
MERC Commission Meeting

February 3, 2010
12:30 pm

Oregon Convention Center
Room F 150
777 NE ML King Jr. Blvd.
Portland, Oregon



METROPOLITAN EXPOSITION RECREATION COMMISSION

MEETING: Metropolitan Exposition Recreation Commission
DATE: Wednesday, February 3, 2010
TIME: 12:30 PM
LOCATION: Oregon Convention Center
 Room F 150
 777 NE Martin Luther King Jr. Blvd.

AGENDA

CALL TO ORDER	12:30 PM	
1.0 QUORUM CONFIRMED	12:30 PM	
2.0 COMMISSIONER COMMUNICATIONS	12:35 PM	
3.0 INTERIM GENERAL MANAGER COMMENTS/COMMISSIONER QUESTIONS	12:45 PM	Cheryl Twete
3.1 Commissioner Questions on Packet Information		
<ul style="list-style-type: none"> - Interim General Manager Executive Summary - Packet Information Only - December 2009 Financial Report - Packet Information Only - Update on MERC/Metro Business Practices Study - Packet Information Only - Title 6 Update - Packet Information Only - MERC Venue Business Reports 		
4.0 OPPORTUNITY FOR PUBLIC COMMENT ON NON-AGENDA ITEMS	12:55 PM	
5.0 CONSENT AGENDA	1:00 PM	
5.1 Approval of January 6, 2010 MERC Commission Meeting Record of Actions		
6.0 MERC/METRO FINANCIAL AUDIT REPORT WITH MOSS ADAMS	1:05 PM	Suzanne Flynn
7.0 EXECUTIVE SESSIONS for the purpose of deliberations with persons designated by the Commission to conduct labor negotiations, pursuant to ORS 192.660(2)(d)	1:35 PM	
8.0 UPDATE ON FY 2010-11 MERC BUDGET COMMITTEE PROCESS	2:00 PM	Elisa Dozono
9.0 ACTION AGENDA	2:15 AM	
9.1 Resolution 10-03 for the purpose of submitting to the Metro Council a proposal for the investment of \$465,982 from the Metro Tourism Opportunity and Competitiveness Account ("MTOCA") for capital projects at the Oregon Convention Center.		Jeff Blosser
10.0 COMMUNICATIONS FROM METRO CHIEF OPERATING OFFICER	2:30 PM	Michael Jordan

ADJOURNMENT

Agenda items may not be considered in the order listed
 For questions, call Lisa Brown at 503.274.6595

MERC Commission Meeting

February 3, 2010
12:30 pm

3.1 Packet Information Only



January 27, 2010

To: MERC Commission
From: Cheryl Twete, Interim General Manager
Re: February 3, 2010 Commission Meeting

As we prepare for the February 3 Commission meeting, I would like to extend a warm welcome to our two new Commissioners recently appointed by the Metro Council: Terry Goldman and Karis Stoudamire-Phillips. Both enjoy notable professional and community service accomplishments and it was great that they could participate in recent community events, such as the Martin Luther King, Jr. celebration and Travel Portland State of the Industry breakfast, in their new capacities.

Terry is general manager of Hillsboro's Springhill Suites by Marriott and its third party management company, Innsight Hotel Management Group. He also directs sales and marketing for Innsight's twelve properties in Oregon and Washington. A well-respected industry leader, Terry was co-awarded the Oregon Lodging Association's Innkeeper of the Year in 2008, and he currently chairs the Washington County Visitors Association Board of Directors.

Karis is corporate relations officer for the Legacy Health System Foundation in Portland. She previously administered the Damon Stoudamire, Inc. Foundation and has served in various public affairs and research positions in the health care industry. Her leadership and volunteer service in numerous community organizations, such as the Oregon Trail Chapter of the American Red Cross, Big Brother Big Sister African-American Advisory Board, Piedmont Rose Association, Schoolhouse Supplies, and the YWCA, is both extensive and impressive.

With the Board of Commissioners now complete, we are working hard to schedule a spring retreat so that Commissioners can get to know each other and develop their work plan moving forward. Included in this packet you will also find Commission liaison assignments as designated by Chair Ray Leary.

MERC-Metro Business Practices Study

Phase II of the MERC-Metro Business Practices Study concludes on January 29. This study was launched last October at the Metro Council's direction to identify and implement best practices for all MERC and Metro facilities and operations so that the regional services provided to our customers and constituents are done so in the most efficient and effective manner possible.

The stated goals of this study are to:

- Enhance our competitive stance in the visitor industry
- Determine effective business systems to enable future growth
- Align systems, processes and management with desired business outcomes
- Leverage systems in order to provide more services at a competitive cost structure
- Leverage best practices across the organization
- Provide opportunities to grow talent across the agency
- Be responsive to regional public facilities management opportunities

In October, the project's charter, structure and deadlines were established as Phase I. Phase II began in November and has involved a high level review of business systems across the organization. Approximately 30 staff from MERC are participating in this phase. At its culmination, each work team will present its findings, including observations, recommendations, risks and issues, resource implications and timelines to the Steering Committee. In general, recommendations will fall into the following categories:

1. MERC should explore adopting the Metro business practice, system or policy;
2. Metro should explore adopting the MERC business practice, system or policy; or
3. Business practices should be maintained as currently structured and practiced.

Joining me on the Steering Committee is Metro Chief Operating Officer (COO) Michael Jordan, Deputy COO Scott Robinson, Metro Attorney Dan Cooper, Metro Director of Parks and Environmental Services (PES) Teri Dresler, Oregon Convention Center (OCC) Executive Director Jeff Blosser, Portland Expo Center Executive Director Chris Bailey, and Portland Center for the Performing Arts Executive Director Robyn Williams. The Steering Committee has been meeting monthly to receive status reports from the project leader, Scott Robinson.

Scott also leads the Project Committee, which includes Metro Information Services (IS) Director Rachel Coe, Metro PES Director Teri Dresler, MERC Controller Julia Fennell, Metro Contracts and Procurement Manager Darin Matthews, Metro Communications Director Jim Middaugh, Metro Budget and Finance Director Margo Norton, MERC Capital Projects and Construction Division Manager Heather Peck, Metro Human Resources (HR) Director Mary Rowe, Metro Regional Leadership Initiative Coordinator Cary Stacey, MERC Director of Communications and Strategic Development Stephanie Soden, Kathy Taylor, MERC COO temporarily reassigned to Zoo Operations, and Karen Totaro, OCC Assistant Executive Director.

Project Committee members have reported weekly on their progress of assessing and evaluating business practices at Metro and MERC (and the Zoo, in some instances) in the following areas:

- Information services
- Finance, budgeting and accounting
- Legal and procurement
- Construction management
- Facility operations, maintenance and guest services

- Human resources and labor relations
- Government relations, PR and marketing

The Steering Committee expects to receive numerous recommendations for consideration from the Project Committee and work teams at its meeting on February 5. Those recommendations that the Steering Committee agrees warrant further exploration will proceed to a more in-depth analysis in Phase III. Phase III runs through June 30, 2010.

Metro Code Title VI Changes

On the January 28, Metro Ordinance No. 09-1229, which modifies the Commission's roles and responsibilities by amending Metro Code Title VI, is scheduled for a second reading and final passage. Commission Chair Ray Leary and Commissioner Hammerstad attended the Council work session discussion on January 5, and I do not anticipate any changes to the proposed language previewed at that time.

MERC Budget Development Process

The MERC Budget Committee held its first, very productive meeting on January 11. Committee Chair Elisa Dozono will provide an update at the February 3 Commission meeting. In the meantime, I am working closely with Budget Manager Cynthia Hill and the venue directors to respond to some very thoughtful questions asked by Committee members. The Budget Committee meets next on February 1.

Joint MERC Commission – Metro Council Meeting February 16

I am currently working with Metro COO Michael Jordan to develop a proposed agenda for the joint Commission-Council meeting scheduled for the afternoon of Tuesday, February 16. I intend to present a proposed agenda to you in the coming weeks.

OCC's Stir Restaurant and Lounge

The OCC opened Stir Restaurant and Lounge last November, just in time for the 10,000-attendee Supercomputing convention, to rave reviews and healthy revenues. Beginning February 3, in addition to opening for scheduled OCC events, Stir will remain open to the general public Wednesdays through Fridays, from 4-7 pm, with a "Happy Hour" special prices. Stir's menu boasts fresh and local ingredients, including the city's largest selection of locally-distilled spirits. I hope you will find the opportunity to stop by and try it out!

Please don't hesitate to contact me if you have any questions or concerns prior to the February 3 Commission meeting.

DECEMBER 2009

FINANCIAL INFORMATION

For Management Purposes only



PORTLAND CENTER FOR
THE PERFORMING ARTS

 A SERVICE OF METRO

expo

 A SERVICE OF METRO



OREGON CONVENTION CENTER

 A SERVICE OF METRO

THE **merc**

METROPOLITAN EXPOSITION
RECREATION COMMISSION

 A SERVICE OF METRO

Date: January 27, 2010

To:

Commissioner Ray Leary, Chair
Commissioner Elisa Dozono, Secretary-Treasurer
Commissioner Gary Conkling
Commissioner Yvonne McClain
Commissioner Judie Hammerstad
Commissioner Chris Erickson
Commissioner Cynthia Haruyama

Re: MERC Financial Information for the 6 months ended December 2009

This information summarizes the operating revenues and expenditures of the facilities managed by the Metro Exposition-Recreation Commission (MERC). These facilities include the Oregon Convention Center (OCC), the Portland Metropolitan Exposition Center (EXPO), and the Portland Center for the Performing Arts (PCPA). In addition, this report includes the cost of support services provided by MERC Administration. These reports omit substantially all disclosures required by generally accepted accounting principles. This report is intended solely for the information and use of the Commission and is not intended to be and should not be used by anyone other than the Commission.

Financial Highlights

Operating Results

- The revenue and expenditures are less than forecasted; the net operating result is on target compared to budget and is higher than previous year by \$590k.
- The year-to-date results indicate that the net F&B is less than budget by approximately 8% or \$395k and is better than prior year by \$144k.
- Highest event revenue generators for the period:
 - **Expo**
 - 12176 ~ America's Largest Christmas Bazaar - \$196k
 - ❖ Exhibit Hall Rental - \$58k
 - 12206 ~ Rose City Gun & Knife Show - \$59k
 - ❖ Parking Fee's – 22k
 - **OCC**
 - 7563 ~ 2009 Festival of Trees - \$207k
 - ❖ F&B - \$105
 - 7775 ~ BOLI – 25th Annual Conference for Employers - \$43k
 - ❖ F&B - \$33k
 - 7776 ~ Oregon Golf Course Superintendents Association:
Sports Turf Seminar & Pest Management Seminar - \$26k
 - ❖ F&B - \$14k
 - **PCPA**
 - 11787 ~ Singing Christmas Tree - \$133k
 - ❖ Admission & User Fee - \$45k
 - 11788 ~ The Nutcracker - \$65k
 - ❖ F&B - \$57k
 - 12832 ~ Pink Martini - \$54k
 - ❖ Admission & User Fee - \$13k

Non – Operating Revenue

- Transient, Lodging Tax (TLT) is less than prior year to date by \$20k.
- Expo Debt Service is paid semi annually. Approximately 76% or \$900 thousand of the annual payment is budgeted and paid during the first half of the fiscal year, the remaining 24% or \$288 thousand in the later part of the fiscal year.
- Metro Risk Management expenses are in the first period of each quarter. Approximately 67% of the annual budget or \$326 thousand year-to-date.

Metropolitan Exposition-Recreation Commission
MERC Statement of Activity with Annual Budget

All Departments

December 2009

As of January 19, 2010

	Current Month Actual	Current Year to Date Actual	Prior Year to Date Actual	% of Prior Year	2009-10 Adopted Budget	% of Annual Budget
	December-09	December-09	December-08		December-09	50%
Operating						
Revenue	993,825	7,151,977	7,948,058	90%	17,892,339	40%
Revenue - Food and Beverage	465,272	5,964,079	5,486,322	109%	12,123,799	49%
Total Operating Revenue	1,459,098	13,116,055	13,434,380	98%	30,016,138	44%
Costs - Food and Beverage	(665,862)	(5,087,182)	(4,753,631)	107%	(9,579,028)	53%
Personal Services	(1,397,537)	(8,326,929)	(8,633,136)	96%	(18,534,604)	45%
Goods & Services	(581,901)	(3,369,856)	(3,150,693)	107%	(8,857,747)	38%
Marketing	(218,280)	(1,334,681)	(1,309,680)	102%	(3,057,043)	44%
Total Operating Expenses	(2,863,580)	(18,118,648)	(17,847,141)	102%	(40,028,422)	45%
Net Operating Results	(1,404,482)	(5,002,593)	(4,412,761)	113%	(10,012,284)	50%
Non Operating						
Transient, Lodging Tax	569,903	3,094,573	3,114,605	99%	10,930,634	28%
Government Support City of Portland	-	-	-	-	760,926	0%
Non-Operating Revenue	14,394	103,107	261,757	39%	861,543	12%
Non-Operating Expense	-	(2,503)	(2,503)	100%	(2,500)	100%
	584,297	3,195,177	3,373,859	95%	12,550,603	25%
Support and Risk Management						
MERC Administration	(0)	-	-	-	-	-
Indirect Cost Metro Support	-	-	-	-	-	-
Metro Support Services	(168,971)	(1,013,826)	(921,408)	110%	(2,027,654)	50%
Metro Risk Management	-	(325,716)	(388,509)	84%	(488,571)	67%
	(168,971)	(1,339,542)	(1,309,917)	102%	(2,516,225)	53%
Net Increase (Decrease)	(989,156)	(3,146,958)	(2,348,818)	134%	22,094	-14243%
Transfers						
Intrafund Transfers	-	-	-	-	-	-
Transfers to	-	-	-	-	-	-
Transfers from	-	-	-	-	-	-
Debt Service	-	(1,039,936)	(900,884)	115%	(1,340,890)	78%
Net Transfers	-	(1,039,936)	(900,884)	115%	(1,340,890)	78%
Net Operations	(989,156)	(4,186,895)	(3,249,702)	249%	(1,318,796)	317%
Capital						
Revenue	-	-	-	-	-	-
Capital Outlay	(59,116)	(661,837)	(742,594)	89%	(3,256,415)	20%
Construction Management	-	-	(86)	0%	-	-
Goods & Services	-	-	(7,890)	0%	-	-
Transient, Lodging Tax	-	-	-	-	-	-
Non-Operating Revenue	2,000,000	2,218,425	225,177	985%	1,557,000	142%
Non-Operating Expense	-	-	-	-	-	-
Intrafund Transfers	-	-	-	-	-	-
Transfers to	-	-	-	-	-	-
Transfers from	-	-	-	-	692,490	0%
Net Capital	1,940,884	1,556,588	(525,393)	-296%	(1,006,925)	-155%
Fund Balance Inc (Dec)	951,728	(2,630,306)	(3,775,095)	70%	(2,325,721)	113%
Food and Beverage Gross Margin	(200,590)	876,897	732,691		2,544,771	34%
Food and Beverage Gross Margin	-43.1%	14.7%	13.4%		21.0%	
Full Time Employees			192.0		195.0	
Excise Tax	(96,939)	(656,984)	(220,593)			
Taxes as percent of revenue	28%	19%	19%		27%	
Fund Balance						
Beginning Fund Balance		26,619,236	26,070,022		26,619,236	
Fund Balance Inc (Dec)		(2,630,306)	(3,775,095)		(2,325,721)	
Ending Fund Balance		23,988,930	22,294,927		24,293,515	
Unrestricted Fund Balance		12,087,105	10,770,354		12,931,691	
Contingency		1,325,708	2,064,067		1,325,708	
Contingency for Renewal & Replacement		970,000	520,000		970,000	
Designated for Renewal & Replacement		815,000	295,000		815,000	
Designated for Phase 3		1,339,841	1,154,728		1,339,841	
Contingency for HOH		3,700,000	3,700,000		3,700,000	
Contingency for HOH (PERS Rsvr - Prior)		1,486,398	1,704,212		1,486,398	
Designated for PERS Reserve - Current		375,187	-		375,187	
Designated for PERS Reserve - Prior		709,380	812,505		709,380	
Restricted by Contract - Aramark		-	93,750		-	
Restricted by Agreement - TLT		1,180,311	1,180,311		1,180,311	
Ending Fund Balance		23,988,930	22,294,927		24,833,516	
Strategic Goal						
Available for Strategy Goal		15,079,863	13,583,854		15,079,863	
Excess (Gap)		14,382,813	13,354,421		15,227,399	
		(697,050)	(229,433)		147,536	

