

Legal Finance Agenda

Monday, October 15, 2024 @ 5:30 P.M.

511 6th Avenue – City Hall – Council Chamber

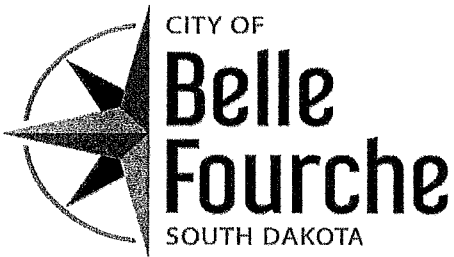
We have just convened a meeting of the Legal Finance Committee for the City of Belle Fourche. Today's date is October 15, 2024. It is 5:30 P.M. in the evening.

An audio and video recording of this open session Committee meeting is being made. I am asking that anyone who wishes to address the Committee on issues request acknowledgement through the Committee Chair.

1. Pledge of Allegiance.
2. Adopt the Agenda as Presented.
3. Community Input – This section of the agenda permits a person to make comments regarding public business. Each speaker is allowed a maximum of three (3) minutes.
4. Recommend approval of the Deb Raber Mix & Consume Permit for a Reunion to be held on July 26, 2025, at Bowman Hall.
5. Discussion with possible action on Smokes N' Things Liquor License Application and request to enter into an Operating Agreement with the City of Belle Fourche.
6. Informational.
 - A. Sales Tax.
7. Adjourn.

Application for Permission to Mix & Consume in Public Facility

Must be filed with City Hall 15 days prior to event



City of Belle Fourche
Finance Office
511 6th Avenue
Phone (605) 892-2494
Fax (605) 892-2784

Please attach a valid Photo ID or a Company Business Card (if applies)

\$25.00 fee required at time of application

Date of Application: 10-2-24

Applicant Name: Deb Rober

Address: 825 Custer St Phone Number: 605-210-1782

Type of Event: Family Reunion Date of Event: 7-26-25

Building/Property where Event is to be held: Bowman Hall

Initial that you have read the following Governing Law 35-1-5.5

35-1-5.5 Permit for consumption of alcoholic beverage on property owned by public or nonprofit corporation. The governing body of a municipality or county may permit the consumption, but not the sale, of any alcoholic beverage on property owned by the public or by a nonprofit corporation within its jurisdiction. The permit period may not exceed twenty-four hours and the hours of authorized consumption may not exceed those permitted for on-sale licensees.

Source: SL 2011, ch 170, § 2; SL 2018, ch 213, § 4.

Print Name: Debra L. Rober

Applicant's Signature: [Handwritten Signature]

Position at Company (if applies): _____

Office Use Only:

Date Received _____ Finance Clerk _____ Council: Approval/Denial

Adopted: April 18, 2011

Revised: July 22, 2013

Dustin Popkes
Smokes N' Things, LLC
Part Owner/Accountant
605.520.5491
2715 Lazelle St, STE D
Sturgis, SD 57785

Mr. Wayne Tonsager
Finance Officer
City Of Belle Fourche

Dear Mr. Tonsager and to whom else this may concern,

My name is Dustin Popkes, and I am writing to communicate our plans to collaborate with the City of Belle Fourche in hopes of establishing a Liquor Store Operating Agreement. We are enthusiastic about this opportunity to support the future growth of Belle Fourche, provide the best service this side of the Missouri River, and give back to the community.

My family and I own and operate Smokes N' Things (a tobacco shop chain scattered around the northern hills) and Northern Hills Alternative Health (a medical cannabis dispensary in Sturgis). Our members have a wide range of professional experience from internal auditing and data analysis to real estate and insurance. In addition, we all are experienced in inventory control, supply chain management, and vendor relations. We recognize and respect the complexity of highly regulated products and ensure that compliance is always a top priority. In all, we have a combined 70+ years of entrepreneurial/business experience and believe we can effectively support the City of Belle Fourche with a successful liquor store.

