

**TUESDAY, MAY 13, 2025, 7:00 PM  
MANCHESTER-COFFEE COUNTY CONFERENCE CENTER**

**ATTENDEES**

**Members**

Megan Jackson  
Zach Lowry  
Jake Shelton  
Ken Huddleston  
Tiffany Hillsman  
David Bradley

**Office**

Chairman  
Vice Chairman  
Secretary/Treasurer  
Public Relations Officer

**Guests**

Oslin Gulick  
Rebecca French  
Sheila Carter  
Dale Hoffman  
Ethan Nunley  
Sandra Bennett  
Tiffany Clutter  
Mayor Joey Hobbs  
Thomas Crosslin

6 members /9 guest

**CALL TO ORDER**

The May 13, 2025, regular meeting of the Public Building Authority of the City of Manchester, Tennessee was called to order at 7:00 PM by Megan Jackson, Chairman, presiding. Minutes were recorded by Oslin Gulick.

**CITIZEN COMMENTS**

- None made.

**APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING**

- **Jake Shelton moved to approve March 2025 minutes as presented.** Tiffany Hillsman seconded the motion. With no further discussion, the motion passed.

**REPORTS**

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

- \$171.60 in depreciation.
- Total cash on hand is \$15,930.81.

**Conference Center Report: O. Gulick**

- GM Report is attached to the minutes.
- P&L is attached to the minutes.
- April held 29 event days. 245 hotel rooms booked on campus.
- Year to date sales projections exceeded. Cost of goods was on budget with increased sales.

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- Labor was below projections by \$20,000.
  - Utilities were below projections.
  - Maintenance was below projections.
  - Higher expense anomalies were an insurance bill of \$10,000. paid to the City per the operating agreement and the remaining audit fee of \$6500 for the initial set up.
  - Comparing last year to this year, there is an increase of sales by \$90,000 (15.2% increase). Cost of goods increased by \$4,600.00 (3.1% increase). Inflation was at 2.79% at this time. Total expense was increased by \$25,000.00 (3.2% increase). Net ordinary income improved—decreased by \$59,000.
  - Statemint Manchester held their event for 5 days. They joined the chamber and held their ribbon cutting at MCCCC during the event. They have another event in the fall.
  - Mrs. French attended Small Market Meetings to represent MCCCC.
  - Two graduates from the culinary apprenticeship program.
  - A second apprenticeship program was made live for hospitality.
  - UEI is active and can receive federal funding apprenticeship program.
  - For the first time in 24 years, the audit had zero violations. Direct result of the internal practices by MCCCC staff and fiscal responsibility to the budget. MCCCC reports everything in their budget—operations, fixed costs, maintenance, depreciation, vacation pay out. If the numbers were able to be broken into those categories, operations would always show a profit.
  - Another form of impact of MCCCC: In the last 10 years, 6 people have signed up and continued into the military. 2 people are active-duty police officers. 4 people that may have left the workforce are now employed or own a small business.

## OLD BUSINESS

- Paid out unused PTO. There has been no change to the policy. MCCCC policy is more stringent (200 hours) than the City policy (2000 hours).
- Financial liability for the banked PTO is a concern and the policy will be reviewed.

## NEW BUSINESS

### Absenteeism: Chairman Jackson

- **David Bradley moved to approve of the absence of Holly Jones.** Ken Huddleston seconded the motion. With no further discussion, the motion passed.

### Mayor Hobbs: Discuss a Lease

- Lease is attached.
- City Budget and Finance approved \$175,000 or 6 months funding for the PBA/MCCCC budget with the condition of implementing the lease agreement.
- It seems to be a continuous fight for funding. Mayor Hobbs had requested \$350,000.00 initially and budget and finance said no.
- Zach Lowry asked if the PBA would need to be involved in MCCCC under the lease.
- The current contract between Coffee County, Manchester City, and PBA is that if the PBA does not exist the building goes up for sale. The contract with Coffee County would have to be renegotiated.
- If the PBA doesn't accept the lease agreement, there would not be funding for the PBA for the FY 2026 year from the City.
- Mayor Hobbs believed that the City would not be responsible for cancelled contracts with clients and potential lawsuits and refunds that would be incurred.

