



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

May 6, 2019

MEMORANDUM

TO: Derrick L. Davis, Chair
Government Operations and Fiscal Policy Committee (GOFP)

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

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

RE: Board of License Commissioners
Fiscal Year 2020 Budget Review

Budget Overview

The FY 2020 Proposed Budget for the Board of License Commissioners is \$1,808,800. This represents an increase of \$147,400, or 8.9%, over the FY 2019 Approved Budget. This is largely due to an increase in fringe benefit costs and compensation for cost-of-living adjustments and merit increases. The Board of License Commissioners' expenditures are funded entirely by the General Fund.

Budget Comparison - General Fund

Approved Fiscal Year 2019 to Proposed Fiscal Year 2020

Category	FY 2018 Actual	FY 2019 Approved	FY 2019 Estimated	% Change - Est vs App	FY 2020 Proposed	\$ Change	% Change
Compensation	\$ 608,111	\$ 1,083,300	\$ 904,800	-16.5%	\$ 1,150,500	\$ 67,200	6.2%
Fringe Benefits	267,998	446,300	385,800	-13.6%	518,900	72,600	16.3%
Operating Expenses	135,194	131,800	125,000	-5.2%	139,400	7,600	5.8%
Total	\$ 1,011,303	\$ 1,661,400	\$ 1,415,600	-14.8%	\$ 1,808,800	\$ 147,400	8.9%

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Authorized Staffing Count - General Fund

	FY 2019 Approved	FY 2020 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

- FY 2020 compensation is proposed at approximately \$1.2 million, an increase of \$67,200, or 6.2%, above the FY 2019 Approved Budget. This increase is a result of anticipated merit increases and cost-of-living adjustments.
- The authorized staffing level for the FY 2020 Proposed Budget remains unchanged at eight (8) full-time positions. As of March 20, 2019, the Board reported that all of its full-time positions are filled.
- The FY 2020 Proposed Budget also includes authorization for 24 part-time positions. This staffing level remains unchanged from the authorized staffing level in FY 2019. The Board reported 14 vacant part-time positions as of March 20, 2019. Ten (10) of these positions are funded, and the remaining four (4) are not funded in FY 2020.

Fringe Benefits

- FY 2020 Fringe Benefits are proposed at \$518,900, an increase of \$72,600, or 16.3%, over the FY 2019 approved level, to align with anticipated costs.
- A five-year trend analysis of fringe benefit expenditures is included below.

Fringe Benefits Historical Trend					
	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Proposed
Fringe Benefit Expenditures	\$ 308,766	\$ 304,355	\$ 267,998	\$ 385,800	\$ 518,900
As a % of Compensation	38.2%	41.2%	44.1%	42.6%	45.1%
Annual % Change		-1.4%	-11.9%	44.0%	34.5%

Operating Expenses

- The FY 2020 operating expenses are proposed at \$139,400, an increase of \$7,600, or 5.8%, over the FY 2019 approved level. The major items comprising operating expenses are as follows:
 - General & Admin. Contracts \$35,000
 - Office Automation 29,900
 - Telephone 17,500
 - Training 15,000
 - General Office Supplies 15,000
- The accompanying table compares the FY 2020 Proposed Budget operating expenditures with the FY 2019 Approved Budget operating expenditures. In four (4) of the categories, the FY 2020 Proposed Budget increases planned spending from the FY 2019 budget. In five (5) of the categories, the FY 2020 Proposed Budget level remains unchanged compared to the FY 2019 budget. FY 2020 expenditures decrease in one (1) category.

