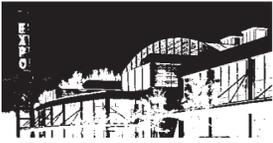

MERC Commission Meeting

April 3, 2013
12:30 pm

Oregon Convention Center
777 NE Martin Luther King Jr.
Blvd, Room A107/108



600 NE Grand Ave.
Portland, OR 97232
503-797-1780

www.oregonmetro.gov



Metro | *Exposition Recreation Commission*

Agenda

Meeting: Metro Exposition Recreation Commission Meeting
Date: Wednesday, April 3, 2013
Time: 12:30 – 2:30 pm
Place: Oregon Convention Center, A107/A108

CALL TO ORDER

- | | | | |
|--------------|------------|---|--|
| 12:30 | 1. | QUORUM CONFIRMED | |
| 12:35 | 2. | COMMISSIONER, COUNCIL LIAISON COMMUNICATIONS | |
| 12:50 | 3. | OPPORTUNITY FOR PUBLIC COMMENT ON NON-AGENDA ITEMS | |
| 12:55 | 4. | AFFORDABLE CARE ACT UPDATE | Mary Rowe |
| 1:15 | 5. | GENERAL MANAGER COMMUNICATIONS | Teri Dresler |
| | 5.1 | Financial Report | |
| 1:30 | 6. | MERC VENUES' BUSINESS REPORTS | Scott Cruickshank
Robyn Williams
Matthew P. Rotchford |
| 1:45 | 7. | CONSENT AGENDA
March 6, 2013 MERC Regular Meeting Record of Actions | |
| 1:50 | 8. | ACTION AGENDA | |
| | 8.1 | For The Purpose of Approving Facility Rental Rates for Fiscal Year 2015-16 at the Portland Expo Center (Expo). | Matthew P. Rotchford |

ADJOURN

MERC Commission Meeting

April 3, 2013
12:30 pm

5.1 Financial Report

FEBRUARY 2013

FINANCIAL INFORMATION

For Management Purposes only



**PORTLAND CENTER FOR
THE PERFORMING ARTS**

 A SERVICE OF METRO



OREGON CONVENTION CENTER

 A SERVICE OF METRO

PORTLAND
expo
CENTER

merc
THE

**METROPOLITAN EXPOSITION
RECREATION COMMISSION**

 A SERVICE OF METRO

Date: February 27, 2013

To:

Commissioner Chris Erickson, Chair
Commissioner Judie Hammerstad, Vice Chair
Commissioner Terry Goldman, Secretary/Treasurer
Commissioner Ray Leary
Commissioner Cynthia Haruyama
Commissioner Elisa Dozono
Commissioner Karis Stoudamire-Phillips

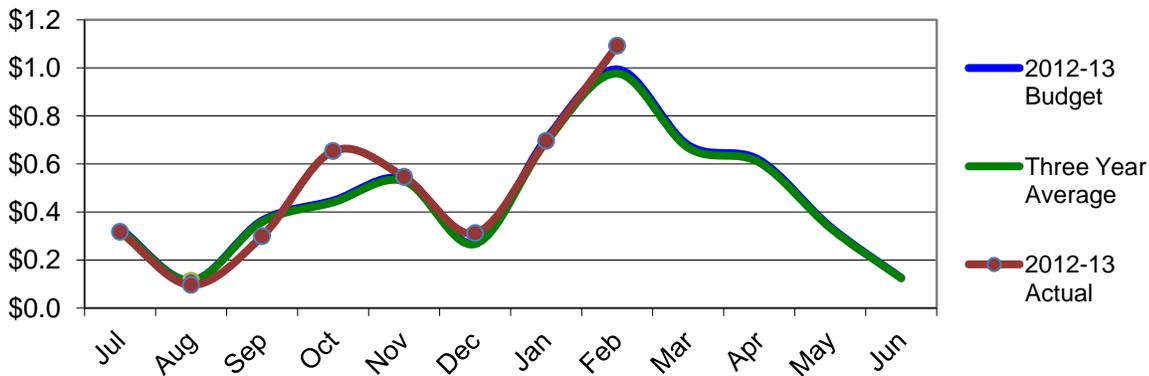
From: Cynthia Hill – Finance Manager

Re: MERC Financial Information February 2013

Enclosed please find the monthly financial report for the Metropolitan Exposition Recreation Commission reflecting revenues and expenditures as of February 2013.

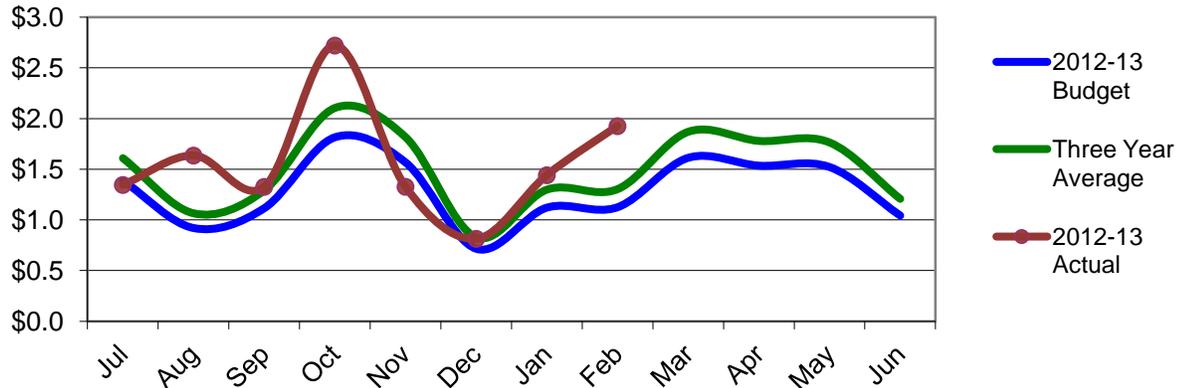
Expo- Operating Revenues by Month

shown in millions

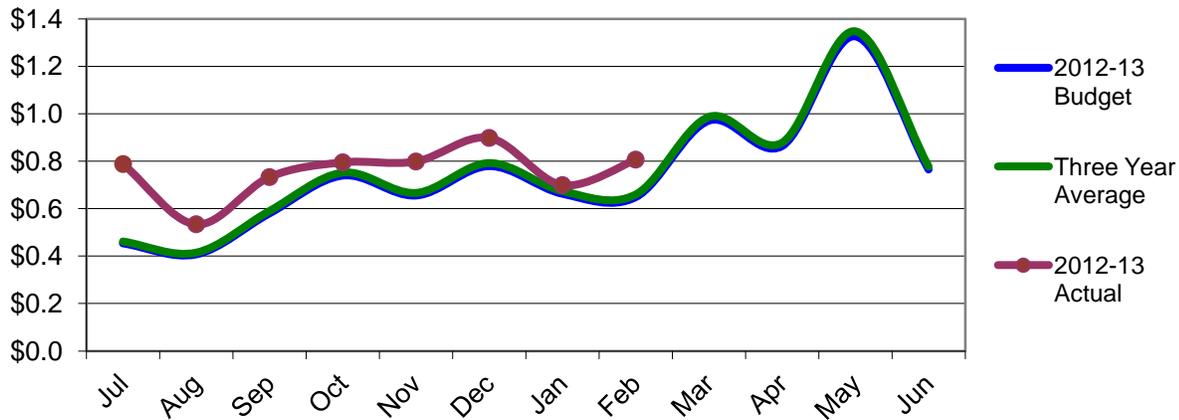


OCC- Operating Revenues by Month

shown in millions



PCPA Operating Revenues by Month
shown in millions



MERC operating revenues are \$22.6 million year to date compared to \$21.7 million in the prior year, an increase of \$887 thousand. Operating revenue at all three venues is greater than prior year and all three venues had a strong February.

