



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

April 18, 2018

MEMORANDUM

TO: Mary A. Lehman, 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 2019 Budget Review

Budget Overview

The FY 2019 Proposed Budget for the Board of License Commissioners is \$1,661,400. This represents an increase of \$256,600, or 18.3%, over the FY 2018 Approved Budget. The increase is largely due to an increase in compensation for cost-of-living and merit adjustments, funding allocations for a previously unfunded Director position, and the increase in fringe benefits costs. The Board of License Commissioners' expenditures are funded entirely by the General Fund.

Budget Comparison - General Fund

Approved Fiscal Year 2018 to Proposed Fiscal Year 2019

Category	FY 2017 Actual	FY 2018 Approved	FY 2018 Estimated	% Change - Est vs App	FY 2019 Proposed	\$ Change	% Change
Compensation	\$ 738,727	\$ 877,500	\$ 699,100	-20.3%	\$ 1,083,300	\$ 205,800	23.5%
Fringe Benefits	304,355	354,500	282,400	-20.3%	446,300	91,800	25.9%
Operating Expenses	113,694	172,800	170,900	-1.1%	131,800	(41,000)	-23.7%
Total	\$ 1,156,776	\$ 1,404,800	\$ 1,152,400	-18.0%	\$ 1,661,400	\$ 256,600	18.3%

Authorized Staffing Count - General Fund

	FY 2018 Approved	FY 2019 Proposed	Change Amount	Percentage Change
Full-Time	8	8	0	0.0%
Part-Time	24	24	0	0.0%
Total	32	32	0	0.0%

Staffing Changes and Compensation

- The authorized staffing level for the FY 2019 Proposed Budget remains unchanged at eight (8) full-time positions. As of March 30, 2018, the Board reported three (3) vacant full-time positions. All three (3) positions are funded in the FY 2019 Proposed Budget.
- The FY 2019 Proposed Budget includes authorization for 24 part-time positions. This staffing level remains unchanged from the authorized staffing level in FY 2018. The Board reported five (5) vacant part-time positions as of March 30, 2018. All five (5) positions are funded in the FY 2019 Proposed Budget.

Fringe Benefits

- FY 2019 Fringe Benefits are proposed at \$446,300, an increase of \$91,800, or 25.9%, over the FY 2018 approved level, to align with anticipated costs.
- A five-year trend analysis of fringe benefit expenditures is included below.

Fringe Benefits Historical Trend					
	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Proposed
Fringe Benefit Expenditures	\$ 233,018	\$ 308,766	\$ 304,355	\$ 282,400	\$ 446,300
As a % of Compensation	35.7%	38.2%	41.2%	40.4%	41.2%
Annual % Change		32.5%	-1.4%	-7.2%	58.0%

Operating Expenses

- The FY 2019 operating expenses are proposed at \$131,800, a decrease of \$41,000, or 23.7%, below the FY 2018 approved level. The major items comprising operating expenses are as follows:
 - Gen. and Admin. Contracts \$35,000
 - Telephones 28,500
 - Office Automation 21,800
 - Training 15,000
 - General Office Supplies 10,000

- The accompanying table compares the FY 2019 Proposed Budget operating expenditures with the FY 2018 Approved Budget operating expenditures. In four (4) of the categories, the FY 2019 Proposed Budget decreases planned spending from the FY 2018 budget. In three (3) of the categories, the FY 2019 Proposed Budget level remains unchanged compared to the FY 2018 budget. FY 2019 expenditures increase in three (3) categories.

