



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

April 13, 2017

MEMORANDUM

TO: Karen R. Toles, Chair
Health, Education, and Human Services Committee (HEHS)

THRU: David H. Van Dyke, County Auditor *DAV*

FROM: Jude S. Moise, Staff Auditor *JSM*

RE: Board of License Commissioners
Fiscal Year 2018 Budget Review

Budget Overview

The FY 2018 Proposed Budget for the Board of License Commissioners is \$1,354,800. This represents a reduction of \$49,000, or 3.5%, below the FY 2017 Approved Budget. The decrease is largely due to the removal of a one-time equipment allocation in Capital Outlay.

The Board of License Commissioners' expenditures are funded entirely by the General Fund.

Budget Comparison - General Fund

Approved Fiscal Year 2017 to Proposed Fiscal Year 2018

Category	FY 2016 Actual	FY 2017 Approved	FY 2017 Estimated	% Change - Est vs App	FY 2018 Proposed	\$ Change	% Change
Compensation	\$ 807,719	\$ 883,600	\$ 868,300	-1.7%	\$ 877,500	\$ (6,100)	-0.7%
Fringe Benefits	308,766	334,000	334,000	0.0%	354,500	20,500	6.1%
Operating Expenses	89,725	86,200	98,300	14.0%	122,800	36,600	42.5%
Capital Outlay		100,000	68,310	-31.7%	-	(100,000)	-100.0%
Total	\$ 1,206,210	\$ 1,403,800	\$ 1,368,910	-2.5%	\$ 1,354,800	\$ (49,000)	-3.5%

Authorized Staffing Count - General Fund

	FY 2017 Approved	FY 2018 Proposed	Change Amount	Percentage Change
Full-Time	8	8	0	0.0%
Part-Time	32	24	-8	-25.0%
Total	40	32	-8	-20.0%

Staffing Changes and Compensation

- The authorized staffing level for the FY 2018 Proposed Budget remains unchanged at eight (8) full-time positions. As of March 2, 2017, the Board reported four (4) vacant full-time positions. Three (3) of these positions are funded in the FY 2018 Proposed Budget, and one (1) full-time positon will remain unfunded in FY 2018.
- The FY 2018 Proposed Budget includes authorization for 24 part-time positions. This is a decrease of eight (8) part-time positions from the FY 2017 approved level. The Board reported that all the 24 part-time Liquor Inspector positions are filled, as of March 2, 2017.

Fringe Benefits

- FY 2018 Fringe Benefits are proposed at \$354,500, an increase of \$20,500, or 6.1%, over the FY 2017 approved level, to align with anticipated costs.
- A five-year trend analysis of fringe benefit expenditures is included below.

Fringe Benefits Historical Trend					
	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Proposed
Fringe Benefit Expenditures	\$ 262,583	\$ 233,018	\$ 308,766	\$ 334,000	\$ 354,500
As a % of Compensation	40.2%	35.7%	38.2%	38.5%	40.4%
Annual % Change		-11.3%	32.5%	8.2%	6.1%

Operating Expenses

- The FY 2018 operating expenses are proposed at \$122,800, an increase of \$36,600, or 42.5%, over the FY 2017 approved level. The major items comprising operating expenses are as follows:
 - Gen. and Admin. Contracts \$ 30,000
 - Telephones 26,500
 - Office Automation 22,400
 - Training 14,000
 - Miscellaneous 8,100

- The accompanying table compares the FY 2018 Proposed Budget operating expenditures with the FY 2017 Approved Budget operating expenditures. In seven (7) of the categories, the FY 2018 Proposed Budget increases planned spending from the FY 2017 budget. In two (2) of the categories, the FY 2018 Proposed Budget level remains unchanged compared to the FY 2017 budget. FY 2018 expenditures decrease in one (1) category.

