



New Hampshire Liquor Commission

50 Storrs Street
Concord, N.H. 03301
(603) 230-7015

Joseph W. Mollica
Chairman

Nicole Brassard Jordan
Deputy Commissioner

MLC
65

Christopher T. Sununu
Governor

March 16, 2022

The Honorable Karen Umberger, Chairman
Fiscal Committee of the General Court
State House
Concord, New Hampshire 03301

His Excellency, Governor Christopher T. Sununu
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to RSA 177:2, Closing of State Stores, the New Hampshire Liquor Commission (NHLC) hereby reports the closure of New Hampshire Liquor and Wine Outlet #28, 186 Ocean Blvd, Seabrook, and requests Fiscal Committee and Governor and Council approval of the Indirect Cost Allocation Plan for State Fiscal Year 2021.

EXPLANATION

Store #28, 186 Ocean Blvd, Seabrook, temporarily closed on September 13, 2021 and effective April 16, 2022, will permanently close. In November 2020, the store temporarily closed and became a seasonal store. The store is 3,600 square feet and produced \$1.4M in Fiscal Year 2021, and was one of the least profitable stores. Due to constraints of employees, the NHLC decided to close the store permanently.

The NHLC maintains another retail outlet 4 miles away in the Southgate Plaza in Seabrook. That store is at almost 18,000 square feet, and in Fiscal Year 2021 it produced \$18.3M in sales and ranked eighth in profitability. Consolidating Seabrook Beach into the larger Seabrook store is a prudent business decision.

The Indirect Cost Allocation Plan reflects the operating expense base of the state liquor outlets and the overhead expenses of the other NHLC departments, which are allocated to all state stores on a consistent, rational basis. The table below is the indirect cost plan for Fiscal Year 2021 based on expenditures of \$72,500,378 with \$15,060,441 operating pool expenses and \$8,218,195 indirect cost expenses allocation back to all liquors stores based on each stores percentage of total sales. The amount allocated to store #28 in FY21 was \$49,137.

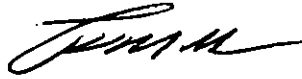
**STATE OF NEW HAMPSHIRE
LIQUOR COMMISSION
INDIRECT COST ALLOCATION PLAN
FISCAL YEAR ENDED JUNE 30, 2021**

<u>BUDGETARY OPERATING EXPENSES:</u>	<u>CLASSIFICATION</u>	<u>FY21 TOTAL</u>	<u>OPERATING POOL</u>	<u>INDIRECT POOL</u>	<u>UNALLOWABLE</u>
OFFICE OF THE COMMISSION	INDIRECT	849,722	NA	849,722	NA
INFORMATION TECHNOLOGY	INDIRECT	2,760,248	NA	2,760,248	NA
FINANCIAL ACCOUNTING	INDIRECT	3,953,840	NA	3,953,840	NA
HUMAN RESOURCES	INDIRECT	654,385	NA	654,385	NA
WORKERS' COMP & UNEMPLOYMENT COMP	DIRECT	909,365	909,365	NA	NA
MARKETING AND MERCHANDISING	DIRECT	1,087,044	1,087,044	NA	NA
STORE OPERATIONS - ALL STORES	BASE	54,960,620	9,788,986	NA	NA
ADVERTISING	DIRECT	3,064,282	3,064,282	NA	NA
WAREHOUSE AND TRANSPORTATION	DIRECT	210,764	210,764	NA	NA
ENFORCEMENT, LICENSING, EDUCATION & GRANTS	NOT ALLOWABLE	4,050,108		NA	4,050,108
		\$ 72,500,378	\$ 15,060,441	\$ 8,218,195	\$ 4,050,108

ALLOCATION PLAN FOR INDIRECT EXPENSES:

Allocation for Stores direct (Marketing & Merchandising, Advertising and Warehouse and Transportation) and indirect expenses (includes the following organizations - Commission, IT, Financial Accounting and Human Resources)
Total of \$15,060,441 operating pool allocated to retail store locations based on their respective percentage contribution to total sales.
Total of \$8,218,195 indirect pool allocated to retail store locations based on their respective percentage contribution to total sales.

Respectfully Submitted
New Hampshire Liquor Commission



Joseph W. Mollica, Chairman