

Board of License Commissioners - Fiscal Year 2021 Budget Review Summary

Proposed FY 2021 Operating Budget

Expenditures by Fund Type

Fund	FY 2020 Approved	FY 2020 Estimated	FY 2021 Proposed	4/20/2020 CEX Adjustment	FY 2021 Revised Proposed	\$ Change	% Change
General Fund	\$ 1,808,800	\$ 1,261,100	\$ 1,826,900	\$ (220,300)	\$ 1,606,600	\$ (202,200)	-11.2%
Total	\$ 1,808,800	\$ 1,261,100	\$ 1,826,900	\$ (220,300)	\$ 1,606,600	\$ (202,200)	-11.2%

Authorized Staffing - All Classifications

Fund	FY 2020 Approved	FY 2021 Proposed	4/20/2020 CEX Adjustment	FY 2021 Revised Proposed	Change	% Change
General Fund	28	28	0	28	0	0.0%
Total	28	28	0	28	0	0.0%

FY 2021 Proposed Budget – Key Highlights

- Increased Operating Cost: Technology Cost Allocation \$66,500
- Authorized positions remain the same as the previous fiscal year; additionally, one part-time Liquor Inspector position will be reallocated to a full-time human resource analyst position
- Vacancies: 2 FT and 6 PT General Fund positions
- Key Programs/Initiatives: Implement the recommendations outlined in the State of Maryland Office of Legislative Audits and increase transparency of hearings for the Board of License Commissioners.

County Executive's Recommended Adjustments

- Reduce Compensation: Remove funding for anticipated FY 2021 Merits/COLAs, increase attrition, and reduce funding for vacant positions (\$151,800)
- Reduced Fringe Benefits: As a result of the above adjustment to compensation (\$68,500).

Category	FY 2020 Approved	FY 2020 Estimated	FY 2021 Proposed	4/20/2020 CEX Adjustment	FY 2021 Revised Proposed	Change Amount	% Change
Compensation	\$ 1,150,500	\$ 823,900	\$ 1,118,100	\$ (151,800)	\$ 966,300	\$ (184,200)	-16.0%
Fringe Benefits	518,900	297,800	504,300	(68,500)	435,800	(83,100)	-16.0%
Operating Expenses	139,400	139,400	204,500	-	204,500	65,100	46.7%
Total	\$ 1,808,800	\$ 1,261,100	\$ 1,826,900	\$ (220,300)	\$ 1,606,600	\$ (202,200)	-11.2%



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

April 29, 2020

MEMORANDUM

TO: Todd M. Turner, Chair
 Committee of the Whole (COW)

THRU: David H. Van Dyke, County Auditor *DHV*
 Turkessa M. Green, Deputy County Auditor *SMG*

FROM: Canjor D. Reed, Sr. Staff Auditor *CDR*

RE: Board of License Commissioners
 Fiscal Year 2021 Budget Review

Budget Overview

The FY 2021 Proposed Budget for the Board of License Commissioners is \$1,826,900. This represents an increase of \$18,100, or 1.0%, over the FY 2020 Approved Budget. The increase is largely due to an increase in the technology cost allocation charge, offset by a decrease in compensation and fringe benefits as a result of defunding two part-time Liquor Inspector positions. The Board of License Commissioners' expenditures are funded entirely by the General Fund.

Budget Comparison - General Fund

Approved Fiscal Year 2020 to Proposed Fiscal Year 2021

Category	FY 2019 Actual	FY 2020 Approved	FY 2020 Estimated	% Change - Est vs App	FY 2021 Proposed	\$ Change	% Change
Compensation	\$ 916,565	\$ 1,150,500	\$ 823,900	-28.4%	\$ 1,118,100	\$ (32,400)	-2.8%
Fringe Benefits	304,023	518,900	297,800	-42.6%	504,300	(14,600)	-2.8%
Operating Expenses	123,631	139,400	139,400	0.0%	204,500	65,100	46.7%
Total	\$ 1,344,219	\$ 1,808,800	\$ 1,261,100	-30.3%	\$ 1,826,900	\$ 18,100	1.0%

Authorized Staffing Count - General Fund

	FY 2020 Approved	FY 2021 Proposed	Change Amount	Percentage Change
Full-Time	8	9	1	12.5%
Part-Time	20	19	-1	-5.0%
Total	28	28	0	0.0%

