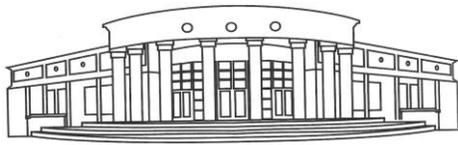


# PUBLIC BUILDING AUTHORITY



City of MANCHESTER, TENNESSEE

## MEETING MINUTES

1 of 6

FRIDAY, APRIL 9, 2021, 11:30 AM  
MANCHESTER-COFFEE COUNTY CONFERENCE CENTER

### ATTENDEES

#### Members

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

#### Office

Chairman  
Vice Chairman  
Secretary/ Treasurer

#### Guests

Rebecca French  
Oslin Gulick  
Mayor Marily Howard  
Bridget Anderson  
Roxanne Patton  
Bill Nickels

7 members / 6 guests

### CALL TO ORDER

The April 9, 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

- **Tiffany Hillsman moved to approve the March 12, 2021, meeting minutes as presented.** Jake Shelton seconded the motion. With no further discussion, the minutes were approved.

### REPORTS

#### Treasurer's Report: J. Shelton

- Round two of the PPP Loan was approved by the SBA. The loan amount was for \$61,402.50. A separate deposit account was opened for those funds and it has been deposited.
- Teresa Tucker, MCCCC/MPBA Bookkeeper, has reviewed numbers for the Shuttered Venue Grant. We should be able to apply by April 29. The funds are 45% of gross income of 2019 minus the PPP Loan amount received. \$214,438.00. It is higher than initially expected.
- All MCCCC and MPBA accounts have been opened at Coffee County Bank.
- Operations Account currently has \$13,004.00. Depreciation account has \$33,400.00.
- Mr. Shelton completed an audit of the records kept at MCCCC this week. The records were thorough. Mrs. French does the first reconciliation with Mrs. Tucker, and Mr. Shelton signed off as the third.

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**Conference Center Report: R. French**

- Liquor license fee of \$1000.00 was paid this week. The TABC liquor inspection was passed. The new certificate has not been received.
- Traditionally when a new license is issued, the ending inventory with revenue and wholesale is reported and then the liquor company comes and picks up the liquor inventory. It does not transfer to the new business. The Governor is supposed to be signing a bill that would allow us to transfer the inventory, but the department is double checking to see if it has been signed off on yet.
- There is approximately \$6,000.00 in liquor. If the inventory does not transfer, an order would have to be made for the next bar.
- The beer permit changed April 6. It is under local legislation.
- There are a few things that are being double paid for due to the changeover. Two liquor fees were paid this year that were not budgeted. Insurance premiums have also been paid twice. Mrs. French is following up to see if there is a prorated refund for the cancelled policy.
- Mrs. French has researched, extensively, the state plans for retirement and insurance. She will meet with Manchester City HR representative to fill out the legal paperwork for enrollment to mirror the City's. Once this is complete, all employees for MCCCC will be under PBA and can enroll for benefits.
- The auditor is presenting at the May meeting. Copies of the audit will be provided.
- Mrs. French has completed the second class for the Diversity and Inclusion Course she is taking.
- 50 Cent Auction is coming back to use the parking lot under a new contract agreement.
- There were 14 events in March. 34 hotel rooms are attributed to those events. Two events were from out of state.
- Two Industrial Board site visits happened this month. MCCCC gave metal straws, lip balm, and face masks from our marketing materials. They took everything but the masks. The promotion materials MCCCC uses is for clients and prospects for industry.
- 17 events are scheduled in April.
- Mrs. French is presenting to Noon Rotary of Tullahoma April 30.
- The tentative budget for FY 2022 was provided to the MPBA for their work session. Another work session will be needed before budget approval can be made. Mrs. French is always conservative when projecting the budget because of the concern of being a headline. Preserving MCCCC's reputation is important.
- With Executive Chef Christian Pennington leaving, Mrs. French has a written plan in her office for MPBA to review at their convenience.
- P&L is attached to the minutes.
- \$5,119.00 in sales. These are mostly meetings during week days.
- A marketing plan a few years ago began to target business meetings to fill the weekdays. We seeing the result of those print and ad materials in these numbers.
- Variable labor was at 35%. A couple of events required food service.
- March has three pay periods, but only two were included in the budget in error, so a variance is shown.
- Legal fees include attorney Brent Keeton's bill. The MPBA does not currently have funds, so MCCCC paid the bill. This will need to be reimbursed by MPBA once funds are available.
- Line 675 is Mary Beard CPA (\$1,200.00 per year) to audit as a third party monthly.
- Line 690—entertainment is the yearly subscription to Pandora.

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- Line 699—secretary fees paid by MPBA. This will need to be reimbursed by MPBA once funds are available.
  - The in-kind sponsorships for the month were Manchester Chamber, two luncheons for the Industrial Board, and PBA meetings.
  - Electricity was higher than budgeted due to having more events than projected.

### **OLD BUSINESS:**

None to discuss.

### **NEW BUSINESS**

#### **Absenteeism: Chairman Lowry**

- All members present.

