

# **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 March 29, 2012 at 8:06 a.m. in Room 212 at the Nashville Convention Center, Nashville, Tennessee.

**FINANCE COMMITTEE MEMBERS PRESENT:** Mark Arnold, \*Francis Guess, Willie McDonald and \*\*Marty Dickens, ex-officio

**FINANCE COMMITTEE MEMBERS NOT PRESENT:** Ken Levitan

**OTHERS PRESENT:**

Charles Robert Bone, Ryan Johnson, Jasmine Quattlebaum, Holly McCall, Elisa Putman, Brian Ivey, Heidi Runion, Charles Starks and Harriett Royer

The meeting was opened for business by committee chair Mark Arnold.

Charles Starks began presenting the Fiscal Year 2013 proposed budget for the Nashville Convention Center (Attachment #1).

\*Denotes arrival of Francis Guess

Charles Starks continued presenting the Fiscal Year 2013 proposed budget.

**ACTION:** Francis Guess made a motion to approve the Fiscal Year 2013 Nashville Convention Center proposed budget with the caveat that there may be an adjustment to the internal service fees and the LOCAP. The motion was seconded by Willie McDonald and approved unanimously by the Committee.

**ACTION:** Willie McDonald made a motion to approve the Finance & Audit Committee minutes of January 26, 2012. The motion was seconded by Francis Guess and approved unanimously by the Committee.

\*\*Denotes arrival of Marty Dickens

\*Denotes departure of Francis Guess

There was additional discussion and then with no additional business a motion was made to adjourn, with no objection the Finance & Audit committee of the CCA adjourned at 8:44 a.m.

Respectfully submitted,



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Charles L. Starks  
Executive Director  
Nashville Convention Center

Approved:



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Mark Arnold, Chairman  
CCA Finance & Audit Committee  
Meeting Minutes of March 29, 2012

March 29, 2012

## Convention Center Authority



*Finance &  
Audit Committee*

# Nashville Convention Center Budget

Fiscal Year 2013

### Nashville Convention Center

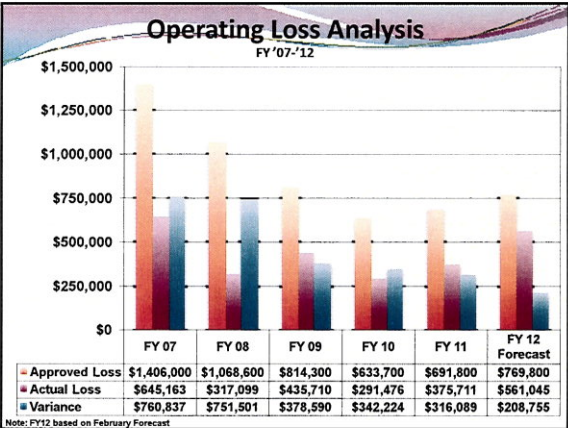
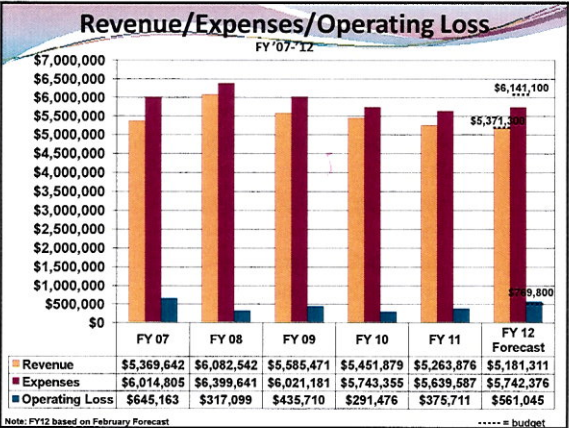
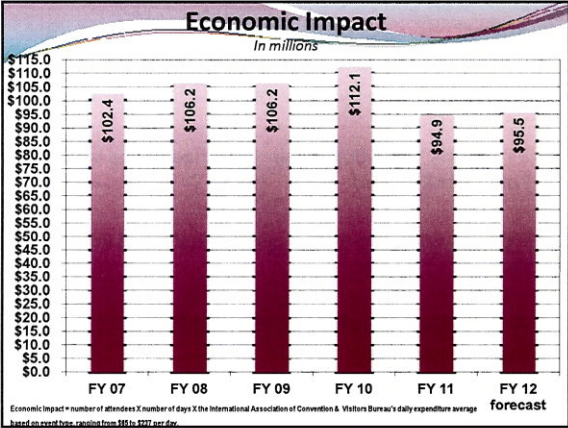
Number of Events	
FY09	234
FY10	243
FY11	237
FY12	231 (est.)

