

MINUTES OF THE 62nd MEETING OF THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY

The 62nd meeting of the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County (CCA) was held on November 19, 2015 at 2:00 pm, in the Administrative Conference Room of the Administrative Offices at the Music City Center, Nashville, Tennessee.

AUTHORITY MEMBERS PRESENT: Marty Dickens, Willie McDonald, Irwin fisher, Randy Goodman, Vonda McDaniel and Mona Lisa Warren

AUTHORITY MEMBERS NOT PRESENT: Waverly Crenshaw, Jr, Luke Simons, and Renata Soto

OTHERS PRESENT: Charles Starks, Jasmine Quattlebaum, Heidi Runion, Elisa Putman, Kim McDaniel, Mary Ann Morris, Gina Inkum, Natasha Blackshear, Eileen McGinn, Lauren Peach, Eric Blouin, Brian Ivey, Mary Brett Clippard, and Beverly Bennett.

The meeting was opened for business at 2:00 pm by Chair Marty Dickens who stated that a quorum was present.

ACTION: Vonda McDaniel made a motion to approve the 61st Meeting Minutes of October 1, 2015. The motion was seconded by Willie McDonald and approved unanimously by the Authority.

The next regularly scheduled meeting is scheduled for January 7, 2016.

ACTION: Appeal of Decisions from the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County – Pursuant to the provisions of § 2.68.030 of the Metropolitan Code of Laws, please take notice that decisions of the Convention Center Authority may be appealed if and to the extent applicable to the Chancery Court of Davidson County for review under a common law writ of certiorari. These appeals must be filed within sixty days after entry of a final decision by the Authority. Any person or other entity considering an appeal should consult with private legal counsel to ensure that any such appeals are timely and that all procedural requirements are met.

Charles Starks introduced Eileen McGinn from KPMG who reported on the KPMG/Hoskins& Company FY'15 Audit and there was discussion (Attachment #1)

ACTION: Vonda McDaniel made a motion accepting the audit of the financial statements of the Convention Center Authority as of June 30, 2015. The motion was seconded by Irwin Fisher and approved unanimously by the Authority.

Charles Starks reviewed the KPMG contract extension and there was discussion (Attachment #1).

ACTION: Willie McDonald made a motion approving the amendment of the KPMG engagement letter extending the engagement for a subsequent year to cover the audit of financial statements as of and for the year-ended June 30, 2016 and authorizing Mr. Dickens to execute the Amendment and take any actions necessary or appropriate to formalize that amendment. The motion was seconded by Irwin Fisher and approved unanimously by the Authority.

Charles Starks was asked to review the RFP for Audio Visual Maintenance and there was discussion (Attachment #2).


ACTION: Vonda McDaniel make a motion [i] accepting the recommendation of the evaluation committee and [ii] authorizing Charles Starks to negotiate and execute an agreement with Pierremont Media Group for audio visual maintenance services on substantially the same terms as set forth in the RFP and considered this day. The motion was seconded by Randy Goodman and approved unanimously by the Authority.

Jasmine Quattlebaum reviewed the DBE & Development First Quarter update and there was discussion (Attachment #1).

Charles Starks then gave an operations update and there was discussion (Attachment #1).

With no additional business a motion was made to adjourn, with no objection the Authority adjourned at 3:07 p.m.

Respectfully submitted,



Charles L. Starks
President & CEO
Convention Center Authority

Approved:



