

**MINUTES OF THE
MARKETING & OPERATIONS COMMITTEE MEETING OF THE
CONVENTION CENTER AUTHORITY OF THE
METROPOLITAN GOVERNMENT OF NASHVILLE &
DAVIDSON COUNTY**

The Marketing & Operations Committee Meeting of the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County (CCA) was held on September 27, 2019 at 2:00 p.m. in the Administrative Conference Room of the Administrative Offices at the Music City Center, Nashville, Tennessee.

MARKETING & OPERATIONS COMMITTEE MEMBERS PRESENT: Irwin Fisher, Randy Rayburn, and Renata Soto

MARKETING & OPERATIONS COMMITTEE MEMBERS NOT PRESENT: Willie McDonald and Leigh Walton

OTHERS PRESENT: Charles Starks, Brian Ivey, Erin Hampton, Renuka Christoph and Donna Gray

The meeting was opened for business at 2:37 p.m. by Chair Irwin Fisher who stated there was a quorum present.

ACTION: Randy Rayburn made a motion to approve the Marketing & Operations Committee minutes of September 27, 2018. The motion was seconded by Renata Soto and approved unanimously by the committee.

Charles Starks and Brian Ivey presented the FY 2020 Sales Goals and Incentive Plan (Attachment #1). There was discussion.

ACTION: Renata Soto made a motion to approve the FY 2020 Sales Goals. The motion was seconded by Randy Rayburn and approved unanimously by the committee.

ACTION: Randy Rayburn made a motion to approve the FY 2020 Sales Incentive Plan. The motion was seconded by Renata Soto and approved unanimously by the committee.

Charles Starks and Erin Hampton presented the Team Member Survey and YTD Customer Survey results (Attachment #1). There was discussion.

Charles Starks and Erin Hampton provided information on the Safe Harbor Provision 401K Plan (Attachment #1). There was discussion.

ACTION: Renata Soto made a motion recommending approval by the Authority's Board of the 401K Safe Harbor Provisions and implementation. The motion was seconded by Randy Rayburn and approved unanimously by the committee.

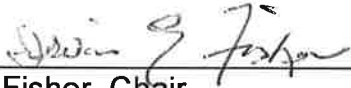
With no additional business a motion was made to adjourn and with no objection the Marketing & Operations Committee of the CCA adjourned at 3:23 p.m.

Respectfully submitted,



Charles L. Starks
President & CEO
Convention Center Authority

Approved:



Irwin Fisher, Chair
CCA Marketing & Operations Committee
Meeting Minutes of September 27, 2019

**MARKETING AND OPERATIONS
 COMMITTEE
 SEPTEMBER 27, 2019**



APPEAL OF DECISIONS

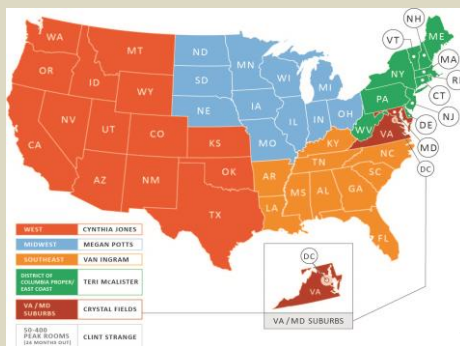
Appeal of Decisions from the Convention Center Authority— Pursuant to the provisions of § 2.68.030 of the Metropolitan Code of Laws, please take notice that decisions of the Convention Center Authority may be appealed if and to the extent applicable to the Chancery Court of Davidson County for review 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.



**FY 2020 SALES GOALS
 AND
 INCENTIVE PLAN**



Sales Map by Region



Methodology

- FY '20 Goals are based on the 2 year average of Actual Sales from FY '18 & '19.
- Actual Sales are comprised of Building Rent and F&B revenues, broken down by individuals and the team as a whole.
- FY '20 goals reflect the expected trend based on current booking pace for the next five years.



**Opportunities
 FY '20**

- **Increasing Hotel Room Inventory** The addition of 6,000 hotel rooms into inventory in Nashville has leveled off hotel room rates.
- **Appeal of the City** Nashville, as a brand, continues to appeal to meeting and event planners as a destination on a global scale.
- **Increased Air Service** As Nashville continues to grow, our air lift into the city continues to improve. The addition of international air service into the city continues to promote Nashville as an international destination.
- **Increasing Corporate Visibility** As Nashville continues to attract corporate relocations, or new corporate brands move into the middle Tennessee region, the Music City Center is in a position to provide services to those organizations that are moving into Nashville.