Operating Objects	FY 2017 Budget	FY 2018 Proposed	FY 2017 - FY 2018	
			\$ Change	% Change
Telephone	\$ 4,800	\$ 26,500	\$ 21,700	452.1%
Training	5,700	14,000	8,300	145.6%
General & Administrative Contracts	25,000	30,000	5,000	20.0%
Advertising	4,600	6,000	1,400	30.4%
Equipment Lease	2,000	2,500	500	25.0%
General Office Supplies	7,600	8,000	400	5.3%
Mileage Reimbursement	2,200	2,500	300	13.6%
Office Automation	22,400	22,400	-	0.0%
Miscellaneous (Court Reporter Fees)	8,100	8,100	-	0.0%
Printing	3,800	2,800	(1,000)	-26.3%
TOTAL	\$ 86,200	\$ 122,800	\$ 36,600	42.5%

- The most significant increase between the FY 2018 Proposed Budget and the FY 2017 Approved Budget is Telephone (\$21,700 increase) to reflect the increase in data services for mobile devices used in the field and the Board's hearing room, and Training (\$8,300 increase) to reflect continued mandated Alcohol Awareness training .
- The most significant dollar reduction between the FY 2018 Proposed Budget and the FY2017 Approved Budget is printing (\$1,000 reduction) to align with actual spending.

Highlights

- The Board continues to provide alcoholic beverage management services to the citizens and residents of the County in order to promote and maintain quality alcoholic beverage establishments, and to ensure the community uses alcoholic beverages responsibly.
- The Board maintains its goal of increasing compliance with the Special Entertainment Permit by enhancing the inspection process in collaboration with the Department of Permitting, Inspections and Enforcement and the Police Department to address occurring issues with licensed establishments.
- In FY 2017, the Board reported as one of its key accomplishments, the establishment of an Alcohol Awareness training program. The Board stated that the program increased the number of alcohol awareness certified owners and employees by over 350.
- Additionally, the Board reported that the implementation of the Offer in Compromise program, an initiative implemented to help streamline the process of addressing and resolving violations,

has substantially decreased the number of days between a violation notice and the violation notice hearing.

- Several legislative bills were being considered in the Maryland General Assembly 2017 Session that would have an impact on the Board's operations and finances. Please see Response #24, Page 8 of the FY 2018 Budget Review, First Round Questions.
- The Board reported that the following bills may have significant operational impact:
 - **Senate Bill 488** – This emergency bill requires the Prince George's County Executive to appoint members to the Prince George's County Board of License Commissioners instead of the Governor. The bill outlines procedures for appointing board members, removing members for misconduct in office, and filling vacancies on the board. The bill also requires that under specified circumstances, members, employees, and inspectors of the board must be subject to the same local public ethics laws as local officials.

The Bill states "appointment is subject to certain confirmation during a certain session of the General Assembly". The terms of board members who are currently in office, will terminate on the effective date of the bill.

- **House Bill 1317** - This emergency bill alters the appointment process for the Prince George's County Board of License Commissioners by requiring the Prince George's County Executive to appoint members to the board instead of the Governor, and limits the number of terms a board member may serve to three. The bill expands ethics rules for the board by establishing additional conflict of interest and disclosure rules for board members and applying the county public ethics law to board employees as specified. The bill also (1) subjects board activities to the State Public Information Act; (2) establishes complaint and investigation procedures, as specified; (3) requires the Office of Legislative Audits (OLA) to conduct regular performance audits of board operations and (4) requires the County Executive to hire an outside professional consultant on or before September 1, 2017, to review the standard operating procedures of the Board.

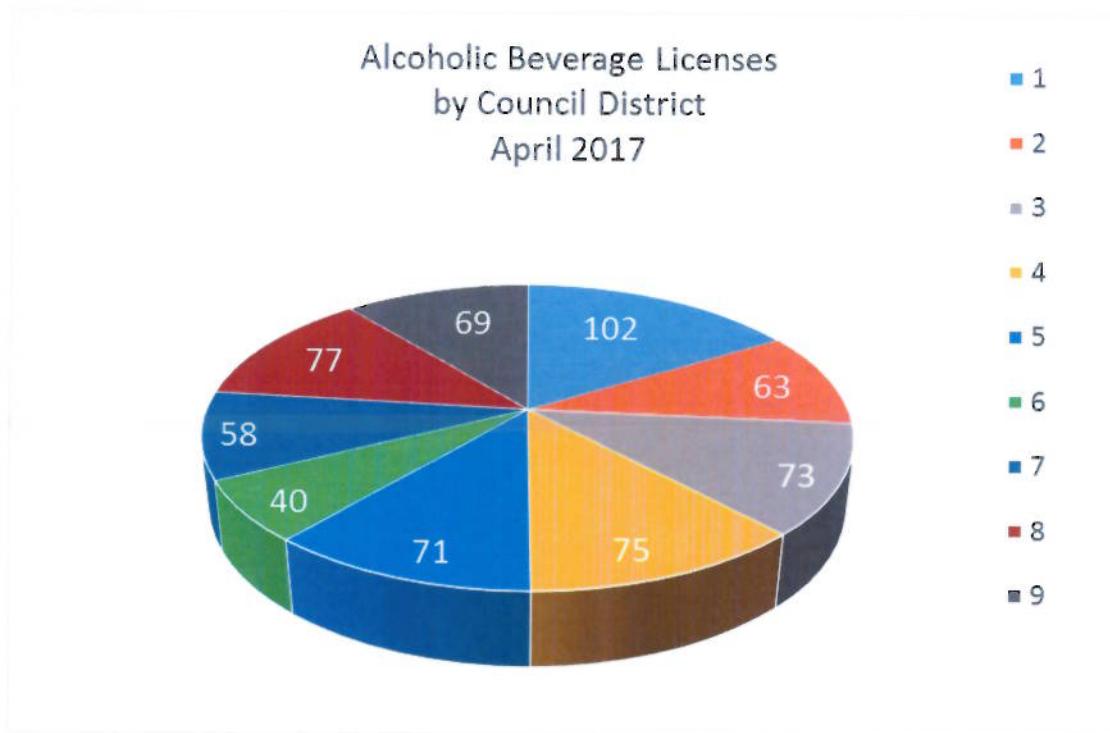
The Bill requires "the County Executive to make appointments, subject to confirmation by the Senate". The terms of board members who are currently in office, will terminate on the effective date of the bill.

