



**FRIDAY, FEBRUARY 5, 2021, 11:30 AM
MANCHESTER-COFFEE COUNTY CONFERENCE CENTER**

ATTENDEES

Members

Zach Lowry
Jake Shelton
Ken Huddleston
Tiffany Hillsman
Jay Boyte
David Bradley
Holly Jones

Office

Chairman
Secretary/ Treasurer

Guests

Rebecca French
Oslin Gulick

7 members / 2 guests

CALL TO ORDER

The February 5, 2021, regular meeting of the Public Building Authority of the City of Manchester, Tennessee was called to order at 11:30 AM by Zach Lowry, Chairman, presiding. Minutes were recorded by Oslin Gulick.

APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING

- **Jake Shelton moved to approve the January 21, 2021 special called meeting minutes as presented.** Tiffany Hillsman seconded the motion. With no further discussion, the minutes were approved.

REPORTS

Treasurer's Report: J. Shelton

- PPP Loans. SBA is doing the second round currently, but with participation on the first round of PPP Loans, they are in the process of the forgiveness application with MCCCC Bookkeeper, Teresa Tucker.
- Mrs. Tucker believes there is a good possibility that MCCCC will qualify for the Shuttered Venue Grant that will help to cover payroll and utilities. The grant is repayment for 45% of operations loss. The grant funds have to be used how the grant indicates. The parameters for application have not been opened yet, but MCCCC would be in the second round with 75% business loss. Live music venues and restaurants qualify right now. Banquet halls have not been specifically clarified in the grant categories, so as that is clarified we will know how to proceed. If MCCCC is not eligible for the grant, then PPP Loans will be applied for.
- Receiving the grant would supersede the participation ability in the second round of the PPP Loans. PBA will be informed as information is received.

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- If the Shuttered Venue Grant is received, it would cover operation costs into the next fiscal year. Only depreciation will have to be requested from Manchester City during that time frame.
 - If PPP Loans are obtained, it will cover operation cost through the end of May approximately. Only depreciation will have to be requested from Manchester City during that time frame. Once all employees are Manchester PBA employees, MCCCC will qualify that way. That transition to only MPBA employees at MCCCC is in progress.
 - All information needed to open the bank accounts has been received. The two signatories will follow the precedent of the Chairman and Treasurer being on the accounts. Mrs. French will also be on the MCCCC accounts but not the PBA account. All checks have to have two signatures.
 - Depreciation is \$2,448.00 per month. It goes into a separate account. Use of this account has to be approved by the PBA and reflected in the minutes. In the case of an emergency, an email vote may be requested or retroactive vote at the next meeting to approve the emergency use of the account—example: Walk-In Freezer Repair.
 - Mrs. French has applied for all funding that is available. MCCCC does not qualify for the SBA Grant through State of Tennessee as a government entity.

Conference Center Report: R. French

- January 2021 P&L is attached to the minutes. The payroll statement for the three employees on City payroll was not able to be entered before the meeting. The statement is attached with the notes to show the difference between actual and what is shown.
- 15 events in February scheduled currently. Calls are coming in for events.
- A Covid Fee has been charged since the beginning of the pandemic that is \$1.75 per guest. The fee covers the additional cleaning supplies, PPE supplies, the hand sanitizer stations, and the labor for the temperature screener at the entrance to stay in accordance with the Tennessee Pledge. Mrs. French would like a decision from the PBA to continue or discontinue that fee. Some events decide not to book due to having a fee in place. Even if the fee is not charged, the Tennessee Pledge has to be followed. It will be discussed further at the next work session.
- Coffee County PBA has an audit contract in place for the first half of FY 2021 with Bean, Rhoton, and Kelley Firm. Mrs. French asked them to draft a contract for the Manchester PBA for the second half of FY 2021 for the board to review. MCCCC is different than government because it is also a business, but MCCCC does follow governmental accounting and controls. They have been the audit firm used for several years.
- Mrs. French reapplied for her seat on the Rehabilitation Council with the State of Tennessee. It is a Governor appointed position. She can only serve two terms—if appointed, this would be her second term. MCCCC is represented through her participation. MCCCC received an award from the local TRC for the program used for employees with disabilities.
- 5 salary staff members are still working. 18 employees were furloughed over the last year. We hope that they come back but some have found other jobs. The average cost to train a new employee is \$1,600.00.
- Mrs. French took a class on Internal Controls in 2016 with CTAS. She has not taken one since then but has not received a notice of changes since taking that class. She will retake it if there are changes that have been made.
- There are only two contracts for advertising right now with McMurr's out of Tullahoma for \$44.00 per month (print and digital) and with Peg Broadcasting for radio commercials

for \$250.00 per month. Billboard paid for by the Cares Act through Manchester Tourism is still up.

