
MERC Commission Budget Committee Meeting

January 11, 2011
9:30 am – 12:30 pm

Oregon Convention Center
VIP D
777 NE Martin Luther King Jr.
Blvd.



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Portland, OR 97232
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Metro | *Exposition Recreation Commission*

Agenda

Meeting: MERC Commission Budget Committee Meeting
Date: Tuesday, January 11, 2011
Time: 9:30 a.m. – 12:30 p.m.
Place: OCC - VIP D Suite (south end of OCC; next to OCC Admin Office)

1. Reserve Study Project Update
2. Q & A on Venue Budgets' and Proposed Capital
3. Comments from Michael Jordan
4. Next Steps
5. Other Business

MERC Commission Budget Committee Meeting

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Report and Recommendations
on MERC Reserves

January 11, 2011
MERC Budget Committee

Report and Recommendations on MERC Reserves

Project Team

Margo Norton, Finance and Regulatory Services Director

Cynthia Hill, MERC Budget Manager

Douglas Anderson, Policy and Compliance Manager, FRS

Plan of the Presentation

Desired Outcomes

- Participants understand reserve recommendations, options and tradeoffs.
- Agreement on types of reserves and design criteria.
- Participants have a basis for informed decisions and next steps.

Outline

Purposes, outcomes and uses of this study

Reserve Concepts

Summary of Results

Reserves by Venue and Type

Conclusions

Closing: comments, questions, discussion, next steps

Questions for Consideration

Participants may wish to consider the following questions during the course of the presentation:

- Is there agreement that the identified reserves are the appropriate ones for MERC?
- Are there any questions about the working capital and operating contingency targets?
- Should MERC pursue establishment of stabilization reserves?
- What are the priorities and timeframe for further evaluation of the renewal and replacement plans?
- What targets should guide development of the FY 2011-12 budget?

Purposes, Outcomes and Uses of this Study

This study is intended to identify appropriate reserves for MERC, and analyze independently the funding needs (targets) for each of those reserves.

This will allow the current fund balance to be allocated among specific and targeted business needs. It will also help MERC assess the adequacy of its fund balance, and provide planning targets for the future – especially in cases where a particular reserve falls short of its funding goals.

As an immediate benefit, this study should provide decision makers with a better sense of options, priorities and risks when considering drawing on the fund balance for various uses. In particular, the results of this study should help inform development of the FY 2011-12 budget.

This study should also help inform planning and management of decisions and activities that affect, or are affected by, the reserves – such as the scope and schedule for renewal and replacement of existing assets over time.

The results of this study should also increase the transparency of MERC's financial condition and provide MERC and Metro with a firmer foundation for explaining or discussing current and future needs with stakeholders and decision makers outside Metro.

Reserve Concepts

—— *A brief summary to provide context for the presentation that follows* ——

The primary purpose of a reserve is to support the business purpose of the organization.

“Reserves” are financial resources set aside for specified purposes.

It is good business practice to identify the reserves that are needed for each organization, quantify the target size of each reserve, and to adopt policies governing funding, uses, and priorities for each reserve.

There are three generic classes of reserves. The project team’s recommendations for MERC are in *italics*.

- Restricted reserves are put in place to satisfy external obligations, such as a debt service reserve.
At MERC: Expo Phase 3 and PERS.
- Contingency reserves are like insurance: there if needed, but no expenditures are planned from them.
At MERC: working capital, operating contingency and stabilization reserves.
- Accumulation reserves are financial management tools that act like savings accounts: small periodic deposits grow (that is, accumulate) to an amount sufficient to cover a future planned expenditure.
At MERC: renewal & replacement and new capital reserves, and perhaps a business strategy reserve.

Summary of FY 2011-12 Recommended Reserves and Targets

	Expo	OCC	PCPA	MERC
Projected FY 2011-12 Balances**	\$4,773,086	\$8,387,581	\$8,062,790	\$21,223,457 *
Reserve Targets				
Restricted				
Expo Phase 3	1,309,038	-	-	1,309,038
PERS	176,464	1,004,018	603,584	1,784,066
Subtotal	1,485,502	1,004,018	603,584	3,093,104
Contingency				
Working Capital	525,000	2,330,000	1,095,000	3,950,000
Operating Contingency	364,000	1,540,000	300,000	2,204,000
Stabilization	186,000	260,000	174,500	620,500
Subtotal	1,075,000	4,130,000	1,569,500	6,774,500
Accumulation				
Renewal & Replacement	300,000	3,350,000	4,500,000	8,150,000
New Capital	1,912,584	(96,437)	1,389,706	3,205,853
Business Strategy**	1,912,584	(96,437)	1,389,706	3,205,853
Subtotal	2,212,584	3,253,563	5,889,706	11,355,853
Sum of Reserve Targets	\$4,773,086	\$8,387,581	\$8,062,790	\$21,223,457 *

* An additional balance of \$1,002,490 (including \$174,439 for PERS) for MERC Administration is not included in the MERC total.

** These figures reflect proposed uses of fund balances in the draft FY 2011-12 budget as of Jan. 4, 2011. The new capital and business strategy figure is the balance remaining after funding other reserves, and is provided for discussion purposes.

Reserves by Venue and Type

Restricted Reserves

Restricted reserves are established to satisfy external obligations.

The two defined for MERC are the Expo Phase 3 and PERS reserves.

FY 2011-12 Targets

Venue	Phase 3	PERS
Expo	\$1,309,038	\$176,464
OCC	—	1,004,018
PCPA	—	603,584
MERC	\$1,309,038	\$1,784,066

Observations and Discussion Points

- The Phase 3 reserve is not explicitly counted toward capital or business strategy development in this study, but it overlaps those purposes. See discussions under “Accumulation Reserves” below.

Contingency Reserves

Working Capital

Working capital provides liquidity to cover timing differences between payables and receipts.

Funds are usually held as cash or cash equivalents which translates into high opportunity cost.

Results

Venue	Target
Expo	\$525,000
OCC	2,330,000
PCPA	1,095,000
MERC	\$3,950,000

Observations and Discussion Points

- If managed at the fund level, about \$400,000 of the fund balance might be freed up for other purposes.
- Because beginning working capital balances equal ending balances by definition there is no impact on the venues' "ownership" of these reserves when pooled.

Contingency Reserves

Operating Contingency

The operating contingency backs up the operating budget.

It provides funds to cover unexpected, within-year revenue shortfalls or cost spikes.

It is like insurance: there if you need it, but you don't plan to spend from it.

Design criteria for this study

- This study assumes no management of costs in reaction to unforeseen events. That is, the contingencies are sized so that cost management is an optional, not a required, response to revenue slumps or cost spikes.
- Contingencies are sized for a “10-year event”; that is, there is a chance the reserve would be *completely exhausted* once every decade.
- Probability factors are based on the last 15 years of financial results from each venue.
- Event/non-event revenue and cost structures are modeled on the last 5 years of data by venue.

