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# **MERC Budget Committee Meeting**

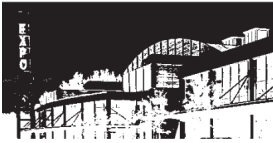
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January 31, 2013  
2:00 pm

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Metro Regional Center  
600 NE Grand Avenue  
Room 301

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

[www.oregonmetro.gov](http://www.oregonmetro.gov)



## Metro | *Exposition Recreation Commission*

### *Agenda*

Meeting: MERC Commission Budget Committee Meeting  
Date: Thursday January 31, 2013  
Time: 2:00-5:00 p.m.  
Place: Metro Regional Center, Room 301

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- Opening comments (T Goldman/T Dresler) 2:00 pm
- Headquarter Hotel /MERC Admin., GM Budget (Dresler) 2:10 pm
- Expo Center (Rotchford) 2:25 pm
  - FY14 proposed capital budget
- Oregon Convention Center (Cruickshank) 2:40 pm
  - FY14 proposed capital budget
- Portland Center for the Performing Arts (Williams) 3:55 pm
  - FY14 proposed capital budget
- MERC Pooled Capital (Dresler) 4:10 pm
- Reserve Budget (Hill/ Dresler) 4:25 pm
- Other Business 4:50 pm

Metropolitan Exposition-Recreation Commission  
**MERC Statement of Activity Budget Report**  
**Convention Center Enhanced Marketing Pro**  
**2013-14 Proposed Budget**

	2012-13 Adopted Budget June-13	2013-14 Proposed Budget June-14
<b>Operating</b>		
Goods & Services	372,667	589,296
	<b>(372,667)</b>	<b>(589,296)</b>
<b>Net Increase (Decrease)</b>	<b>(372,667)</b>	<b>(589,296)</b>
<b>Transfers</b>		
Transfers to (Expense)	145,966	160,704
Transfers from (Revenue)	518,633	750,000
<b>Net Transfers</b>	<b>372,667</b>	<b>589,296</b>

Metropolitan Exposition-Recreation Commission  
**MERC Statement of Activity Budget Report**  
**MERC Administration**  
**2013-14 Proposed Budget**

	2010-11 Actual June-11	2011-12 Actual June-12	2012-13 Adopted Budget June-13	2013-14 Proposed Budget June-14	% Change of Annual Budget 100%
<b>Operating</b>					
Revenue	11,549	(18,083)	-	-	-
Personal Services	1,866,526	1,405,853	1,155,255	709,028	-39%
Goods & Services	288,562	248,973	559,309	393,481	-30%
<b>Net Operating Results Inc (Dec)</b>	<b>(2,143,540)</b>	<b>(1,672,909)</b>	<b>(1,714,564)</b>	<b>(1,102,509)</b>	<b>-36%</b>
<b>Non Operating</b>					
Non-Operating Revenue	7,031	9,176	4,068	3,750	-8%
Non-Operating Expense	-	-	-	-	-
	<b>7,031</b>	<b>9,176</b>	<b>4,068</b>	<b>3,750</b>	<b>-8%</b>
<b>Support and Risk Management</b>					
MERC Administration	2,224,386	1,781,520	1,710,496	1,098,759	-36%
	<b>2,224,386</b>	<b>1,781,520</b>	<b>1,710,496</b>	<b>1,098,759</b>	<b>-36%</b>
<b>Net Increase (Decrease)</b>	<b>87,877</b>	<b>117,787</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers</b>					
Transfers to (Expense)	-	252,257	-	-	-
Transfers from (Revenue)	-	12,222	-	-	-
<b>Net Transfers</b>	<b>-</b>	<b>(240,035)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Operations</b>	<b>87,877</b>	<b>(122,248)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital</b>					
Capital Outlay Expense	-	-	47,000	-	-
Transient, Lodging Tax	492,214	902,391	-	-	-
Non-Operating Revenue	-	-	-	-	-
<b>Net Capital</b>	<b>492,214</b>	<b>887,391</b>	<b>(407,000)</b>	<b>-</b>	<b>-</b>
<b>Fund Balance Inc (Dec)</b>	<b>580,091</b>	<b>765,144</b>	<b>(407,000)</b>	<b>-</b>	<b>-</b>
<b>Full Time Employees</b>			<b>20.0</b>	<b>20.0</b>	
<b>Excise Tax</b>	<b>434</b>	<b>251</b>	<b>-</b>	<b>-</b>	
<b>Fund Balance</b>					
Beginning Fund Balance			2,347,725	1,940,725	
Fund Balance Inc (Dec)			(407,000)	-	
<b>Ending Fund Balance</b>			<b>1,940,725</b>	<b>1,940,725</b>	
Designated for PERS Reserve - Current			-	-	

## MERC Administration

<i>Description</i>	<i>Annual Budget</i>
<b>MERC General Manager</b>	
Personal Services	238,807
Goods & Services	77,000
<b>Total MERC General Manager</b>	<b>315,807</b>
<b>Public Affairs</b>	
Personal Service	151,648
Goods & Service	59,500
<b>Total Public Affairs</b>	<b>211,148</b>
<b>Board of Commissioners</b>	
Goods & Service	12,250
<b>Total Board of Commissioners</b>	<b>12,250</b>
<b>General Administration</b>	
Personal Services	117,751
Goods & Service	30,260
<b>Total General Administration</b>	<b>148,011</b>
<b>Information Technology</b>	
Goods & Service	187,071
<b>Total Information Technology</b>	<b>187,071</b>
<b>Construction Management</b>	
Personal Service	200,822
Goods & Service	7,400
<b>Total Construction Management</b>	<b>208,222</b>
<b>Accounting</b>	
Goods & Service	20,000
<b>Total Accounting</b>	<b>20,000</b>
<b>Total MERC Administration</b>	<b>1,102,509</b>