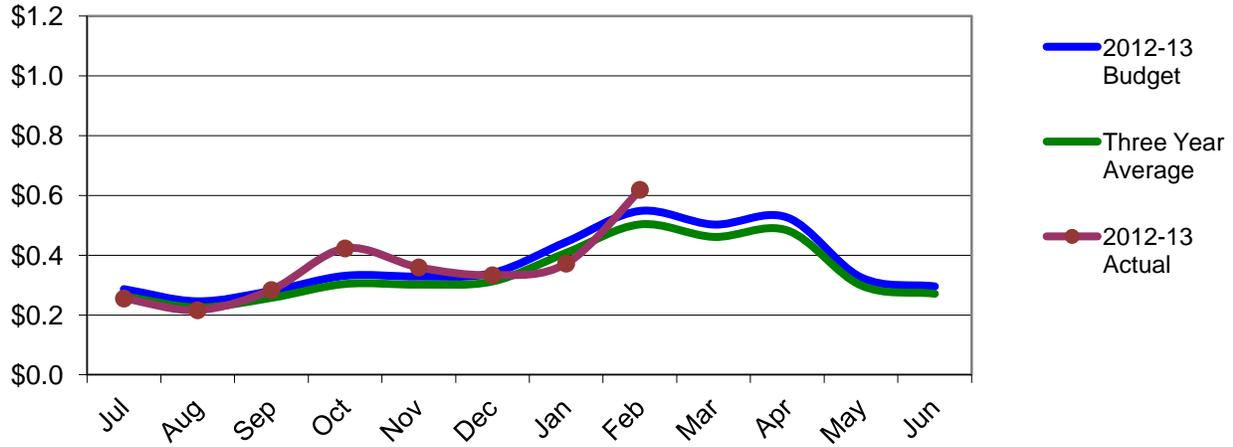
Expo Center operating revenue for the month of February was \$1.1 million; this is the first million dollar month for the Expo Center! Expo’s top grossing events in the month of February were the Pacific Northwest Sportsman’s Show which continues to have outstanding performance (\$562 thousand), as well as the Portland Home and Garden Show (\$255 thousand). February added two new events in the month of February not included in the original budget forecast, Kaiser Permanente Training and the “Worst Day” of the Year Run generating nearly \$100 thousand in combined gross revenue - mostly in catering. Event revenues are greater even though attendance is slightly less signaling more overall spending by attendees. Targeted concessions price increases provided a positive overall contribution to the month.

The top grossing events at OCC included the NAFME Northwest Division Music Educators Conference (\$370 thousand); the Bible Study Fellowship – Western Region Leaders Retreat (\$362 thousand); the Yard, Garden and Patio Show (\$193 thousand) and a new show not included in the original budget, Wizard World-Portland Comic Com (\$125 thousand). OCC has booked five additional conventions since the budget was adopted and shows like Comic Com had more attendees than expected. Audio Visual revenue is close to meeting the annual budget projection of \$1.3 million as of February due to the investment in equipment and the type of events in the building. Concession and catering revenues are up considerably as groups and individuals are spending more money. April is expected to be another good month for OCC.

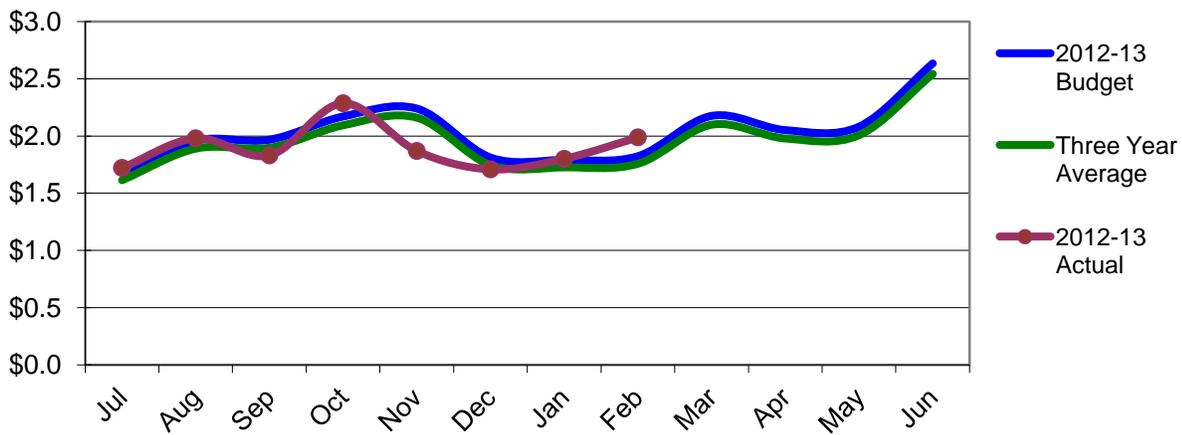
PCPA operating revenues continue to trend above the budget line on the revenue chart. This trend is a combination of a strong commercial schedule and the first year of the new ticketing system. Ticketing commissions as of February year to date are up \$346 thousand compared to the annual budget. PCPA collects the full service charge then pays the ticketing company their ticket agency fee and pays the credit card expense reflected in a materials and services which reflect an increase of \$342 thousand as of February compared to the annual budget. Under the old system, the former ticketing company took their fee out prior to sending ticket commissions to us. February included Performances of Swan Lake (\$94 thousand), Tosca (\$89 thousand) and War Horse (\$75 thousand).

The Attendance Events and Performances Report compares February 2012 to February 2013. Expo attendance was 2,380 less than 2012 with five more event; OCC attendance was 18,290 less than 2012 with the ten less events; PCPA attendance was 2,731 greater than 2012 with seven less performances.

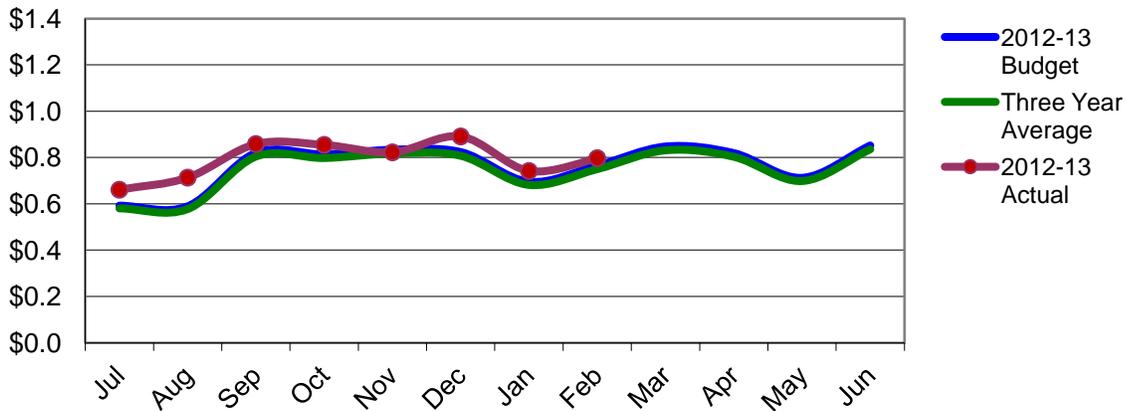
Expo - Operating Expenditures by Month
shown in millions