Operating Objects	FY 2019 Budget	FY 2020 Proposed	FY 2019 - FY 2020	
			\$ Change	% Change
Office Automation	\$ 21,800	\$ 29,900	\$ 8,100	37.2%
General Office Supplies	10,000	15,000	5,000	50.0%
Mileage Reimbursement	2,500	7,500	5,000	200.0%
Equipment Lease	2,500	3,000	500	20.0%
General & Administrative Contracts	35,000	35,000	-	0.0%
Training	15,000	15,000	-	0.0%
Miscellaneous (Court Reporter Fees)	8,000	8,000	-	0.0%
Advertising	6,000	6,000	-	0.0%
Printing	2,500	2,500	-	0.0%
Telephone	28,500	17,500	(11,000)	-38.6%
TOTAL	\$ 131,800	\$ 139,400	\$ 7,600	5.8%

- The most significant increases between the FY 2020 Proposed Budget and the FY 2019 Approved Budget are Office Automation (\$8,100 increase), as a result of an increase in charges by the Office of Information Technology, General Office Supplies (\$5,000 increase) and Mileage Reimbursement (\$5,000 increase), to align to actual spending.
- The only dollar reduction between the FY 2020 Proposed Budget and the FY 2019 Approved Budget is Telephone expense (\$11,000 reduction) to align with actual cost.

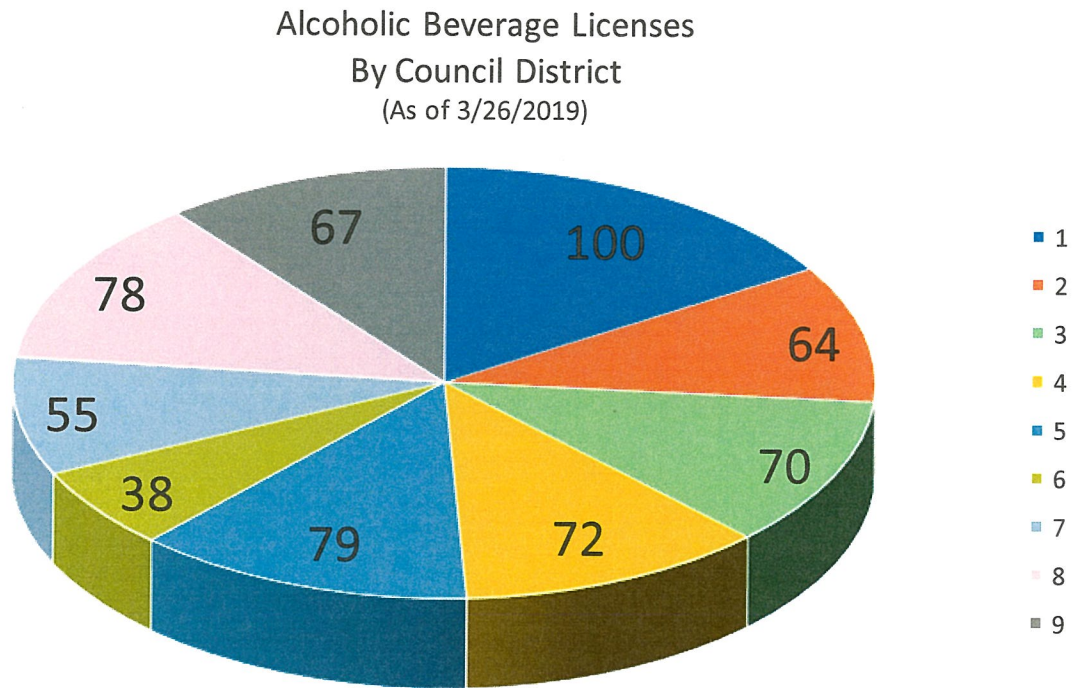
Highlights

- 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 continues to participate in various community outreach events and meetings in an effort to educate and get feedback from County residents.
- 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 has increased the number of inspections performed for the Special Entertainment Permit licensees. In FY 2020, the Board plans to conduct 1,250 Special Entertainment Permit inspections, compared to 450 inspections performed in FY 2017.
- 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 2020 is to implement the recommendations outlined in the 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:

Daphnee Turbin Forbes	Chairwoman
Armando Camacho	Commissioner
Kenneth Miles	Commissioner
Tammy Sparkman	Commissioner
Tammie Norman	Commissioner

- In FY 2019, the Board will collect an estimated \$2.60 million in revenue for approximately 625 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

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.