- LaQuinta is breaking ground within 6 months. Mrs. French has reached out to them in regards to using MCCCC parking lot during their construction and, if needed, when opened because there will be a charge for use. She is hoping they will be a good partner on Hospitality Boulevard.
- New photos were taken for the website in November and December. We will also see what options are available about interfacing the booking system with the website. There may be opportunities for guests to book the boardrooms themselves.
- On the P&L there is variable and fixed payroll. These are all salary employees listed. All salary employees will be switched to line 580 next month. Previously, some employees were on County payroll and some were on MCCCC payroll. Line 505 in the future will only be hourly employees. Variable labor should always be offset by sales. Moving forward, all employees will work for the Manchester PBA.
- Deciding the benefit structure for Manchester PBA salary employees will be coming soon. Lester, Greene, McCord, and Thoma are bidding on employee insurance except for retirement—they facilitate the City employees' insurance policies. Mrs. French will have to reach out to the State for their retirement plan information.
- Before December 2020 books were closed, Coffee County was billed for the CPBA portion of the audit fee. It is listed as deduction on this month's P&L.
- County Payroll shown will be divided and billed equally between County and City. County is obligated to pay through December 31, 2020. It is under the amended budget—a copy is attached the P&L.
- Sales are listed at \$1,000.00 per month for the remainder of the fiscal year. The hospitality community says that it is not expected to pick up until September. April and May have an opportunity to be better than that, but it is hard to know at this time. Weddings have been trending toward the fall months rather than summer.
- A recent newspaper article discussed MCCCC performance based on the audit. Mrs. French is going to break down the information for the board after the meeting. The numbers listed in the article are not the actual amounts invested from County and City.
- MCCCC operations budget has always included utilities, maintenance, and depreciation. No other department has to include those items in their operations budget.

OLD BUSINESS: None to Discuss

NEW BUSINESS

Absenteeism: Chairman Lowry

- All members present.

PBA Attorney: Chairman Lowry

- Brent Keeton was the attorney for the Coffee County PBA since 2019. He is familiar with the way the PBA is structured in relation to MCCCC, PBA and municipalities. He is not on retainer, just available as needs occur.
- The City Attorney may help MPBA out on certain instances, but there are issues that arise that do not fall under his obligations—an example would be bill collecting. There may also be times when an opinion is needed on the relationship between the City and the MPBA. Chairman Lowry recommends that MPBA continue to work with Brent Keeton but is open to discussions and suggestions.

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- **Mr. Shelton moved to continue working with Brent Keeton as the attorney for the Manchester PBA.** Mrs. Hillsman seconded the motion. With no further discussion, the motion was approved.

MCCCC Budget Amendment Approval

- Board members were provided a copy of the budget amendment for MCCCC through June 2021/ end of fiscal year. \$302,161.00 plus depreciation \$29,376.00. This budget is based on not receiving any of the previously mentioned grants.
- Mrs. French told the board that she tries to forecast the budget as actual as possible based on best estimates. There is little wiggle room to cut. If the City takes over lawn care at MCCCC, that could be \$500.00 approximately per month saved. If the City accountant is used as the third-party reconciler for the bookkeeping, that could save \$150.00 per month. Maintenance has \$1,000.00 budgeted per month that may or may not get used depending on circumstance.
- This is the carry over budget from the Coffee County PBA for MCCCC.
- Chairman Lowry explained the depreciation account and how it had been used in the past for maintenance and large equipment purchase primarily. The discussion is ongoing to decide what will be done with the money currently in the account.
- **David Bradley moved to approve the budget amendment presented for FY 2021.** Mr. Shelton seconded the motion.

Work Session to Review Documents for Approval

- Chairman Lowry informed the board that the following documents would be sent to them to review:
 - MCCCC Operations Manual
 - MCCCC Internal Controls
 - Waste Water Agreement—Provided by Manchester to inform of liability and best practices of MCCCC & Holiday Inn Express. The dumpsters are within a direct line of the waste water system.
 - MCCCC Client Contracts
 - MCCCC PayPal/ Eventbrite Account Policy
 - PBA By Laws
 - MCCCC Employee Handbook
 - Bean, Rhoton, and Kelley Audit Contract—may be available

The documents would be discussed at a work session so that questions on details can be asked before voting to approve the documents at the next meeting.