OCC - Operating Expenditures by Month
shown in millions



PCPA - Operating Expenditures by Month
shown in millions



MERC operating expenditures year to date are \$25.4 million, compared to \$25.3 million in the prior year, a difference of less than \$100 thousand. Operating expenditures relate directly to the event schedule at each venue. OCC has booked five additional conventions scheduled in late spring and food and beverage sales are expected to be greater than the original budget forecast at OCC and PCPA. With increases sales comes a greater cost of goods and services sold. The new costs at PCPA for the ticket agency fee and credit card expense as mentioned in the revenues section reflect an increase of \$342 thousand as of February compared to the annual budget. The combination of the new ticketing contract and the increased sales will require a budget amendment to increase appropriations before year end. The Oregon Convention Center continues to generate savings with several positions remaining vacant.

Non Operating

Transient Lodging Tax (TLT) receipts provide fundamental operating and marketing financial support for OCC and PCPA. Year to date transfers received from Multnomah County are \$5.3 million compared \$5.9 million in the prior year. While this appears to be a 9.4% percent decline from the prior year, the March turnover of taxes from Multnomah County is expected to be significant and will bring the year to date amount to be more in line with the regional forecast of a 5% increase over the prior year. Year to date as of February room nights sold in the market are up 7.8 percent, occupancy rates (room nights per hotel) are up 7.8 percent and the average daily room rate (ADR) is up 6.8 percent.

MERC Visitor Venues
Events-Performances-Attendance
February 2013

OCC	Feb-2012		Feb-2013		Net Change from Prior Year	
	Events	Attendance	Events	Attendance	Events	Attendance
Tradeshows/Conventions	5	5,894	5	5,789	-	(105)
Consumer Public Shows	8	62,571	6	48,776	(2)	(13,795)
Miscellaneous	1	1	1	1	-	-
Miscellaneous -In-House	15	204	14	263	(1)	59
Meetings	18	8,154	12	3,061	(6)	(5,093)
Catering	7	4,580	6	5,224	(1)	644
Totals	54	81,404	44	63,114	(10)	(18,290)

Expo Center	Feb-2012		Feb-2013		Net Change from Prior Year	
	Events	Attendance	Events	Attendance	Events	Attendance
Consumer Public Shows	5	76,619	3	71,394	(2)	(5,225)
Miscellaneous	-	-	5	1,777	5	1,777
Meetings	4	106	5	235	1	129
Catering	-	-	1	939	1	939
Tradeshows/Conventions	-	-	-	-	-	-
Totals	9	76,725	14	74,345	5	(2,380)

PCPA	Feb-2012		Feb-2013		Net Change from Prior Year	
	Performances	Attendance	Performances	Attendance	Performances	Attendance
Commercial (Non-Broadway)	2	3,483	3	5,499	1	2,016
Broadway	8	22,225	3	6,916	(5)	(15,309)
Resident Company	40	40,092	36	47,377	(4)	7,285
Student	31	19,808	34	28,886	3	9,078
Non-Profit	34	16,007	33	16,106	(1)	99
Miscellaneous	3	704	2	266	(1)	(438)
Totals	118	102,319	111	105,050	(7)	2,731

Metropolitan Exposition-Recreation Commission
MERC Statement of Activity with Annual Budget
All Departments
February 2013
2013-08

	Current Month Actual February-13	Current Year to Date Actual February-13	Prior Year to Date Actual February-12	% of Prior Year	Annual Budget February-13	% of Annual Budget 66%
Operating						
Revenue	2,023,432	13,054,026	12,503,237	104%	18,067,732	72%
Revenue - Food and Beverage	1,801,701	9,525,696	9,189,521	104%	11,804,821	81%
Total Operating Revenue	3,825,133	22,579,721	21,692,758	104%	29,872,553	76%
Costs - Food and Beverage	1,273,740	7,926,160	7,747,804	102%	9,862,144	80%
Personal Services	1,387,732	11,022,027	11,431,030	96%	17,567,418	63%
Goods & Services	627,295	4,671,708	4,408,476	106%	8,314,736	56%
Marketing Travel Portland	225,004	1,800,032	1,761,680	102%	4,014,278	45%
Total Operating Expenses	3,513,770	25,419,927	25,348,990	100%	39,758,576	64%
Net Operating Results Inc (Dec)	311,363	(2,840,205)	(3,656,232)	78%	(9,886,023)	29%
Non Operating						
Transient, Lodging Tax	976,752	5,349,716	5,905,906	91%	9,985,127	54%
Visitor Development Fund (VDF)	-	-	-	-	3,147,506	0%
Government Support City of Portland	-	-	-	-	793,408	0%
Non-Operating Revenue	7,087	69,486	130,061	53%	156,412	44%
Non-Operating Expense	-	-	-	-	2,200,000	0%
	983,839	5,419,202	6,035,967	90%	11,882,453	46%
Support and Risk Management						
MERC Administration	0	0	-	-	-	-
Metro Support Services	207,527	1,666,982	1,443,232	116%	2,498,424	67%
Metro Risk Management	-	607,752	618,139	98%	729,301	83%
	207,527	2,274,734	2,061,371	110%	3,227,725	70%
Net Increase (Decrease)	1,087,675	304,263	318,364	96%	(1,231,295)	-25%
Transfers						
Transfers to (Expense)	13,421	107,368	51,920	207%	392,056	27%
Transfers from (Revenue)	4,167	33,336	114,822	29%	2,768,633	1%
Debt Service (Expense)	-	937,816	925,816	101%	1,187,132	79%
Net Transfers	(9,254)	(1,011,848)	(862,914)	117%	1,189,445	-85%
Net Operations	1,078,421	(707,585)	(544,550)	130%	(41,850)	1691%
	-	(0)	0		-	
Capital						
Capital Outlay	188,893	957,033	1,220,030	78%	3,294,077	29%
Non-Operating Revenue	-	-	98,616	0%	295,000	0%
Net Capital	(188,893)	(957,033)	(1,121,414)	85%	(2,999,077)	32%
Fund Balance Inc (Dec)	889,528	(1,664,618)	(1,665,963)	100%	(3,040,927)	55%
	-	(0)	-		-	
Food and Beverage Gross Margin	527,961	1,599,536	1,441,717		1,942,677	82%
Food and Beverage Gross Margin	29.3%	16.8%	15.7%		16.5%	
Full Time Employees	-	-	-		190.0	
Excise Tax	(225,744)	456,959	1,202,409			
Transient, Lodging Taxes as percent of revenue	20%	19%	21%		25%	
Fund Balance						
Beginning Fund Balance		26,161,717	26,357,848		26,161,717	
Fund Balance Inc (Dec)		(1,664,618)	(1,665,963)		(3,040,927)	
Ending Fund Balance		24,497,099	24,691,885		23,120,790	
Unrestricted Fund Balance					2,384,950	
Operating Contingency					2,299,335	
Stabilization Reserve					620,500	
Designated for Renewal & Replacement					12,277,072	
New Capital/Business Strategy Reserve					5,196,719	
Restricted by Agreement - TLT					142,214	
Ending Fund Balance					23,120,790	