## **Expo Center Capital Request FY 2013-14**

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### **Renewal & Replacement Projects**

#### **Roof Repairs – Hall D Loading Dock and Storage / Kitchen; Hall C “Silver coating” \$265,000**

- The major roof repairs are located on the West end of Hall D. The roof is of the same material originally placed over the Hall D lobby that failed in FY12. The membrane placed on that surface has expired in warranty (10 yrs.) and has minor failures in various areas, but as yet, not catastrophically. Failure areas described as “cheese cloth” allow for potential water damage to the facility.
- Significant investment items in both the Hall D Kitchen (3,000 sq. ft.) and Hall D Storage (including 3,000 padded chairs, 150 - 6’ round tables and numerous vehicles – tractor, sweeper scrubber, etc) need to be protected.
- The roof covering the loading dock is a busy area, loading events both in and out of the facility – this area must be kept dry for safe use by staff and exhibitors. Potential damage exists to the applied overhead fire retardant as well as corrosion to the mechanical platforms, HVAC and other connections to the current roof membrane.
- Installation of a new, roofing system will include an updated 10-year warranty. This is the same as placed over Hall D lobby successfully with positive ROI.
- Hall D Loading Dock, Storage and Kitchen roofs estimated at \$250K, and the further recommended “silver coating” for Hall C is estimated at \$15K.
- A sustainable option for an Eco-Roof to be placed over Kitchen or Storage would reduce impervious surface calculations but increase the overall project cost.

Funding Source – Renewal & Replacement Reserve

#### **Parking Lot Asphalt repairs, removal and replacement UP2, UP3 and Plaza \$50,000**

- Continuation of parking lot repairs, removal and standard maintenance. Removal and replacement of failing asphalt, to include seal coating of all areas (Upper Lot 3 – “Front of Hall E”, Upper Lot 2 – “Front of Hall D”, Plaza – “Half-Circle” in the center of campus.)
- Operations staff will continue to re-stripe the parking lots, walkways, ADA designation areas and safety notices internally.
- Parking lot repairs will always be a part of basic R&R for the 52 acre Expo facility site. This amount has been consistent for past projects.
- ROI is reached by avoiding patch and repair fees via scheduled maintenance.
- Sustainable efforts with the Bioswale addition to Upper Lot 3 are intended to treat stormwater on site, thus reducing our impervious surface square footage.

Funding Source - Renewal & Replacement Reserve

**Forklift – Equipment life-cycle end – New unit to specifications \$35,000**

- Phase 1 of 3 - Replacement of existing forklift “fleet” of three (3) forklifts – none of which are any less than 10 years old. The oldest unit is 15 years old and all are in a varied state of repair, each is from a different manufacturer. Equipment is well-maintained; however all are at the near end of their useful life cycle.
- This equipment is required to provide efficient and maximum service to clients and event needs. Repairs costs are exceeding their useful life.
- If vehicles are deemed unsafe, they will be parked until repaired, creating a need to increase rental expenses. These items were purchased used.
- ROI is met through lack of contracted or Operating Engineer labor for repairs, parts and time to maintain old equipment via various providers.
- Potential for sustainable improvement through use of propane vs. diesel units.

Funding Source - Renewal & Replacement Reserve

**Hall D - Lobby, Office and Meeting Room carpet replacement; paint, graphics \$100,000**

- Carpet is past replacement life. Meeting room and office roll carpet installed in 2001 contained failures in seams and stairs that were never corrected. Carpet install was replaced / repaired for Hall D lobby in 2002 following opening in 2001.
- Carpet squares, walk-off mats, paint and graphical treatments similar in nature to the current Hall E improvements to match Expo facility re-branding efforts.
- ROI realized by reduced labor for custodial cleaning, walk off mat replacement / repair, increased rental of Lobby for receptions and meeting room uses.
- Continuing sustainable partnership with MetroPaint. Carpet squares are more efficient for repair and replacement than roll carpet in this application.

Funding Source - Renewal & Replacement Reserve

**Portable Bleacher Replacement – Full and half sets \$50,000**

- Phase 3 of 3 – Final replacement of two (2) full-size (10 row) bleachers and four (4) half-set (5 row) bleachers. This project began in FY12. Current replacement schedule has added 10 full set bleachers thus far. Bleachers hold up to 150 patrons in a safe and professional presentation. Final replacement needed.
- New bleachers meet safety standards for today’s facilities.
- Half-set bleachers are utilized by a number of events and lessons learned from earlier bleacher projects will be addressed to ease in placement and storage.
- ROI is achieved mainly through safe event practices and overall reduction in insurance claims. Potential for use / rental by other Venues.

Funding Source - Renewal & Replacement Reserve

**Sustainable Initiatives / Renewal and Replacement Projects/New Capital Requested from the MERC Pooled Capital TLT Reserve**

