Approved
Pearsall:
Brewer:
Miller:
McKeller:

MINUTES
BREVARD ABC BOARD
October 24, 2024

The Brevard ABC Board met in regular session on Thursday, October 24, 2024 at 8:30 a.m. in the Administration Conference Room at City Hall.

Members Present:	Lisa Conner Frank Pearsall Ron Brewer Susan Miller Paula McKeller
Staff Present:	Jackie Jarvis, Interim General Manager Paxton McAbee, Asst. General Manager
Guest:	Trish Cheek, CPA

A. Welcome & Call to Order

B. Quorum

Board Member Frank Pearsall welcomed new Board Members Susan Miller and Paula McKeller. He called the meeting to order at 8:30 a.m. and a quorum was noted.

C. Approval of Agenda

Motion by Ms. Miller, seconded by Ms. Connor to approve the agenda as presented. The motion carried unanimously.

D. Approval of Minutes

1. Minutes from Regular Session – August 22, 2024

Ms. Conner moved, seconded by Mr. Brewer to approve the minutes of the Regular Session meeting on August 22, 2024, as amended. The motion carried unanimously.

E. New Business

1. Manager's Report / Sales Update

Ms. Jarvis reported that the auditor has completed the annual audit and there were some discrepancies in inventory numbers. She introduced Accountant Trish Cheek

who prepares the ABC Store's financial reports and asked her to explain the discrepancy. Ms. Cheek explained that she began doing the books for the Brevard ABC Store in July 2023. She reviewed the services she provides, which include QuickBooks support, monthly bank reconciliations and preparing monthly financials based on the numbers that are in the accounting system. She said when she first ran the reports in July 2023 we had inventory of $1.1M and cost of goods sold was $29,000. Former General Manager Mark Balding took that to the Board and he came back and said this is not going to work because our profit margin is off. They discussed the options of adjusting to inventory or to cost of goods sold. Mr. Balding elected to adjust to cost of goods sold and we continued to do that adjustment each month.

At the end of the year when the auditor was doing the audit, they do not audit cost of goods sold, they audit inventory and said our inventory should be $600,000. But because of the entries we had been doing each month, our books showed $300,000. She said it is an easy fix on paper by taking it out of cost of goods sold and putting it in inventory, and then the books match inventory and the audit report. She then discussed with Ms. Jarvis, since they are auditing the inventory number, instead of adjusting the books each month to the cost of goods sold, we are going to adjust to the inventory because we know the inventory is what they audit.

Ms. Cheek said we have not done the city and county calculations, which is always done at the end of the year during the audit. When we were adjusting the cost of goods sold to the BOS report, over the year it was $300,000 higher than what it would have been had we been adjusting to inventory. You will see an audit adjustment for about $300,000 out of cost of goods sold, which is going to decrease our expenses and increase our income. The distribution calculation and the law enforcement calculation is based on profit. Our profit is income minus expenses, so when we reduce our expenses, our profit goes up, thus the distributions and the law enforcement calculations will go up.

Ms. Jarvis said she currently pays $60,000 to the city and $20,000 to the county every quarter. Ms. Cheek said we will make that adjustment with the expectation that next year the large balance due is already going to have been paid throughout the year. When the audit adjustment came through, they adjusted for the balance that is going to be due to the city and the county for the year, which is $152,677 to the city and $10,994 to the County, and $19,163 for law enforcement. In July Jackie started prepaying these amounts to the city and county in preparation for the audit next year, so in July she wrote a check to the county for $20,000 and to the city for $60,000. My question to you is do you want to pay the full balance from the audit currently and then this be a prepayment of next year?

Following discussion, Ms. Miller moved, seconded by Ms. Conner to keep the current year's payments as a current prepay by quarter, and that we pay whatever adjustment

is due under the audit as a separate and distinct check to be paid immediately to clear that obligation off the books. The motion carried unanimously.

Ms. Cheek informed the Board that she will have the revised financials for July, August and September within the week and Ms. Jarvis will send them out to the Board.

Ms. Jarvis reported on impacts to sales as a result of the storm. She said sales will be down due to loss of internet in the downtown store for a few days as we could only do cash sales and could not do restaurant orders.

Ms. Jarvis informed the Board that Auditor Terry Carland will be at the next meeting to give the audit report.

2. **Nominate New Chair**

Mr. Pearsall nominated Lisa Conner for serve as Board Chair until July, 2025; Mr. Brewer seconded the nomination, and vote was unanimously in favor.

3. **Discuss Bonus Checks for 2024**

Ms. Jarvis explained that employees have always received performance bonus checks in November. She recommended that employees receive 6% of their annual pay as a bonus this year. Ms. McKeller recommended that the board consider giving all employees an extra bonus for performance during the storm. Ms. Conner moved, seconded by Ms. Miller to give employees a $300 storm bonus immediately, in addition to a 6% performance bonus to be paid in November. The motion carried unanimously.

F. Next Meeting

1. **Discuss Meeting Dates for November and December due to Holidays**

The Board decided to cancel the November regular meeting and to hold its December regular meeting on December 5th at 8:30 am.

G. Review and Approve Financial Reports from August and September, 2024

Trish Cheek will provide updated financial reports within the week, and they will be forwarded to the Board for review.

H. Closed Session

At 9:21 a.m. Ms. Conner moved, seconded by Ms. Miller to go into closed session to

discuss a personnel matter. The motion carried unanimously. City Clerk Denise Hodsdon was authorized to remain for the closed session.

Board Returned to Regular Session – At 9:26 a.m. the Board resumed the meeting in regular session. No official action was taken in closed session and the minutes of the closed session are authorized to be sealed.

In open session, Ms. Conner moved, seconded by Ms. Miller to give Acting General Manager Jackie Jarvis a $300 storm bonus, and a performance bonus of 6% of her current annual gross salary. The motion carried unanimously.

I. Adjourn

There being no further business the meeting adjourned at 9:31 AM.

Jackie Jarvis, Interim General Manager

Lisa Conner, Chair

Minutes Approved: December 5, 2024

Denise Hodsdon, City Clerk