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

December 2009
As of January 19, 2010

	Current Month Actual	Current Year to Date Actual	Prior Year to Date Actual	% of Prior Year	2009-10 Adopted Budget	% of Annual Budget
	December-09	December-09	December-08		December-09	50%
Operating						
Revenue	199,059	1,527,625	1,666,970	92%	3,705,306	41%
Revenue - Food and Beverage	66,704	502,214	628,978	80%	2,133,289	24%
Total Operating Revenue	265,763	2,029,838	2,295,948	88%	5,838,595	35%
Costs - Food and Beverage	(110,720)	(469,792)	(572,145)	82%	(1,570,435)	30%
Personal Services	(101,377)	(690,178)	(781,877)	88%	(1,545,827)	45%
Goods & Services	(87,993)	(480,197)	(487,989)	98%	(1,284,421)	37%
Total Operating Expenses	(300,090)	(1,640,167)	(1,842,011)	89%	(4,400,683)	37%
Net Operating Results	(34,327)	389,671	453,937	86%	1,437,912	27%
Non Operating						
Non-Operating Revenue	2,710	9,787	56,616	17%	148,734	7%
Non-Operating Expense	-	-	-		-	-
	2,710	9,787	56,616	17%	148,734	7%
Support and Risk Management						
MERC Administration	(25,392)	(152,354)	(145,512)	105%	(304,707)	50%
Metro Support Services	(16,897)	(101,382)	(92,142)	110%	(202,766)	50%
Metro Risk Management	-	(47,163)	(52,920)	89%	(70,743)	67%
	(42,289)	(300,899)	(290,574)	104%	(578,216)	52%
Net Increase (Decrease)	(73,906)	98,560	219,979	45%	1,008,430	10%
Transfers						
Transfers from	-	-	-	-	-	-
Debt Service	-	(900,316)	(891,916)	101%	(1,188,632)	76%
Net Transfers	-	(900,316)	(891,916)	101%	(1,188,632)	76%
Net Operations	(73,906)	(801,756)	(671,937)	119%	(180,202)	445%
Capital						
Capital Outlay	-	(58,146)	(104,178)	56%	(367,500)	16%
Non-Operating Revenue	325,000	325,000	(183)	-177479%	187,500	173%
Net Capital	325,000	266,854	(104,361)	-256%	(180,000)	-148%
Fund Balance Inc (Dec)	251,094	(534,902)	(776,298)	69%	(360,202)	149%
Food and Beverage Gross Margin	(44,016)	32,422	56,833		562,854	6%
Food and Beverage Gross Margin %	-66.0%	6.5%	9.0%		26.4%	
Full Time Employees			13.3		13.3	
Excise Tax	(47,328)	(146,879)	(40,444)		-	
Fund Balance						
Beginning Fund Balance		5,745,316	6,069,250		5,745,316	
Fund Balance Inc (Dec)		(534,902)	(776,298)		(360,202)	
Ending Fund Balance		5,210,414	5,292,952		5,385,114	
Unrestricted Fund Balance		3,355,641	3,390,707		3,530,341	
Contingency		218,622	472,017		218,622	
Contingency for Renewal & Replacement		20,000	20,000		20,000	
Designated for Renewal & Replacement		40,000	20,000		40,000	
Designated for Phase 3		1,339,841	1,154,728		1,339,841	
Contingency for HQH (PERS Rsvr - Prior)		205,841	235,500		205,841	
Designated for PERS Reserve - Current		30,469			30,469	
Designated for PERS Reserve - Prior						
Ending Fund Balance		5,210,414	5,292,952		5,385,114	
Strategic Goal (6 mo, debt)						
Available for Strategy Goal		3,386,974	3,257,115		3,386,974	
Excess (Gap)		207,289	625,609		378,963	

Metropolitan Exposition-Recreation Commission
MERC Statement of Activity with Annual Budget
Oregon Convention Center
December 2009
As of January 19, 2010

	Current Month Actual	Excluding HQH Current Year to Date Actual	Prior Year to Date Actual	% of Prior Year	2009-10 Adopted Budget	% of Annual Budget
	December-09	December-09	December-08		December-09	50%
Operating						
Revenue	334,811	3,350,324	3,112,230	108%	8,006,117	42%
Revenue - Food and Beverage	229,944	4,441,620	3,973,608	112%	8,550,083	52%
Total Operating Revenue	564,755	7,791,944	7,085,838	110%	16,556,200	47%
Costs - Food and Beverage	(395,358)	(3,758,301)	(3,384,768)	111%	(6,744,807)	56%
Personal Services	(682,077)	(4,215,614)	(4,086,128)	103%	(9,183,993)	46%
Goods & Services	(262,439)	(1,548,138)	(1,362,546)	114%	(3,985,888)	39%
Marketing POVA	(218,280)	(1,334,681)	(1,309,680)	102%	(3,057,043)	44%
Total Operating Expenses	(1,558,155)	(10,856,734)	(10,143,123)	107%	(22,971,731)	47%
Net Operating Results	(993,400)	(3,064,790)	(3,057,285)	100%	(6,415,531)	48%
Non Operating						
Transient, Lodging Tax	488,078	2,645,279	2,635,578	100%	8,975,971	29%
Non-Operating Revenue	5,139	46,367	107,671	43%	273,836	17%
Non-Operating Expense	-	(3)	(3)	100%	-	-
	493,218	2,691,643	2,743,246	98%	9,249,807	29%
Support and Risk Management						
MERC Administration	(137,118)	(822,711)	(785,772)	105%	(1,645,421)	50%
Metro Support Services	(91,244)	(547,464)	(497,556)	110%	(1,094,933)	50%
Metro Risk Management	-	(183,356)	(216,895)	85%	(275,033)	67%
	(228,362)	(1,553,531)	(1,500,223)	104%	(3,015,387)	52%
Net Increase (Decrease)	(728,544)	(1,926,678)	(1,814,262)	106%	(181,111)	1064%
Transfers						
Transfers from	-	-	-	-	-	-
Debt Service	-	(139,620)	(8,968)	1557%	(152,258)	92%
Net Transfers	-	(139,620)	(8,968)	1557%	(152,258)	92%
Net Operations	(728,544)	(2,066,298)	(1,823,230)	13%	(333,369)	620%
Capital						
Capital Outlay	(19,233)	(294,464)	(481,114)	61%	(2,269,990)	13%
Non-Operating Revenue	1,350,000	1,351,500	360	375417%	887,500	152%
Transfers from	-	-	-	-	692,490	0%
Net Capital	1,330,767	1,057,036	(480,754)	-220%	(690,000)	-153%
Fund Balance Inc (Dec)	602,223	(1,009,263)	(2,303,984)	44%	(1,023,369)	99%
Food and Beverage Gross Margin	(165,414)	683,319	588,839		1,805,276	38%
Food and Beverage Gross Margin %	-71.9%	15.4%	14.8%		21.1%	
Full Time Employees			110.3		112.3	
Excise Tax	(49,253)	(509,509)	(179,903)		-	
Taxes as percent of revenue	46%	25%	27%		35%	
Fund Balance						
Beginning Fund Balance		10,870,137	11,304,019		10,870,137	
Fund Balance Inc (Dec)		(1,009,263)	(2,303,984)		(1,023,369)	
Fund Balance Inc (Dec) for HQH		(4,750)	(247,490)		(200,000)	
Ending Fund Balance		9,856,124	8,752,545		9,646,768	
Unrestricted Fund Balance		1,883,888	1,031,667		2,214,533	
Contingency		1,046,167	979,337		1,046,167	
Contingency for Renewal & Replacement		250,000	250,000		250,000	
Designated for Renewal & Replacement		475,000	225,000		475,000	
Designated for Phase 3		-	-		-	
Contingency for HQH		3,700,000	3,700,000		3,700,000	
Contingency for HQH (PERS Rsvr - Prior)		1,131,796	1,292,480		1,131,796	
Designated for PERS Reserve - Current		188,962	-		188,962	
Designated for PERS Reserve - Prior		-	-		-	
Restricted by Contract - Aramark		-	93,750		-	
Restricted by Agreement - TLT		1,180,311	1,180,311		640,310	
Ending Fund Balance		9,856,124	8,752,545		9,646,768	
Strategic Goal (3 mo)		5,742,933	5,151,674		5,742,933	
Available for Strategy Goal		3,180,055	2,261,004		3,510,700	
Excess (Gap)		(2,562,878)	(2,890,670)		(2,232,233)	

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

December 2009

As of January 19, 2010

	Current Month Actual December-09	Current Year to Date Actual December-09	Prior Year to Date Actual December-08	% of Prior Year	2009-10 Adopted Budget December-09	% of Annual Budget 50%
Operating						
Revenue	459,234	2,263,792	3,160,522	72%	6,142,416	37%
Revenue - Food and Beverage	168,625	1,020,245	883,736	115%	1,440,427	71%
Total Operating Revenue	627,859	3,284,037	4,044,258	81%	7,582,843	43%
Costs - Food and Beverage	(159,784)	(859,088)	(796,718)	108%	(1,263,786)	68%
Personal Services	(464,773)	(2,481,541)	(2,671,578)	93%	(5,491,404)	45%
Goods & Services	(181,588)	(1,115,136)	(896,736)	124%	(2,735,243)	41%
Total Operating Expenses	(806,145)	(4,455,766)	(4,365,032)	102%	(9,490,433)	47%
Net Operating Results	(178,286)	(1,171,729)	(320,774)	365%	(1,907,590)	61%
Non Operating						
Transient, Lodging Tax	81,825	449,294	479,026	94%	1,954,663	23%
Government Support City of Portland	-	-	-	-	760,926	0%
Non-Operating Revenue	4,686	32,982	81,427	41%	408,973	8%
Non-Operating Expense	-	(2,500)	(2,500)	100%	(2,500)	100%
	86,511	479,775	557,953	86%	3,122,062	15%
Support and Risk Management						
MERC Administration	(91,412)	(548,474)	(523,848)	105%	(1,096,947)	50%
Metro Support Services	(60,830)	(364,980)	(331,710)	110%	(729,955)	50%
Metro Risk Management	-	(95,197)	(118,694)	80%	(142,795)	67%
	(152,242)	(1,008,651)	(974,252)	104%	(1,969,697)	51%
Net Increase (Decrease)	(244,018)	(1,700,604)	(737,073)	231%	(755,225)	225%
Transfers						
Transfers from	-	-	-	-	-	-
Net Transfers	-	-	-	-	-	-
Net Operations	(244,018)	(1,700,604)	(737,073)	231%	(755,225)	225%
Capital						
Capital Outlay	(32,095)	(208,558)	(151,951)	137%	(468,925)	44%
Goods & Services	-	-	(7,890)	0%	-	-
Non-Operating Revenue	325,000	541,925	225,000	241%	482,000	112%
Net Capital	292,905	333,367	65,074	512%	13,075	2550%
Fund Balance Inc (Dec)	48,887	(1,367,237)	(671,999)	203%	(742,150)	184%
Food and Beverage Gross Margin	8,841	161,156	87,018		176,641	91%
Food and Beverage Gross Margin %	5.2%	15.8%	9.8%		12.3%	
Full Time Employees			46.4		47.4	
Taxes as percent of revenue	12%	12%	11%		20%	
Fund Balance						
Beginning Fund Balance		9,045,395	7,785,999		9,045,395	
Fund Balance Inc (Dec)		(1,367,237)	(671,999)		(742,150)	
Ending Fund Balance		7,678,158	7,114,000		8,303,245	
Unrestricted Fund Balance		5,936,808	5,535,046		6,561,895	
Contingency		(72,411)	466,449		(72,411)	
Contingency for Renewal & Replacement		700,000	250,000		700,000	
Designated for Renewal & Replacement		300,000	50,000		300,000	
Designated for PERS Reserve - Current		104,381			104,381	
Designated for PERS Reserve - Prior		709,380	812,505		709,380	
Ending Fund Balance		7,678,158	7,114,000		8,303,245	
Strategic Goal (6 mo)						
Available for Strategy Goal		4,467,168	4,093,382		4,467,168	
Excess (Gap)		2,097,229	2,158,113		2,722,316	