Contingency Reserves

Operating Contingency (continued)

Results

Venue	Target
Expo	\$364,000
OCC	1,540,000
PCPA	300,000
MERC	\$2,204,000

Observations and Discussion Points

- There is a direct trade off between risk and the size of the operating contingency: the smaller the reserve the higher the risk and vice versa.
- If MERC were willing to accept more risk, the figures above can be downsized. For example, the current contingencies of \$250,000 and \$1,066,623 at Expo and OCC, respectively, provide coverage for about a 7-year event (or, confidence at the 83.5% and 83% levels). On risk aversion and upsizing, see the next section.
- If MERC were to establish cost management protocols as a matter of policy in partial response to cost or revenue shocks, the contingency targets above can be downsized.

Contingency Reserves

Stabilization Reserve

The stabilization reserve backs up the operating contingency.

It is like insurance: there if you need it, but you don't plan to spend from it.

Concept

- This is the source of funds to replenish the operating contingency in the year following a revenue or cost shock, thereby avoiding the need to dip into the next year's budget to fund the operating contingency.
- Recommended because the effects of such shocks are not usually confined to one year for MERC.

Design criteria for this study

- The operating contingency and stabilization reserve together are sized for a "20-year event."
- Like the operating contingency, no cost management is assumed.

Contingency Reserves

Stabilization Reserve (continued)

Results

Venue	Target
Expo	\$186,000
OCC	260,000
PCPA	174,500
MERC	\$620,500

Observations and Discussion Points

The same comments for the operating contingency apply here.

Accumulation Reserves

Renewal and Replacement

The Renewal and Replacement Reserve supports the existing asset base.

It is a financial management tool to smooth lumpy capital outlays.

It is like a savings account: you build up the reserve with the intention of spending it.

Design criteria and assumptions for this study

- Outlays are based on current renewal and replacement plans, inflated at 3 percent per year.
- A near-term yield of 0.6 percent on account balances growing to 5 percent by 2017 is assumed.
- Annual deposits are to be stable or predictable, and feasible.
- Coverage ratio target of 105 percent. (“Coverage” is the ratio of the beginning account balance + annual deposit to the expected annual outlay each year. See the table on the page after next.)
- 10-year pro forma with a 5-year focus.

Accumulation Reserves

Renewal and Replacement (continued)

Results: Two Options

Venue	Option A	Option B
Expo	\$300,000	\$500,000
OCC	3,350,000	\$4,000,000
PCPA	4,500,000	\$5,000,000
MERC	\$8,150,000	\$9,500,000

Observations and Discussion Points

- The difference between the two options is the size of the annual outlays (see table, next page).
- The nature of the business (and PCPA's relationship with the Friends) may dictate policies on periodic deposits in lieu of strictly annual deposits.
- Very high outlays are programmed during the next 3 years at OCC and PCPA, and outlays are highly variable after that. Under these conditions, meeting all of the design criteria is not possible. In the two options the coverage occasionally falls below target. Smoothing of project schedules over time would help address this.
- Renewal and replacement plans are in various stages of completion by each venue.
- Most organizations require more than one year to fully design and implement their R&R plans and reserves.

Renewal and Replacement Funding Options Initial Balances and Ten-Year Cash Flows

Funding	Expo		OCC		PCPA	
	Option A	Option B	Option A	Option B	Option A	Option B
Initial Balance	\$300,000	\$500,000	\$3,350,000	\$4,000,000	\$4,500,000	\$5,000,000
Annual Deposit						
2012	\$150,000	\$120,000	\$1,000,000	\$1,000,000	\$400,000	\$400,000
2013	150,000	145,000	1,300,000	1,090,000	500,000	400,000
2014	150,000	170,000	1,600,000	1,180,000	600,000	500,000
2015	300,000	195,000	1,300,000	1,000,000	700,000	500,000
2016	300,000	220,000	1,100,000	1,090,000	600,000	500,000
2017	300,000	245,000	1,100,000	1,180,000	600,000	600,000
2018	300,000	270,000	1,000,000	1,270,000	600,000	600,000
2019	300,000	295,000	1,000,000	1,000,000	600,000	600,000
2020	300,000	320,000	1,000,000	1,000,000	600,000	600,000
2021	300,000	345,000	1,000,000	1,000,000	600,000	600,000
Largest Outlay	\$466,028	\$466,028	\$3,111,581	\$3,111,581	\$3,815,475	\$3,815,475
Smallest Annual						
Balance	\$11,014	\$19,036	\$49,997	\$77,860	\$27,056	\$42,499
Coverage	100%	102%	101%	102%	100%	102%

Description of annual deposit options

- Expo
 - A. Deposits increase in two steps: \$150,000 for 3 years, then hold at \$300,000 per year.
 - B. Deposits increase \$25,000 per year for 10 years.
- OCC
 - A. Deposits ramp up from \$1 million to \$1.6 million over 3 years, then ramp back down to \$1 million per year.
 - B. Deposits increase \$90,000 per year for 2 years, then reset and increase by \$90,000 for 3 years.
- PCPA
 - A. Deposits ramp up from \$400,000 to \$700,000 over 4 years, then drop and stay at \$600,000 per year.
 - B. Deposits increase in 3 steps: \$400,000 for 2 years, \$500,000 for 3 years, then \$600,000 for the balance.

“Coverage” is the ratio of the beginning account balance + annual deposit to the expected annual outlay each year.

A coverage of 100 percent means there are exactly enough funds available for projects, with no allowance for overruns.

Accumulation Reserves

New Capital Reserve *and* Business Strategy Reserve

Concept: New Capital

- A funding source for new capital acquisition; an alternative to borrowing.
- Like the R&R reserve, it is a financial management tool to smooth lumpy capital outlays.
- It is like a savings account: you build up the reserve with the intention of spending it.

Design Criteria

Design criteria would follow those described for renewal and replacement, but based on the new-capital plan.

Concept: Business Strategy

This reserve covers non-recurring costs of pursuing business strategies, continuity and opportunities. Examples:

- Strategy. Funding research or soft costs of expanding or adding a business line
- Continuity. If gaps emerge during budget development, and it does not make good business sense to cut costs to fill those gaps, then the business strategy reserve is an appropriate place to turn for funding (*conventionally, "budget balancing"*).
- Opportunity. A funding source to take advantage of unforeseen opportunities requiring, say, seed money.

Design Criteria

If a business strategy reserve proves useful, design criteria depend on its purpose and focus.

Accumulation Reserves

New Capital and Business Strategy (continued)

Results

Targets for the new capital and business strategy reserves are not explicitly analyzed at this stage of this project, as management considerations drive these reserves more than technical factors.