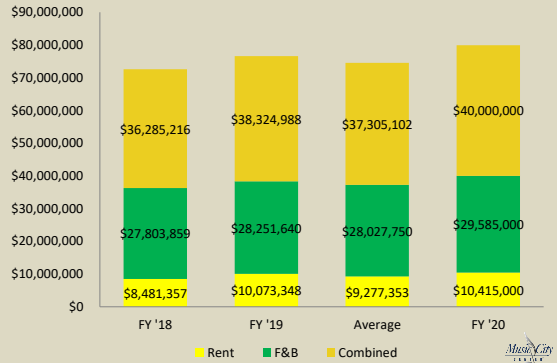


Challenges FY '20

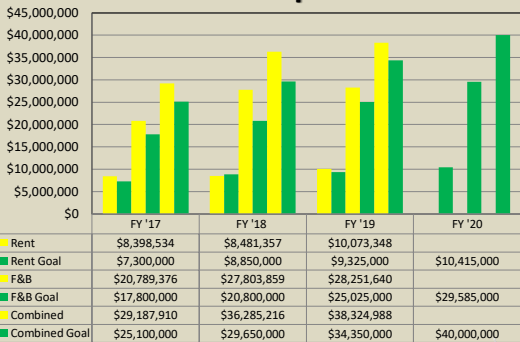
- **Limited Hotel Room Blocks** Limited or reduced hotel room blocks throughout the city for MCC customers pose a challenge as we book meetings and conventions into the future.
- **Pattern Shifts Required by Hotels** Pattern shifts required by hotels are meeting with resistance from meeting and event planners.
- **Legislation** Any legislation that would make Nashville less competitive and threatens Nashville's image globally in the meeting and convention industry is a concern.
- **New Hotels** New hotels entering the market with new meeting and ballroom space to challenge the MCC for small meetings, social and local events.



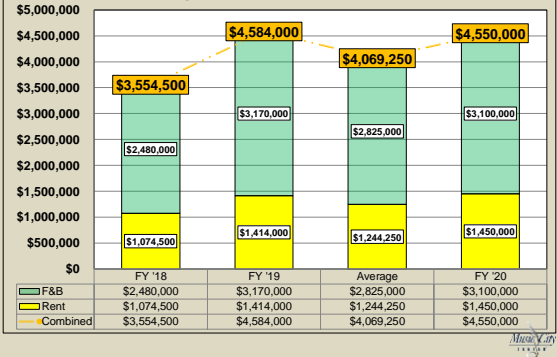
MCC FY Comparison



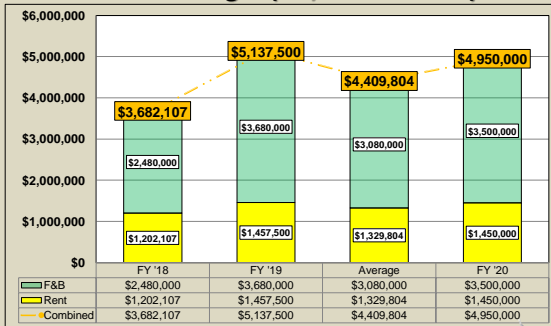
MCC FY Comparison



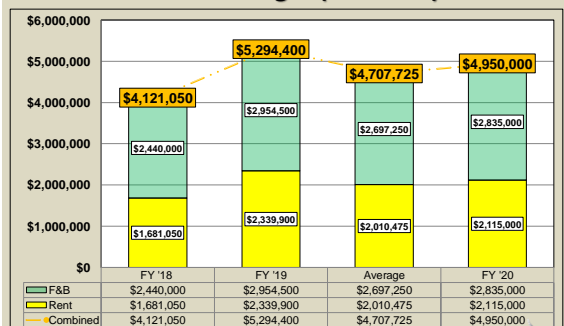
Teri McAlister Director of Sales (District of Columbia and East Coast)



