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 Metro | *Exposition Recreation Commission*

MERC Budget Committee Meeting Agenda

Meeting: MERC Budget Committee
Date: January 27, 2016
Time: 3:30 p.m. to 5:00 p.m.
Location: Metro Regional Center – Room 301
Purpose: Proposed 2016-2017 MERC Budget

- | | | |
|-------------|--|--|
| 3:30 | Opening Remarks | Scott Robinson |
| 3:40 | MERC Budget Overview | Ben Rowe |
| 4:00 | Venue Budget Overview, Additional Requests, Reserves Forecasts | |
| | <ul style="list-style-type: none"> • Portland Expo Center Budget Overview • Portland'5 Budget Overview • Oregon Convention Center Budget Overview | <ul style="list-style-type: none"> Ben Rowe/ Matthew Rotchford Ben Rowe/ Robyn Williams Ben Rowe/ Scott Cruickshank |
| 4:55 | Review agenda for Wednesday February 17 th MERC Budget Committee Meeting
10:00-11:30 a.m. Portland'5 Centers for the Arts – Madison Room | |
| 5:00 | Adjourn | |

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

All Departments

2017

Line	Operations	2012-13	2013-14	2014-15	2015-16	2016-17	Change in Annual Budget	
		Actual	Actual	Actual	Budget	Budget	\$	%
1	Charges for Services	20,818,578	20,873,669	25,334,609	24,711,900	25,283,884	571,984	2%
2	Contributions from Governments	798,035	814,794	837,608	853,950	871,029	17,079	2%
3	Contributions from Private (ARA)				15,000	13,000	(2,000)	-13%
4	Enhanced Marketing VDF	441,358	450,000	462,694	472,781	482,614	9,833	2%
5	Food and Beverage Revenue	15,784,720	14,052,840	17,383,250	16,325,143	17,248,329	923,186	6%
6	Grants	12,073	32,422	12,873	-	55,000	55,000	
7	Interest Earnings	99,479	173,347	211,752	91,000	171,000	80,000	88%
8	Interfund Loans	-	1,919,916	-	-	-	-	
9	Lodging Tax	10,243,940	10,904,188	10,830,714	11,443,458	11,964,317	520,859	5%
10	Miscellaneous Revenue	114,815	106,187	159,784	95,477	103,440	7,963	8%
11	Transfers-R	568,633	418,633	1,138,263	1,015,132	280,000	(735,132)	-72%
12	Visitor Facilities Trust Account	2,712,406	2,471,052	2,345,524	2,215,901	2,446,504	230,603	10%
13	Total Revenues	51,594,036	52,217,048	58,717,071	57,239,742	58,919,117	1,679,375	3%
14							-	
15	Capital Outlay	298,992	12,796	-	-	-	-	
16	Food & Beverage Services	12,774,024	12,298,206	13,946,162	13,694,997	13,970,429	275,432	2%
17	Materials and Services	11,782,522	14,255,752	14,240,191	15,484,426	16,995,924	1,511,498	10%
18	Personnel Services	16,558,158	16,296,492	17,696,176	19,860,619	20,286,357	425,738	2%
19	Transfers-E	4,548,947	5,088,997	5,414,178	9,001,335	5,808,332	(3,193,003)	-35%
20	Visitor Development Marketing	441,358	450,000	462,694	472,781	482,614	9,833	2%
21	Total Expenditures	46,404,001	48,402,241	51,759,941	58,514,158	57,543,656	(970,502)	-2%
22	Net Operations	5,190,035	3,814,807	6,957,131	(1,274,416)	1,375,461	2,649,877	-208%
23							-	
24	Capital						0	
25	Contributions from Private	75,000	85,000	200,000	387,501	637,501	250,000	65%
26	Grants	410,072	422,333	243,149	-	-	-	
27	Lodging Tax	1,066,283	1,923,700	5,241,751	-	-	-	
28	Miscellaneous Revenue	10,986	-	14,633	-	-	-	
29	Other Financing Sources	-	5,190	3,125	-	-	-	
30	Transfers-R	-	-	-	110,000	320,000	210,000	191%
31	Total Revenues	1,562,340	2,436,223	5,702,658	497,501	957,501	460,000	92%
32							-	
33	Capital Outlay	2,499,727	4,605,435	4,353,906	8,483,500	6,454,328	(2,029,172)	-24%
34	Total Expenditures	2,499,727	4,605,435	4,353,906	8,483,500	6,454,328	(2,029,172)	-24%
35	Net Capital	(937,387)	(2,169,212)	1,348,752	(7,985,999)	(5,496,827)		
36	Fund Balance	4,252,649	1,645,594	8,305,883	(9,260,415)	(4,121,366)		
37								
38	Food & Beverage Margin \$	3,010,696	1,754,635	3,437,088	2,630,146	3,277,900	647,754	25%
39	Food & Beverage Margin %	19.07%	12.49%	19.77%	16.11%	19.00%		
40								
41	Full-Time Equivalent (FTE) Positions	181.50	175.50	182.35	186.35	185.85	(0.50)	-0.27%
42								