The amount that may be **available** for these reserves is the fund balance that remains after all of the other reserves have been funded. These figures are shown in the summary table on the fifth page of this document.

However, without a review of business plans, opportunities, threats, and priorities, it is not possible to define how much is **needed** for new capital and business strategy/development.

Observations and Discussion

- The business strategy reserve overlaps the concept of the “strategic fund balance.”
- As a matter of practicality MERC may need to fund the business strategy reserve with as-available (“opportunity”) funds, rather than strictly as an accumulation reserve that builds to a specific target.

In Conclusion

This study has been designed to identify appropriate reserves for MERC, and analyze independently the funding needs for each of those reserves. Through this work the size of the fund balances can be assessed for adequacy, and decision makers should have a better sense of priorities and risks over using portions of that fund balance.

Under the assumptions of this study,

- The Expo and PCPA fund balances appear sufficient to support their appropriate reserves.
- However, there is a challenge for OCC.

This study also provides MERC with options and targets to work toward over the next few years:

- A high priority appears to be the renewal and replacement plans.
- A discussion of business strategies and the implication for new capital acquisition will help with planning and prioritizing funding for these activities.
- Experience over time may allow adjustment of the reserve targets, freeing-up resources for other uses.

Questions for Discussion

- Is there agreement that the identified reserves are the appropriate ones for MERC?
- Are there any questions about the working capital and operating contingency targets?
- Should MERC pursue establishment of stabilization reserves?
- What are the priorities and timeframe for further evaluation of the renewal and replacement plans?
- What targets should guide development of the FY 2011-12 budget?

In Closing

Other Questions?

Comments?

General discussion

Decisions on next steps

MERC Commission Budget Committee Meeting

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Venues' Proposed Budgets

FY 2011-12 Budget Overview

Issues

- ✓ Labor cost are rising at a faster pace than revenue growth
- ✓ Less National Conventions booked over the next two years at the Oregon Convention Center
- ✓ Aging buildings will require major renewal & replacement projects
 - OCC – original facility
 - PCPA – Historical buildings
 - Expo Center – Halls A, B and C
- ✓ PCPA – TLT annual increase CPI cap
 - FY 2009-10 experienced decline in tax receipts and a CPI increase
 - OCC receives the greater of CPI or the change in tax receipts, PCPA receives the lesser of CPI or the change in tax receipts. This calculation is performed as part of the year-end closing process.
 - Due to the economy, TLT was less than prior year however, there was a slight CPI increase. OCC received the prior year plus CPI and the balance was allocated to PCPA, the result reduced PCPA to \$901 thousand which is \$300 thousand less than the original base of \$1.2 million.
- ✓ Investment in sustainability projects generates utility savings
- ✓ Competitive edge and market change
- ✓ New Ticketing Contract at PCPA
- ✓ OCC - Assessment for Eastside Streetcar Local Improvement District (LID) is not included in this budget.
 - \$2 million total or \$173 thousand annually over 20 years
 - Current estimate late 2011-12 or early 2012-13
- ✓ Expo Debt
- ✓ Excise Tax in year of deficit spending at Expo and OCC
- ✓ Expo Admission fees dedication to phase 3 development, not sustainable in years when the Expo Center net increase to fund balance is less than fees collected
- ✓ Arlene Schnitzer Concert Hall renovation and proposed Main Street Project

Number of Events

- ✓ OCC has 30 conventions booked in FY 2011-12 compared to 37 booked in FY 2010-11
- ✓ PCPA will have 13 weeks of Broadway versus 12 weeks in FY 11 with a very strong line up including 4 weeks of a blockbuster
- ✓ The number of consumer shows is stable at the Expo Center

FY 2011-12 Budget Overview

Revenue

- ✓ Transient Lodging Tax
 - ◆ The City of Portland and Multnomah County and the hotel industry are optimistic as they forecast lodging tax trends for FY 2011-12.
 - ◆ Year to date as of November, Transient Lodging Tax is up \$168,727 or 6.683% better than November 2009
 - ◆ The proposed budget assumes a 4% increase in FY 2010-11 and a 6% increase in FY 2011-12
 - OCC \$8,125,930
 - PCPA 920,549
- ✓ VDI Bucket 4 - OCC Operational Support
 - ◆ 2011-12 Request \$960,000
 - Travel Portland VDI Single Hotel Marketing - \$160 thousand approved June 6, 2008
 - Travel Portland Marketing alternatives to a headquarter hotel - \$250 thousand
 - OCC Operational Support - \$550 thousand
- ✓ VDI Buckets with CPI inflation factor increase 1.17%
- ✓ 2011-12 Enhanced Marketing \$425,397
 - 2011-12 PCPA Support \$607,708
- ✓ City of Portland Contribution to PCPA increased CPI inflation factor 1.17%
 - 2011-12 per City of Portland \$776,009
- ✓ Investment Earnings are estimated at 1% Metro Budget Investment Manager

Expenditures

- ✓ *Personal Services*
 - MERC Non Represented budgeted based on Metro budget assumptions
 - MERC Represented budgeted based on contracts
 - OCC Gain Sharing program (AFSCME) \$15,000 (will be added)
 - Expo FTE 13.3 FTE
 - OCC 110.3 FTE
 - \$200 thousand vacancy/turnover credit in the Operations Department
 - PCPA budget includes two new full time position for a total FTE of 48.4
 - Increase part time Marketing & Promotions Coordinator II to full time, increased cost \$26,790

FY 2011-12 Budget Overview

- Add a Utility Lead position to work custodial graveyard shift, a lack of supervision presence between the three facilities on the graveyard shift has led to significant HR issues. This position is funded by converting 40 hours per week part time custodian to a full time Lead Custodian, increased cost \$27,758
- Administration 19 FTE compared to 22 FTE in the current year
 - Three positions moved to Metro Support Services
- ✓ *Materials & Services*
 - No CPI included
 - National Sales Contract increased 1% (Travel Portland)
 - Year 2 of major maintenance project to repair exterior wall at the Arlene Schnitzer Concert Hall. The current budget includes \$170,000 and an additional \$170,000 is included in the proposed budget for FY 2011-12
- ✓ *Capital Outlay*
 - A list of requested projects is provided for discussion; however capital projects are not included in the budget numbers.
- ✓ *Support Services allocations are based on the preliminary base budget requests. There will be more changes as we go through the budget process.*
 - MERC Administration provides direct support to the venues
 - Three positions have moved to Metro department budgets and provide service to all Metro. They are now included in the Metro Support Services Cost Allocation Plan.
 - HR Manager
 - IT Manager
 - Procurement Analyst
 - The remaining functions currently provide direct support to MERC Venues
 - General Manager
 - Public Relations
 - Budget/Finance
 - Accounting
 - Construction
 - Information Technology

FY 2011-12 Budget Overview

- Metro Support Services & Risk Management increase \$493,614
 - Includes the addition of three FTE moved from MERC Administration
 - Existing fund balance in the Risk fund was previously used to off-set increased cost, however this resource is exhausted for FY 2011-12
 - Allocations are influenced by the number of losses over the last three years and the cost of claims
 - The receipt of a \$200,000 SAIF Dividend was recently received and credited to workers Comp and property/ liability

- ✓ ***Interfund Transfers***
 - Expo Debt - Hall D \$1,188,632

 - Transfer to Metro Renewal & Replacement Fund 10,824
 - Replace two Kronos time clocks at PCPA

- ✓ ***General Contingency***
 - Currently budgeted at 4% of operating budget pending direction resulting from the Reserve Study.