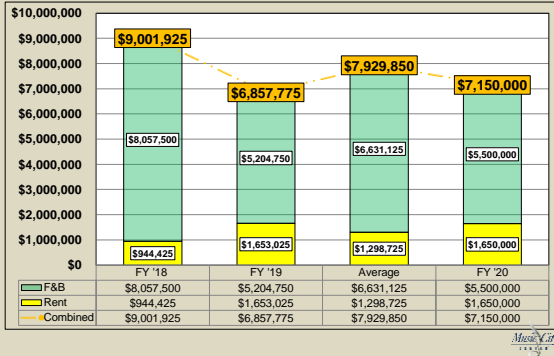
Crystal Fields Sales Manager (VA/MD Suburbs)



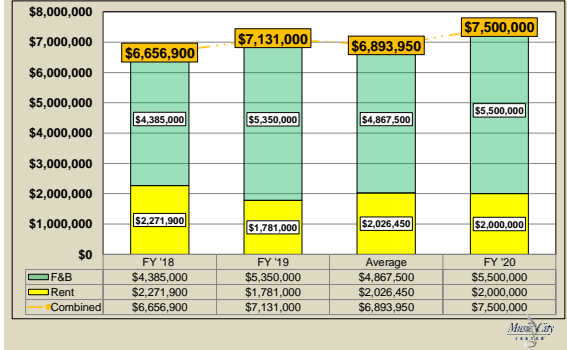
Megan Potts Sales Manager (Midwest)



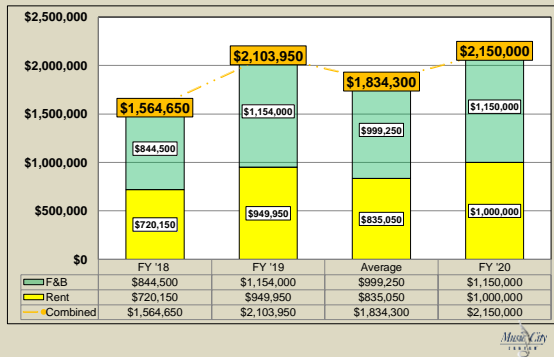
**Van Ingram
 Sales Manager (Southeast)**



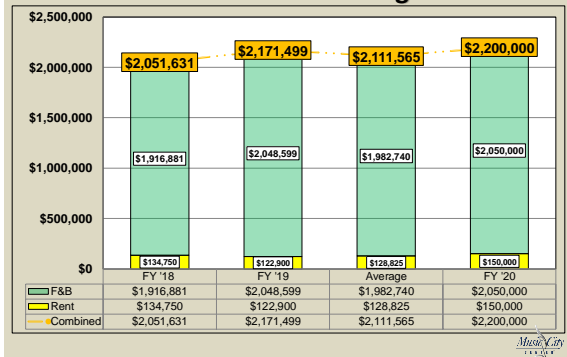
**Cynthia Jones
 Sales Manager (West)**



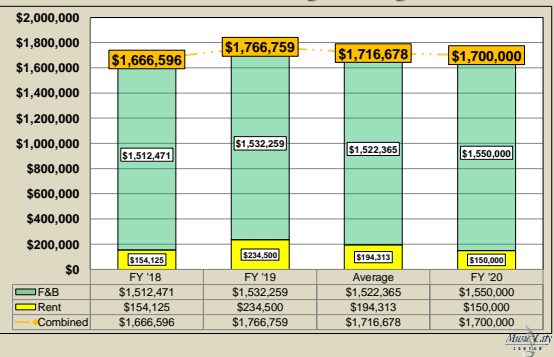
**Clint Strange (Short Term)
 Sales Manager (50-400 Rooms / 24 months out)**