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- David Bradley pointed out that the PBA would still have expenses to be covered, such as the yearly audit. Mayor Hobbs wasn't sure what there would be to audit. Mr. Bradley responded that the state requires an audit.
  - Chairman Jackson addressed Mayor Hobbs that this was the first time he had come to the board. The first introduction of the lease was an email the week of the meeting. The intention of the message felt to her as "do this or else." She said there are other ways to do business.
  - Mayor Hobbs apologized if the message came off that way. When the initial request for \$350,000 was not approved, he started to look for another option. He said his goal is to keep MCCCC open.
  - Mr. Bradley commented that his goal is to keep MCCCC open. The PBA would have to have a funding source for the expenses it has. For the lease agreement, the PBA cannot enter into an agreement longer than 40 years and as it reads it is open ended, so that would have to be addressed. Mayor Hobbs suggested that he would put a 3-year term on it as it follows his term.
  - Mayor Hobbs is creating a tourism department and MCCCC would fall under that department. All the hotel-motel tax will go under its own category and not go into the general fund any longer.
  - Mr. Lowry asked if they moved forward with the lease, would it be possible to start negotiations with the County to remove the PBA from the contract.
  - Manchester City would take total control by July 1. MCCCC employees would become City employees.
  - Ken Huddleston was concerned that this switch would not be able to be accomplished by July 1.
  - Chairman Jackson was concerned that the votes were not guaranteed from the Board of Mayor and Alderman to pass this option. She commented that the idea of the tourism department is a good plan. She did not feel like the path that is being presented is proper.
  - Mr. Lowry suggested using the first six months of the new fiscal year to transition the business, employees, and funding.
  - Thomas Crosslin, Alderman, said that \$175,000 of operations for the City to operate MCCCC for six months while more details are determined. Mr. Lowry responded that less than two months to get everything switched over is tough. It took a long time to transition from the original operating agreement to the current operating agreement.
  - Mr. Bradley asked if the Board of Mayor and Alderman would be willing to consider the PBA operating for the first six months with the common goal of the City to fully transition to the City, renegotiate the Operating Agreement, and dissolve the PBA. Mayor Hobbs said he could not confirm that would be an option.
  - If the PBA is going to exist, it must be funded. All obligations and liabilities of the PBA would have to be transferred.
  - **David Bradley moved to say the PBA was open to signing the lease to the City with a set time frame, with the caveat of a 6-month transition period for the PBA to facility transfer of business and accounts. The PBA intended to dissolve once the transition was complete and all obligations were transferred to the City department. Jake Shelton seconded the motion.**
    - Manchester City would need to accept liability for the standing contracts.
    - Would not want to harm the reputation of the Conference Center.
    - Two employees are synonymous with customer interactions and their personal reputation could be impacted if contracts are not upheld.

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- Booking events in this situation seems dishonest if no party—PBA or City—is not willing to take responsibility for standing contracts in the event of closure when knowledge of the possibility was already known.
  - Sales will go down due to uncertainty caused by the transition if answers are not determined quickly.
  - MCCCC staff worked hard over the years to build the business to where it is with little support. They have done many tasks outside of their positions to maintain the building.
  - Removing the deadline of July 1 would be preferable for the PBA.
  - Mayor Hobbs commented that he would want the management to stay in place and move the business as it is to the City while they confirm the details under the City department.
  - **Zach Lowry moved to amend the motion to say the MPBA fully endorses the City run department and the transition of ownership of operations to the MPBA to the City.** David Bradley seconded the motion.
    - Thomas Crosslin commented that a Yes or No decision by the Board of Mayor and Alderman may be difficult to accomplish.
    - Mayor Hobbs commented that his goal is not to close the building.
    - Vote to amend the motion passed unanimously.
    - Vote on original motion as amended passed unanimously.
  - Chairman Jackson commented that PBA was willing to work with BOMA to find a solution.