**Lighting efficiency improvements: Halls AB, Halls D, E and Connector \$384,003**

- These lighting efficiency improvements are related to the limited time-availability of programs, opportunities and partnerships with the Energy Trust of Oregon, as well as a successful grant funding application process through the Metro Sustainability program. We are indebted to these programs, as these improvements would otherwise not be possible.
- Halls A and B currently have lighting fixtures with outdated T-12 lamps. T-12 lamps will soon become expensive and scarce due to the discontinued production of T-12 lamps per the EPAC Act of 2005. All lamps would be retrofitted with a T8 high-efficiency lamp and fixture system that will reduce energy use by 392,074 kWh and realize an annual cost savings estimated at \$30,235 per year. Of the four halls, this project is the immediate priority to advantage this ETO opportunity.
- ROI on the Hall AB project will be realized in just 1.5 years.
- Total project cost estimate for Halls AB is \$76,293. Energy Trust Incentive is anticipated at \$32,100. Metro Sustainable program incentive of \$14,193.
- Halls D and E currently have close to 300 fixtures with 1,000 watt Metal Halide High Bays without covers. Lumen degradation and failure in the system occurs often. All Metal Halide lamps would be retrofitted with a 100,000 hour Induction lamps that match lumen brightness and light throw from 30'. This high-efficiency induction lamp and fixture system will reduce energy use by 1,119,270 kWh and realize an annual cost savings estimated at \$63,416 per year. Lighting control would be upgraded for both halls at the same time and to provide even lighting.
- ROI on the Hall D & E project will be realized in 3.1 years.
- Total project cost estimate for Halls D and E is \$297,260. Energy Trust Incentive is anticipated at \$104,491. Metro Sustainable program incentive of \$133,219.
- Remaining project estimate at \$89,550. Final notification of funding from ETO and Metro Sustainability program still pending. I recommend a contingency of \$10,450 due to finalization of matching grants and further ETO analysis.

Funding Source – MERC TLT Pooled Capital  
\$384,003 (total), (\$136,591 – ETO), (\$147,412 - Metro) (\$100,000 – TLT)

**Stormwater mitigation; Bioswale Improvement - UP3 on-site stormwater treatment \$25,000**

- With a recent tour by GreenWorks and City of Portland's BES, it was noted that the grade, slope and the drainage location made the area between Upper Lot 3 and Lower Lot 3 a perfect location for a Bioswale improvement.
- Bioswales reduce calculations utilized by the City of Portland's BES in their recent stormwater fee increases (\$35,000 per year over 4 years). Estimates are this improvement would reduce our impervious surface by 40,000 square feet.
- ROI for this particular project would be realized once the City recognized the 40,000 square foot improvement and reduction of our current impervious surface calculation of 1,615,800 square feet (it is a start).



- Expo applied for a Metro Sustainable program incentive of \$10,000 – it is pending approval. Additionally, applications for a matching grant from the City of Portland “Community Watershed Stewardship Grant” begin in February. Expo would apply for the maximum grant amount available of \$10,000. Application and installation would coincide with the asphalt improvements in the same area.

Funding Source – MERC TLT Pooled Capital

\$30,000 (total), (\$10,000 – City), (\$10,000 - Metro) (\$10,000 – TLT)

#### **Golf (Electric) Carts – Operations (R&R) / Events, Security, Parking (New) \$30,000**

- Current golf cart for Operations is past its useful life. Replacement of this cart is considered 1:1 renewal and replacement.
- The new golf cart is for use by Events, Security and Parking staff over the 52 acre facility. Both carts will be branded with Expo logos and be visible improvements. Golf carts will be 2 seat units with flat bed/additional seating (4 seats total). Expo’s use of golf carts during Cirque proved customers appreciated the occasional ride.
- Sustainable effort by purchase of electric cart that matches Expo and Metro values in a visible way. Metro currently has a flex contract available.
- ROI for this investment is realized by creating a positive customer service impact and community example of our sustainability and rebranding efforts.

Funding Source – MERC TLT Pooled Capital

#### **Audio Visual Equipment – Box Truss, chain motors, black drape, LED Lighting, sound reinforcement, video potential. \$25,000**

- 150’ of Aluminum box trussing with professional rigging capability for division North and South for our current Halls E1/E2 or Halls D1/D2.
- Current half-hall configurations are either 54,000 square feet (E1/E2) or 36,000 square feet (D1/D2). The exhibit halls can be divided by way of airwalls only - East and West. With this flexible option, the halls can be divided for banquets, smaller tradeshow and other uses. Drape also provides acoustical treatment and would reduce that feeling of the halls being “too big.” This is an affordable option outside of hiring an architect for movable walls, or ceiling masking.
- This provides us the potential for clients looking for a flexible ballroom option, with the ability for the unit to be stored in the rafters of either hall. Carpeting would be provided by decorators. Expo has 3,000 chairs and 150 rounds.
- This allows for rental options for sound, lights and video presentations and augments our improvements in Hall E and Hall D lobbies – from reception to banquet. ROI would be realized in catering focused business and AV rentals.

Funding Source – MERC TLT Pooled Capital

## **Aramark Reserve**

### **Connector Improvements – Seating, Lighting, Electrical upgrades \$25,000**

- Halls D & E share one common area of 4,500 square feet. This location is called the “Connector” and is most often used as a food and beverage gathering area, surrounded by portable food carts and providing strong revenue opportunities.
- Immediate improvements could be made in seating, electrical options, lighting and simple paint. This is phase 2 of the current Hall E concession upgrades.

Funding Source – Aramark Reserve

## **Summary of Funding Sources**

### **Summary of Funding Sources for Capital Projects:**

<b>Renewal &amp; Replacement Reserve</b>	<b>\$500,000</b>
<b>MERC TLT Pooled Fund Request</b>	<b>\$165,000</b>
<b>Grant Other /Metro Sustainability Grant</b>	<b>\$167,412</b>
<b>Aramark Reserve</b>	<b>\$25,000</b>
<b>Energy Trust of Oregon (ETO)</b>	<b>\$136,591</b>
<b>Total Capital Request</b>	<b>\$994,003</b>

## **OCC Capital Request FY 2013-14 Budget**

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### **Renewal & Replacement Reserve**

#### **Original Roof Replacement Project - \$1,080,000**

- Carleton Hart Architecture was selected for phase 1 of the roofing project. Phase 1 consists of the planning and design portion of the project and is taking place during FY 12-13. The \$80,000 sum will cover the construction management of the project over the term of the project. Phase 2 will oversee the construction management of the project.
- ROI – The construction management should keep the project progressing on schedule and help assist with resolving issues that will arise during the project.
- Replacement of the 22 year old rock ballast roof on the original side of the facility
- The roof membrane has failed in many locations and has contracted causing tears in the membrane along the perimeter of the roof. The roof has outlived its useful life and is need of replacement to protect the interior assets.
- Carleton Hart Architecture will provide a design and scope of work for bidding this project in FY 12-13.
- This amount represents a little less than half of the roof project since the entire roof project most likely will not be completed in summer of 2013.
- The project is a major undertaking that will need to be phased in over two years in order to be completed during the dry summer months.
- ROI – Thorough planning and selection of a roofing system should last 20-25 years.

