



**FRIDAY, MAY 14, 2021, 11:30 AM
MANCHESTER-COFFEE COUNTY CONFERENCE CENTER**

ATTENDEES

Members

Zach Lowry
David Bradley
Tiffany Hillsman
Jay Boyte
Holly Jones

Office

Chairman
Vice Chairman

Guests

Rebecca French
Oslin Gulick
Mayor Marilyn Howard
Bridget Anderson
Stan Teal
Amanda Lockhart
Bill Nickels

5 members / 7 guests

CALL TO ORDER

The May 14, 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.

FY 2020 AUDIT PRESENTATION: Amanda Lockhart of Bean, Rhoton, and Kelley Firm of Winchester

- A copy of the audit is on file at MCCCC.
- The independent auditor's report found the audit for FY 2020 unmodified. This is the best opinion that you can get. The audit covers financial statements along with internal controls and compliance.
- Pages 8-9 are the balance sheet and income statement. Mrs. Lockhart commented that the splits from the transition will affect the way those statements look in the next audit—first of the MPBA and MCCCC under the MPBA.
- Page 35-37 covers the internal controls and compliance.
- BR&K Firm has been auditing the CCPBA since its inception and through personnel turnover. When Mrs. French took on management at the end of 2015, there were 22 findings that left the audit with an adverse opinion.
- For the 2020 audit there were only two findings. The first was budgeting items. The state of Tennessee requires governmental to budget. If one line item goes over expenses, that is where that finding comes from. This particular finding was from the CCPBA portion of the audit. The second was the net operating loss, which has been a continuous struggle through the years. Improvements have been made, but to get rid of that finding is for the operating income to exceed operating expenses. Options are increased sales, lowering expenses, or having a tax allocation as income. Chairman Lowry confirmed that a tax allocation that exceeded the loss would remove that finding. Mrs. Lockhart said that would potentially help if Manchester was willing to make the allocation.
- The budget process for MCCCC is more complex due to the fluctuation of business month to month.

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- The fixed asset depreciation listed is listed as an expense, but it not actual money received or asked for reimbursement.
 - Chairman Lowry asked how the audit would be affected if the funding process changed from a reimbursement process to an appropriation. From an audit standpoint, Mrs. Lockhart commented that they review resolutions and agreements passed for the organization to make sure that is what was followed. It would be a legal opinion to determine how the organization would be affected.
 - This audit is turned into the state and is posted on the comptroller's website.
 - The PPP Loan was included as an expense in that audit. The PPP Loan wasn't forgiven until Spring of 2021. With the depreciation listed, there is approximately \$140,000.00 included in the loss that was not actual money spent.

APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING

- **Jay Boyte moved to approve the April 9, 2021 meeting minutes as presented.** Tiffany Hillsman seconded the motion. With no further discussion, the minutes were approved.
- **Jay Boyte moved to approve the April 21, 2021 Special Called meeting minutes as presented.** David Bradley seconded the motion. With no further discussion, the minutes were approved.

REPORTS

Treasurer's Report

- MPBA account balance is \$0.01.
- MPBA owes \$450.00 to MCCCC for meeting expenses.
- Depreciation balance is \$40,801.00. Interest earned \$1.58.
- Chairman Lowry asked how to fund MPBA to Mayor Howard and Bridget Anderson. Mrs. Anderson said to send the invoices currently needing to be paid to her.
- Mrs. French also commented that a budget will need to be made for the MPBA covering January-June 2021 for the audit.

Conference Center Report: R. French

- GM report is attached to the minutes.
- We hosted the first event with the liquor caterer. There were a few hiccups but overall went really well.
- Mrs. French would like City to be on board with the decision when competitive bidding is discussed. Can impact based booking be a possibility? It would open the possibility to go after the events lost to conference centers attached to hotels that are able to cover their room rental rates through hotel rooms booked.
- Mrs. French's computer crashed. It will be approximately \$900.00 to replace. It is under the threshold that requires approval, but there are two other computers that will also need to be replaced. Our Staples representative is shopping the specifics given to find the best price for a computer.
- P&L is attached to the minutes.
- Income for April was \$12,651.85.
- McMinnville Tourism Ad in welcome centers was paid for in this month. The radio ad in McMinnville was changed to thank Ben Lomand for being a WiFi location partner.
- Bookkeeper computer expense that was previously approved is shown in this month.