Marty Dickens, Chair
CCA 62nd Meeting Minutes
of November 19, 2015

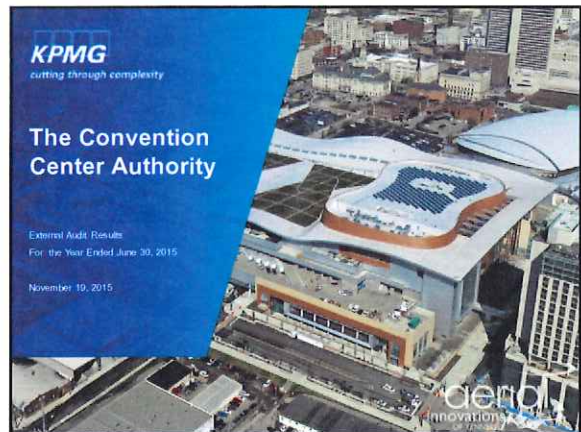
CONVENTION CENTER AUTHORITY

November 19, 2015

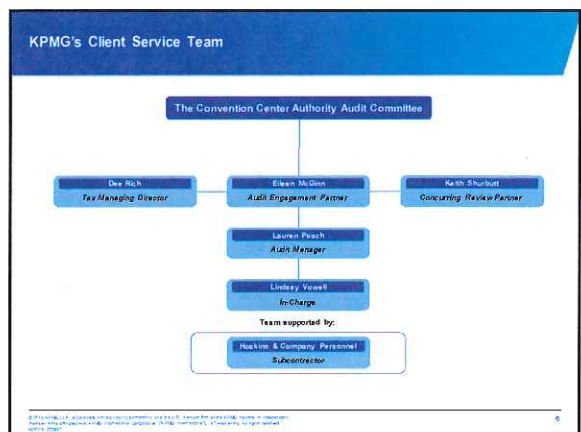
Appeal of Decisions

Appeal of Decisions from the Convention Center Authority— Pursuant to the provisions of § 2.68.030 of the Metropolitan Code of Laws, please take notice that decisions of the Convention Center Authority may be appealed if and to the extent applicable to the Chancery Court of Davidson County for review under a common law writ of certiorari. These appeals must be filed within sixty days after entry of a final decision by the Authority. Any person or other entity considering an appeal should consult with private legal counsel to ensure that any such appeals are timely and that all procedural requirements are met.

KPMG AUDIT FY'15



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KPMG's Audit Responsibility

We have a responsibility to conduct our audit in accordance with professional auditing standards.

- AICPA
- Government Auditing Standards

In carrying out this responsibility, we plan and perform the audit to obtain reasonable – not absolute – assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud.

We have no responsibility to obtain reasonable assurance that misstatements that are not material are detected.

KPMG's Independence

KPMG has established an integrated and comprehensive system of quality control over independence that includes a framework of detailed policies and procedures supported by sophisticated, web-based, electronic systems and a dedicated group of experienced professionals to provide technical guidance and support.

Our system seeks to ensure compliance with all guidelines established by the AICPA Independence Standards Board and Government Accountability Office including:

- Restrictions on financial interests in the debt securities of the Convention Center Authority
- Restrictions on consulting and information technology services, as well as placing restrictions on the types of "non-audit" services that can be provided by KPMG to the Convention Center Authority
- Annually, report to the Audit Committee the status of KPMG's Independence with respect to the Convention Center Authority

KPMG is compliant with all established independence guidelines.

KPMG's Subcontract Partner



- Hoskins & Company and KPMG have a professional, collaborative working relationship
- Hoskins & Company certified its independence with the Convention Center Authority through KPMG's subcontracting process
- Hoskins & Company personnel are integrated into KPMG's audit team and we work together seamlessly
- Hoskins & Company provided audit support in the areas of:
 - Cash and investments
 - Fixed assets
 - Disbursements
 - Various revenue streams
- Hoskins & Company received approximately 30% of total audit fees paid to KPMG for the 2015 audit

Audit Scope, Reports, and Other Deliverables

Audit Scope	
Applicable financial reporting framework	• Accounting principles generally accepted in the United States of America
Scope of work	• Audit of financial statements and issuance of other deliverables as of the year ended June 30, 2015
Applicable auditing standards	• Auditing standards generally accepted in the United States of America as issued by the Auditing Standards Board of the American Institute of Certified Public Accountants • Generally accepted Government Auditing Standards

Audit Report	Status
• Audited report on the consolidated financial statements of the Convention Center Authority	• Unmodified opinion issued

Other Deliverables	Status
• Material written communications between KPMG and management • Letter regarding internal control	• Report issued • No Material Weaknesses identified