Prince George's County A Type Liquor Licenses 2019

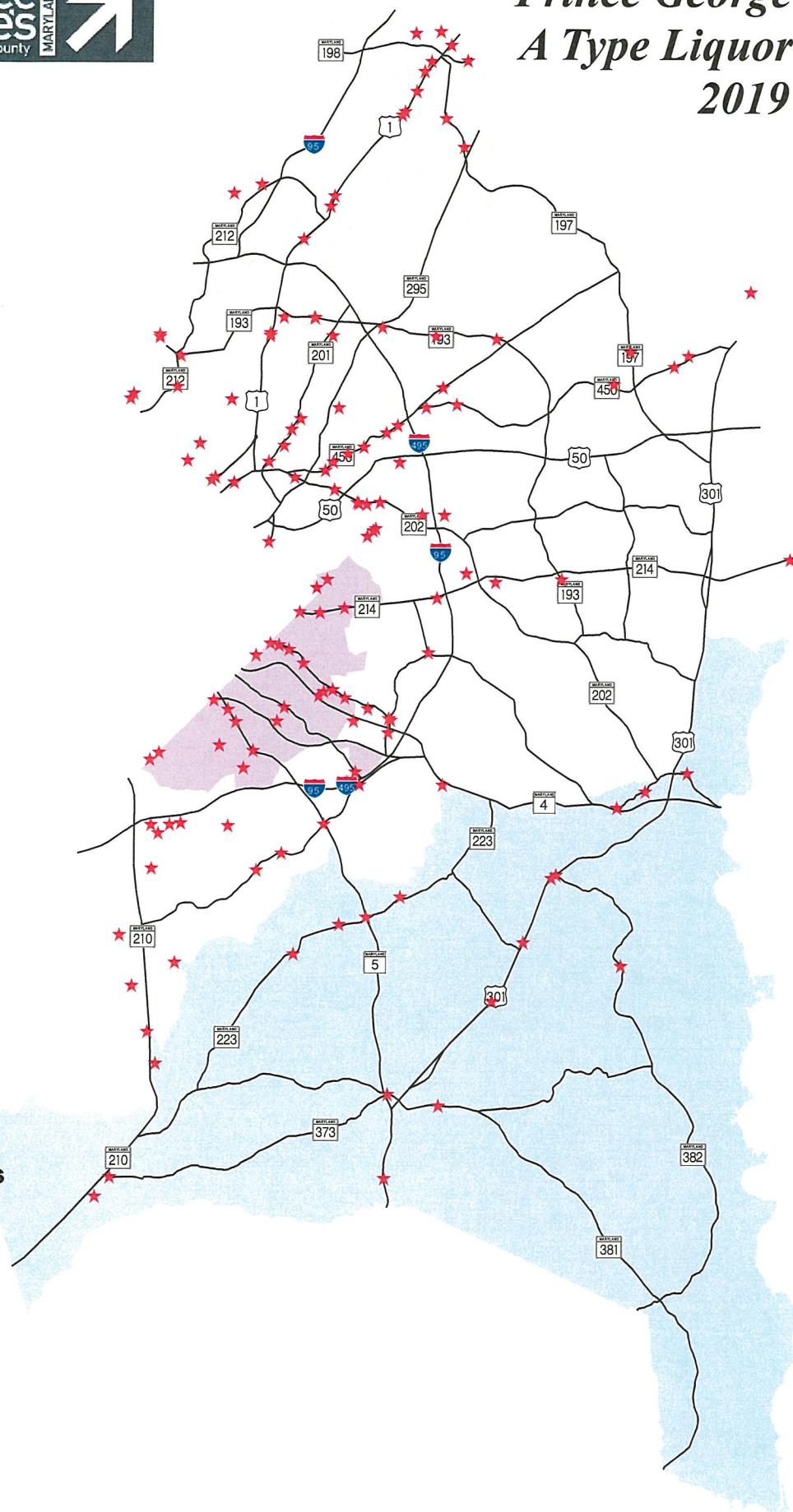
Legend

- ★ AL
- ★ AW

— Major Roads

Council Districts

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



Prince George's County B Type Liquor Licenses 2019



Legend

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