Below are the major points requested in the proposal: See PowerPoint files for details:

1. The business location is, 105 Ziebach St, Belle Fourche, SD 57717.
2. We would like to name the business "Smokes N' Sips".
3. Our first 12 months revenue goal is \$712,000.
 - a. We believe we would clear a million in revenue in our third year.

4. Our current facility is approximately four thousand square feet. We want to divide the facility into two commercial suites, both being approximately two thousand square feet.
 - a. Smokes N' Sips would rent one suite and install numerous display units and slat walls along with a large corner cooler with 16 front facing doors and a 10' by 10' beer cave.
5. Terry & Kim Popkes owned and operated Lakeview Resort (a restaurant/gas station) for 14 years before selling the business.
 - a. The business had an On-Sale Liquor License and an On/Off-Sale Beer & Wine license.
 - b. The business averaged alcohol sales between \$380,000 and \$410,000 annually.
6. We currently employ 11 full-time employees and four part-time employees.
 - a. We would add another full-time team member to manage the increase in inventory and sales.

If any further details are needed, or if you have any additional questions, please don't hesitate to call.

Look forward to hearing from you,

Dustin Popkes
Smokes N' Things, LLC
605.520.5491

A handwritten signature in black ink that reads "Dustin Popkes". The signature is written in a cursive, flowing style with a large initial "D".

Smokes N' Sips

Operating Agreement
Proposal

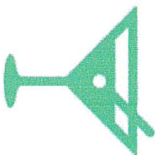
October 1, 2024



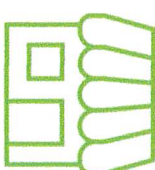
Business Name: *Smokes N' Sips*



The legal entity name is Smokes N' Things, LLC.



We will be doing business as (DBA), "Smokes N' Sips"

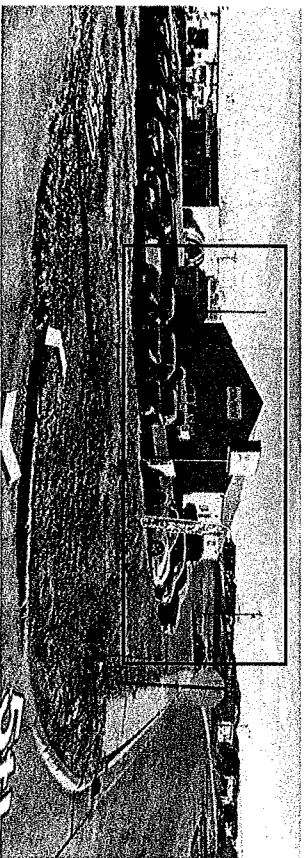


We chose this name to efficiently & effectively inform the Belle Fourche market of our product offerings.

Address, Legal Description

105 Ziebach Street, Belle
Fourche, SD 57717

Pineview Addition BFC, Lot
Z-2c, Belle Fourche, Butte
County, SD



Description



Smokes N' Sips is a retail store that sells Liquor, Beer, Wine, and Tobacco products to customers. 21 years of operation in and around Belle Fourche.



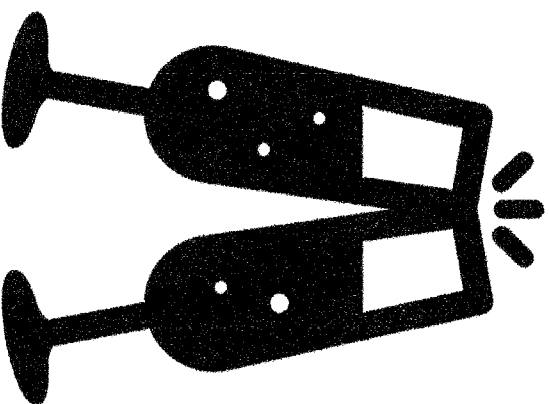
Smokes N' Sips, is equally owned and operated by a local family of five, a true "Mom & Pop Shop".