Required Communications

KPMG's responsibility under generally accepted auditing standards and Government Auditing Standards	• Express our opinion on the financial statements based on our audits • Assess risk that financial statements may contain a material misstatement • Consider internal control structure/across understanding of accounting systems
Accounting Policies	Policies adopted by Convention Center Authority are customary for industry and scope of activities – described in Note 1 to financial statements
Consideration of Internal Control Structure	• No material weaknesses in internal controls were noted during the year ended June 30, 2015 • Scope of work performed on internal controls is not sufficient to render an opinion on effectiveness of internal controls
Disagreements with Management	There were no disagreements with management on financial accounting and reporting matters that, if not satisfactorily resolved, would have caused a modification of our report on the Authority's financial statements
Consultation with Other Accountants	To the best of our knowledge, management has not consulted with or obtained opinions, written or oral, from other independent accountants during the year ended June 30, 2015.
Major Issues Discussed with Management Prior to Retention	Retention was pursuant to a competitive bid proposal effort. There were no preconditions to retention. Minority enterprise participation in our was 30% for the 2015 audit.

Required Communications (continued)

Risks Requiring Extensive Audit Procedures	Risks requiring extensive audit procedures were as follows: <ul style="list-style-type: none"> • Revenue and accounts receivable, including deferred revenue • Operating expenses • Existence and valuation of invested bond proceeds • Completeness and accuracy of capitalization of fixed assets • Completeness and accuracy of capital contribution from County Mayo Hall of Fame • Litigation accruals and disclosures
Difficulties Encountered in Performing the Audit	We encountered no difficulties in dealing with management and appreciated their cooperation while performing our audit.
Significant Written Communications Between KPMG and Management	In accordance with the communications requirements of SAS No. 115, copies of the following material written communication between management and KPMG are included in Appendix A to this presentation (Management Representation Letter):
Review of other Information	<ul style="list-style-type: none"> • Our responsibility for other information in documents containing the Convention Center Authority's financial statements and our report thereon does not extend beyond the financial information identified in our report, and we have no obligation to perform and procedures to corroborate other information contained in these documents. • We have read the other information included in the Convention Center Authority's financial statements. • No matters came to our attention that cause us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Required Communications (continued)

Audit Differences

- Corrected
 - None identified.
- Uncorrected
 - None identified.

Internal Control Recommendations Communicated to Management

- No material weaknesses noted.

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New Relevant Accounting Standards

GASB Statement No. 66, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, required for fiscal periods beginning after June 15, 2014. The Authority adopted this Statement for the year ended June 30, 2015. The Statement revised the calculation and reporting of obligations related to pensions. Employees of the Authority who are former employees of the Nashville Convention Center continue to participate in the Metropolitan Government's defined benefit pension plan. Accordingly, a portion of the Metropolitan Government's net pension liability and related amounts were allocated to the Authority.

GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, required for fiscal periods beginning after June 15, 2013. This Statement requires certain disclosures for governmental entities that have outstanding obligations that have been guaranteed by another entity. The Authority adopted this Statement for the year ended June 30, 2014.

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KPMG Institutes

Upcoming Events

- Audit Committee Webcast Series – 2015
 - A quarterly webinar providing updates and insights into issues affecting audit committees/board oversight—from key accounting and regulatory changes to developments and other emerging audit committee practices.

Visit www.auditcommitteeinstitute.com for more information and to register for ACI events.

- KPMG Government Institute


KPMG Institutes is dedicated to helping organizations and their stakeholders identify and understand emerging trends, risks and opportunities. We do this by creating an open forum where peers can exchange insights, share leading practices, and access the latest thought leadership.

