



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

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

# Metro | *Exposition Recreation Commission*

## REVISED PACKET

Meeting: MERC Budget Committee  
Date: February 20, 2015  
Time: 1:30 p.m. to 3:00 p.m.  
Place: Oregon Zoo – Sunset Room  
Purpose: MERC Fiscal Year 2015-2016 Proposed Budget

---

1:30 p.m.	Opening Remarks	Scott Robinson
1:40 p.m.	MERC Budget Overview (REVISED pages 5-14)	Ben Rowe
2:10 p.m.	Discuss Fiscal Year 2015-16 Budget Priorities	Robinson/ Venue Directors
2:40 p.m.	Discuss MERC 2015-16 Proposed Budget Transmittal Memo <ul style="list-style-type: none"><li>• Discuss Budget Committee feedback</li></ul>	Rowe/ Robinson
3:00 p.m.	Adjourn	

**METROPOLITAN EXPOSITION RECREATION COMMISSION  
Resolution Number 15-02**

For the purpose of approving the Metropolitan Exposition Recreation Commission (“MERC”) 2015-16 Proposed Budget and 2015-16 Capital Plan.

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

**WHEREAS**, the MERC Budget Committee has met in public meetings for the purpose of creating the MERC 2015-16 Budget and recommends approval of the budget and annual capital plan attached as Exhibit A to this Resolution.

**BE IT THEREFORE RESOLVED**, that the Metropolitan Exposition Recreation Commission:  
Approves the MERC Fiscal Year 2015-16 Budget and 2015-16 Capital Plan attached as Exhibit A and transmits it to the Metro Chief Operating Officer for submission to the Metro Council for inclusion in the Metro budget for the Fiscal Year 2015-16.

Passed by the Commission on March 4, 2015.

Approved as to Form:  
Alison R. Kean, Metro Attorney

---

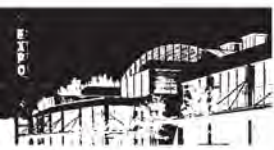
Chair


---

Secretary/Treasurer

---

Nathan A. S. Sykes, Deputy Metro Attorney



 Metro | *Exposition Recreation Commission*

March 4, 2015

TO: MERC Commission

FROM: Judie Hammerstad, Chair of the MERC Budget Committee  
Scott Robinson, Metro Deputy COO

RE: Transmittal of the FY 2016 MERC Budget

The MERC Budget Committee recommends the Fiscal Year 2015 – 2016 Proposed Budget (attached) to the MERC commission for approval. The Budget Committee met three times and gathered information from venue directors regarding the challenges and opportunities each venue faces in the coming year. This contextual information was essential to the committee's understanding of the revenue forecasts and expenditure requests of each venue.

In addition to preparing the budget recommendation, the Committee:

**Capital**

- reviewed the MERC 5-year capital plan;
- approved the FY 2015-16 capital plan of \$6,665,500;
- requested staff to complete remaining work including the review of projects scheduled for FYs 2016 through 2020 as described in the policy considerations section of this transmittal;
- reviewed and recommends a plan allowing venues to spend Aramark capital contribution amounts prior to receipt for project timing purposes. The Aramark capital contributions to the venues total \$2,750,000<sup>1</sup> distributed on a 5-year depreciation schedule; the venues will be paid back for any early expenditures by the scheduled payments;
- reviewed and recommends a request for \$600,000 in MTOCA funds to support ongoing efforts to develop both the Oregon Convention Center (\$110,000 – Capital \$210,000 – Hotel Project) and the Portland Expo Center (\$280,000 - Operations);
- reviewed and recommends an annual MTOCA allocation of \$110,000 from the General Fund to be used for Plaza Landscape Renovation and Surface Water Management at OCC; reviewed and recommends that TLT Pooled Capital allocation of \$390,000 be used for Plaza Landscape Renovation and Surface Water Management at OCC and that TLT Pooled Capital allocation of \$150,000 be used for OCC Facility Master Plan Study;
- reviewed and recommends that the Expo Center receive \$280,000 from TLT Pooled Capital for capital projects including parking lot, HVAC, VOIP, security cameras and electronic signage;

**Operating**

- reviewed and recommends Portland's request for an increase of 2.00 Full-Time Equivalent (FTE) positions; increasing two existing 0.50 FTE to 1.00 FTE each to facilitate revenue growth and

<sup>1</sup> This includes the \$250,000 Aramark capital contribution contingent upon breaking ground on the OCC Hotel Project

customer service; and replace over 2,000 part-time operating Engineer II hours with a 1.00 FTE operating Engineer II position;

- reviewed and recommends Expo's request for an increase of 1.00 FTE Positions; including adding two 0.50 FTE positions, a Marketing and Promotions Coordinator and Administrative Assistant, to facilitate revenue growth and customer service;

#### **OCC Hotel Project**

- reviewed and recommends a request for \$210,000 from the General Fund MTOCA account for OCC Hotel project management, construction oversight, and ribbon cutting ceremony costs;
- reviewed and recommends a request to transfer \$3,400,000 from OCC fund balance to the Hotel Bond Fund (working title);

The committee's recommended budget will be presented to the MERC Commission on Wednesday, March 4, 2015 for consideration and approval. It will then be forwarded to the Metro Budget Officer, Martha Bennett, Chief Operating Officer, for review by the Metro Council beginning mid-April. If the Chief Operating Officer proposes amendments to the budget, those changes will be brought back to the Commission for consideration in April or May.

#### **Forecasted economic climate for Fiscal Year 2015 – 2016**

The economic recovery from the Great Recession continues with fiscal Year 2016 forecasts including increased event bookings across the venues. Portland's Centers for the Arts has booked 12 weeks of Broadway shows - up 23 performances over FY 2015 - including 7 weeks of "Mega" shows featuring Wicked and Book of Mormon. OCC forecasts a record number of events in FY 2016 with 43 conventions already booked and expecting a usual few more bookings as the year progresses, and the Portland Expo Center anticipates a 4% increase in revenues over FY 2015 mostly due to new and substantial bookings in trade shows, meetings and new consumer events. Transient Lodging Tax (TLT) revenue is also projected to continue to be healthy in FY 2016, benefiting both Portland's and OCC.

On the expense side, Expo's budget continues to be stressed by tax increases including Multnomah county Drainage District fees, and City of Portland storm water fees and street fees. Portland's resident company schedules remain flat and its aging buildings continue to require capital improvements. The Bureau of Labor Statistics reported in February 2014 that the January 2013 to January 2014 Portland Area Consumer Price Index for All Urban Consumers (CPI-U) increased ###%. (CPI information will be published February 26, 2015) The Venues have been impacted by this with increased utility, food and personnel costs. Through good operational efficiency management, the venue directors continue to minimize expenditure growth and keeping revenues on pace with inflation.

#### **Significant impacts in the Fiscal Year 2015 – 2016 Proposed Budget**

- Continued funding for the OCC hotel project, which aims to solve the lack of a dedicated block of hotel rooms located across the street from the center, is proposed to be funded by three sources: the OCC Hotel Bond Fund in the amount of \$265,000 representing reimbursement for bond issuance related costs, a transfer from the Metro General Fund MTOCA account in the amount of \$210,000 for project management, construction oversight, and ribbon cutting

ceremony costs, and \$3,400,000 from OCC fund balance for OCC's agreed upon contribution to development costs. The total proposed Hotel Project budget for FY 2016 is \$4,108,215 which includes funding for project management staff (0.60 FTE), bond financing costs, development and design expenses, outside legal services, and other costs associated with this effort.

- The Oregon Convention Center budgeted \$189,437 for the fourth of ten loan payments to the General Fund. OCC borrowed \$2.2 million from the General Fund for OCC's Portland Streetcar Local Improvement District (LID) tax assessment in 2012.
- The Portland Expo Center will receive \$280,000 in MTOCA funding in FY 2016 pending approval from Metro COO and Metro Council. These funds are being used for marketing and facility refurbishment projects.
- Health and welfare costs continue to climb. While all three venues and MERC admin have budgeted decreases in non-event related Materials and Services expenses, the costs for Personnel Services have increased 7.7% over FY 2015 – mostly due to health and welfare cost increases, PERS increases, and costs associated with implementation of the Affordable Care Act mandates.

#### **Requests of staff by the Budget Committee for Fiscal Year 2015 – 2016**

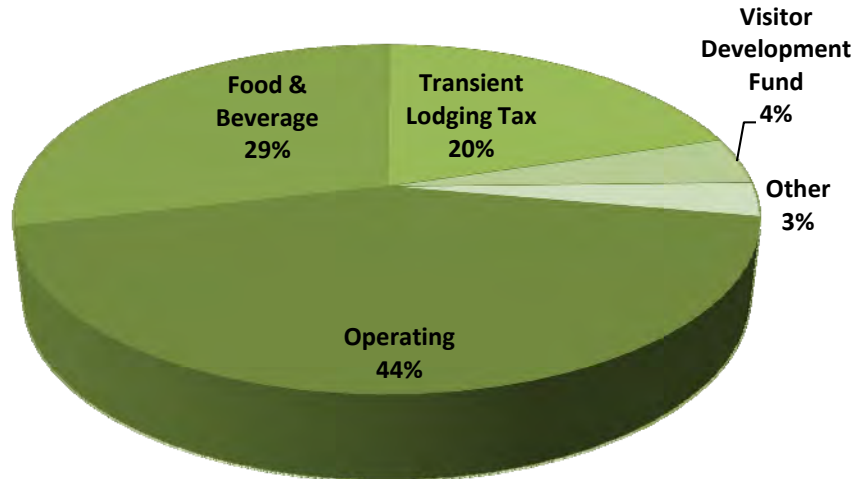
- Request of staff to study ways to grow and strengthen Portland's Foundation and its capital endowment as well as to continue evaluation of the long-term capital needs of P'5 in the context of the current business model that requires subsidizing the resident companies. This project will include stakeholders from the city, resident companies and other relevant stakeholders.
- Request of staff to continue to pursue an evaluation of potential synergies and efficiencies to be gained by combining efforts between the Oregon Convention Center and the Portland Expo Center in the areas of sales and other revenue producing departments.
- More to be added as requested by the Commission at the February 20, 2015 Budget Committee Meeting.

We would like to especially thank Ben Rowe, MERC Finance Manager, for his tireless work with the venues to build a balanced budget. Thanks also to the Metro finance team for their work with Ben and the venue directors to ensure all of our assumptions are accurate. A big thank you also goes to the venue directors and their staff who worked many hours on projections and balancing the budget. This group of professionals has done the tough work and produced budgets that we can all stand behind and be proud of. The proposed budget provides the venues with the financial resources needed to achieve excellence in customer service and maintain the venues in a manner that delivers on our promise to the region to operate world-class facilities.

And finally, thank you to the MERC Budget Committee members including Commissioners Judie Hammerstad, Cynthia Haruyama and Terry Goldman for their leadership, probing questions, and enthusiastic participation on the Budget Committee.

## Metropolitan Exposition Recreation Commission Proposed Budget Fiscal Year 2015 – 2016

### MERC Fund Summary of Resources



Resources	OCC	P'5	Expo	Admin	MERC
Charges for Services	10,236,686	10,091,678	4,383,536		24,711,900
Food & Beverage	11,750,000	2,663,978	1,911,165	-	16,325,143
Lodging Tax	10,097,485	1,345,973	-	-	11,443,458
Visitor Development	2,021,062	667,620	-	-	2,688,682
Other	(106,542)	512,764	225,747	1,271,590	1,903,559
<b>Total</b>	<b>\$33,998,691</b>	<b>\$15,282,013</b>	<b>\$ 6,520,448</b>	<b>\$1,271,590</b>	<b>\$57,072,742</b>
<b>Capital Resources</b>	892,188	58,125	367,188	(820,000)	497,501
<b>Fund Balance</b>	14,174,771	8,789,652	3,039,644	4,349,393	30,353,460
<b>Total Resources</b>	<b>\$49,065,650</b>	<b>\$ 24,129,790</b>	<b>\$9,927,280</b>	<b>\$ 4,800,983</b>	<b>\$ 87,923,703</b>

### Operating Revenue

The MERC Fund total charges for services of \$24.7 million are 17% greater than the FY 2014-15 Budget. Charges for services revenue include the following: facility & equipment rentals, parking, and services provided to clients and attendees.

- Oregon Convention Center
  - OCC's \$10.2 million charges for services revenue is 8.4% greater than the FY 2015 Budget. The event space revenue budget is based on contracted, tentative repeat clients, and historical pickup event bookings. Currently OCC has 43 conventions on the books compared to the same amount at this time last year. The FY 2016 budget assumes an expectation of 45 total event bookings compared to the historical average of 40.
  
