



## Gastonia *ABC* System

## Budget Message FY 2023– 2024

- 1- Sales for FY 22-23 reflected positive growth with a gain of 13.34% for the first 9 months. We anticipate a 5.50% increase in sales for this budget period.
- 2- Health care expenses will rise this year. We anticipate Health Care costs to go up \$85.00 a month per employee for the medical and dental portion of the benefits. The total of the increase is expected to be \$8,160.00 for the current 8 full-time employees. There will be an additional \$17,040.00 spent on the Assistant Store Manager position that was approved for the W. Long Avenue store starting in July.
- 3- The System will continue to operate with a majority of its staff part-time (41 part-time employees) and only 9 full-time employees. The board has approved a \$1.00 raise per employee effective at the start of the new fiscal year. New hires will now start at \$14.00 per hour.
- 4- The two stores we currently lease space for (Store 2 – Dallas, Store 6 – W. Gastonia) will have a small increase in rent for this Fiscal Year. For six months of this fiscal year the rent for Dallas will increase by \$49.00 (\$294.00 total). Our W. Gastonia location will not have an increase for the year.
- 5- Business insurance is expected to increase approximately \$6,500.00 for FY 23-24. This increase is due to the higher rates to insure two vehicles, the cost of building replacement increasing by 7%, and the amount of liquor we are storing in the warehouse.
- 6- The Employer contribution rate for the North Carolina Retirement plan is going to be 14.10% for this budget period. The 401k plan will continue to be funded at the current level of 5.5%.
- 7- Bank fee rates are expected to be the same for this year. The only increase we will see would be due to an increase in sales and card usage.
- 8- 5 capital projects are funded in the budget for fiscal year 23-24. Four of the capital projects are to give the stores all new registers and back-office computers. These are carrying over from last year due to the equipment being on back order. The final capital project is to purchase land for a new W. Gastonia store.
  - W. Long Ave – New registers
  - Dallas – New registers
  - W. Gastonia – New registers
  - Jett Lanier – New registers
  - W. Gastonia – Land purchase
- 9- The Board continues to provide a high level of financial distributions to the City of Gastonia. The distribution will be \$600,000 for Fiscal Year 23-24. This will be paid in 4 quarterly payments. After our annual external audit, a fifth distribution may be made based on the results of the audit.
- 10- The Board will determine the distribution for Dallas after the year-end audit. The Board distributed \$37,617.00 for fiscal year 21-22.
- 11- The Board's financial status is sound; therefore, no monies will be borrowed to fund operations or capital expenses.
- 12- The board is under contract to purchase land to replace our W. Gastonia location that is currently leased. The plan is to build a stand-alone store after the land is purchased. This will allow the Board to build a significantly larger store and offer our customers more products and improve their shopping experience.