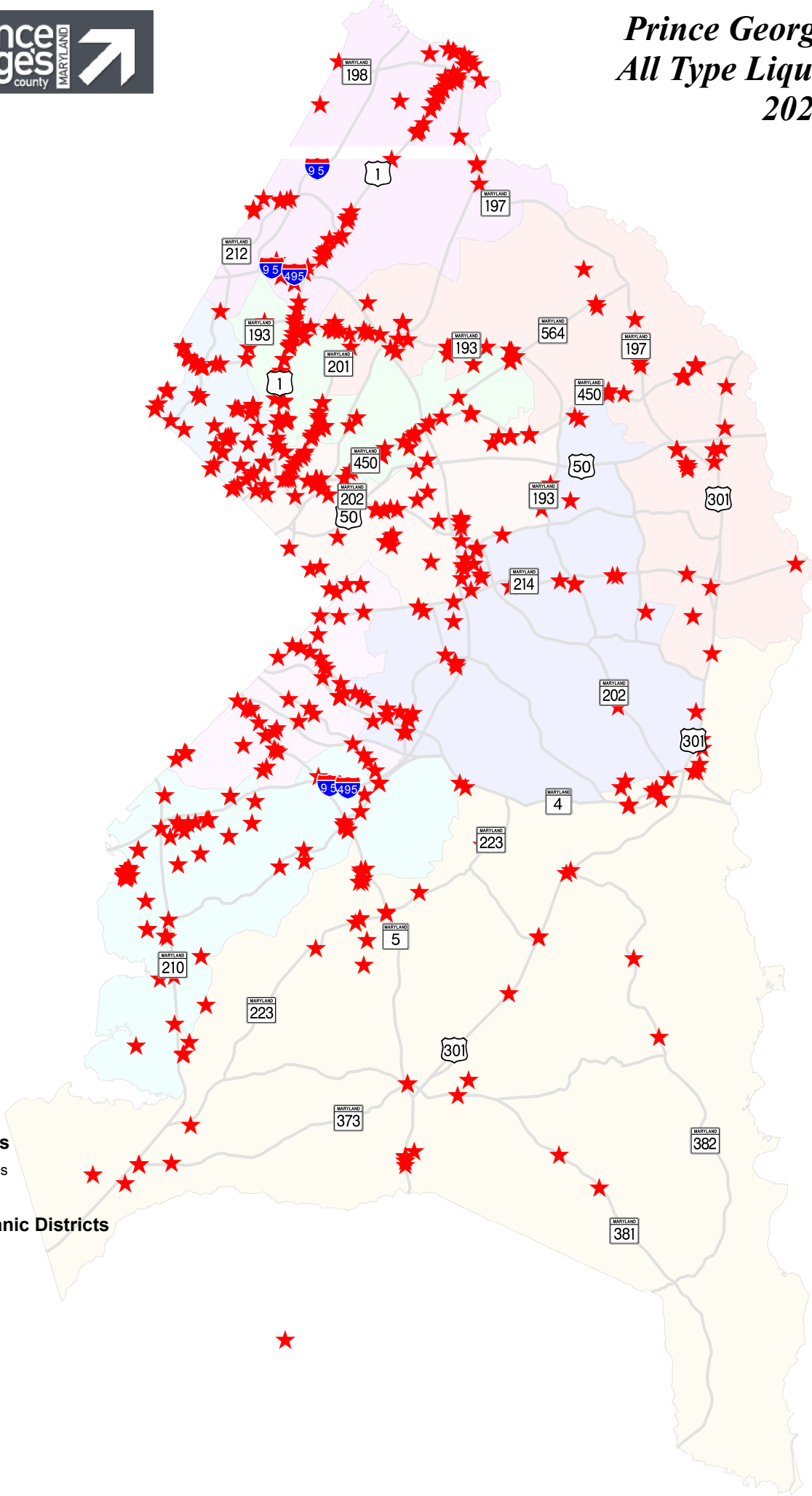
Attachment #1

Class B(R), Beer, Wine & Liquor	THIS DESCRIPTION APPLIES TO LICENSES ISSUED PRIOR TO OCTOBER 1996 - On sale consumption of beer, wine and liquor from 6:00 a.m. to 2:00 a.m. Monday through Saturday, with on sale consumption of beer and wine from 8:00 a.m. to 2:00 a.m. on Sunday with meals available at all times. This license allows off sales over or contiguous to the main bar in the main dining room of beer, wine and liquor Monday through Saturday from 6:00 a.m. until 12:00 midnight and beer and wine on Sunday. No off sale of liquor is permitted on Sunday. On Friday and Saturday premises with approved Special Entertainment are permitted to remain open for on sale consumption of beer, wine and liquor 3:00 a.m.
Class B+, Beer, Wine & Liquor	On sale consumption of beer, wine and liquor from 6:00 a.m. to 2:00 a.m. Monday through Saturday with on sale consumption of beer, wine and liquor from 8:00 a.m. to 2:00 a.m. on Sunday with meals available at all times. This license permits a separate portion to be utilized exclusively for off sale but only when meals are available to be served in the restaurant. In the separate portion the sale of beer, wine and liquor is permitted Monday through Saturday from 8:00 a.m. until 12:00 midnight and beer and wine on Sunday. No off sale of liquor is permitted on Sunday. On Friday and Saturday premises with approved Special Entertainment are permitted to remain open for on sale consumption of beer, wine and liquor 3:00 a.m.
Class B, BH	On sale consumption of beer, wine and liquor from 6:00 a.m. to 2:00 a.m. Monday through Saturday, with on sale consumption of beer, wine and liquor 10:00 a.m. to 2:00 a.m. on Sunday with meals available at all times. On Friday and Saturday premises with approved Special Entertainment are permitted to remain open for on sale consumption of beer, wine and liquor 3:00 a.m. No Sunday Sales Permit is required.
Class B, BLX	On sale consumption of beer, wine and liquor from 6:00 a.m. to 2:00 a.m. Monday through Saturday, with on sale consumption of beer, wine and liquor from 8:00 a.m. to 2:00 a.m. on Sunday with meals available at all times. On Friday and Saturday premises with approved Special Entertainment are permitted to remain open for on sale consumption of beer, wine and liquor 3:00 a.m.