- Portland's Centers for the Arts
  - Portland's \$10.1 million charges for services revenue is 35.4% greater than the FY 2014-15 Budget. This dramatic increase is due to 12 weeks of scheduled Broadway shows compared to 9.5 weeks scheduled in FY 2014-15. Additionally 7 of 12 of the Broadway weeks are scheduled with mega-hit shows.
  - 62% of the increase in charges for services revenue over the prior year is due to the revenue generated by the scheduled event bookings and the logistics of the new ticketing system compared to the old system. With the new system, the full amount of ticket service charges are collected by P5 and then the ticketing company is issued their fee. Under the old system, the ticketing company took their fee out prior to issuing ticket commissions to P5.
  - 17% of the increase in charges for services revenue over the prior year is due to Portland's new business line of self-promoted shows, budgeted to net approximately \$40,000 in FY 2015-16.
  
- Portland Expo Center
  - EXPO \$4.4 million charges for services revenue is 4.4% greater than FY 2015 Budget.
  - The MERC Budget Committee reviewed and approved a concept proposal for Expo's request of \$280,000 in MTOCA funding for marketing & sales activities, and related facility improvement projects.
  - Expo is planning to host Cirque du Soleil in FY 2016 however Cirque is not included in the Proposed Budget and will be added by way of budget amendment as in past years.

### Food & Beverage Margins

Food & Beverage Revenue is \$15.2 million 7.4 % greater than FY 2015.

		2013 Actual	2014 Actual	2015 Budget	2016 Budget	Difference \$	Difference %
OCC	Revenue	11,722,033	9,972,528	11,002,827	11,750,000	747,173	7%
	Expense	9,220,424	8,855,561	9,363,294	9,815,867	452,573	5%
	Margin \$	<b>2,501,609</b>	<b>1,116,968</b>	<b>1,639,533</b>	<b>1,934,133</b>	<b>294,600</b>	18%
	Margin %	<b>21%</b>	<b>11%</b>	<b>15%</b>	<b>16%</b>		
P'5	Revenue	2,152,136	2,093,848	2,225,102	2,663,978	438,876	20%
	Expense	1,698,887	1,731,559	1,857,227	2,243,543	386,316	21%
	Margin \$	<b>453,250</b>	<b>362,289</b>	<b>367,875</b>	<b>420,435</b>	<b>52,560</b>	14%
	Margin %	<b>21%</b>	<b>17%</b>	<b>17%</b>	<b>16%</b>		
Expo	Revenue	1,903,409	1,986,464	1,975,000	1,911,165	-63,835	-3%
	Expense	1,644,149	1,711,086	1,651,281	1,620,587	-30,694	-2%
	Margin \$	<b>259,260</b>	<b>275,378</b>	<b>323,719</b>	<b>290,578</b>	<b>-33,141</b>	-10%
	Margin %	<b>14%</b>	<b>14%</b>	<b>16%</b>	<b>15%</b>		
MERC	Revenue	15,777,579	14,052,840	15,202,929	16,325,143	1,122,214	7%
	Expense	12,563,460	12,298,206	12,871,802	13,679,997	808,195	6%
	Margin \$	<b>3,214,119</b>	<b>1,754,635</b>	<b>2,331,127</b>	<b>2,645,146</b>	<b>314,019</b>	13%
	Margin %	<b>20%</b>	<b>12%</b>	<b>15%</b>	<b>16%</b>		

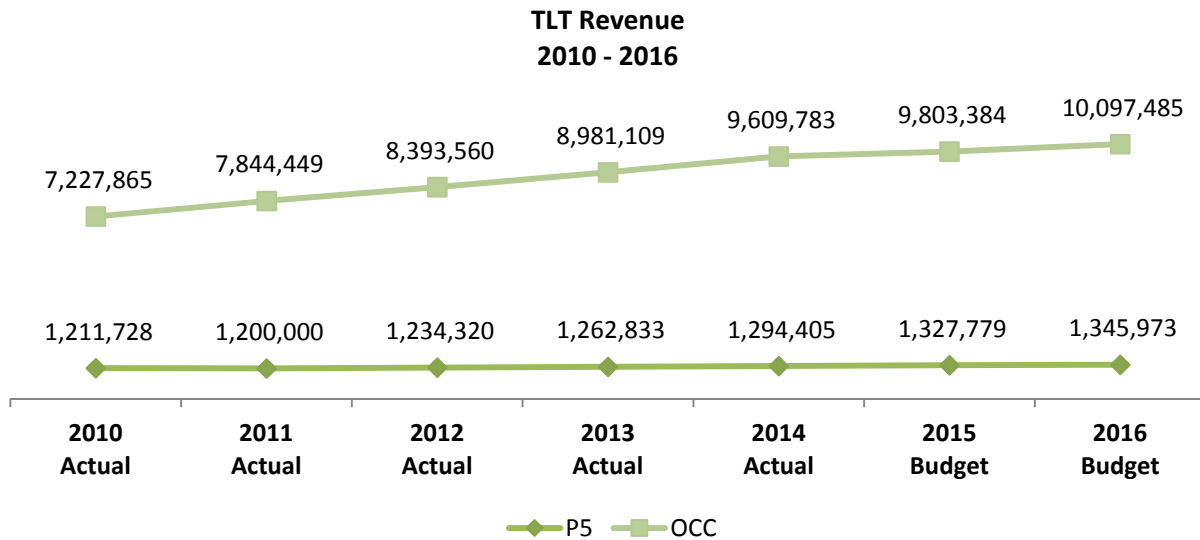
- OCC food & beverage revenue is forecasted at \$11.8 million, 7% greater compared to FY 2015 budget with a 16.5% margin.
- P'5 food & beverage revenue is forecasted at \$2.7 million. This represents a 20% increase over FY 2015 due to the robust Broadway performance schedule.
- EXPO food & beverage revenue is forecasted at \$1.9 million, 3% less than FY 2015 budget in an effort to bring Expo F&B budget expectations more in line with historical actuals.  
**Note:** FY 2014 actuals reflect hosting the Cirque du Soleil event. Expo is planning to host Cirque du Soleil in FY 2016 however Cirque is not included in the proposed budget and will be added by way of budget amendment as in past years.



**Transient Lodging Tax (TLT)**

The total Transient Lodging Tax (TLT) revenue budget for FY 2015-16 of \$11.4 million, is an increase of 2.8% over the FY 2015 Budget.

- According to the Visitor Development Fund (VDF) Intergovernmental Agreement (IGA), Portland’s is allocated a maximum increase over the prior year receipts, of the Portland-Salem, second-half Calendar Year, Consumer Price Index (CPI), two years prior. For FY 2015 this is a 2.82% increase over FY 2014 actual receipts. The Portland5 FY 2016 Budget for TLT receipts represents a 2.65% (CPI budget assumption) increase over the FY 2015 adjusted maximum. Portland’s TLT base revenue was reset to \$1.2 million in FY 2011 according to the VDF IGA.
- OCC is allocated the greater of the two years prior CPI or 7% over the prior year receipts. The OCC FY 2016 Budget for TLT receipts represents a 6% increase over the FY 2015 adjusted maximum.
- All TLT receipts over these maximums are deposited into the MERC Fund TLT Pooled Capital account to be allocated to specific projects in future years. \$1.9 million was allocated to the MERC Fund TLT Pooled Capital in FY 2014. TLT Pooled Capital revenue estimates are not budgeted in FY 2015 or FY 2016.
- The Portland Expo Center does not receive TLT revenues, however does receive TLT Pooled Capital for specific projects.



	2011 Actual	2012 Actual	2013 Actual	2014 Actual
<b>TLT Pooled capital Earnings</b>	492,463	902,650	1,066,582	1,920,311

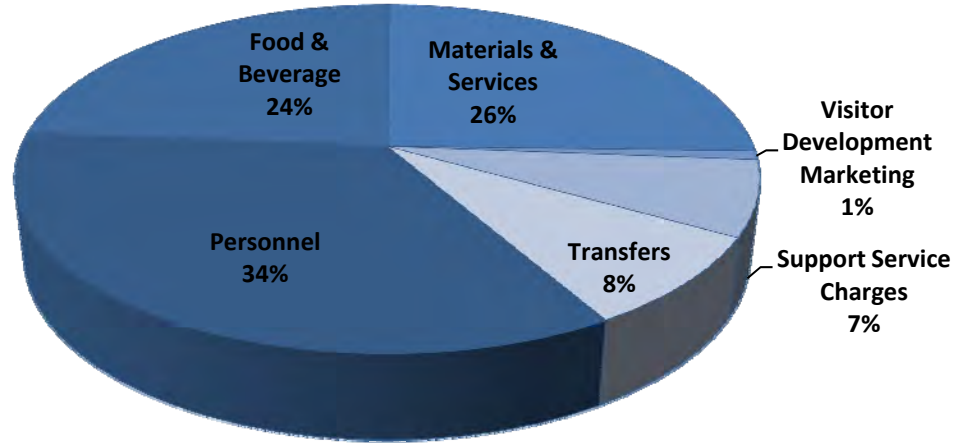
**Non-Operating Revenues**

- Visitor Facilities Trust Account (VFTA Buckets) includes operational support for OCC and Portland’s.
  - VFTA Bucket 5 – OCC request for operational support - \$1,548,281
  - VFTA Bucket 7 – OCC request for enhanced marketing - 472,781
  - VFTA Bucket 10 – P’5 request for operational support - 667,620
  
- The City of Portland contribution of \$854,000 to P’5 increases by CPI annually.
  
- There is no annual contribution from the Portland’s Foundation for capital renewal and replacement budgeted in FY 2016.
  
- OCC Transfer Revenue from other funds:
  - Below is a summary table of revenue transfers to OCC.
  - The OCC Hotel Project funding request of \$210,000 from the General Fund MTOCA account for project management, construction oversight, and ribbon cutting ceremony costs is included in the OCC budget.
  - The OCC request of \$320,000 from the General Fund’s Metro Tourism Opportunity and Competitiveness Account (MTOCA) is also included in the OCC budget.
  - OCC is budgeted to receive a Support Services charges subsidy from the General Fund of 1/3 of the increase from 2014 to 2015, equaling \$80,300. OCC received a subsidy of Support Services charges from the General Fund of \$160,600 in FY 2015, or 2/3 of the support services charges increase from 2014 to 2015.
  - OCC has requested a transfer of \$540,000 from the MERC TLT Pooled Capital Account, \$180,000 more than FY 2015.
  - When the OCC Hotel Project is financed in FY 2016, some costs are allowed to be reimbursed through the process. OCC is budgeted to receive 265,000 in reimbursements.

OCC Transfers – Revenue	2015	2016	\$ Variance	% Increase
MTOCA – General Fund	320,000	320,000	-	0%
SS Subsidy – General Fund	160,597	80,299	(80,298)	-50%
Hotel Support – General Fund	321,000	-	(321,000)	-100%
<b>General Fund Subtotal</b>	<b>801,597</b>	<b>400,299</b>	<b>(401,298)</b>	<b>-50%</b>
Bond Financing Reimbursement	-	265,000	265,000	0%
TLT Pooled Capital	360,000	540,000	180,000	50%
<b>Total</b>	<b>1,161,597</b>	<b>1,205,299</b>	<b>43,702</b>	<b>3.8%</b>

- Expo Transfer Revenue from other funds:
  - The MERC Commission and Metro Council approved a change in the General Fund Metropolitan Tourism and Competitiveness Account (MTOCA) policy language to include Expo as a recipient of funding beginning in FY 2015.
  - A FY 2016 proposal was made and accepted by the MERC Budget Committee for Expo to be allocated \$280,000 in MTOCA funding for marketing & sales activities, and related facility improvement projects.