Projected Sales:

Sales Breakdown	
Target Market Calculation	
Belle Fourche Population	5,848
Population Under 21	1,527
Target Market	4,321 <-- Per Census, Gov
Beer, Wine, & Liquor Sales Ratios	
Liquor	2.34 60%
Beer	1.34 34%
Wine	0.22 6%
Total	3.9 <-- Per National Institute of Health
Average Price Per Gallon	
12-pack ~ 1 Gallon	\$ 15.00
Bottle of Wine ~ 1 Gallon	\$ 20.00
Bottle of Liquor ~ 1 Gallon	\$ 20.00
Weighted Sales Average (Beer, Wine, & Liquor)	
Beer	\$ 5.15 (15.00 * .34)
Wine	\$ 1.13 (20.00 * .06)
Liquor	\$ 12.00 (20.00 * .60)
Average Revenue Per Gallon	\$ 18.28
Total Alcohol Sales : Belle Fourche	
Target Market	4,321
Gallons Per Capita	37.6 <-- Per National Institute of Health
Total Expected Gallons Sold	162,469.60
Average Revenue Per Gallon	\$ 18.28
Total Gross Sales : Belle Fourche	\$ 2,970,277.56
Sales Goals	
Expected Market Share After 3 Years	40%
3 year sales goal	\$ 1,188,111.02 (2,970,277 * .40)
First 12 Months of Operation 60%	\$ 712,866.61

Data Sources & Revenue

- <https://wisevoter.com/state-rankings/alcohol-consumption-by-state/#south-dakota>
- https://data.census.gov/profile/Belle_Fourche_city_Butte_County_South_Dakota?g=060XX00US4601904380
- We believe the Alcohol Market in Belle Fourche has a revenue ceiling of Three Million Dollars.
- Considering the number of competitors (Gas Stations, Liquor Stores, Bars, Restaurants, etc.) we believe a market share goal of 40% is attainable over a period of three years.
- Therefore, we expect our alcohol sales for the first 12 months of operation to reach \$712,000 and a three-year revenue goal of \$1.1 million.



Description of Store



The building referenced above will be split into two separate suites for commercial space.



The area utilized for alcohol sales will be roughly two thousand square feet.



Half of that space (one thousand square feet) will be utilized solely for liquor, wine, and beer sales with numerous displays and wall units exhibiting a wide array of product options.



Additionally, a brand-new cooler will be installed as a corner unit. This cooler will showcase a 10' X 10' Beer Cave in the middle with eight front-facing doors on either side to access various types of beer and other chilled items.

Liquor Experience

- Terry & Kim Popkes owned and operated Lakeview Resort, a restaurant/gas station on Lake Poinsett near Watertown, South Dakota.
- Terry & Kim Popkes managed this restaurant/gas station for 14 years which held both an On-Sale Liquor License and an On/Off-Sale Beer and Wine License for the life of the business.
- Annual sales from alcohol were \$380,000 to \$410,000.

Employment/Staffing



We currently employ 11 Full-Time and 4 Part-Time team members through Smokes N' Things.



To ensure our team can properly manage the increase in sales and guarantee high quality service, we would add another full-time position in Belle Fourche for the first year.



If our revenue projections hold true, we would add another full-time position by the third year of operations.