Visit www.kpmginstitute.com/government-institute to sign up

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Appendix A:

Other Audit Committee Materials



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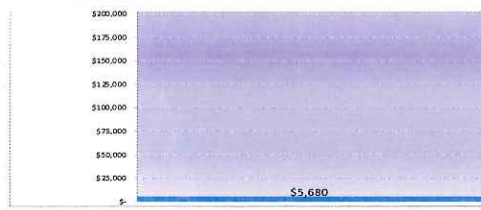
OPERATIONS UPDATES

RFP FOR AUDIO VISUAL MAINTENANCE



DBE & Development 1st Quarter Update

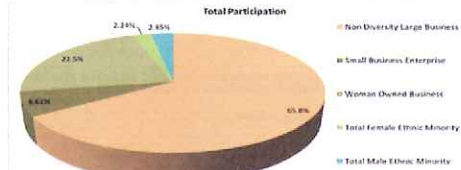
LMG FY16 1st Quarter DBE Participation*



DBE Participation Summary			
			# OF COMPANIES
LMG DBE FY16 Goal	\$206,000	MINORITY OWNED BUSINESSES	0
1st Qtr DBE Dollars Spent	\$5,680	WOMEN OWNED BUSINESSES	0
% of DBE Goal 4th Qtr	3%	SMALL BUSINESS ENTERPRISE	2
		TOTAL	2

* August and September reporting not received

Centerplate FY16 1st Quarter DBE Participation Summary

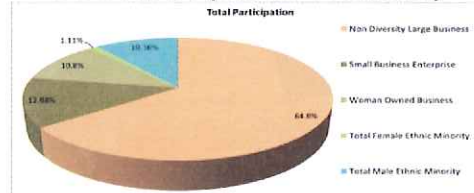


DBE PARTICIPATION SUMMARY: FY16 Goal 25%		
	% OF TOTAL	# OF COMPANIES
MINORITY OWNED BUSINESSES	5.09%	2
WOMEN OWNED BUSINESSES	22.5%	5
SMALL BUSINESS ENTERPRISE	6.62%	2
TOTAL	34.20%	9

Centerplate FY16 1st Quarter DBE Participation Dollars Spent

DBE Classification	DBE Dollars Spent:
Ethnic Minority Male	
African American Owned	\$23,015 (2.8%)
Ethnic Minority Female	
African American Owned	\$18,139 (2.2%)
Total Minority Business Enterprise	\$41,154 (5.1%)
Total Woman Owned	\$181,912 (22.5%)
Total Small Business	\$53,504 (6.6%)
Total DBE Participation	\$276,571 (34.2%)
Total Non Diversity Business	\$532,086 (65.8%)

Music City Center FY16 1st Quarter DBE Participation Summary



DBE PARTICIPATION SUMMARY		
	% OF TOTAL	# OF COMPANIES
MINORITY OWNED BUSINESSES	11.46%	6
WOMEN OWNED BUSINESSES	10.8%	9
SMALL BUSINESS ENTERPRISE	12.98%	4
TOTAL	35.23%	19

Music City Center FY16 1st Quarter DBE Participation Dollars Spent

DBE Classification	DBE Dollars Spent:
Ethnic Minority Male	
African American Owned	\$119,604 (10.36%)
Ethnic Minority Female	
African American Owned	\$12,792 (1.11%)
Total Minority Business Enterprise	\$132,396 (11.46%)
Total Woman Owned	\$124,566 (10.8%)
Total Small Business	\$149,901 (12.98%)
Total DBE Participation	\$406,863 (35.23%)
Total Non Diversity Business	\$747,977 (64.8%)

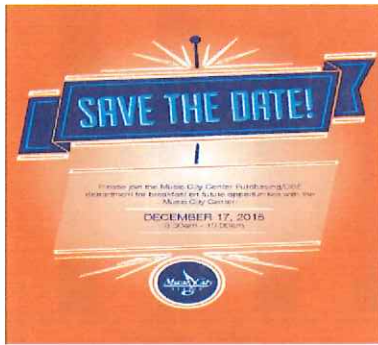
OMNI 2015 Local Participation

COMMITMENT TO LOCAL HIRING	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Total FTEs GOAL:300	705	702	692	689	693	689	675	703	705
# FTEs (40 hours) Residents of Nashville Metropolitan Statistical Area Goal: 250	648	648	630	649	644	648	644	645	648
# FTEs (40 hours) Residents of Davidson County Goal: 200	564	561	549	547	556	548	538	565	564

