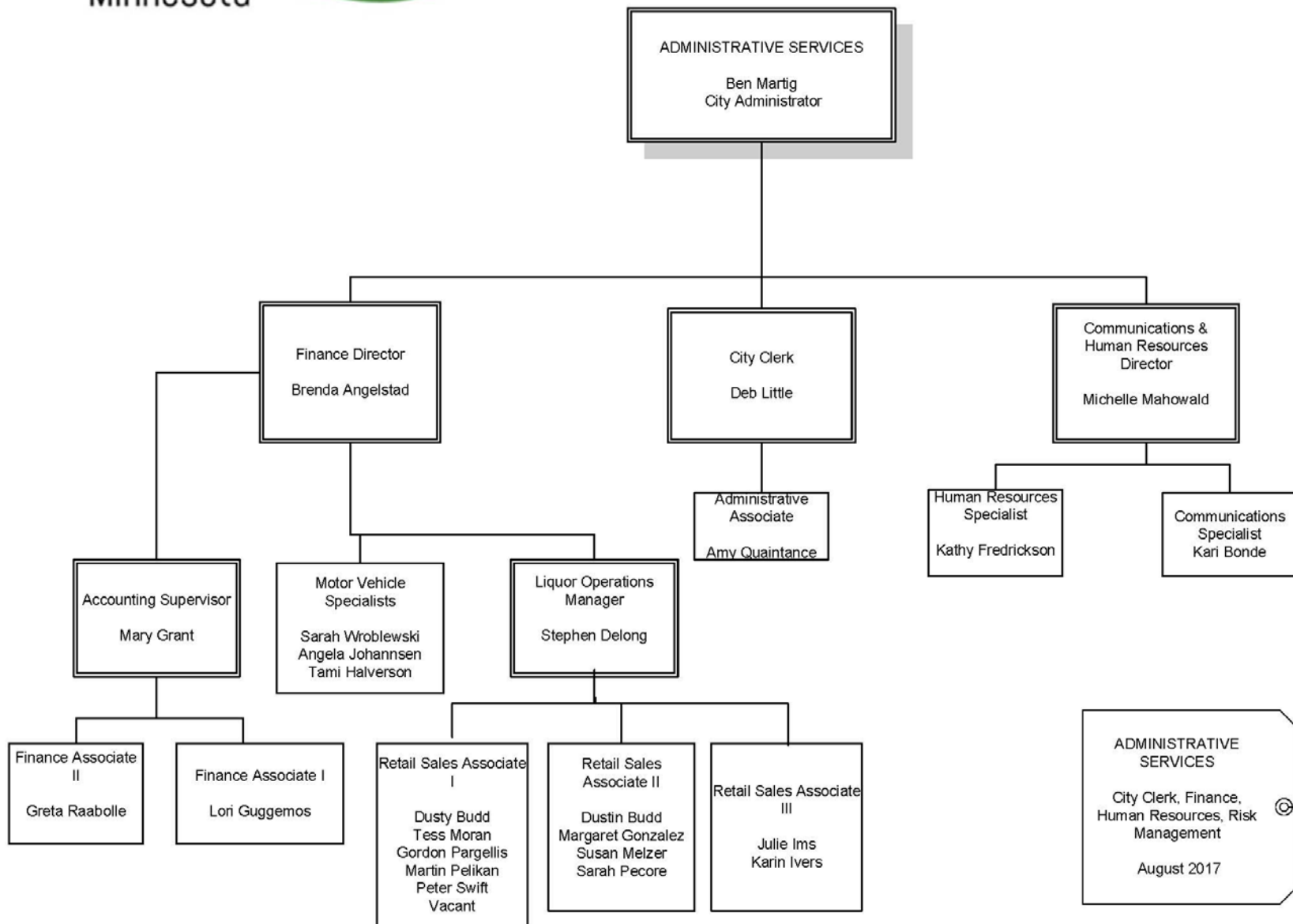




City of Northfield 2018 Liquor Store Budget
August 22nd, 2017 | 6:00pm



ADMINISTRATIVE SERVICES

City Clerk, Finance, Human Resources, Risk Management

August 2017

Liquor Store Fund

				2017 YTD and % of budgeted			2018 Proposed	2017 vs 2018 % increase	2019 Projected
	2014 Actual	2015 Actual	2016 Actual	2017 Adopted	\$ as of 6-30-17				
OPERATING REVENUES									
Sales	3,163,171	3,076,453	3,146,683	3,126,200	1,505,286	48.15%	2,723,703	-12.87%	3,204,356
Cost of Sales	(2,328,235)	(2,332,504)	(2,303,230)	(2,339,388)	(1,104,594)	47.22%	(2,039,540)	-12.82%	(2,399,223)
Gross Profit	834,936	743,949	843,453	786,812	400,692	50.93%	684,163	-13.05%	805,133
OTHER REVENUES	21,053	5,724	6,685	14,000	5,297	37.84%	10,000	-28.57%	10,000
Total Revenues	855,989	749,673	850,138	800,812	405,989	50.70%	694,163	-13.32%	815,133
<i>Expenses</i>									
Personnel	403,620	405,078	427,297	435,001	204,917	47.11%	445,197	2.34%	462,645
Supplies	41,686	18,368	16,313	29,800	6,369	21.37%	20,404	-31.53%	22,710
Other Services and Charges	156,623	198,361	176,475	197,306	91,381	46.31%	151,945	-22.99%	192,372
Total Expenses	601,929	621,807	620,085	662,107	302,667	45.71%	617,546	-6.73%	677,727
Net Income/ (Loss)	254,060	127,866	230,053	138,705	103,322		76,617		137,406
OTHER FINANCING SOURCES (USES)	(136,607)	(125,000)	(125,000)	(138,284)	-		(35,000)		- *
CHANGES IN NET ASSETS	117,453	2,866	105,053	421	103,322		41,617		137,406

* 2019 no transfer to General Fund, dedicated to new store

Liquor Store Fund

- Recent external market competition changes drive greater uncertainty in 2018 budget (12.87% reduction assumption)
 - Sunday Liquor Sales
 - Increased competition in Dundas - Fall 2017
 - MGM to open near new movie theater
 - Aldi to open next to Firehouse Liquors
- 2019 projected sales represent a scenario with no market impact (2.5% increase from 2017)



Liquor Store Fund

- 2018 Sales reduced 12.87% from 2017 budget
 - Based on market study update by Dakota Worldwide
 - Maintain consistent gross profit margin
 - Reduced expenditures to accommodate forecast reduction in revenues
- 2018 Net Income decreases \$62,000 (44.8%)



Other Expense Uses

- 2017 budget
 - \$ 20,000 staffing HCI (MYTDA, MYC, YF)
 - \$ 17,500 reimbursable HCI (MYTDA)
 - \$ 2,500 DARE reimbursable
 - \$125,000 transfer to General Fund
- 2018
 - \$ 40,000 HCI & DARE amounts moved to Mayor & Council budget
 - \$ 35,000 transfer to General Fund
- 2019
 - No transfer to General Fund, net profits dedicated to new store



CIP [Liquor]

2015

- Market and feasibility analysis

2016-2017

- Site Review
- Conceptual Design

2018

- Final Design
- Construction



Discussion