Metropolitan Exposition-Recreation Commission
MERC Statement of Activity with Annual Budget
Convention Center Headquarter Hotel Project

December 2009

As of January 19, 2010

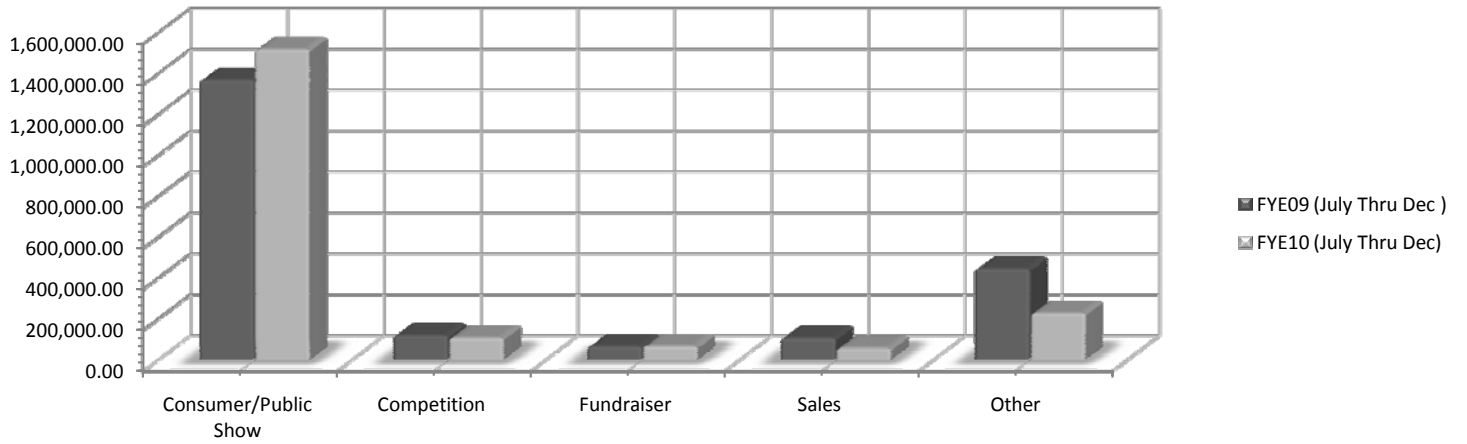
	Current Month Actual	Current Year to Date Actual	Prior Year to Date Actual	% of Prior Year	2009-10 Adopted Budget	% of Annual Budget
	December-09	December-09	December-08		December-09	50%
Operating						
Personal Services	-	-	(21,949)	0%	-	-
Goods & Services	-	(4,750)	(225,542)	2%	(200,000)	2%
	-	(4,750)	(247,490)	2%	(200,000)	2%
	-	-	-		-	
Net Operations	-	(4,750)	(247,490)	2%	(200,000)	2%

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

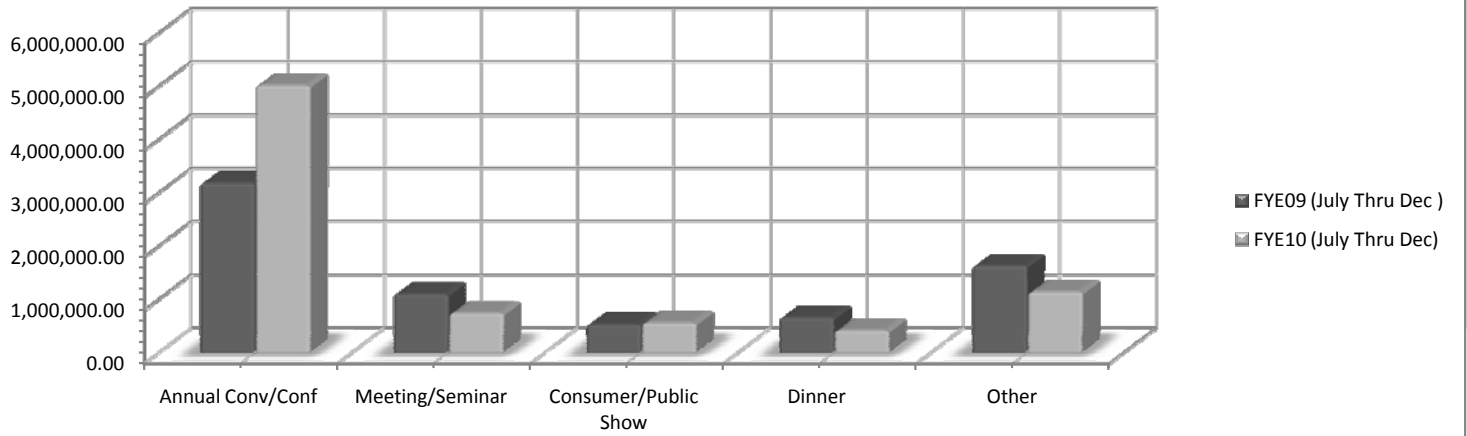
December 2009
As of January 19, 2010

	Current Month Actual	Current Year to Date Actual	Prior Year to Date Actual	% of Prior Year	2009-10 Adopted Budget	% of Annual Budget
	December-09	December-09	December-08		December-09	50%
Operating						
Revenue	721	10,236	8,337	123%	38,500	27%
Personal Services	(149,309)	(939,597)	(1,071,604)	88%	(2,313,380)	41%
Goods & Services	(49,881)	(221,634)	(177,880)	125%	(652,195)	34%
Net Operating Expenses	(198,469)	(1,150,995)	(1,241,148)	93%	(2,927,075)	39%
Non Operating						
Non-Operating Revenue	1,858	13,971	16,044	87%	30,000	47%
Non-Operating Expense	-	-	-	-	-	-
	1,858	13,971	16,044	87%	30,000	47%
Support and Risk Management						
MERC Administration	253,923	1,523,538	1,455,132	105%	3,047,075	50%
	253,923	1,523,538	1,455,132	105%	3,047,075	50%
Net Increase (Decrease)	57,312	386,514	230,029	168%	150,000	258%
Net Transfers	-	-	-	-	-	-
Net Operations	57,312	386,514	230,029	168%	150,000	258%
Capital						
Capital Outlay	(7,788)	(100,669)	(5,352)	1881%	(150,000)	67%
Non-Operating Revenue	-	-	-	-	-	-
Net Capital	(7,788)	(100,669)	(5,352)	1881%	(150,000)	67%
Fund Balance Inc (Dec)	49,524	285,845	224,677	127%	-	-
Full Time Employees			22.0		22.0	
Excise Tax	(358)	(595)	(246)		-	
Fund Balance						
Beginning Fund Balance		958,388	910,754		958,388	
Fund Balance Inc (Dec)		285,845	224,677		-	
Ending Fund Balance		1,244,233	1,135,431		958,388	
Unrestricted Fund Balance		910,767	812,935		624,922	
Contingency		133,330	146,264		133,330	
Contingency for Renewal & Replacement Designated for Renewal & Replacement Designated for Phase 3 Contingency for HQH						
Contingency for HQH (PERS Rsvr - Prior)		148,761	176,232		148,761	
Designated for PERS Reserve - Current		51,375			51,375	
Designated for PERS Reserve - Prior Restricted by Contract - Aramark Restricted by Agreement - TLT						
Ending Fund Balance		1,244,233	1,135,431		958,388	
Strategic Goal (6 mo)		1,482,788	1,081,683		1,482,788	
Available for Strategy Goal		1,044,097	959,199		758,252	
Excess (Gap)		(438,691)	(122,484)		(724,536)	

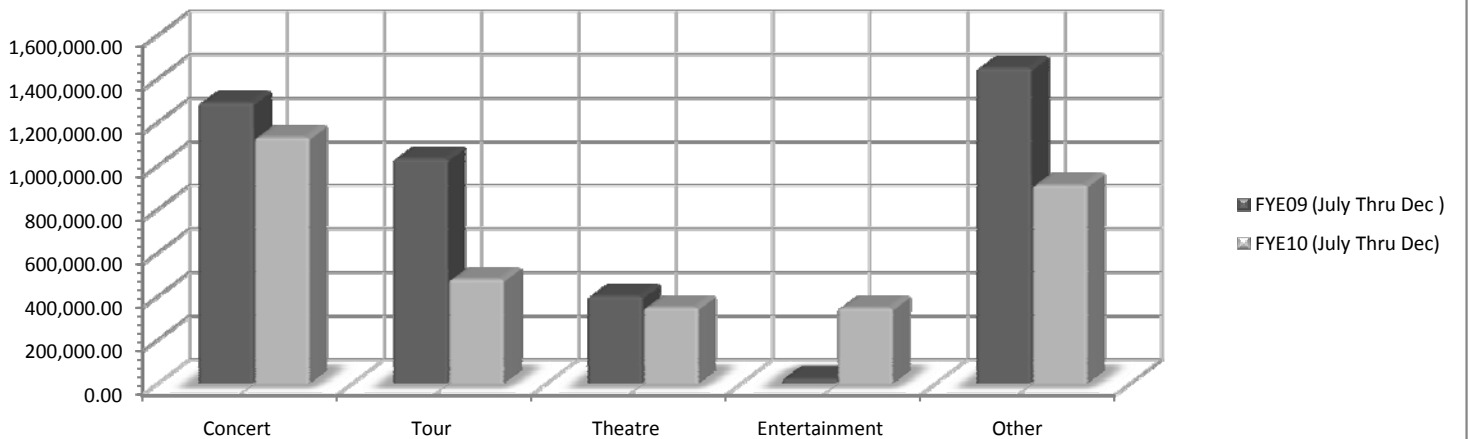
Portland Exposition Center



Oregon Convention Center



Portland Center for Performing Arts



**Lodging Taxes (Total Metro/MERC)
Monthly Receipts FY Ending June 30, 2010**

Year to Date Comparison

Month	2005-06 FY	2006-07 FY	2007-08 FY	2008-09 FY	2009-10 FY	Net Change	2008-09 FY	2009-10 FY	Net Change
	Total	Total	Total	Total	Total	Difference	Total	Total	Difference
<i>1st Qtr</i>									
Sept	74,165	71,113	103,104	78,853	488,471	409,618	78,853	488,471	409,618
Oct	938,995	831,139	855,271	232,711	162,247	(70,464)	232,711	162,247	(70,464)
Nov	1,329,424	1,561,665	1,937,161	2,772,189	1,873,952	(898,237)	2,772,189	1,873,952	(898,237)
<i>2nd Qtr</i>									
Dec	18,651	138,799	87,819	30,851	569,903	539,052	30,851	569,903	539,052
Jan	95,184	143,744	761,470	83,237	-	(83,237)	-	-	-
Feb	1,577,598	1,755,229	1,342,372	1,030,894	-	(1,030,894)	-	-	-
<i>3rd Qtr</i>									
Mar	75,502	129,442	148,571	875,188	-	(875,188)	-	-	-
Apr	113,398	120,988	198,634	183,278	-	(183,278)	-	-	-
May	1,467,928	1,352,676	1,542,794	1,151,297	-	(1,151,297)	-	-	-
<i>4th Qtr</i>									
Jun	135,467	456,418	372,657	429,882	-	(429,882)	-	-	-
Jul	884,185	142,658	1,097,506	154,087	-	(154,087)	-	-	-
Aug	879,277	1,092,110	1,305,228	1,561,605	-	(1,561,605)	-	-	-
Aug	-	940,855	-	-	-	-	-	-	-
Total	7,589,774	8,736,836	9,752,587	8,584,072	3,094,573	(5,489,499)	3,114,604	3,094,573	(20,031)
YTD Percent changed									-0.643%

Quarterly Totals

Year to Date Compared to Budget

<i>Quarterly Totals</i>								
1st Quarter	2,463,917	2,895,536	3,083,753	2,524,670	(559,083)	Adopted Budget	\$	9,264,957
2nd Quarter	2,037,772	2,191,661	1,144,982	569,903	(575,079)	Actual Year to Date		3,094,573
3rd Quarter	1,603,106	1,889,999	2,209,763	-	(2,209,763)	YTD Variance	\$	6,170,384
4th Quarter	2,632,041	2,775,391	2,145,574	-	(2,145,574)			
Total 2008-09 Fiscal Year	8,736,836	9,752,587	8,584,072	3,094,573	(5,489,499)			