**MERC Fund Summary of Requirements**



Requirements	OCC	P'5	Expo	Admin	MERC
Personnel	10,737,796	6,494,395	1,811,467	830,961	19,874,619
Food & Beverage	9,815,867	2,243,543	1,620,587	-	13,679,997
Goods & Services	8,678,855	4,368,968	1,362,718	479,585	14,890,126
VFTA	472,781	-	-	-	472,781
Support Services	2,295,400	1,173,331	535,683	-	4,004,414
Transfers	3,672,652	-	1,186,176	-	4,858,828
<b>Total</b>	<b>\$ 35,673,351</b>	<b>\$ 14,280,237</b>	<b>\$ 6,516,631</b>	<b>\$ 1,310,546</b>	<b>\$ 57,406,650</b>
<b>Capital</b>	<b>3,050,000</b>	<b>2,583,000</b>	<b>1,032,000</b>	<b>-</b>	<b>6,665,000</b>
<b>Reserves</b>	<b>10,342,299</b>	<b>7,266,553</b>	<b>2,378,649</b>	<b>3,490,437</b>	<b>23,477,938</b>
<b>Total Requirements</b>	<b>\$ 49,065,650</b>	<b>\$ 24,129,790</b>	<b>\$ 9,927,280</b>	<b>\$ 4,800,983</b>	<b>\$ 87,923,703</b>

## Personnel Services

### Full Time Equivalent (FTE) Positions

	2013 Actual	2014 Actual	2015 Budget	2016 Budget	Difference 15/16	Additional Request	2016 Total
Convention Center	110.30	112.30	114.65	114.65	0.00	0.00	114.65
Portland'5	46.40	44.40	46.90	46.90	0.00	2.00	48.90
Portland Expo	13.30	12.30	14.80	14.80	0.00	1.00	15.80
Administration	11.50	6.50	6.00	6.50	0.50	0.00	6.50
<b>Total FTE</b>	<b>181.50</b>	<b>175.50</b>	<b>182.35</b>	<b>182.85</b>	<b>0.50</b>	<b>3.00</b>	<b>185.85</b>

The MERC Fund includes a proposed 185.85 full time equivalent (FTE) positions for the FY 2016 Budget and approximately 300 part-time employees. This represents a total proposed increase of 3.50 FTE. 0.50 of this FTE increase is caused by a change in cost allocation of the Policy Advisor position in MERC Administration from 50% to the Zoo to 100% to MERC Administration. Instead of allocating the total position cost, MERC Administration will charge the Zoo directly for project costs on an hourly basis. The remaining 3.00 FTE are additional FTE position requests approved by the MERC Budget Committee summarized below.

#### ➤ Portland'5 Centers for The Arts

- Marketing & Promotions Coordinator I (0.50 FTE increase) – P'5 is seeking to increase the FTE of this position to 1.00 FTE to address the increasing workload of the Marketing and Promotions Division and to offer fee-based marketing packages to clients. This FTE increase is expected to cost approximately \$21,500 and increase gross revenues by approximately \$25,000 annually.
- Ticket Supervisor (0.50 FTE increase) – P'5 is seeking to increase this existing position from a 0.50 FTE Ticket Supervisor to 1.0 FTE Ticket Coordinator. This change is requested to address the increasingly growing workload and complexity of ticketing logistics and systems of the industry. The full-time status of this position will help facilitate consistency and availability to clients of the Ticket Services Division.
- Operating Engineer II (1.00 FTE addition) – P'5 is seeking to replace over 2,000 part-time, overtime, and on-call Operating Engineer II hours with a new full-time 1.00 FTE Operating Engineer II position. This request reflects a change in approach in how Portland'5 Operating Engineers are scheduled to better facilitate full staffing, customer service, and reduce overtime and on-call expenses. This change is estimated to cost approximately \$9,500 more per year than the current approach and schedule but result in more consistent coverage of events.

#### ➤ Portland Expo Center

- Marketing & Promotions Coordinator I (0.50 FTE limited duration addition) – Expo is seeking to add a limited duration 0.50 FTE Marketing & Promotions Coordinator I position to add a dedicated resource to aggressively work to increasing marketing &

advertising sales revenues, expand our social media presence and up sell client services. The addition of this 0.50 FTE is expected to cost approximately \$21,000 and increase gross revenues by approximately \$25,000 annually. Revenue goals will be set and increases will be measured. If this position does not result in increased revenues, it is set to expire June 30, 2017.

- Administrative Assistant (0.50 FTE increase) – Expo seeks to add a 0.50 FTE Administrative Assistant position dedicated to the Expo Operations Division. The Operations Division has never benefited from an Administrative Assistant position. This position will provide much needed support to Operations managers, clients, and stakeholders. This will provide the time needed for the management team to focus on customer service, facility maintenance, and projects.

### Food & Beverage

- Aramark food & beverage expenses of \$13.6 million for the consolidated MERC Fund are budgeted to increase 6.3% over the prior year commensurate with the increase in scheduled events resulting in a 16.2% margin, \$314,000 or 0.9% greater than FY 2015.

### Goods & Services

- All three Venues and MERC Administration budgeted decreases in non-event related materials & services expenses in FY 2016 over the prior year.
- Total Goods and Services budget for FY 2016 is \$810,000 or 6.3% increase from FY 2015. This increase is due to event related cost increases.
- Utility rates across the venues are forecasted to increase. However, each of the venues have completed and or planned several lighting, water, and heating and cooling cost saving projects to contain utility expense growth.
- Oregon Convention Center
  - The national marketing contract with Travel Portland is \$3,350,000.
  - VFTA Enhanced Marketing bucket #7 is budgeted at \$472,781 and passed through to Travel Portland.
- Portland's Centers for The Arts
  - The P's Goods and Services FY 2016 reflects a 48% or a \$1.4 million increase over FY 2015. However, a majority of this increase is due to two primary items: \$369,500 of new expenditures for the new business line of self promoted shows, (*Portland's Presents*) and \$736,000 in additional expenses over FY 2015, associated with the robust Broadway performance schedule, for ticket commission fees paid to Portland's partners. The remainder of the increase is due to event related expense increases commensurate with revenue increases. Additionally, there are \$36,300 of one-time items included, leaving the base budget much lower. These items include computers, ID badge machine, plaster repair, cleaning equipment and contracts.

➤ Portland Expo Center

- Expo Materials and Services reflect a 6% decrease over the FY 2015 budget even though fees have increased for both Multnomah County Drainage District (MCDD) and Portland Bureau of Environmental Services (storm water).

➤ MERC Administration

- MERC Administration Materials & Services budget has decreased by \$9,800, 2% from the previous year. This decrease facilitated keeping the MERC Administration charge to the venues static over FY 2015.

**Metro Support Services Charges**

	OCC	P'5	Expo	MERC
<b>Indirect Charges</b>				
Support Services	2,075,704	1,123,691	454,199	3,653,594
Building Management	5,907	3,797	1,266	10,970
<b>Subtotal Indirect Charges</b>	<b>2,081,611</b>	<b>1,127,488</b>	<b>455,465</b>	<b>3,664,564</b>
% of Operating Budget	5.9%	7.9%	7.0%	6.4%
<b>Direct Charges</b>				
Risk Management Claims	235,308	114,401	76,135	425,844
Workers Compensation Claims	(21,519)	(68,558)	4,083	(85,994)
<b>Subtotal Direct Charges</b>	<b>213,789</b>	<b>45,843</b>	<b>80,218</b>	<b>339,850</b>

Support Services indirect charges are calculated amounts for Information Technology, Finance and Accounting, Procurement, Human Resources, Communications, and Legal Services support costs. These formulaic charges are based upon FTE count, transaction counts (i.e. number of purchasing orders issued), computer server usage, and number of staff hours spent on venue specific items.

Direct charges are actual expenses incurred for identified items, two-years prior. These costs are charged directly to the venue. Metro uses a self insured model of payment for both risk and worker's compensation claims.

## Transfers

➤ Expo transfer to Revenue Bond Fund for Hall D debt payment	\$1,186,176
➤ OCC transfer to Metro General Fund for Streetcar assessment loan repayment	189,437
➤ OCC transfer to Metro General Fund for Hotel Project Management work	83,215
➤ OCC transfer to Metro Hotel development	3,400,000

## Capital

Summary of Capital Project Funding FY 2016

Capital request expenditures and descriptions are included in the next section by venue.

Funding Source	OCC	P'5	Expo	Admin	MERC
Renewal Replacement Reserves	1,300,000	2,170,000	467,500	-	3,937,500
New Business Strategy	150,000	65,000	-	-	215,000
TLT Pooled Capital	540,000	-	280,000	-	820,000
Aramark Capital	950,000	348,000	285,000	-	1,583,000
MTOCA	110,000	-	-	-	110,000
<b>Total Capital Resources</b>	<b>3,050,000</b>	<b>2,583,000</b>	<b>1,032,500</b>	-	<b>6,665,500</b>

MERC Administration will distribute \$820,000 of TLT Pooled Capital funds, via an intra-fund transfer, to OCC (\$540,000) and Expo (\$280,000) for identified capital projects at each venue.

## Reserve Balances

### Summary of Reserve Balances FY 2015 – 2016

	OCC	P'5	Expo	Admin	MERC
Beginning Fund Balance (Bud.)	14,174,771	8,789,652	3,039,644	4,349,393	30,353,460
Fund Balance Inc. / (Dec.)	(3,832,472)	(1,523,099)	(660,995)	(858,956)	(6,875,522)
<b>Ending Fund Balance</b>	<b>10,342,299</b>	<b>7,266,553</b>	<b>2,378,649</b>	<b>3,490,437</b>	<b>23,477,938</b>
Operating Contingency	1,500,000	600,000	350,000	65,000	2,515,000
Renewal & Replacement	7,568,221	4,709,253	-	811,772	13,089,246
New Business Strategy	1,274,078	1,957,300	2,028,649	-	5,260,027
TLT Pooled Capital				2,613,665	2,613,665
<b>Total Reserves</b>	<b>10,342,299</b>	<b>7,266,553</b>	<b>2,378,649</b>	<b>3,490,437</b>	<b>23,477,938</b>

**Oregon Convention Center  
Capital Request  
Fiscal Year 2016**

---

**OCC Capital Projects Funding Summary**

<b>Project</b>	<b>Renewal Replacement</b>	<b>Business Strategy</b>	<b>TLT Pooled</b>	<b>Aramark Capital</b>	<b>MTOCA</b>	<b>Total</b>
Telecommunications/VoIP	300,000					300,000
Parking Management System	550,000					550,000
Integrated Door Access Controls	325,000					325,000
Meeting Room Risers	75,000					75,000
Scissor Lift - 32'	50,000					50,000
Audio/Visual Equipment		150,000				150,000
Facility Master Plan			150,000			150,000
MLK/OBR/Holladay Plaza			390,000	500,000	110,000	1,000,000
Stir Lounge Annex				100,000		100,000
Portable Concession Kiosks				50,000		50,000
Cucina Rossa Concession Remodel				300,000		300,000
<b>OCC Subtotal</b>	<b>1,300,000</b>	<b>150,000</b>	<b>540,000</b>	<b>950,000</b>	<b>110,000</b>	<b>3,050,000</b>

*Telecommunications/VOIP - \$305,000*

*Funding Source: R&R Reserves*

This replaces the existing Meridian Nortel PBX with Cisco VOIP. It is coordinated with Metro IS department as the entire organization moves to this platform. It will upgrade the phone system and handsets as well as updating wiring to successfully use VOIP.

*Parking Management System - \$550,000*

*Funding Source: R&R Reserves*

This replaces all of the parking equipment, hardware and software systems that manage the operation in the parking garage, I-5 Lot and Lloyd Lot. Improved functionality, reliability and customer satisfaction will result from this project.

*Integrated Door Access Controls - \$325,000*

*Funding Source: R&R Reserves*

This adds keyless access controls to strategic door locations throughout the facility to increase security in specific areas. It replaces some older doors and wiring and installs access control hardware at each secured door. The OCC will hire a consultant/electrical engineer to assist in product design, wiring, layout of systems including drawings and bid documents for installation.

*Meeting Room Risers/Performance Stage Supports - \$75,000*

*Funding Source: R&R Reserves*

This purchases sixteen 6' x 8' meeting room risers and six 8' x12' performance stage supports. The current inventory is insufficient to support meeting room riser requests and impacts labor costs, due to the inability to set rooms in advance because of use by other shows.



*Scissor Lifts - \$50,000*

*Funding Source: R&R Reserves*

This is a purchase of two 32' scissor lifts for audio visual, electrician and engineer use. It will reduce outside rental costs and replace the old 26' scissor lift that does not meet height needs.

*Audio Visual Equipment - \$150,000*

*Funding Source: Business Strategy*

This purchases additional HD projectors, cameras, screens, additional portable sound equipment and theatrical lighting fixtures. These purchases have less than a one-year return on investment, allow the OCC to remain competitive on show bids, reduce staff labor, and increase show margins.

*Facility Master Plan - Design & Consulting - \$150,000*

*Funding Source: TLT Pooled Capital*

This is the second phase of this project. Additional funding was approved in FY 2014-15. Individual projects in the FY 2015-16 capital plan were rolled into the Facility Master Plan, creating a more cohesive and comprehensive plan. The OCC will hire a design/consulting firm experienced with all facets of facility design. The end product will be a plan for improvements with estimated construction costs and a description of the renovation intensity for the defined areas.