OMNI 2015 DBE Participation

SUPPLY AND SERVICE EXPENDITURE COMMITMENT	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	2015 Total
Nashville Metropolitan Statistical Area Business Goal: \$100,000/Yr.	\$139,849	\$145,237	\$186,153	\$153,009	\$113,971	\$128,032	\$122,282	\$162,012	\$161,287	\$1,310,767
Small, minority and women owned business enterprises Goal: \$50,000/Yr.	\$21,891	\$26,075	\$16,859	\$17,734	\$19,760	\$23,759	\$15,383.23	\$24,302	\$21,932	\$186,668

DBE HAPPENINGS



Top 10 Strategies For Convention Centers to Support Cities

1. Understand your city type and strategy goals. Who are the wider competitors and comparators? What are the priorities? What is your city's strategy?
2. Know the strengths and weaknesses of your city governance system and its points of influence.
3. Form a strong relationship with your convention bureau and work on joint relationships with city hall.
4. Volunteer support for city strategy in the areas of brand, tourism, connectivity, destination development, knowledge economy, and district business.
5. Share the credit with city leaders
6. Provide accessible and robust evidence on economic impact beyond the old formula of jobs and bed nights.
7. Join the city economic development organization and work with leaders at the universities, airports and city center improvement agencies.
8. Help city leader understand how conventions link and leverage business and tourism brands, because most city leaders don't have a firm grasp of that.
9. Support other large events not taking place at the convention center, because it's a great way to build alliances.
10. Bring business leadership from visiting groups into dialogue with the city.

Top 10 Strategies For Cities To Support Conventions

1. Recognize that growth sectors and high value sectors are the most mobile and most likely to have conventions.
2. Understand that conventions are huge sources of high value relationships in a hyper-mobile world, and conventions are about business relationships and not just a tax base.
3. See the convention center primarily as a shop window, front parlor, stage and networking platform for the city with high value audiences.
4. Task the convention center with high value strategic priorities.
5. Understand the conventions cluster as a whole and its many dimensions and impacts.
6. Solve travel and transportation problems actively.
7. Make a point of knowing which groups are in town and why, and make the welcome personal for them.
8. Follow up post-convention with high value opportunities.
9. Keep the convention center team at the top table with tourism, government and economic development.
10. Celebrate convention center successes.

MCC/Hotel Tax Collection As of August 31, 2015

	3% of 6% Occupancy Tax	Net 1% Occupancy Tax	\$2 Room Tax	Contracted Vehicle Tax	Rental Vehicle Tax	Campus Tax	Total	Variance to FY 14-15
July	\$1,728,263	\$757,678	\$1,215,421	\$44,509	\$187,007	\$1,373,115	\$5,317,224	10.7%
August	\$1,650,257	\$84,181	\$1,090,300	\$40,043	\$121,121	\$1,324,855	\$4,840,517	4.90%
September								
October								
November								
December								
January								
February								
March								
April								
May								
June								
YTD Total	\$3,204,091	\$1,442,150	\$2,305,781	\$114,273	\$308,707	\$2,097,071	\$10,164,041	12.21%

These numbers are still subject to change by Metro/Division of Accounts/Auditors

MCC/Hotel Tax Collection

MCC Portion of August 2015 Tourism Tax Collections

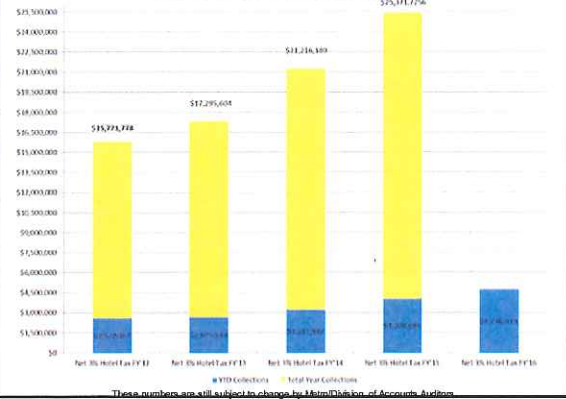
	FY 2015	FY 2016	Variance
2/3 of 5% Occupancy Tax	\$1,442,892	\$1,556,337	7.90%
Net 3% Occupancy Tax	\$605,086	\$684,181	12.89%
\$2 Room Tax	\$1,081,091	\$1,090,300	0.67%
Contracted Vehicle	\$70,025	\$69,393	-0.12%
Rental Vehicle	\$122,660	\$121,121	-0.77%
Campus Sales Tax	\$1,292,859	\$1,324,855	2.47%
TDZ Sales Tax Increment	\$0	\$0	00.00%
Total Tax Collections	\$4,616,463	\$4,646,617	4.99%