#### **Catering Options: Chairman Jackson**

- Offering an option to select an outside caterer with a service fee charged to the catered amount.
- Catering kitchens are typically separate from a certified kitchen.
- Loss of revenue is something that needs to be reviewed.
- Approved caterers would be necessary.
- **David Bradley moved to table this option so that no major changes are made while the transition discussion is underway.** Jake Shelton seconded the motion. Motion was approved.

#### **Changes to Leave Plan**

- Discussed in Old Business.

#### **Request for a Business Plan**

- Information on the difference between full-service venue, partial service venue, or venue only.
- Information on who is considered a tourist.
- Under the current operating agreement, full service is what is specified. The services can be contracted out.
- Tabled until transition decisions are made.

#### **ADJOURN**

- Chairman Jackson adjourned the meeting at 8:14 PM.

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Signed, Megan Jackson, Chairman

\*\*\*PBA resigned before June 2025 meeting was held. These minutes were never voted on and will not be signed.

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Minutes completed and typed by Oslin Gulick June 27, 2025.

Public Building Authority of the City Of Manchester  
 T-1000000  
 147 Hospitality Blvd  
 TN 37355

### Invoice

Date	Invoice #
6/1/2025	June

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

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
1	Depreciation	2,448.00	2,448.00T
1	MPIBA Fixed Cost	26,689.65	26,689.65T
1	MCCCC operations	0.00	0.00T
	Out-of-state sale, exempt from sales tax	0.00%	0.00
<b>Total</b>			\$29,137.65

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

**Invoice**

Date	Invoice #
5/6/2025	May

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

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
1	Depreciation	2,448.00	2,448.00T
1	MPBA Fixed Cost	26,689.65	26,689.65T
1	MCCCC operations	0.00	0.00T
	Out-of-state sale, exempt from sales tax	0.00%	0.00
		<b>Total</b>	\$29,137.65

Minutes of the May 13, 2025, Meeting of the PBA  
(continued)

3:42 PM  
05/12/25  
Accrual Basis

Public Building Authority of the City Of Manchester Tennessee  
Profit & Loss Budget Performance  
April 2025

	Apr 25	Budget	Jul '24 - Apr 25	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income	85,172.04	61,000.00	680,886.25	626,000.00	729,000.00
Cost of Goods Sold	12,206.84	15,760.00	155,385.00	155,230.00	180,230.00
Gross Profit	72,965.20	45,250.00	525,502.35	470,770.00	548,770.00
Expense					
422 - C.C. Charge for Client Payments	0.00	0.00	713.06	0.00	0.00
Contract Concessionalre	0.00	0.00	6,165.00	0.00	0.00
Contract Hosting Fees	599.00	0.00	1,306.95	0.00	0.00
Employee Meeting	170.86	0.00	316.05	0.00	0.00
Fuel Surcharge	59.00	0.00	501.88	0.00	0.00
505 - Labor (variable)	29,811.91	21,000.00	276,738.17	222,750.00	267,750.00
509 - - Hourly Accounting	0.00	0.00	0.00	0.00	0.00
580 - Payroll Administrative (fixed)	25,547.04	34,957.32	278,794.82	351,573.20	419,487.84
584 - Accrued Employee Benefits	0.00	0.00	2,686.97	0.00	0.00
586 - Contract Labor	0.00	0.00	3,716.54	5,400.00	5,850.00
602 - Advertising	6,271.57	3,333.33	23,189.54	37,333.30	44,000.00
610 - Bank Service Charges	0.00	0.00	649.58	0.00	0.00
611 - Cash Short/Over	0.00	0.00	46.06	0.00	0.00
612 - C.C. Fee for Client Payment	0.00	0.00	2,201.93	0.00	0.00
617 - Computer Expenses	0.00	0.00	2,788.16	0.00	0.00
625 - Depreciation Expense	0.00	2,448.00	0.00	24,480.00	29,376.00
630 - Dues and Subscriptions	529.95	0.00	10,007.27	3,500.00	4,000.00
635 - Equipment Rental	180.00	0.00	4,256.48	0.00	0.00
640 - Insurance Expense	10,230.00	1,416.67	22,665.53	14,168.70	17,000.00
644 - Interest Expense	0.00	0.00	84.62	0.00	0.00
649 - Office Supplies	0.00	400.00	857.18	4,000.00	4,800.00
650 - Licenses and Permits	0.00	0.00	415.00	0.00	2,000.00
655 - Miscellaneous	0.00	0.00	78.99	0.00	0.00
66000 - Payroll Expenses	5,882.97	0.00	52,017.03	0.00	0.00
665 - Postage and Delivery	0.00	35.00	313.14	315.00	350.00
66900 - Reconciliation Discrepancies	0.00	0.00	0.00	0.00	0.00
66901 - *Reconciliation Discrepancies	0.00	0.00	0.00	0.00	0.00
675 - Professional Fees	1,872.50	2,766.67	24,943.25	37,000.03	41,866.66
685 - Repairs and Maintenance	2,784.35	6,250.00	50,416.88	62,500.00	75,000.00
695 - Travel & Entertainment	1,262.11	500.00	7,697.71	10,450.00	11,700.00
700 - Utilities	3,265.98	5,250.00	48,974.79	52,650.00	63,300.00