Metropolitan Exposition-Recreation Commission
MERC Statement of Activity with Annual Budget
Portland Exposition Center
February 2013
2013-08

	Current Month Actual February-13	Current Year to Date Actual February-13	Prior Year to Date Actual February-12	% of Prior Year	Annual Budget February-13	% of Annual Budget 66%
Operating						
Revenue	599,233	2,665,977	2,675,455	100%	3,838,186	69%
Revenue - Food and Beverage	493,142	1,344,330	1,187,792	113%	1,864,849	72%
Total Operating Revenue	1,092,376	4,010,306	3,863,247	104%	5,703,035	70%
Costs - Food and Beverage	335,118	1,132,472	992,618	114%	1,505,243	75%
Personal Services	136,980	1,014,344	975,019	104%	1,605,485	63%
Goods & Services	146,945	715,043	715,739	100%	1,392,728	51%
Total Operating Expenses	619,044	2,861,859	2,683,376	107%	4,503,456	64%
Net Operating Results Inc (Dec)	473,332	1,148,447	1,179,871	97%	1,199,579	96%
Non Operating						
Non-Operating Revenue	693	7,520	17,916	42%	21,290	35%
Non-Operating Expense	-	-	-	-	-	-
	693	7,520	17,916	42%	21,290	35%
Support and Risk Management						
MERC Administration	12,829	102,629	124,891	82%	153,944	67%
Metro Support Services	18,678	150,033	129,888	116%	224,858	67%
Metro Risk Management	-	67,490	71,622	94%	80,988	83%
	31,507	320,152	326,401	98%	459,790	70%
Net Increase (Decrease)	442,518	835,814	871,385	96%	761,079	110%
Transfers						
Transfers to	113	904	-	-	1,359	-33%
Transfers from	375	3,000	7,980	38%	4,500	67%
Debt Service	-	937,816	925,816	101%	1,187,132	79%
Net Transfers	262	(935,720)	(917,836)	102%	(1,183,991)	79%
Net Operations	442,780	(99,906)	(46,451)	215%	(422,912)	24%
Capital						
Capital Outlay Expense	2,828	377,470	55,513	680%	524,500	72%
Non-Operating Revenue	-	-	4,987	0%	-	-
Intrafund Transfers	-	-	-	-	270,000	-100%
Net Capital	(2,828)	(377,470)	(50,526)	747%	(254,500)	148%
Fund Balance Inc (Dec)	439,952	(477,376)	(96,976)	492%	(677,412)	70%
Food and Beverage Gross Margin	158,024	211,857	195,173		359,606	59%
Food and Beverage Gross Margin %	32.0%	15.8%	16.4%		19.3%	
Full Time Employees					13.3	
Excise Tax	(81,734)	30,828	287,196		-	
Fund Balance						
Beginning Fund Balance		4,310,142	4,732,826		4,310,142	
Fund Balance Inc (Dec)		(477,376)	(96,976)		(677,412)	
Ending Fund Balance		3,832,766	4,635,850		3,632,730	
Unrestricted Fund Balance					182,705	
Operating Contingency					364,000	
Stabilization Reserve					186,000	
Designated for Renewal & Replacement					775,000	
New Capital/Business Strategy Reserve					2,125,025	
Ending Fund Balance					3,632,730	

Metropolitan Exposition-Recreation Commission
MERC Statement of Activity with Annual Budget
Oregon Convention Center
February 2013
2013-08

	Current Month Actual February-13	Excluding EMP Current Year to Date Actual February-13	Prior Year to Date Actual February-12	% of Prior Year	Annual Budget February-13	% of Annual Budget 66%
Operating						
Revenue	841,976	5,778,381	5,668,309	102%	7,798,834	74%
Revenue - Food and Beverage	1,084,211	6,738,773	6,618,411	102%	8,224,999	82%
Total Operating Revenue	1,926,187	12,517,154	12,286,720	102%	16,023,833	78%
Costs - Food and Beverage	805,284	5,641,662	5,653,395	100%	6,880,666	82%
Personal Services	695,496	5,664,849	6,045,770	94%	9,224,471	61%
Goods & Services	261,227	2,068,063	2,210,616	94%	3,884,221	53%
Marketing Travel Portland	225,004	1,800,032	1,761,680	102%	4,014,278	45%
Total Operating Expenses	1,987,011	15,174,606	15,671,461	97%	24,003,636	63%
Net Operating Results Inc (Dec)	(60,824)	(2,657,452)	(3,384,741)	79%	(7,979,803)	33%
Non Operating						
Transient, Lodging Tax	851,530	4,663,868	5,122,322	91%	8,729,303	53%
Visitor Development Fund (VDF)	-	-	-	-	2,520,676	0%
Non-Operating Revenue	2,376	22,745	46,910	48%	46,678	49%
Non-Operating Expense	-	-	-	-	2,200,000	0%
	853,906	4,686,613	5,169,232	91%	9,096,657	52%
Support and Risk Management						
MERC Administration	79,823	638,585	777,101	82%	957,878	67%
Metro Support Services	116,215	933,509	808,216	116%	1,399,118	67%
Metro Risk Management	-	340,340	331,140	103%	408,408	83%
	196,038	1,912,434	1,916,457	100%	2,765,404	69%
Net Increase (Decrease)	597,044	116,726	(131,966)	-88%	(1,648,550)	-7%
Transfers						
Transfers to (Expense)	704	5,632	-	-	239,450	2%
Transfers from (Revenue)	2,334	18,672	66,180	28%	2,228,000	1%
Debt Service (Expense)	-	-	-	-	-	-
Net Transfers	1,630	13,040	66,180	20%	1,988,550	1%
Net Operations	598,674	129,766	(65,786)	-297%	340,000	38%
Capital						
Revenue	-	-	-	-	-	-
Capital Outlay Expense	179,612	448,902	798,235	56%	2,152,577	21%
Non-Operating Revenue	-	-	1,404	0%	220,000	0%
Intrafund Transfers (Exp/Rev)	-	-	-	-	90,000	0%
Net Capital	(179,612)	(448,902)	(796,831)	56%	(1,842,577)	24%
Fund Balance Inc (Dec)	419,062	(319,136)	(862,616)	37%	(1,502,577)	21%
Food and Beverage Gross Margin	278,927	1,097,111	965,016		1,344,333	82%
Food and Beverage Gross Margin %	25.7%	16.3%	14.6%		16.3%	
Full Time Employees					110.3	
Excise Tax	(144,009)	426,131	914,963		-	
Transient, Lodging Taxes as percent of revenue	31%	27%	29%		35%	
Fund Balance						
Beginning Fund Balance		11,058,549	11,552,031		11,058,549	
Fund Balance Inc (Dec)		(319,136)	(862,616)		(1,502,577)	
Fund Balance Inc (Dec) for HQH		(251,983)	-		-	
Ending Fund Balance		10,487,430	10,689,415		9,555,972	
Unrestricted Fund Balance					725,337	
Operating Contingency					1,540,000	
Stabilization Reserve					260,000	
Designated for Renewal & Replacement					5,685,779	
New Capital/Business Strategy Reserve					1,334,856	
Restricted by Agreement - TLT					10,000	
Ending Fund Balance					9,555,972	

Metropolitan Exposition-Recreation Commission
MERC Statement of Activity with Annual Budget
Portland Center for the Performing Arts
February 2013
2013-08