- The Board of License Commissioners currently has two (2) vacancies. The current Board Commissioners are as follows:

Shaihi Mwalimu	Vice-Chairman
Earl J. Howard	Commissioner
Kenneth Miles	Commissioner

- In FY 2017, the Board will collect an estimated \$2.05 million in revenue for approximately 628 alcoholic beverage licensed premises in the County. Below is a breakdown of alcoholic

beverage licenses by Councilmanic District. (See Attachment A for a description of the types of licenses issued by the Board and Attachment B for a map of the licensees by Councilmanic District.)



Attachments: Attachment A – Description of Licenses

Attachment B – Map of Licensees by Councilmanic District and additional information

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 and Off Sale, seven (7) days

DESCRIPTION OF CLASS OF LICENSES AND HOURS OF SALES

Class A, Beer	Hours of operation are 6:00 a.m. to 12:00 midnight, six (6) days a week, Off Sale only of Beer, no consumption on the licensed premises. No Sales Permitted On Sunday.
Class A, Beer and Wine	Hours of operation are 6:00 a.m. to 12:00 midnight, six (6) days a week, Off Sale only of Beer and Wine, no consumption on the licensed premises. No Sales Permitted On Sunday.
Class A, Beer, Wine & Liquor	Hours of operation are 6:00 a.m. to midnight, six (6) days a week, Off Sale only of beer, wine and liquor no consumption on the licensed premises. No Sales Permitted On Sunday.
Class B, Beer	Hours of operation are 6:00 a.m. to 2:00 a.m., On Sale consumption only of beer unless grandfathered in prior to July 1, 1975. Holder of licenses prior to that date may exercise off sale privileges to include seven-(7) day license with food requirement until 12:30 a.m.
Class B, (GC)	This license is a seven (7) day license for the sale of beer and wine for the exclusive use on the premises of the M-NCPPC golf courses located within Prince George's County. Hours of operation are 11:00 a.m. to 10:00 p.m., daily Monday through Sunday.
Class B, Beer and Wine	Hours of operation are 6:00 a.m. to 2:00 a.m., On Sale consumption only of beer and wine unless grandfathered in prior to July 1, 1975. Holder of licenses prior to that date may exercise off sale privileges to include seven-(7) day license with food requirement until 12:30 a.m.
Class B, Beer, Wine & Liquor	Hours of operation are 6:00 a.m. to 2:00 a.m. Premises with approved live entrainment may remain open until 3:00 a.m. This license includes seven (7) days On Sale Beer and Light Wine, six (6) days On Sale Beer, Wine and Liquor. Special Sunday Sale Permit required for On Sale consumption of Liquor. (*See Rule No. 66)

