

# **MINUTES OF THE FINANCE & AUDIT COMMITTEE MEETING OF THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY**

The Finance & Audit Committee Meeting of the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County (CCA) was held on October 27, 2011 at 8:03 a.m., in Room 212 at the Nashville Convention Center, Nashville, Tennessee.

**FINANCE COMMITTEE MEMBERS PRESENT:** \*Mark Arnold, Francis Guess, Ken Levitan and Willie McDonald

**FINANCE COMMITTEE MEMBERS NOT PRESENT:** None

**OTHERS PRESENT:** Vonda McDaniel, Leo Waters, Mona Lisa Warren, Charles Robert Bone, Scott Black, Lannie Holland, Tom Eddlemon, Bob Lackey, Roxanne Bethune, Ryan Johnson, Patrick Holcombe, Natasha Blackshear, Larry Atema, Jasmine Quattlebaum, Scott Dillion, Peter Heidenreich, Mark Sturtevant, Holly McCall, Debbie Frank, Barbara Solari, Charles Starks and Harriett Royer

The meeting was opened for business by Ken Levitan.

**ACTION:** Willie McDonald made a motion to approve the Finance & Audit Committee minutes of August 25, 2011. The motion was seconded by Francis Guess and approved unanimously by the Committee.

\*Denotes arrival of Chair Mark Arnold.

Ryan Johnson provided a project budget update/overview (Attachment #1).

Lannie Holland provided a treasury update on the Convention Center Authority Construction Fund (Attachment #2).

Larry Atema reviewed the Convention Center Authority Project & Development Management Team Organization Plan update effective November 1, 2011 (Attachment #3).

\*\*Denotes the arrival of the CCA Construction & Development Committee: Chair Leo Waters, Vonda McDaniel and Mona Lisa Warren.

Charles Robert Bone gave an update on the expansion project budget for the Omni Hotel/Country Music Hall of Fame.

With no additional business a motion was made to adjourn, with no objection the Finance & Audit committee of the CCA adjourned at 8:49 a.m.

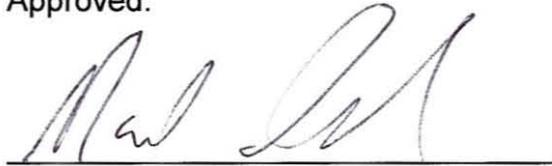
Respectfully submitted,



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Charles L. Starks  
Executive Director  
Nashville Convention Center

Approved:



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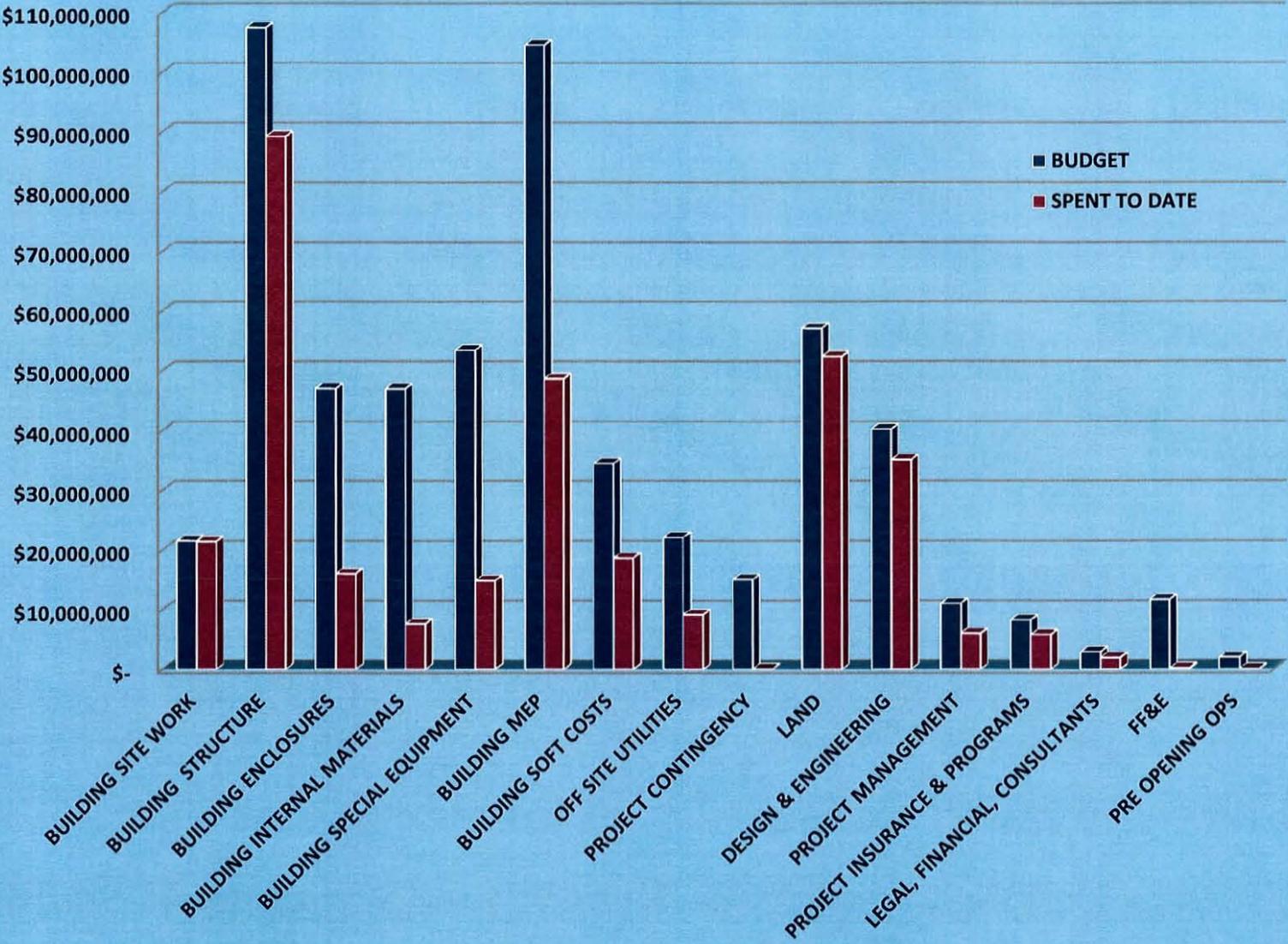
Mark Arnold, Chairman  
Finance & Audit Committee  
Of October 27, 2011

# MUSIC CITY CENTER BUDGET SUMMARY

As of: September 30<sup>th</sup> 2011

MCC MASTER BUDGET	BUDGET	SPENT TO DATE	REMAINING BUDGET	COST TO COMPLETE	VARIANCE
BUILDING SITE WORK	21,488,346	21,378,715	109,631	109,631	-
BUILDING STRUCTURE	107,388,945	89,200,317	18,188,628	18,188,628	-
BUILDING ENCLOSURES	46,942,760	15,977,513	30,965,247	30,965,247	-
BUILDING INTERNAL MATERIALS	46,926,606	7,612,034	39,314,572	39,314,572	-
BUILDING SPECIAL EQUIPMENT	53,367,442	14,805,371	38,562,071	38,562,071	-
BUILDING MEP	104,444,538	48,573,067	55,871,471	55,871,471	-
BUILDING SOFT COSTS	34,441,363	18,596,166	15,845,197	15,845,197	-
<b>CONSTRUCTION SUBTOTAL</b>	<b>415,000,000</b>	<b>216,143,183</b>	<b>198,856,817</b>	<b>198,856,817</b>	-
OFF SITE UTILITIES	22,044,757	9,113,727	12,931,030	12,931,030	-
PROJECT CONTINGENCY	15,000,000	-	15,000,000	15,000,000	-
LAND	57,000,000	52,300,750	4,699,250	4,699,250	-
DESIGN & ENGINEERING	40,189,684	35,072,158	5,117,526	5,117,526	-
PROJECT MANAGEMENT	10,993,758	5,972,061	5,021,697	5,021,697	-
PROJECT INSURANCE & PROGRAMS	8,252,322	5,780,322	2,471,999	2,471,999	-
LEGAL, FINANCIAL, CONSULTANTS	2,869,480	1,912,342	957,138	957,138	-
FF&E	11,650,000	147,500	11,502,500	11,502,500	-
PRE OPENING OPS	2,000,000	-	2,000,000	2,000,000	-
<b>TOTAL</b>	<b>585,000,000</b>	<b>326,442,040</b>	<b>258,557,957</b>	<b>258,557,957</b>	-