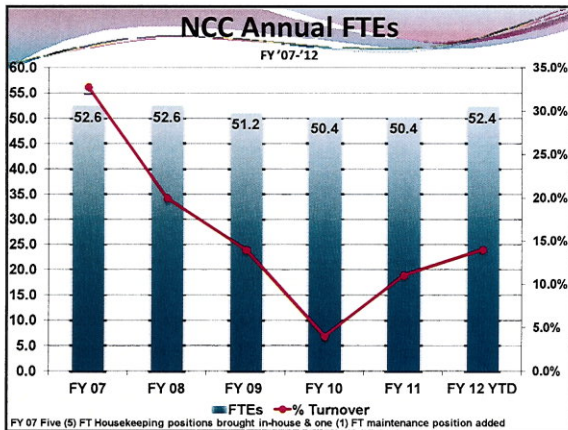
  

Attendance	
FY09	296,776
FY10	340,960
FY11	290,639
FY12	311,884 (est.)

Economic Impact	
FY09	\$106,180,837
FY10	\$112,087,852
FY11	\$94,941,088
FY12	\$95,496,430 (est.)





### FY 2013 Budget Summary

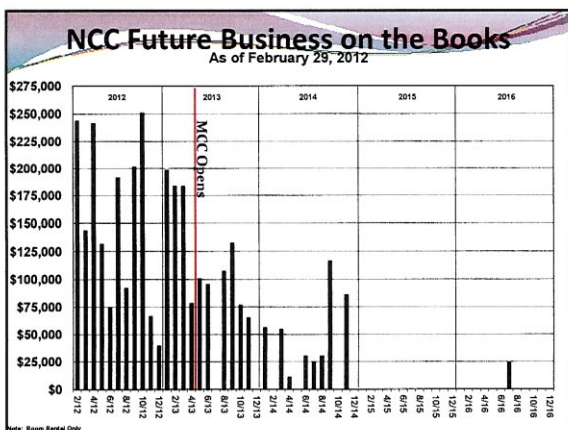
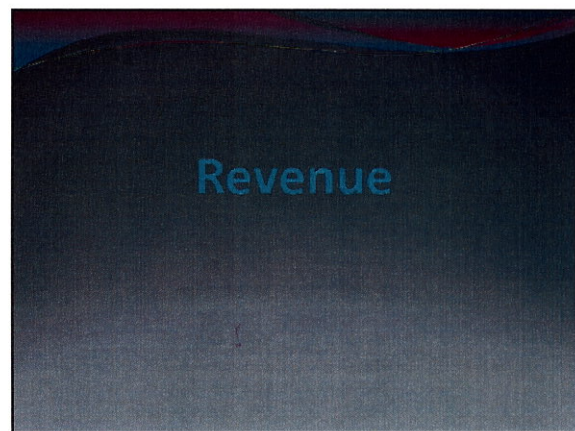
- Revenue down \$11,000 from FY '12
- Operating Expenses up \$94,000 over FY '12
- Budget Highlights:
  - Utility Expenses up slightly
  - 3% Personnel Merit Increase Pool \$77,600
  - MCC Dir of Engineering & Contract Administrator for 10 months \$144,900
- Increase in operating loss over FY '12 - \$105,000
- Projected FY '13 operating loss of - \$874,800

\*Note: Changes in Internal services fees and LOCAP have yet to be determined by Metro

### FY 2013 Personnel

- Last Merit Increase was FY '09
- FY '11: 2% Lump Sum Salary Adjustment Paid in August Longevity Restored
- FY '12: 1.5% Lump Sum Salary Adjustment paid in July Maintain Longevity
- FY '13: 3% Proposed Merit Increase Pool Maintain Longevity