Sales Tax Comparison

	2019	2020	2021	2022	2023	2024
January	\$ 135,473.30	\$ 210,990.61	\$ 281,133.14	\$ 294,556.64	\$ 267,059.53	\$ 257,889.57
	\$ 109,402.74	\$ 55,407.22	\$ 21,714.75	\$ 21,055.37	\$ 81,909.22	\$ 113,375.44
Monthly Totals	\$ 244,876.04	\$ 266,397.83	\$ 302,847.89	\$ 315,612.01	\$ 348,968.75	\$ 371,265.01
February	\$ 163,381.80	\$ 162,714.61	\$ 165,999.11	\$ 177,787.19	\$ 255,989.21	\$ 287,896.65
	\$ 28,870.77	\$ 57,231.60	\$ 67,149.27	\$ 83,391.17	\$ 44,770.76	\$ 11,870.13
Monthly Totals	\$ 192,252.57	\$ 219,946.21	\$ 233,148.38	\$ 261,178.36	\$ 300,759.97	\$ 299,766.78
March	\$ 170,666.03	\$ 163,666.81	\$ 160,044.65	\$ 201,509.69	\$ 272,119.10	\$ 268,788.18
	\$ 15,519.84	\$ 44,801.37	\$ 69,895.01	\$ 59,590.84	\$ 14,359.39	\$ 13,336.03
Monthly Totals	\$ 186,185.87	\$ 208,468.18	\$ 229,939.66	\$ 261,100.53	\$ 286,478.49	\$ 282,124.21
April	\$ 134,963.50	\$ 223,519.40	\$ 292,834.76	\$ 305,229.36	\$ 324,760.71	\$ 246,367.71
	\$ 98,440.67	\$ 25,409.75	\$ 9,904.33	\$ 18,476.81	\$ 8,291.30	\$ 67,542.24
Monthly Totals	\$ 233,404.17	\$ 248,929.15	\$ 302,739.09	\$ 323,706.17	\$ 333,052.01	\$ 313,909.95
May	\$ 190,078.63	\$ 223,994.17	\$ 275,195.60	\$ 248,318.35	\$ 319,490.82	\$ 310,669.54
	\$ 39,910.97	\$ 16,694.45	\$ 6,991.82	\$ 47,062.73	\$ 27,532.14	\$ 22,088.21
Monthly Totals	\$ 229,989.60	\$ 240,688.62	\$ 282,187.42	\$ 295,381.08	\$ 347,022.96	\$ 332,757.75
June	\$ 110,672.85	\$ 116,380.67	\$ 135,261.96	\$ 314,207.03	\$ 340,129.60	\$ 192,445.30
	\$ 132,345.37	\$ 162,064.84	\$ 178,602.71	\$ 24,293.44	\$ 33,366.33	\$ 161,036.03
Monthly Totals	\$ 243,018.22	\$ 278,445.51	\$ 313,864.67	\$ 338,500.47	\$ 373,495.93	\$ 353,481.33
July	\$ 191,516.60	\$ 291,428.84	\$ 355,591.90	\$ 363,059.82	\$ 375,010.87	\$ 266,755.23
	\$ 124,993.50	\$ 28,219.38	\$ 40,030.55	\$ 18,301.83	\$ 26,862.72	\$ 112,123.30