- ✓ **Operating deficit**
 - Expo Center (43,131)

 - OCC (320,043)

 - PCPA (425,082)

FY 2011-12 Budget

- *Revenues*

- ✓ Attendance is conservatively projected at 415,000, which is 5,000 less than the FY 10 actual.
- ✓ The number of events is expected to remain static at approximately 100.
- ✓ Individual space (exhibit hall/meeting room) rental rates are proposed to increase by approximately 3% and combined exhibit hall rental fees are proposed to increase by approximately 6%. The overall rental rate increases approximate \$110,000.
- ✓ Parking is estimated at 150,000 full fee vehicles and 40,000 carpool fee vehicles.
- ✓ It is anticipated that Food and Beverage service revenue will improve by approximately \$100,000 over that budgeted in FY 11 with a full year operation of the West Delta Bar & Grill.

- *Personal Services*

- ✓ Full and Part-time FTEs remain static at 13.3 and increases to Personal Services are in compliance with FY 12 merit and benefit expense assumptions.

- *Materials & Services*

- ✓ Proposed M&S Operations are approximately \$225,000 less than budgeted in FY 11. \$200,000 of this reduction is the PSU and Master Plan update projects that will not be carried forward into FY 12.
- ✓ Proposed M&S Food & Beverage services are approximately \$15,000 more than budgeted in FY 11 in consideration of operating the West Delta Bar & Grill.

- *Capital Outlay*

- ✓ With the exception of installing electronic signage at the main parking entry, all projects scheduled for FY 11 are either complete, underway or under review.
- ✓ As of this writing and pending further discovery and discussion, no projects are currently scheduled in the proposed budget. Staff is aware and is currently attempting to determine costs (anticipated to be significant) that are associated with a structural issue in Exhibit Hall E that must be remedied.

- *Interfund Transfers*

- ✓ Hall D debt service transfer payment to Metro is consistent with the Bond schedule and is budgeted at \$1,188,632.

FY 2011-12 Budget

- *One-time only costs or Phased In/Out Costs*
 - ✓ PSU Recommendations Project: the primary elements of the project (Marketing/Rebranding and Web site redesign/upgrade) were budgeted at \$100,000 in FY 11. This project is underway, will be completed in FY 11 and is, therefore, eliminated from the proposed FY 12 budget.
 - ✓ Conditional Use Master Plan Project: this project was budgeted at \$100,000 in FY 11. This project is underway with the plan submittal scheduled to occur in January 2011 and COP plan approval by June 2011. The project will be deemed complete and is, therefore, eliminated from the proposed FY 12 budget.

- *Sustainability Plan*
 - ✓ No specific tasks, activities, projects or functions have been identified in the proposed FY 12 budget. Staff will continue, as part of their daily operational practice, to maintain/improve our diversion rate.

- *Other Changes*

None.

FY 2011-12 Budget

Basic Assumptions for FY 2010-11 Budget:

- Putting together this budget was difficult due to the downturn in convention business OCC attempted to reduce costs where appropriate based on the projected business and continue to push the sales efforts as we look to the future of two lean years ahead for OCC. We are investing in a couple of areas that will create savings and continue to push our sustainability efforts in our capital project lists. We have deferred several of the big items due to budget constraints and tried to utilize funds to replace aging equipment that will maintain the service levels for clients and the facility in first class condition. OCC must remain competitive in this very tough market and pushing Travel Portland efforts and our own Sales and Marketing to help drive business for next year and future years seems to be a prudent expenditure of funds. There is no FTE increase and the increase in PERS costs and Health Benefit costs are where future conversations need to take place so the facilities' operations can be a sustainable. I look forward to our budget conversations over the next few months and your welcome counsel on directions for OCC.
- *.Revenues*
 - ✓ Revenues assume 7 less conventions than last year.
 - ✓ Decreased in food and beverage revenues with fewer conventions by \$1 million than last year's actuals with a projected margin of 18.5%.
 - ✓ Services area revenues: booth and aisles cleaning to be down 19%; utilities to be down 13% and AV to be down 7.6%, telecom to be up 13% as they are less dependent on convention business.
 - ✓ OCC Plaza rental revenue of \$50,000 is projected with the opening in June of 2011 as a new revenue source.
 - ✓ Consumer Shows should be flat in terms of numbers of events and attendance is projected to hold steady
 - ✓ Parking expected to be slightly higher due to increased rates and less costs due to the new equipment installation in 2011.
 - ✓ No lease space rental as the City DA offices will be moved to a different location in the Lloyd District.
 - ✓ Hotel/Motel Taxes were calculated based on a 4% increase to actuals from 2009-10 for current year projections and then adding an additional 6% to that number for estimated 2010-11 budget revenues.
- *Personal Services*
 - ✓ Personal Services Costs reflect the budget assumptions with no increases in FTEs and all benefits, health and PERS costs are included, as well as all contracted increases for the labor units.
 - ✓ Request to re-classify the Telecom coordinator position is attached. Increase being requested with the new duties is \$5000.
 - ✓ Due to vacancies, new positions at entry level salaries/wages and holding positions vacant during the year, OCC has included a \$200,000 credit to personal services to better align actual costs.
- *Materials & Services*
 - ✓ Overall Goods and Services have decreased by 2.5 % from last year budget with increases in a few areas.
 - ✓ Sales and Marketing increases in promotions, tradeshow attendance, travel and lodging to correspond with increased activity on the sales efforts with Travel Portland and OCC business. Total increases are \$46,000 to sell OCC and get more convention and local business.
 - ✓ Social Media Management contract to help us manage our socila media and help to promote shows to attendees for \$25,000 of the total increase.