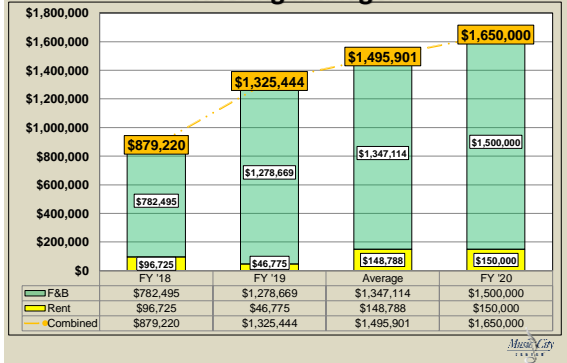
**Renaë Droege
 Director of Catering**



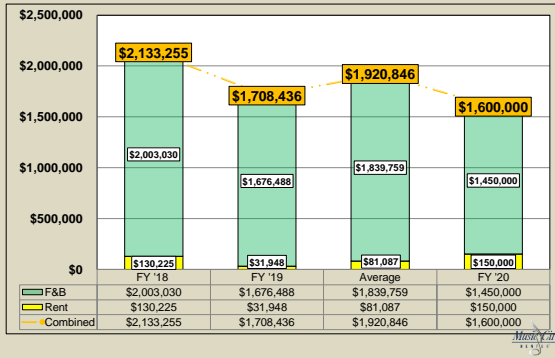
**Jenny Brewer
 Senior Catering Manager**



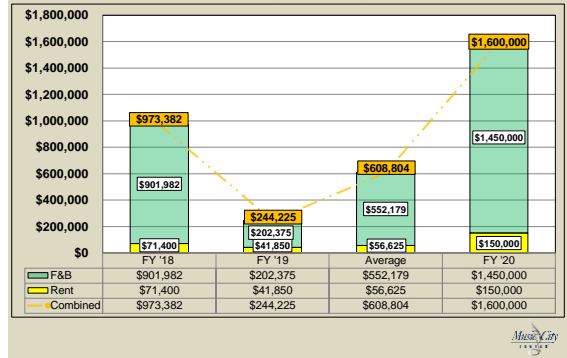
**Eileen Adams
 Catering Manager**



Sherrica Proctor Catering Manager



Heather Snover Catering Manager



FY '20 Goals by Sales Manager



Music City Center FY '20 Sales Department Incentive Plan

The incentive plan is based on a percentage of the sales manager's base salary. The scale by which the bonus plan is based coincides with the departmental goals of the sales department.

To activate the plan:

- The team and individual sales manager must achieve 90% of the MCC Rental and F&B combined goal for the incentive plan to be activated.
- Additions or deductions in building rental for previously contracted events will be added to or deducted from respective sales manager and team totals. Should the originally contracted F&B amounts not materialize those amounts will be deducted from the sales manager and team totals.
- Sales manager must be actively employed, in good standing, and been employed for a minimum of six (6) months by the end of the fiscal year when incentive is paid.

Music City Center FY '20 Sales Department Incentive Plan

- Once the plan is activated sales managers will be paid the following percentage of their base salary based on percentage of each goal obtained on the following chart:

% of Goal Achieved	MCC Rental	MCC F&B
90 - 94.9%	1%	1%
95 - 99.9%	2%	2%
100 - 104.9%	4%	4%
105 - 109.9%	6%	6%
110 - 119.9%	8%	8%
120% +	10%	10%

TEAM MEMBER SURVEY RESULTS 2019

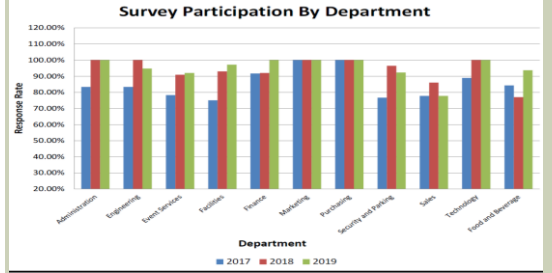
TEAM MEMBER SURVEY RESULTS

Completion Totals:

- Music City Center (minus Food & Beverage)** - 150 team members completed out of a total of 160 team members - 93.75% response rate. 2018 response rate was 94.48%.
- Food & Beverage** - 74 team members completed out of a total of 78 team members - 94.78% response rate. 2018 response rate was 76.71%.
- Music City Center (Including Food & Beverage)** - 224 team members completed out of a total of 238 team members - 94.12% response rate. 2018 response rate was 88.53%.