*Plaza Landscape Renovation Project - \$1,000,000*

*Funding Source #1: TLT Pooled Capital - \$390,000*

*Funding Source #2: Aramark Capital - \$500,000*

*Funding Source #3: MTOCA - \$110,000*

This redesigns the plaza along Holladay St. and MLK, Jr. Blvd adding way finding, storm water management components, plants, and additional functionality to the space. The Hyatt Hotel project incorporates a coordinated design effort to assist guests with directional access from the hotel to OCC main entrances. The PDC will create its first "Green Street" on Holladay from Grand Ave. to the Rose Quarter area.

*Stir Lounge Annex - \$100,000*

*Funding Source: Aramark Capital*

This project will create a unified look to the seating area adjacent to the Stir Lounge and Bistro. Flooring, seating and lighting will be added to enhance the guest experience and increase food and beverage sales.

*Cucina Rossa Remodel - \$300,000*

*Funding Source: Aramark Capital*

This project will change the look and feel of the space, creating a more open layout, and provide more seating and point of sales opportunities. The finishes and equipment will be updated.

*Portable Concession Kiosks - \$50,000*

*Funding Source: Aramark Capital*

This project will create professional looking, portable kiosks and add food and beverage points of sale to increase revenue opportunities.

**Portland's Centers for the Arts  
Capital Request  
Fiscal Year 2016**

---

**Portland's Centers for the Arts Capital Projects Funding Summary**

<b>Portland 5</b>	<b>Renewal Replacement</b>	<b>Business Strategy</b>	<b>Aramark Capital</b>	<b>Total</b>
Telecommunications/ VOIP	215,000			215,000
Roof & Drains	300,000			300,000
Backstage Elevator	235,000			235,000
Building Re-Key	80,000			80,000
Storage Racking Systems	100,000			100,000
Chiller/Cooling Tower	50,000			50,000
HVAC Controls Updates - ASCH	275,000			275,000
Water Closet replacements - ASCH	40,000			40,000
Soft goods - Keller/ASCH	50,000			50,000
Stage Door/ Box Office Renovations	200,000			200,000
Follow spots - Keller	30,000			30,000
Lighting Controls - Keller	75,000			75,000
LED Light Fixtures - Newmark	75,000			75,000
Sound Console - Keller	50,000			50,000
Sound Console - Winningstad	25,000			25,000
Stairs/Guardrail replacement - Keller	40,000			40,000
Main Speakers - Newmark	100,000			100,000
Stage Floor - Newmark	100,000			100,000
Lighting System Phase III - Newmark	130,000			130,000
Riser Replacement - Winningstad	-	65,000		65,000
Portable Concession Kiosks			168,000	168,000
North Concessions Remodel - Keller			150,000	150,000
1st Balcony Concessions remodel			30,000	30,000
<b>Portland 5 Subtotal</b>	<b>2,170,000</b>	<b>65,000</b>	<b>348,000</b>	<b>2,583,000</b>

*VoIP System Installation - \$215K*

*Funding Source: Renewal & Replacement*

Metro is moving the entire agency to a single standard IP based phone system. This project will replace our aging and sometimes failure prone system that exists at Portland's facilities with a new system that will both stand-alone and be fully connected to all Metro facilities with 4 digit dialing, the potential for interagency video-conferencing, and many other improvements and enhancements.

*Keller Roof and Roof Drains Replacement (Phase 2 of 3) - \$300,000*

*Funding Source: Renewal & Replacement*

This project will replace existing Keller Auditorium roof, insulation, drains, and sheet metal system with a newly designed and engineered roofing system. We will also explore if the building can handle the weight of a potential green roof or solar array. The current roof is built on top of another roof installed on or around the last major renovation in 1968. The original roof insulation has already been badly damaged due to wear and poor maintenance.

*Backstage Elevator Overhaul – AHH - \$235,000*

*Funding Source: Renewal & Replacement*

This project will repair and replace a number of fire/life safety and ADA related components of AHH elevators. In 2013, Portland's hired an independent consultant, Elevator Consulting Services, to review existing conditions and make recommendations as to the current state of our elevators and any appropriate modernization work that was needed. The backstage elevator at the Antoinette Hatfield Hall is more than 30 years old. While some operational systems are in good condition, other system components need to be replaced.

*Building Re-Key & Key Controls Software - \$80,000*

*Funding Source: Renewal & Replacement*

This project will replace the current building key system with a vastly simplified and more access control friendly solution. Replace the key control software that has suffered numerous time-consuming systemic failures and lacks more recent software features for effectively maintaining our operational need to effectively control building access.

*AHH Storage Racking Systems – AHH Basement & NMK Backstage - \$100,000*

*Funding Source: Renewal & Replacement*

This project will install racking and storage systems in three high ceiling basement storage rooms where there is currently only floor storage. Install a mezzanine backstage at the Newmark to better utilize a significant footprint currently in use for a crew break area and allow for greater client use of backstage work areas.

*Chiller/Cooling Tower and Associated Piping - ASCH - \$50,000*

*Funding Source: Renewal & Replacement*

This project will conduct an engineering study for the chiller, cooling tower and associated piping to provide the appropriate equipment and budgetary estimates needed for a full replacement process in the coming budget years. Also investigate potential alternates to a modular chiller and potentially enhance outside air intake capacity issues at the ASCH.

*HVAC Controls Replacement - ASCH - \$275,000*

*Funding Source: Renewal & Replacement*

This project will replace original HVAC building controls system with a new direct digital controls (DDC) system to control both HVAC and lighting systems. 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.

*Water Closets & Urinal Replacements - ASCH (6 gpf to 1.28 gpf) - \$40,000*

*Funding Source: Renewal & Replacement*

This project will replace public and backstage water closets (toilets) with new low water flow units.

*Soft Goods Replacement - Keller & ASCH - \$50,000*

*Funding Source: Renewal & Replacement*

This project will replace a portion of the failing theatrical soft goods onstage at the Keller and ASCH. This is a safety issue as we cannot hang these materials without the appropriate fire retardancy and safe hanging hardware intact. We would be left with the liability of our theaters operating outside life/safety regulations and/or potentially endangering our audience and clients.

*Box Offices, Stage Doors, Rehearsal Hall planning, design and renovations - \$200,000*

*Funding Source: Renewal & Replacement*

This project will plan and design box offices, stage door entrances, backstage areas and the Keller Rehearsal Hall for improvements. This project is needed to enhance staff functionality, built-in security, and client/patron experience at these first points of contact for most guests in our facilities. Work will be done with a design team, internal staff and clients to develop an appropriate program and then carry out the construction. Projects will be prioritized based on design and need with available funding as determined by the Facility Director. Construction work will begin as time permits but will likely roll into FY 17 due to scheduling constraints.

*Follow spots – Keller - \$30,000*

*Funding Source: Renewal & Replacement*

2 of 4 total follow spots at Keller have reached the end of their useful life and need to be replaced. Replacing these follow spots provides a more consistent look for clients with high production values and eases the maintenance of the existing units.

*Lighting Controls & Theatrical LED Fixture Upgrades – Keller - \$75,000*

*Funding Source: Renewal & Replacement*

This project will design and replace a portion of the audience chamber and stage lighting to take advantage of proven and readily available LED technology. The project will include some required improvements on the lighting controls, stage work lights, and in the ceiling of the audience chamber. This is an issue of saving energy costs and increasing patron/client enjoyment of the facilities. Project can be completed in FY 2016.

*Cyclorama Light Fixture Conversion to LED - Newmark - \$75,000*

*Funding Source: Renewal & Replacement*

This project will replace the stage cyclorama lighting fixtures with newer available LED technology. All cyclorama fixtures needed onstage consume significant amounts of power, require gel to color them, expensive bulbs (some of which are no longer made) and ongoing labor to maintain their heavy duty

electrical cabling. This is an opportunity to save energy, increase flexibility for our clients, and save in ongoing labor and material maintenance costs for the venue. Project can be completed in FY 2016.

*Sound Console Replacement – Keller - \$50,000*

*Funding Source: Renewal & Replacement*

This project is to replace the Keller Sound console. The current console is more than 20+ years old and has experienced failures in different portions of its circuitry and parts are becoming very difficult to acquire and source. This replacement is for both the operational efficiencies that come with more capable technology and avoiding the likelihood of more equipment failures with our sound equipment. This work can be completed in FY 16.

*Sound Console Replacement - Winningstad - \$25,000*

*Funding Source: Renewal & Replacement*

This project is to replace the Winningstad Sound console. The current console is more than 15 years old and has experienced failures in different portions of its circuitry and parts are becoming difficult to acquire and source. This replacement is for both the operational efficiencies that come with more capable technology and avoiding the likelihood of more equipment failures with our sound equipment. This work can be completed in FY 16.

*Stairs/Guardrail Replacement - Keller \$40,000*

*Funding Source: Renewal & Replacement*

This project will replace metal stairs to backstage entrance and guardrail at the parking pad directly above the backstage stairs. Current stairs are more than 50 years old, have improper or no handrails, and are very slippery and potentially dangerous to clients and our staff entering and exiting the building. The guardrail at the parking pad directly above the stairs and Keller Electrical Vault has been hit by vehicles a number of times and is leaning drastically and no longer serving its safety purpose. This work can be completed in FY16.

*Main Speakers - Newmark - \$100,000*

*Funding Source: Renewal & Replacement*

This project will replace fifteen year old main speakers built by stagehand staff onsite. Performance of a commercial modern system greatly exceeds our homemade speakers and the desire for our client base to have a more capable in-house speaker system would lower their costs for rental and additional labor needed to handle rental equipment.

*Theatre Floor Replacement - Newmark/Winningstad - \$100,000*

*Funding Source: Renewal & Replacement*

This project is to replace the top surface and repair and/or restore damaged areas of the sub-floor structure and traps to full working condition. The stage floors in these theaters are in need of significant attention to replace their surfaces and restore some failed areas in the subfloor that are creating difficulties for client enjoyment and stagehand safety. This work can be completed in FY 16.

*Lighting System Overhaul Phase III - Newmark - \$130,000*

*Funding Source: Renewal & Replacement*

This is the third of a three phase process to replace the production and house lighting systems from their current outdated systems to industry standard systems used throughout all of our other venues. This replacement is needed to overhaul a system that can no longer acquire replacement parts, uses a communication protocol that hasn't been industry standard for more than 20 years, and eliminates

additional points of potential failure in the regular operations of the system. We will be unable to stage shows without a fully operating production dimmer system that integrates with our control consoles and uses the technology readily available and known to all of our clients. This phase of work can be completed in FY 16.

*Riser Replacement Project - Winningstad - \$65,000*

*Funding Source: New Business Strategy Reserves*

This project will replace the 27 year old riser system in the Winningstad with an updated system with far greater flexibility for use, less materials to setup, and significantly less labor to convert the room from a traditional setup to a flat floor or otherwise. This work can be completed in FY 16.

*14 Portable Concession Kiosks - All Theaters - \$168,000*

*Funding Source: Aramark Capital Contribution*

These will allow fast self service grab and go food and beverage items for all venues and provide additional points of sale and shorter lines at full service bars. Perfect for small audience theaters like the Winningstad and Newmark where opening full service bars or kitchens would be cost prohibitive. Portability allows us to place them where they can best service the patron. Project work can be completed in FY16

*North Concessions Stand Remodel - Keller - \$150,000*

*Funding Source: Aramark Capital Contribution*

Project will remodel concession stand to provide additional points of sale as well as beer lines so kegs can be more cost effectively utilized.

*1<sup>st</sup> Balcony Concessions Stand Remodel – Keller - \$30,000*

*Funding Source: Aramark Capital Contribution*

Project will remodel concession stand to provide additional points of sale as well as beer lines so kegs can be more cost effectively utilized.

**Portland Expo Center  
Capital Request  
Fiscal Year 2016**

---

**Portland Expo Center Capital Projects Funding Summary**

Expo	Renewal Replacement	TLT Pooled	Aramark Capital	Total
Roof Repairs	467,500			467,500
Parking Lot Asphalt Repairs		60,000		60,000
HVAC		35,000		35,000
Scissor Lift - 30'		30,000		30,000
Wi-Fi Telecommunications Upgrade		30,000		30,000
VoIP Telecommunications		50,000		50,000
Security Cameras / Access Controls - (Phase 2 of 2)		50,000		50,000
Stacking Chairs - (Phase 2 of 3)		25,000		25,000
Connector - Glass Door & Concession Portables			115,000	115,000
Electronic Signage - Phase 2			170,000	170,000
<b>Expo Subtotal</b>	<b>467,500</b>	<b>280,000</b>	<b>285,000</b>	<b>1,032,500</b>

*Expo Center Roof Repair - \$467,000*

Funding Source – *Renewal & Replacement Reserve*

- \$7,500 in recommended and immediate repairs to Halls ABC per roofing report and review.
- \$30,000 in targeted repairs to fix leaks and issues on Hall D. Per report for Halls D & E.
- \$75,000 in a targeted analysis report and recommendation for the full barrel roof repair of Hall D
- \$5,000 for continued analysis for Solar integration with any new Hall D barrel roof.
- \$350,000 for Phase 1 of 2 for the Hall D barrel roof replacement.