**OCC EVENT ANALYSIS MONTHLY REVENUE REPORT
DECEMBER 2009**

Event Name	Start Date	Actual Attend	Event Rank	Event Type	Event Class	Event Indicator	Occupied Sq Feet	Event Days	In/Out Days	Travel Portland	OCC Actual Adver	OCC Actual Catering	OCC Actual Concess	OCC Actual Parking	OCC Actual Eq Rental	OCC Actual AV Equip	OCC Actual Utilities	OCC Actual Phone	OCC Actual Booth Carpet Cln	OCC Actual Box Office	OCC Actual Misc	OCC Actual Rent	OCC Actual Labor	OCC Actual Total	OCC Ordered Rent
OCC DEC 2009 MISC NON-EVENT ACTIVITIES/BILLINGS	12/01/09	1	Accounting/Non-Event	Accounting/Non-event	Accounting/Non-Event		0	31	0		\$0	\$1,124	\$2,272	\$49,335	\$0	\$0	\$0	\$0	\$0	\$0	\$3,828	\$0	\$0	\$56,559	\$0
Oregon Golf Course Superintendents Association: Sports Turf Seminar & Pest Management Seminar 2009	12/01/09	800	Repeat	Meeting/Seminar	Convention	State	45,814	3	0		\$0	\$11,014	\$479	\$184	\$375	\$4,375	\$0	\$0	\$0	\$0	\$3,635	\$8,045	\$0	\$28,107	\$8,045
UASI 09 Communications and IT Forum	12/02/09	63	New	Meeting/Seminar	Meeting	Regional	3,750	1	0		\$0	\$997	\$0	\$0	\$0	\$400	\$0	\$0	\$0	\$0	\$420	\$860	\$0	\$2,677	\$860
IREM 2009 Forecast Breakfast	12/03/09	565	Repeat	Breakfast	Food & Beverage/Catering	Local	52,294	1	1		\$0	\$14,272	\$0	\$2,112	\$30	\$5,380	\$0	\$0	\$0	\$0	\$2,097	\$250	\$384	\$24,524	\$250
Bureau of Education and Research	12/02/09	117	Repeat	Meeting/Seminar	Meeting	Regional	11,340	2	0		\$0	\$619	\$0	\$0	\$90	\$780	\$158	\$0	\$0	\$0	\$548	\$3,300	\$0	\$5,495	\$3,300
Oregon Landscape Expo 2009	12/02/09	1,050	Repeat	Exhibits	Convention	State	99,913	2	0		\$0	\$155	\$3,551	\$0	\$135	\$1,876	\$2,809	\$0	\$97	\$0	\$275	\$4,675	\$756	\$14,328	\$4,675
HBA - Housing Forecast Breakfast	12/02/09	254	Repeat	Breakfast	Food & Beverage/Catering	Local	17,810	1	0		\$0	\$8,292	\$0	\$84	\$45	\$2,490	\$0	\$0	\$0	\$0	\$585	\$240	\$248	\$11,984	\$240
Oregon State Bar - Documenting Oregon Businesses: From Start to Finish	12/03/09	100	Repeat	Meeting/Seminar	Meeting	State	5,858	1	0		\$0	\$1,635	\$0	\$40	\$0	\$190	\$79	\$0	\$0	\$0	\$880	\$1,200	\$0	\$4,024	\$1,200
Flag World Tour - Church of Scientology	12/04/09	120	New	Reception	Food & Beverage/Catering	Local	13,404	2	1		\$0	\$1,687	\$0	\$0	\$195	\$0	\$516	\$0	\$0	\$0	\$0	\$1,738	\$0	\$4,136	\$1,738
Reliv Business Opportunity Meeting	12/04/09	150	Repeat	Meeting/Seminar	Meeting	Local	7,500	2	0		\$0	\$95	\$0	\$0	\$30	\$1,412	\$79	\$0	\$0	\$0	\$0	\$2,180	\$125	\$3,921	\$2,180
Oregon Law Institute - Trial Techniques, Skills and Strategies presented by David B. Markowitz	12/04/09	105	Repeat	Meeting/Seminar	Meeting	State	3,204	1	0		\$0	\$949	\$0	\$0	\$0	\$220	\$79	\$0	\$0	\$0	\$507	\$925	\$0	\$2,680	\$925
Plumbers & Steamfitters Local 290 - Holiday Party	12/06/09	400	Repeat	Reception	Meeting	Local	12,600	1	0		\$0	\$1,994	\$0	\$0	\$275	\$240	\$0	\$0	\$0	\$0	\$1,809	\$3,200	\$504	\$8,022	\$3,200
BOLI - 25th Annual Conference for Employers	12/09/09	698	Repeat	Annual Convention/Conference	Meeting	State	34,859	2	1		\$0	\$31,922	\$0	\$280	\$0	\$2,772	\$481	\$0	\$0	\$0	\$3,996	\$6,640	\$0	\$46,091	\$6,640
SDR presents Stephen Krashen	12/09/09	215	New	Meeting/Seminar	Meeting	Local	4,700	1	0		\$0	\$1,202	\$0	\$0	\$105	\$175	\$0	\$0	\$0	\$0	\$1,008	\$1,200	\$0	\$3,690	\$1,200
Ski and Snowboard MegaSale	12/11/09	1,000	Repeat	Consumer/Public Show	Consumer Public	Local	184,848	3	2		\$0	\$0	\$815	\$0	\$892	\$70	\$296	\$450	\$0	\$0	\$275	\$9,000	\$0	\$11,798	\$9,000
Oregon Auto Dealers Association - Fundraising Breakfast 2009	12/10/09	7	Repeat	Fundraiser	Meeting	State	1,377	1	0		\$0	\$73	\$0	\$40	\$15	\$0	\$0	\$1,000	\$0	\$0	\$6	\$0	\$0	\$1,134	\$0
Oregon Law Institute - Valuable Perspective: A Day with the Oregon Supreme Court	12/10/09	125	Repeat	Meeting/Seminar	Meeting	State	3,851	1	0		\$0	\$1,036	\$0	\$72	\$0	\$160	\$0	\$0	\$0	\$0	\$390	\$925	\$0	\$2,583	\$925
Oregon Chapter of the American Planning Association: Legal Issues & Ethics for Planners	12/11/09	179	New	Meeting/Seminar	Meeting	State	3,204	1	0		\$0	\$973	\$0	\$0	\$0	\$582	\$0	\$0	\$0	\$0	\$630	\$840	\$0	\$3,025	\$840
Oregon State Bar - Constitutional Law 2009 Seminar	12/11/09	90	Repeat	Meeting/Seminar	Meeting	Local	4,861	1	0		\$0	\$1,844	\$0	\$32	\$0	\$288	\$0	\$0	\$0	\$0	\$774	\$1,195	\$0	\$4,133	\$1,195

OCC EVENT ANALYSIS MONTHLY REVENUE REPORT
DECEMBER 2009

Event Name	Start Date	Actual Attend	Event Rank	Event Type	Event Class	Event Indicator	Occupied Sq Feet	Event Days	In/Out Days	Travel Portland	OCC Actual Adver	OCC Actual Catering	OCC Actual Concess	OCC Actual Parking	OCC Actual Eq Rental	OCC Actual AV Equip	OCC Actual Utilities	OCC Actual Phone	OCC Actual Booth Carpet Clin	OCC Actual Box Office	OCC Actual Misc	OCC Actual Rent	OCC Actual Labor	OCC Actual Total	OCC Ordered Rent
NALC Branch 82 Steward Banquet	12/12/09	106	Repeat	Dinner	Food & Beverage/Catering	Local	5,158	1	0		\$0	\$5,640	\$581	\$366	\$0	\$225	\$79	\$0	\$0	\$0	\$0	\$0	\$100	\$6,991	\$0
Crafty Wonderland Super Colossal Holiday Sale 2009	12/13/09	7,500	Repeat	Arts and Crafts	Consumer Public	Local	122,000	1	1		\$0	\$0	\$9,517	\$0	\$248	\$40	\$1,106	\$0	\$0	\$0	\$550	\$4,230	\$304	\$15,994	\$4,230
Western States Chiropractic College Commencement	12/12/09	800	New	Graduation	Meeting	Local	17,606	1	0		\$0	\$8,404	\$0	\$540	\$71	\$625	\$158	\$0	\$0	\$0	\$165	\$3,400	\$324	\$13,687	\$3,400
Complete Player Softball Winter Clinic	12/19/09	563	New	Sporting Event/Athletics	Miscellaneous/Other	Local	124,848	3	1		\$0	\$0	\$0	\$0	\$200	\$0	\$316	\$0	\$0	\$0	\$275	\$4,500	\$0	\$5,291	\$4,500
Campus Crusade for Christ Winter Conference 2009	12/28/09	650	New	Annual Convention/Conference	Convention	Regional	151,200	5	1		\$0	\$250	\$0	\$0	\$500	\$3,196	\$1,368	\$0	\$0	\$0	\$165	\$10,600	\$990	\$17,069	\$10,600
Native American New Years Eve Pow Wow 2009	12/31/09	5,000	Repeat	Miscellaneous	Miscellaneous/Other	Local	121,805	2	0		\$0	\$1,100	\$0	\$0	\$1,290	\$100	\$1,031	\$0	\$0	\$0	\$550	\$6,000	\$380	\$10,451	\$6,000
		20,658					1,053,804	71	8		\$0	\$95,275	\$17,214	\$53,085	\$4,496	\$25,596	\$8,555	\$1,450	\$97	\$0	\$23,368	\$75,143	\$4,114	\$308,391	\$75,143

OCC EVENT ANALYSIS MONTHLY REVENUE REPORT DECEMBER 2008 - HISTORICAL COMPARISON

Event Name	Start Date	Actual Attend	Event Rank	Event Type	Event Class	Event Indicator	Occupied Sq Feet	Event Days	In/Out Days	Travel Portland	OCC Actual Adver	OCC Actual Catering	OCC Actual Concess	OCC Actual Parking	OCC Actual Eq Rental	OCC Actual AV Equip	OCC Actual Utilities	OCC Actual Phone	OCC Actual Booth Carpet Cln	OCC Actual Box Office	OCC Actual Misc	OCC Actual Rent	OCC Actual Labor	OCC Actual Total	OCC Ordered Rent
OCC DEC 2008 MISC NON-EVENT ACTIVITIES/BILLINGS	12/01/08	1		Accounting/Non-Event	Accounting/Non-Event		0	31	0		\$0	\$242	\$250	\$46,434	\$0	\$0	\$0	\$0	\$0	\$0	\$3,338	\$0	\$0	\$50,265	\$0
HBA - Housing Forecast Breakfast	12/03/08	370	Repeat	Breakfast	Food & Beverage/Catering	Local	52,010	1	1		\$0	\$8,160	\$0	\$91	\$45	\$2,496	\$0	\$0	\$0	\$0	\$165	\$0	\$248	\$11,205	\$0
Legacy/Epic Design Session 3	12/02/08	200	Repeat	Training	Meeting	Local	26,265	3	0		\$0	\$3,730	\$0	\$0	\$140	\$6,563	\$0	\$2,250	\$0	\$0	\$0	\$6,000	\$0	\$18,682	\$6,000
An Evening with Dr. Wayne Dyer	12/02/08	600	Repeat	Entertainment	Miscellaneous/Other	Local	25,200	1	0		\$0	\$0	\$756	\$0	\$60	\$4,220	\$0	\$0	\$0	\$0	\$325	\$6,400	\$680	\$12,441	\$6,400
Oregon Golf Course Superintendents Association: Pest Management Seminar 2008	12/02/08	870	Repeat	Meeting/Seminar	Convention	State	46,442	3	0		\$0	\$13,979	\$767	\$280	\$405	\$4,484	\$0	\$0	\$0	\$0	\$165	\$8,119	\$0	\$28,199	\$8,119
Oregon Landscape Expo 2008	12/03/08	1,100	Repeat	Annual Convention/Conference	Convention w/ Tradeshow	State	100,285	2	0		\$0	\$2,313	\$2,875	\$0	\$105	\$1,105	\$7,387	\$0	\$91	\$0	\$275	\$4,588	\$804	\$19,543	\$4,588
IREM 2008 Forecast Breakfast	12/04/08	650	Repeat	Breakfast	Food & Beverage/Catering	Local	26,794	1	1		\$0	\$16,208	\$0	\$2,532	\$90	\$5,346	\$0	\$0	\$0	\$0	\$165	\$0	\$781	\$25,121	\$0
OSCPA: Individual Tax and Financial Planning: The Top 50 Bloopers and Blunders and How to Fix Them	12/04/08	26	Repeat	Meeting/Seminar	Meeting	State	2,457	1	0		\$0	\$1,079	\$0	\$112	\$30	\$350	\$0	\$0	\$0	\$0	\$0	\$420	\$0	\$1,991	\$420
Rich Dad Education Stock Success System	12/04/08	57	Repeat	Meeting/Seminar	Meeting	Local	9,612	3	0		\$0	\$1,297	\$0	\$0	\$23	\$560	\$0	\$0	\$0	\$0	\$40	\$2,775	\$0	\$4,695	\$2,775
Reliv Business Opportunity Meeting	12/05/08	190	New	Meeting/Seminar	Meeting	Local	7,500	2	0		\$0	\$95	\$0	\$0	\$30	\$1,340	\$79	\$0	\$0	\$0	\$0	\$2,180	\$125	\$3,849	\$2,180
Comcast Holiday Party	12/06/08	1,300	New	Dinner	Food & Beverage/Catering	Local	71,112	1	1		\$0	\$90,099	\$3,008	\$2,910	\$0	\$4,685	\$3,847	\$0	\$0	\$0	\$275	\$0	\$4,611	\$109,435	\$0
TPAC meeting	12/05/08	45	New	Meeting/Seminar	Meeting	Local	1,458	1	0		\$0	\$164	\$0	\$0	\$0	\$105	\$0	\$0	\$0	\$0	\$0	\$220	\$0	\$489	\$220
Ethos Company Retreat	12/05/08	8	New	Meeting/Seminar	Meeting	Local	0	1	0		\$0	\$193	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$193	\$0
CCLI 20th Anniversary Celebration	12/05/08	426	New	Dinner	Food & Beverage/Catering	Local	18,900	1	0		\$0	\$21,170	\$0	\$0	\$0	\$14,340	\$600	\$0	\$0	\$0	\$165	\$200	\$3,478	\$39,952	\$200
Northwest Regional Baha'i Conference December 6 & 7, 2008	12/05/08	4,700	New	Meeting/Seminar	Meeting	Regional	208,508	3	0		\$0	\$86,595	\$4,023	\$0	\$300	\$18,245	\$56	\$0	\$0	\$0	\$165	\$16,700	\$7,273	\$133,357	\$16,700
Welcome Travel Portland FAM	12/05/08	74	New	Dinner	Food & Beverage/Catering	National	275,170	3	0	TRUE	\$0	\$2,754	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,754	\$0
Oregon Law Institute Seminar - Deposition Techniques featuring David B. Markowitz	12/05/08	170	Repeat	Meeting/Seminar	Meeting	State	4,005	1	0		\$0	\$1,955	\$0	\$40	\$0	\$175	\$0	\$0	\$0	\$0	\$0	\$1,165	\$0	\$3,335	\$1,165