- No votes are taken or discussed at the work session. The recommendations are made from the work session for board approval at the regularly scheduled meetings.
- All members agreed they would be available on March 3, 2021, at 5:00pm at MCCCC.
- There may be opportunities to use City resources to help save money on the bottom line. Those options are being explored.

ADJOURN

- Chairman Lowry adjourned the meeting at 12:49 pm.

Signed, Zach Lowry, Chairman

Minutes of the February 5, 2021 Meeting of the PBA
(continued)

10:19 AM
02/04/21
Accrual Basis

Public Building Authority of Coffee County, TN
Profit & Loss
January 2021

	Jan 21
Ordinary Income/Expense	
Income	
400 · Sales	21.38
410 · Rental/Misc Income	450.00
420 · Service Fees	18.29
Total Income	489.67
Cost of Goods Sold	
500 · Cost of Sales	77.80
Total COGS	77.80
Gross Profit	411.87
Expense	
720 · Supplies	240.92
505 · Labor (variable)	3,084.18
580 · Payroll Administrative (fixed)	3,539.54
602 · Advertising	528.56
612 · Credit Card Fees	27.77
617 · Computer Expenses	29.61
630 · Dues and Subscriptions	345.00
665 · Postage and Delivery	15.90
675 · Professional Fees	-2,899.25
685 · Repairs and Maintenance	220.73
700 · Utilities	
690 · Telephone/Internet	629.55
702 · Gas	746.18
703 · Water	92.28
705 · Electricity	1,470.40
Total 700 · Utilities	2,938.41
775 · Alarms & Monitoring	150.00
Total Expense	8,221.37
Net Ordinary Income	-7,809.50
Other Income/Expense	
Other Income	
475.5 · In-Kind Sponsor	178.50
900 · Interest Income	0.91
Total Other Income	179.41
Net Other Income	179.41
Net Income	-7,630.09

\$2,448.00

County payroll 4,948.63 ÷ 2 = 2474.32

Billed to county.

City payroll 10,621.77

\$2,511.11 to the positive

*projected amend. \$25,818.90
\$28,330.00*

Minutes of the February 5, 2021 Meeting of the PBA (continued)

10:17 AM
01/27/21
Accrual Basis

Public Building Authority of Coffee County, TN Profit & Loss Budget vs. Actual July 2020 through June 2021