*Asphalt Repair, Maintenance and Study - \$60,000*

Funding Source – *MERC TLT Pooled Capital*

- \$50,000 - Continuation of parking lot repairs, removal and standard maintenance. Removal and replacement of failing asphalt, to include seal coating of all areas Operations staff will continue to re-stripe the parking lots, walkways, ADA designation areas and safety notices internally.
- \$10,000 – Complete study and analysis of best approaches and ROI for asphalt repair strategy to include stormwater fee reduction strategies.
- 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.

*HVAC Analysis and Repair – \$35,000*

Funding Source - *MERC TLT Pooled Capital*

- \$10,000 - Full analysis of all HVAC units and related systems. Planned and targeted strategy for review and replacement of all units.
- \$25,000 – Anticipated repair cost needs.

*Scissor Lift – \$30,000*

Funding Source - *MERC TLT Pooled Capital*

- New item for use by and for Operations for Natural Gas, Electrical, AV and many other uses. Currently an arrangement to use the Hollywood Lights lift is in place and needs to be addressed.
- Warranty included. Propane fleet.

*WiFi Upgrades and Installation – \$30,000*

Funding Source - *MERC TLT Pooled Capital*

- Continued expansion of WiFi opportunities on campus both for infrastructure and service.
- Outdoor application to serve indoor/outdoor events.

*Plastic Flat Stacking Chairs (Phase 2 of 3) – includes forklift cart - \$25,000*

Funding Source - *MERC TLT Pooled Capital*

- Phase 2 of 3 – Full replacement of folding, stacking chairs dating back to the Multnomah County operation. Chairs that we intend to replace match those used by Portland’5. This adds to a larger MERC pool available. Chairs hold well over 300 lbs in a safe and professional presentation. Final replacement needed.
- New chairs meet safety standards for today’s facilities.

*Voice over IP (VoIP) / Phone System (Phase 2 of 2) - \$50,000*

Funding Source - *MERC TLT Pooled Capital*

- Phase 2 of 2 – Full replacement of phone system and technology first installed in 1996.
- Current system is outdated and not supported. No upgrades or support assistance available other than OCC Telecommunications Manager. Upgrade will include major infrastructure, hardware and software package
- Voice over Internet Protocol is an initiative that is Metro-wide. Phase one will review hardware and connections relevant to Expo Center campus as well as initial purchases. Review of current and future needs as well as spin-off projects that are also related to this backbone infrastructure.

*Security Cameras / Access Control Systems (Phase 2 of 2) - \$50,000*

Funding Source - *MERC TLT Pooled Capital*

- Phase 2 of 2 – New system. The Expo Center does not currently have any security cameras or access controls to the facility. It has been an area that has been sorely lacking.
- OCC currently is undergoing an RFP for a similar service upgrade. Expo will have lessons learned from their process and plan on finding a system that can be accessed by the 24 hr. Security staff at the OCC console as needed. Access to the main doors of entry could be controlled by the Receptionist that is on duty rather than leaving the facility open and accessible to all.
- This project is related to the Voice over IP project led by Metro. Phase one (in VoIP) will review hardware and connections relevant to Expo Center campus that also reflect the possibilities for a security system.



- Audit of the ticketing process called for a security camera system as part of accounting best practices for the ticketing operation. Cameras would be both indoor and outdoor and accessible from the network.

*Connector/Food Court improvement / New portable food carts for indoor / outdoor use - \$115,000*

Funding Source – *Aramark Capital*

- Connector is the food destination for most of the largest events. Improvements to this area including a roll up door addition make it a more welcoming area to stay and eat.
- Expo has multiple food carts that are either from the Multnomah County operation or dated at or near 1996. While efforts to repurpose some of these carts makes for a good sustainable effort, it isn't always the best approach. Carts with proper casters and features that serve the direction of the operation are very much needed.
- Rolling cart could expand the use of show floor presence as well as use by the new Stormwater Greenwall between Halls D and E and outside the West Delta Bar and Grill.

*Electronic Signage Project - \$170,000*

Funding Source – *Aramark Capital*

- As continued from efforts in FY14 and FY15, this funding source makes it possible to add electronic signage in all concessions stands, lobbies and other common areas. Study and analysis for both indoor and outdoor efforts are appreciated.

**MERC Venues Budget Objectives  
FY 2014-15 Budget Objectives Status Report  
FY 2015-16 Proposed Budget Objectives**

---

**MERC ADMINISTRATION  
BUDGET OBJECTIVES FY 2014-15  
PROGRESS REPORT – FEBRUARY 20, 2015**

**Provide an Expo Project progress report in summer 2014 at the completion of the market study and financial analysis work, which is already underway.**

**Status: COMPLETE**

The results of the Market and Financial Feasibility Study conducted by Hunden Strategic Partners were presented to the MERC Commission in October 2014 and will be used to inform Expo's business planning. Next steps include reviewing study results with stakeholders, financial review, identifying areas for further analysis, in-depth discussions with strategic teams and validating key financial and business assumptions. It is anticipated that the Expo Project Team will begin exploring varied business scenarios and site plan recommendations by the end of fiscal year 2014-15.

**Pursue an evaluation of potential synergies and efficiencies to be gained by combining efforts between OCC and Expo in the areas of sales and other revenue producing departments.**

**Status: IN PROGRESS, CARRY OVER TO FY 2016**

Staff has reviewed historic work from the 2009-2011 Best Business Practices Project to identify additional areas that contain opportunities. Next steps include analyzing opportunities as they relate to service improvements, potential sales transfers and cost reductions. It is anticipated that recommendations will reviewed and discussed by the end of fiscal year 2014-15.

**Complete First Opportunity Target Area assessment and present initial policy recommendations to Council and Commission fall 2014.**

**Status: COMPLETE**

FOTA assessment Recommendations were presented to the MERC Commission and Metro Council in January 2015.

**Pursue an evaluation of the long-term capital needs of Portland's in the context of the current business model that requires subsidizing the resident companies. This project will include stakeholders from the city, resident companies and other relevant stakeholders.**

**Status: IN PROGRESS**

This project is currently being scoped and will begin in Winter of 2015.

**Evaluate the financial sustainability of the Renewal and Replacement Reserve accounts for all three MERC venues. This project will include an evaluation of the current asset inventory, mandatory annual contribution amounts, fine tuning the current capital plans and prioritization, and other options for funding the Renewal and Replacement Reserve accounts.**

**Status: IN PROGRESS, CARRY OVER TO FY 2016**

Each venue has prepared an updated five-year forecast (Fiscal Years 2016 – 2020) of Capital revenues and prioritized projects. To complete this objective, each venue will complete a new capital asset inventory and assessment study to more accurately forecast costs associated with the Capital Renewal and Replacement Program. These studies are planned in FY 2016 or 2017 for each venue.

**Develop a plan with the Portland’5 Foundation to re-energize fundraising activities.**

**Status: IN PROGRES, CARRY OVER TO FY 2016**

Robyn Williams, Executive Director of Portland’5 Centers for the Arts, has met with a fundraising consultant who is putting together a plan to help the Foundation start laying the groundwork necessary before hiring a development position.

## **MERC ADMINISTRATION**

### **PROPOSED BUDGET OBJECTIVES FY 2015-16**

#### **On-Going:**

- **New:** Support the Region’s Desired Outcomes and Council Strategic Goals through Visitor Venue operations.

#### **Carry Over from FY 2015:**

- Pursue an evaluation of potential synergies and efficiencies to be gained by combining efforts between OCC and Expo in the areas of sales and other revenue producing departments.
- Evaluate the financial sustainability of the Renewal and Replacement Reserve accounts for all three MERC venues. This project will include an evaluation of the current asset inventory, mandatory annual contribution amounts, fine tuning the current capital plans and prioritization, and other options for funding the Renewal and Replacement Reserve accounts.

#### **New:**

- Facilitate breaking ground on the OCC Hotel Project
- Execute the FOTA improvement implementation plan.
- Continue with phase II of the Expo Project and including financial analysis and stakeholder discussions.
- Provide a semi-annual Expo Project Phase II Progress Report to the MERC Commission.
- Provide a semi-annual Portland’5 Project Progress Report to the MERC Commission.
- Begin implementation of the plan to re-energize the Friends of Portland’5 organization function.

**OREGON CONVENTION CENTER  
BUDGET OBJECTIVES FY 2014-15  
PROGRESS REPORT – FEBRUARY 20, 2015**

**Develop succession plan for key positions and set the groundwork for the next generation of OCC staff.**

**Status: COMPLETE**

Over the last several months we have restructured our sales, events and operations departments in multiple ways. In sales we have created a junior sales manager option for our vacant sales manager position and an assistant director of sales position. Similarly we have created a senior events manager. We are also transitioning our two account executive positions into event manager positions. Multiple changes are occurring in our operations department including the reclassifying of the assistant ops manager into a facilities manager position. This provides better oversight of facility maintenance and contractor services. Our AV department is being reorganized to better meet client needs by reclassifying the AV supervisor into a manager position, reclassifying the previous AV Lead Technician position into a Production Supervisor position and developing three AV Technicians into AV Lead Technicians to oversee the work of PT AV and contracted labor. None of these changes involved the addition of a position. These changes will allow us to develop staff from within where possible.

**Hire key sales positions to insure long-term growth and success of OCC – focusing on new business and AV design sales.**

**Status: COMPLETE**

In addition to the changes described above, we have hired a second A/V sales coordinator. This position was approved as part of the 2014-2015 budget.

**Phase I 2015: Develop “master plan” for OCC both interior and exterior of the facility.**

**Status: IN PROGRESS**

Currently working with the PDC to develop a new landscape plan for OCC from the Holladay Lobby to the MLK lobby. Additionally, working to develop Holladay as a “Green Street”, a prototype for the city for surface water management. OCC will be issuing an RFP this winter for a “Master Plan” contractor. This will focus on the interior of OCC.

**Continue to enhance sustainability programs thru enhanced teamwork and partnerships with clients, vendors and staff.**

**Status: IN PROGRESS, ON-GOING**

Continued year two on furthering our efforts to refine our Strategic Energy Management Plan. This will involve employee work practices. Also working with show decorators and clients on how we can best reduce the overall waste for their shows. IAVM was a recent success that was able to achieve a 67% diversion rate.

**Create new website that allows for immediate and easy access to a vast array of facility information.**

**Status: IN PROGRESS**

This project is in the works. Danielle Kulcyk from Metro Communications is leading our team. We have contracted with OMBU and Sockeye Creative for website development and brand creative. Our target completion date is late spring.

**Increase focus on efficiencies and cost reductions in the entire operation.**

**Status: IN PROGRESS, ON-GOING**

At this point, this objective has been addressed through our sustainability efforts.

**Target specific local high revenue events and book them at the OCC.**

**Status: IN PROGRESS, ON-GOING**

Some recent laser focused solicitations include Children's Cancer Association, MODA Health, and Precision Castparts.

**Conduct proactive preventative maintenance and maximization of equipment efficiencies to reduce short- and long-term equipment replacement costs.**

**Status: COMPLETE**

Filled open Facilities Manager Position. Equipment is being maintained as scheduled through our Computerized Maintenance Management System, a software database for tracking facility maintenance. Equipment is being identified for replacement in accordance with the equipment's life expectancy and R & R schedule.

**Provide a high level of service to all clients utilizing our customer service program acknowledging high level performance, secret shops and survey results.**

**Status: IN PROGRESS, ON-GOING**

We are once again revising our B the D program to be more impactful to staff. Another area of upcoming focus will be the admissions/gate staff. Scott Cruickshank and Erin Jepson will be conducting small group trainings.

**OREGON CONVENTION CENTER  
PROPOSED BUDGET OBJECTIVES FY 2015-16**

**On-Going:**

- Continue to enhance sustainability programs through enhanced teamwork and partnerships with clients, vendors and staff.
- Increase focus on efficiencies and cost reductions in the entire organization.
- Target specific local high revenue events and book them at the OCC.
- Provide a high level of service to all clients utilizing our customer service program acknowledging high level performance, secret shops and survey results.
- Phase II 2016: Develop master plan for OCC both interior and exterior of the facility.