FY 2011-12 Budget

- ✓ Increases in utility costs are the other main are of higher materials and services costs with electric going up about 5% and water/sewer going up about 15.5%.
- ✓ Travel Portland costs are increased by CPI at 1% for all items in the contract.
- ✓ Food and Beverage costs of 82.5% of revenues for a margin of 18.5% and these costs include the 5% reserve amounts expended fully.
- ✓ Administration Budget is increased in a couple of areas with Tri-Met passes going up by \$10,000.
- ✓ Management/Consultant Fess are being increased by \$25,000 to accommodate work to be done for Plan B HQ Hotel Strategic Plan for improvements to the current spaces to increase market share and generate new revenues. The study will look at costs to renovate vacated office space, rework the Oregon Ballroom, enhance B113-116 and F149-152 Meeting rooms and create a signature space with design, costs for renovations and ROI on the space for FY 2012-13 potential development.

- *Capital Outlay*
 - ✓ All current projects for this fiscal year are on schedule to be completed by June with one project, the security console replacement being moved to FY 2013-14 with another project.
 - ✓ List of capital projects are attached with funding sources for base CIP expenditures in FY 2011-12.
 - ✓ Funding sources for capital projects being requested are from MTOCA funds at \$480,000 and the TLT Capital fund of \$246,000. MTOCA projects will need to be approved by Metro Council.

- *Interfund Transfers*
 - ✓ None

- *One-time only costs or Phased In/Out Costs*
 - ✓ OCC Anniversary Celebration \$80,000; Retro Commissioning Project is \$65,000 annually for five years, FY 2010-11 includes a one time Carry-over of an additional \$65,000 from year one.

- *Sustainability Plan*
 - ✓ Two capital projects correspond with following the sustainability plan and they are electrical sub metering and the cooling tower process loop replacement. Sub metering will allow for better management of units of the facility and the amount of electric they are using so methods can be devised to offset costs, reduce consumption and charge accordingly. We will be sub meting the exhibit halls for lighting and exhibitor hook ups, the kitchen locations for usage and the Ballrooms. This will help us allocate current fees, understand where consumption is greatest and help us with planned reduction and potential LEED recertification needs. The cooling tower loop process will help us to make the air-conditioning more efficient with newer equipment.
 - ✓ Estimated costs associated with these capital items are detailed in the capital program.
 - ✓ Will contact Molly Chidsey, Metro Sustainability Coordinator, for assistance in evaluation of these two projects for grant or rebates to offset costs.

- *Other Changes*
 - ✓ Closing comments are that this will be a difficult year with 17% less convention business and will be difficult to generate large amounts of revenue from local, close-in bookings. Staff is looking at ways to

FY 2011-12 Budget

re-engage our sales efforts, pricing and yield management strategies, managing our costs and continuing to push the sales efforts for future business. The fund balance needs for this year could be as high as \$400,000-\$500,000 to offset expenditures, increased labor costs, and a decrease in revenues. We will need to discuss other cuts if the direction is to balance the operating budget and they could be some difficult choices.

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- *Revenues*

- ✓ Increase of operating revenue 5% (\$451,544) overall. Decrease of facility rental 1% (\$15,711). Increase of food and beverage revenue 14% (\$229,226). Reasons stated below.
- ✓ There will be 13 weeks of Broadway, vs. 12 weeks in FY 11, with 4 of those weeks being a blockbuster and 7 weeks being high grossing with full capacity attendance. 31 commercial shows, comparable with last year. Ticket prices for all shows will continue to rise, based on trends currently seen in the marketplace; budgeted a drop in sales due to high ticket costs.
- ✓ Portland Opera and Oregon Ballet Theatre are each presenting one less production, opening up three additional weeks for commercial business.
- ✓ Current ticketing contract expires May 30, 2011; it is unknown what the terms of the new contract will be, but the budget assumes it will be a comparable deal.
- ✓ Transient lodging tax is at a record low; contractually, PCPA can only come back each year by CPI. As a result, it could take years for PCPA to return to pre-recession levels. TLT is what makes it possible for PCPA resident companies to enjoy deep rental discounts.
- ✓ Users of both Schnitzer and Keller will be billed for half the hours worked by event custodians and engineers, excluding Broadway, which pays a house package rate.
- ✓ There will be a 3% increase in rental fees and, for Resident Tenants, an increase in User Fee of \$.50 per ticket sold. The rental fee increase will be submitted to the MERC Commission for approval.
- ✓ The Keller concessions remodel will improve serving capabilities; also seeing a strong, steady increase in per capita sales on commercial shows.
- ✓ Increase of 8% (\$8,000) in merchandising, based on strong Broadway season.
- ✓ Decrease of 17% in utility services revenue due to touring shows bringing their own cell phones and satellite computers, relying less on house lines.
- ✓ The User Fee increases 14% (\$204,677) due to \$.50 increase for Resident Tenants and strong Broadway season

- *Personal Services*

- ✓ Increase of 5% (\$276,181) due primarily to increased event staffing.
- ✓ Includes all full-time part-time and event related labor including stagehands, ushers, ticket takers and security
- ✓ Increase .75 Marketing & Promotions Coordinator to full-time \$25,879
- ✓ Add a full-time Utility Lead-will assume 40 hours previously worked by part-time utility workers \$28,183

- *Material & Services*

- ✓ Increase of 3% (\$69,205). Increase due to utility increases (electricity 17%, water 12%, and sewer 6%), sidewalk repair, connecting the Schnitz and lower level of Hatfield Hall to the fiber optic system, purchase of vacuums and defibrillators, and a survey of the Keller exterior panels to verify there are no pending problems with them. Also an increase of services-stagehands which is a pass-through account for stagehands used on commercial shows as well as relief heads.

FY 2011-12 Budget

- *Capital Outlay*
 - ✓ Keller Lighting Console (includes a backup console, and other associated equipment) \$60,000.
 - ✓ Winningstad Dimmer System (includes Unison FOH light control replacement shared between Winningstad & Newmark and cabling and other associated equipment) \$85,000.
 - ✓ Schnitzer Roof Completion \$75,000.
 - ✓ Schnitzer and Hatfield Hall HVAC Controls Replacement (Critical replacement due to age of EMS and inability to access parts or service--well past expected lifespan) \$130,000.

- *Interfund Transfers*
 - ✓ Transfer \$10,824 to Metro Renewal & Replacement Fund for KRONOS Time Clock Replacement

- *One-time only costs or Phased In/Out Costs*
 - *Year two* of two year building maintenance repair to preserve the exterior on the Arlene Schnitzer Concert Hall \$170 thousand

- *Sustainability Plan*
 - ✓ Capital project of Schnitzer and Hatfield Hall HVAC Controls Replacement will increase efficiency of HVAC systems in both Schnitzer and Hatfield Hall. This will be eligible for partial funding from the Energy Trust. Anticipated funding will be 30-35% of total cost, based on which controls are installed and what criteria the Energy Trust will have in place at that time.

- *Other Changes*
 - ✓ Food and beverage personal services decrease of 9%, with elimination of two full time positions and increased sharing of resources with OCC.