Operating Objects	FY 2018 Budget	FY 2019 Proposed	FY 2018 - FY 2019	
			\$ Change	% Change
General & Administrative Contracts	\$ 80,000	\$ 35,000	\$ (45,000)	-56.3%
Office Automation	22,400	21,800	(600)	-2.7%
Printing	2,800	2,500	(300)	-10.7%
Miscellaneous (Court Reporter Fees)	8,100	8,000	(100)	-1.2%
Advertising	6,000	6,000	-	0.0%
Equipment Lease	2,500	2,500	-	0.0%
Mileage Reimbursement	2,500	2,500	-	0.0%
Training	14,000	15,000	1,000	7.1%
Telephone	26,500	28,500	2,000	7.5%
General Office Supplies	8,000	10,000	2,000	25.0%
TOTAL	\$ 172,800	\$ 131,800	\$ (41,000)	-23.7%

- The most significant dollar reduction between the FY 2019 Proposed Budget and the FY 2018 Approved Budget is General and Administrative Contracts (\$45,000 reduction) to reflect the removal of funding for a one-time consultant contract.
- The most significant increases between the FY 2019 Proposed Budget and the FY 2018 Approved Budget are General Office Supplies (\$2,000 increase) to align to actual spending, and Telephone (\$2,000 increase) to reflect IPad data services for the 24 Liquor Inspectors.

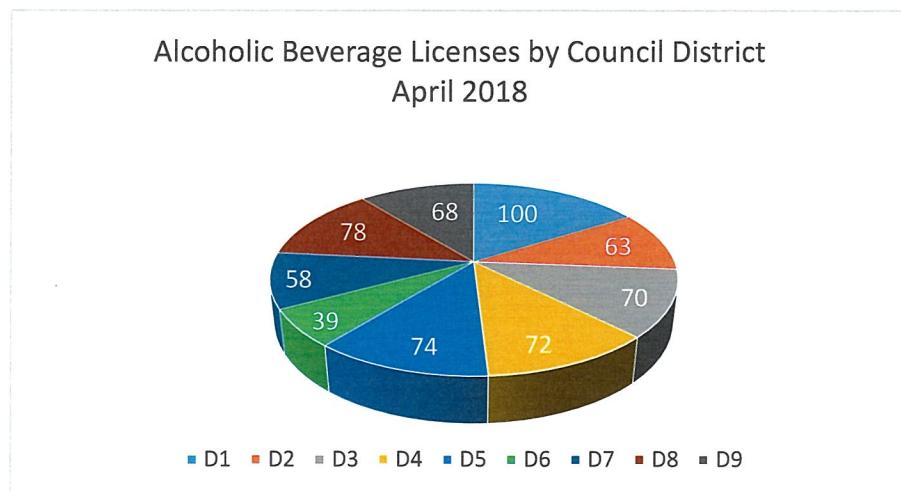
Highlights

- 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.
- One of the Board's overall goals is to increase compliance with alcoholic beverage laws, rules and regulations. The Board plans to increase the number of compliance checks performed in FY 2019 and anticipates the total number of alcoholic beverage violations to decrease from approximately 142 in FY 2017, to 100 in fiscal years 2018 and 2019. (See responses to 1st Round Question 26 for a breakdown, by type, of the violations issued by the Board.)
- 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 issues occurring with licensed establishments.
- The Board noted that it anticipates to have nearly all 450 Special Entertainment Permit inspections to be in compliance in FY 2018. Continual enforcement by trained inspectors and cooperative holders have created the desired outcome of near perfect compliance.

- In 2017, the Maryland General Assembly enacted a law focused on improving accountability, effectiveness, and efficiency of the Board of License Commissioners (House Bill 1317). The law required the County Executive to hire a consultant to review the standard operating procedures of the Board. (See Attachment 1 of the responses to the 2nd Round Questions for a copy of the consultant's report.) Key recommendations made by the consultant included:
 - Developing comprehensive standard operating procedures;
 - Automate administrative procedures, including adding an electronic payment method to the website;
 - Consider broadening the alcohol education program to help prevent sales to minors, underage drinking, overserving, and drunk driving;
 - Develop a standard to be used by the Board when awarding liquor licenses;
 - Automate and revamp the inspection process; and
 - Perform periodic random accountability checks of inspectors.
- The Board reported that it is currently implementing the organizational changes mandated by House Bill 1317. The newly hired Director started on April 2, 2018.
- 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:

Thomas H. Graham	Chairman
Armando Camacho	Commissioner
Kenneth Miles	Commissioner
ShaRon Kelsey	Commissioner
Eric Bowman	Commissioner

- In FY 2018, the Board will collect an estimated \$2.41 million in revenue for approximately 622 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.)