Monthly Totals	\$ 316,510.10	\$ 319,648.22	\$ 395,622.45	\$ 381,361.65	\$ 401,873.59	\$ 378,878.53
August	\$ 274,508.38	\$ 279,027.95	\$ 260,580.48	\$ 420,135.86	\$ 323,834.79	\$ 369,472.00
	\$ 29,785.10	\$ 42,699.86	\$ 100,569.87	\$ 87,564.16	\$ 73,915.03	\$ 16,304.91
Monthly Totals	\$ 304,293.48	\$ 321,727.81	\$ 361,150.35	\$ 507,700.02	\$ 397,749.82	\$ 385,776.91
September	\$ 206,720.34	\$ 226,523.28	\$ 323,064.08	\$ 399,128.01	\$ 343,486.47	\$ 313,764.08
	\$ 67,921.38	\$ 71,171.34	\$ 18,353.10	\$ 22,561.03	\$ 22,907.75	\$ 48,607.40
Monthly Totals	\$ 274,641.72	\$ 297,694.62	\$ 341,417.18	\$ 421,689.04	\$ 366,394.22	\$ 362,371.48
October	\$ 207,678.43	\$ 271,825.00	\$ 317,378.14	\$ 391,487.07	\$ 331,467.24	
	\$ 56,744.53	\$ 20,355.44	\$ 9,075.30	\$ 12,348.93	\$ 36,323.10	
Monthly Totals	\$ 264,422.96	\$ 292,180.44	\$ 326,453.44	\$ 403,836.00	\$ 367,790.34	\$ -
November	\$ 260,510.90	\$ 252,420.88	\$ 226,860.11	\$ 308,560.64	\$ 322,605.33	
	\$ 19,683.49	\$ 40,357.82	\$ 82,158.91	\$ 70,913.87	\$ 44,338.54	
Monthly Totals	\$ 280,194.39	\$ 292,778.70	\$ 309,019.02	\$ 379,474.51	\$ 366,943.87	\$ -
December	\$ 164,666.54	\$ 157,233.58	\$ 232,213.97	\$ 327,240.95	\$ 305,857.22	
	\$ 70,687.00	\$ 102,306.43	\$ 83,970.96	\$ 19,754.09	\$ 33,734.25	
Monthly Totals	\$ 235,353.54	\$ 259,540.01	\$ 316,184.93	\$ 346,995.04	\$ 339,591.47	\$ -
Monthly Totals	\$ 274,641.72	\$ 297,694.62	\$ 341,417.18	\$ 421,689.04	\$ 366,394.22	\$ 362,371.48
Difference		\$ 23,052.90	\$ 43,722.56	\$ 80,271.86	\$ (55,294.82)	\$ (4,022.74)
				MTD Comparison	Sep 2023 Sep 2024	-1%
Yearly Totals	\$ 2,225,171.77	\$ 2,401,946.15	\$ 2,762,917.09	\$ 3,106,229.33	\$ 3,155,795.74	\$ 3,080,331.95
	Difference	\$ 176,774.38	\$ 360,970.94	\$ 343,312.24	\$ 49,566.41	\$ (75,463.79)
				YTD Comparison	2023 2024	-2%