Class B(R), Beer, Wine & Liquor	THIS DESCRIPTION APPLIES TO LICENSES ISSUED PRIOR TO OCTOBER 1996 - For Class B, Beer, Wine and Liquor licenses issued prior to October 1996 the hours of operation are 6:00 a.m. to 2:00 a.m. except on Friday and Saturday with approved live entertainment. The licensed premise may remain open until 3:00 a.m. This license includes seven (7) days On & Off Sale Beer and Light Wine, six (6) days On & Off Sale Beer, Wine and Liquor. All off sales to be conducted over or contiguous to the main bar. Special Sunday Sale Permit required for On Sale consumption of Liquor. (*See Rule No. 66)
Class B+, Beer, Wine & Liquors	Hours of operation are 6:00 a.m. to 2:00 a.m. except on Friday and Saturday with approved live entertainment. The licensed premise may remain open until 3:00 a.m. This license includes seven (7) days On & Off Sale Beer and Light Wine, six (6) days On & Off Sale Beer, Wine and Liquor. (separate off sale facility to sell beer, wine and liquor off sale). Special Sunday Sale Permit required for On Sale consumption of Liquor. (*See Rule No. 66)
Class B, BH	Hours of operation are 6:00 a.m. to 2:00 a.m. except Friday and Saturday with live entertainment the licensed premises may remain open until 3:00 a.m. seven-(7) day On Sale Beer and Wine. Sales of alcoholic beverages over 15% by volume after noon on Sunday
Class B, BLX	Hours of operation are 6:00 a.m. to 2:00 a.m. except Friday and Saturday with live entertainment the licensed premises may remain open until 3:00 a.m. Six (6) day On Sale consumption of Beer, Wine and Liquor and seven (7) days On Sale Beer and Wine, No off Sale privilege at all, Sunday Sales Permit required to serve alcoholic beverages, Food must be served until 12:30 a.m. in conjunction with sale of alcoholic beverages
Class B, Country Inn	Hours of operation and manner of dispensing alcoholic beverages to be determined by the Board of License Commissioners consistent with Article 2B Section 6-201. All sales to be On Sale only.
Class B-DD	This license is available in Designated Areas Only. The restaurant must provide bi-annual certifications that the sale of food exceeds the sales of alcoholic beverages.
Class B, ECF	Hours of operation are 6:00 a.m. to 2:00 a.m. Monday through Saturday. This license includes seven (7) days On Sale Beer and Light Wine, six (6) days On Sale Beer, Wine and Liquor. Special Sunday Sale Permit required for On Sale consumption of Liquor. (*See Rule No. 66). This license is known as an "Education Conference Facility" license to the University of Maryland, University College Center of Adult Education for the sale of beer, wine and liquor by the drink within the center, from one or more outlets, for consumption on the license premises.
Class B, MB22	This license is on sale only of liquor to a class 7 Microbrewery licensed establishment in the 22 nd Legislative District.