	Current Month Actual February-13	Current Year to Date Actual February-13	Prior Year to Date Actual February-12	% of Prior Year	Annual Budget February-13	% of Annual Budget 66%
Operating						
Revenue	582,223	4,609,668	4,156,046	111%	6,430,712	72%
Revenue - Food and Beverage	224,348	1,442,593	1,383,318	104%	1,714,973	84%
Total Operating Revenue	806,571	6,052,261	5,539,365	109%	8,145,685	74%
Costs - Food and Beverage	133,337	1,152,026	1,101,791	105%	1,476,235	78%
Personal Services	466,046	3,597,734	3,484,793	103%	5,582,207	64%
Goods & Services	197,791	1,589,694	1,328,367	120%	2,105,811	75%
Total Operating Expenses	797,174	6,339,454	5,914,951	107%	9,164,253	69%
Net Operating Results Inc (Dec)	9,397	(287,193)	(375,586)	76%	(1,018,568)	28%
Non Operating						
Transient, Lodging Tax	125,222	685,848	783,584	88%	1,255,824	55%
Visitor Development Fund (VDF)	-	-	-	-	626,830	0%
Government Support City of Portland	-	-	-	-	793,408	0%
Non-Operating Revenue	3,493	35,012	58,945	59%	84,376	41%
Non-Operating Expense	-	-	-	-	-	-
	128,716	720,860	842,529	86%	2,760,438	26%
Support and Risk Management						
MERC Administration	49,890	399,116	485,688	82%	598,674	67%
Metro Support Services	72,634	583,440	505,128	116%	874,448	67%
Metro Risk Management	-	199,922	215,377	93%	239,905	83%
	122,524	1,182,478	1,206,193	98%	1,713,027	69%
Net Increase (Decrease)	15,589	(748,811)	(739,250)	101%	28,843	-2596%
Transfers						
Transfers to (Expense)	440	3,520	-	-	5,281	67%
Transfers from (Revenue)	1,458	11,664	28,440	41%	17,500	67%
Net Transfers	1,018	8,144	28,440	29%	12,219	67%
Net Operations	16,607	(740,667)	(710,810)	104%	41,062	-1804%
Capital						
Capital Outlay Expense	6,454	130,661	366,283	36%	570,000	23%
Non-Operating Revenue	-	-	92,225	0%	75,000	0%
Intrafund Transfers (Exp/Rev)	-	-	15,000	0%	-	-
Net Capital	(6,454)	(130,661)	(259,058)	50%	(495,000)	26%
Fund Balance Inc (Dec)	10,153	(871,328)	(969,868)	90%	(453,938)	192%
Food and Beverage Gross Margin	91,011	290,568	281,528		238,738	122%
Food and Beverage Gross Margin %	40.6%	20.1%	20.4%		13.9%	
Full Time Employees					46.4	
Taxes as percent of revenue	13%	10%	12%		13%	
Fund Balance						
Beginning Fund Balance		8,445,301	8,490,410		8,445,301	
Fund Balance Inc (Dec)		(871,328)	(969,868)		(453,938)	
Ending Fund Balance		7,573,973	7,520,543		7,991,363	
Operating Contingency					300,000	
Stabilization Reserve					174,500	
Designated for Renewal & Replacement					5,345,000	
New Capital/Business Strategy Reserve					1,736,838	
Ending Fund Balance					7,991,363	

Metropolitan Exposition-Recreation Commission
MERC Statement of Activity with Annual Budget
Convention Center Enhanced Marketing Project
February 2013
2013-08

	Current Month Actual February-13	Current Year to Date Actual February-13	Prior Year to Date Actual February-12	% of Prior Year	Annual Budget February-13	% of Annual Budget 66%
Operating						
Goods & Services	4,078	154,671	-	-	372,667	42%
<i>Meetings Expense</i>	-	598	-	-	800	75%
<i>Communications Consulting</i>	1,400	10,337	-	-	50,000	21%
<i>Construction Consulting</i>	-	24,995	-	-	25,000	100%
<i>Financial Consulting</i>	1,328	5,777	-	-	72,500	8%
<i>Legal Consulting</i>	-	-	-	-	5,000	0%
<i>Management Consulting</i>	-	2,000	-	-	96,467	2%
<i>Market Consulting</i>	1,350	110,965	-	-	122,900	90%
	(4,078)	(154,671)	-	-	(372,667)	42%
Non Operating						
Net Increase (Decrease)	(4,078)	(154,671)	-	-	(372,667)	
Transfers						
Intrafund Transfers	-	-	-	-	-	-
Transfers to	12,164	97,312	-	-	145,966	67%
Transfers from	-	-	-	-	518,633	0%
Net Transfers	(12,164)	(97,312)	-	-	372,667	-26%
Net Operations	(16,242)	(251,983)	-	-	-	-
Fund Balance Inc (Dec)	(16,242)	(251,983)	-	-	-	-

Metropolitan Exposition-Recreation Commission
MERC Statement of Activity with Annual Budget
MERC Administration
February 2013
2013-08

	Current Month Actual	Current Year to Date Actual	Prior Year to Date Actual	% of Prior Year	Annual Budget	% of Annual Budget
	February-13	February-13	February-12		February-13	66%
Operating						
Revenue	-	-	3,427	0%	-	-
Personal Services	89,211	745,100	925,448	81%	1,155,255	64%
Goods & Services	17,253	144,236	153,754	94%	559,309	26%
Net Operating Results Inc (Dec)	(106,464)	(889,335)	(1,075,775)	83%	(1,714,564)	52%
Non Operating						
Non-Operating Revenue	524	4,210	6,289	67%	4,068	103%
Non-Operating Expense	-	-	-	-	-	-
	524	4,210	6,289	67%	4,068	103%
Support and Risk Management						
MERC Administration	142,541	1,140,331	1,387,680	82%	1,710,496	67%
	142,541	1,140,331	1,387,680	82%	1,710,496	67%
Net Increase (Decrease)	36,602	255,205	318,194	80%	-	-
Transfers						
Transfers to (Expense)	-	-	51,920	0%	-	-
Transfers from (Revenue)	-	-	12,222	0%	-	-
Net Transfers	-	-	(39,698)	0%	-	-
Net Operations	36,602	255,205	278,496	92%	-	-
Capital						
Capital Outlay Expense	-	-	-	-	47,000	0%
Transient, Lodging Tax	-	-	-	-	-	-
Non-Operating Revenue	-	-	-	-	-	-
Intrafund Transfers (Exp/Rev)	-	-	(15,000)	0%	(360,000)	0%
Net Capital	-	-	(15,000)	0%	(407,000)	0%
Fund Balance Inc (Dec)	36,602	255,205	263,496	97%	(407,000)	-63%
Full Time Employees					20.0	
Excise Tax	-	-	251		-	
Fund Balance						
Beginning Fund Balance		2,347,725	1,582,581		2,347,725	
Fund Balance Inc (Dec)		255,205	263,496		(407,000)	
Ending Fund Balance		2,602,930	1,846,077		1,940,725	
Operating Contingency					95,335	
Designated for Renewal & Replacement					471,293	
Contingency for Renewal & Replacement					200,000	
Restricted by Agreement - TLT					132,214	
Ending Fund Balance					1,940,725	