	TOTAL										Jan-June 21 Remaining Budget
	Jan 21 Budget	Feb 21 Budget	Mar 21 Budget	Apr 21 Budget	May 21 Budget	June 21 Budget	YTD 12/27/21 Jul '20 - Jun 21	Total FY Budget			
Income											
Total 400 - Sales	1,000.00	1,000.00	1,000.00	1,500.00	1,500.00	1,500.00	23,324.12	165,239.51			7,500.00
Total 500 - Cost of Sales	200.00	200.00	200.00	300.00	300.00	300.00	12,126.55	59,995.62			1,500.00
Gross Profit	800.00	800.00	800.00	1,200.00	1,200.00	1,200.00	44,382.78	216,972.07			6,000.00
Expense											
720 - Supplies	250.00	250.00	250.00	350.00	350.00	350.00	4,154.27	5,400.00			1,800.00
720.5 - Durable Supplies	0.00	0.00	0.00	0.00	0.00	0.00	527.31	6,200.00			0.00
Total 505 - Labor (variable)	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,500.00	105,930.24	141,518.83			18,500.00
585 - Contract Labor	0.00	0.00	0.00	0.00	0.00	0.00	1,745.00	3,857.09			0.00
Total 580 - Payroll Administrative (fixed)	12,715.00	10,260.00	10,260.00	10,260.00	10,260.00	14,470.00	163,886.70	172,609.94			6,570.00
Total 602 - Advertising	500.00	500.00	500.00	500.00	500.00	500.00	9,083.52	11,100.00			3,000.00
605 - Automobile Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00
610 - Bank Service Charges	0.00	0.00	0.00	0.00	0.00	0.00	140.00	0.00			0.00
611 - Cash Short/Over	0.00	0.00	0.00	0.00	0.00	0.00	0.48	0.00			0.00
612 - Credit Card Fees	0.00	0.00	0.00	0.00	0.00	0.00	323.07	0.00			0.00
615 - Cash Discounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00
617 - Computer Expenses	0.00	0.00	0.00	0.00	0.00	0.00	237.07	1,800.00			0.00
620 - Contributions/Donations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00
625 - Depreciation Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00
630 - Dues and Subscriptions	131.00	0.00	0.00	500.00	0.00	0.00	385.00	1,731.00			631.00
635 - Equipment Rental	0.00	250.00	0.00	500.00	0.00	500.00	50.00	2,920.00			1,250.00
Total 640 - Insurance Expense	0.00	0.00	0.00	0.00	0.00	950.00	7,434.47	14,250.00			950.00
Total 644 - Interest Expense	0.00	0.00	0.00	0.00	0.00	0.00	185.95	0.00			0.00
649 - Office Supplies	318.00	318.00	318.00	318.00	318.00	318.00	1,234.78	3,816.00			1,908.00
650 - Licenses and Permits	90.00	112.00	0.00	0.00	0.00	360.00	230.92	792.35			562.00
655 - Miscellaneous	0.00	188.00	0.00	0.00	0.00	0.00	150.00	1,212.00			199.00
66000 - Payroll Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00
662 - Penalties	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00
665 - Postage and Delivery	28.00	160.00	35.00	70.00	136.00	200.00	145.00	893.35			631.00
667 - Property Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00
66900 - Reconciliation Discrepancies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00
Total 675 - Professional Fees	1,100.00	900.00	900.00	900.00	900.00	1,100.00	12,046.90	18,905.00			5,800.00
Total 685 - Repairs and Maintenance	1,000.00	1,000.00	1,000.00	1,500.00	1,500.00	1,500.00	10,786.32	20,029.15			7,500.00
Total 699 - Meeting/Training Expense	0.00	250.00	300.00	250.00	400.00	250.00	1,579.69	4,321.51			1,450.00
Total 700 - Utilities	3,400.00	3,400.00	3,400.00	3,400.00	4,000.00	4,000.00	25,807.75	53,807.54			21,600.00
725 - Laundry & Linen	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,317.01			0.00
775 - Alarms & Monitoring	150.00	0.00	0.00	0.00	0.00	150.00	300.00	450.00			300.00
Total Expense	26,682.00	24,589.00	23,963.00	25,548.00	25,366.00	32,148.00	346,544.44	466,730.77			72,641.00
Net Ordinary Income	-25,882.00	-23,789.00	-23,163.00	-24,348.00	-24,166.00	-30,948.00	-302,161.66	-249,758.70			-66,641.00
Other Income											
920.5 - Outdoor Venue	0.00	0.00	0.00	0.00	0.00	0.00	-11.93	0.00			0.00
476.5 - In-Kind Sponsor	0.00	0.00	0.00	0.00	0.00	0.00	9,126.46	0.00			0.00
7799 - Disposal of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00
9410 - Negative Pension Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00
900 - Interest Income	0.00	0.00	0.00	0.00	0.00	0.00	26.31	0.00			0.00
90000 - Unknown Deposit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00
910 - Reimb Approp Funds City/Manches	0.00	0.00	0.00	0.00	0.00	0.00	143,611.44	0.00			0.00
911 - Reimb Approp Fund County/Coffee	0.00	0.00	0.00	0.00	0.00	0.00	143,611.44	0.00			0.00
920 - Other Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00
Total Other Income	0.00	0.00	0.00	0.00	0.00	0.00	296,366.72	0.00			0.00
Other Expense											
929 - Building Maint-Special Projects	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00
803 - In-Kind Sponsor Expense	0.00	0.00	0.00	0.00	0.00	0.00	8,950.96	0.00			0.00
802 - HMD/Legal Case	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00
930 - Equipment Depreciation Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21,812.00			0.00
931 - Building Depreciation Expense	2,448.00	2,448.00	2,448.00	2,448.00	2,448.00	2,448.00	0.00	29,376.00			14,638.00
Total Other Expense	2,448.00	2,448.00	2,448.00	2,448.00	2,448.00	2,448.00	8,950.96	51,288.00			14,638.00
Net Other Income	-2,448.00	-2,448.00	-2,448.00	-2,448.00	-2,448.00	-2,448.00	287,415.76	-51,288.00			-14,638.00
Net Income	-28,330.00	-26,237.00	-25,611.00	-26,796.00	-26,614.00	-33,396.00	-14,745.90	-301,046.70			-81,329.00