MERC Statement of Activity with Annual Budget
 Metropolitan Exposition-Recreation Commission
 All Departments
 2017

	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Budget	2016-17 Budget	Change in Annual Budget	
						\$	%
43 Fund Balance							
44 Beginning Fund Balance (Budgeted)			31,934,460	34,133,771	40,849,697		
45 Fund Balance Inc. (Dec.)			8,305,883	(9,275,415)	(4,131,652)		
46 Ending Fund Balance	30,414,366	31,934,460	40,240,343	24,858,356	36,718,045		
47							
48 Operating Contingency				2,515,000	2,515,000		
49 Renewal & Replacement				11,260,000	23,830,767		
50 New Capital / Business Strategy				4,938,974	5,222,896		
51 TLT Pooled Capital				6,144,382	5,149,382		
52 Total Reserves				24,858,356	36,718,045		
53							
54 Beginning Fund Balance (Actual)				40,240,343			
55 Fund Balance Inc. (Dec.) (Projected)				609,353			
56 Ending Fund Balance (Projected)				40,849,696			
57							
58							
59 Total Resources				91,856,014	100,726,315		
60 Total Requirements				91,856,014	100,726,315		

MERC Statement of Activity with Annual Budget
 Metropolitan Exposition-Recreation Commission
 Expo Fund
 2017