**New:**

- Break ground on the Hotel Project.
- Complete North Plaza landscape renovation.
- Complete Food and Beverage renovations.
- Continue energy consumption reductions.
- Implement Waste Diversion Policy.
- Enhance OCC security procedures and training.

**PORTLAND'S CENTERS FOR THE ARTS  
BUDGET OBJECTIVES FY 2014-15  
PROGRESS REPORT – FEBRUARY 20, 2015**

**Develop a plan to address long term funding strategy for Portland'5.**

**Status: IN PROGRESS**

An analysis of costs to “open the door” of each performance space was completed. A report on cost/revenue by major tenants and other organizations that reflects the level of subsidy that Portland'5 provides was also completed. Phases of implementation and rough timelines have been drafted by the MERC project manager. Research of supporting data in progress.

**Implement ticket retargeting program.**

**Status: ABANDONED**

Portland'5 ran three campaigns to determine the effectiveness of this program (Fan One). Results were generally good, however the decision was made to move to a different email and retargeting system that is also available to us that expands our capabilities and is more integrated (PACMAIL). After analyzing its effectiveness, it was determined that staff resources would bring a greater ROI to P5 via sponsorship and marketing of P5 presentations.

**Develop sponsorship kit for Portland'5 produced events.**

**Status: IN PROGRESS, CARRY OVER TO FY 2016**

Developed marketing kit that could be offered to clients to assist in selling their shows. This was implemented this summer. Sponsorship kit in progress but not completed.

**Implement business development initiative.**

**Status: IN PROGRESS, ON-GOING**

Booking Sales and Marketing Director hired possesses presenting and co-promoting skills that can be used to fill dates. Dark day analysis for all halls completed. Have four presentations negotiated and contracted in January and February for the 350 seat Winningstad Theater which has quite a bit of availability. We also want to start out with smaller, lower risk shows as we evaluate staff resources for marketing and producing these events. First three presentations netted a profit of \$14,696.

**Develop revitalization plan for the Portland'5 Foundation.**

**Status: IN PROGRESS, CARRY OVER TO FY 2016**

Executive Director has met with a fundraising consultant who is putting together a plan to help the Foundation start laying the groundwork necessary before hiring a development position.

**PORTLAND'S CENTERS FOR THE ARTS  
PROPOSED BUDGET OBJECTIVES FY 2015-16**

**On-Going:**

- Continue business development initiative via Portland'5 Presents events

**Carry Over From FY 2015:**

- Develop a plan to address long term funding strategy for Portland'5
- Implement sponsorship kit for Portland'5 produced events
- Develop revitalization plan for the Portland'5 Foundation

**New**

- Seek opportunities for capital projects to advance green initiatives and lower operating costs (on-going)



**PORTLAND EXPO CENTER  
BUDGET OBJECTIVES FY 2014-15  
PROGRESS REPORT – FEBRUARY 20, 2015**

**Focus marketing and communications planning and execution on increased sales revenue opportunities for new and repeat business.**

**Status: IN PROGRESS**

To date, the Sales team has focused their marketing efforts in the following ways – 1) Client only newsletter – we have sent out two client-only e-newsletters with information and details specific to the event producer and their needs. 2) Broad advertising has pulled back from the Oregonian and focused on local newspapers and other opportunities within the community such as movie-theatre pre-show ads and sponsorship of local parks concerts. In addition, Expo utilized a OPB sponsorship to broaden our reach to the Portland community. 3) In response to client requests, replacement of awning for entries for Halls ABC were replaced. 4) Continued efforts with the year-long calendar and advertising has been successful on multiple fronts. 5) Simple paint updates have refreshed the campus towards our brand.

**New revenues are anticipated with a focused booking and catering approach lead by the sales managers from Expo and ARAMARK/pacificwild and a continued increase in three-year license agreements.**

**Status: IN PROGRESS**

Three-year agreements have provided a tremendous amount of synergy with the Sales team for marketing and up-sale potential. Upselling Expo services to repeat clients resulted in positive increases in catering for events such as the Timber Processing Expo. The ARAMARK/pacificwild shared catering sales manager emphasized gains with existing clientele but limited success with new clients. The position is under review.

**Continue work on broader opportunities where expansion into new markets is possible and meeting our community outreach objectives.**

**Status: IN PROGRESS, ON-GOING**

The marketing work reflects this key objective as well as the sales outreach done by the Expo Sales Manager and the ARAMARK shared Sales Manager. Sales calls and direct visits to potential clients have been completed and the Expo Sales team has participated in numerous North Portland events to keep the Expo amenities front of mind with the community. Hosted showcase events are needed to reveal what is possible.

**Develop ongoing food and beverage improvements with our partners ARAMARK/pacificwild, up to and including concession stand improvements, new event development, quality of food and service, cleanliness, and an improved food and beverage margin.**

**Status: IN PROGRESS**

There is still work to be done in this area. The current F&B Director for the Expo are still new and we have been working with them in developing better work plans for this team that will produce results. Cirque and the Vans Warped tour are two highlights as we moved out of FY14. The fall tradeshow season also showed significant improvements and a gaining economy. More attention on labor costs, reporting and team building is needed to attain the goals we all want to see. The current ARAMARK shared sales manager for Expo Center is no longer with ARAMARK and Expo and ARAMARK management will assess and determine next steps related to the position.

**Continue engagement with the City of Portland's Bureau of Environmental Services (Storm water Management) and the Multnomah County Drainage District #1.**

**Status: IN PROGRESS, CARRY OVER TO FY 2016**

With the recent completion of the Stormwater Greenwall, the stage is set with BES to find ways in which to work together to reduce storm water fees. Recent news may affect those conversations as Dean Marriott, BES Director is on paid leave, with Jim Hagerman in the role while he is out. The Metro DCOO has all the material in hand to continue to pursue this dialogue. MCDD is busy at work with the Oregon Solutions Project, and a fair bit of unknowns – it remains important to be engaged in the process and to tell our story of economic impact. Regardless, this has resulted in increased costs to the Expo Center that we will need to mitigate. I serve on the board of the MCDD Peninsula 1 district.

**Further develop the positive attributes of having an engaged Expo Advisory Committee dedicated to the topics of: Long-Term Funding Solutions, Community Outreach, History and Equity.**

**Status: IN PROGRESS**

The last two meetings were very positive and now that the work with the Marketing and Feasibility Study, Phase I, is completed, the funding question will require a broader creative dialogue in which these partners can greatly assist. Progress has been made in the areas of Community and History with a History Wall project due to unveil in FY15.

**Focus capital projects on sustainable initiatives, sustained efforts on diversion practices and continued partnership with the City of Portland and Bureau of Environmental Services. Capital investments and project will focus on ROI and enhanced sustainability. A measured approach to renewal and replacement projects and continued follow-up and research for the ongoing stewardship of Halls A, B and C.**

**Status: IN PROGRESS**

Capital projects have been positively moving forward this fiscal year with the finalization of both the lighting and controls for all 5 exhibit halls, expansion of the project to outdoor and wall pack lighting continues. The completion of the Storm water Green Wall and the completion of 3 sustainable reports – storm water management, ecoroof and solar feasibility all await BES decision points. In addition, analysis of expo's current roofs and status reports for each is also

helpful. Overall, capital efforts for FY15 are on target thus far. We are proud of our progress in these areas.

**PORTLAND EXPO CENTER**

**PROPOSED BUDGET OBJECTIVES FY 2015-16**

**On-Going:**

- Expand into new markets and conduct community outreach.

**Carry Over from FY 2015:**

- Engage in proactive ways to mitigate increased costs generated from MCDD and BES policy changes.

**New:**

- Create and develop new events and sponsorship and advertising opportunities.
- Expand relationships with community members, local businesses and organizations unique to our history, diversity and equity understanding.
- Expand teambuilding and communication amongst Expo, Pacificwild and City Center staff. Develop understanding of revenue goals amongst all teams.
- Evaluate capital projects and improvements with an eye towards ROI or expense reduction.

**Materials following this page are  
attachments to the public record.**



# Metropolitan Exposition and Recreation Commission



PORTLAND'S  
ENTERS FOR THE ART

## Budget Committee Meeting



February 20, 2015



Metro | *Making a great place*

# OCC Budget Highlights

## Schedule of Events

- Forecasting 45 Conventions in FY16 – 5 more than average

## Operating Revenue

- Forecasting F&B margin of 16.5% - versus 14.9% in FY15

## Non-operating Revenue

- Request to receive \$320,000 MTOCA allocation
  - \$110,000 – Plaza Project
  - \$210,000 – Hotel Project

## Operating Expense

- Personnel increase 7% - PERS, AHA, COLA, Health & Welfare
- Materials & Services -2.5% decrease
- \$3.4 million contribution to Hotel Development

## Capital Plan - \$3,050,000 (pp. 16-17)

- VoIP, Plaza MLK Plaza Project, Facility Master Plan, Stir Lounge Annex, Cucina Rosa Remodel, Electronic Signage, Audio Visual Equipment, Scissor Lift, Portable Concession Kiosks, Parking Management System, Door Access Controls
- Funding: Renewal & Replacement, Business Strategy, TLT, MTOCA, Aramark Capital

# Portland's Budget Highlights

## Schedule of Events

- 12 weeks of Broadway scheduled in FY16 versus 9.5 weeks in FY15
  - 4 mega-hit shows – 7 of the 12 weeks
- Resident Company & Commercial Shows are flat over FY15

## Operating Revenue

- P'5 \$10.1 million operating revenue is 35% greater than FY15 budget
  - Due to event schedule and new ticketing software system logistics
- Forecasting F&B margin of 15.7% versus 16.5% in FY15

## Operating Expense

- Personnel increase 8% - PERS, AHA, COLA, Health & Welfare
- Materials & Services decrease 1% non-event related expenses

## Personnel - Request to increase 2.00 FTE (p.12)

- Existing Part-time Marketing & Promotions Coordinator I, Increase (0.50 FTE)
- Existing Part-time Ticket Supervisor – Re-class & Increase, (0.50 FTE)
- Operating Engineer II – New (1.00 FTE)

## Capital Plan - \$2,583,000 (pp. 18-22)

- VoIP, Roof Drains, Elevators, Re-Key Project, Storage, Cooling Tower, Water Closets, Soft goods, Backstage Office, Spot lights, Lighting Controls, Sound Consoles, Guardrail Replacement, Stage Floor, Riser Replacement, Portable Concession Kiosks, Concession Stand Remodels,
- Funding: Renewal & Replacement, Business Strategy, Aramark Capital

# Expo Budget Highlights

## Schedule of Events

- Number of events and attendance forecasted to increase moderately
- Budget forecast does not include Cirque du Soleil.