Third Penny Sales Tax

	2019	2020	2021	2022	2023	2024
January	\$ 9,695.46	\$ 11,283.74	\$ 13,042.84	\$ 15,541.63	\$ 13,321.61	\$ 11,058.27
	\$ 2,372.27	\$ 1,375.57	\$ 259.24	\$ 85.99	\$ 1,937.07	\$ 3,764.51
Monthly Totals	\$ 12,067.73	\$ 12,659.31	\$ 13,302.08	\$ 15,627.62	\$ 15,258.68	\$ 14,822.78
February	\$ 10,513.15	\$ 8,765.12	\$ 10,454.32	\$ 9,580.26	\$ 13,827.99	\$ 13,250.86
	\$ 1,800.11	\$ 2,787.61	\$ 2,285.33	\$ 3,844.13	\$ 1,019.57	\$ 658.79
Monthly Totals	\$ 12,313.26	\$ 11,552.73	\$ 12,739.65	\$ 13,424.39	\$ 14,847.56	\$ 13,909.65
March	\$ 9,350.60	\$ 8,699.55	\$ 8,418.32	\$ 11,215.26	\$ 13,579.56	\$ 14,357.59
	\$ 251.49	\$ 2,372.43	\$ 3,534.29	\$ 1,485.71	\$ 114.90	\$ 751.12
Monthly Totals	\$ 9,602.09	\$ 11,071.98	\$ 11,952.61	\$ 12,700.97	\$ 13,694.46	\$ 15,108.71
April	\$ 8,466.25	\$ 10,962.73	\$ 16,080.76	\$ 16,275.96	\$ 16,335.51	\$ 13,281.92
	\$ 3,554.93	\$ 341.94	\$ 1.11	\$ 6.17	\$ 44.82	\$ 3,249.28
Monthly Totals	\$ 12,021.18	\$ 11,304.67	\$ 16,081.87	\$ 16,282.13	\$ 16,380.33	\$ 16,531.20
May	\$ 11,744.66	\$ 10,041.10	\$ 15,268.49	\$ 14,575.91	\$ 15,798.43	\$ 17,890.42
	\$ 781.96	\$ 216.25	\$ 1.42	\$ 924.40	\$ 1,204.67	\$ 78.00
Monthly Totals	\$ 12,526.62	\$ 10,257.35	\$ 15,269.91	\$ 15,500.31	\$ 17,003.10	\$ 17,968.42
June	\$ 8,675.84	\$ 7,208.27	\$ 7,059.66	\$ 18,600.30	\$ 21,233.98	\$ 12,308.58
	\$ 5,580.18	\$ 6,690.81	\$ 10,766.16	\$ 1,209.66	\$ 527.09	\$ 8,298.48
Monthly Totals	\$ 14,256.02	\$ 13,899.08	\$ 17,825.82	\$ 19,809.96	\$ 21,761.07	\$ 20,607.06
July	\$ 13,340.39	\$ 16,477.81	\$ 26,076.54	\$ 23,418.84	\$ 24,587.42	\$ 19,856.05
	\$ 4,440.70	\$ 258.41	\$ 21.21	\$ 8.27	\$ 1,733.46	\$ 4,541.77
Monthly Totals	\$ 17,781.09	\$ 16,736.22	\$ 26,097.75	\$ 23,427.11	\$ 26,320.88	\$ 24,397.82
August	\$ 26,046.70	\$ 21,333.98	\$ 19,772.29	\$ 25,921.74	\$ 27,271.06	\$ 25,803.06
	\$ 496.88	\$ 347.85	\$ 10,315.94	\$ 3,753.40	\$ 1,582.21	\$ 2,344.95
Monthly Totals	\$ 26,543.58	\$ 21,681.83	\$ 30,088.23	\$ 29,675.14	\$ 28,853.27	\$ 28,148.01
September	\$ 16,914.75	\$ 18,314.31	\$ 22,047.25	\$ 22,770.89	\$ 22,389.62	\$ 23,181.04
	\$ 3,043.95	\$ 1,064.60	\$ 2,163.71	\$ 2,096.39	\$ 1,088.19	\$ 2,260.67
Monthly Totals	\$ 19,958.70	\$ 19,378.91	\$ 24,210.96	\$ 24,867.28	\$ 23,477.81	\$ 25,441.71
October	\$ 15,296.56	\$ 18,559.86	\$ 19,324.92	\$ 20,887.00	\$ 19,655.17	
	\$ 1,555.86	\$ 296.84	\$ 48.09	\$ 67.74	\$ 2,308.57	
Monthly Totals	\$ 16,852.42	\$ 18,856.70	\$ 19,373.01	\$ 20,954.74	\$ 21,963.74	\$ -
November	\$ 14,308.19	\$ 12,600.19	\$ 13,057.13	\$ 16,576.71	\$ 17,518.26	
	\$ 238.94	\$ 3,248.99	\$ 4,235.63	\$ 2,133.94	\$ 1,791.23	
Monthly Totals	\$ 14,547.13	\$ 15,849.18	\$ 17,292.76	\$ 18,710.65	\$ 19,309.49	\$ -
December	\$ 11,116.79	\$ 10,415.27	\$ 13,106.84	\$ 16,887.21	\$ 14,757.88	
	\$ 2,753.68	\$ 3,787.62	\$ 3,504.82	\$ 60.58	\$ 2,422.58	
Monthly Totals	\$ 13,870.47	\$ 14,202.89	\$ 16,611.66	\$ 16,947.79	\$ 17,180.46	\$ -
Monthly Totals	\$ 19,958.70	\$ 19,378.91	\$ 24,210.96	\$ 24,867.28	\$ 23,477.81	\$ 25,441.71
Difference		\$ (579.79)	\$ 4,832.05	\$ 656.32	\$ (1,389.47)	\$ 1,963.90

MTD Comparison	Sep 2023	Sep 2024	8%
YTD Comparison	2023	2024	0%

Yearly Totals	\$ 137,070.27	\$ 128,542.08	\$ 167,568.88	\$ 171,314.91	\$ 177,597.16	\$ 176,935.36
Difference		\$ (8,528.19)	\$ 39,026.80	\$ 3,746.03	\$ 6,282.25	\$ (661.80)