OCC EVENT ANALYSIS MONTHLY REVENUE REPORT DECEMBER 2008 - HISTORICAL COMPARISON

Event Name	Start Date	Actual Attend	Event Rank	Event Type	Event Class	Event Indicator	Occupied Sq Feet	Event Days	In/Out Days	Travel Portland	OCC Actual Adver	OCC Actual Catering	OCC Actual Concess	OCC Actual Parking	OCC Actual Eq Rental	OCC Actual AV Equip	OCC Actual Utilities	OCC Actual Phone	OCC Actual Booth Carpet Cln	OCC Actual Box Office	OCC Actual Misc	OCC Actual Rent	OCC Actual Labor	OCC Actual Total	OCC Ordered Rent
OSCPA: Business Tax: The Top 50 Bloopers and Blunders and How to Fix Them	12/05/08	17	Repeat	Meeting/Seminar	Meeting	State	2,457	1	0		\$0	\$946	\$0	\$64	\$30	\$330	\$0	\$0	\$0	\$0	\$0	\$420	\$0	\$1,790	\$420
Plumbers & Steamfitters Local 290 - Holiday Party	12/07/08	400	Repeat	Reception	Meeting	Local	13,100	1	0		\$0	\$3,805	\$0	\$0	\$275	\$220	\$0	\$0	\$0	\$0	\$0	\$2,700	\$504	\$7,504	\$2,700
Islamic Center of Portland - Eid Al-Adha	12/08/08	2,500	Repeat	Meeting/Seminar	Meeting	Local	120,000	1	1		\$0	\$0	\$0	\$0	\$0	\$81	\$0	\$0	\$0	\$0	\$1,184	\$2,000	\$296	\$3,561	\$2,000
Portland ITEC 2008	12/10/08	500	Repeat	Exhibits	Consumer Public	Local	191,300	2	2		\$0	\$8,866	\$1,807	\$0	\$0	\$346	\$4,409	\$0	\$462	\$0	\$550	\$12,700	\$784	\$29,923	\$12,700
BOLI - 24th Annual Conference for Employers	12/09/08	600	Repeat	Annual Convention/Conference	Meeting	State	34,596	2	1		\$0	\$33,696	\$0	\$232	\$0	\$2,145	\$402	\$0	\$0	\$0	\$414	\$6,640	\$0	\$43,529	\$6,640
Joint MPAC/JPACT Meeting	12/10/08	100	Repeat	Meeting/Seminar	Meeting	Local	4,000	1	0		\$0	\$1,303	\$0	\$0	\$0	\$1,077	\$0	\$0	\$0	\$0	\$0	\$1,050	\$0	\$3,430	\$1,050
7th Annual Oregon Leadership Summit	12/11/08	1,000	Repeat	Annual Convention/Conference	Convention	State	77,331	1	1		\$0	\$39,010	\$399	\$0	\$120	\$388	\$2,691	\$2,093	\$0	\$0	\$550	\$5,165	\$699	\$51,114	\$5,165
SDR presents Marcie Nordlund	12/11/08	40	New	Meeting/Seminar	Meeting	Local	3,110	1	0		\$0	\$272	\$0	\$0	\$45	\$278	\$0	\$0	\$0	\$0	\$0	\$790	\$0	\$1,385	\$790
Northwest Council for Computer - Board Meeting	12/12/08	15	Repeat	Meeting/Seminar	Meeting	Local	0	1	0		\$0	\$74	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$74	\$0
Crafty Wonderland Super Colossal Holiday Sale 2008	12/14/08	2,676	New	Arts and Crafts	Consumer Public	Local	60,000	1	1		\$0	\$150	\$3,710	\$0	\$0	\$40	\$948	\$0	\$0	\$0	\$275	\$3,000	\$204	\$8,327	\$3,000
NALC Branch 82 Steward Banquet	12/13/08	92	Repeat	Dinner	Food & Beverage/Catering	Local	4,908	1	0		\$0	\$4,231	\$497	\$330	\$0	\$345	\$79	\$0	\$0	\$0	\$0	\$0	\$100	\$5,582	\$0
Aramark Concessions Ratification Vote	12/14/08	15	Repeat	Meeting/Seminar	Meeting	Local	647	1	0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$185	\$0	\$185	\$185
Knowledge Learning Corporation Team Meeting	12/17/08	600	New	Meeting/Seminar	Food & Beverage/Catering	Local	12,600	1	0		\$0	\$1,138	\$0	\$0	\$0	\$1,770	\$645	\$0	\$0	\$0	\$165	\$3,200	\$0	\$6,918	\$3,200
Hoffman Construction Company Meeting	12/18/08	20	New	Meeting/Seminar	Meeting	Local	1,875	1	0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$325	\$0	\$0	\$0	\$545	\$0	\$870	\$545
Western States Chiropractic College Commencement	12/20/08	650	New	Graduation	Meeting	Local	17,115	1	0		\$0	\$8,615	\$506	\$288	\$90	\$505	\$0	\$0	\$0	\$0	\$165	\$3,400	\$324	\$13,893	\$3,400
Campus Crusade for Christ Winter Conference 2008	12/27/08	500	New	Annual Convention/Conference	Convention	Regional	151,200	5	1		\$0	\$250	\$0	\$0	\$325	\$1,581	\$1,368	\$0	\$0	\$0	\$275	\$9,600	\$0	\$13,399	\$9,600
Native American New Years Eve Pow Wow 2008	12/31/08	1,000	Repeat	Miscellaneous	Miscellaneous/Other	Local	121,805	2	0		\$0	\$1,100	\$0	\$0	\$645	\$100	\$973	\$0	\$0	\$0	\$550	\$6,000	\$299	\$9,667	\$6,000
		21,512					1,691,762	83	10		\$0	\$353,487	\$18,599	\$53,313	\$2,758	\$73,220	\$23,484	\$4,668	\$552	\$0	\$9,206	\$106,162	\$21,208	\$666,656	\$106,162

Expo Center Event Analysis

December 2009

		Consumer	Trade	Misc.	Conv.	# of Events	Event Days	I/O Days	Use %	Attendance	Rental	Equipment	Concessions	Catering	Utilities	Parking	Total
Chitmas Bazaar	11/27-12/6	1				1	3	3		28,138	62,400	1,000	115,415		9,852	111,644	300,311
Rose City Gun Show	18-20	1				1	3	2		5,676	15,010	625	11,902		803	25,682	54,022
		2				2	6	5	16%	33,814	77,410	1,625	127,317		10,655	137,326	354,333

FY 2009-10 Year to Date

July		3				3	10	7	27%	17,662	88,958	1,375	100,895	5,000	9,689	87,906	293,823
August		4		1		5	10	8	12%	10,179	27,600	1,483	32,861		2,080	33,667	97,691
September		10		4		14	31	27	41%	30,039	136,994	3,106	81,530	5,349	29,648	134,313	390,940
October		5		5		11	24	18	32%	26,720	92,242	2,836	110,235	11,489	28,257	110,805	355,864
November		8				8	26	22	58%	69,085	142,143	1,903	65,784	1,058	18,552	184,705	414,145
December		2				2	6	5	16%	33,814	77,410	1,625	127,317		10,655	137,326	354,333
January																	0
February																	0
March																	0
April																	0
May																	0
June																	0
Total to Date		32		10		43	107	87	31%	187,499	565,347	12,328	518,622	22,896	98,881	688,722	1,906,796

Month to Month Comparison

	-2	0	-2	0	-4	-11	-10	-25%	-2,699	-16,835	75	559	-1,171	-369	4,277	-13,464
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Year to Date Comparison

	1	-3	2	0	-2	-4	-4	-10%	-18,486	-140,357	-4,998	-92,685	-38,620	-1,365	-7,792	-285,817
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FY 2008-09

July		4				4	13	10	29%	18,903	131,116	900	115,569	4,406	10,224	87,460	349,675
August		3				6	11	7	17%	12,106	44,824	6,573	54,633	36,664	2,616	27,676	172,986
September		7	1	4		12	25	18	42%	21,443	120,147	3,138	65,665	3,867	22,424	94,007	309,248
October		5	1	1		7	16	16	50%	30,675	134,225	1,840	115,458	11,234	31,287	137,523	431,567
November		8	1	1		10	29	25	66%	86,345	181,147	3,325	133,224	4,174	22,671	216,799	561,340
December		4		2		6	17	15	41%	36,513	94,245	1,550	126,758	1,171	11,024	133,049	367,797
January		6	1	7		14	32	15	90%	47,073	344,993	12,465	220,812	67,734	28,556	219,016	893,576
February		5		5		10	21	18	65%	80,093	186,992	2,260	411,629	27,557	49,936	290,688	969,062
March		7		3		10	23	16	53%	53,347	152,122	4,380	136,357	41,780	25,779	168,116	528,534
April		8	1	4		13	25	19	44%	48,604	164,993	2,970	252,183	46,830	10,754	86,341	564,071
May		5	1	3		9	16	14	22%	9,350	64,045	2,288	20,457	60,607	6,176	42,453	196,026
June		2	1	2		5	10	7	11%	9,456	32,885	2,854	25,799	2,205	2,088	32,130	97,961
Total to Date		64	7	32	0	106	238	180	44%	453,908	1,651,734	44,543	1,678,544	308,229	223,535	1,535,258	5,441,843

PCPA MONTHLY ANALYSIS

DECEMBER 2009

FACILITY NAME	DATE	PRESENTER	EVENT	LOAD-IN/ LOAD-OUT DARK DAYS	NO. OF PERF.	TOTAL ATTEND.	PAID ATTEND.	% SOLD	GROSS TICKET SALES	RENT	CHARGES & REIMBURSE.	USER'S FEE	SOUVEN.	GROSS FOOD & BEV.	GROSS REVENUE EARNED
KELLER	11/19 to 12/7	One Voice Productions	Singing Christmas Tree	12	10	21,674	21,016	70%	\$612,909	\$26,985	\$57,677	\$44,737	\$1,068	\$20,755	\$151,222
	12/8 to 12/27	Oregon Ballet Theatre	The Nutcracker	8	20	30,225	26,924	46%	\$1,182,840	\$17,390	\$62,044	\$13,462	\$0	\$57,035	\$149,931
	12/12	Oregon Ballet Theatre	Wells Fargo Lunch	0	1	50	0		\$0	\$0	\$0	\$0	\$0	\$2,196	\$2,196
ASCH	12/3	ISEPP	Freeman Dyson	0	1	1,129	348	13%	\$10,332	\$3,340	\$2,877	\$2,074	\$150	\$384	\$8,825
	12/4	Metropolitan Youth Symphony	Holiday Performance	0	1	663	667	24%	\$11,411	\$1,855	\$3,437	\$1,334	\$0	\$671	\$7,297
	11/30 to 12/7	Oregon Symphony	Classical 5 - Yefin Bronfman	2	3	4,109	3,631	44%	\$151,399	\$3,080	\$13,335	\$1,816	\$292	\$4,459	\$22,982
	12/9 to 13	Oregon Symphony	Gospel Christmas	2	3	5,912	5,587	67%	\$244,031	\$3,080	\$15,930	\$2,794	\$0	\$6,687	\$28,491
	12/14	Portland Arts and Lectures	Greg Mortenson	0	1	2,549	2,600	94%	\$81,480	\$1,855	\$3,734	\$5,679	\$575	\$1,450	\$13,293
	12/19	Oregon Symphony	Mannheim Steamroller	0	2	4,846	4,898	88%	\$297,962	\$14,055	\$8,621	\$16,865	\$2,064	\$6,594	\$48,199
	12/20	Oregon Symphony	Kids Concert	0	1	2,281	2,261	81%	\$40,011	\$725	\$3,265	\$1,131	\$0	\$713	\$5,834
	12/21	Oregon Symphony	Comfort and Joy	1	1	1,589	1,087	39%	\$36,772	\$1,335	\$5,928	\$544	\$82	\$2,264	\$10,153
	12/26	Portland Youth Philharmonic	Concert at Christmas	0	1	1,487	1,605	58%	\$23,136	\$780	\$4,771	\$803	\$0	\$986	\$7,340
	12/30	Monqui Presents	Pink Martini New Years	1	2	4,349	5,221	94%	\$212,205	\$13,915	\$15,925	\$13,092	\$647	\$8,847	\$52,426
NEWMARK	12/4	Portland Jazz Orchestra	Linus, Lucy and the Duke			330	328	37%	\$6,379	\$1,135	\$1,914	\$656	\$0	see artbar	\$3,705
	12/5	Pacific Lutheran University	Christmas Choral Concert			747	768	86%	\$11,627	\$1,325	\$2,506	\$1,536	\$0	see artbar	\$5,367
	12/11	Square Peg Concerts	Bob Saget	0	1	692	689	78%	\$29,819	\$1,310	\$1,545	\$1,714	\$0	\$1,900	\$6,469
	12/12	True West	Guy Fieri	0	1	440	456	52%	\$29,256	\$1,310	\$10,727	\$1,784	\$560	\$933	\$15,314
	12/13 TO 1/3	Pixie Dust Productions	Beauty and the Beast	4	13	7,729	6,520	63%	\$289,100	\$24,420	\$39,236	\$17,390	\$0	\$6,006	\$87,052
WINNINGSTAD	12/3 to 5	MVP Dance Elite Inc.	The Perfect Christmas	1	3	316	205	23%	\$2,350	\$2,585	\$2,959	\$299	\$0	\$70	\$5,913
	12/9 TO 20	Tears of Joy	Nightmare in My Closet	6	8	915	495	21%	\$8,126	\$1,405	\$2,355	\$248	\$0	\$95	\$4,103
	12/14 to 1/3	Jeffrey Gilpin	A Tuna Christmas	5	13	2,366	2,334	62%	\$76,221	\$11,455	\$9,065	\$5,021	\$0	see artbar	\$25,541
A. HATFIELD HALL	12/2	Nike	Dinner Reception	0	1	135	0		\$0	\$4,100	\$16	\$0	\$0	\$11,178	\$15,294
	12/5	PCPA Jazz at the ArtBar	Bryant Allard Quartet	0	1	44	0		\$0	\$0	\$0	\$0	\$0	\$691	\$691
	12/12	PCPA Jazz at the ArtBar	David Frishberg/Dogget Trio	0	1	28	0		\$0	\$0	\$0	\$0	\$0	\$879	\$879
	12/14	PCPA Volunteers	The Dickens Carolers	0	1	126	0		\$0	\$0	\$0	\$0	\$0	\$84	\$84
KELLER CAFÉ ARTBAR PCPA CATERING	12/9	USDA Forest Service	Holiday Luncheon			44	0		\$0	\$0	\$0	\$0	\$0	\$1,390	\$1,390
	December													\$0	\$0
	December													\$23,334	\$23,334
	December													\$4,695	\$4,695
TOTALS				42	90	94,775	87,640	57%	\$3,357,366	\$137,440	\$267,867	\$132,979	\$5,438	\$164,296	\$708,020