## Operating Revenue

- Marginal increase in F&B Margin – based on fiscal review
- Increased per-capita F&B revenue forecast, thanks in part to the increased awareness of the West Delta Bar and Grill

## Non-operating Revenue

- Request to receive \$280,000 MTOCA - Second year eligible

## Operating Expense

- Personnel increase 5%: PERS, AHA, COLA, Health & Welfare
- Materials & Services decrease (-6.7%)

## Personnel - Request to increase 1.0 FTE (pp. 12-13)

- Marketing & Promotions Coordinator I – LTD – New (0.5 FTE, Sales Division)
- Administrative Assistant – New (0.5 FTE, Operations Division)

## Capital Plan - \$1,032,000 (pp. 23-25)

- Parking lot, Roof Repairs, HVAC, Scissor Lift, WiFi, VoIP, Security Cameras, Electronic Signage, Connector Door, Chairs, Concession Kiosks
- Funding: TLT, Renewal & Replacement, Aramark Capital



# Budget Changes Since January

Amount	Description
\$210,000	General Fund allocation to Hotel Project replaced with MTOCA
\$210,000	Increased TLT Pooled Capital request to backfill MTOCA
\$140,000	Increased estimated Hotel Project bond reimbursable expenses
\$140,000	Increased Hotel Project bond reimbursement revenue
\$229,115	Increased estimated Hotel Project costs (non bond related)
\$235,000	Increased TLT VDF Bucket 5 additional operating support



# MERC Operating Budget Summary (in Thousands)

Revenues	2013 Actual	2014 Actual	2015 Budget	2016 Budget	\$	%
Charges for Services	20,819	20,874	21,098	24,712	3,614	17.1%
Food & Beverage	15,785	14,053	15,203	16,325	1,122	7.4%
Lodging Tax	10,244	10,904	11,131	11,443	312	2.8%
Visitor Development	3,154	2,921	2,395	2,689	293	12.2%
Other Revenue	1,593	3,465	2,111	1,904	(208)	-9.8%
<b>Operating Revenues</b>	<b>51,594</b>	<b>52,217</b>	<b>51,939</b>	<b>57,073</b>	<b>5,134</b>	<b>9.9%</b>
<b>Expenses</b>						
Personnel	16,558	16,296	18,432	19,875	1,443	7.8%
Food & Beverage	12,774	12,298	12,872	13,680	808	6.3%
Materials & Services	11,783	14,256	13,425	14,890	1,465	10.9%
Other	5,289	5,552	6,169	5,936	(233)	-3.8%
Hotel Development	-	-	-	3,400	3,400	-
<b>Operating Expenses</b>	<b>46,404</b>	<b>48,402</b>	<b>50,898</b>	<b>57,781</b>	<b>6,883</b>	<b>13.5%</b>
Net Operations	5,190	3,815	1,041	(708)		
<b>Food &amp; Beverage Margin</b>	<b>19.1%</b>	<b>12.5%</b>	<b>15.3%</b>	<b>16.2%</b>		



Metro | Making a great place

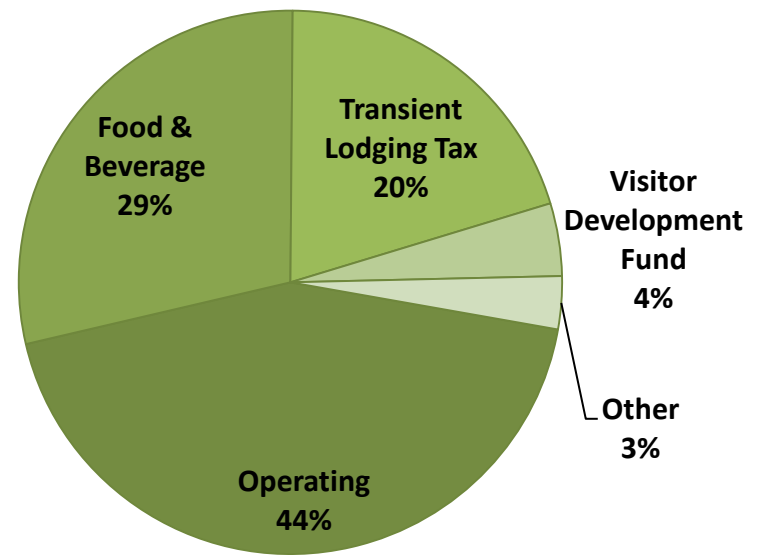
# MERC Operating Budget Summary (in Thousands)

Revenues	OCC	P'5	Expo	Admin	MERC
Food & Beverage	10,237	10,092	4,384		24,712
Operating	11,750	2,664	1,911	-	16,325
Lodging Tax	10,097	1,346	-	-	11,443
Visitor Develop.	2,021	668	-	-	2,689
Other	(107)	513	226	1,272	1,904
<b>Total Operating Rev.</b>	<b>\$33,999</b>	<b>\$15,282</b>	<b>\$ 6,520</b>	<b>\$1,272</b>	<b>\$57,073</b>
<b>Expenses</b>					
Food & Beverage	10,738	6,494	1,811	831	19,875
Personnel	9,816	2,243	1,621	-	13,680
Materials & Services	8,679	4,369	1,363	480	14,890
VFTA	473	-	-	-	473
Support Services	2,295	1,173	536	-	4,004
Transfers	3,659	-	1,186	-	4,859
<b>Total Operating Exp.</b>	<b>\$35,673</b>	<b>\$14,280</b>	<b>\$ 6,517</b>	<b>\$1,311</b>	<b>\$57,781</b>
<b>Net Operations</b>	<b>(1,675)</b>	<b>1,002</b>	<b>4</b>	<b>(39)</b>	<b>(708)</b>
<b>Food &amp; Beverage Margin</b>	<b>16.5%</b>	<b>15.8%</b>	<b>15.2%</b>	<b>-</b>	<b>16.2%</b>



# Summary of Total Revenues (p.6)

(in Thousands)



Revenues	OCC	P'5	Expo	Admin	MERC
Operating	10,237	10,092	4,384		24,712
Food & Beverage	11,750	2,664	1,911		16,325
Lodging Tax	10,097	1,346	-		11,443
Visitor Develop.	2,021	668	-		2,689
Other	(107)	513	226	1,272	1,904
<b>Total</b>	<b>\$33,999</b>	<b>\$15,282</b>	<b>\$ 6,520</b>	<b>\$1,272</b>	<b>\$57,073</b>
<b>Capital Revenues</b>	892	58	367	(820)	498
<b>Beginning Fund Bal.</b>	14,175	8,790	3,040	4,349	30,353
<b>Total Resources</b>	<b>\$ 49,066</b>	<b>\$ 24,130</b>	<b>\$ 9,927</b>	<b>\$ 5,011</b>	<b>\$ 87,924</b>

# Food & Beverage (p.8)

(in Thousands)

		2013	2014	2015	2016	Difference	Difference
		Actual	Actual	Budget	Budget	\$	%
OCC	Revenue	11,722	9,973	11,003	11,750	747	7%
	Expense	9,220	8,856	9,363	9,816	453	5%
	Margin \$	<b>2,502</b>	<b>1,117</b>	<b>1,640</b>	<b>1,934</b>	295	18%
	Margin %	<b>21%</b>	<b>11%</b>	<b>15%</b>	<b>16.5%</b>		
P'5	Revenue	2,152	2,094	2,225	2,664	439	20%
	Expense	1,699	1,732	1,857	2,244	386	21%
	Margin \$	<b>453</b>	<b>362</b>	<b>368</b>	<b>420</b>	53	14%
	Margin %	<b>21%</b>	<b>17%</b>	<b>17%</b>	<b>15.8%</b>		
Expo	Revenue	1,903	1,986	1,975	1,911	-64	-3%
	Expense	1,644	1,711	1,651	1,621	-31	-2%
	Margin \$	<b>259</b>	<b>275</b>	<b>324</b>	<b>291</b>	-33	-10%
	Margin %	<b>14%</b>	<b>14%</b>	<b>16%</b>	<b>15.2%</b>		
MERC	Revenue	15,778	14,053	15,203	16,325	1,122	7%
	Expense	12,563	12,298	12,872	13,680	808	6%
	Margin \$	<b>3,214</b>	<b>1,755</b>	<b>2,331</b>	<b>2,645</b>	314	13%
	Margin %	<b>20%</b>	<b>12%</b>	<b>15%</b>	<b>16.2%</b>		

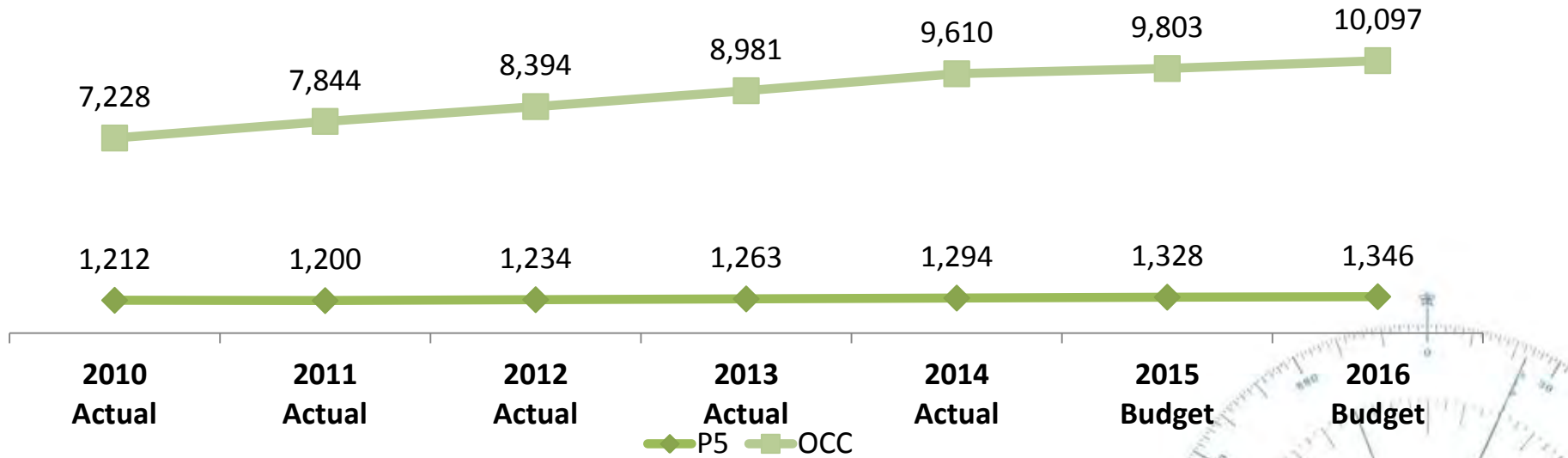


# Transient Lodging Tax (TLT) (p.9)

(Numbers displayed in Thousands)

The TLT forecast of \$11.4 million, is an increase of 3% over the FY 2015 Budget. TLT has grown at a Compounded Annual Growth Rate (CAGR) of 7% 2007 – 2014.

\*Expo does not receive Transient Lodging Tax



## TLT Pooled Capital Earnings (actual)

(in Thousands)

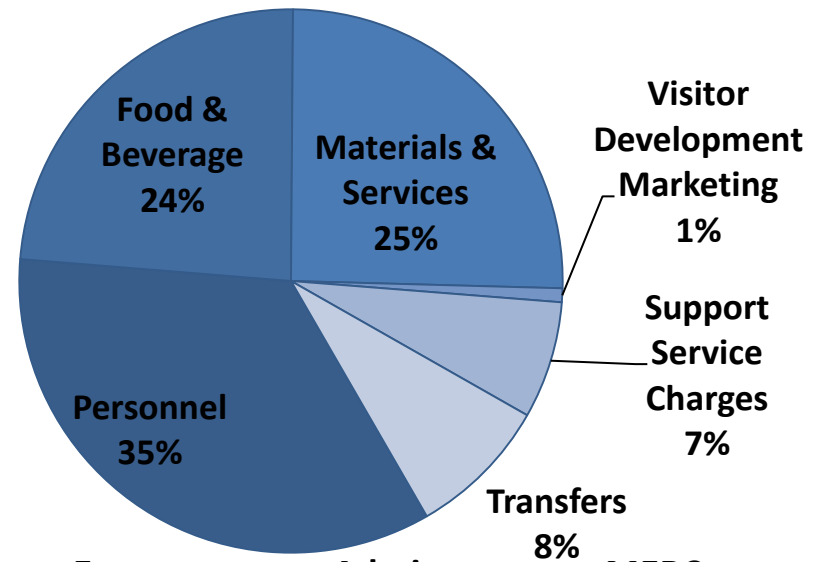
	2011	2012	2013	2014
	492	903	1,067	1,920



Metro | *Making a great place*

# Summary of Total Expenses (p.11)

(in Thousands)



Expenses	OCC	P'5	Expo	Admin	MERC
Personnel	10,738	6,494	1,811	831	19,875
Food & Beverage	9,816	2,244	1,621	-	13,680
Goods & Services	8,679	4,369	1,363	480	14,890
VFTA	473	-	-	-	473
Support Services	2,295	1,173	536	-	4,004
Transfers / Debt	3,673	-	1,186	-	4,859
<b>Total</b>	<b>\$35,673</b>	<b>\$14,280</b>	<b>\$ 6,517</b>	<b>\$1,311</b>	<b>\$57,781</b>
Capital	3,050	2,583	1,032	-	6,665
<b>Ending Fund Bal.</b>	<b>10,342</b>	<b>7,267</b>	<b>2,379</b>	<b>3,490</b>	<b>23,478</b>
<b>Total</b>	<b>\$ 49,066</b>	<b>\$24,130</b>	<b>\$ 9,927</b>	<b>\$ 4,801</b>	<b>\$ 87,924</b>



# Full Time Equivalent (FTE) Position Summary (p.12)

	2013 Actual	2014 Actual	2015 Budget	2016 Budget	Difference*	Additional Request	2016 Total
Convention Center	110.30	112.30	114.65	114.65	0.00	0.00	114.65
Portland'5	46.40	44.40	46.90	46.90	0.00	2.00	48.90
Portland Expo	13.30	12.30	14.80	14.80	0.00	1.00	15.80
Administration	11.50	6.50	6.00	6.50	0.50	0.00	6.50
<b>Total FTE</b>	<b>181.50</b>	<b>175.50</b>	<b>182.35</b>	<b>182.85</b>	<b>0.50</b>	<b>3.00</b>	<b>185.85</b>

- 0.50 FTE increase in MERC Administration from FY15 to FY16 is due to a change in the Policy Advisor position allocation from 50% to the Zoo to 100% to MERC Administration.
- Additional requests will be itemized in the Venue specific budgets.