Staffing Changes and Compensation

- FY 2021 compensation is proposed at approximately \$1.1 million, a decrease of \$32,400, or 2.8%, below the FY 2020 Approved Budget. This decrease is a result of not funding two (2) part-time Liquor Inspector positions that were previously funded and increased attrition, offset by an increase for anticipated cost-of-living adjustments and merit increases.
- The authorized staffing level for the FY 2021 Proposed Budget increases to nine (9) full-time positions. The increase in the full-time complement is a result of the reallocation of a part time liquor inspector position to a full-time human resource analyst position. As of March 1, 2020, the Board reported that six (6) of its full-time positions are filled.
- The FY 2021 Proposed Budget includes authorization for nineteen (19) part-time positions. This staffing level is one (1) position less than the authorized staffing level in FY 2020, as a result of the reallocation noted above. Compensation includes funding for seventeen (17) out of nineteen (19) part time positions. The remaining two positions will not be funded in FY 2021.

Fringe Benefit

- A five-year trend analysis of fringe benefit expenditures is included below.

Fringe Benefits Historical Trend					
	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Approved	FY 2021 Proposed
Fringe Benefit Expenditures	\$ 304,355	\$ 267,998	\$ 304,023	\$ 518,900	\$ 504,300
As a % of Compensation	41.2%	44.1%	33.2%	45.1%	45.1%
Annual % Change	-1.4%	-11.9%	13.4%	70.7%	-2.8%

Operating Expenses

- The FY 2021 operating expenses are proposed at \$204,500, an increase of \$65,100, or 46.7%, over the FY 2020 approved level. The major items comprising operating expenses are as follows:

- Office Automation \$ 96,400
- General & Admin. Contracts 35,000
- Telephone 20,500
- Training 13,000
- General Office Supplies 10,000

- The accompanying table compares the FY 2021 Proposed Budget operating expenditures with the FY 2020 Approved Budget operating expenditures. In three (3) of the categories, the FY 2021 Proposed Budget increases planned spending from the FY 2020 budget. In four (4) of the categories, the FY 2021 Proposed Budget level remains unchanged compared to the FY 2020 budget. FY 2021 expenditures decrease in three (3) categories.

Operating Objects	FY 2020 Approved	FY 2021 Proposed	FY 2020 - FY 2021	
			\$ Change	% Change
Office Automation	\$ 29,900	\$ 96,400	\$ 66,500	222.4%
General Office Supplies	15,000	10,000	(5,000)	-33.3%
Mileage Reimbursement	7,500	10,600	3,100	41.3%
Equipment Lease	3,000	3,000	-	0.0%
General & Administrative Contracts	35,000	35,000	-	0.0%
Training	15,000	13,000	(2,000)	-13.3%
Miscellaneous (Court Reporter Fees)	8,000	7,500	(500)	-6.3%
Advertising	6,000	6,000	-	0.0%
Printing	2,500	2,500	-	0.0%
Telephone	17,500	20,500	3,000	17.1%
TOTAL	\$ 139,400	\$ 204,500	\$ 65,100	46.7%

- The most significant increases between the FY 2021 Proposed Budget and the FY 2020 Approved Budget are Office Automation (\$66,500 increase), as a result of an increase in charges by the Office of Information Technology and Mileage Reimbursement (\$3,100 increase) to align to actual spending.

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 operates 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) has also increased the workload.

- The Board plans to continue to conduct the same level of inspections performed for the Special Entertainment Permit licensees. In FY 2021, the Board projects to conduct 600 Special Entertainment Permit inspections.
- 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
- The Board responded to and agreed with the findings disclosed in the audit. The Board reports that one of its top priorities in FY 2021 is to implement the recommendations outlined in the State of Maryland Office of Legislative Audits' report.
- All five (5) Board Commissioners are currently appointed by the County Executive, as required by HB 1317, and are anticipated to serve a three-year term. The current Board Commissioners are as follows:

Daphne Turpin Forbes, Chairwoman
Armando Camacho, Vice-Chairman
Kenneth Miles, Commissioner (Term expired June 1, 2019)
Tammy D. Sparkman, Commissioner
Tammie Norman, Commissioner
- In FY 2019, the Board collected \$2.11 million in revenue for approximately 630 licensed premises in the County. Estimated FY 2020 total revenues for permits/licenses, administrative fees and fines/penalties are \$2.67 million. The proposed revenue projection for FY 2021 is \$2.7 million.