FUNDING SOURCE – Renewal & Replacement Reserve

#### **Performance Stage – Replacement Stair Units - \$27,000**

- Purchase of eight adjustable eight step stair units to replace the original stair units that came with the purchase of the stage in 1990.
- Stair units have been redesigned over the years making them safer and sturdier for heavy use.
- Stair units will have lights on each step and can be rolled into place and adjusted to the different heights of a stage from 48” to 78.”
- Project can be completed in FY 13-14
- ROI – Safer, easier to set and remove stair units that will benefit the clients.

FUNDING SOURCE – Renewal & Replacement Reserve

#### **Dance Floor Replacement – \$126,000**

- Purchase of two 40’x40 and one 20’x20’ dance floor that will give OCC the ability to build one 60’x60’ dance floor or any combination of the above to meet our client requests.

- OCC would replace two wood parquet dance floors that were purchased in 1990 and 2002. These dance floors are made of 3'x3' sections are heavy, labor intensive, and an ongoing maintenance concern because of the set screws continually stripping out and needing repair.
- New Magnattach dance floor is light weight, comes in 4'x4' sections and has no set screws, and is locked into place with high power magnets.
- A 20'x20' dance floor can be set or removed by two people in 7 minutes.
- Product has been in use for 16 years and comes with a 12 year warranty.
- Project can be completed in FY 13-14
- ROI – Labor savings through a faster more efficient system that will be safer for staff to install and guest to enjoy

FUNDING SOURCE – Renewal & Replacement Reserve

**Priority Capital Projects – Funding Requested from the MERC Pooled Capital TLT Reserve**

**Audio/Visual Equipment Purchase - \$100,000**

- Purchase of A/V equipment to meet client needs and stay competitive in an aggressive A/V bidding market.
- The A/V department has continued to grow in revenue each of the past few years. As our business grows so does our reliance on sub rental equipment. Having an inventory of quality equipment in house allows us to be more competitive on bids, saves labor, and increases our profit margins.
- The competitive A/V environment has required OCC to use smaller margins to land shows. We can do this effectively when the equipment is owned by OCC and we can reduce pricing on certain pieces of equipment to secure contracts with clients.
- The last A/V equipment purchase has helped OCC reduce sub rentals and thus increased our profit margins which go directly to the bottom line.
- OCC's A/V rental revenue through December 2012 is \$763,943 after excise tax.
- Equipment has been identified that will have the fastest ROI and have the greatest reduction in our sub rentals.
- Project can be completed in July of 2013
- ROI – Increased profit margins that reflect in the OCC bottom line, ability to negotiate and secure business in a competitive marketplace, and continued profitability of the A/V department while demonstrating superior customer service for our clients.

FUNDING SOURCE – MERC Pooled Capital TLT Reserve

**Lighting Project/Energy Savings – OCC Tower Lighting Replacement - \$98,000 Project Cost – Estimated Energy Trust of Oregon funding \$28,000 = \$70,000.00 MERC Pooled Capital TLT Reserve**

Lighting retrofit of existing Metal Halide tower lights

- Replacement of 44, 400w Metal Halides, 16, 250w Metal Halides and 28, 70w Metal Halide tower lights with 100w and 50w with low wattage LED's
- We are looking at options to replace the existing Metal Halides with LED's capable of not only emitting white light but also changing colors. OCC has received many requests over the years from clients wanting to light the towers in different colors for their events. This is something we

are considering based on the feasibility, etc. Moving forward this could be used as an up sell opportunity or a value added feature for our clients.

- OCC has had a strong partnership with the Energy Trust of Oregon working with us to fund energy efficient projects.
- OCC has the opportunity to use MWESB lighting suppliers like we have in past lighting upgrade projects.
- ROI – Decreased energy consumption, continued commitment to sustainable practices and operating more efficiently, and potential revenue source by being able to up sell to clients the ability to change colors of the towers for specific events.

FUNDING SOURCE #1– MERC Pooled Capital TLT Reserve

FUNDING SOURCE #2 – Energy Trust of Oregon  
(Sustainability)

**Lighting Project/Energy Savings – Portland Ballroom Can Light Replacement - \$112,000 Project Cost – Estimated Energy Trust of Oregon funding \$32,000 = \$80,000 MERC Pooled Capital TLT Reserve**

Lighting project retrofit 232 400w Quartz lights

- Replacement of 232, 400w Quartz can lights with 45w LED down lights in the Portland Ballrooms
- OCC has had a strong partnership with the Energy Trust of Oregon working with us to fund energy efficient projects.
- OCC has the opportunity to use MWESB lighting suppliers like we have in past lighting upgrade projects.
- ROI – Decreased energy consumption, continued commitment to sustainable practices, operating more efficiently, and reduced electricity costs or cost avoidance from increased utility rates.