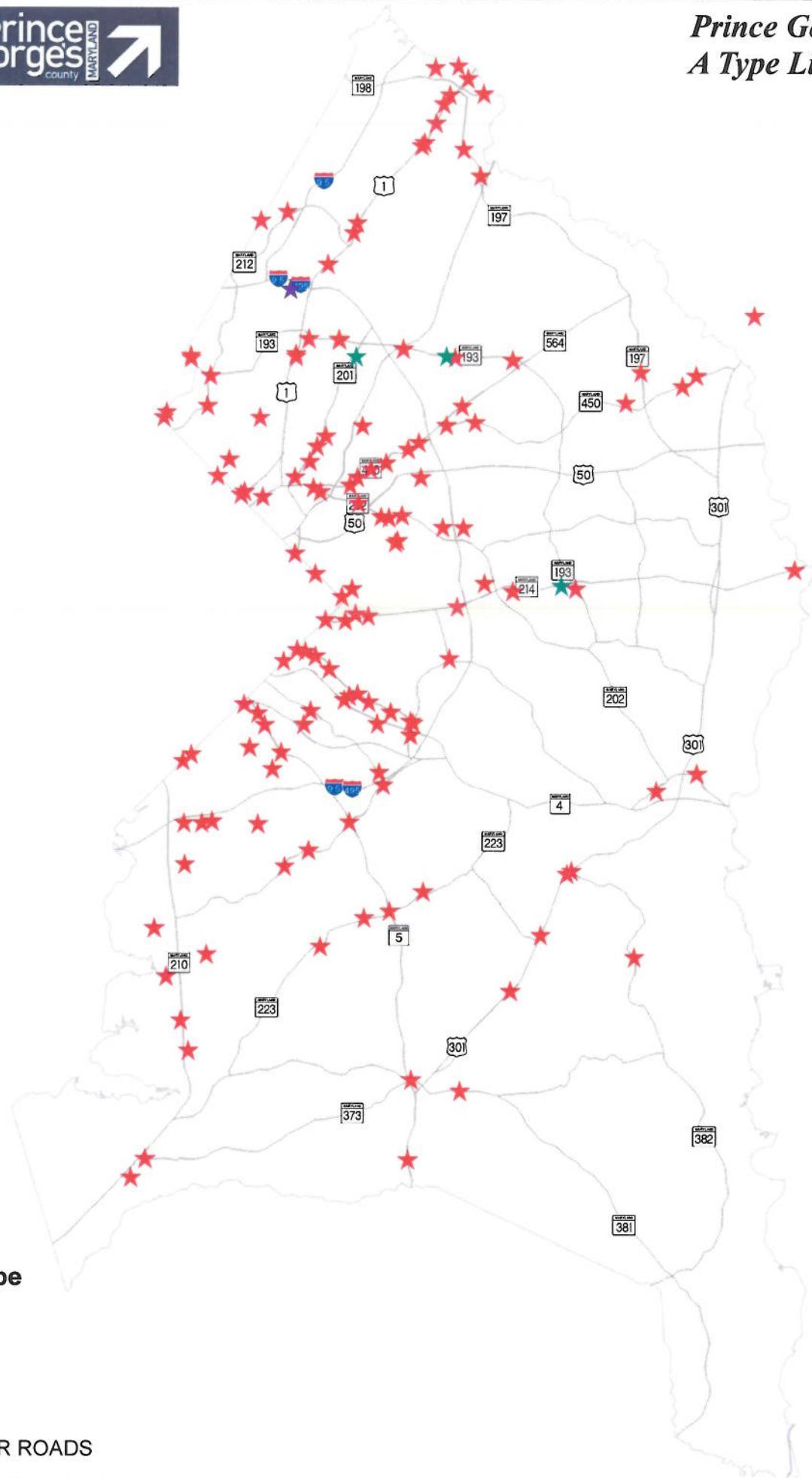
Class B, RD	This license is an on sale only license for liquor by the drink in an establishment located in a designated Revitalization District
Class B, ECF/DS	Hours of operation are 6:00 a.m. to 2:00 a.m. Monday through Saturday. This license includes seven (7) days On Sale Beer and Light Wine, six (6) days On Sale Beer, Wine and Liquor. Special Sunday Sale Permit required for On Sale consumption of Liquor. (*See Rule No. 66). This license is known as an "Education Conference Facility/Dining Services" license to the University of Maryland, College Park Campus for the sale of beer, wine and liquor by the drink within the center, from one or more outlets, for consumption on the license premises.
Class B, ECR Equestrian Center	This license is a seven-(7) day license for the sale of beer, wine and liquor for use at the Equestrian Center. Hours of operation are Monday through Saturday from 8:00 a.m. to 2:00 a.m. Sunday sales of beer and light wine containing 15.5% or less of alcohol by volume from 8:00 a.m. to 2:00 a.m. Special Sunday Sale Permit required for On Sale consumption of Liquor. (*See Rule No. 66)
Class B, BCE Catering	Hours of operation are 6:00 a.m. to 2:00 a.m. Monday through Saturday. This license includes seven (7) days On Sale Beer and Light Wine, six (6) days On Sale Beer, Wine and Liquor. Special Sunday Sale Permit required for On Sale consumption of Liquor. (*See Rule No. 66). This license is limited and restricted to on sale consumption of alcoholic beverages on the licensed premises by participants of catered events. No off sale privileges will be exercised.
Class B, Baseball Stadium	This license is a seven-(7) day license for the sale of beer and wine for use at a Baseball Stadium. Hours of operation are Monday through Saturday from 6:00 a.m. to 2:00 a.m. and Sunday from 8:00 a.m. to 2:00 a.m.
Class B, Football Stadium	This license is a seven-(7) day license for the sale of beer, wine and liquor for use at the Football Stadium.
Class C Beer, Beer and Wine	Hours of operation are 6:00 a.m. to 2:00 a.m. seven-(7) day On Sale consumption only.
Class C, Beer, Wine & Liquor word Fraternal Veterans Yacht Club Country Club Golf & Country Club	Hours of operation are 6:00 a.m. to 2:00 a.m., seven (7) days On Sale consumption limited to members and their guests except in the case of a Country Club - the customer is used

Class D, Beer
Beer and Wine

Licenses issued pursuant to Rule and Regulation Number 22 the hours of operation are 6:00 a.m. to 2:00 a.m. with no food requirements. This is a seven-(7) day On Sale only License.