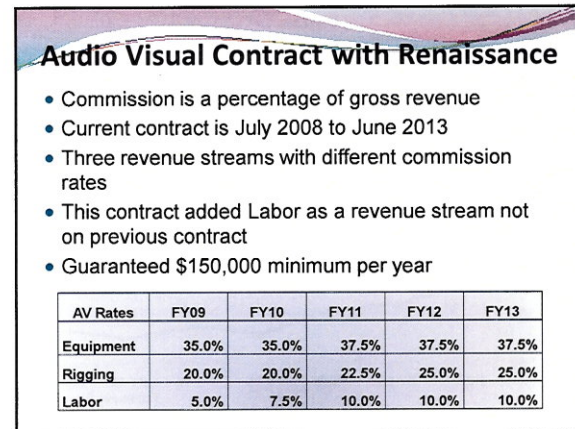
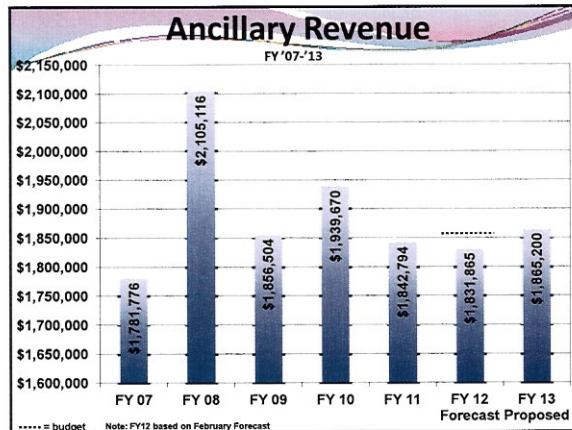
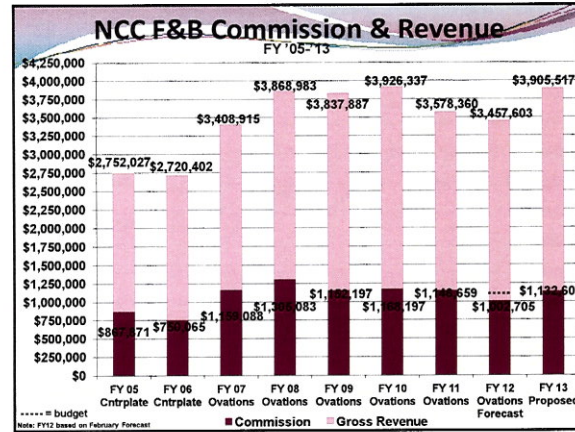
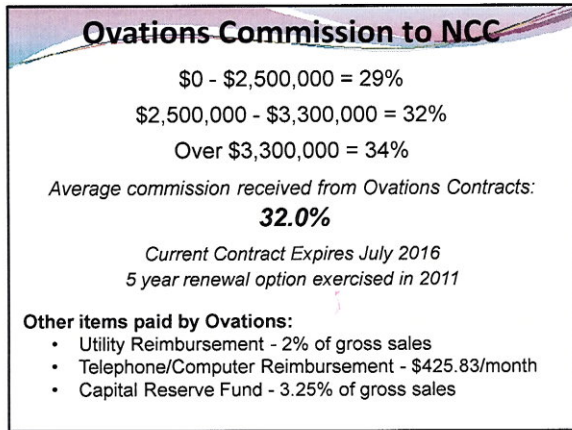
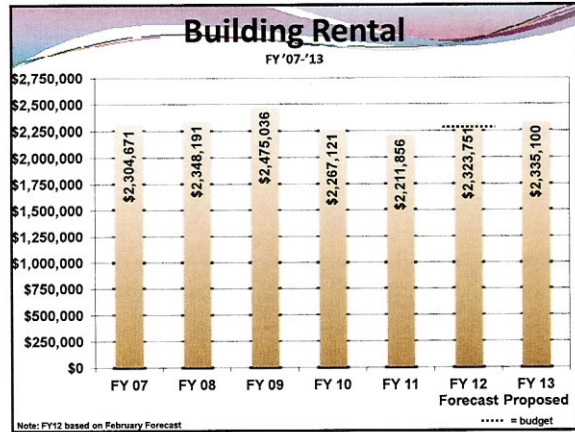
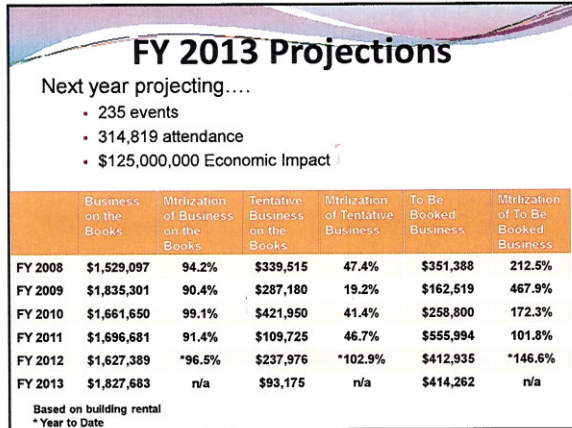
\*Note: Lump sum salary adjustments for FY '11 and FY '12 were capped at \$100,000