Personnel Request

Fiscal Year 2011-12

ACTION REQUESTED:

Action:		Reclass:		Duration:		Type:	
New position	<input checked="" type="checkbox"/>	Career ladder	<input type="checkbox"/>	Ongoing	<input type="checkbox"/>	Full-time	<input type="checkbox"/>
FTE Increase	<input type="checkbox"/>	General	<input type="checkbox"/>	Limited	<input type="checkbox"/>	Part-time	<input type="checkbox"/>
Reclass	<input type="checkbox"/>						

The intent is to create an additional supervisor position for custodial work on the graveyard shift. We would schedule 40 less Event Custodian graveyard hours per week but there would be a net increase in wages per hour plus benefits. PCPA will contact Human Resources for classification analysis.

POSITION # AND INCUMBENT:

This additional position of Utility Lead PCPA is Job #8636 and replaces the equivalent PT hours worked by Event Custodian Job #8610 on the graveyard shift.

DUTIES AND RESPONSIBILITIES:

Leads the custodial work of the Graveyard shift including assigning, monitoring, and coordinating schedules and work assignments between the 3 buildings. Performs cleaning and maintenance duties throughout the facilities including replenishing restroom supplies, dusting & polishing fixtures & furniture, sanitizing touched surfaces, cleaning mirrors, walls, windows, and fixtures. Maintains building exteriors as needed and other duties as assigned.

JUSTIFICATION:

A lack of supervision presence between the 3 buildings on the Graveyard shift has led to significant HR issues over the last 6 months to a year. The level of risk to the organization with not enough overnight supervision is significant, while the opportunity to better maintain the facilities is excellent. Consistent supervision and better maintenance of our facilities is incredibly important for the longevity of the facilities.

BUDGET IMPACT (for FTE increases or reclasses include only the new or additional cost):

	<u>Rate</u>	<u># of hours worked</u>	<u>Amount</u>	<u>Total</u>
Salary (increased hourly rate)	\$5.40	2088	\$11,275	
COLA	3%		338	
Fringe:				
Variable-base fringe	22.95%		2,665	
Variable-bond recovery	3%		348	
Fixed	\$13,557		13,557	

TOTAL NEW COSTS

\$28,183

Personnel Request

Fiscal Year 2011-12

ACTION REQUESTED:

Action:		Reclass:		Duration:		Type:	
New position	<input type="checkbox"/>	Career ladder	<input checked="" type="checkbox"/>	Ongoing	<input checked="" type="checkbox"/>	Full-time	<input checked="" type="checkbox"/>
FTE Increase	<input checked="" type="checkbox"/>	General	<input type="checkbox"/>	Limited	<input type="checkbox"/>	Part-time	<input type="checkbox"/>
Relclass	<input type="checkbox"/>						

POSITION # AND INCUMBENT:

Position number 8005, Marketing & Promotions Coordinator II, currently filled by Matt Carbone.

DUTIES AND RESPONSIBILITIES:

This position will be increased to full-time in order to allow adequate time to perform a variety of marketing and promotion duties, including, but not limited to, website administration, managing and updating website database, providing monthly reports, coordinating with partner organizations (RACC and Travel Portland), as well as all PCPA clients. Designs and creates various promotional and display materials, the bi-monthly calendar of events brochure, advertising materials and special projects. Coordinates work with promoters, vendors and other PCPA departments. Coordinates special marketing and promotional projects, working with the Metro/Visitor Venues PR and Marketing Committee.

JUSTIFICATION:

The PCPA website is nearly twenty years old and badly in need of a complete redesign. During the redesign and after, the position will be devoting more time to enhancing the website and managing new projects, including selling advertising on the website, offering advertising “packages” to clients for a fee; this will not only generate more revenue for PCPA, but it will strengthen PCPA’s relationship with local media (radio and TV stations, newspapers and magazines). This position will also be working with PCPA’s F&B provider, Aramark, to more aggressively promote food service at PCPA’s venues. This position will also be involved in other promotional projects as they arise; in the past, projects have been put on hold for lack of adequate resources to devote to them. This position’s workload has gotten to the point that 30 hours a week is no longer adequate for completing the large number of projects this position is responsible for.

BUDGET IMPACT (for FTE increases or reclasses include only the new or additional cost):

	<u>Rate</u>	<u># of hours worked</u>	<u>Amount</u>	<u>Total</u>
Salary (.25 FTE increase)	\$18.25	522	\$9,527	
	3%		286	
Fringe:				
Variable-base fringe	22.95%		\$2,252	
PERS-bond recovery	3%		\$286	
Fixed	\$13,557		\$13,528	
TOTAL NEW COSTS				\$ 25,879

Transient Lodging & Vehicle Rental Taxes

Metro/MERC Distribution

(stated in thousands)	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Forecast	Adopted	Proposed
Transient Lodging /Tax (TLT)	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	10-11	11-12
Oregon Convention Center (OCC)	3,800	4,066	4,286	4,586	4,462	5,016	5,098	5,494	6,629 *	6,729	7,838	7,322	7,331	7,625	7,322	8,126
Portland Center for Performing Arts (PCPA)	1,200	1,248	1,261	1,300	1,258	1,335	1,438	1,550	927 *	1,391	1,433	1,262	901	910	1,262	921
Capital	477	505	-	2,011	-	170	-	-	82 *	616	481					
Total TLT	5,477	5,819	5,547	7,897	5,720	6,521	6,536	7,044	7,638 *	8,736	9,752	8,584	8,232	8,535	8,584	9,047
Percent change		106%	95%	142%	72%	114%	100%	108%	108%	114%	112%	88%	96%	104%	104%	106%

(stated in thousands)	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Forecast	Adopted	Proposed
Visitor Development Fund (VDF)	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	10-11	11-12	11-12	
OCC Operations	5,740	600	950	1,000	250	300	300	400	1,060	660	960	960	960	960	
Enhanced Marketing (Travel Portland)	250	350	352	357	367	376	386	398	418	413	420	418	425		
PCPA	250	500	504	-	24	537	554	563	597	593	601	597	608		
Total Metro/MERC VDF	6,240	1,450	1,806	1,357	641	1,213	1,240	1,361	2,075	1,666	1,981	1,975	1,993		

* FY 2005-06 includes a \$444,135 adjustment between OCC and PCPA reconciling PCPA to the annual CPI increase.