Class D(R), Beer
Beer and Wine

THIS DESCRIPTION APPLIES TO LICENSES ISSUED PRIOR TO OCTOBER 1996 - Hours of operation are 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.





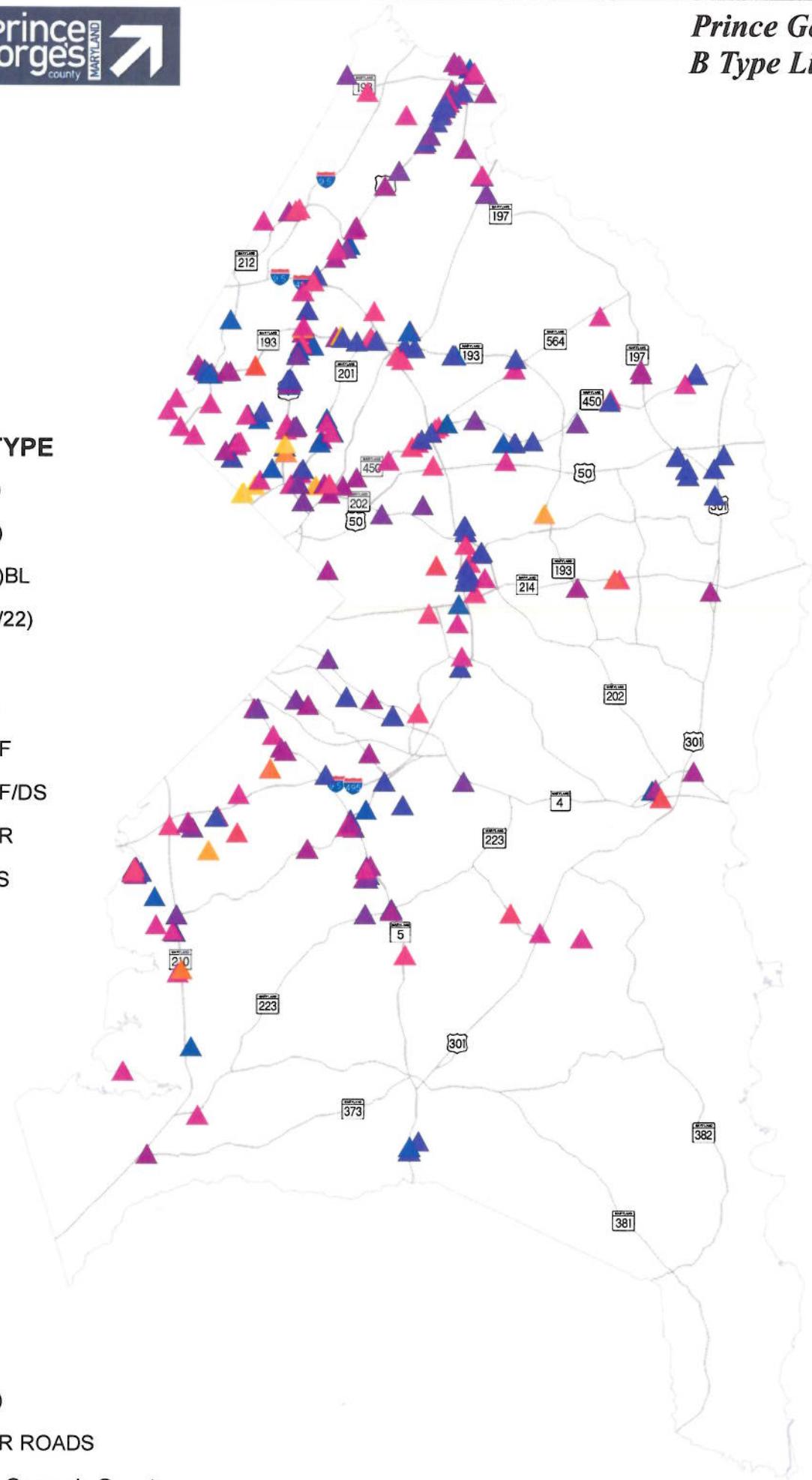
Legend