PCPA MONTHLY ANALYSIS

DECEMBER 2008

FACILITY NAME	DATE	PRESENTER	EVENT	LOAD-IN/ LOAD-OUT DARK DAYS	NO. OF PERF.	TOTAL ATTEND.	PAID ATTEND.	% SOLD	GROSS TICKET SALES	RENT	CHARGES & REIMBURSE.	USER'S FEE	SOUVEN.	GROSS FOOD & BEV.	GROSS REVENUE EARNED
KELLER	11/19 to 12/7	One Voice Productions	Singing Christmas Tree	12	10	11,092	22,779	76%	\$675,480	\$27,910	\$57,667	\$46,175	\$0	\$20,697	\$152,449
	12/8 to 12/24	Oregon Ballet Theatre	The Nutcracker	8	17	25,187	30,108	57%	\$1,392,334	\$17,390	\$60,526	\$52,689	\$0	\$58,439	\$189,044
ASCH	12/1 to 3	New Space Entertainment	Jesus Christ Superstar	1	2	2,851	2,831	51%	\$135,615	\$10,229	\$27,519	\$7,749	\$756	\$6,378	\$52,631
	12/4	Live Nation	Robin Williams	0	1	2,733	2,770	100%	\$241,090	\$11,000	\$12,054	\$13,646	\$803	\$4,969	\$42,472
	12/5	Metro Youth Symphony	Celebration of Lights	0	1	1,395	1,112	40%	\$15,980	\$1,855	\$4,355	\$1,950	\$0	\$1,978	\$10,138
	12/6 to 8	Oregon Symphony	Classical 6	3	3	4,913	4,222	51%	\$172,873	\$2,895	\$13,118	\$7,390	\$411	\$4,508	\$28,322
	12/8	Todd Eckelman	Photoshoot	0	1	0	0		\$0	\$450	\$0	\$0	\$0	\$0	\$450
	12/10 to 14	Oregon Symphony	Gospel Christmas	2	3	5,012	5,701	68%	\$270,923	\$3,080	\$15,087	\$9,977	\$0	\$4,253	\$32,397
	12/15	Oregon Symphony	Community Rehearsal	1	0	0	0		\$0	\$185	\$1,685	\$0	\$0	\$0	\$1,870
	12/19 to 20	Oregon Symphony	Chris Botti	1	2	2,612	3,809	69%	\$251,319	\$9,560	\$9,241	\$6,666	\$1,306	\$4,820	\$31,593
12/26	Portland Youth Philharmonic	Concert at Christmas	0	1	1,197	1,430	48%	\$20,671	\$780	\$4,016	\$715	\$0	\$1,312	\$6,823	
NEWMARK	12/5	Portland Jazz Orchestra	Ellington's Nutcracker Ste	0	1	679	652	74%	\$13,507	\$1,135	\$1,945	\$1,141	\$0	\$401	\$4,622
	12/31	Candlelighters Association	Moonstruck at Midnight	0	1	344	229	26%	\$18,470	\$1,135	\$6,504	\$1,045	\$0	\$2,376	\$11,060
WINNINGSTAD	12/4 to 6	MYP Dance Elite	The Perfect Christmas	1	3	366	341	39%	\$5,372	\$2,515	\$2,724	\$597	\$0	\$101	\$5,937
	12/17 to 28	Tears of Joy	The Reluctant Dragon	2	5	798	783	54%	\$10,787	\$1,175	\$1,752	\$392	\$0	\$0	\$3,319
BRUNISH HALL	11/10 to 12/18	Jeffrey Gilpin	Lady w/All the Answers	13	19	670	590	22%	\$13,980	\$0	\$5,993	\$1,033	\$0	\$419	\$7,445
	12/11	Portland Business Alliance	Leadership Portland	0	1	40	0		\$0	\$0	\$0	\$0	\$0	\$827	\$827
	12/31	Church of Scientology	Meeting	0	1	51	0		\$0	\$545	\$137	\$0	\$0	\$0	\$682
A. HATFIELD HALL	12/1	PCPA Volunteers	Noontime Showcase	0	1	83	0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
	12/8 to 9	Western Arts Alliance	Conference (5th Floor)		2	12	0		\$0	\$0	\$0	\$0	\$0	\$822	\$822
MISCELLANEOUS	12/3	USDA	Luncheon in ArtBar	0	1	32	0		\$0	\$0	\$0	\$0	\$0	\$1,159	\$1,159
	December	ArtBar												\$16,590	\$16,590
	December	Keller Café												\$0	\$0
	December	AHH Catering												\$2,922	\$2,922
		TOTALS		44	76	60,067	77,357	55%	\$3,238,401	\$91,839	\$224,323	\$151,165	\$3,276	\$132,971	\$603,574

Monthly Event and Attendance Summary
July 1, 2008 - June 30, 2009

MONTH	KELLER		ASCH		NEWMARK		WINNINGSTAD		BRUNISH		LOBBY/OTHER		TOTALS	
	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance
July	4	7,901	9	14,095	5	1,328	2	207	0	0	18	3,232	38	26,763
August	29	58,527	3	4,492	4	1,100	7	429	3	209	7	2,200	53	66,957
September	12	19,586	12	23,745	16	4,861	23	3,787	0	0	2	282	65	52,261
October	19	34,550	24	41,255	20	7,474	32	7,108	8	280	2	231	105	90,898
November	12	21,956	24	42,739	48	31,641	40	7,870	21	813	2	167	147	105,186
December	23	39,888	14	20,738	2	1,023	27	3,464	6	273	7	407	79	65,793
January													0	0
February													0	0
March													0	0
April													0	0
May													0	0
June													0	0
Total to Date	99	182,408	86	147,064	95	47,427	131	22,865	38	1,575	38	6,519	487	407,858

Other includes Main Street

Monthly Event and Attendance Summary
July 1, 2009 - June 30, 2010

Month	KELLER		ASCH		NEWMARK		WINNINGSTAD		BRUNISH		LOBBY/OTHER		TOTALS	
	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance
July	0	0	2	4,169	13	1,806	4	547	0	0	11	2,282	30	8,804
August	8	23,049	2	2,864	8	3,897	2	102	2	101	11	2,697	33	32,710
September	5	6,449	7	14,112	13	6,080	22	3,614	1	124	3	1,732	51	32,111
October	19	24,512	24	38,766	23	11,533	21	2,815	6	515	4	396	97	78,537
November	13	27,022	16	23,057	34	24,169	24	3,668	12	1,210	4	1,965	103	81,091
December	28	45,263	17	29,952	13	7,724	24	3,401	1	47	4	323	87	86,710
January													0	0
February													0	0
March													0	0
April													0	0
May													0	0
June													0	0
Total to Date	73	126,295	68	112,920	104	55,209	97	14,147	22	1,997	37	9,395	401	319,963

Other includes Main Street

Total to Date Change														
Events	-26	-56,113	-18	-34,144	9	7,782	-34	-8,718	-16	422	-1	2,876	-86	-87,895
Percentage	-26%	-31%	-21%	-23%	9%	16%	-26%	-38%	-42%	27%	-3%	44%	-18%	-21.6%

MERC Commission Meeting

February 3, 2010
12:30 pm

5.1 - Consent Agenda

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



January 6, 2010
Oregon Convention Center, Room A108-09

Present:	Ray Leary (Acting Chair), Elisa Dozono, Chris Erickson, Cynthia Haruyama and Judie Hammerstad
Absent:	None
	A regular meeting of the Metropolitan Exposition Recreation Commission was called to order by Acting Chair Leary at the Oregon Convention Center at 12:30 p.m. A complete audio recording of this meeting is available on the MERC website at www.mercvenues.org .
1.0	QUORUM CONFIRMED <ul style="list-style-type: none"> • A quorum of Commissioners was present.
2.0	COMMISSIONER COMMUNICATIONS
3.0	INTERIM GENERAL MANAGER COMMENTS
3.1	<u>Commissioner Questions on Packet Information</u>
4.0	OPPORTUNITY FOR PUBLIC COMMENT ON NON-AGENDA ITEMS <ul style="list-style-type: none"> • None
5.0	ACTION AGENDA
5.1	<u>Resolution 10-01 For the Purpose of Authorizing an Amendment to contract 1203 with Event Rental Communications</u> VOTING: Aye: 5 Nay: 0 Motion Passed
5.2	<u>Resolution 10-02 For the Purpose of Electing MERC Officers for FY 2009-10</u> VOTING: Aye: 5 Nay: 0 Motion Passed
6.0	EXECUTIVE SESSION for the purpose of deliberations with persons designated by the Commission to conduct labor negotiations, pursuant to ORS 192.660(2)(d)
7.0	MERC ECONOMIC IMPACT ANALYSIS UPDATE REPORT PRESENTATION Presented by Susan Sieger, Crossroads Consulting
8.0	STRATEGIC DISCUSSION PSU Graduate School Exposition Industry Trends and Expo Center Recommendations
	The meeting was adjourned at 2:50 pm.

MERC Commission Meeting

February 3, 2010
12:30 pm

6.0 - MERC/Metro
Financial Audit Report With
Moss Adams

December 22, 2009

To Margo Norton, Director of Finance and Administration
Metro
Portland, Oregon

Dear Ms Norton:

We have completed our audit of the financial statements of Metro for the year ended June 30, 2009 and have issued our report thereon dated December 7, 2009. In planning and performing our audit of the financial statements of Metro as of and for the year ended June 30, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered Metro's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Metro's internal control. Accordingly, we do not express an opinion on the effectiveness of Metro's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

FINDINGS FROM LAST YEAR - MATERIAL WEAKNESSES

None

FINDINGS FROM LAST YEAR - SIGNIFICANT DEFICIENCIES

Health insurance payable - resolved: Last year, we found that Metro had accrued the July employee health insurance premium in error. During the current year, Metro developed a programmatic solution through the accounting software to correct the timing of the accrual for health insurance premiums that effectively resolved this control deficiency. We expanded our procedures this year over year-end accrued expenses and noted that the health insurance premiums that covered July 2009 were correctly excluded from year-end accrued expenses.

Federal contract language – repeat finding: In our testing of Metro’s compliance with federal grant provisions last year, we identified five out of 15 instances where vendor contracts did not contain the necessary federal clauses informing the vendor of the federal source funding the project and that there were additional federal compliance requirements. During the current year, the Planning Department implemented a review process and began using a checklist for new and amended contracts to ensure all proper language is included when appropriate. This change appears to only be effectively implemented for projects administered by the Planning department, as we noted two more instances in our current year testing related to the Parks department where federally sourced projects did not contain the necessary federal clauses.

Recommendation: We recommend that Metro provide some training to departments outside of Planning on federal grant compliance requirements, establishing effective internal controls, and on the use of checklists or other procedures to assist in meeting federal compliance requirements.

OBSERVATIONS FROM LAST YEAR - MANAGEMENT ADVISORY COMMENTS

Cash controls at Blue Lake – resolved: Last year, we determined there was a lack of adequate segregation of duties over the handling and accounting for cash. In the current year, we found that improvements were made effectively addressing the issue.

Payroll timecard approval - resolved: In our testing of payroll last year, we found 325 occurrences out of roughly 50,000 records where certain management employees approved their own time cards. Effective for the April 15, 2009 payroll run, Metro had changes made to its Kronos time entry system such that managers must have their time reviewed by another person. During our payroll control testing, we noted no instances in which an employee approved their own time.

Splitting of purchasing card transactions – partially resolved: We tested the use of purchase cards in each of the prior two fiscal year audits and found that certain purchase transactions were split to circumvent the \$5,000 limit on individual purchases primarily to avoid the additional approval processes required. During the current year, we learned that in light of our findings, the Metro Auditor’s Office conducted a P-card audit to expand the number of P-card transactions tested. That audit resulted in additional recommendations made by the Auditor’s office.

Recommendation: We recommend management implement improvements as suggested by the Metro Auditor and report the status periodically to the Auditor’s Office as well as the Audit Committee.

Opportunity to improve Zoo cash controls - resolved: In each of the past two audits, we identified certain lack of segregation of duties over handling cash at the Zoo received for educational classes. In the current year, the Oregon Zoo purchased a web-based system to track classes and receive payments for educational classes. All classes, whether paid by mail or paid online are entered into the new system. We found that attendees are cross-checked with payments received to ensure the Zoo received payment.

Opportunity to improve the accounting for grant revenues and expenditures - resolved: In our prior year testing of grant receivables and related payables, we found that grant receivables and revenues were being recorded prior to the determination that all eligibility requirements had been met. In our discussions with Metro’s Accounting Compliance Officer, we found that Finance and Planning have

significantly improved communication of grant activity, and our testing of grant receivables did not result in any such findings in the current year.

CURRENT YEAR OBSERVATIONS AND RECOMMENDATIONS

SIGNIFICANT DEFICIENCIES

The following significant deficiencies were identified during our audit of the June 30, 2009 financial statements.

Accuracy of the Schedule of Expenditures of Federal Awards: Metro is required to identify all expenditures for programs funded with federal grants sufficient to prepare an accurate Schedule of Expenditures of Federal Awards (SEFA). The SEFA is required to be filed with the Federal Government when total federally funded program expenditures exceed certain thresholds. In addition, the SEFA becomes the basis for Metro's external auditor to determine which grants are required to be tested under the Single Audit Act and OMB Circular A-133. During our testing of the current year SEFA and related grant records, we identified two additional grant programs that were federally sourced, that were not identified by management as federal grants, and were therefore, originally omitted from the SEFA in error.

Recommendation: As noted earlier, we recommend that Metro provide training to its managers and personnel responsible for administering federal grants on the development and implementation of policies to assist in the preparation of an accurate SEFA. Such policies should include mechanisms for the timely and accurate identification of federal funds received from all sources along with necessary communications to accounting staff responsible recording grants in the general ledger.

MANAGEMENT ADVISORY COMMENTS

In addition to the significant deficiencies noted above, during our audit we also became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. These matters are noted below as management advisory comments.

PeopleSoft Access: During our review of access controls to PeopleSoft, we noted that twelve employees have access to create and post a journal entry in the general ledger. We did find that Metro had previously implemented manual procedures including the recording of all adjusting journal entries into a Journal Entry log by the initiator of the entry, the posting of the entry into the general ledger by a second person, and the review monthly of all adjusting journal entries by a third person.