- The Board projects that revenues for all License and Permit Fees (except Class A), will decrease in FY 2021 compared to the FY 2020 estimated revenue, while revenues generated from Administrative Fees and Fines are expected to increase. See summary of anticipated revenue, by category, below.

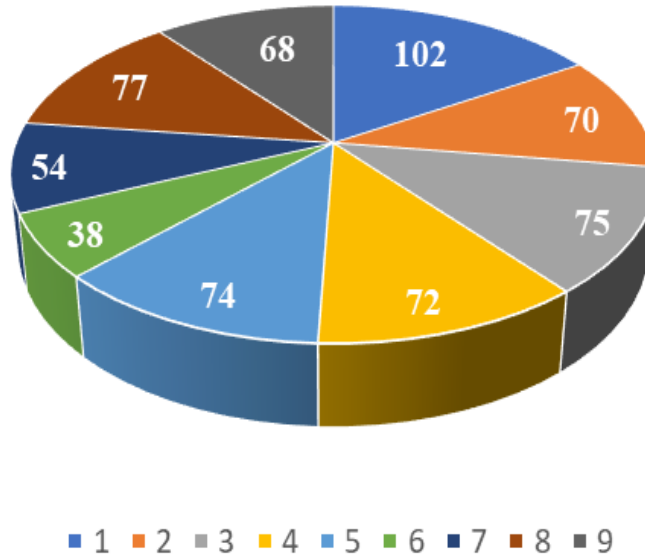
Revenue Category	FY 2019 Actual	FY 2020 Approved	FY 2020 Estimated	FY 2021 Proposed	\$ Change FY20 App. vs FY21 Prop.	% Change FY20-FY21
Class A License and Permit Fees	\$373,310	\$375,490	\$467,800	\$470,000	\$94,510	25%
Class B License and Permit Fees	1,183,149	1,373,665	1,698,300	1,489,700	116,035	8%
Class C License and Permit Fees	61,925	540,695	83,100	78,000	(462,695)	-86%
Class D License and Permit Fees	52,035	546,560	69,300	65,500	(481,060)	-88%
Administrative Fees	352,830	97,150	176,800	444,300	347,150	357%
Fines	88,500	104,000	175,400	176,600	72,600	70%
Total	\$2,111,749	\$3,037,560	\$2,670,700	\$2,724,100	(\$313,460)	-10%

- The Board states that its' FY 2021 program goals and objectives are to increase underage enforcement operations and timely turnaround of violations to adjudication. To that end, the Board's goals are supported by the following trends in enforcement activity for FY 2019 and FY 2020 (YTD).

Violation Description	FY 2019		FY 2020 (YTD)	
	# of Violations	Fines	# of Violations	Fines
After hours	0	\$ -	1	\$ 1,500
After hours; Bottle Service Special Entertainment Permit	0	-	0	-
Failure to Comply with Board	0	-	1	7,500
Failure to Comply with Workers Comp.	0	-	0	-
Growler without a permit	0	-	0	-
Public Nuisance	4	6,000	2	3,000
Purchase from other than Wholesaler	3	4,500	4	6,000
Sale to a Minor	49	73,500	40	60,000
Special Entertainment Permit	2	No Fine Required	2	2,500
Sunday Sales Without a Sunday Sale Permit	0	\$ -	1	1,500
Threat to Peace and Safety	2	No Fine Required	1	No Fine Required
Threat to Peace and Safety; Minor on Premises with a Special Entertainment Permit	1	1,500	0	-
Fraud on Application	1	1,500	1	7,500
Pecuniary Interest	1	1,500	1	1,500
Trade Name	0	-	1	1,500
Prohibited Practice	0	-	1	1,500
Total	63	\$ 88,500	56	\$ 94,000

This a breakdown of alcoholic beverage licenses by Councilmanic District. (See Attachment 1 for a description of the types of licenses issued by the Board).

Alcoholic Beverage Licenses by Council 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.