MERC Commission Meeting

April 3, 2013
12:30 pm

7.0 Consent Agenda

**Metropolitan Exposition Recreation Commission
Record of MERC Commission Actions**

March 6, 2013
Keller Auditorium, First Balcony Lobby

Present:	Chris Erickson (Chair), Karis Stoudamire-Phillips , Judie Hammerstad, Cynthia Haruyama , Ray Leary , Councilor Sam Chase
Absent:	Elisa Dozono, Terry Goldman
	A regular meeting of the Metropolitan Exposition Recreation Commission was called to order by chair Chris Erickson at the Keller Auditorium at 12:30pm
1.0	QUORUM CONFIRMED A quorum of Commissioners was present.
2.0	COMMISSIONER, COUNCIL LIAISON COMMUNICATIONS <ul style="list-style-type: none"> • Commissioner Leary announced a benefit lunch at Burgerville on NE MLK to support former employee Mark Williams who is suffering from severe health problems. • Scott Cruickshank presented Mark Williams’ history with OCC to the Commission. • Councilor Chase reported that a group of Unite Here members came to Metro Council to present same message as given at February 2013 MERC meeting. He reported on his participation in Travel Portland State of the Industry breakfast. Very pleased to see increase in economic opportunities. • Chair Erickson reported that a highlight of the State of Industry address was that Travel Portland has doubled their budget via new TID tax which can be a game changer for the city and the state. Currently, 30,100 jobs are directly linked to tourism industry.
2.1	UPDATE ON DIVERSITY ACTION PROGRAM B. Tolbert presented a summary of the Diversity Action Plan activities this past year. Focused on raising staff awareness to recognize importance of diversity to the organization. <ul style="list-style-type: none"> • Diversity Action Plan was adopted in November 2012. • Started “Ouch!” training within Metro. • Co-sponsoring the training event “Leadership in a multi-cultural world” which includes participants from all around the region not just Metro employees. • Increased Metro’s presence in multi-cultural events. First time participation in Pride Parade. Black history awareness event was held in Metro supported by Reuniting to Understand Racism. • Increased Metro’s presence in local Chamber of Commerce with new MWESB coordinator Michelle DePass’s effort. • Met with each venue director to discuss what they do to support diversity and came up with some excellent ideas. • Councilor Chase noted how powerful the video “Local Color” is. It was presented at the Black History Month event. The video is available via OPB website. • Chair Erickson acknowledged Bill Tolbert for his great effort in the last year. He also inquired how Metro is handling the effort so far. B. Tolbert responded that Metro is moving in the right direction. The first step was to create a safe environment for the agency to start dialogues – that has been successfully implemented. • Commissioner Leary acknowledged Bill Tolbert’s superb program implementation strategy of training 15 staff members who now also take some responsibility to help the program rather than making himself a singular focus for its feedback. He acknowledged Tolbert’s excellent approach to

	broadening the agenda and empowering others to support the program.
3.0	OPPORTUNITY FOR PUBLIC COMMENT ON NON-AGENDA ITEMS None
4.0	GENERAL MANAGER COMMUNICATIONS Teri Dresler presented to the Commission. <ul style="list-style-type: none"> • Reported on the Willamette Week article regarding the arts tax and Oregon Ballet Theatre for its payment plan. • Updated on the hotel project. Very productive finance package negotiation session. The public financing package is close to completion. Council President will share the piece with the Mayor and the County Chair to ensure that they are still in this with us. Aiming for a vote in the 1st week of May for the public financing piece. • Commissioner Leary inquired if the dollar amount which PDC committed to this project has been consistent. T. Dresler responded affirmatively. It has been 4 million dollars. Leary said the reason he raised this point is due to the prospect of increasing this amount since the Memorial Coliseum project is not happening. He pointed out that this is an opportunity connected to job creation – if job creation can be tied with the fiscal discussion, it makes it difficult for anyone to reject the project. He advised putting the job creation piece as a central component of the financial request. Dresler noted that they are discussing with legislators about the economic development fund and the possibility of some of those funds to be available for this project.
5.0	MERC VENUES' BUSINESS REPORTS <ul style="list-style-type: none"> • Robyn Williams, Matthew Rotchford and Scott Cruickshank updated to the Commission • Commissioner Leary acknowledged Dresler's superb qualifier in today's Willamette Week OBT article. Commissioner Leary also corrected Robyn William's mention of a theater partnership which includes Brendon Coffee from Aramark, Scott Cruickshank from OCC and Roosevelt High School as well as the REAP program. He noted that it still needs to gain final clearance in order to move forward. Commissioner Leary acknowledged venue directors' excellent work and extended a warm welcome to Councilor Chase. • Chair Erickson acknowledged Cynthia Hill's hard work on completing the MERC budget.
6.0	CONSENT AGENDA February 6, 2013 MERC Regular Meeting Record of Actions <ul style="list-style-type: none"> • A motion was made by Commissioner Leary and seconded by Commissioner Soudamire-Phillips to approve the Consent Agenda <p>VOTING: Aye: 5 (Erickson,Stoudamire-Phillips,Haruyama, Hammerstad, Leary) Nay: 0</p> <p>Motion passed</p>
7.0	ACTION AGENDA
7.1	Resolution 13-05 for the purpose of approving and transmitting to Metro Council the FY 13-05 MERC fund budget <ul style="list-style-type: none"> • Teri Dresler presented highlights of the budget to the Commission • Commissioner Haruyama inquired if Expo has an operating budget deficit. Matthew Rotchford responded affirmatively. Expo achieved a balanced budget however. There were some carry over projects. An additional \$40,000 in emergency funds were used without having to go back to approval

process due to number of repairs needing to be completed.

- Commissioner Leary inquired if part of the strategic plan is debt relief. Teri Dresler responded affirmatively.

A motion was made by Commissioner Haruyama and seconded by Chair Erickson to approve Resolution 13-05 as presented.

VOTING: Aye: 5 (Erickson,Stoudamire-Phillips,Haruyama, Hammerstad, Leary)
Nay: 0
Motion Passed

7.2

Resolution 13-06 for the purpose of approving an increase for project costs for the Oregon Convention Center's (OCC) Main Kitchen, Original Cooler Remodel; amending MERC's 5 year Capital Plan; and recommending that the Metro Council amend the FY 2012-13 through FY 2016-17 Capital Improvement Plan (CIP)

- Cynthia Hill presented to the Commission

A motion was made by Commissioner Leary and seconded by Chair Hammerstad to approve Resolution 13-06 as presented.

VOTING: Aye: 5 (Erickson,Stoudamire-Phillips,Haruyama, Hammerstad, Leary)
Nay: 0
Motion Passed

Meeting adjourned at 1:55pm

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 13-05

Approving the Metropolitan Exposition Recreation Commission ("MERC") 2013-14 Budget and 2013-14 Capital Plan.

WHEREAS, pursuant to Section 6.01.50 of the Metro Code, MERC must prepare and approve a budget by resolution and;

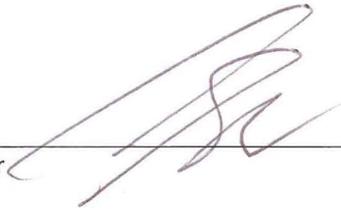
WHEREAS, the MERC Budget Committee has met in public meetings for the purpose of creating the MERC 2013-14 Budget and recommends approval of the budget and annual capital plan attached as Exhibit A to this Resolution.