Recommendation: The manual procedures implemented by Metro will be effective in mitigating the access control weakness identified provided the procedures are routinely followed. We recommend that Metro evaluate the merits of implementing an additional automated control through the PeopleSoft system that limits roles within the system so that the initiator of an entry is not also able to post the entry into the general ledger.

Payables cut off: During our search for unrecorded liabilities, we noted three exceptions in which invoices relating to goods or services received prior to the year-end were not recorded as payables in the proper period. Performing an accurate cutoff of accounts payable is critical for recording goods and services in the year for which they were budgeted to demonstrate Oregon legal compliance, as well as proper matching of expenses against the revenues to which they relate to comply with applicable governmental accounting standards. Two of the errors appeared to be the result of the late receipt of invoices from suppliers, and one appeared to be the result of an error in determining the correct period for recording an invoice received timely.

Recommendation: We recommend that Metro revise its controls over purchases so that receipt of vendor invoices is not required to start the expenditure recognition process in the accounting system. Instead, purchase orders and receiving reports could be used to verify that a purchase transaction has been completed and a liability has been incurred sufficient to start the accounting entries

Implementing new accounting pronouncements:

We would like to highlight two accounting pronouncements that will be effective for Metro over the next two years. Both of these new standards will require significant staff time and resources to implement, as well as the development of additional policies and procedures.

GASB Statement No. 51. GASB 51 on Accounting and Financial Reporting for Intangible Assets is effective for the year ending June 30, 2010. This statement outlines accounting and financial reporting requirements for intangible assets such as water rights, patents and internally generated assets like computer software. It is required to be applied retroactively. The standard will require that Metro meet certain criteria before it can begin capitalizing costs incurred. It would be prudent for Metro to adopt certain policies and procedures to assist in its efforts to properly comply with requirements of this standard. In addition, given the standard is to be adopted retroactively for certain intangibles acquired in prior years, there will be significant time and effort required to conduct the studies and analysis of prior year transactions to properly determine if any require capitalization under the standard.

Recommendation: We recommend that Metro establish a formal plan to address the requirements of this standard, determine the effort involved, and secure the resources necessary to perform the required analysis. Any adjustments found to be necessary could be posted well before the year-end closing process to remove the risk to the timing of completing the accounting and financial statements for the year.

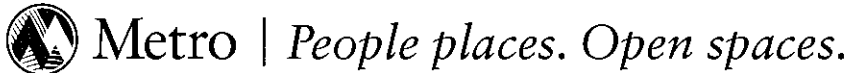
GASB Statement No. 54. GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, will be effective for Metro for fiscal year ended June 30, 2011. This standard provides clearer fund balance classifications in order to allow for consistency in accounting and reporting. It also clarifies the proper use of special revenue, debt service, and capital projects funds, that may be different from Metro's current use of these fund types. This statement will require management to more closely review governmental fund resources and establish a formalized decision hierarchy on the level of restriction associated with resources based primarily on the extent to which a government is bound to observe constraints imposed by external parties. It will also require Metro to formalize certain policies about the highest decision making level of authority required to internally restrict a resource, the bodies or individuals that can create 'assigned resources', and certain other policies to properly meet the requirements of this standard.

Recommendation: We recommend that Metro establish a formal plan to address the requirements of this standard, determine the effort involved, and secure the resources necessary. Implementing this standard will require the creation of certain policies and procedures, as well as an analysis of the current use of governmental funds to identify changes to current reporting that will be required. Any changes to the use of existing funds will likely require changes in budget practices as well.

This report is intended solely for the information and use of the management of Metro and is not intended to be and should not be used by anyone other than these specified parties. We would be happy to further discuss any of the items in this letter with you at your convenience.

Moss Adams, LLP

Eugene, Oregon
December 22, 2009



January 12, 2010

Ms. Suzanne Flynn
Metro Auditor

The independent audit firm of Moss Adams LLP, certified public accountants, has completed the audit of the financial statements of Metro for the year ended June 30, 2009. The financial statements for MERC are incorporated in the Metro report and are an integral part of the review. As part of that audit Moss Adams reviewed accounting policies and procedures, evaluated the effectiveness of the existing system of internal control, and made findings, observations and recommendations relating to this review. Moss Adams reviewed the Natural Areas Bond program and the Oregon Zoo Infrastructure and Animal Welfare Bond program, as required by the bond ordinances, and performed a separate review of federal grants for federal compliance reporting purposes.

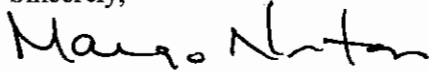
The independent auditor's responsibility under the auditing standards generally accepted in the United States has become increasingly rigorous in both the private and public sectors. The Governmental Accounting Standards Board (GASB), now in its 25th year, issues standards that help Metro demonstrate to the region our accountability and stewardship over public resources. This year Metro successfully implemented the new pollution remediation standard (GASB 49) and issued its first updated calculation of Other Post Employment Benefits obligations (GASB 43 and 45), a new standard implemented successfully last year. I am deeply appreciative that our accounting group, led by Don Cox, CPA, CGFM, Accounting Manager and Accounting Compliance Officer, and Karla Lenox, CPA, Financial Reporting and Control Supervisor, continues to ensure that Metro meets these new standards, receives an unqualified audit opinion and produces an award winning Comprehensive Annual Financial Report. I also appreciate the professional work of the MERC accounting group, led by Kathy Taylor, CPA, MERC Chief Operating Officer, and Julia Fennell, Controller. We also thank the audit staff of Moss Adams LLP for its careful and professional review. Each year we gain new insights into maintaining and sustaining best practices through the audit process and our professional discussions with Moss Adams.

Moss Adams made recommendations to management in its letter dated December 22, 2009. In addition Moss Adams reviews the prior year's report and comments on Metro's excellent progress. We have reported this "management letter" to the Audit Committee and to the Metro Council with management's response.

We wish to thank the Audit Committee, an external professional review body organized by your office to assist both you and me in evaluating and improving our business and accounting processes.

Finally, we wish to thank you personally for your attention and support during the audit process. We look forward to continuing our work with you to assure both the Metro Council and the region's citizens that Metro operates with the highest standards of fiscal prudence, accountability, transparency and integrity.

Sincerely,

A handwritten signature in black ink that reads "Margo Norton". The signature is written in a cursive, flowing style.

Margo Norton
Finance and Regulatory Services Director

For the reader's convenience, the findings, observations and recommendations of Moss Adams are reproduced in their entirety, modified only by the numbering of the recommendations. Metro's response follows each recommendation with the same numbering system.

FINDINGS FROM LAST YEAR (FY 2007-08) - MATERIAL WEAKNESSES

None

FINDINGS FROM LAST YEAR (FY 2007-08) - SIGNIFICANT DEFICIENCIES

Health insurance payable - resolved: Last year, we found that Metro had accrued the July employee health insurance premium in error. During the current year, Metro developed a programmatic solution through the accounting software to correct the timing of the accrual for health insurance premiums that effectively resolved this control deficiency. We expanded our procedures this year over year-end accrued expenses and noted that the health insurance premiums that covered July 2009 were correctly excluded from year-end accrued expenses.

Federal contract language – repeat finding: In our testing of Metro's compliance with federal grant provisions last year, we identified five out of 15 instances where vendor contracts did not contain the necessary federal clauses informing the vendor of the federal source funding the project and that there were additional federal compliance requirements. During the current year, the Planning Department implemented a review process and began using a checklist for new and amended contracts to ensure all proper language is included when appropriate. This change appears to only be effectively implemented for projects administered by the Planning department, as we noted two more instances in our current year testing related to the Parks department where federally sourced projects did not contain the necessary federal clauses.

Recommendation # 1: We recommend that Metro provide some training to departments outside of Planning on federal grant compliance requirements, establishing effective internal controls, and on the use of checklists or other procedures to assist in meeting federal compliance requirements.

Response # 1: The contract process checklist developed and used by the Planning Department for contracts using federal funds has worked successfully this year and will be offered to other departments who utilize federal grants. This will also be incorporated into contract training classes offered by Finance and Regulatory Services. The specific instances arose

because Parks and Environmental Services contracts were not initially classified as using federal funding grants (see Recommendation #3). Once correcting this misclassification, the checklist will become effective. Parks and Environmental Services has also implemented new procedures for federal grant compliance to ensure that correct language is associated with contracts using federal grants.

OBSERVATIONS FROM LAST YEAR (FY 2007-08) - MANAGEMENT ADVISORY COMMENTS

Cash controls at Blue Lake – resolved: Last year, we determined there was a lack of adequate segregation of duties over the handling and accounting for cash. In the current year, we found that improvements were made effectively addressing the issue.

Payroll timecard approval - resolved: In our testing of payroll last year, we found 325 occurrences out of roughly 50,000 records where certain management employees approved their own time cards. Effective for the April 15, 2009 payroll run, Metro had changes made to its Kronos time entry system such that managers must have their time reviewed by another person. During our payroll control testing, we noted no instances in which an employee approved their own time.

Splitting of purchasing card transactions – partially resolved: We tested the use of purchase cards in each of the prior two fiscal year audits and found that certain purchase transactions were split to circumvent the \$5,000 limit on individual purchases primarily to avoid the additional approval processes required. During the current year, we learned that in light of our findings, the Metro Auditor's Office conducted a P-card audit to expand the number of P-card transactions tested. That audit resulted in additional recommendations made by the Auditor's office.

Recommendation # 2: We recommend management implement improvements as suggested by the Metro Auditor and report the status periodically to the Auditor's Office as well as the Audit Committee.

Response #2: Metro responded to the internal audit's finding in May 2009, agreeing that improvements were needed within the procurement card program, including the development of new policies suggested by the Metro Auditor. In March 2009 the Director of Finance and Regulatory Services issued a special notice to all P-card holders reaffirming the rules for food and beverage expense, meeting expense, cash refunds and personal reimbursements. In April 2009 the Procurement Officer issued a special notice to all P-card holders and P-card approvers, defining a split transaction, restating Metro's prohibition of such transactions, and describing the action that would be taken if future split transactions were discovered. Metro will continue to utilize the Bank of America's

reporting software to identify and remedy any split transactions in the future. These reminders have been emphasized in subsequent periodic trainings of users and approvers. Finance and Regulatory Services has drafted revised policies for 2010 and will be communicating these to all Metro departments.

Opportunity to improve Zoo cash controls - resolved: In each of the past two audits, we identified certain lack of segregation of duties over handling cash at the Zoo received for educational classes. In the current year, the Oregon Zoo purchased a web-based system to track classes and receive payments for educational classes. All classes, whether paid by mail or paid online are entered into the new system. We found that attendees are cross-checked with payments received to ensure the Zoo received payment.

Opportunity to improve the accounting for grant revenues and expenditures - resolved: In our prior year testing of grant receivables and related payables, we found that grant receivables and revenues were being recorded prior to the determination that all eligibility requirements had been met. In our discussions with Metro's Accounting Compliance Officer, we found that Finance and Planning have significantly improved communication of grant activity, and our testing of grant receivables did not result in any such findings in the current year.

MATERIAL WEAKNESSES (FY 2008-09)

No material weaknesses were reported in the current audit.

SIGNIFICANT DEFICIENCIES (FY 2008-09)

The following significant deficiencies were identified during our audit of the June 30, 2009 financial statements.

Accuracy of the Schedule of Expenditures of Federal Awards: Metro is required to identify all expenditures for programs funded with federal grants sufficient to prepare an accurate Schedule of Expenditures of Federal Awards (SEFA). The SEFA is required to be filed with the Federal Government when total federally funded program expenditures exceed certain thresholds. In addition, the SEFA becomes the basis for Metro's external auditor to determine which grants are required to be tested under the Single Audit Act and OMB Circular A-133. During our testing of the current year SEFA and related grant records, we identified two additional grant programs that were federally sourced, that were not identified by management as federal grants, and were therefore, originally omitted from the SEFA in error.

Recommendation #3: As noted earlier, we recommend that Metro provide training to its managers and personnel responsible for administering federal grants on the development and implementation of policies to assist in the preparation of an accurate SEFA. Such policies should include mechanisms for the timely and accurate identification of federal funds received from all sources along with necessary communications to accounting staff responsible recording grants in the general ledger.

Response #3: The primary and initial source for recording grant revenues is the responsibility of the operating department which receives the funds and is aware of the specific contract and grant requirements. Finance and Regulatory Services provides chart of accounts and consultative assistance and written definitions for department staff to classify transactions correctly. For the FY 2009 transactions that led to this recommendation, Parks and Environmental Services staff found it necessary to contact the granting entity to ascertain the specific source of funding as it was unclear from the grant award documents. Upon receiving confirmation from the grantor agency, the classification was corrected in Metro's reporting. Any open contracts related to these grants were amended to incorporate the necessary federal contract language (see Recommendation #1). Management will work with staff to assure funding sources are more clearly identified in contract documents to enable the initial recording of transactions to be correct. Parks and Environmental Services has implemented steps to ensure that state agencies are contacted at the beginning of the grant process for the correct identification of the sources of funds.

MANAGEMENT ADVISORY COMMENTS (FY 2008-09)

In addition to the significant deficiencies noted above, during our audit we also became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. These matters are noted below as management advisory comments.

PeopleSoft Access: During our review of access controls to PeopleSoft, we noted that twelve employees have access to create and post a journal entry in the general ledger. We did find that Metro had previously implemented manual procedures including the recording of all adjusting journal entries into a Journal Entry log by the initiator of the entry, the posting of the entry into the general ledger by a second person, and the review monthly of all adjusting journal entries by a third person.

Recommendation #4: The manual procedures implemented by Metro will be effective in mitigating the access control weakness identified provided the procedures are routinely followed. We recommend that Metro evaluate

the merits of implementing an additional automated control through the PeopleSoft system that limits roles within the system so that the initiator of an entry is not also able to post the entry into the general ledger.

Response #4: Metro has established policy and procedure that the individual who prepares and initially enters a journal entry (JE) cannot also post the JE. The detective controls, while only partially automated, are effective. Accounting Services will continue to investigate any available system controls or reviews that could be implemented as appropriate. Business process efficiencies and limited staff size do not make it possible to segregate all job duties and processes across the board.

