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 May 19, 2010 at 8:06 a.m., in Room 110-111 at the Nashville Convention Center, Nashville, Tennessee.

FINANCE COMMITTEE MEMBERS PRESENT: Mark Arnold, Darrell Drumwright, and Willie McDonald

FINANCE COMMITTEE MEMBERS NOT PRESENT: Ken Levitan

OTHERS PRESENT: Charles Starks, Larry Atema, Charles Robert Bone, Rich Riebeling, Kim McDoniel, Tom Eddlemon, Lannie Holland, Fadi Bousamra, and Barbara Solari

The meeting was opened for business by Chairman Mark Arnold.

Metro Finance Department staff were asked to share their roles and work for the Convention Center Authority and discuss the questions compiled from the Finance & Audit Committee (Attachment #1). Lannie Holland, Tom Eddlemon, Fadi Bousamra, and Kim McDoniel each shared information regarding their areas and roles. (Attachment #2, #3, and #4) Larry Atema discussed the process used for payment of invoices. There was discussion among the committee and Finance Department staff. Mr. Atema also talked about the Audit RFP. There was discussion about having the Audit decision for approval by the full board at the June 24th meeting.

With no additional business a motion was made to adjourn, with no objection the CCA Finance & Audit Committee adjourned at 9:15 a.m.

Respectfully submitted,

Charles L. Starks
Executive Director
Nashville Convention Center

Approved:

Mark Arnold, Chairman
Finance & Audit Committee
Of May 19, 2010

From: C. Mark Arnold [mailto:marnold@graylinetn.com]
Sent: Tuesday, May 18, 2010 2:14 PM
To: Riebeling, Richard (Finance - Director's Office)
Cc: Ken Levitan; Darrell Drumwright; William McDonald; Marty Dickens
Subject: Finance & Audit Questions

Rich,

As promised, I am forwarding questions and topics committee members would like to have addressed and/or explore during our meeting:

Depository Institution

1) Describe the process for selection of the Authorities depository institution.
    a. Was an RFP issued?
    b. What screening and selection criterion were used?
    c. Provide summary of the terms of the arrangement with selected depository institution (term, fees, all pertinent terms and conditions).
2) Treasury Policies
    a. Describe the policies governing disbursement and management of the CCA account.
    b. Describe risk management policies (disaster recovery plan, safeguarding operating account balances). What plans are in place to protect against the failure of the depository institution?
    c. Describe any other policies governing control and access to the CCA accounts.
3) Account structure
    a. Describe the structure of CCA accounts.
4) Account Audit & Review
    a. Discussion plan for monthly account reconciliations. Who receives the monthly statement?
    b. Describe operational structure as it relates to segregation of duties and controls.
    c. Discuss safeguards to prevent remittance for payments that represent deviations from budgets or previously approved amounts.
    d. Discuss plan for regular account tracking and reporting of collections and disbursements.
5) Miscellaneous
    a. Describe, in summary, all treasury services being provided by the depository institution

We look forward to an information discussion and will probably have a few other questions.

CONVENTION CENTER AUTHORITY 2010 BONDS
SOURCES AND USES TABLE

Sources	A-1 Bonds	A-2 Bonds	B Bonds	Total Bonds	Notes
Par amount of bonds	51,730,000.00	152,395,000.00	419,090,000.00	623,215,000.00	
Net original issue premium	1,301,328.80			1,301,328.80	
Total Sources	**53,031,328.80**	**152,395,000.00**	**419,090,000.00**	**624,516,328.80**	
Uses					
Deposits to DSRFs	**3,478,925.35**	**9,901,556.75**	**26,659,716.94**	**40,040,199.04**	Wire to Trustee
Cost of Issuance					
Underwriter's discount	326,029.53	1,537,892.05	3,692,261.93	5,556,183.51	Goldman Retained
Bond Counsel	63,686.88	183,015.63	503,297.49	750,000.00	
Financial Advisor (FSW & HVS)	44,920.48	129,087.03	354,992.49	529,000.00	
Issuer Counsel	7,217.85	20,741.77	57,040.38	85,000.00	
Printing	424.58	1,220.10	3,355.32	5,000.00	
Rating agencies	26,824.91	77,086.17	211,988.92	315,900.00	
Miscellaneous	849.16	2,440.21	6,710.63	10,000.00	
Total COI Paid by Metro	143,923.86	413,590.91	1,137,385.23	1,694,900.00	Wire to Metro
Trustee and Trustee's Counsel	4,075.96	11,713.00	32,211.04	48,000.00	Wire to Trustee
Total Cost of Issuance	**474,029.35**	**1,963,195.96**	**4,861,858.20**	**7,299,083.51**	
Capitalized Interest	**92,864.56**	**266,862.92**	**21,928,140.03**	**22,287,867.51**	Wire to Trustee
Total Project Fund	**48,985,509.54**	**140,263,384.37**	**365,640,284.83**	**554,889,178.74**	Wire to Metro
Repayment of MDHA Loan		12,350,203.00	33,963,364.00	46,313,567.00	Metro to 1st TN
Net to Project Fund	48,985,509.54	127,913,181.37	331,676,920.83	508,575,611.74	Net of 1st TN Wire
TOTAL USES	**53,031,328.80**	**152,395,000.00**	**419,090,000.00**	**624,516,328.80**	