Line Operations	2012-13	2013-14	2014-15	2015-16	2016-17	Change in Annual Budget	
	Actual	Actual	Actual	Budget	Budget	\$	%
1 Charges for Services	2,296,290	2,398,860	2,396,914	2,662,630	2,592,426	(70,204)	-2.64%
2 Parking	1,567,220	1,657,504	1,414,685	1,720,906	1,575,029	(145,877)	-8%
3 Contributions from Private Sources				15,000		(15,000)	-100%
4 Food and Beverage Revenue	1,903,409	1,986,464	1,908,780	1,911,165	1,996,210	85,045	4%
5 Grants	-	11,683	-	-	-	-	0%
6 Interest Earnings	12,484	20,690	17,414	18,000	18,000	-	0%
7 Miscellaneous Revenue	19,344	18,175	33,100	23,250	24,850	1,600	7%
8 Transfers-R	(119,249)	(111,875)	213,330	203,997	280,000	76,003	37%
9 <i>General Fund - MTOCA</i>			280,000	280,000	280,000	-	0%
10 <i>General Fund - Support Services Subsidy FY16 One-time</i>			-	19,500	-	(19,500)	-100%
11 <i>General Fund - Support Services Subsidy FY15 Part II</i>			56,666	27,833	-	(27,833)	-100%
12 <i>MERC Admin Support</i>	(119,249)	(111,875)	(123,336)	(123,336)	-	123,336	-100%
13 Total Revenues	5,679,498	5,981,501	5,984,223	6,554,948	6,486,515	(68,433)	-1%
14							
15 Capital Outlay	22,306	-	-	-	-	-	
16 Food & Beverage Services	1,659,914	1,711,086	1,690,782	1,635,587	1,686,681	51,094	3%
17 Materials and Services	1,156,463	1,405,290	1,252,238	1,482,018	1,393,615	(88,403)	-6%
18 Personnel Services	1,484,027	1,510,480	1,668,415	1,797,467	1,786,611	(10,856)	-1%
19 Transfers-E	307,205	327,324	428,044	555,157	582,957	27,800	5%
20 <i>General Fund - Support Services</i>	307,205	327,324	411,666	555,157	582,957	27,800	5%
21 <i>General Fund - PERS Reserve</i>			21,500	-	-	-	
22 Total Expenditures	4,629,916	4,954,179	5,039,479	5,470,229	5,449,864	(20,365)	0%
23 Net Operations	1,049,583	1,027,321	944,744	1,084,719	1,036,651	(48,068)	-4%
24							
25 Debt Service	1,187,132	1,188,651	1,188,050	1,186,176	1,182,528	(3,648)	0%
26 Operations net of Debt	(137,549)	(161,330)	(243,306)	(101,457)	(145,877)	(44,420)	44%
27							
28 Capital							
29 Grants	-	385,533	129,250	-	-	-	
30 Contributions from Private (ARA)			30,000	72,188	143,438	71,250	99%
31 Other Financing Sources	-	5,190	3,125	-	-	-	
32 Transfers-R	-	-	-	-	-	-	
33 <i>TLT Pooled Capital</i>	270,000	165,000	360,000	280,000	620,000	340,000	121%
34 Total Revenues	270,000	555,723	522,375	352,188	763,438	411,250	117%
35							
36 Capital Outlay	472,332	962,510	478,441	1,361,000	1,121,740	(239,260)	-18%
37 Total Expenditures	472,332	962,510	478,441	1,361,000	1,121,740	(239,260)	-18%
38 Net Capital	(202,332)	(406,787)	43,934	(1,008,812)	(358,302)		
39 Fund Balance	(339,881)	(568,117)	(199,372)	(1,110,269)	(504,179)		
40							
41							
42 Food & Beverage Margin \$	243,496	275,378	217,998	275,578	309,529	33,951	12%
43 Food & Beverage Margin %	12.8%	13.9%	11.4%	14.4%	15.5%		
44							
45 Full-Time Equivalent (FTE) Positions	13.30	12.30	14.80	15.80	15.30	(0.50)	-3.38%
46							

MERC Statement of Activity with Annual Budget
 Metropolitan Exposition-Recreation Commission
 Expo Fund
 2017

	2012-13	2013-14	2014-15	2015-16	2016-17	Change in Annual Budget	
	Actual	Actual	Actual	Budget	Budget	\$	%
47 Fund Balance							
48 Beginning Fund Balance (Budgeted)			3,367,237	3,167,865	2,798,742	3,167,865	
53 Fund Balance Inc. (Dec.)			(199,372)	(1,110,269)	(504,179)		
54 Ending Fund Balance	3,935,353	3,367,237	3,167,865	2,057,596	2,294,563		
55							
56 Operating Contingency				350,000	350,000		
57 Renewal & Replacement				-	-		
58 New Capital / Business Strategy				1,707,596	1,944,563		
59 Total Reserves				2,057,596	2,294,563		
60							
61 Beginning Fund Balance (Actual)				3,167,865			
62 Fund Balance Inc. (Dec.) (Forecasted)				(369,123)			
63 Ending Fund Balance (Forecasted)				2,798,742			
64							
65 Total Resources				10,075,001	10,048,695		
66 Total Requirements				10,075,001	10,048,695		
67				-	-		

MERC Statement of Activity with Annual Budget
Metropolitan Exposition-Recreation Commission
Convention Center Operating Fund
2017