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- \$400.00 equipment rental is the scissor lift for prom draping. It is billed to the client. Scissor lift is the main item rented consistently. If we are able to purchase one in the future, that is at the top of the wish list.
 - \$1000.00 license is the nonrefundable fee for the liquor license. Hopefully the exception is approved and \$1,300.00 total is not lost.
 - Professional fees are increased as Teresa Tucker, MCCCC Bookkeeper, had to build the new books for the MPBA. As the process continues, she will have more hours by taking on all payroll and benefits for MPBA/MCCCC employees. There is also training that she will have to complete.
 - Insurance expenses were for the three policies that had to be taken out under the MPBA. They were not budgeted as they had been paid for in the previous year by the CCPBA. Mrs. French asked them to break the expense out quarterly as much as possible to have a lower expense in this quarter. Discussed in the previous minutes.
 - April was under budget.
 - Mr. Boyte commented that the control on variable labor in comparison to income was good. The increased sales to budgeted was also good.

OLD BUSINESS:

None to discuss.

NEW BUSINESS

Absenteeism: Chairman Lowry

- **Mr. Boyte moved to approve the absences of Jake Shelton and Ken Huddleston.** David Bradley seconded the motion. With no further discussion, the motion was approved.

Laptop Purchase & Disposal: Chairman Lowry

- Mrs. French's laptop that is her primary computer needs to be replaced. There are two other laptops that also need to be replaced.
- **Mrs. Hillsman moved to approve to replace Mrs. French's laptop with a purchase limit of \$1,000.00.** Mr. Boyte seconded the motion. With no further discussion, the motion was approved.
- A vote is needed to remove Mrs. French's laptop from inventory for the audit. It will be correctly disposed with the hard drive destroyed before disposal. Mrs. French said she would like to wait until after the audit is completed to destroy the hard drive.
- **Mr. Bradley moved to approve the disposal of Mrs. French's laptop.** Mr. Boyte seconded the motion. With no further discussion, the motion was approved.

Competitive Rates & MPBA Employee Benefits Work Session

- Wednesday, June 2, 2021 at 5:00pm at MCCCC.

Funds Transfer

- Mrs. French asked where the board would like to put the overage of \$6,882.80 shown on the P&L. It could go in the operating account, but she suggested putting it into the depreciation account with the restriction that it would be used to pay back the operating account in the event that a month is over budget by board vote. This is a result of having PPP funding.

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- **Mrs. Hillsman moved to transfer \$6,882.80 from the operating account to the depreciation account coded as restricted funds for operations should there be a short month.** Mr. Boyte moved to approve the motion. With no further discussion, the motion is approved.

Comments

- Mayor Howard addressed the board to let them know the City did the best they could to fund the MCCCC budget at this time. The City has a heart for MCCCC, but they are having to work with the funding they have.
- Further discussion on setting MCCCC/MPBA funding to an allocation versus a reimbursement to satisfy the audit finding took place.
- Mr. Boyte asked to work with Mrs. French on a monthly budget for further understanding and review of operations.

ADJOURN

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

Signed, Zach Lowry, Chairman

Minutes completed and typed by Oslin Gulick on May 28, 2021.



General Manager Report

1 of 2

Month: April 2021

Liquor License-exception being requested. Our liquor vendor does not accept returns. We hosted our first event with a liquor caterer. Few hiccups but overall good outcome

Recapped all board members via email about ongoing insurance enrollments and requirements.

Auditor is scheduled for May meeting- the copies are here waiting for the meeting.