MCC Portion of Year-to-Date FY2016 Tourism Tax Collections

	FY 2015	FY 2016	Variance
2/3 of 5% Occupancy Tax	\$2,933,603	\$3,291,661	16.27%
Net 3% Occupancy Tax	\$1,187,088	\$1,442,159	11.89%
\$2 Room Tax	\$2,186,633	\$2,305,781	5.45%
Contracted Vehicle	\$112,416	\$114,763	2.06%
Rental Vehicle	\$293,536	\$308,707	21.76%
Campus Sales Tax	\$2,484,538	\$2,697,971	8.50%
TDZ Sales Tax Increment	\$0	\$0	00.00%
Total YTD Tax Collections	\$9,057,837	\$10,164,041	12.21%

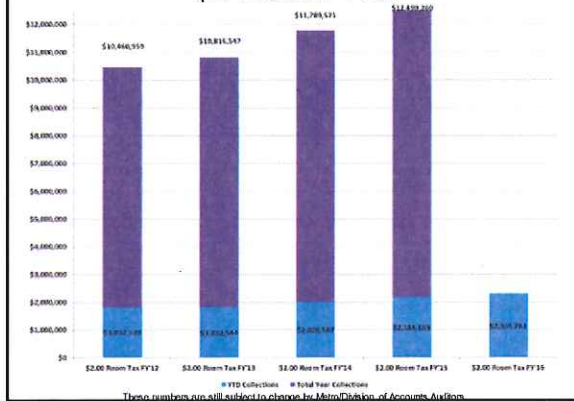
These numbers are still subject to change by Metro Division of Accounts Auditors.

Net 3% Hotel Tax



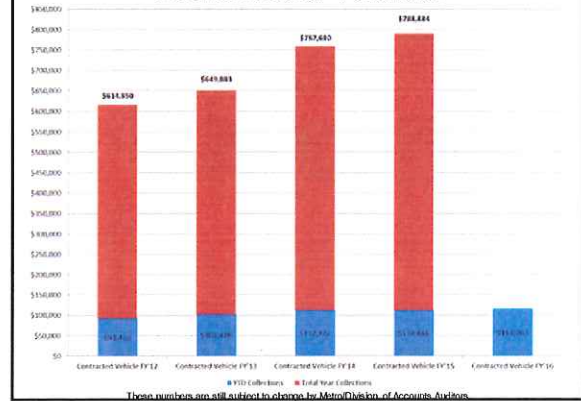
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\$2 Room Tax



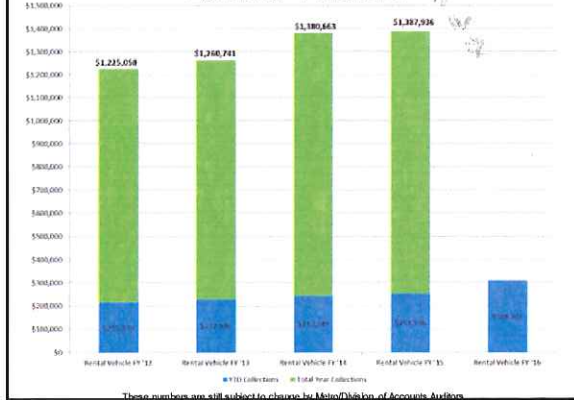
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Contracted Vehicle