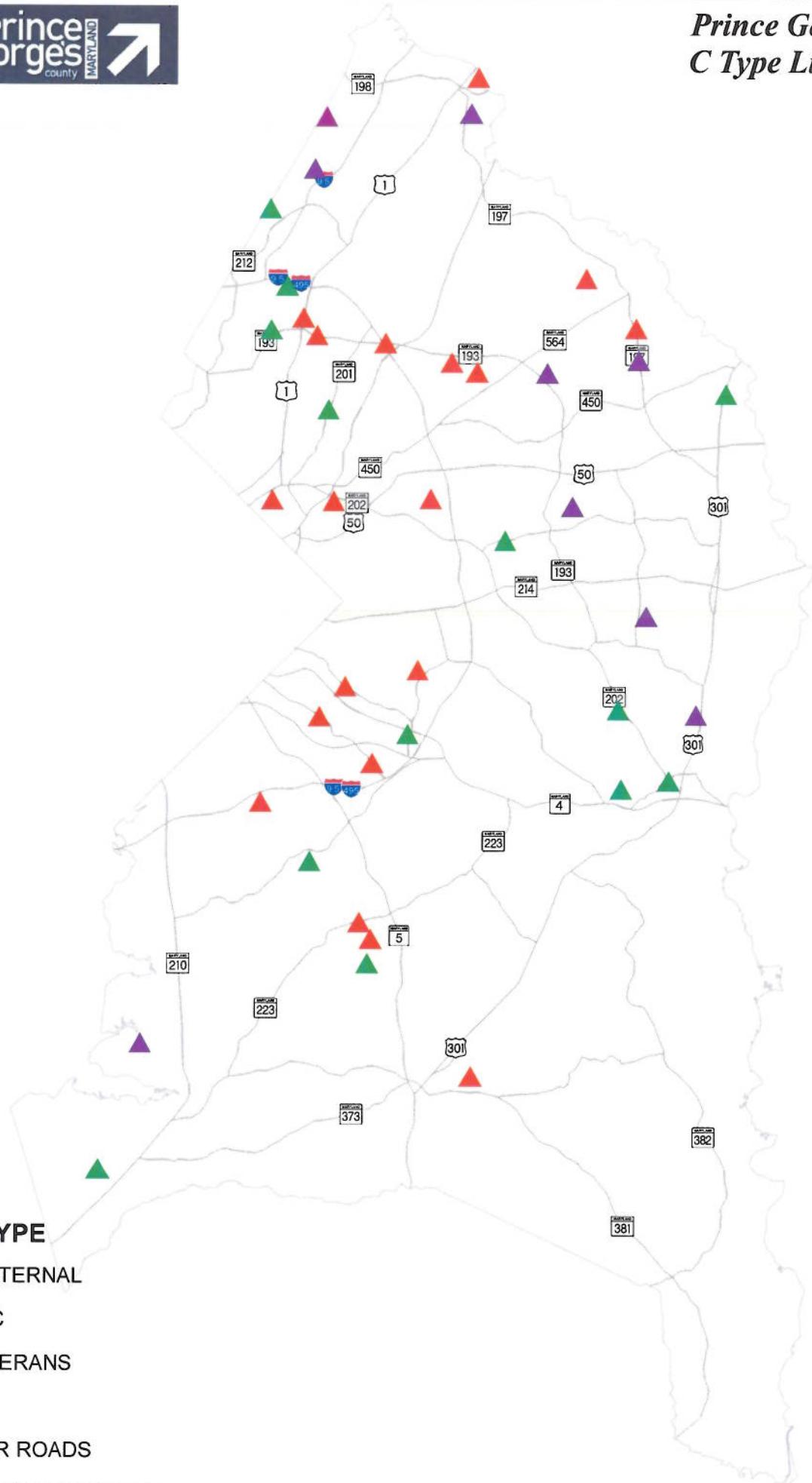
LICENSE TYPE

- ▲ B(AE)
- ▲ B(DD)
- ▲ B(GC)BL
- ▲ B(MB/22)
- ▲ B(R)
- ▲ B(TP)
- ▲ B, ECF
- ▲ B, ECF/DS
- ▲ B, ECR
- ▲ B, FBS
- ▲ B, RT
- ▲ B-CC
- ▲ B-Cl
- ▲ BBS
- ▲ BCE
- ▲ BH
- ▲ BL
- ▲ BL(R)
- ▲ BL+
- ▲ BLX
- ▲ BW
- ▲ BW(R)