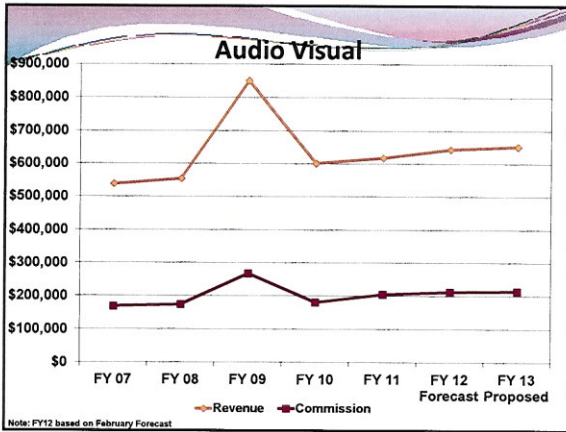


### FY 2013 Projections

How we project revenues...

- Historical baseline is December 1<sup>st</sup> snapshot each year
- **Business on the Books** includes:
  - Firm
  - Letter of Commitment
  - License Outstanding
  - License In
- **Tentatives:** Any tentative business that is active
- **To Be Booked:** Based on historical projections

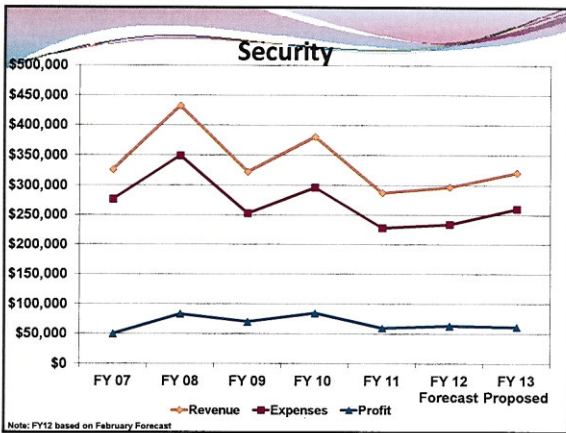




### Security

Per Hour	Revenue	Expense	Profit
Guard	\$18.00	\$13.85	\$4.15
Supervisor	\$21.00	\$18.54	\$2.46
Police	\$45.00	\$40.17	\$4.83

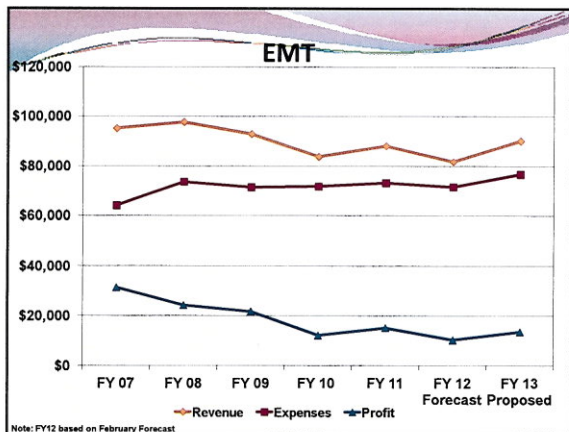
Average Profit is 23.8%  
(July 2009 - February 2012)