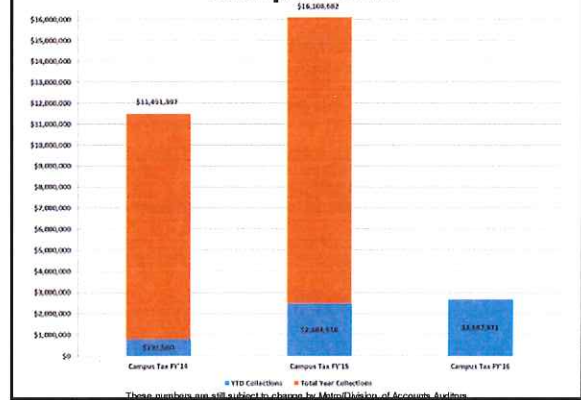
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Rental Vehicle

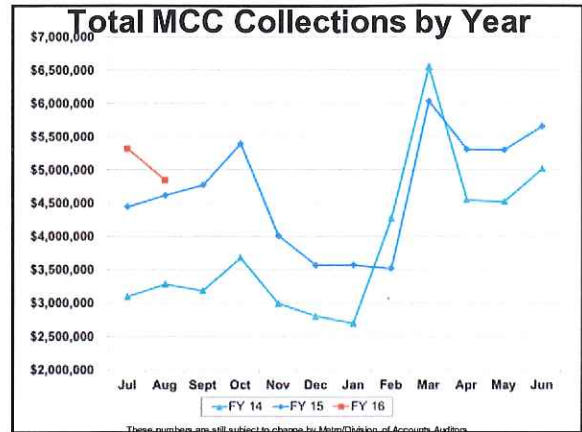
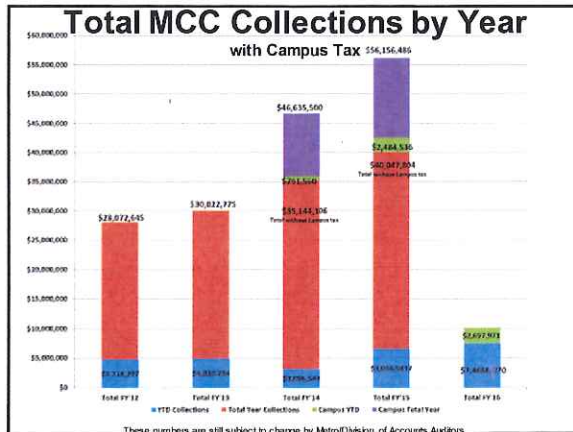


These numbers are still subject to change by Metro Division of Accounts Auditors.

Campus Tax



These numbers are still subject to change by Metro Division of Accounts Auditors.



September Events

31 Events

41,696 Attendees

12,438 Room Nights

\$21,189,630 Economic Impact

October Events

31 Events

46,381 Attendees

36,347 Room Nights

\$37,843,320 Economic Impact

September Tours & Site Visits

13 Sales Site Visits

6 Group Tours with 190 attendees. This included 3 public tours with 17 attendees.

October Tours & Site Visits

7 Sales Site Visits

10 Group Tours with 112 attendees. This included 3 public tours with 19 attendees.

**CONVENTION
CENTER
AUTHORITY**

November 19, 2015



RFP Intent to Award Summary Sheet for the Music City Center

RFP: *Audio Visual Maintenance Services for the Music City Center*

Selected Vendor:

Pierremont Media Group

Compensation and Cost:

Pierremont Media Group will be compensated based on the fees:

Annual Preventative Maintenance *\$24,800.00 Per Year*

General Labor Cost *\$70.00 Per Man Per Hour*

Professional Labor Cost *\$175.00 programming Per Hour*

Term:

Five (5) year term

DBE participation:

Audio Communications Consultants, Inc is certified as a Women Owned and Operated Business
Audio Communications Consultants will be secondary programmer for Q-sys or used as the primary for full system failure or system upgrades and replacement.
Audio Communications Consultants, Inc. will be the distributor for new Q-sys products as needed

Other Vendors that Submitted Bids:

Technical Innovation



RFP Intent to Award Signature Page

RFP: *Audio Visual Maintenance Services for the Music City Center*

Director of Purchasing - Jasmine Quattlebaum

Date

Director of Finance - Heidi Runion

Date

Sr.VP and Chief Operations Officer - Elisa Putman

Date

President & CEO - Charles Starks

Date