— MAJOR ROADS

Prince George's County





Legend

LICENSE TYPE

▲ C,FRATERNAL

▲ C,GCC

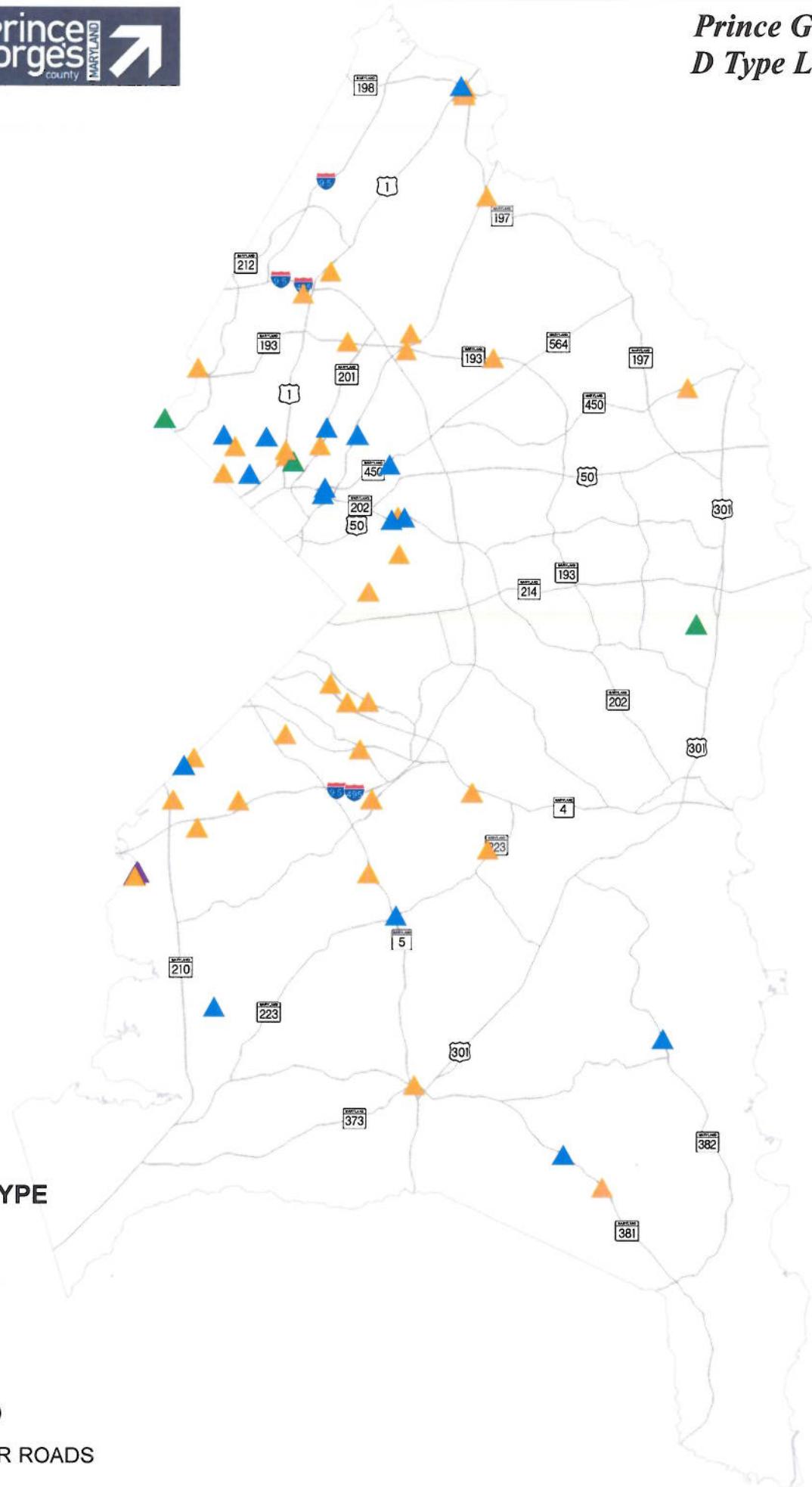
▲ C,VETERANS

▲ CW

— MAJOR ROADS

Prince George's County





Legend

LICENSE TYPE

- ▲ D
- ▲ D(NH)
- ▲ D(R)
- ▲ DW
- ▲ DW(R)

— MAJOR ROADS

Prince George's County