Diversity and Inclusion 7 week class completed

We had had events. Almost all staff is back to work in some capacity.

We have an upcoming employee meeting: going over serve safe certification requirements, abc requirements, cpr certifications, fire drill, and a team building activity.

New t-shirt uniforms will be ordered this upcoming month and in August.

Several upcoming events booked this month. A big conference on competitive bid came back to the Center from Cookeville this month. We need to have a work session over pricing and competitive bidding.

24 events in April

1 site visit

1 industry meeting not an industrial board meeting

1 industry networking meeting with community stakeholders

Ben Lomad walk thru- Micah and Matt are working on actionable items

Prom!

..... Hotel rooms

It was a good kind of busy- this was the first month transitioning with our new shifted roles in the kitchen.

The dish machine is having a gasket replaced and a heater on the sanitizing side troubles shooted and probably replaced. Emphasis on food consistency, creativity, and flavor has been coached this month. Teaching of inventory, shrink, and food cost is being taught and will be ongoing. Organization and flow is being maintained. Leadership worked in the kitchen for all big events this month.

Presented to Noon Tullahoma Rotary- presentation was sent out but emphasis on working together was discussed at his meeting.

Minutes of the May 14, 2021 Meeting of the PBA
(continued)

6:16 PM

Public Building Authority of the City Of Manchester Tenness

05/13/21

Profit & Loss Budget Performance

Accrual Basis

April 2021

	Apr 21	Budget	Jan - Apr 21	YTD Budget
Ordinary Income/Expense				
Income				
Rebates/Refunds	0.00	0.00	0.00	0.00
Rental/Misc Income	9,408.42	1,000.00	9,408.96	1,000.00
Sales	2,102.86	0.00	2,102.86	0.00
Service Fees				
Administration Fee	698.73	0.00	698.73	0.00
Credit Card Ser Charge	18.27	0.00	18.27	0.00
Gratuity Collected	423.57	0.00	423.57	0.00
Service Fees - Other	0.00	0.00	0.00	0.00
Total Service Fees	1,140.57	0.00	1,140.57	0.00
Uncategorized Income	0.00	0.00	0.00	0.00
Total Income	12,651.85	1,000.00	12,652.39	1,000.00
Cost of Goods Sold	3,833.09	350.00	3,833.09	350.00
Gross Profit	8,818.76	650.00	8,819.30	650.00
Expense				
Advertising	862.45	500.00	862.45	500.00
Alarms & Monitoring	0.00	0.00	0.00	0.00
Amortization Expense	0.00	0.00	0.00	0.00
Automobile Expense	0.00	0.00	0.00	0.00
Bank Service Charges	0.00	0.00	0.00	0.00
Cash Discounts	0.00	0.00	0.00	0.00
Cash Short/Over	0.00	0.00	0.00	0.00
Computer Expenses	492.74	0.00	492.74	0.00
Contract Labor	0.00	0.00	0.00	0.00
Contributions/Donations	0.00	0.00	0.00	0.00
Credit Card Fees	361.45	0.00	361.45	0.00
Depreciation Expense	0.00	0.00	0.00	0.00
Dues and Subscriptions	0.00	500.00	0.00	500.00
Durable Supplies	214.08	0.00	214.08	0.00
Equipment Rental	400.00	500.00	400.00	500.00
Insurance Expense	3,383.97	0.00	3,383.97	0.00
Interest Expense				
Credit Card	0.00	0.00	0.00	0.00
Finance Charge	0.00	0.00	0.00	0.00
Loan Interest	0.00	0.00	0.00	0.00
Mortgage	0.00	0.00	0.00	0.00
Interest Expense - Other	0.00	0.00	0.00	0.00
Total Interest Expense	0.00	0.00	0.00	0.00
Labor (variable)	2,919.51	7,000.00	2,919.51	7,000.00
Laundry & Linen	0.00	0.00	0.00	0.00
Lease Agreements	0.00	0.00	0.00	0.00
Licenses and Permits	1,000.00	0.00	1,000.00	0.00
Miscellaneous	0.00	0.00	0.00	0.00
Office Supplies	84.87	318.00	84.87	318.00
Payment to Credit Card	0.00	0.00	0.00	0.00
Payroll Administrative (fixed)	17,032.24	10,260.00	17,032.24	10,260.00
Payroll Expenses	0.00	0.00	0.00	0.00
Penalties	0.00	0.00	0.00	0.00
Petty Cash Reimbursement	0.00	0.00	0.00	0.00
Postage and Delivery	0.00	70.00	0.00	70.00
Professional Fees	1,152.57	900.00	1,152.57	900.00
Property Taxes	0.00	0.00	0.00	0.00
Reconciliation Discrepancies	0.00	0.00	0.00	0.00