FUNDING SOURCE #1– MERC Pooled Capital TLT Reserve

FUNDING SOURCE #2 – Energy Trust of Oregon  
(Sustainability)

**Process Loop Piping Replacement - \$185,000 MERC Pooled Capital TLT Reserve**

- Complete replacement of remaining process water piping that is used to cool the compressors for the ice machines, walk-in coolers and freezers and heat pumps throughout the original side of the facility.
- The process water piping was originally designed as an open loop system in 1990. After a few years of use the piping became corroded due to the oxygen in the water being introduced from the cooling towers. The issue was resolved in the late 1990's making it a closed loop system but the damage was already done to the inside of the pipes.
- The corrosion and buildup in the pipes restricts the flow of the water used to cool and operate the compressors for the various types of refrigeration equipment mentioned above.
- Replacing the rest of the process loop piping will ensure that the water is flowing properly to the equipment and will help extend the life of the compressors that use the water for cooling.
- OCC has been replacing sections of the piping that is bad shape over the past few years through smaller projects completing the worst sections first that were easiest to reach and repair.
- Corrosion has been stopped because of changes to the system design and our water chemical treatment program.

- This project can be completed in FY 13-14
- ROI – Minimizing damage to compressors by increasing the flow of process water through the pipes, extending the life of the compressors by operating more efficiently, and reducing future leaks at fittings because of the existing corrosion in the pipes.

FUNDING SOURCE – MERC Pooled Capital TLT Reserve

**Design and Engineering – Meeting Rooms/Ballrooms Digital Video Signage – Phase 1 - \$75,000 MERC Pooled Capital TLT Reserve**

- OCC is looking to increase our technology and customer service by having digital signage at each meeting room and ballroom door.
- Clients would be able to list their sessions at each room instead of using paper signs or easels to direct their attendees
- This project is in line with our sustainability goals of reducing waste by eliminating the signage used outside each meeting room/ballroom
- We are looking for a consultant/electrical engineer to assist in product design, layout of systems including drawings and bid documents for construction.
- The product selection and design can take place in FY 13-14
- ROI – Increased customer service, reduced paper/poster board signage that ends up in landfill.

FUNDING SOURCE – MERC Pooled Capital TLT Reserve

**Design and Engineering – Meeting Rooms/Ballrooms Integrated Access Controls – Phase 1 - \$75,000 MERC Pooled Capital TLT Reserve**

- OCC is looking to move away from a hard key system to a key card system for convenience and security.
- Clients would also be able to have secure access into their meeting rooms or ballrooms by using a key card instead of multiple keys etc.
- This would provide additional security and reduce the impact of lost keys compromising the system
- We are looking for a consultant/electrical engineer to assist in product design, layout of systems including drawings and bid documents for construction.
- The product selection and design can take place in FY 13-14
- ROI – Increased customer service, ability to move away from a hard key system where if a key is lost the locks are compromised.

FUNDING SOURCE – MERC Pooled Capital TLT Reserve

### **Priority Capital Projects – Funding Revenue from Operations**

#### **VIP B & VIP D Video Projector Project - \$19,885**

- Install two overhead HD video projectors in the two VIP rooms
- Currently clients have to setup a projector on the conference table to project their video to the screen.
- There would be data connections at the table for clients to plug into directly to feed the video from their computer to the projector overhead.
- ROI - The installation of video projectors in these two spaces will make the spaces more functional and add a level of customer service that is currently missing from a VIP room.
- Project can be completed in FY 13-14

FUNDING SOURCE – Revenue from Operations

#### **Open Walls by Stir Elevator and Aramark Office Elevator - \$36,600**

- Open the walls by the two elevators to create a more inviting space for patrons to sit and enjoy food or a drink at Stir or sit and relax on the Holladay Lobby side next to the elevator.
- Currently the extra seating area by Stir and the seating area on the Holladay Lobby by the Aramark office is dark and uninviting for patrons.
- The proposal is to open the walls facing the steps/escalators to match the existing opening that looks down to the A and C meeting rooms. Natural light will fill the area from the tower glass on both sides making the space feel bigger and more welcoming for patrons to want to sit down and eat or grab a beverage. Both sides would be opened to mirror each other so existing symmetry in the building is maintained.
- Project has been reviewed and designed.
- Project can be completed in FY 13-14

FUNDING SOURCE – Revenue from Operations

#### **Flowmeter Installation for Heating, Cooling, and Process Water Pipes - \$26,050**

- Install a flow meter on the chilled water, heating water, and condenser water piping.
- These meters will allow us to trend usage and demand for the three systems in our Building Automated Control System. The information will be extremely useful for planning and designing future replacements of the systems
- The ongoing accumulation of data will be valuable in ensuring that the future replacement boilers and chillers are designed appropriately for optimal efficiency.
- This project was evaluated and recommended through our ongoing retro-commissioning process
- Project can be completed in FY 13-14
- ROI – The ability to appropriately size future replacement boilers and chillers to maintain optimal efficiency and knowledge gained by our engineering staff on our how our systems function.

FUNDING SOURCE – Revenue from Operations

### **Carry over Projects from FY 2012-13**

#### **Carryover from FY 12-13 - Replacement Chrome Entry Doors on Original Side of Venue - \$225,000**

- The chrome entry doors on the Holladay Lobby, King Lobby, and Oregon Ballroom Holladay and King Rotundas are in need of replacement. These doors are original to the facility and are the primary entrance for patrons entering the building from the Max lines.
- The project is being carried over to FY 13-14 because of inadequate funding. As we looked at starting the current project additional issues were brought to our attention. The original budget estimate was for a door replacement with aluminum style doors. There are issues with the thresholds that are cracked and with the concrete approaches that have settled in front of each door causing a potential trip hazard for patrons.
- These entry doors are used frequently to bring in equipment, lifts, etc. for events in addition to patrons. We are looking at options in door types and sizes that would be more operationally effective over time and resolve longstanding issues.
- The current and originally proposed doors are not on the OCC door access control system. These doors have to be manually opened and secured by security. We are taking this opportunity to investigate options to electronically secure these doors from our security console for times of emergency.
- An architect has been hired to present different door options, access controls, pricing, design the concrete and threshold repairs to withstand event equipment traffic and address potential design review issues with the city.
- A plan will be designed and agreed upon before moving forward
- Project will be completed in summer of 2013.
- ROI – Operational efficiency by having easier access for moving in equipment for maintenance and show needs. Increased efficiency and operation since the existing doors have 22 years of wear and tear and have become an ongoing maintenance issue.