Transient Lodging Tax



Total MERC Fund

	Actual 2008-09	Actual 2009-10	Budget 2010-11	Budget 2011-12
Revenues & Transfers				
Operating Revenue	18,508,377	17,199,328	18,481,869	18,591,251
Food & Beverage Revenue	11,562,005	12,564,711	11,813,716	11,735,662
Grants	8,075	190,976	679,517	
Lodging Tax	8,584,071	8,232,013	8,584,072	9,046,479
Visitor Development Initiative	1,656,753	1,251,279	1,556,753	1,567,708
Enhanced Marketing (VDI)	417,728	413,896	417,728	425,397
Investments	585,316	170,773	235,523	122,806
Local Government	734,709	766,100	756,907	776,009
Contributions from Private Sources	257,665	2,224,620	442,000	
Miscellaneous Revenue	20,211	82,521	32,325	34,926
Transfers In	758,083	187,252	475,000	
Total Revenues and Transfers	43,092,993	43,283,469	43,475,410	42,300,238
Expenditures & Transfers				
Personal Services	17,507,657	16,800,139	17,989,676	18,642,749
Goods & Services	7,418,362	7,310,187	8,218,095	7,884,390
Food & Beverage Goods & Services	9,774,387	10,516,100	9,422,641	9,305,371
Non Operating - Expense	2,506	2,780	2,500	2,500
National Sales Contract	3,037,088	3,058,257	3,037,090	3,067,917
MERC Admin	0	(0)	0	0
Metro Support Services	1,798,662	1,837,172	1,993,186	2,240,853
Metro Risk Management	560,556	481,672	499,311	745,258
Capital Outlay	1,234,782	1,493,865	5,199,105	
Debt	17,548	136,362		
Transfers Out	1,192,232	1,176,632	1,189,132	1,199,456
Total Expenditures and Transfers	42,543,780	42,813,166	47,550,736	43,088,494
Fund Balance Increase/(Decrease)	549,214	470,302	(4,075,326)	(788,256)
BUDGET Beginning Balance			27,089,539	23,014,203
Ending Fund Balance	549,214	470,302	23,014,213	22,225,947
Reserves				
BUDGET Contingency			1,913,463	1,548,498
BUDGET Renewal Contingency			270,000	
BUDGET Capital Contingency (Lodging Tax)			269,310	
BUDGET Renewal Prior Year			1,785,000	2,055,000
BUDGET Current PERS Reserve			360,277	
BUDGET Prior Year PERS Reserve			1,631,545	1,958,805
BUDGET Designated for Phase 3			1,237,232	1,309,038
Unrestricted/Undesignated Ending Fund Balance			15,547,386	15,354,606

Portland Exposition Center

	Actual 2008-09	Actual 2009-10	Budget 2010-11	Budget 2011-12
Revenues & Transfers				
Operating Revenue	3,730,742	3,454,746	3,766,945	3,865,316
Food & Beverage Revenue	1,847,803	1,625,859	1,934,927	2,039,798
Grants				
Lodging Tax				
Visitor Development Initiative				
Enhanced Marketing (VDI)				
Investments	109,354	30,754	53,932	22,731
Local Government				
Contributions from Private Sources		325,000		
Miscellaneous Revenue				
Transfers In	1,194			
Total Revenues and Transfers	5,689,094	5,436,359	5,755,804	5,927,845
Expenditures & Transfers				
Personal Services	1,483,747	1,373,100	1,501,164	1,588,215
Goods & Services	1,151,306	1,047,253	1,430,635	1,205,746
Food & Beverage Goods & Services	1,475,214	1,299,303	1,473,430	1,486,495
Non Operating - Expense				
National Sales Contract				
MERC Admin	291,027	238,284	243,775	214,109
Metro Support Services	169,466	183,718	179,387	201,677
Metro Risk Management	76,354	72,467	75,038	86,102
Capital Outlay	173,682	145,933	492,000	
Debt				
Transfers Out	1,192,232	1,176,632	1,189,132	1,188,632
Total Expenditures and Transfers	6,013,028	5,536,691	6,584,561	5,970,976
Fund Balance Increase/(Decrease)	(323,934)	(100,332)	(828,757)	(43,131)
BUDGET Beginning Balance			5,644,984	4,816,217
Ending Fund Balance	(323,934)	(100,332)	4,816,227	4,773,086
Reserves				
BUDGET Contingency			250,000	171,218
BUDGET Renewal Contingency			20,000	
BUDGET Capital Contingency (Lodging Tax)				
BUDGET Renewal Prior Year			60,000	80,000
BUDGET Current PERS Reserve			30,056	
BUDGET Prior Year PERS Reserve			148,219	176,464
BUDGET Designated for Phase 3			1,237,232	1,309,038
Unrestricted/Undesignated Ending Fund Balance			3,070,720	3,036,366

Oregon Convention Center

	Actual 2008-09	Actual 2009-10	Budget 2010-11	Budget 2011-12
Revenues & Transfers				
Operating Revenue	7,397,241	7,638,067	7,900,301	7,695,569
Food & Beverage Revenue	7,796,996	9,008,750	8,412,150	7,999,999
Grants	0	3,375	626,291	
Lodging Tax	7,322,474	7,331,261	7,322,474	8,125,930
Visitor Development Initiative	1,060,000	660,000	960,000	960,000
Enhanced Marketing (VDI)	417,728	413,896	417,728	425,397
Investments	219,088	57,367	99,351	35,608
Local Government				
Contributions from Private Sources		1,350,000		
Miscellaneous Revenue	4,893	25,000		10,000
Transfers In	752,592	187,252	475,000	
Total Revenues and Transfers	24,971,013	26,674,968	26,213,295	25,252,503
Expenditures & Transfers				
Personal Services	8,313,524	8,422,409	8,923,956	9,425,244
Goods & Services	3,807,260	3,397,571	3,736,343	3,627,246
Food & Beverage Goods & Services	6,656,463	7,556,973	6,679,602	6,465,900
Non Operating - Expense	6	3		
National Sales Contract	3,037,088	3,058,257	3,037,090	3,067,917
MERC Admin	1,571,548	1,286,740	1,516,822	1,332,236
Metro Support Services	1,019,117	992,072	1,116,184	1,254,877
Metro Risk Management	312,944	274,083	283,621	399,126
Capital Outlay	669,397	994,583	3,638,105	
Debt	17,548	136,362		
Transfers Out				
Total Expenditures and Transfers	25,404,895	26,119,053	28,931,723	25,572,546
Fund Balance Increase/(Decrease)	(433,882)	555,915	(2,718,428)	(320,043)
BUDGET Beginning Balance			11,426,052	8,707,624
Ending Fund Balance	(433,882)	555,915	8,707,624	8,387,581
Reserves				
BUDGET Contingency			1,066,623	903,926
BUDGET Renewal Contingency			250,000	
BUDGET Capital Contingency (Lodging Tax)			269,310	
BUDGET Renewal Prior Year			725,000	975,000
BUDGET Current PERS Reserve			182,678	
BUDGET Prior Year PERS Reserve			835,202	1,004,018
BUDGET Designated for Phase 3				
Unrestricted/Undesignated Ending Fund Balance			5,378,811	5,504,637