Appraisal Report

MCCA Account

05/14/10

Description	Rate	Maturity	Cusip	Quantity (Units)	Cost	Market Price	Total Cost	Total Market
Money Market	0.210			13,019,100	1.00	1.00	$13,019,100.00	$13,019,100.00
FIRST TN CD	0.800	4/15/2011	78347844	20,000,000	100.00	100.00	$20,000,000.00	$20,000,000.00
FNMA DN	0.000	12/15/2010	313397T3	13,537,000	99.80	99.81	$13,509,373.24	$13,511,279.70
FNMA	0.000	1/14/2011	313396AP	19,198,000	99.77	99.77	$19,153,860.60	$19,153,844.60
FHLMC DN	0.000	2/15/2011	313396BX	19,559,000	99.71	99.70	$19,502,143.07	$19,500,323.00
FHLMC DN	0.000	3/15/2011	313396DB	19,419,000	99.65	99.61	$19,350,208.19	$19,343,265.90
FNMA	6.000	5/15/2011	31359MJH	17,948,000	105.81	105.63	$18,991,227.50	$18,957,575.00
FHLMC	6.000	6/15/2011	3134A4FM	5,989,000	106.22	106.03	$6,361,440.94	$6,350,211.56
FNMA	4.680	6/15/2011	31359MZF	13,322,000	104.72	104.38	$13,950,631.88	$13,904,837.50
FHLMC	0.000	7/15/2011	3134G1BT	19,198,000	99.34	98.63	$19,071,869.14	$18,935,601.74
FNMA	3.625	8/15/2011	31398ATL	19,559,000	103.89	103.69	$20,319,968.32	$20,280,238.13
FHLMC	5.500	9/15/2011	3134A4HF	19,419,000	106.64	106.38	$20,708,543.94	$20,656,961.25
FHLMC	0.000	10/1/2011	3128X2SE	1,390,000	98.76	98.10	$1,372,708.40	$1,363,581.66
FNMA	5.000	10/15/2011	31359MZ3	18,051,000	106.22	106.00	$19,173,546.56	$19,134,060.00
FNMA	5.375	11/15/2011	31359MLS	19,205,000	107.05	106.84	$20,558,353.30	$20,519,342.19
FHLMC	1.125	12/15/2011	3137EACF	19,802,000	100.41	100.28	$19,882,445.63	$19,857,693.13
FHLMC	5.750	1/15/2012	3134A4JT	19,198,000	108.22	107.84	$20,775,835.63	$20,703,843.13
FHLMC	0.000	2/15/2012	3134G1BU	19,913,000	98.30	96.98	$19,573,483.35	$19,311,408.36
FNMA PRIN STP	0.000	3/15/2012	31358DEP	3,718,000	97.88	96.98	$3,639,327.12	$3,605,604.86
FNMA	1.500	3/15/2012	31398AXU	6,236,000	100.83	100.81	$6,287,642.19	$6,286,667.50
FHLMC CPN STP	0.000	3/27/2012	3137E2QJ	363,000	97.81	97.73	$355,050.30	$354,767.16
FHLMB	2.250	4/13/2012	3133XTAW	9,530,000	102.28	102.19	$9,747,403.13	$9,738,468.75
FHLB	5.750	5/15/2012	3133MNVV	9,720,000	109.38	109.22	$10,631,250.00	$10,616,062.50
FREDDIE MAC	1.750	6/15/2012	3137EACC	9,913,000	101.16	101.00	$10,027,619.06	$10,012,130.00
FHLB	1.250	7/6/2012	3133XTZ4	1,000,000	100.08	100.08	$1,000,804.35	$1,000,804.35
FHLMC	5.125	7/15/2012	3134A4QD	9,750,000	108.55	108.50	$10,583,320.31	$10,578,750.00
FNMA	1.500	7/16/2012	31398AM8	10,000,000	99.98	99.98	$9,998,100.00	$9,998,100.00
FNMA	1.750	8/10/2012	31398AYM	9,913,000	101.02	100.97	$10,013,679.40	$10,009,032.19
FHLB	0.750	8/24/2012	3133XWUR	1,500,000	100.00	100.00	$1,500,000.00	$1,500,000.00
FNMA	1.400	11/26/2012	3136FMUG	10,000,000	100.00	100.00	$10,000,000.00	$10,000,000.00
					Market value		$389,058,935.55	$388,203,554.16
						Accrued Interest:		$1,796,446.00
								$390,000,000.16