Line Operations	2012-13	2013-14	2014-15	2015-16	2016-17	Change in Annual Budget	
	Actual	Actual	Actual	Budget	Budget	\$	%
1 Charges for Services	9,549,810	8,674,381	11,548,219	10,236,686	10,764,464	527,778	5%
2 Enhanced Marketing VDF	441,358	450,000	462,694	472,781	482,614	9,833	2%
3 Food and Beverage Revenue	11,727,208	9,972,528	12,485,252	11,750,000	12,000,000	250,000	2%
4 Grants	-	20,739	6,878	-	-	-	-
5 Interest Earnings	31,130	64,792	75,938	30,000	75,000	45,000	150%
6 Interfund Loans	-	1,919,916	-	-	-	-	-
7 Lodging Tax	8,981,106	9,609,783	9,519,489	10,097,485	10,593,288	495,803	5%
8 Miscellaneous Revenue	23,422	19,724	44,722	16,000	17,000	1,000	6%
9 Transfers-R	(223,367)	(223,432)	93,756	(66,242)	(856,898)	(790,656)	1194%
10 <i>General Fund - Hotel Support</i>	-	-	321,000	-	-	-	-
11 <i>General Fund - MTOCA</i>	546,633	418,633	320,000	210,000	-	(210,000)	-100%
12 <i>Hotel Bond Reimbursement</i>	-	-	-	265,000	-	(265,000)	-100%
13 <i>General Fund - Support Services Subsidy FY</i>	-	-	80,298	86,300	-	(86,300)	-100%
14 <i>General Fund - Support Services Subsidy FY</i>	-	-	80,299	80,299	-	(80,299)	-100%
15 <i>MERC Admin Support</i>	(770,000)	(642,065)	(707,841)	(707,841)	(856,898)	(149,057)	21%
16 Visitor Facilities Trust Account	2,081,895	1,826,052	1,682,329	1,548,281	1,754,757	206,476	13%
17 Total Revenues	32,612,563	32,334,483	35,919,277	34,084,991	34,830,225	745,234	2%
18							
19 Capital Outlay	276,685	12,796	-	-	-	-	-
20 Food & Beverage Services	9,386,663	8,855,561	10,058,470	9,815,867	9,762,922	(52,945)	-1%
21 Materials and Services	7,752,806	9,589,298	8,250,490	9,153,855	9,936,571	782,716	9%
22 Personnel Services	8,531,668	8,549,439	9,279,349	10,737,796	10,980,427	242,631	2%
23 Transfers-E	1,934,976	2,427,981	3,003,759	6,040,444	2,762,311	(3,278,133)	-54%
24 <i>Hotel Development</i>	-	-	472,796	3,400,000	-	(3,400,000)	-100%
25 <i>General Fund - Hotel PM</i>	127,450	142,347	97,604	69,345	72,212	2,867	4%
26 <i>General Fund - Support Services</i>	1,807,526	1,843,570	2,080,459	2,381,662	2,500,662	119,000	5%
27 <i>General Fund - Ptlld Streetcar Loan</i>	-	442,064	227,400	189,437	189,437	-	0%
28 <i>General Fund - PERS Reserve</i>	-	-	125,500	-	-	-	-
29 Visitor Development Marketing	441,358	450,000	462,694	472,781	482,614	9,833	2%
30 Total Expenditures	28,324,156	29,885,075	31,054,762	36,220,743	33,924,845	(2,295,898)	-6%
31 Net Operations	4,288,406	2,449,408	4,864,515	(2,135,752)	905,380	3,041,132	-142%
32							
33 Capital							
34 Contributions from Private (ARA)	-	-	125,000	242,188	398,438	156,250	65%
35 Grants	406,640	1,800	-	-	-	-	-
36 Miscellaneous Revenue	10,986	-	14,633	-	-	-	-
37 Transfers-R	90,000	615,000	-	650,000	695,000	45,000	7%
38 <i>MTOCA</i>	-	-	-	110,000	320,000	210,000	191%
39 <i>TLT Pooled Capital</i>	90,000	615,000	1,123,000	540,000	375,000	(165,000)	-31%
40 Total Revenues	507,626	616,800	1,262,633	892,188	1,093,438	201,250	23%
41							
42 Capital Outlay	1,473,754	2,712,266	2,322,780	3,966,400	2,180,068	(1,786,332)	-45%
43 Total Expenditures	1,473,754	2,712,266	2,322,780	3,966,400	2,180,068	(1,786,332)	-45%
44 Net Capital	(966,129)	(2,095,466)	(1,060,147)	(3,074,212)	(1,086,630)	1,987,582	-
45 Fund Balance	3,322,277	353,943	3,804,368	(5,209,964)	(181,250)	5,028,714	-
46							
47 Food & Beverage Margin \$	2,340,545	1,116,968	2,426,782	1,934,133	2,237,078	302,945	16%
48 Food & Beverage Margin %	19.96%	11.20%	19.44%	16.46%	18.64%		
49							
50 Full-Time Equivalent (FTE) Positions	110.30	112.30	114.65	114.65	114.65	-	0.00%
51							