Mary A. Lehman, Chair

HEHS Committee

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Attachments: Attachment A – Description of Licenses

Attachment B – Map of Licensees by Councilmanic District

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.

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.

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

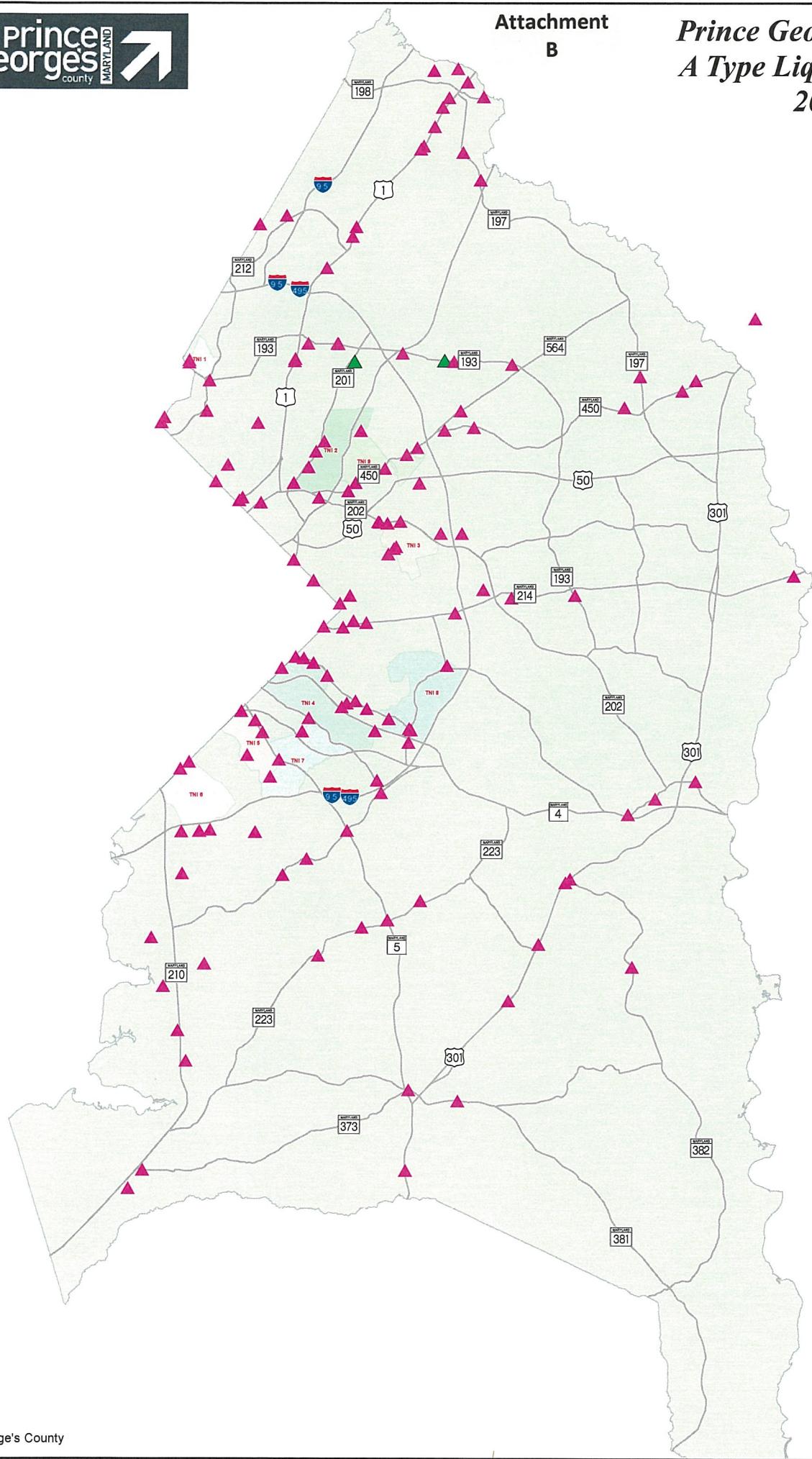
On sale licenses issued pursuant to Rule and Regulation Number 22 the hours of on sale consumption are 6:00 a.m. to 2:00 a.m. with no food requirements. This is a seven (7) day on sale license.