## Music City Center Budget vs. Actual As of : September 30<sup>th</sup> 2011



CONVENTION CENTER AUTHORITY  
CONSTRUCTION FUND  
Sept 30 2011

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Cash in State LGIP	10,090,055
Cash at First Tennessee	51,315,129
Investments managed by Highland Capital	200,960,875 **
Total Construction Fund Assets	<u>262,366,059</u>
Net Earnings Inception to Date	<u>5,345,859</u>
Earnings anticipated in bond sizing	<u>2,614,000</u>

\*\* Details Attached

## Metro Convention Center Authority

Highland Capital Management

Holdings at September 30, 2011

Security Name	Weight	Coupon Rate	Maturity Date	Yield to Maturity	Moody's Rating
<b>Total</b>	<b>100.00</b>	<b>1.698</b>		<b>0.42</b>	
Federal Home Loan Mortgage Corp. 0.0% 01-oct-2011	1,390,000.00	--	10/01/2011	--	Aaa
Federal National Mortgage Association 5.0% 15-oct-2011	876,425.38	5.000	10/15/2011	1.06	Aaa
Federal Home Loan Mortgage Corp. 1.125% 15-dec-2011	19,842,178.26	1.125	12/15/2011	0.22	Aaa
Federal Home Loan Banks 0.6% 25-jan-2012	6,264,532.62	0.600	1/25/2012	0.19	Aaa
Puerto Rico Pub Fin Corp 5.5% 01-aug-2029	13,996,672.00	5.500	2/01/2012	0.31	Aaa
Federal Home Loan Mortgage Corp. 0.0% 15-feb-2012	19,865,288.45	--	2/15/2012	0.64	Aaa
Federal National Mortgage Association 1.5% 15-mar-2012	3,706,344.07	1.500	3/15/2012	0.18	Aaa
Federal National Mortgage Association 0.0% 15-mar-2012	6,273,609.32	--	3/15/2012	0.69	Aaa
Federal Home Ln Mtg Corp Reference Nts Stripped Int Pmt 0.0% 27-mar-2012	361,800.29	--	3/27/2012	0.68	Aaa
Federal Home Loan Mortgage Corp. 1.125% 25-apr-2012	9,792,682.29	1.125	4/25/2012	0.26	Aaa
California Department Of Water Resources 5.375% 01-may-2022	389,850.00	5.375	5/01/2012	0.70	Aaa
Federal Home Loan Banks 1.125% 18-may-2012	10,259,709.01	1.125	5/18/2012	0.28	Aaa
Badger Tobacco Asset Securitization Corp. (wisconsin) 6.0% 01-jun-2017	704,296.40	6.000	6/01/2012	0.36	Aaa
Badger Tobacco Asset Securitization Corp. (wisconsin) 5.75% 01-jun-2012	2,992,783.60	5.750	6/01/2012	0.36	Aaa
Federal Home Loan Banks 1.375% 08-jun-2012	10,160,708.10	1.375	6/08/2012	0.28	Aaa
METROPOLITAN BANK	8,000,000.00	0.850	6/21/2012	0.85	Aaa
Florida St Brd Ed Lottery Rev 5.0% 01-jul-2019	522,650.00	5.000	7/01/2012	0.39	Aaa
Federal Home Loan Mortgage Corp. 5.125% 15-jul-2012	10,127,607.75	5.125	7/15/2012	0.23	Aaa
METROPOLITAN BANK	8,000,000.00	0.850	7/26/2012	0.85	Aaa
Federal Home Loan Mortgage Corp. 5.5% 20-aug-2012	9,672,233.50	5.500	8/20/2012	0.33	Aaa

Federal Home Loan Banks 0.35% 19-sep-2012	11,502,875.00	0.350	9/19/2012	0.32	Aaa
Federal Home Loan Banks 0.3% 28-sep-2012	1,949,239.50	0.300	9/28/2012	0.34	Aaa
Federal Home Loan Banks 0.4% 30-oct-2012	12,802,176.00	0.400	10/30/2012	0.35	Aaa
Federal Home Loan Banks 0.4% 28-dec-2012	31,507,213.50	0.400	12/28/2012	0.38	Aaa

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Holdings Data As Of  
MCCA 9/30/2011

200,960,875.04

**Metro Convention Center Authority**

EARNINGS INCEPTION TO DATE

Highland Capital Management	4,793,984
First TN Bank	551,875
	<u>5,345,859</u>

First TN Bank is custodian for the construction funds and Highland Capital Management is serving as money manager.