City Bill

10,230.00

3:42 PM  
 05/12/25  
 Accrual Basis

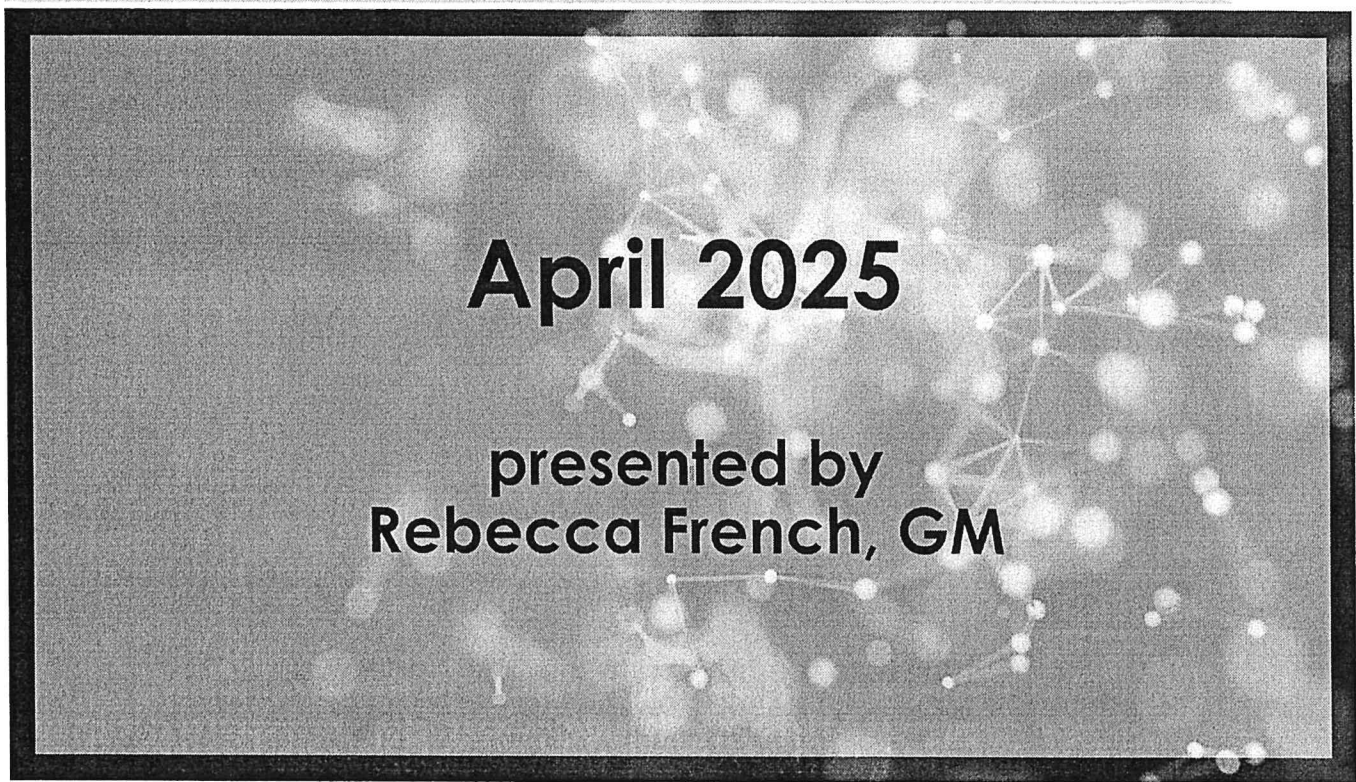
Public Building Authority of the City Of Manchester Tennessee  
 Profit & Loss Budget Performance  
 April 2025