Payables cut off: During our search for unrecorded liabilities, we noted three exceptions in which invoices relating to goods or services received prior to the year-end were not recorded as payables in the proper period. Performing an accurate cutoff of accounts payable is critical for recording goods and services in the year for which they were budgeted to demonstrate Oregon legal compliance, as well as proper matching of expenses against the revenues to which they relate to comply with applicable governmental accounting standards. Two of the errors appeared to be the result of the late receipt of invoices from suppliers, and one appeared to be the result of an error in determining the correct period for recording an invoice received timely.

Recommendation #5: We recommend that Metro revise its controls over purchases so that receipt of vendor invoices is not required to start the expenditure recognition process in the accounting system. Instead, purchase orders and receiving reports could be used to verify that a purchase transaction has been completed and a liability has been incurred sufficient to start the accounting entries

Response #5: The Accounting Compliance Officer and agency Finance Managers have reviewed the identified transactions and circumstances. The transactions in question were expenditures under formal contracts which do not result in "purchase orders" or "receiving reports," but rather require the project manager's awareness of contractor work performance and billing status. The Finance Managers will conduct additional training of staff to have them monitor and solicit expenditure data from contractors on a timelier basis at fiscal year end, with increased emphasis and attention to fiscal period cutoff dates. Accounting Services will continue to issue instructions on year end cutoff and accrual procedures and will continue to review post-year end transactions for accrual.

In its management letter, Moss Adams also included advice about two new accounting standards that will be implemented. Metro has an excellent record of implementing new standards timely, and we have already considered our strategy.

Implementing new accounting pronouncements:

We would like to highlight two accounting pronouncements that will be effective for Metro over the next two years. Both of these new standards will require significant staff time and resources to implement, as well as the development of additional policies and procedures.

GASB Statement No. 51. GASB 51 on Accounting and Financial Reporting for Intangible Assets is effective for the year ending June 30, 2010. This statement outlines accounting and financial reporting requirements for intangible assets such as water rights, patents and internally generated assets like computer software. It is required to be applied retroactively. The standard will require that Metro meet certain criteria before it can begin capitalizing costs incurred. It would be prudent for Metro to adopt certain policies and procedures to assist in its efforts to properly comply with requirements of this standard. In addition, given the standard is to be adopted retroactively for certain intangibles acquired in prior years, there will be significant time and effort required to conduct the studies and analysis of prior year transactions to properly determine if any require capitalization under the standard.

Recommendation # 6: We recommend that Metro establish a formal plan to address the requirements of this standard, determine the effort involved, and secure the resources necessary to perform the required analysis. Any adjustments found to be necessary could be posted well before the year-end closing process to remove the risk to the timing of completing the accounting and financial statements for the year.

GASB Statement No. 54. GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, will be effective for Metro for fiscal year ended June 30, 2011. This standard provides clearer fund balance classifications in order to allow for consistency in accounting and reporting. It also clarifies the proper use of special revenue, debt service, and capital projects funds, that may be different from Metro's current use of these fund types. This statement will require management to more closely review governmental fund resources and establish a formalized decision hierarchy on the level of restriction associated with resources based primarily on the extent to which a government is bound to observe constraints imposed by external parties. It will also require Metro to formalize certain policies about the highest decision making level of authority required to internally restrict a resource, the bodies or individuals that can create 'assigned resources', and certain other policies to properly meet the requirements of this standard.

Recommendation # 7: We recommend that Metro establish a formal plan to address the requirements of this standard, determine the effort involved, and secure the resources necessary. Implementing this standard will require the creation of certain policies and procedures, as well as an analysis of the current use of governmental funds to identify changes to current reporting that will be required. Any changes to the use of existing funds will likely require changes in budget practices as well.

Response #6 and #7: Metro began its policy work for the upcoming GASB Statements last year, including direct consultation with GASB regarding the unusual aspects of TOD easements. FRS staff has reviewed the GASB statements and has advised agency Finance Managers of the provisions and necessary requirements. Accounting Services will develop a written accounting policy incorporating GASB 51 requirements and will assist operating departments in identifying and accounting for intangible assets. Accounting Services staff will work with Financial Planning staff to develop appropriate fund balance budget policies as part of the development of the FY 2010-11 budget. Accounting Services has worked with Financial Planning staff in prior years to correctly classify funds by type in anticipation of the final statement issued by GASB. The most recent result was the segregation of the General Renewal and Replacement Fund budgetary fund from Metro's Capital Fund and its consolidation within the General Fund on a GAAP-reporting basis in order to be in compliance with this statement. Governmental accounting continues to become increasingly complex and requires increased resources to assure Metro continues to comply with generally accepted accounting principles for all its diversified activities.

Note: Single Audit

In addition to the audit of the financial statements, Moss Adams also performed a separate audit of federal grant funds and has issued a report on compliance with requirements applicable to each major program and internal control over compliance with OMB circular A-133, often referred to as the "Single Audit" for federal compliance.

The report provided an unqualified opinion in the financial reporting, identified no questioned costs, and disclosed essentially the same findings of "significant deficiency" as those included above. The management response to those findings is included in the Schedule of Findings and Questioned Costs, a part of the single audit.

Metro CAFR

Comprehensive Annual Financial Report

For the year ended June 30, 2009

*Front cover only - entire report
may be downloaded from Metro's
website (184 pages)*

Finance and Regulatory Services Department

Director of Finance and Regulatory Services
Margaret Norton

Prepared by
Accounting Services Division

Accounting Compliance Officer
Donald R. Cox Jr., CPA, CGFM

Financial Reporting Supervisor
Karla J. Lenox, CPA



Metro | *People places. Open spaces.*

600 NE Grand Ave., Portland, Oregon 97232

MERC Commission Meeting

February 3, 2010
12:30 pm

9.1 Action Agenda

METROPOLITAN EXPOSITION-RECREATION COMMISSION

Resolution No. 10-03

For the purpose of submitting to the Metro Council a proposal for the investment of \$465,982 from the Metro Tourism Opportunity and Competitiveness Account (“MTOCA”) for capital projects at the Oregon Convention Center.

WHEREAS, the 2009-10 adopted budget includes a transfer of \$692,490 from Metro general fund MTOCA to the MERC Fund; and

WHEREAS, in Resolution No. 04-3494A, the Metro Council stated its desire that annual requests for appropriations from MTOCA be set out for discussion, consideration, and action in a manner separate and discrete from general budget process; and

WHEREAS, at its public Budget Committee meeting on January 11, 2010, the MERC Budget Committee approved the recommendation from staff in regard to the use of MTOCA funds. The MERC Budget Committee directed the Oregon Convention Center’s Executive Director to forward to the full Commission for approval and recommendation to the Metro Council, a request for the lighting and ballast replacement (\$125,000) and retrofit and divider wall refurbishment replacement and maintenance project (\$340,982) for a total amount of \$465,982 from the \$692,490 funds included in the 2009-2010 budget from the MTOCA.

BE IT THEREFORE RESOLVED that MERC approves the recommendation to the Metro Council of an expenditure of \$465,982 of the \$692,490 MTOCA funds, previously budgeted during the general 2009-2010 budget process, and respectfully requests that the Metro Council approve the expenditure of \$465,982 for the lighting and ballast replacement/retro-fit and divider wall refurbishment/replacement and maintenance projects for the Oregon Convention Center, with the MTOCA funds.

Passed by the Commission on February 3, 2010.

Chair

Approved as to Form:
Daniel B. Cooper, Metro Attorney

Secretary-Treasurer

By: _____
Nathan A. Schwartz Sykes
Senior Assistant Attorney

MERC STAFF REPORT

Agenda Item/Issue: For the purpose of submitting to the Metro Council a proposal to approval to fund two capital projects for the Oregon convention Center; 1) lighting and ballast replacement/retro-fit project and 2) divider wall refurbishment/replacement and maintenance for the Exhibit Halls/Oregon Ballroom/ABC Meeting Rooms project with an investment of \$465,982 from the Metro Tourism Opportunity and Competitiveness Account (MTOCA). .

Resolution No.: 10-03

Presented By: Jeff Blosser

Date: February 3, 2010

Prepared By: Jeff Blosser/Cynthia Hill

Background and Analysis: The Metro Council has approved a Policy and Guidelines for establishing a process and criteria for proposed investments from the Metro Tourism and Opportunity and Competitiveness Account. The MERC Budget Committee discussed the Goals and Strategies identified in the Policy and Guidelines and is recommending investment in:

Goal #3 Maintain the Oregon Convention Center in First Class Condition

- **Strategy A – Ensure sufficient funds for basic OCC cleaning, maintenance and event service.**

Approval of these two projects will enhance the overall ability for OCC Staff to keep the building in first class condition for our clients, reduce costs of the operation and improve the functionality of the facility for events. The light project replaces higher wattage light fixtures and ballast with energy efficient fixtures and ballast that will save OCC about \$75,000-\$80,000 a year on the electric bill, reduce labor to replace fixtures as the new fixture have a longer life and will leverage a \$235,000 grant OCC received from the Oregon Department of Energy which allows for this entire \$642,558 project to be done in one year instead of over two fiscal years. The Oregon Convention Center will apply for additional funding from the Business Energy Tax Credit (BETC) program and Utility Incentives (ETO). The Air Wall dividers on the original side of the facility are in need of major renovations, track, roller and trolley work, closer mechanism replacement, sound proofing, refurbishing of the exterior coverings and major maintenance to make sure they work properly and are not a safety hazard to our attendees and operations staff. This is a first phase of a project that was bid and will take two fiscal years to complete due to the cost and event related scheduling. Bids received came in under the staff estimate so the project will cost \$41,000 less than estimated in the original submission to the MERC Commission as a capital project for this budget cycle;

There is an appropriation of \$692,490 included in the 2009-10 Adopted Budget as “projects to be determined” for MTOCA funding. With the current year’s allocation, MTOCA has funded a total of \$2,965.600 in Projects at the Oregon Convention Center since 2004. Exhibit “A” is a recap of the MTOCA project funding and actual expenditures by year. The following chart is a summary of resources and uses by fiscal year. The unspent balance represents the amount still available in the Headquarter Hotel budget. MTOCA funding for both 2007-08 FY and 2008-09 FY was dedicated to the Headquarter Hotel project.

	<u>Resource</u>	<u>Use</u>	<u>Balance</u>
Excise Tax from Metro 2004-05 FY	\$504,000	\$ 28,642	
Excise Tax from Metro, adjust to actual collected 2004-05 FY	36,143		
Excise Tax from Metro 2005-06 FY	636,208	348,126	
Excise Tax from Metro 2006-07 FY	652,113	1,140,551	
Excise Tax from Metro 2007-08 FY	669,720	980,865	
Excise Tax from Metro 2008-09 FY (incl. PY Adjustment)	746,146	462,656	
Excise Tax from Metro 2009-10	-	4,760	
Totals	\$3,244,330	\$2,965,600	\$278,730

Fiscal Impact:

The \$465,982 request is less than the approved appropriation of \$692,490 for MTOCA projects as included in the 2009-10 Adopted Budget.

Recommendation: Staff recommends that the Metropolitan Exposition-Recreation Commission adopt Resolution 10-03, approving the expenditure of \$465,982 in MTOCA funds, previously budgeted during the general 2009-10 budget process, to fund two capital projects for lighting and ballast replacement/retro-fit and divider wall refurbishment/replacement and maintenance for the Oregon Convention Center, with funds from the Metro Tourism Opportunity and Competitiveness Account (MTOCA).

Metro Tourism Opportunity and Competitiveness Account

Oregon Convention Center

as of December 2009

	<u>Actuals 2004-05</u>	<u>Actuals 2005-06</u>	<u>Actuals 2006-07</u>	<u>Actuals 2007-08</u>	<u>Actuals 2008-09</u>	<u>Actuals 2009-10</u>	<u>Totals</u>
Resources							
Beginning Balance	-0-	475,358	127,232	311,145	35,563	283,490	-
Excise Tax from Metro 2004-05 FY	504,000						504,000
Excise Tax from Metro, adjust to actual collections 2004-05 FY			36,143				36,143
Excise Tax from Metro 2005-06 FY			636,208				636,208
Excise Tax from Metro 2006-07 FY			652,113				652,113
Excise Tax from Metro 2007-08 FY				669,720			669,720
Excise Tax from Metro 2008-09 FY (includes PY Adjustment)					746,146		746,146
Total Resources	504,000	475,358	1,451,696	980,865	781,709	283,490	3,244,330
Requirements							
Green Building LEED Certification (Goal 1 Strategy A)							
Retrofit existing building to meet LEED standards - Metro Ordinance 04-1064							
Rebuild chiller units and ventilation noise abatement	28,642	348,126	18,213		35,563		430,544
Replace Toilets/Urinals-Sloan uppercut flush valve			69,479				69,479
Variable Frequency Drives				129,148			129,148
Green Building LEED Certification			45,445	15,500			60,945
Subtotal Green Building LEED Certification	28,642	348,126	133,137	144,648	35,563	-	690,116
Audio Visual Control Room - original building (Goal 1 Strategy B)							
Replace analog system in original building due to failure and lack of replacement parts. - Metro Resolution 05-3613							
			1,007,414	130,934			1,138,348
Subtotal Audio Visual Control Room Project			1,007,414	130,934	-	-	1,138,348
Headquarter Hotel							
2007-08 MTOCA Funding Developer Agreement				669,720			669,720
2008-09 MTOCA Funding HQH project costs			-		462,656		462,656
2009-10 MTOCA Funding HQH carryover project costs						4,750	4,750
Subtotal Headquarter Hotel Year to Date	-	-	-	669,720	462,656	4,750	1,137,126
Total Requirements	28,642	348,126	1,140,551	945,302	498,219	4,750	2,965,590
Ending Balance (Resources less Requirements)	475,358	127,232	311,145	35,563	283,490	278,740	278,740

MTOCA Goals

- Goal 1 Targeted capital investments in the Oregon Convention Center's physical plant that yield demonstrable marketing
 - Strategy A -- Green Building LEED Certification
 - Strategy B -- OCC Operational Advantage
 - Strategy C -- Headquarters Hotel Related Investments

- Goal 2 Assist the Visitor Development Fund with Oregon Convention Center Facility
 - Strategy A -- Offset Facility Costs when VDI allocation not fully funded

- Goal 3 Maintain the Oregon Convention Center in First Class Condition
 - Strategy A -- Ensure sufficient funds for basic OCC cleaning, maintenance, and event service