Portland Center for the Performing Arts

	Actual 2008-09	Actual 2009-10	Budget 2010-11	Budget 2011-12
Revenues & Transfers				
Operating Revenue	7,345,035	6,068,817	6,781,123	7,030,366
Food & Beverage Revenue	1,917,205	1,930,102	1,466,639	1,695,865
Grants	8,075	187,601	53,226	
Lodging Tax	1,261,598	900,752	1,261,598	920,549
Visitor Development Initiative	596,753	591,279	596,753	607,708
Enhanced Marketing (VDI)				
Investments	212,784	78,537	73,601	60,080
Local Government	734,709	766,100	756,907	776,009
Contributions from Private Sources	257,665	549,620	442,000	
Miscellaneous Revenue	15,318	18,387	17,325	24,926
Transfers In	4,297			
Total Revenues and Transfers	12,353,439	11,091,193	11,449,172	11,115,503
Expenditures & Transfers				
Personal Services	5,352,700	5,096,747	5,606,405	5,882,586
Goods & Services	2,032,996	2,455,342	2,345,518	2,414,723
Food & Beverage Goods & Services	1,642,709	1,659,824	1,269,609	1,352,976
Non Operating - Expense	2,500	2,777	2,500	2,500
National Sales Contract				
MERC Admin	1,047,699	857,827	948,014	832,647
Metro Support Services	610,079	661,382	697,615	784,299
Metro Risk Management	171,258	135,122	140,652	260,030
Capital Outlay	234,101	251,556	967,000	
Debt				
Transfers Out				10,824
Total Expenditures and Transfers	11,094,043	11,120,576	11,977,313	11,540,585
Fund Balance Increase/(Decrease)	1,259,396	(29,382)	(528,141)	(425,082)
BUDGET Beginning Balance			9,016,013	8,487,872
Ending Fund Balance	1,259,396	(29,382)	8,487,872	8,062,790
Reserves				
BUDGET Contingency			471,840	378,019
BUDGET Renewal Contingency			0	
BUDGET Capital Contingency (Lodging Tax)				
BUDGET Renewal Prior Year			1,000,000	1,000,000
BUDGET Current PERS Reserve			105,401	
BUDGET Prior Year PERS Reserve			510,633	603,584
BUDGET Designated for Phase 3				
Unrestricted/Undesignated Ending Fund Balance			6,399,998	6,081,187

Administration

	Actual 2008-09	Actual 2009-10	Budget 2010-11	Budget 2011-12
<u>Revenues & Transfers</u>				
Operating Revenue	35,359	37,699	33,500	
Food & Beverage Revenue				
Grants				
Lodging Tax				
Visitor Development Initiative				
Enhanced Marketing (VDI)				
Investments	44,089	4,115	8,639	4,387
Local Government				
Contributions from Private Sources				
Miscellaneous Revenue		39,135	15,000	
Transfers In				
Total Revenues and Transfers	79,448	80,949	57,139	4,387
<u>Expenditures & Transfers</u>				
Personal Services	2,357,686	1,907,883	1,958,151	1,746,704
Goods & Services	426,801	410,021	705,599	636,675
Food & Beverage Goods & Services				
Non Operating - Expense				
National Sales Contract				
MERC Admin	(2,910,274)	(2,382,851)	(2,708,611)	(2,378,992)
Metro Support Services				
Metro Risk Management				
Capital Outlay	157,601	101,794	102,000	
Debt				
Transfers Out				
Total Expenditures and Transfers	31,814	36,847	57,139	4,387
Fund Balance Increase/(Decrease)	47,634	44,102	0	0
BUDGET Beginning Balance			1,002,490	1,002,490
Ending Fund Balance	47,634	44,102	1,002,490	1,002,490
<u>Reserves</u>				
BUDGET Contingency			125,000	95,335
BUDGET Renewal Contingency				
BUDGET Capital Contingency (Lodging Tax)				
BUDGET Renewal Prior Year				
BUDGET Current PERS Reserve			42,142	
BUDGET Prior Year PERS Reserve			137,491	174,739
BUDGET Designated for Phase 3				
Unrestricted/Undesignated Ending Fund Balance			697,857	732,416

Metropolitan Exposition Recreation Commission
Visitor Venues
Proposed Capital Projects FY 2011-12

OREGON CONVENTION CENTER (OCC)			
<i>OCC FY 2011-12</i>	<i>Type</i>	<i>Funding Source</i>	<i>Cost</i>
Electrical Sub Metering	New Capital/Sustainability	MTOCA Funds	200,000
Plaza Issues	Health and Safety	TLT Capital Funds	90,000
Phone Bank Retrofit Project	New Capital	TLT Capital Funds	32,000
Handicap Lift Purchase	New Capital	TLT Capital Funds	30,000
Escalator Cleaning Machine	New Capital	TLT Capital Funds	73,000
Genie Roundabout High Lift	New Capital	TLT Capital Funds	21,000
Recycling Containers Purchase for Ex Halls	New Capital	MTOCA Funds	50,000
Permanent Automatic AV Screens in all Meeting Rooms	Revenue Generating	MTOCA Funds	195,000
Cooling Tower-Process Loop Project	New Capital/Sustainability	MTOCA Funds	35,000
<i>Total Oregon Convention Center</i>			<i>726,000</i>

PORTLAND CENTER FOR THE PERFORMING ARTS (PCPA)			
<i>PCPA FY 2011-12</i>	<i>Type</i>	<i>Funding Source</i>	<i>Cost</i>
Keller Lighting Console	Renewal & Replacement	Friends of PCPA	60,000
Winningstad Theatre Dimmer System	Renewal & Replacement	Friends of PCPA	85,000
Arlene Schnitzer Roof Completion	Renewal & Replacement	Friends of PCPA	75,000
Arlene Schnitzer Concert Hall & Hatfield HVAC Controls Replacement	Renewal & Replacement	Friends of PCPA	130,000
<i>Total Portland Center for the Performing Arts</i>			<i>350,000</i>

Portland Expo Center (EXPO)			
<i>EXPO FY 2011-12</i>	<i>Type</i>	<i>Funding Source</i>	<i>Cost</i>
Structural Exhibit Issue in Hall E	Renewal & Replacement	EXPO Fund Balance	100,000
Halls E relamp	Renewal & Replacement	EXPO Fund Balance	35,000
Hall E lobby and Meeting Room Carpet Replacement	Renewal & Replacement	EXPO Fund Balance	30,000
Portable bleacher replacement	Renewal & Replacement	EXPO Fund Balance	80,000
Parking Lot Asphalt Maintenance and/or Removal/Replacement	Renewal & Replacement	EXPO Fund Balance	50,000
<i>Total Portland Expo Center</i>			<i>295,000</i>