	Apr 25	Budget	Jul '24 - Apr 25	YTD Budget	Annual Budget
720 - Supplies	713.91	1,500.00	7,624.13	15,000.00	18,000.00
720.5 - Durable Supplies	0.00	1,500.00	995.35	15,000.00	18,000.00
725 - Laundry & Linen	0.00	0.00	473.55	0.00	0.00
745 - Petty Cash Reimbursement	0.00	0.00	-300.00	0.00	0.00
775 - Alarms & Monitoring	0.00	0.00	0.00	0.00	0.00
801-1 - 401K non matching employee only	0.00	0.00	2,639.42	0.00	0.00
<b>Total Expense</b>	<b>89,001.15</b>	<b>81,356.99</b>	<b>833,977.03</b>	<b>856,118.23</b>	<b>1,022,480.50</b>
<b>Net Ordinary Income</b>	<b>-16,035.95</b>	<b>-36,106.99</b>	<b>-308,474.68</b>	<b>-365,348.23</b>	<b>-473,710.50</b>
<b>Other Income/Expense</b>					
Other Income	29,137.65	0.00	371,069.54	15,000.00	15,000.00
Other Expense	0.00	0.00	100,463.66	0.00	0.00
<b>Net Other Income</b>	<b>29,137.65</b>	<b>0.00</b>	<b>270,605.88</b>	<b>15,000.00</b>	<b>15,000.00</b>
<b>Net Income</b>	<b>13,101.70</b>	<b>-36,106.99</b>	<b>-37,868.80</b>	<b>-370,348.23</b>	<b>-458,710.50</b>

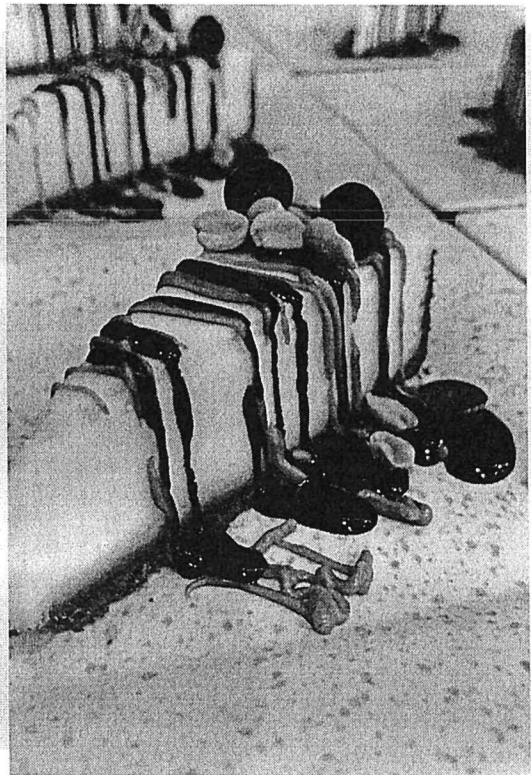
3:41 PM  
 05/12/25  
 Accrual Basis

Public Building Authority of the City Of Manchester Tennes  
 Profit & Loss Budget Performance  
 April 2025

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Income	85,172.04	61,000.00	680,888.25	628,000.00	729,000.00
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Expense	89,001.15	81,356.99	833,977.03	856,118.23	1,022,480.50
Net Ordinary Income	-16,035.95	-36,106.99	-308,474.68	-385,348.23	-473,710.50
<b>Other Income/Expense</b>					
Other Income	29,137.65	0.00	371,069.54	15,000.00	15,000.00
Other Expense	0.00	0.00	100,463.66	0.00	0.00
Net Other Income	29,137.65	0.00	270,605.88	15,000.00	15,000.00
Net Income	13,101.70	-36,106.99	-37,868.80	-370,348.23	-458,710.50



**April Events**  
29 Event Days  
4091 Guests  
245 Hotel Rooms



**Profit and Loss Explained:**

YTD Sales Projections- exceeded

YTD Cost of Goods- At projections with increased sales.