FUNDING SOURCE – \$125,000 carry over from FY 2012-13 originally funded from the Renewal and Replacement Reserve

FUNDING SOURCE – Project requires an additional \$100,000 from the Renewal and Replacement Reserve

#### **Carryover from FY 12-13 - Restroom Handicap Accessible Door Operators - \$80,000**

- Project was reviewed prior to bidding and it was determined that funding was inadequate to complete under the previous budget.
- In addition to the new door operators, hardware upgrades and electrical wiring will need to be run to each set of doors to provide power to the door operator. The cost of running wire was higher than anticipated and thus the reason for requiring additional funding to complete as designed.
- Handicap accessible door operators are needed on all 20 of the OCC front of house restroom doors to meet ADA compliance. Currently patrons in wheelchairs can become trapped in a restroom because they can't pull the door open to exit.
- This project will add touch buttons on the outside and inside of restroom doors and a mechanical door operator to open the door when activated.
- Project will be completed in summer of 2013.
- ROI – Meeting ADA requirements for restroom access.



FUNDING SOURCE – carry over originally funded from OCC TLT Reserve  
 FUNDING SOURCE – Project requires an additional \$30,000 requested from the MERC Pooled Capital TLT Reserve  
 (Project) (Health & Safety & Customer Service)

**Carryover from FY 12-13 - Replacement Pick-Up Truck – Bobcat plow attachment - \$40,000**

- Project has been carried over to FY 13-14 because current truck is still performing well at this time because of repairs that were made last spring out of necessity.
- We have determined that a more efficient way for snow removal is purchasing a plow for our Bobcat since we do not have large surface parking lots that need plowed. A plow attachment for the Bobcat will be more effective in clearing the loading dock and sidewalks around the facility.
- Replace 22 year old truck used for day to day operational needs and purchase a plow for the Bobcat in FY 13-14.
- Project can be completed in FY 13-14
- ROI – A truck is necessary for day to day operations. The plow attachment gives us the ability address emergency snow removal efficiently.

FUNDING SOURCE – Originally funded from the OCC TLT Capital Reserve  
 (Purchase)

**Summary of Funding Sources for Capital Projects:**

<b>Renewal &amp; Replacement Reserve</b>	<b>\$1,333,000</b>
<b>MERC TLT Pooled Fund Request</b>	<b>\$615,000</b>
<b>Operating Revenue</b>	<b>\$82,535</b>
<b>Ending Fund Balance for Carry Over Project</b>	<b>\$215,000</b>
<b>Energy Trust of Oregon (ETO)</b>	<b>\$60,000</b>
<b>Total Capital Request</b>	<b>\$2,305,535</b>

## **PCPA Capital Request FY 2013-14 Budget**

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### **Renewal & Replacement**

#### **AHH Replace 20 water closets (6 gpf to 1.28 gpf) \$15,000**

- Replace original public and backstage water closets (toilets) with new low water flow units.
- Project needed for water savings estimated at 15,000 gallons per year for the 20 WC's.
- Project can be completed in FY13-14.
- ROI is approximately 2.4 years (City of Portland Water Bureau Survey estimates).

#### **AHH Stage Door Replacement \$25,000**

- Replace the custom sized stage door entrance opening with new standard sized doors and glass above.
- Original Stage doors are failing and unable to be effectively secured after 25 years of heavy use. Opportunity to re-size the doors to a standard sized opening with readily available hardware as opposed to custom hardware.
- Project can be completed in FY13-14.
- ROI is only applicable to down-sizing the doors for easier maintenance and availability of standard sized hardware.

#### **AHH HVAC and Lighting Controls Replacement \$250,000 (Year 1 of 2)**

- Replace original building controls system for HVAC with a new direct digital controls (DDC) system to control both HVAC and lighting. The current system is twenty five years old, support from the manufacturer is becoming limited as their personnel are no longer trained on a vintage system, and we have randomly experienced systemic failures from time to time.
- Building operations and engineering staff are dependent on buildings control systems to deliver appropriate airflow and insure the comfort of our clients and patrons. The risks associated with losing control of the building systems are very significant. If we are unable to insure the appropriate minimum airflow requirements in our public spaces, then we cannot open our doors to the public. Building controls systems have improved drastically in twenty five years leading to far more effective decision making with significantly more information available to building operators.
- ROI is difficult to quantify without an expensive study by a mechanical engineer but we expect energy improvements with extensive HVAC and light operations scheduling capabilities, labor savings through significantly improved analytics and mobile diagnosis for engineers, and improved patron/client satisfaction by programming the controls system to independently respond to differing conditions in the theaters.

#### **AHH Exterior Insulation Finish System Replacement Phase II \$175,000**

- Reinstall the exterior insulation finish system (outside walls) in alleyway outside Winningstad Theatre and surrounding the exterior mechanical patio for the cooling tower both located on the North elevation of the AHH. We have systemic failure in original construction methods &

poor historical maintenance from the roof line level to the sidewalk level. Project requires redesign and new construction of the entire wall system, flashing details, vapor barrier, insulation, and possible roof work as well.