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.

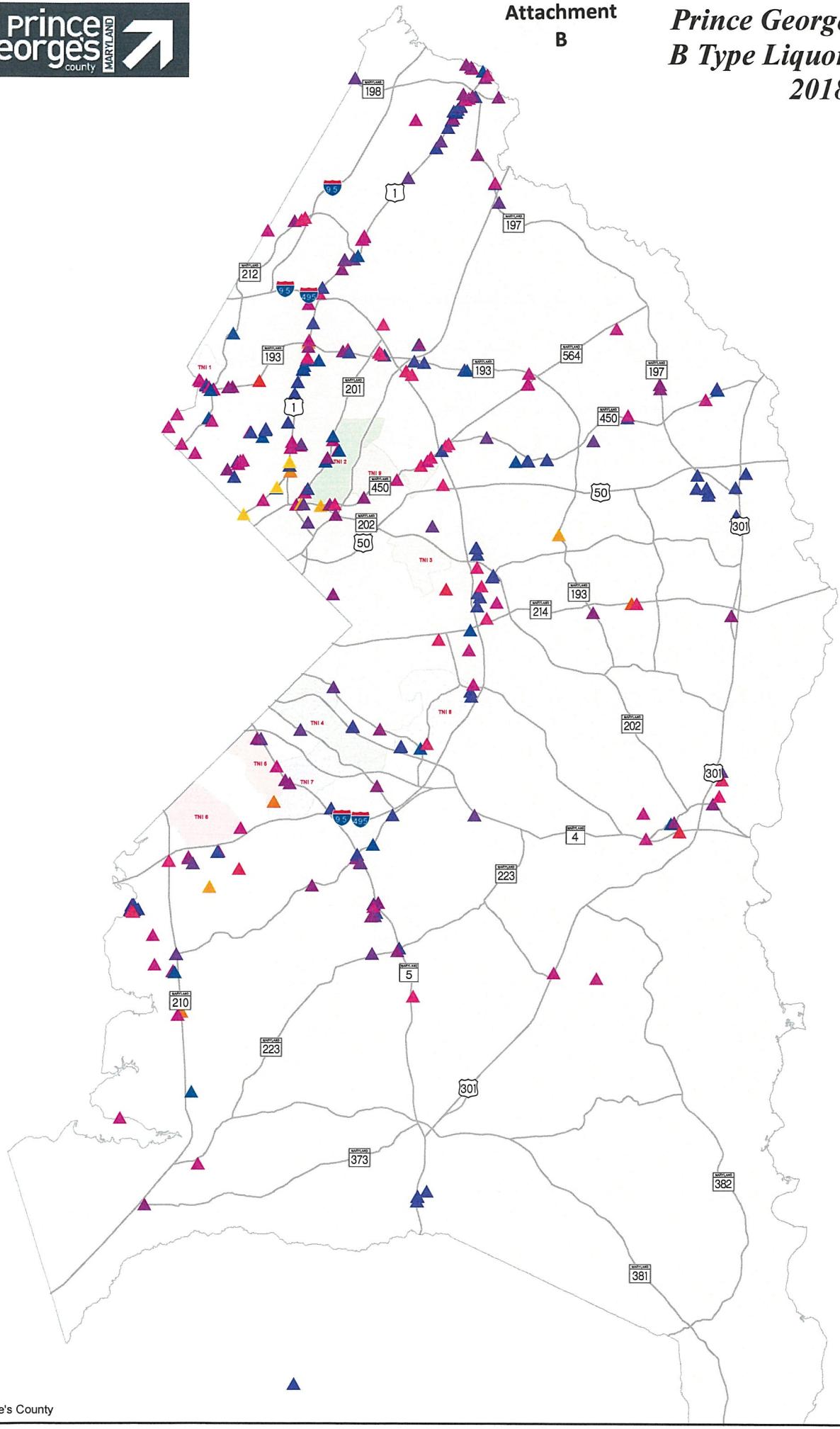


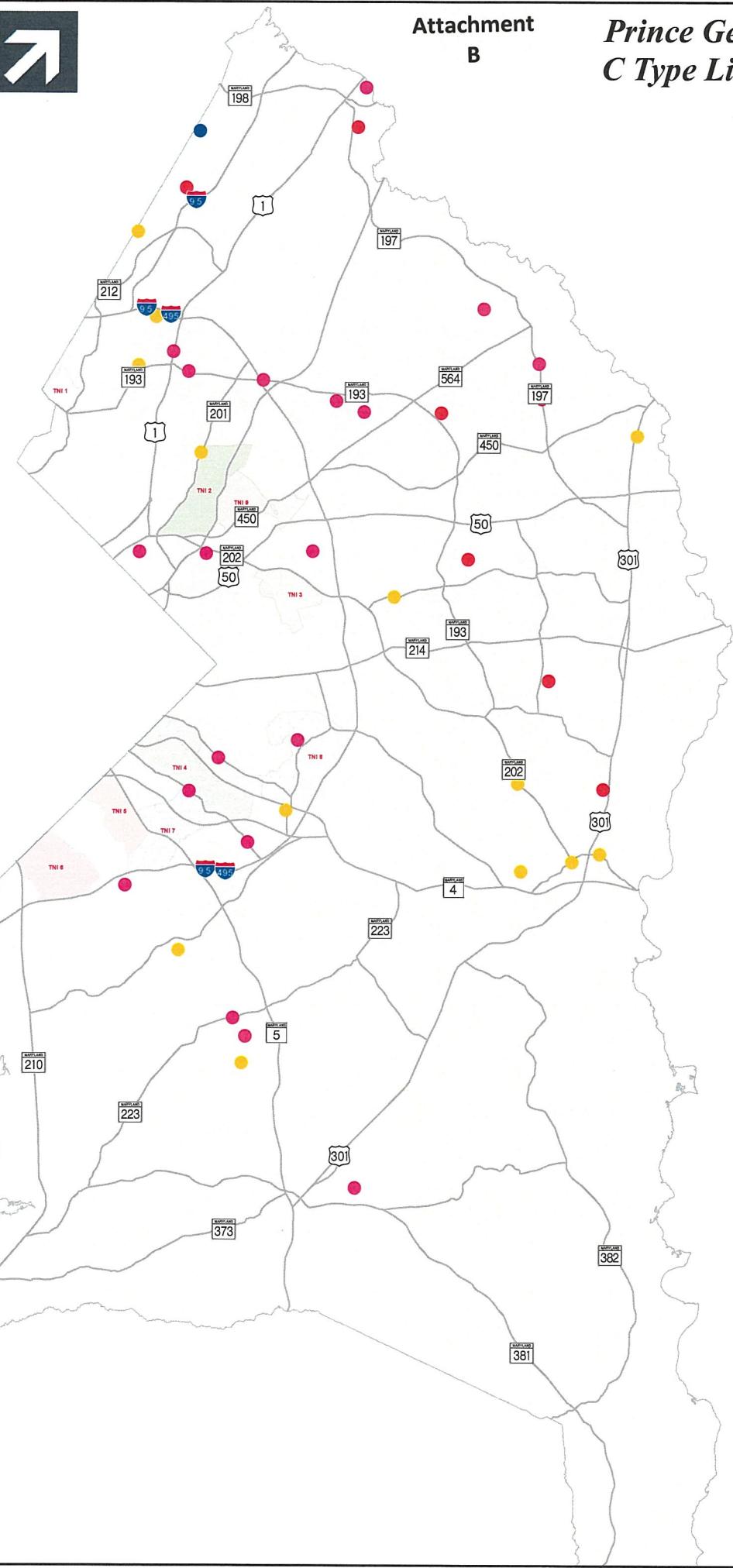
Legend

- ▲ 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-CI
- ▲ BBS
- ▲ BCE
- ▲ BH
- ▲ BL
- ▲ BL(R)
- ▲ BL+
- ▲ BLX
- ▲ BW
- ▲ BW(R)
- Arterials

