

COUNTY COUNCIL OF WICOMICO COUNTY, MARYLAND

2013 Legislative Session

Legislative Day No. 21

Resolution No. 127-2013

Introduced by: The President of the Council at the request of the County Executive.

A RESOLUTION ADOPTING THE WICOMICO COUNTY LIQUOR CONTROL BOARD NET PROFIT PAYMENT CALCULATION FORMULA.

WHEREAS, pursuant to Article 2B, Section 15-203, of the Annotated Code of Maryland, liquor control boards may establish and maintain stores known as "county liquor dispensaries", for the sale of sparkling or fortified wine and other alcoholic beverages in sealed packages or containers; and

WHEREAS, pursuant to Article 2B, Section 15-207 (g) of the Annotated Code of Maryland, all net profits arising from the operation of the dispensaries are first to be applied toward the payment of any sums advanced to or borrowed by the liquor control board; and

WHEREAS, once these sums have been paid, the liquor control board is to maintain a reserve fund to provide adequate working capital and to meet any losses that may be sustained in the operation of the dispensaries; and

WHEREAS, any remaining net profits shall then be paid to the county in which the liquor control board is located; and

WHEREAS, Wicomico County and the Wicomico County Liquor Control Board have agreed to a formula to be used for the calculation of the net profit payment to be paid to the County.

NOW, THEREFORE, BE IT RESOLVED by the County Council of Wicomico County, Maryland that the following formula shall be used for calculating the net profit payment paid to Wicomico County, Maryland by the Wicomico County Liquor Control Board:

Formula: total current assets, less current payables, less inventory, less reserve fund, plus or minus rounding (rounding not to exceed +/- \$999).

Current Assets shall be defined as, "Cash on hand in banks plus merchandise inventory plus prepaid expenses on the audited June 30 Balance Sheet for the related fiscal year."

Current Payables shall be defined as, "Accounts payable plus Maryland retail sales tax payable on the audited June 30 Balance Sheet for the related fiscal year."

Inventory shall be defined as, "Merchandise Inventory on the audited June 30 Balance Sheet for the related fiscal year not to exceed 5+ 60 days' sale in inventory."

Days' Sales in Inventory shall be defined as, "365 divided by the inventory turnover ratio for the related fiscal year."

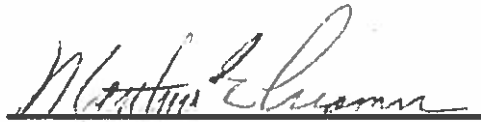
Inventory Turnover Ratio shall be defined as, "Cost of sales divided by the average inventory for the related fiscal year."

Reserve Fund shall be defined as, "\$200,000 or as adjusted and approved by the Wicomico County Council."

Done at Salisbury, Maryland, this 15th day of October, 2013.

ATTEST:

COUNTY COUNCIL OF
WICOMICO COUNTY, MARYLAND



Matthew E. Creamer,
Council Administrator



Matt Holloway,
Council President

CERTIFICATION

This Resolution was Adopted . Adopted with Amendments ____. Failed ____, Withdraw ____ by the County Council on October 15, 2013.

Certified by 
Matthew E. Creamer, Council Administrator