MERC Statement of Activity with Annual Budget
 Metropolitan Exposition-Recreation Commission
 Convention Center Operating Fund
 2017

	2012-13	2013-14	2014-15	2015-16	2016-17	Change in Annual Budget	
	Actual	Actual	Actual	Budget	Budget	\$	%
52 Fund Balance							
53 Beginning Fund Balance (Budgeted)			14,644,177	14,174,771	18,513,545		-
58 Fund Balance Inc. (Dec.)			3,804,368	(5,209,964)	(181,250)		
59 Ending Fund Balance	14,415,732	14,644,177	18,448,545	8,964,807	18,332,295		
60							
61 Operating Contingency				1,500,000	1,500,000		
62 Renewal & Replacement				6,190,729	15,558,217		
63 New Capital / Business Strategy				1,274,078	1,274,078		
64 Total Reserves				8,964,807	18,332,295		
65							
66 Beginning Fund Balance (Actual)				18,448,545			
67 Fund Balance Inc. (Dec.) (Forecasted)				65,000			
68 Ending Fund Balance (Forecasted)				18,513,545			
69							
70 Total Resources				49,151,950	54,437,208		
71 Total Requirements				49,151,950	54,437,208		
72				-	-		

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

Portland's 5 Centers for the Arts Fund

2017

Line	Operations	2012-13	2013-14	2014-15	2015-16	2016-17	Change in Annual Budget	
		Actual	Actual	Actual	Budget	Budget	\$	%
1	Charges for Services	7,405,258	8,142,899	9,957,385	10,091,678	10,351,965	260,287	3%
2	Contributions from Governments	798,035	814,794	837,608	853,950	871,029	17,079	2%
3	Contributions from Private (ARA)					13,000	13,000	
4	Food and Beverage Revenue	2,154,102	2,093,848	2,989,218	2,663,978	3,252,119	588,141	22%
5	Grants	12,073	-	5,995	-	55,000	55,000	
6	Interest Earnings	48,489	76,255	100,967	31,000	60,000	29,000	94%
7	Lodging Tax	1,262,834	1,294,405	1,311,226	1,345,973	1,371,029	25,056	2%
8	Miscellaneous Revenue	72,049	68,133	81,962	56,227	61,590	5,363	10%
9	Transfers-R	(463,750)	(388,603)	(428,413)	(382,213)	(353,061)	29,152	-8%
10	General Fund - Support Services Subsidy FY16 One-time			-	46,200	-	(46,200)	-100%
11	MERC Admin Support	(463,750)	(388,603)	(428,413)	(428,413)	(353,061)	75,352	-18%
12	Visitor Development Fund Alloc	630,511	645,000	663,195	667,620	691,747	24,127	4%
13	Total Revenues	11,919,601	12,746,731	15,519,143	15,328,213	16,374,418	1,046,205	7%
14								
15	Food & Beverage Services	1,727,447	1,731,559	2,196,910	2,243,543	2,520,826	277,283	12%
16	Materials and Services	2,644,325	3,031,888	3,967,386	4,368,968	5,126,153	757,185	17%