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

Prince George's County





Legend

Yellow dot: C,FRATERNAL

Red dot: C,GCC

Pink dot: C,VETERANS

Blue dot: CW

— Arterials

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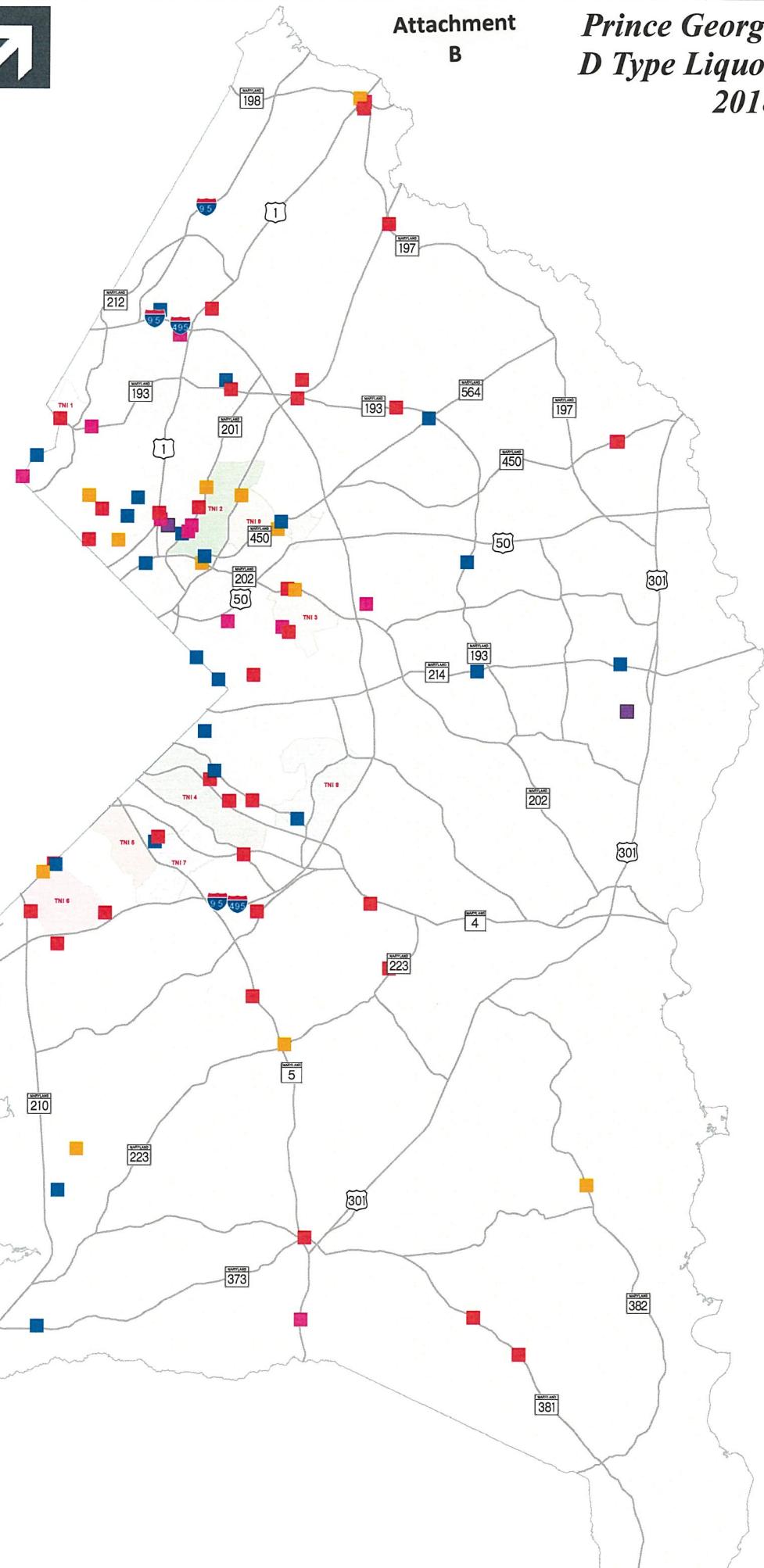
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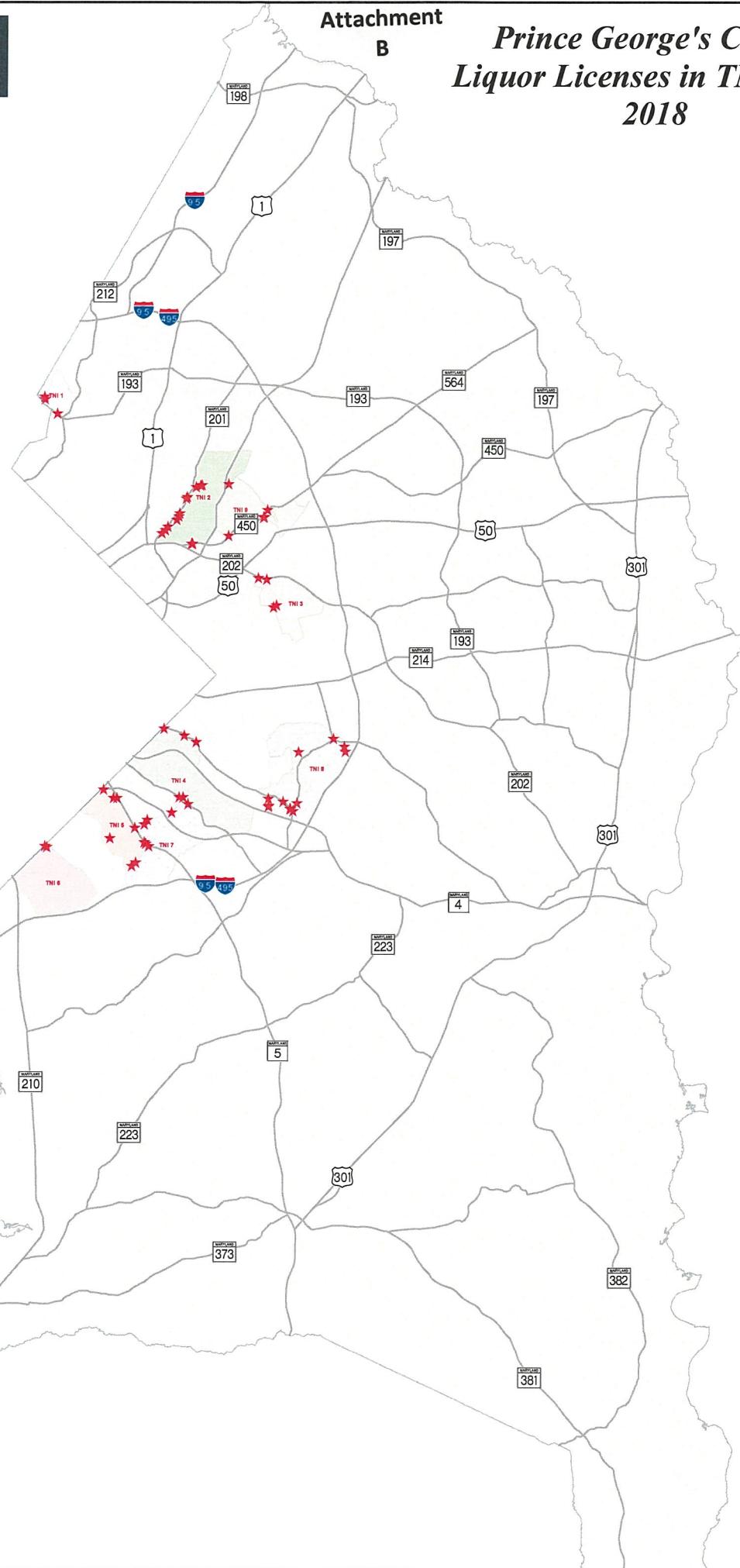
Prince George's County