Class B, BCE Catering	On sale consumption of beer, wine and liquor from 6:00 a.m. to 2:00 a.m. Monday through Saturday, with on sale consumption of beer, wine, and liquor from 6:00 a.m. to 2:00 a.m. on Sunday with food available. On Friday and Saturday premises with approved Special Entertainment are permitted to remain open for on sale consumption of beer, wine and liquor 3:00 a.m.
Class C Beer	On sale consumption from 6:00 a.m. to 2:00 a.m. seven (7) days.
Class C Beer and Wine	On sale consumption from 6:00 a.m. to 2:00 a.m. seven (7) days.

Attachment #1

- Class C, Beer, Wine & Liquor
Fraternal
Veterans
Yacht Club
Country Club
Golf & Country Club
- On sale consumption from 6:00 a.m. to 2:00 a.m., seven (7) days limited to members and their guests except in the case of a Country Club where customers may also consume alcoholic beverages.
- Class D, Beer
- On sale licenses issued pursuant to Rule and Regulation Number 22 the hours of on sale consumption are 6:00 a.m. to 2:00 a.m. with no food requirements. This is a seven (7) day on sale license.
- Class D, Beer and Wine
- On sale licenses issued pursuant to Rule and Regulation Number 22 the hours of on sale consumption are 6:00 a.m. to 2:00 a.m. with no food requirements. This is a seven (7) day on sale license.
- Class D(R), Beer
- THIS DESCRIPTION APPLIES TO LICENSES ISSUED PRIOR TO OCTOBER 1996** - On sale consumption are 6:00 a.m. to 2:00 a.m. seven (7) days a week with off sale service from 6:00 a.m. to 12:00 midnight with no food requirements. Licenses issued prior to October 1996 may sell beer and wine on and off sale seven (7) days a week.
- Class D(R), Beer and Wine
- THIS DESCRIPTION APPLIES TO LICENSES ISSUED PRIOR TO OCTOBER 1996** - On sale consumption are 6:00 a.m. to 2:00 a.m. seven (7) days a week with off sale service from 6:00 a.m. to 12:00 midnight with no food requirements. Licenses issued prior to October 1996 may sell beer and wine on and off sale seven (7) days a week.

Attachment #2



Legend

All Liquor Licenses

- ★ All Liquor Licenses
- Major Roads

County Councilmanic Districts

District ID

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9