17	Personnel Services	5,437,387	5,497,004	5,975,182	6,494,395	6,642,824	148,429	2%
18	Transfers-E	1,119,634	1,145,041	1,255,121	1,219,558	1,280,536	60,978	5%
19	General Fund - Support Services	1,119,634	1,145,041	1,176,121	1,219,558	1,280,536	60,978	5%
20	General Fund - PERS Reserve			79,000	-	-	-	
21	Total Expenditures	10,928,793	11,405,493	13,394,599	14,326,464	15,570,339	1,243,875	9%
22	Net Operations	990,808	1,341,238	2,124,544	1,001,749	804,079	(197,670)	-20%
23								
24	Capital							
25	Contributions from Private (ARA)	75,000	85,000	45,000	58,125	95,625	37,500	65%
26	Grants	3,432	35,000	113,899	-	-	-	
27	Total Revenues	78,432	120,000	158,899	58,125	95,625	37,500	65%
28								
29	Capital Outlay	493,423	643,700	1,498,685	3,156,100	3,152,520	(3,580)	0%
30	Total Expenditures	493,423	643,700	1,498,685	3,156,100	3,152,520	(3,580)	0%
31	Net Capital	(414,991)	(523,700)	(1,339,786)	(3,097,975)	(3,056,895)		
32	Fund Balance	575,817	817,538	784,758	(2,096,226)	(2,252,816)		
33								
34	Food & Beverage Margin \$	426,655	362,289	792,308	420,435	731,293	310,858	74%
35	Food & Beverage Margin %	19.81%	17.30%	26.51%	15.78%	22.49%		
36								
37	Full-Time Equivalent (FTE) Positions	46.40	44.40	46.90	49.40	49.40	-	0.00%

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

Portland's 5 Centers for the Arts Fund

2017

	2012-13	2013-14	2014-15	2015-16	2016-17	Change in Annual Budget	
	Actual	Actual	Actual	Budget	Budget	\$	%
38							
39	Fund Balance						
40	Beginning Fund Balance (Budgeted)			9,837,692	8,789,652	11,348,488	8,789,652
45	Fund Balance Inc. (Dec.)			784,758	(2,096,226)	(2,252,816)	
46	Ending Fund Balance	9,020,156	9,837,692	10,622,450	6,693,426	9,095,672	
47							
48	Operating Contingency			600,000	600,000		
49	Renewal & Replacement			4,136,126	6,491,417		
50	New Capital / Business Strategy			1,957,300	2,004,255		
51	Total Reserves			6,693,426	9,095,672		
52							
53	Beginning Fund Balance (Actual)			10,622,451			
54	Fund Balance Inc. (Dec.) (Forecasted)			726,037			
55	Ending Fund Balance (Forecasted)			11,348,488			
56							
57	Total Resources			24,175,990	27,818,531		
58	Total Requirements			24,175,990	27,818,531		
59				-	-		

MERC Statement of Activity with Annual Budget
Metropolitan Exposition-Recreation Commission
MERC Admin Sub Fund
2017