PARTICIPATION BY DEPARTMENT

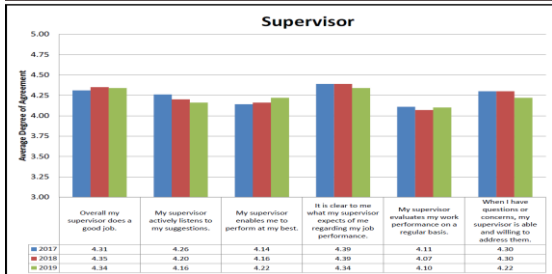


TEAM MEMBER SURVEY RESULTS

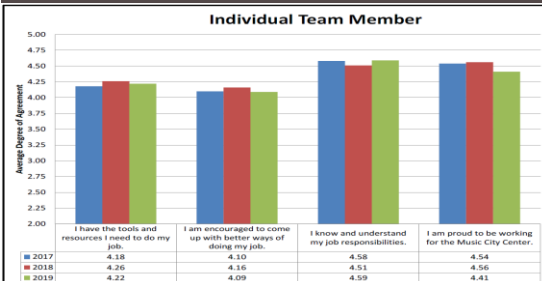
Year Over Year Comparison Graphs by Category



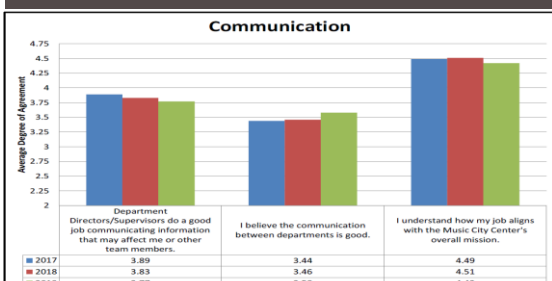
SURVEY RESULTS

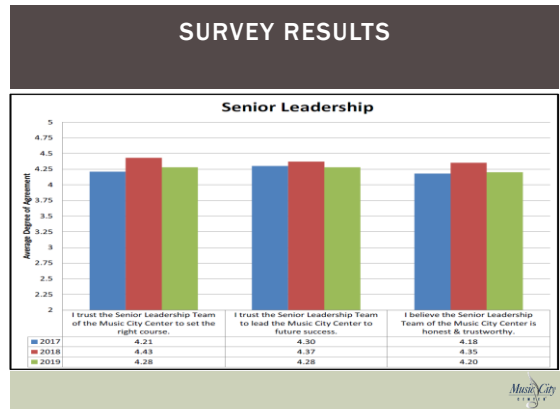
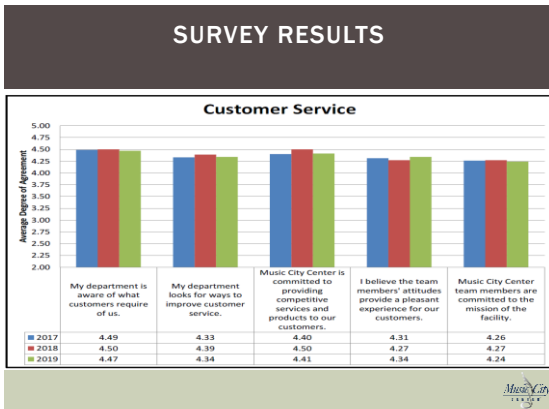


SURVEY RESULTS



SURVEY RESULTS

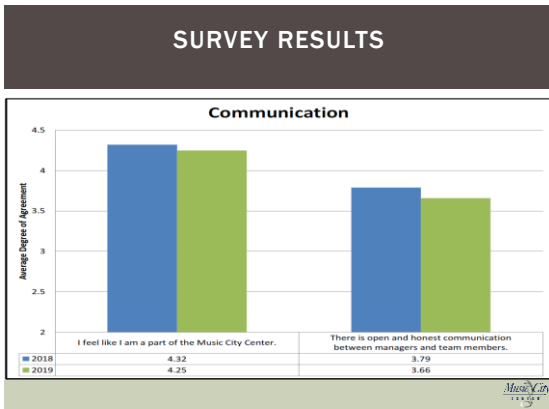
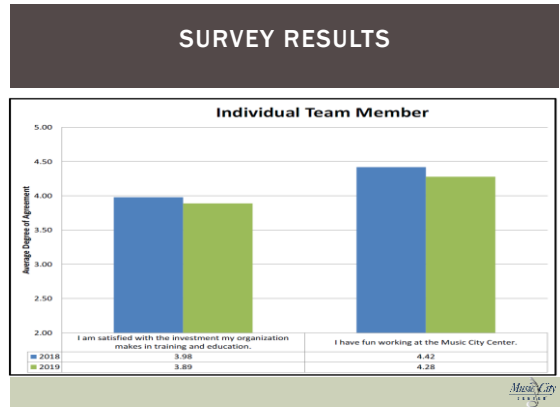