A working capital portion of the construction funds is being held in a NOW account earning Fed Funds plus 5 bps. These funds are transferred to Metro's concentration bank account as needed to pay construction costs.

Funds transferred to the Metro concentration account are invested in the State LGIP until spent.





## **Project & Development Management Organization Title, Name & Duties**

### **Senior Project & Development Manager: Larry Atema (2,4,5,9)**

- Music City Center Complex development management and oversight
- Convention Center Authority coordination and support
- Project interface with Metro administration
- Diversity Business Enterprise (DBE), communications, and public affairs oversight

### **Project & Development Manager: Mark Sturtevant (2,3,4,8,9)**

- Design, engineering, and construction coordination oversight
- Omni/Country Music Hall of Fame coordination and interface
- Coordination and interface with Metro departments and agencies
- Overall project and development management, support, and analysis

### **Manager, Design, Construction Compliance & Quality: Steve Curtis (1,3,8)**

- MCC project quality assurance and quality control activities
- Clarify construction conflicts in the greater project team and assist in resolution of construction and schedule matters
- Assure construction details are in compliance with contract documents
- Facilitate schedule milestones
- Coordinate with MCC building operations personnel
- Commissioning and MCC building punch list
- Korean Veterans Boulevard design coordination

### **Project Manager, Construction Compliance & Quality: Mike White (1,3,8)**

- MCC project quality assurance and quality control activities, contractual documents, plans and specifications
- Field construction matters and issues
- Start-up and commissioning of MCC mechanical, electrical, and plumbing systems
- Respond to construction issues in the field
- MCC punch list

**Manager, Budget, Finance & Administration: Ryan Johnson (2,4,6,10)**

- Update, monitor, and report on the project budget and manage related issues/matters
- Oversee accounts payable process and DBE accounting
- Liaison to Metro Finance & Treasury, Internal Audit, and external auditors of the project
- Owner controlled insurance program (OCIP) and related insurance program management
- Finance representative for Omni/Country Music Hall of Fame
- Procurement and finance elements for Music City Center art program

**Manager, Construction Analysis, Budget, & Finance: Patrick Holcombe (1,2,9,10)**

- Construction finance, analysis and project budget review
- Potential change order/change order management
- Pay application review documentation (Bell/Clark and Prime Subcontractors)
- Construction procurement and tracking
- Large vendor management – Bell/Clark and TVS
- Insurance – OCIP, monitoring, FM Global, subcontractor enrollment
- Schedule coordination/compliance
- LEED/sustainability

**Supervisor, Accounting & Contract Administration: Jasmine Quattlebaum (5,10)**

- Accounts payable management and processing
- Maintain and track DBE financial monitoring for design and construction
- Process DBE payments, track exceptions, and perform selective audits on DBE submissions
- Process, track, & maintain list of all project vendors
- Maintain and update monthly and quarterly reporting documents for budget and expenses
- Monitor contract compliance

**Associate Project Manager, Construction & Finance (TBD) (10)**

- Contract compliance and documentation
- Certified payroll data management
- Assemble data for public information requests
- Compile semi-annual workforce data report for State of Tennessee
- Potential change order tracking
- Local participation data entry and ongoing tracking
- Pay application material and work-in-place verification
- Tracking of performance and payment bonds and legal matters

**Manager, Diversity Business Enterprises: Roxianne Bethune (4,5)**

- DBE (small, minority, and women-owned businesses) program development and community outreach
- DBE program procurement process and program reporting
- Monitor audit and compliance of DBE program
- Close out DBE program at individual sub-contractor completion
- DBE representative for the Omni/Country Music Hall of Fame

**Manager, Development & Construction Logistics & Analysis: Kristen Heggie (1,4,8,9,10)**

- Schedule coordination, logistics, and communication
- Potential change order management, including detailed scope review, coordination with Bell/Clark & TVS
- General pay application review, observation, and coordination
- Logistics coordination with Metro Government, Bridgestone Arena, KVB project, and other outside organizations
- Manage and coordinate infrastructure installation project management and downtown stakeholder meetings
- Project management representative for the Omni/Country Music Hall of Fame