Line	Operations	2012-13	2013-14	2014-15	2015-16	2016-17	Change in Annual Budget	
		Actual	Actual	Actual	Budget	Budget	\$	%
1	Charges for Services	(0)	25	17,406	-	-	-	-
2	Interest Earnings	7,376	11,611	17,433	12,000	18,000	6,000	50%
3	Miscellaneous Revenue	-	155	-	-	-	-	-
4	Transfers-R	1,374,999	1,142,543	1,259,590	1,259,590	1,209,959	(49,631)	-4%
5	MERC Admin Support From OCC	770,000	642,065	707,841	707,841	856,898	149,057	21%
6	MERC Admin Support From P5	463,750	388,603	428,413	428,413	353,061	(75,352)	-18%
7	MERC Admin Support From Expo	119,249	111,875	123,336	123,336	-	(123,336)	-100%
8	Total Revenues	1,382,375	1,154,334	1,294,429	1,271,590	1,227,959	(43,631)	-3%
9								
10	Materials and Services	228,927	229,275	297,282	479,585	539,585	60,000	13%
11	Personnel Services	1,105,077	739,568	773,769	830,961	886,781	55,820	7%
12	Transfers-E	-	-	12,000	-	-	-	-
13	General Fund - PERS Reserve			12,000				
14	Total Expenditures	1,334,004	968,844	1,083,051	1,310,546	1,426,366	115,820	9%
15	Net Operations	48,371	185,490	211,378	(38,956)	(198,407)	(159,451)	409%
16	Capital							
17	Lodging Tax	1,066,283	1,923,700	5,241,751	-	-		
18	Transfers-R	(360,000)	(780,000)	(1,483,000)	(820,000)	(995,000)	(175,000)	21%
19	TLT Pooled Capital to OCC	(90,000)	(615,000)	(1,123,000)	(540,000)	(375,000)	165,000	-31%
20	TLT Pooled Capital to Expo	(270,000)	(165,000)	(360,000)	(280,000)	(620,000)	(340,000)	121%
21	Total Revenues	706,283	1,143,700	3,758,751	(820,000)	(995,000)	(175,000)	21%
22								
23	Capital Outlay	60,218	286,959	54,000	-	-		
24	Total Expenditures	60,218	286,959	54,000	-	-	-	-
25	Net Capital	646,065	856,740	3,704,751	(820,000)	(995,000)		
26	Fund Balance	694,436	1,042,231	3,916,129	(858,956)	(1,193,407)		
27								
28	Full-Time Equivalent (FTE) Positions	11.50	6.50	6.00	6.50	6.50	-	0.00%
29								
30	Fund Balance							
31	Beginning Fund Balance (Budgeted)			4,085,354	8,001,483	8,188,922		
35	Fund Balance Inc. (Dec.)			3,916,129	(858,956)	(1,193,407)		
36	Ending Fund Balance	3,043,125	4,084,393	8,001,483	7,142,527	6,995,515		
37								
38	Operating Contingency			65,000	65,000	65,000		
39	Renewal & Replacement			933,145	933,145	1,781,133		
40	TLT Pooled Capital			7,003,338	6,144,382	5,149,382		
41				8,001,483	7,142,527	6,995,515		
42				-	-			
43	Beginning Fund Balance (Actual)			4,085,354	8,001,483			
44	Fund Balance Inc. (Dec.) (Forecasted)			148,413	187,439			
45	Ending Fund Balance (Forecasted)			4,233,767	8,188,922			
46								
47								
48	Total Resources			9,138,534	8,453,073	8,421,881		
49	Total Requirements			9,138,534	8,453,073	8,421,881		
50				-	-	-		

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



Metropolitan Exposition and Recreation Commission

OREGON

Oregon
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Center

Budget Committee Meeting

January 27, 2016



PORTLAND'S
CENTERS FOR THE ARTS



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Agenda

Opening Remarks

Scott Robinson

MERC Budget Overview

Ben Rowe

Venue Budgets

Portland Expo Center

Ben Rowe / Matthew Rotchford

Oregon Convention Center

Ben Rowe / Scott Cruickshank

Portland's 5 Centers for the Arts

Ben Rowe / Robyn Williams

Review Agenda for February 17th Meeting

Adjourn





Budget Themes

Capital

1. OCC Hotel
2. Expo Project
3. Portland'5 Project
4. TLT Pooled Capital Forecast
5. **New: Payment Card Industry (PCI) Compliance**