Minutes of the May 14, 2021 Meeting of the PBA
(continued)

Public Building Authority of the City Of Manchester Tennes				
Profit & Loss Budget Performance				
April 2021				
.3/21 Accrual Basis				
	Apr 21	Budget	Jan - Apr 21	YTD Budget
Rent Expense	0.00	0.00	0.00	0.00
Repairs and Maintenance	937.24	1,500.00	937.24	1,500.00
Supplies	580.87	350.00	580.87	350.00
Travel & Entertainment	-11.93	250.00	-11.93	250.00
Uncategorized Expenses	0.00	0.00	0.00	0.00
Utilities	1,842.00	3,400.00	1,842.00	3,400.00
Total Expense	31,252.06	25,548.00	31,252.06	25,548.00
Net Ordinary Income	-22,433.30	-24,898.00	-22,432.76	-24,898.00
Other Income/Expense				
Other Income				
Disposal of Assets	0.00	0.00	0.00	0.00
Gain or Loss on Sale	0.00	0.00	0.00	0.00
In-Kind Sponsor	1,628.75	0.00	1,628.75	0.00
Interest Income	0.00	0.00	1.58	0.00
Negative Pension Expense	0.00	0.00	0.00	0.00
Other Income	0.00	0.00	0.00	0.00
Outdoor Venue	0.00	0.00	0.00	0.00
Reimb Approp Fund County/Coffee	0.00	0.00	0.00	0.00
Reimb Approp Funds City/Manches	25,000.00	0.00	25,000.00	0.00
Unknown Deposit	0.00	0.00	0.00	0.00
Total Other Income	26,628.75	0.00	26,630.33	0.00
Other Expense				
Bad Debt/Fraud/Uncollectable Ac	0.00	0.00	0.00	0.00
Building Depreciation Expense	0.00	2,448.00	0.00	2,448.00
Building Maint-Special Projects	0.00	0.00	0.00	0.00
Equipment Depreciation Expense	0.00	3,652.00	0.00	3,652.00
In-Kind Sponsor Expense	1,628.75	0.00	1,628.75	0.00
Misappropriated Funds	0.00	0.00	0.00	0.00
Other Expense	0.00	0.00	0.00	0.00
PBA Audit Fee	0.00	0.00	0.00	0.00
Total Other Expense	1,628.75	6,100.00	1,628.75	6,100.00
Net Other Income	25,000.00	-6,100.00	25,001.58	-6,100.00
Net Income	2,566.70	-30,998.00	2,568.82	-30,998.00

Public Building Authority of the City Of Manchester
 147 Hospitality Blvd
 TN 37355

Invoice

Date	Invoice #
4/30/2021	04302021

Bill To
Manchester Budget & Finance Director City Hall 200 West Fort St. Manchester, TN 37355

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
	P&L		
	Depreciation	22,433.30	22,433.30
	Less PPP Funds	2,448.00	2,448.00
		-6,764.10	-6,764.10
	Variable difference to City funding amount	6,882.80	6,882.80
	Out-of-state sale, exempt from sales tax	0.00%	0.00
		Total	\$25,000.00