**Project Manager, Art, Development, and Labor Administration: Debbie Frank (6,7)**

- Manage workforce development program
- MCC art program
- Design, funding, and construction of surrounding facilities (Nashville Bike Center and NES Peabody substation enclosure)
- MCC interior and exterior building graphics
- SoBro strategic master plan administration
- AVI system coordination with Airport Authority

**Supervisor, Workforce Development Program: Autumn Henderson (7)**

- Recruit and screen qualified local applicants for open positions with contractors/subcontractors
- Supervise daily operations of the workforce program
- Represent the workforce program in public relations activities, staff and board meetings, and community engagements
- Manage all proper documentation and accurate reporting of workforce statistics
- Generate weekly and quarterly reports
- Coordinate Jefferson Street United Merchants Partnership (JUMP) and community based organizations and efforts

**Project Workforce Development Coordinator (on loan from Tennessee Department of Labor & Workforce Development): Mika Russ (7)**

- Assist MCC contractors with recruiting and hiring local applicants for open positions
- Contact employers to promote employment services
- Create online advertisements for available positions
- Enter job orders in state database
- Ensure adherence to federal reporting guidelines regarding priority of service for all qualified veterans
- Coordinate on-site interviews and hiring enrollment process

**Manager, Communications: Holly McCall**

- Communicate regular status reports to project team and community and government leaders
- Manage media matters and conduct interviews as needed
- Arrange site tour schedule for groups
- Liaise with Mayor's office and other city departments on communication issues relevant to project and administration
- Manage public speaking events with key team principals and prepare presentations
- Coordinate response to public information requests
- Intern program