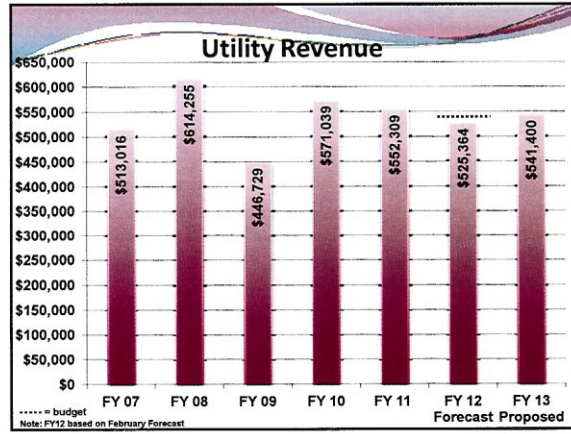
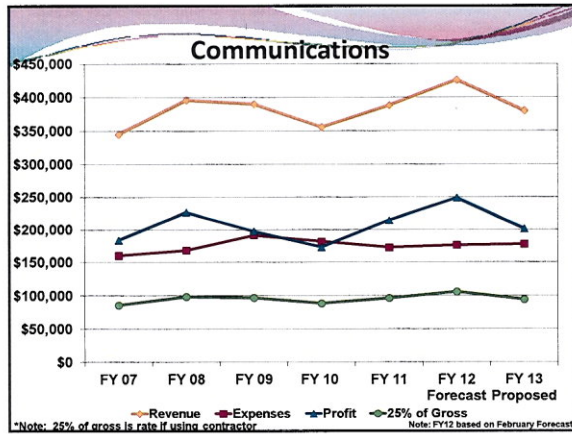
### EMT

Per Hour	Revenue	Expense	Profit
EMT	\$21.00	\$19.50	\$1.50

Average Profit is 16.4%  
(July 2009 - February 2012)



- ### Communications
- Contract was 25% of gross revenue
  - 2003 brought in-house
  - Average profit is 53.7%
  - Current staffing = 2 FTEs



### FY '12 YTD Revenue Variances

July - February

	YTD Budget	YTD Actual	Variance
Building Rental	1,608,500	1,620,567	12,067
F&B	768,400	813,508	45,108
Utility	342,500	386,141	43,641
Security	184,000	191,602	7,602
Communications	262,200	357,554	95,354
All Other	446,100	402,019	(44,081)
<b>Total Revenues</b>	<b>3,611,700</b>	<b>3,771,391</b>	<b>159,691</b>

### FY '12 Revenue Budget vs. Forecast

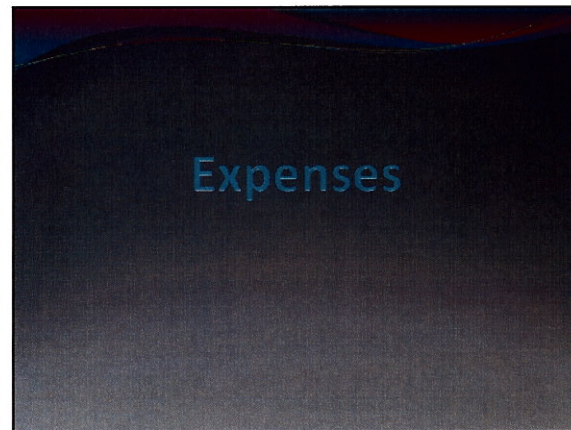
	Budget	Forecast	Variance
Building Rental	2,288,300	2,323,751	35,451
F&B	1,169,600	1,002,705	(166,895)
Utility	541,400	525,364	(16,036)
Security	320,700	296,631	(24,069)
Communications	378,700	424,442	45,742
All Other	672,600	608,438	(64,162)
<b>Total Revenues</b>	<b>5,371,300</b>	<b>5,181,331</b>	<b>(189,969)</b>

Note: Based on February Forecast

### FY '12 vs. FY '13 Revenue

	FY '12 Budget	FY '12 Forecast	FY '13 Budget	Variance
Building Rental	2,288,300	2,323,751	2,335,100	11,349
F&B	1,169,600	1,002,705	1,132,600	129,895
Utility	541,400	525,364	541,400	16,036
Security	320,700	296,631	320,700	24,069
Communications	378,700	424,442	378,700	(45,742)
All Other	672,600	608,438	651,800	43,362
<b>Total Revenues</b>	<b>5,371,300</b>	<b>5,181,331</b>	<b>5,360,300</b>	<b>178,969</b>

\* Variance is FY '13 Budget to FY '12 Forecast  
Note: FY '13 Budget is \$11,000 less than FY '12 Budget  
FY12 based on February Forecast