TEAM MEMBER SURVEY RESULTS

New Questions

Music City
11.15.17



TEAM MEMBER SURVEY RESULTS

Top & Bottom Five Questions

Music City
11.15.17

TEAM MEMBER SURVEY RESULTS

MCC
Top Five and Bottom Five 2019

Top 5 Questions	Bottom 5 Questions
4.59 I know and understand my job responsibilities.	3.58 I believe the communication between departments is good.
4.47 My department is aware of what customers require of us.	3.66 There is open and honest communication between managers and team members.
4.42 I understand how my job aligns with the Music City Center's overall mission.	3.89 Department Directors/Supervisors do a good job communicating information that may affect me or other team members.
4.41 I am proud to be working for the Music City Center.	3.89 I am satisfied with the investment my organization makes in training and education.
4.41 Music City Center is committed to providing competitive services and products to our customers.	4.09 I am encouraged to come up with better ways of doing my job.

YTD CUSTOMER SURVEY RESULTS

CUSTOMER SURVEYS

August 2019 Year to Date

- 69 out of 127 surveys returned (54.33% response rate)
- Would you recommend the Music City Center?
 - Yes - 69 (100%)
 - No - 0 (0%)
- Overall Score: 12.36 = A (based on a scale of 1-13)

CUSTOMER SURVEYS

August 2019 Year to Date

Top Scores

- 4.78 - Event Manager
- 4.65 - Guest Services Staff
- 4.63 - Service Representatives
- 4.62 - Sales Experience
- 4.59 - Overall Pre Planning

Bottom Scores

- 4.15 - Quality of Food & Beverage Service
- 4.08 - Quality of Retail Carts- Food
- 4.02 - Quality of Banquet Food
- 3.79 - Dunkin Donuts
- 3.72 - Parking

Safe Harbor Provision for 401(K) Plan

Convention Center Authority

MUSIC CITY CENTER

Safe Harbor 401(k) Conversion

WHAT IS SAFE HARBOR 401(K) PLAN?

Safe Harbor 401(k) plan highlights:

- Lets team members retain all of their 401(k) match dollars, regardless of length of employment
- Allows all team members to contribute up to the maximum amount allowed under IRS rules.
- Is exempt from certain IRS yearly tests

**Within next four years (by 2022) will have eight (8) of our team members that would potentially have their 401(k) contributions limited due to our non-Safe Harbor status.*



CURRENT 401(K) PLAN VS SAFE HARBOR 401(K) PLAN

Current 401(k) Plan		Safe Harbor 401(k) Plan	
Vesting	Full vesting after five (5) years of service	Vesting	100% vesting regardless of years of services
Matching Contribution	100% of 1 st 3% deferral, 50% of next 2% deferral	Matching Contribution	100% of 1 st 3% deferral, 50% of next 2% deferral
Annual Testing (ADP/ACP, Top Heavy)	Required by IRS	Annual Testing (ADP/ACP, Top Heavy)	Exempt by IRS

FINANCIAL IMPACT

Currently, if a team member separates within the first five years of employment, the unvested portion of the match contributed by the Music City Center rolls into a forfeiture account.

*Approximately \$30k per year is rolled into forfeitures.

This forfeiture account is used to fund:

- Administrative Fees - approximately \$10k per year
- Match Contributions in the next year – approximately \$20k per year

Under the Safe Harbor plan, team members are fully vested when they enter the plan and therefore will not forfeit any match contributed by the Music City Center.

SETTING UP A SAFE HARBOR 401(K) PLAN

- Seek Board approval to implement the Safe Harbor 401(k) conversion
- Must be done at the beginning of a plan year (January 2020)
- 30 day notice of change to existing team members prior to the beginning of the plan year.
- Notice provided to all newly eligible team members.



MARKETING AND OPERATIONS COMMITTEE SEPTEMBER 27, 2019