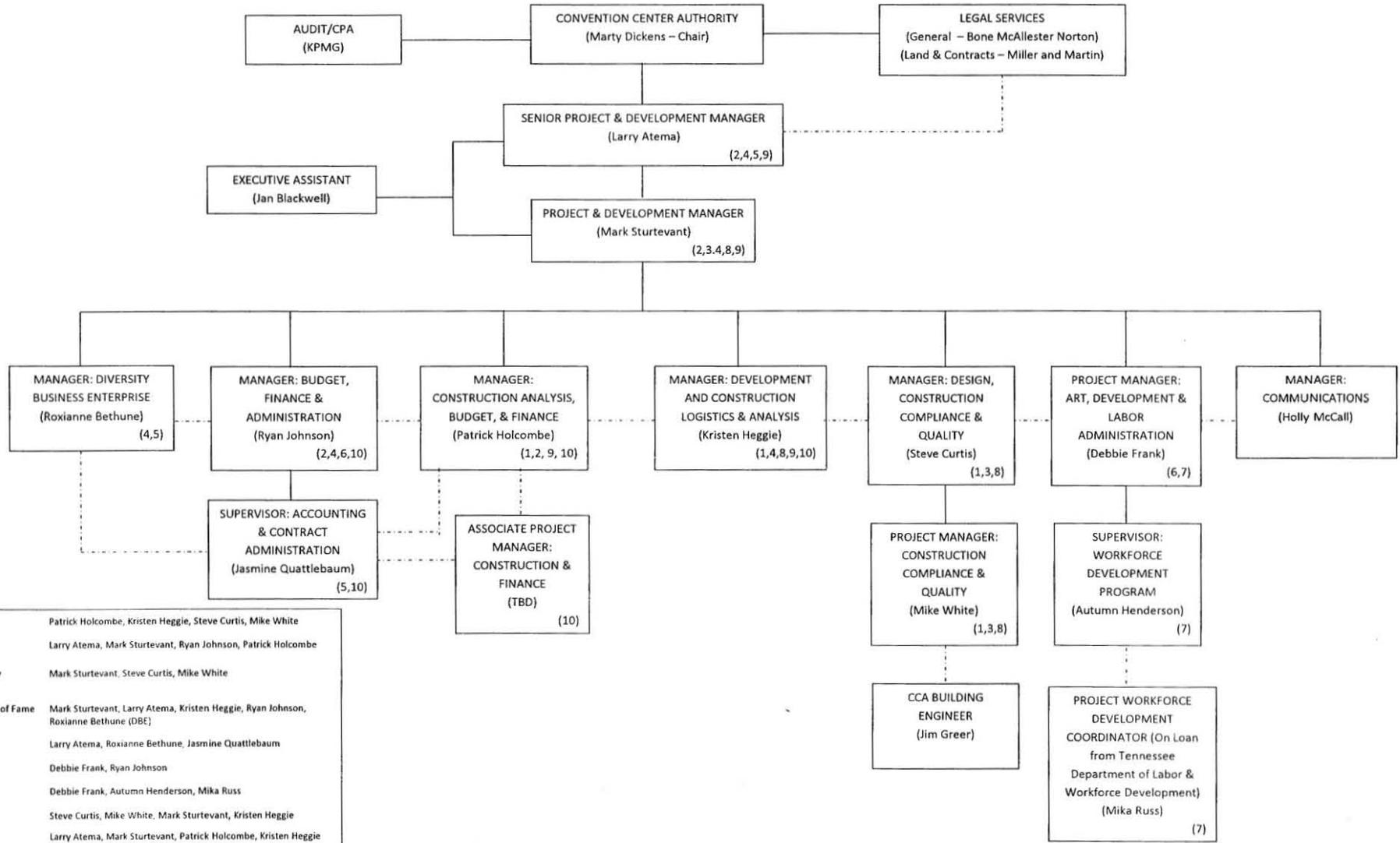
**Executive Assistant: Jan Blackwell**

- Oversee general office coordination and organization
- MCC interior and exterior building graphics
- Create & maintain files for all documents, contracts, records, personnel files, correspondence and reports for MCC office
- Manage multiple calendars for MCC team
- Support for special projects
- Assist in data collection for public information requests

## Footnotes: Specific Project & Development Teams

- |  |  |
|--|--|
| 1) Change Order Team                       | Patrick Holcombe, Steve Curtis, Mike White, Kristen Heggie                               |
| 2) Budget Team                             | Larry Atema, Mark Sturtevant, Ryan Johnson, Patrick Holcombe                             |
| 3) Quality Assurance/ Quality Control Team | Mark Sturtevant, Steve Curtis, Mike White  |
| 4) Omni/Country Music Hall of Fame Team    | Larry Atema, Mark Sturtevant, Ryan Johnson, Kristen Heggie, Roxianne Bethune (DBE)       |
| 5) DBE Team                                | Larry Atema, Roxianne Bethune, Jasmine Quattlebaum                                       |
| 6) MCC Art Team                            | Debbie Frank, Ryan Johnson   |
| 7) Workforce Development Team              | Debbie Frank, Autumn Henderson, Mika Russ  |
| 8) Infrastructure/KVB Team                 | Steve Curtis, Mike White, Mark Sturtevant, Kristen Heggie                                |
| 9) Schedule Team                           | Larry Atema, Mark Sturtevant, Patrick Holcombe, Kristen Heggie                           |
| 10) Bell/Clark Pay Application Review Team | Ryan Johnson, Patrick Holcombe, Jasmine Quattlebaum, Kristen Heggie, Associate P/M (TBD) |

**THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
PROJECT MANAGEMENT & DEVELOPMENT**



**Footnotes:**

1) Change Order Team	Patrick Holcombe, Kristen Heggie, Steve Curtis, Mike White
2) Budget Team	Larry Atema, Mark Sturtevant, Ryan Johnson, Patrick Holcombe
3) Quality Assurance/ Quality Control Team	Mark Sturtevant, Steve Curtis, Mike White
4) Omni/Country Music Hall of Fame Team	Mark Sturtevant, Larry Atema, Kristen Heggie, Ryan Johnson, Roxianne Bethune (DBE)
5) DBE Team	Larry Atema, Roxianne Bethune, Jasmine Quattlebaum
6) MCC Art Team	Debbie Frank, Ryan Johnson
7) Workforce Team	Debbie Frank, Autumn Henderson, Mika Russ
8) Infrastructure/KVB Team	Steve Curtis, Mike White, Mark Sturtevant, Kristen Heggie
9) Schedule Team	Larry Atema, Mark Sturtevant, Patrick Holcombe, Kristen Heggie
10) Bell/Clark Pay Application Review Team	Patrick Holcombe, Ryan Johnson, Kristen Heggie, Jasmine Quattlebaum, Associate PM (TBD)

**MUSIC CITY CENTER COMPLEX**

**CONVENTION CENTER \* OMNI HOTEL & COUNTRY MUSIC HALL OF FAME \* KOREAN VETERANS BOULEVARD \* SOBRO INFRASTRUCTURE**