- Safety of the building envelope is a critical piece of operating a building. We have had significant known leaks all over the Winningstad Theatre for a number of years.
- We can fully complete phase II of the project in FY13-14. We will have one final large phase of work to complete at the roof level of the building to complete this project. This is on the 5 year plan for next year.
- ROI is the cost avoidance of potential additional damage to our theater, production equipment, and/or potentially endangering our ability to book performances if the leaks were unable to be controlled or could cause harm to the public occupants of the theaters or buildings.

#### **ASCH Production Communications - Wireless**

- Upgrade current fixed position communications for internal production staff and client stage management to wireless system that will integrate with existing system.
- This is a potential safety issue for department head stagehands that need the flexibility to move around for their job during performances while still being easily available to clients should the need arise.
- Can be completed in FY13-14.
- ROI is not quantifiable other than the safety factors described above and the potential for labor savings with consistent production communication capabilities allowing for working efficiencies.

#### **ASCH Roof Drains Replacement \$35,000**

- Replace failed roof drain bodies and pipe runs in previously identified locations in both front and back of house. The pipes and drains currently leak and also have standing water due to incorrect installation.
- Safety issue.
- Can be completed in FY 13-14
- ROI is cost avoidance to damaged interior plaster from water damage.

#### **ASCH Soft Goods replacement Front of House \$50,000**

- Replace all of the hanging drapes in the front of house including the drapes covering the old pipe organ locations. These goods have literally begun to disintegrate.
- This is a safety issue as we cannot hang these materials without their fire retardency and safe hanging hardware intact. We would be left with a theater with exposed building areas and changed acoustical properties due to the lack of absorption from the soft goods being removed.
- Can be completed in FY13-14.
- No known ROI.

#### **ASCH Front of House Lighting Conversion to LED \$90,000**

- -Design and replace the auditorium front of house lighting to work with newer available LED technology. All front of house coffered ceiling and aisle lighting at the ASCH has incandescent bulbs and uses a significant amount of wattage to deliver a very poor amount of light for our audiences and clients.
- This is an issue of both saving energy and increasing patron comfort.
- Can be completed in FY 13-14.
- ROI is anticipated to be less than 10 years.

**Keller Main Curtain \$50,000**

- Replace the Keller Main Stage Curtain.
- Needs to be funded as a safety issue. We cannot operate the theater with non-fire retardant or disintegrating soft goods. Our clients would be unable to stage shows without them.
- Can be completed in FY13-14.
- No known ROI.

**Keller Cooling Tower and Associated Piping \$10,000**

- Conduct Engineering study for the cooling tower and associated piping to provide the appropriate equipment and budgetary estimates needed for the full replacement in the following year.
- Project need for safety as cooling tower structure and filtration media is failing and sending debris downstream to the chiller potentially damaging it or making it unavailable for operation. We will also benefit from more efficient electrical (fan) operations and stop dumping debris-filled water out of the system.
- Study can be completed in FY 13-14.
- ROI: Savings from water and electrical efficiency combined with the labor to safely operate the chiller for our HVAC. Failure to replace could result in lack of cooling capabilities and cause damage to other equipment in the system.

**AHH-Newmark Main Curtain \$50,000**

- Replace the Newmark Main Stage Curtain as it has failed the most recent flame retardency test, the current main curtain is significantly heavier material than is actually required for operation and the cost to reflate-proof and the likelihood of curtain failure outweighs the benefit of trying to save.
- Needs to be funded as a safety issue. We cannot operate the theater with non-fire retardant or disintegrating soft goods. Our clients would be unable to stage shows without them.
- Can be completed in FY13-14.
- No known ROI.

**Newmark Production Communications - Wireless \$20,000**

- Upgrade current fixed position communications for internal production staff and client stage management to wireless system that will integrate with existing system.
- This is a safety issue for department head stagehands that need the flexibility to move around for their job during performances while still being easily available to clients should the need arise.
- Can be completed in FY13-14.
- ROI is not quantifiable other than the safety factors described above and the potential for savings with consistent production communication capabilities allowing for labor efficiencies.

**Newmark Lighting System Overhaul Phase I \$56,000**

- This is the first of a three phase process to replace the production and house lighting systems with their current outdated systems with industry standard systems used

throughout all of our other venues. This phase includes a new operating console to drive the lighting systems and a full extension of the cabling needed to operate the lights hanging from the pipes above the stage.

- This replacement is for both safety and labor saving purposes. We will be unable to stage shows without a fully operating production and house lighting dimmer system that integrates with our control consoles and uses the technology readily available to all of our clients. The cabling portion of the work will save significant hours of loading counterweight pipes and stringing cables to large junction boxes on each pipe.
- This phase of work can be completed in FY 13-14.
- ROI for labor savings to clients and maintenance costs.

**Summary of Funding Sources:**

<b>Renewal &amp; Replacement Reserve</b>	<b>\$756,000</b>
<b>Donation from the PCPA Foundation</b>	<b>\$75,000</b>
<b>Total Capital Request</b>	<b>\$831,000</b>

**Administration - Information Services Capital Request  
FY 2013-14 Budget**

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**Renewal & Replacement Reserve**

**Network Firewall / DMZ replacement \$20,000**

-Replacement of existing PIX firewalls. This equipment protects the network from outside intrusion over the Internet. Without a firewall, any externally-facing servers, including all web and remote access servers, would provide access to any server on the network. Existing firewalls are over 10 years old. They do not have up to date capabilities and are not under any type of support agreement. There are two firewalls, to make the system redundant, but in their current configuration, a failure on the primary firewall would require a physical switch in cabling to make the backup firewall active.