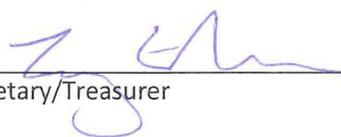
BE IT THEREFORE RESOLVED, that the Metropolitan Exposition Recreation Commission:
Approves the MERC fiscal year 2013-14 Budget and 2013-14 Capital Plan attached as Exhibit A and transmits it to the Metro Chief Operating Officer for submission to the Metro Council for inclusion in the Metro budget for the fiscal year 2013-14.

Passed by the Commission on March 6, 2013.

Approved as to Form:
Alison Kean Campbell, Metro Attorney

By: _____
Nathan A. Schwartz Sykes, Senior Attorney

Chair _____


Secretary/Treasurer _____


METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 13-06

Amending MERC's 5 Year Capital Plan for the Oregon Convention Center (OCC) Main Kitchen, Original Cooler Remodel project cost from \$329,573 to \$405,000 and recommending that the Metro Council amend the FY 2012-13 through FY 2016-17 Capital Improvement Plan (CIP)

WHEREAS, the Metropolitan Exposition Recreation Commission's (MERC) Capital Asset Management Policy requires any project exceeding \$100,000 receive Commission approval; and

WHEREAS, Metro's adopted financial policies require any project exceeding \$100,000 or an existing CIP project increasing greater than 20 percent receive Council approval; and

WHEREAS, MERC approved the Main Kitchen, Original Cooler Remodel contract by Resolution 12-22 increasing the project cost from \$250,000 to \$329,573 and amended the MERC Capital Plan to reflect this change in cost; and

WHEREAS, MERC approved Resolution 12-23 increasing the project cost from \$329,573 to \$387,188, a 17% increase; and

WHEREAS, the Main Kitchen, Original Cooler Remodel estimated costs have increased to \$405,000 which is an increase of over 20% that requires an amendment by MERC to the 5 year Capital Plan as well as a Metro Council amendment to the CIP; and

WHEREAS, adequate appropriation exists to fund the increase.

BE IT THEREFORE RESOLVED, that the Metropolitan Exposition Recreation Commission:

1. Amends MERC's 5 Year Capital Plan for the OCC Main Kitchen, Original Cooler Remodel project cost from \$329,573 to \$405,000; and
2. Recommends that the Metro Council amend the FY 2012-13 through FY 2016-17 CIP to increase the cost of the Main Kitchen, Original Cooler Project from \$329,573 to \$405,000.

Passed by the Commission on March 6, 2013.

Approved as to form:

Alison Kean Campbell, Metro Attorney

By:

Nathan A. Schwartz Sykes, Senior Attorney

Chair

Secretary/Treasurer

MERC Staff Report

Agenda Item/Issue:

Amending MERC's 5 Year Capital Plan; and recommending that the Metro Council amend the FY 2012-13 through FY 2016-17 Capital Improvement Plan (CIP)

Resolution No: 13-06

Presented By:

Scott Cruickshank
Cynthia Hill

Date: March 6, 2013

Background and Analysis: December 4, 2012, the MERC Commission approved Resolution 12-22 awarding a contract to SBS Construction and approving a recommendation to Metro to amend the OCC Main Kitchen Cooler Project. On December 21, 2012 the MERC Commission authorized the General Manager of Visitor Venues to sign a contract amendment, in the amount of \$73,000, for additional work on a contract with SBS Construction. When the amendment was proposed the commission approved budget was \$329,573. The amendment exceeded the approved project budget by 17% or a total of \$387,188 estimated project costs, but did not require a CIP amendment. The current project estimates are \$405,000 or 23% over the approved budget, which does require a CIP amendment. The added expenses are miscellaneous non-contract items, unanticipated structural engineering, mechanical work, stainless steel corner guards, and extra material needed to support the floor of the freezer. These additional funds will enable staff to properly complete the project. The improvements made to the kitchen through this project have already created efficiencies and improved food quality.

Fiscal Impact:

Projects funded from existing appropriations.

Recommendation:

Staff recommends that the Metropolitan Exposition Recreation Commission approve Resolution 13-06, to amend MERC's 5 Year Capital Plan; and recommend that the Metro Council amend the FY 2012-13 through FY 2016-17 Capital Improvement Plan (CIP) accordingly.

MERC Commission Meeting

April 3, 2013
12:30 pm

8.0 Action Agenda

METROPOLITAN EXPOSITION-RECREATION COMMISSION

Resolution No. 13-07

For The Purpose of Approving Facility Rental Rates for Fiscal Year 2015-16 at the Portland Expo Center (Expo).

WHEREAS, the Metropolitan Exposition Recreation Commission (Commission) sets the rental rates for Commission facilities; and

WHEREAS, Expo staff recommends that the Commission increase Expo's rental rates in accordance with the market and other considerations regarding discounted space.

BE IT THEREFORE RESOLVED that the Commission approves the Expo's facility rental rates for fiscal year 2015-16 as set forth in Exhibit A.

Passed by the Commission on April 3, 2013.

Chair

Secretary-Treasurer

Approved As To Form:
Alison Kean Campbell, Metro Attorney

By: _____
Nathan A. Schwartz Sykes, Senior Attorney

MERC Staff Report

Agenda Item/Issue: Approval of Portland Expo Center (Expo Center) facility rental rates for fiscal year 2016.

Resolution No. 13-07

Date: April 03, 2013

Presented by: Matthew Rotchford

Background: As previously described at MERC Commission meetings held on March 2, 2011 and again on January 4, 2012, the Expo Center facility rates have undergone a lengthy review and evaluation. When the Expo Center facility rates were first established effective July 1, 1997, they included discounts based upon square footage used when exhibit halls were rented in various combinations. Consequently, the greater the total of exhibit hall square footage rented, the greater the facility rental discount. Over the years, a mathematical error overlooked the original intentions of this discount policy.

During the development of the FY14 budget, and in consideration of increasing expenditures as well as significant long-term financial obligations, staff determined to review the long established discounts toward decreasing those discounts over time and increasing revenue accordingly. Staff surveyed the facility rental rates of several other venues to determine the Expo Center's competitive placement in the region. It has been determined that the Expo Center remains very competitive, while still offering a positive value for our customers.

At the MERC Commission meeting held on January 4, 2012, the Commission considered and approved facility rental rates for the Portland Expo Center for three fiscal years: FY2013, 2014 and 2015. By doing so, the Commission took steps for corrective reduction of discounts and for staff to development a multi-year rental rate recommendation. These efforts have proven very successful for qualified events that are both; 180,000 square feet or larger, and have been continuous clients with MERC facilities for 15 years or greater.

In keeping with this methodology, staff has reviewed the previously approved 2013-2015 rate detail and has provided a schedule of rental rates for fiscal year 2016 for your consideration. Overall, this allows for standard 3% increases for individual areas and modest increases in outdoor exhibition space. This is the final corrective adjustment to the combination hall discounts and completes the corrective action to the target range discount goals as listed below:

- **20%** (300,000 sq. ft and above)
- **15%** (240,000-299,999 sq. ft)
- **10%** (150,000-239,999 sq. ft)
- **5%** (84,000-149,000 sq. ft)

Fiscal Impact: This action anticipates overall increase in rental revenues through focused attention on combination hall discounting, multi-year pricing procedures and standard room rental increases of 3% in fiscal year 2016.