# Capital Funding Source Summary (p. 15)

(in Thousands)

Funding Source	OCC	P'5	Expo	Admin	MERC
Renewal Replacement	1,300	2,170	468	-	<b>3,938</b>
New Business Strategy	150	65	-	-	<b>215</b>
TLT Pooled Capital	330	-	280	-	<b>610</b>
Aramark Capital	950	348	285	-	<b>1,583</b>
MTOCA	320	-	-	-	<b>320</b>
	<b>\$ 3,050</b>	<b>\$ 2,583</b>	<b>\$ 1,033</b>	<b>-</b>	<b>\$ 6,665</b>

MERC Historical	2012	2013	2014	2015B	2016B
Capital Expenditures	<b>\$ 1,891</b>	<b>\$ 2,500</b>	<b>\$ 4,605</b>	<b>\$ 7,219</b>	<b>\$ 6,665</b>



# Reserve Balance Summary (p.15)

(in Thousands)

	OCC	P'5	Expo	Admin	MERC
Beginning Fund Balance (Bud.)	14,175	8,790	3,040	4,349	30,353
Fund Balance Inc. / (Dec.)	(3,832)	(1,523)	(661)	(859)	(6,646)
<b>Ending Fund Balance</b>	<b>10,342</b>	<b>7,267</b>	<b>2,379</b>	<b>3,490</b>	<b>23,478</b>
Operating Contingency	1,500	600	350	65	2,515
Renewal & Replacement	7,568	4,709	-	812	13,108
New Business Strategy	1,274	1,957	2,029	-	5,260
TLT Pooled Capital				2,614	2,824
<b>Total Reserves</b>	<b>\$ 10,342</b>	<b>\$ 7,267</b>	<b>\$ 2,379</b>	<b>\$ 3,490</b>	<b>\$ 23,478</b>

MERC Historical	2012	2013	2014	2015	2016
<b>Total Reserves</b>	<b>\$ 26,162</b>	<b>\$ 30,414</b>	<b>\$ 32,060</b>	<b>\$ 28,217</b>	<b>\$ 23,478</b>



# Budget Priorities Discussion



Metro | *Making a great place*



# Visitor Venues Budget Priorities FY 2015

## Visitor Venues 2015 Budget Priority

	OG	IP	C	CO
Complete First Opportunity Target Area assessment and present initial policy recommendations to Council and Commission fall 2014 .			✓	
Provide an Expo Project progress report in summer 2014 at the completion of the market study and financial analysis work, which is already underway.			✓	
Pursue an evaluation of potential synergies and efficiencies to be gained by combining efforts between OCC and Expo in the areas of sales and other revenue producing departments .		✓		
Pursue an evaluation of the long-term capital needs of Portland'5 in the context of the current business model that requires subsidizing the resident companies. This project will include stakeholders from the city, resident companies and other relevant stakeholders .		✓		
Evaluate the financial sustainability of the Renewal and Replacement Reserve accounts for all three MERC venues. This project will include an evaluation of the current asset inventory, mandatory annual contribution amounts, fine tuning the current capital plans and prioritization, and other options for funding the Renewal and Replacement Reserve accounts .		✓		
Develop a plan with the Friends of Portland'5 to re-energize fundraising activities .		✓		

**OG** – On-going, **IP** – In Progress, **C** – Complete, **CO** – Carry Over to next year



# Visitor Venues Budget Priorities FY 2016

## On-Going:

- **New:** Support the Region's Desired Outcomes and Council Strategic Goals through Visitor Venue operations.

## Carry Over from FY 2015:

- Pursue an evaluation of potential synergies and efficiencies to be gained by combining efforts between OCC and Expo in the areas of sales and other revenue producing departments.
- Evaluate the financial sustainability of the Renewal and Replacement Reserve accounts for all three MERC venues. This project will include an evaluation of the current asset inventory, mandatory annual contribution amounts, fine tuning the current capital plans and prioritization, and other options for funding the Renewal and Replacement Reserve accounts.

## New:

- Facilitate breaking ground on the OCC Hotel Project
- Execute the FOTA improvement implementation plan.
- Continue with phase II of the Expo Project and including financial analysis and stakeholder discussions.
- Provide a semi-annual Expo Project Phase II Progress Report to the MERC Commission.
- Provide a semi-annual Portland's Project Progress Report to the MERC Commission.
- Begin implementation of the plan to re-energize the Friends of Portland's organization function.





**OREGON CONVENTION CENTER**



**A SERVICE OF METRO**



**Metro** | *Making a great place*

# OCC Budget Priorities FY 2015

## OCC 2015 Budget Priority

OG IP C CO

Develop succession plan for key positions and plan for next generation.			✓	
Hire key sales positions to ensure long-term growth and success of OCC – focusing on new business and AV design sales.			✓	
Conduct proactive preventative maintenance and maximization of equipment efficiencies to reduce short- and long-term equipment replacement costs.			✓	
Develop master plan for OCC both interior and exterior of the facility.		✓		✓
Create new website that allows for immediate and easy access to a vast array of facility information.		✓		
Continue to enhance sustainability programs through enhanced teamwork and partnerships with clients, vendors and staff.	✓			
Increase focus on efficiencies and cost reductions in the entire organization.	✓			
Target specific local high revenue events and book them at the OCC.	✓			
Provide a high level of service to all clients utilizing our customer service program acknowledging high level performance, secret shops and survey results.	✓			

**OG** – On-going, **IP** – In Progress, **C** – Complete, **CO** – Carry Over to next year



Metro | *Making a great place*

# OCC Budget Priorities FY 2016

## On-Going:

- Continue to enhance sustainability programs through enhanced teamwork and partnerships with clients, vendors and staff.
- Increase focus on efficiencies and cost reductions in the entire organization.
- Target specific local high revenue events and book them at the OCC.
- Provide a high level of service to all clients utilizing our customer service program acknowledging high level performance, secret shops and survey results.
- Phase II 2016: Develop master plan for OCC both interior and exterior of the facility.

## New:

- Break ground on the Hotel Project.
- Complete North Plaza landscape renovation.
- Complete Food and Beverage renovations.
- Continue energy consumption reductions.
- Implement Waste Diversion Policy.
- Enhance OCC security procedures and training.







# PORTLAND'S

CENTERS FOR THE ARTS



Metro | *Making a great place*

# Portland's Budget Priorities FY 2015

## Portland's 2015 Budget Priority

	OG	IP	C	CO
Develop a plan to address long term funding strategy for Portland's.		✓		✓
Implement ticket retargeting program. – <b><u>ABANDONED</u></b>	-	-	-	-
Develop sponsorship kit for Portland's produced events.		✓		✓
Implement business development initiative.	✓	✓		
Develop revitalization plan for the Portland's Foundation.				✓

**OG** – On-going, **IP** – In Progress, **C** – Complete, **CO** – Carry Over to next year



# Portland'5 Budget Priorities FY 2016

## On-Going:

- Continue business development initiative via Portland'5 Presents events

## Carry Over From FY 2015:

- Develop a plan to address long term funding strategy for Portland'5
- Implement sponsorship kit for Portland'5 produced events
- Develop revitalization plan for the Portland'5 Foundation

## New

- Seek opportunities for capital projects to advance green initiatives and lower operating costs **(on-going)**



PORTLAND

expo

CENTER



Metro | [expocenter.org](http://expocenter.org)



Metro | *Making a great place*

# Expo Budget Priorities FY 2015

## Expo 2015 Budget Priority

	OG	IP	C	CO
Increase sales revenue for new and repeat business.		✓		
Focus on F&B booking and catering by Expo and Aramark and 3-year agreements.		✓		
Expand into new markets and conduct community outreach.	✓	✓	-	
Improve quality of food and service, cleanliness, and food and beverage margin.		✓		
Engage with Portland Bureau of Environmental Services and the Multnomah County Drainage District #1.		✓		✓
Engage with Expo Advisory Committee on topics of: Long-Term Funding Solutions, Community Outreach, History, Equity.		✓		
Focus capital projects on sustainable initiatives, ROI, and stewardship of Halls A,B,C.		✓		

**OG** – On-going, **IP** – In Progress, **C** – Complete, **CO** – Carry Over to next year



# Expo Budget Priorities FY 2016

## On-Going:

- Expand into new markets and conduct community outreach.

## Carry Over from FY 2015:

- Engage in proactive ways to mitigate increased costs generated from MCDD and BES policy changes.

## New:

- Create and develop new events and sponsorship and advertising opportunities.
- Expand relationships with community members, local businesses and organizations unique to our history, diversity and equity understanding.
- Expand teambuilding and communication amongst Expo, Pacificwild and City Center staff. Develop understanding of revenue goals amongst all teams.
- Evaluate capital projects and improvements with an eye towards ROI or expense reduction.



# QUESTIONS?

# COMMENTS?



Metro | *Making a great place*



# THANK YOU



Metro | *Making a great place*





**Metropolitan Exposition Recreation Commission  
Record of MERC Budget Committee Meeting**

February 20, 2015  
Oregon Zoo Sunset Room

<b>Commissioners Present:</b>	Cynthia Haruyama, Terry Goldman, Judie Hammerstad
<b>Absent:</b>	None
<b>Others Present:</b>	Scott Robinson, Scott Cruickshank, Matthew P. Rotchford, Robyn Williams, Benjamin Rowe, Tim Collier, Stephanie Soden, Margie Helton
	The Budget Committee Meeting was called to order at 1:35 p.m.
<b>1.0</b>	<p><b>INTRODUCTION</b></p> <ul style="list-style-type: none"> <li>Metro Deputy COO and Interim Venues General Manager, Scott Robinson, provided a review of the meeting agenda and the goals for the meeting.</li> </ul>
<b>2.0</b>	<p><b>MERC BUDGET OVERVIEW</b></p> <p>Ben Rowe presented a summary of the MERC Budget for FY2016 including Budget Highlights for each of the venues; budget changes since January (last Budget Committee meeting); MERC operating budget summary; summary of revenues; summary of expenses; FTE position summary; capital balance summary and reserve balance summary.</p> <ul style="list-style-type: none"> <li>Commissioner Goldman inquired if there had been any word from the City of Portland with regards to support for Portland’s capital expenses.</li> <li>Williams noted that Susan Hartnett, city of Portland’s facilities person, had requested to see the P’5 five year plan which is possibly a good sign.</li> <li>During discussion of the growth of TLT revenues, Goldman noted that the hotel business is cyclical and cannot be counted on for continued growth.</li> </ul> <p>Commissioner Hammerstad arrived at 2 p.m.</p> <ul style="list-style-type: none"> <li>Commissioner Goldman inquired, if we run out of reserves for P’5 and a large capital expense comes about, who is “on the hook”.</li> <li>Williams noted that Metro is responsible for the management of the building however the time is right to open a discussion with the city.</li> <li>Collier added that if there is an unforeseen major expense not covered by reserves, Metro would go to the city to discuss the possibility of shared management of expenses.</li> </ul> <p>Rowe noted that the forecasts for revenue and expenses are very conservative. Regarding Expo, Rowe stated that at the end of 2015, the venue will have exhausted all of its R&amp;R and will have only TLT Pooled Capital, MTOCA and new business strategy.</p> <ul style="list-style-type: none"> <li>Haruyama stated that this is the time frame to discuss Expo’s future business and this is the time to approach Metro Council to let them know that Expo’s issues can’t be kicked down the road much longer.</li> <li>Robinson noted that on Feb. 19<sup>th</sup>, Metro’s Senior Leadership Team met to discuss Expo’s situation and possible resolution scenarios.</li> </ul>
<b>3.0</b>	<p><b>FISCAL YEAR 2015-16 BUDGET PRIORITIES</b></p> <p>Each director spoke to progress on its 2015 priorities; and offered priorities for FY16.</p> <ul style="list-style-type: none"> <li>Commissioner Hammerstad inquired about the status of the Opera as far as the change in ticketing.</li> <li>Williams responded that the ticketing procedures have worked out well and there is no more concern from Broadway Across America nor from the Portland Opera.</li> </ul>

4.0	Discussion of transmittal memo Scott Robinson asked the committee if they had any feedback on the memo or if they had requests to add. The Committee noted that the memo looked good.
	Meeting adjourned at 3:20 p.m.