### FY 2013 Budget

Fixed Expenses							
	FY07	FY08	FY09	FY10	FY11	FY12 Forecast	FY13 Proposed
Personnel Services	\$2,673,769	\$2,905,853	\$2,883,104	\$2,865,985	\$2,889,860	\$2,894,433	\$3,269,100
Utilities	\$1,326,719	\$1,357,618	\$1,469,349	\$1,309,583	\$1,353,448	\$1,379,595	\$1,408,000
Security	\$276,240	\$349,313	\$252,382	\$296,180	\$227,837	\$233,628	\$259,800
EMT	\$63,974	\$73,643	\$71,430	\$71,772	\$73,206	\$71,616	\$76,800
Internal Service Fees	\$210,366	\$281,127	\$236,676	\$238,696	\$208,317	\$208,451	\$212,600
Insurance	\$75,429	\$88,599	\$92,079	\$97,200	\$100,900	\$112,160	\$120,700
Landscaping	\$18,900	\$18,900	\$19,152	\$19,918	\$20,907	\$18,900	\$19,200
Bldg Maint Contracts	\$81,463	\$79,783	\$86,931	\$90,222	\$93,238	\$95,380	\$92,568
<b>Total</b>	<b>\$4,726,860</b>	<b>\$5,154,836</b>	<b>\$5,111,003</b>	<b>\$4,989,456</b>	<b>\$4,967,713</b>	<b>\$5,014,153</b>	<b>\$5,458,768</b>
Total % of Expenses	78.6%	80.5%	84.9%	86.9%	89.8%	81.7%	87.5%

Fixed expenses include personnel services, utilities, internal service fees, insurance, and contracts (i.e.: security, EMT, landscaping, maintenance.)  
Note: FY12 based on February Forecast

### Utilities YTD FY 11 vs. FY 12

July - February

	2012 YTD Actual	2012 YTD Budget	2011 YTD Actual
Electric	\$406,471	\$375,300	\$395,075
Water	\$21,373	\$27,800	\$23,519
Gas	\$2,167	\$7,100	\$3,055
DES	\$524,351	\$561,800	\$535,331
Ovations Reimbursement	(\$46,768)	(\$43,500)	(\$37,074)
<b>Total Utilities</b>	<b>\$907,594</b>	<b>\$928,500</b>	<b>\$919,906</b>

### FY '12 YTD Expense Variances

July - February

	YTD Budget	YTD Actual	Variance
Personnel	2,030,278	1,815,870	(214,408)
Electric	331,800	359,703	27,903
DES	561,800	524,351	(37,449)
Temp Labor	125,766	118,503	(7,263)
Travel	47,400	27,101	(20,299)
Security	148,100	132,369	(15,731)
All Other	707,565	598,454	(109,111)
<b>Total Expenses</b>	<b>3,952,709</b>	<b>3,576,351</b>	<b>(376,358)</b>

### FY '12 Expenses Budget vs. Forecast

	Budget	Forecast	Variance
Personnel	3,117,600	2,894,433	(223,168)
Electric	505,900	534,814	28,914
DES	865,100	804,285	(60,815)
Temp Labor	197,500	187,125	(10,375)
Travel	65,500	57,535	(7,965)
Security	258,600	233,628	(24,972)
All Other	1,130,900	1,030,556	(100,343)
<b>Total Expenses</b>	<b>6,141,100</b>	<b>5,742,376</b>	<b>(398,724)</b>

Note: Based on February Forecast

### FY '12 vs. '13 Expenses

	FY '12 Budget	FY '12 Forecast	FY '13 Budget	Variance
Personnel	3,117,600	2,894,433	3,269,100	374,667
Electric	505,900	534,814	538,200	3,386
DES	865,100	804,285	828,018	23,733
Internal Svcs	231,600	208,451	212,600	4,149
Temp Labor	197,500	187,125	189,500	2,375
Travel	65,500	57,535	65,800	8,265
Security	258,600	233,628	259,800	26,172
All Other	899,300	822,105	872,082	49,977
<b>Total</b>	<b>6,141,100</b>	<b>5,742,376</b>	<b>6,235,100</b>	<b>492,724</b>

\* Variance is FY '13 Budget to FY '12 Forecast  
Note: FY '13 Budget is \$94,000 more than FY '12 Budget  
FY12 based on February Forecast

March 29, 2012

## Convention Center Authority

Finance & Audit Committee