— Major Roads

District 1

District 2

District 3

District 4

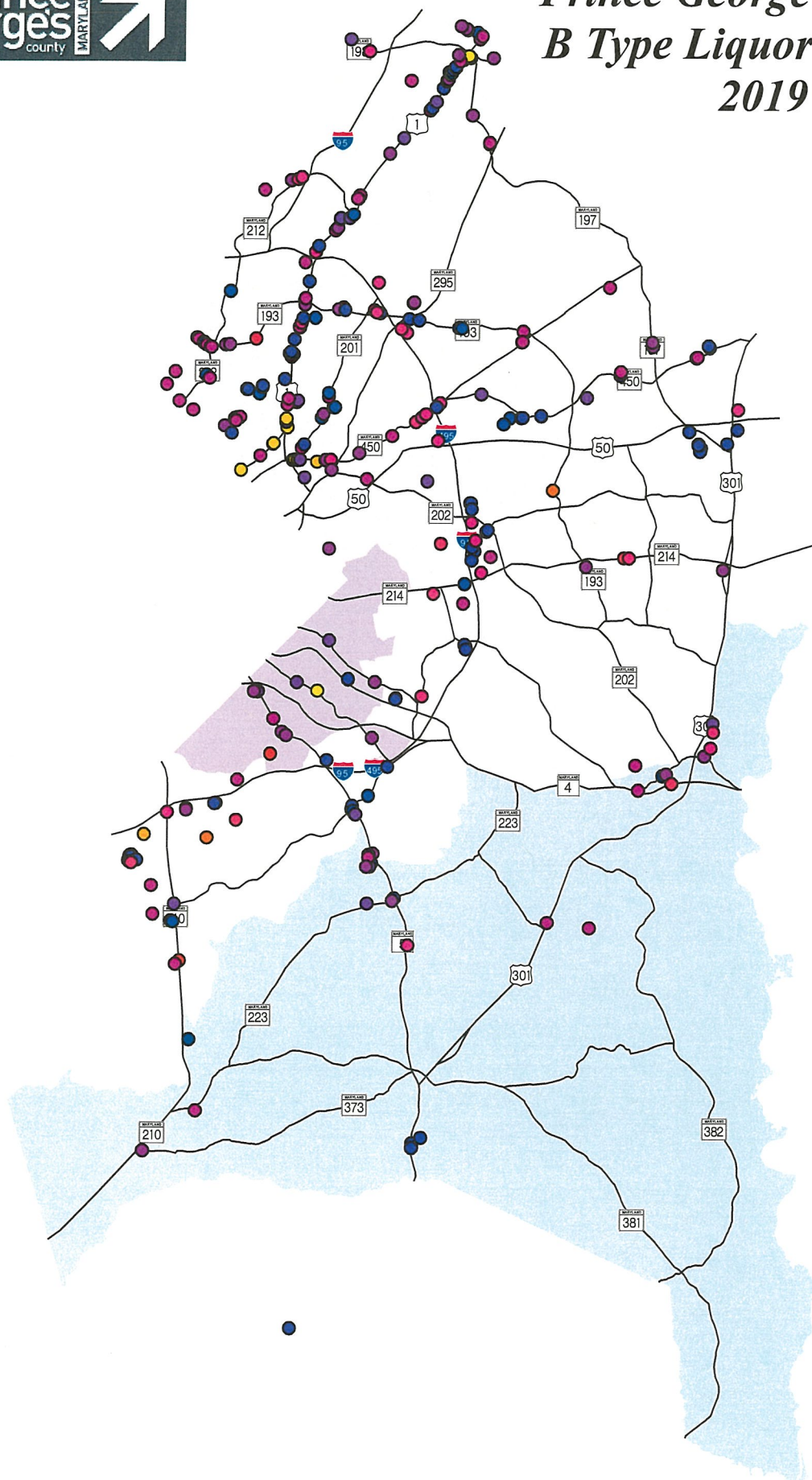
District 5

District 6

District 7

District 8

District 9



Prince George's County C Type Liquor Licenses 2019



Prince
George's
county



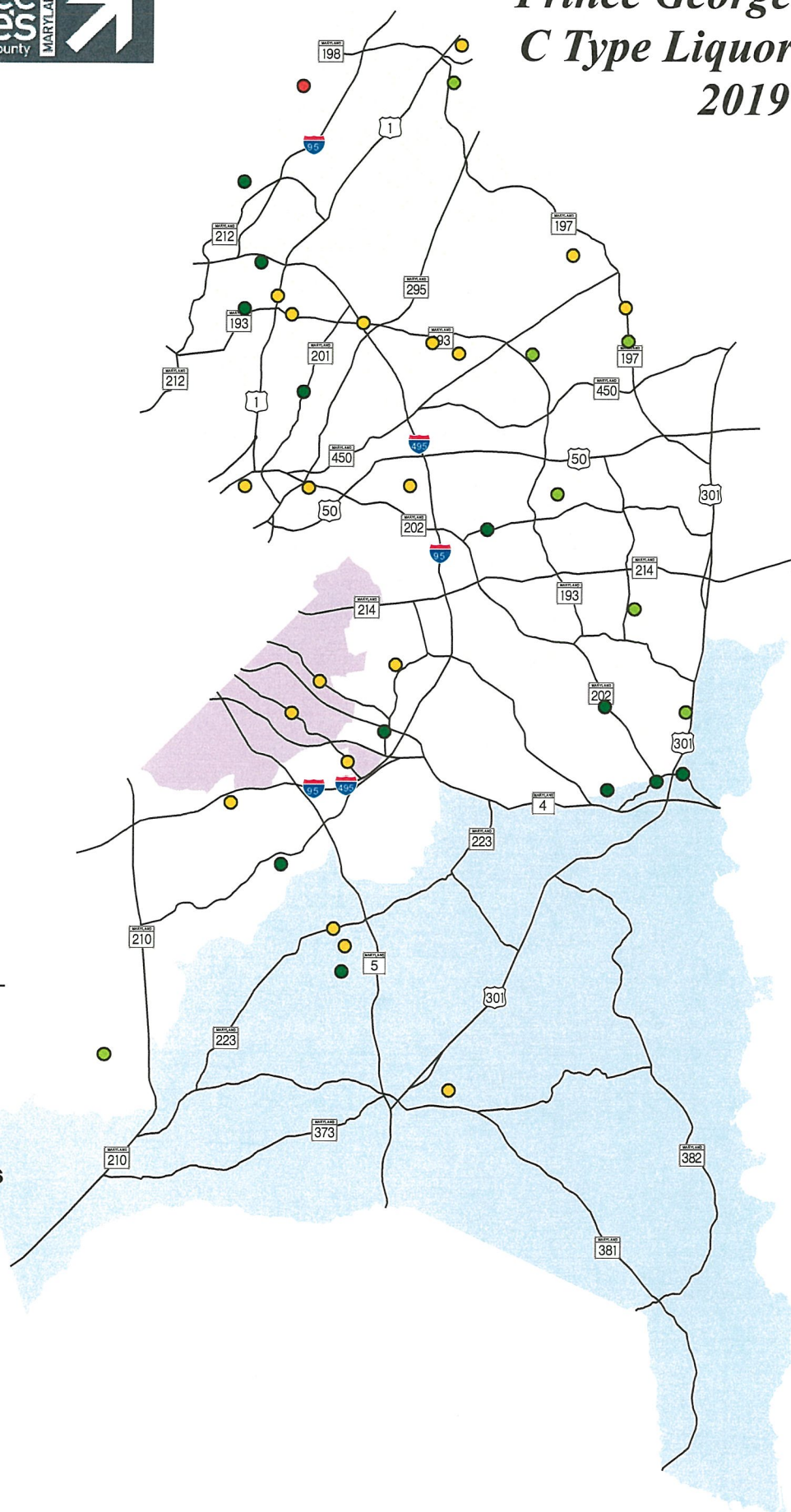
Legend

- C, FRATERNAL
- C, GCC
- C, VETERANS
- CW

— Major Roads

Council Districts

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





Prince George's County D Type Liquor Licenses 2019

Legend

- D
- D(NH)
- D(R)
- DW(Off)
- DW(On)
- DW(R)

— Major Roads

Council Districts

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