Recommendation: Staff recommends that the Metropolitan Exposition Recreation Commission, approve the Portland Expo Center facility rental rates, as presented, for fiscal year 2016 (July 1, 2015 - June 30, 2016).

Ticketed Rental Rates FY 16

Exhibit A to Resolution 13-07

Locations	Square Footage	FY 15	FY 16	
		Rental Rates Preapproved by Commission	Percent Increase from FY 15	Rental Rates
Combination Exhibit Halls				
ABCDE+	328,500	17,850	3.03%	18,390
CDE+	244,500	14,930	3.15%	15,400
ABCD+	220,500	12,625	3.13%	13,020
DE+	184,500	12,600	3.10%	12,990
ABC	144,000	7,725	3.04%	7,960
AC	108,000	5,745	3.05%	5,920
AB	84,000	4,475	3.02%	4,610
Exhibit Halls				
A	48,000	2,630	3.04%	2,710
B	36,000	2,080	2.88%	2,140
C	60,000	3,420	3.07%	3,525
D1	36,000	2,790	3.05%	2,875
D2	36,000	2,790	3.05%	2,875
D	72,000	5,580	3.05%	5,750
E1	54,000	4,125	3.03%	4,250
E2	54,000	4,125	3.03%	4,250
E	108,000	8,250	3.03%	8,500
Meeting Rooms				
A101	700	215	2.33%	220
D101	494	150	3.33%	155
D102	330	125	4.00%	130
D101-2	824	275	3.64%	285
D201	1300	385	2.60%	395
D202	784	215	2.33%	220
D203	784	215	2.33%	220
D204	784	215	2.33%	220
D205	204	155	3.23%	160
D202-3	1568	430	2.33%	440
D202-4	2352	645	2.33%	660
D203-4	1568	430	2.33%	440
D201-4	3652	1,010	4.46%	1,055
D201-5	3856	1,165	4.29%	1,215
E101	525	160	3.13%	165
E102	600	190	2.63%	195
E101-2	1125	350	2.86%	360
Miscellaneous				
Connector	4,500	350	2.86%	360
East Hall	4,400	660	3.03%	680
A Lobby	4,400	420	3.57%	435
A Lounge	1,500	200	2.50%	205
D Lobby	6,400	1,855	2.96%	1,910
D Lounge	1,240	545	2.75%	560
E Lobby	7,200	2,080	2.88%	2,140
Parking Lots				
All Parking Lots	803,556	16,875		17,675 *
Boneyard	16,000	350	2.86%	360
Lower Parking Lot 1 East	73,300	1,540		1,615 *
Lower Parking Lot 1 West	138,600	2,910		3,050 *
Lower Parking Lot 1	211,900	4,450		4,660 *
Lower Parking Lot 2	98,000	2,060		2,155 *
Lower Parking Lot 3	147,000	3,085		3,233 *
Lower Parking Lot 1-2	309,900	6,510		6,820 *
Lower Parking Lot 1-2-3	456,900	9,585		10,050 *
Lower Parking Lot 1W-2	236,600	4,970		5,205 *
Lower Parking Lot 1W-2-3	383,600	8,055		8,440 *
Upper Parking Lot 1	86,000	1,805		1,890 *
Upper Parking Lot 2	43,200	905		950 *
Upper Parking Lot 3	39,600	830		870 *
Upper Parking Lot 4	177,856	3,735		3,915 *
Upper Parking Lot 4 South	21,000	440		460 *
Upper Parking Lot 1-2	129,200	2,710		2,840 *
Upper Parking Lot 2-3	82,800	1,740		1,820 *
Upper Parking Lot 1-2-3	168,800	3,545		3,715 *
Upper Parking Lot 1-2-3-4	346,656	7,280		7,625 *
Upper Parking Lot Plaza	11,300	350	2.86%	360

* indicates a set rate
FY16 - 0.022 per sq ft.

Non-Ticketed Rental Rates FY 16

Exhibit A to Resolution 13-07

Locations	Square Footage	FY 15		FY 16	
		Rental Rates Preapproved by Commission		Percent Increase from FY 15	Rental Rates
Combination Exhibit Halls					
ABCDE+	328,500	21,125		3.01%	21,760
CDE+	244,500	17,650		3.03%	18,185
ABCD+	220,500	15,005		3.00%	15,455
DE+	184,500	14,925		2.98%	15,370
ABC	144,000	9,200		3.04%	9,480
AC	108,000	6,910		3.11%	7,125
AB	84,000	5,355		2.99%	5,515
Exhibit Halls					
A	48,000	3,225		3.10%	3,325
B	36,000	2,410		2.90%	2,480
C	60,000	4,050		3.09%	4,175
D1	36,000	3,320		3.01%	3,420
D2	36,000	3,320		3.01%	3,420
D	72,000	6,640		3.01%	6,840
E1	54,000	4,865		2.98%	5,010
E2	54,000	4,865		2.98%	5,010
E	108,000	9,730		2.98%	10,020
Meeting Rooms					
A101	700	215		2.33%	220
D101	494	150		3.33%	155
D102	330	125		4.00%	130
D101-2	824	275		3.64%	285
D201	1300	385		2.60%	395
D202	784	215		2.33%	220
D203	784	215		2.33%	220
D204	784	215		2.33%	220
D205	204	155		3.23%	160
D202-3	1568	430		2.33%	440
D202-4	2352	645		2.33%	660
D203-4	1568	430		2.33%	440
D201-4	3652	1,030		2.43%	1,055
D201-5	3856	1,185		2.53%	1,215
E101	525	160		3.13%	165
E102	600	190		2.63%	195
E101-2	1125	350		2.86%	360
Miscellaneous					
Connector	4,500	350		2.86%	360
East Hall	4,400	755		3.31%	780
A Lobby	4,400	450		3.33%	465
A Lounge	1,500	215		2.33%	220
D Lobby	6,400	1,940		3.09%	2,000
D Lounge	1,240	545		2.75%	560
E Lobby	7,200	2,185		2.97%	2,250
Parking Lots					
All Parking Lots	803,556	16,875			17,675 *
Boneyard	16,000	350		2.86%	360
Lower Parking Lot 1 East	73,300	1,540			1,615 *
Lower Parking Lot 1 West	138,600	2,910			3,050 *
Lower Parking Lot 1	211,900	4,450			4,660 *
Lower Parking Lot 2	98,000	2,055			2,155 *
Lower Parking Lot 3	147,000	3,085			3,233 *
Lower Parking Lot 1-2	309,900	6,510			6,820 *
Lower Parking Lot 1-2-3	456,900	9,595			10,050 *
Lower Parking Lot 1W-2	236,600	4,970			5,205 *
Lower Parking Lot 1W-2-3	383,600	8,055			8,440 *
Upper Parking Lot 1	86,000	1,805			1,890 *
Upper Parking Lot 2	43,200	905			950 *
Upper Parking Lot 3	39,600	830			870 *
Upper Parking Lot 4	177,856	3,735			3,915 *
Upper Parking Lot 4 South	21,000	440			460 *
Upper Parking Lot 1-2	129,200	2,710			2,840 *
Upper Parking Lot 2-3	82,800	1,740			1,820 *
Upper Parking Lot 1-2-3	168,800	3,545			3,715 *
Upper Parking Lot 1-2-3-4	346,656	7,280			7,625 *
Upper Parking Lot Plaza	11,300	350		2.86%	360

* indicates a set rate
FY16 - 0.022 per sq ft.