YTD Total Labor- Below Projections by 20K

Advertising- Below Projections

Repairs- Below Projections

Utilities- Below Projections

TOTAL EXPENSE- 23K BELOW Projections

Anomalies- 10K insurance bill paid to the City. Additional 6.5K bill for the new audit for the initial set-up.

Stamint hosted their event here for five days, joined the Chamber after booking their event, and held their ribbon cutting here.



Two more graduates. One more program live.



In Tennessee state finance, a budget fund deficit occurs when spending exceeds revenue during a fiscal year, meaning the entity spends more than it collects.

Here's a more detailed explanation:

**•Definition:**

A budget deficit happens when a government's spending (expenditures) is greater than its income (revenues) within a specific period, typically a fiscal year.

**•Tennessee's Balanced Budget Requirement:**

Tennessee's constitution requires the state budget to be balanced, meaning spending cannot exceed revenues plus reserves.

**•Consequences of a Deficit:**

If the state anticipates a deficit, the Finance Director can certify that revenues are insufficient to meet appropriations, and the mayor is obligated to impound appropriations to prevent deficit operation, reducing appropriations and allotments to keep the budget balanced.

**•Examples of Deficits:**

In the past, Tennessee has experienced deficits due to factors like economic downturns that negatively impact tax revenues or unexpected increases in spending. For example, in FY 2023, Tennessee fell \$333 million short of tax projections and the FY 2024 budget anticipated collecting \$719 million less in revenue than initially planned.

**•Surplus vs. Deficit:**

A surplus occurs when the state collects more money or spends less than approved in the budget, while a deficit occurs when spending exceeds revenue

Since we report operations, depreciation, MPBA fixed costs, maintenance and capital projects in one "bucket" this is easy to occur in a heavy repair year, no matter the income generated. A funding source for those areas is crucial to not have this audit finding in the future.

Impact accounted for in a different way:

We hope that the skills and habits/ ethics we instill in our workforce transfers into new job opportunities for our staff as their lives change, graduate, or they outgrow MCCCC.

In ten years MCCCC has employed

6 people that signed up for the military and continue to serve today.

2 people that are active-duty police officers

4 people that were not going into the workforce and are currently employed or own small businesses.



Agreement

1. This agreement is made between the City of Manchester, Tennessee ("City") and the Manchester Public Building Authority ("PBA").
2. The subleased premises is known as the Manchester/Coffee County Conference Center (the "Premises") and is owned by the City and Coffee County, Tennessee. It is located at 147 Hospitality Blvd Manchester, Tennessee,
3. Whereas the City, and Coffee County, Tennessee, and the PBA, are parties to an agreement dated December 11, 2020, that allows the PBA to contract/subcontract for operations of the premises to other parties and therefore, the City hereby subcontracts and agrees to take over the operation of the premises, pursuant to the PBA's applicable obligations in paragraph 3) of the agreement dated December 11, 2020, which are incorporated herein by reference, for an initial term beginning the \_\_\_\_ day of \_\_\_\_\_ 20\_\_; and shall terminate upon \_\_\_\_ days written notice by the City, or operation of law.
4. No rent shall be due from the City during this period, but as consideration, the City shall be responsible for the actual expense of property/casualty insurance and for the PBA's obligations regarding premise's maintenance in paragraph 3)G)1) of the December 11, 2020, agreement.
5. The City shall also be responsible for the necessary utilities at the premises.
6. Nothing in this agreement shall constitute a joint venture with the other, or another, party.

**This agreement does not become effective until approval of the Manchester Board of Mayor and Alderman.**

Date: \_\_\_\_\_

CITY OF MANCHESTER

MANCHESTER PUBLIC BUILDING AUTHORITY

By: \_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CHAIRMAN of the PBA