-Project is needed to update and protect the network and to help ensure PCI (Purchasing Card Institute) compliance. Compliance is a requirement by merchant banks in order to take credit card payments. Proper firewall and network security is one component of the requirement. Non-compliance increases chances of credit card theft and could result in fines.

-Project will be completed in FY13.

-ROI is expressed in terms of reduction of risk.

**Web Filtering \$15,000**

-Install service or device to filter workstations from viewing websites which contain known malware and viruses as well as the filtering of inappropriate sites.

-Project will help contain unusually large number of viruses on workstations and will give management the ability to limit and/or monitor web surfing to sites that may contain inappropriate or non-business related websites. At a minimum, sites containing malware or viruses could be prohibited. MERC management can decide upon other filtering levels, as needed.

-Project can be completed in FY13.

-No known ROI

**Data Center Server OS Upgrades \$12,000**

-Update Microsoft Server licensing in the data center

-Project would upgrade and make compliant the existing Microsoft Server licensing on all virtualized servers. Not all of the servers used in this environment are properly licensed. There are also some existing servers in older versions of Microsoft Server. The virtual environment contains mission critical applications, such as Exchange email, EBMS, Celayix scheduling and the hosting for all of the MERC websites.

-Can be completed in FY13.

-No known ROI.

**Summary of Funding Sources for Capital Projects:**

<b>Renewal &amp; Replacement Reserve</b>	<b>\$47,000</b>
<b>Total Capital Request</b>	<b>\$47,000</b>

**FY 2013-14 Expo Reserves**  
Budget Committee Meeting January 31, 2013

		<i>Expo</i>
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<b>A. Contingency Reserves:</b>		
1) Operating Contingency		364,000
2) Stabilization		186,000
	<b>Subtotal Contingency Reserves</b>	<b>550,000</b>
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<b>B. Accumulation Reserves:</b>		
<b>1) Renewal &amp; Replacement Reserve Beginning Balance</b>		775,000
Annual Contribution to R & R Reserve for FY 2013-14		85,000
MERC Admin Capital (Information Services)		
Proposed Capital Projects FY 13-14		(500,000)
	<b>Adjusted Renewal &amp; Replacement Reserve</b>	<b>360,000</b>
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<b>2) New Capital/Business Strategy</b>		2,125,025
Undesignated Fund Balance as of 6-30-12		97,705
Budget Committee Approved Modification Request 1-15-13		(40,000)
	<b>Adjusted New Capital Business Strategy Reserve</b>	<b>2,182,730</b>
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<b>C. Total Fund Balance</b>		<b>3,092,730</b>

## **FY 2013-14 OCC Reserves**

Budget Committee Meeting January 31, 2013

	<b>OCC</b>
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<b>A. Contingency Reserves:</b>	
1) Operating Contingency	1,540,000
2) <u>Stabilization</u>	260,000
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<b>Subtotal Contingency Reserves</b>	<b>1,800,000</b>
<b>B. Accumulation Reserves:</b>	
1) <b>Renewal &amp; Replacement Reserve Beginning Balance</b>	5,685,779
Annual Contribution to R & R Reserve for FY 2013-14	875,000
Proposed Capital Projects FY 13-14	(1,333,000)
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<b>Adjusted Renewal &amp; Replacement Reserve</b>	<b>5,227,779</b>
2) <b>New Capital/Business Strategy</b>	1,334,856
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<b>Adjusted New Capital Business Strategy Reserve</b>	<b>1,334,856</b>
<b>C. Total Fund Balance</b>	<b>8,362,635</b>



**FY 2013-14 PCPA Reserves**  
Budget Committee Meeting January 31, 2013

		<i><b>PCPA</b></i>
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<b>A. Contingency Reserves:</b>		
1) Operating Contingency		300,000
2) Stabilization		174,500
	<b>Subtotal Contingency Reserves</b>	<b>474,500</b>
<b>B. Accumulation Reserves:</b>		
<b>1) Renewal &amp; Replacement Reserve Beginning Balance</b>		5,345,000
Annual Contribution to R & R Reserve for FY 2013-14		245,000
Proposed Capital Projects FY 13-14		(756,000)
	<b>Adjusted Renewal &amp; Replacement Reserve</b>	<b>4,834,000</b>
<b>2) New Capital/Business Strategy</b>		1,736,838
Undesignated Fund Balance as of 6-30-12		190,025
	<b>Adjusted New Capital Business Strategy Reserve</b>	<b>1,926,863</b>
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<b>C. Total Fund Balance</b>		<b>7,235,363</b>

## FY 2013-14 Administration Reserves

Budget Committee Meeting January 31, 2013

*Admin*

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### A. Contingency Reserves:

1) Operating Contingency	95,335
2) Stabilization	n/a
3) Contingency for Renewal & Replacement	200,000
<b>Subtotal Contingency Reserves</b>	<b>295,335</b>

### B. Accumulation Reserves:

1) <b>Renewal &amp; Replacement Reserve Beginning Balance</b>	471,293
MERC Admin Capital (Information Services)	139,492
Proposed Capital Projects FY 13-14	(92,000)
<b>Adjusted Renewal &amp; Replacement Reserve</b>	<b>518,785</b>

2) <b>New Capital/Business Strategy</b>	n/a
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<b>Adjusted New Capital Business Strategy Reserve</b>	<b>-</b>
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3) <b>MERC TLT Pooled Capital Account</b>	132,214
TLT Receipts FY 11-12	902,391
Transfer to Expo Center Capital	(165,000)
Transfer to OCC Capital	(615,000)
<b>Adjusted MERC TLT Pooled Capital Account</b>	<b>254,605</b>

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<b>C. Total Fund Balance</b>	<b>1,068,725</b>
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