Attachment #3
CCA Finance & Audit
Committee Meeting – 5/19/10

Cash Flow Calendar

Portfolio: MCCA
Pricing Date: 05/13/10
Representative:

Beginning Date: 05/13/2010
Cut-Off Date: 08/24/2012

	-------- TSY/AGY/CORP/OTHER (000) --------						MBS/CMO/ABS/CMBS (000)			|-------------- (000) --------------|	
Date	Coupon	Maturity	Calls	Puts	Sinks	Interest	Principal	Prepay	Total Income	Total Principal	Total Cashflow
06/13/10	1,342	13,602	0	0	0	0	0	0	1,342	13,602	14,944
07/13/10	729	0	1,000	0	0	0	0	0	729	1,000	1,729
08/13/10	926	0	10,000	0	0	0	0	0	926	10,000	10,926
09/13/10	360	0	1,500	0	0	0	0	0	360	1,500	1,860
10/13/10	688	0	0	0	0	0	0	0	688	0	688
11/13/10	1,851	0	10,000	0	0	0	0	0	1,851	10,000	11,851
12/13/10	1,334	0	0	0	0	0	0	0	1,334	0	1,334
01/13/11	690	13,537	0	0	0	0	0	0	690	13,537	14,227
02/13/11	889	19,198	0	0	0	0	0	0	889	19,198	20,087
03/13/11	355	19,559	0	0	0	0	0	0	355	19,559	19,914
04/13/11	1,288	39,419	0	0	0	0	0	0	1,288	39,419	40,707
05/13/11	451	0	0	0	0	0	0	0	451	0	451
06/13/11	1,334	17,948	0	0	0	0	0	0	1,334	17,948	19,282
07/13/11	690	19,311	0	0	0	0	0	0	690	19,311	20,001
08/13/11	889	19,198	0	0	0	0	0	0	889	19,198	20,087
09/13/11	355	19,559	0	0	0	0	0	0	355	19,559	19,914
10/13/11	688	20,809	0	0	0	0	0	0	688	20,809	21,497
11/13/11	451	18,051	0	0	0	0	0	0	451	18,051	18,502
12/13/11	796	19,205	0	0	0	0	0	0	796	19,205	20,001
01/13/12	198	19,802	0	0	0	0	0	0	198	19,802	20,000
02/13/12	889	19,198	0	0	0	0	0	0	889	19,198	20,087
03/13/12	0	19,913	0	0	0	0	0	0	0	19,913	19,913
04/13/12	154	19,484	0	0	0	0	0	0	154	19,484	19,638
05/13/12	0	0	0	0	0	0	0	0		0	0
06/13/12	279	9,720	0	0	0	0	0	0	279	9,720	9,999
07/13/12	87	9,913	0	0	0	0	0	0	87	9,913	10,000
08/13/12	337	19,663	0	0	0	0	0	0	337	19,663	20,000
08/24/12	0	0	0	0	0	0	0	0	0	0	0
	18,050	357,089	22,500	0	0	0	0	0	18,050	379,589	397,639

Cash:		
NOW account		$103.0
MIP		$7.0
	Cash:	$110.0
Total		$500.0

Source: BondEdge - 5/18/2010