Prince George's County
Liquor Licenses in TNI Areas
2018

License Type	TNI
AL Barnabas Liquors	7
AL Marlow Liquors	5
AL Modern Liquors	5
AL Silver Hill Liquors	7
AL Freddie's Liquor Store	8
AL Warehouse Liquors	8
AL Penn Mar Liquors	8
AL Suitland Liquors	4
AL S1 Liquors	5
AL Triangle Liquors	8
AL C.D. Liquors	4
AL Super Liquors	4
AL Cox's Liquors	3
AL Palmer Restaurant and Liquors	3
AL Burke's Liquors	3
AL Kent Village Liquors	3
AL 201 Drive-thru Liquors	2
AL Bill's Wine & Liquor	9
AL San Antonio Liquors	2
AL Kenilworth Liquors	2
AL Riverdale Plaza Liquors	2
AL University Liquors	1
AL 4 Corners Wine and Spirits	1
B Suitland Bowl	4
B(R) AMF Marlow Heights Lanes	5
BCE Arcadia Catering Center	8
BL New Rio Buffet and Bar	5
BL Agama Kitchen and Restaurant	2
BL El Tapatio Mexican Restaurant	2
BL El Rinconcito Restaurant & Carryout	9
BL Sito Restaurant	2
BL La Chiquita Restaurant	1
BL(R) Fuji Mountain Steakhouse	7
BL(R) Szechuan Hunan	5
BL(R) Crab Caf??	5
BL(R) Mexico Lindo Restaurant of Maryland	2
BL(R) AMF Capital Plaza Lanes	9
BL+ Strick's Restaurant	5
BL+ Marlboro Pike Restaurant and Liquors	4
BLX Applebee's (Forestville)	8
BLX Hanabi Japanese Steak & Seafood	8
BLX Dave & Buster's	8
BLX The Olive Garden Italian Restaurant #4496	8
BLX Three Brothers Italian Kitchen	2
BW Corinto Restaurant	8
BW El Bucanas Caf??	2
BW Queensway Restaurant	2
C VETERANS Capital City Branch 67	4
C VETERANS My Maryland American Legion Post 126	8
D(R) Pop's Seafood	9
D(R) Zheng's Restaurant	9
DW(Off) 24 Express	6
DW(Off) St. Barnabas Beer and Convenience Store	7
DW(Off) Dodge City Market	8
DW(Off) Parkway Market	2
DW(On) Giant	9
DW(On) La Sirena Restaurant	2
DW(On) El Taco Azteca	2
DW(R) Schreiber's Country Store	6
DW(R) Peoples Convenience Store	7



Legend

★ Liquor License within TNI

— Arterials

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