#### **Approval for use of Depreciation Funds: Chairman Lowry**

- Due to the transition, unexpected and unaccounted for addition to employee insurance in the amount of \$7,543.40 had to be paid to the City of Manchester.
- The City paid insurance for building, sign, and outdoor venue. It will continue to be the City's responsibility because it is included as one of their fixed assets. City Finance Director, Bridget Anderson, confirmed property insurance should not be accounted for in the MCCCC Operations Budget.
- There were additional insurances that Chairman Lowry had expected them to cover that will not be covered by the City. Those will be additional expenses as well. Worker's Comp Insurance, Liquor Insurance, and General Liability Insurance are policies that have to be included in the MCCCC Operations Budget.
- Chairman Lowry suggested using depreciation funds to cover these unforeseen expenses to prevent negatively effecting the operations budget. The intention would be to repay the depreciation account as funds permit.
- **Ken Huddleston moved to transfer the funds from the depreciation account to the MCCCC operations account to cover the employee insurance owed to the City and the insurance premiums for Worker's Comp, Liquor Insurance, and General Liability. The funds will be reimbursed to the depreciation account when available.** Mr. Shelton seconded the motion. With no further discussion, the motion was approved.

#### **Budget FY 2022**

- Work session was held on April 7 to review the FY 2022 budget. There was lots of good discussion that raised some questions, but there were also scripting errors found in the spreadsheet. The board members also felt like they wanted to review additional budget options as well.
- Another work session will be needed before a budget is ready to bring for a vote. They wanted to see budget options that included different scenarios:
  - A budget that meets the \$300,000.00 investment.
  - A budget that includes the PPP Loan/ Shuttered Venue Grant.
  - A budget that reflects regular operation standards with conservative sales projections as a covid recovery year.
- Mayor Howard commented that a realistic budget was needed to include in the City's budget planning. She wants to prevent further miscommunication.
- Chairman Lowry commented that labor is one of the highest expenses. That is consistent with the industry. This year will be another weird year. It could be a good year, probably won't be a great year, but it can also go the other way to a nothing year. It is very difficult

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to tell. As restrictions are lifted, it will still be unknown how events will be booked and attended. As MCCCC starts to increase in business but not yet returned to normal levels, the costs will be higher than a consistent good business year because of inefficiencies of labor and perishables. It is not expected to have as many large events to help share the costs.

- Jay Boyte asked what synergies could be accomplished with a City partnership that are an opportunity to reduce the budget. Mayor Howard and Chairman Lowry had a discussion, and there were fewer opportunities than had first been considered.
- Work session was scheduled for April 21 at 5:00pm.
- A Special Called Meeting to approve budgets for FY 2022 was scheduled for April 23 at 11:30am.
- Mrs. Hillsman commented that this board has been working hard on budget and asking appropriate questions to make the best decision.

#### **MCCCC Credit Card**

- MCCCC has a debit card limit that has to have money transferred into it to be used. Chairman Lowry suggested that we get a credit card with a limit of \$1000.00 that will be audited and paid off every month. Coffee County Bank is able to offer a credit card that fits this description.
- **Mr. Boyte moved to authorize opening a credit card with a \$1000.00 limit for MCCCC.** David Bradley seconded the motion. With no further discussion, the motion was approved.

#### **ADJOURN**

- Chairman Lowry adjourned the meeting at 12:23 pm.

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Signed, Zach Lowry, Chairman

Minutes completed and typed by Oslin Gulick on May 1, 2021.

Minutes of the April 9, 2021 Meeting of the PBA  
(continued)

1:50 PM  
04/08/21  
Accrual Basis

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

*Rebecca*

Mar 21

Ordinary Income/Expense		
Income		
400 · Sales		
401 · Food Sales	1,570.92	
Total 400 · Sales	1,570.92	
410 · Rental/Misc Income		
411 · Room Rental	1,895.37	
412 · Audio Visual Equipment	484.00	
413 · Misc Income	558.75	
Total 410 · Rental/Misc Income	2,938.12	
420 · Service Fees		
423 · Administration Fee	225.90	
422 · Credit Card Ser Charge	70.43	
421 · Gratuity Collected	314.18	
Total 420 · Service Fees	610.51	
Total Income	5,119.55	
Cost of Goods Sold		
500 · Cost of Sales		
694 · Uniforms	140.00	
501 · Food	770.94	
Total 500 · Cost of Sales	910.94	
Total COGS	910.94	
Gross Profit	4,208.61	
Expense		
720 · Supplies	379.04	
505 · Labor (variable)		
511 · Payroll Taxes	1,314.09	
507 · Wait Staff Payroll	253.38	
506 · Kitchen Payroll		
506.2 · Kiltchen Staff	232.93	
Total 506 · Kitchen Payroll	232.93	
Total 505 · Labor (variable)	1,800.40	
580 · Payroll Administrative (fixed)		
579 · Technician Payroll	76.00	
583 · Retirement	739.76	
581 · Payroll Taxes CC		
581.2 · State Unemployment Tax	38.60	
581.3 · Payroll Taxes FICA	551.68	
Total 581 · Payroll Taxes CC	590.28	
512 · Health Insurance	6,572.12	
576 · Administrative Payroll	25,671.22	
Total 580 · Payroll Administrative (fixed)	33,649.38	
602 · Advertising		
602.6 · Promotial Expense	147.80	
602.1 · Radio	250.00	
Total 602 · Advertising	397.80	
611 · Cash Short/Over	0.01	
612 · Credit Card Fees	111.80	
617 · Computer Expenses	29.61	
649 · Office Supplies	-92.16	

*Running reduced payroll Salaried help working as many events as possible*

*total labor 55-60% of budget up to 72% depending on event type. Black Tie - Motlow gala will have a higher %.*

*35% ↓ runs 42%*

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