Operating

5. Personnel Costs
 - Paid Sick Leave
 - Minimum Wage
 - Affordable Care Act
 - Labor Agreements
 - Class & Compensation Studies

MERC Budget Summary (Thousands)

Operating Revenues	2014 Actual	2015 Actual	2016 Budget	2017 Budget	\$	%
Charges for Services	20,874	25,335	24,712	25,284	572	2.3%
Food & Beverage	14,053	17,383	16,325	17,248	923	5.7%
Lodging Tax	10,904	10,831	11,443	11,964	521	4.6%
Visitor Development	2,921	2,808	2,689	2,929	240	8.9%
Other Revenue	3,465	2,360	2,056	1,480	-575	-28.0%
Operating Revenues	52,217	58,717	57,225	58,906	1,681	2.9%
Operating Expenses						
Personnel	16,296	17,696	19,861	20,286	426	2.1%
Food & Beverage	12,298	13,946	13,695	13,970	275	2.0%
Materials & Services	14,256	14,240	15,484	16,996	1,511	9.8%
Other	5,552	5,877	6,074	6,291	217	3.6%
Hotel Development			3,400	-	-3,400	-100.0%
Operating Expenses	48,402	51,759	58,514	57,544	2,429	4.2%
Net Operations	3,815	6,957	-1,274	1,375	2,650	
Food & Beverage Margin	12.5%	19.8%	16.1%	19.0%		



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MERC Budget Overview

- **Event Revenues** – each venue is forecasting a robust event schedule:
 - **OCC** - 47 National conventions, more than average, less than 50 hosted in FY16
 - **Portland’5** – 9.5 weeks of Broadway, 2.5 less than FY16
 - **Expo** – 3% Revenue CAGR over FY15 actuals, proposed budget does not include Cirque
- **Food & Beverage** – proportional to event schedule
- **Personnel** – increases only 2% over FY16 budget
- **Materials & Services** – venues budgeted conservative M&S:
 - **OCC** + 9% would be + 1% if not for \$400K TriMet passes & \$250K Marketing contract increases
 - **P5** + 17% would be + 0% if not for Portland’5 Presents program growth
 - **Expo** (- 6%) absorbed **\$34K** increase in water & sewer charges
 - **Admin** + 13% - would be + 0% if not for Expo project consulting & software maintenance increases
- **Hotel Development** - \$3.4 million budgeted in FY 2016 but not in FY17



MERC Budget Overview – Personnel – FTE

	2014 Actual	2015 Actual	2016 Budget	2017 Budget	Difference 16/17	Additional Request	2017 Total
OCC	112.30	114.65	114.65	114.65	0.00	1.00	115.65
Portland'5	44.40	46.90	49.40	49.40	0.00	3.00	52.40
Expo	12.30	14.80	15.80	15.30	(0.50)	0.00	15.30
Admin	6.50	6.00	6.50	6.50*	0.00	0.00	6.50
	175.50	182.35	186.35	185.85	(0.50)	4.00	189.85

- 0.50 Part-time limited duration FTE decrease in Expo from FY16 to FY17 due to transition of scope of work for the Marketing & Promotions Coordinator Position I to temporary/variable hour work.
- ***MERC Admin** requesting to extend limited duration Policy Analyst position 8 months to June 30, 2017
- Other additional requests will be itemized in the Venue specific budgets.



MERC Budget Overview – Support Services

MERC Support Services Charges	2015	2016	2017 (est)	\$	%
Support Services (General Fund)	3,391,666	3,788,155	3,995,933	207,778	5%
Building Management	19,501	20,659	20,659	-	0%
Risk	264,046	347,563	347,563	-	0%
Total Indirect/Direct Charges	3,675,213	4,156,377	4,364,155	207,778	5%

- Support Services Charges forecasted to increase 5%
(Human Resources, Information Technology, Finance, Communications)



MERC Budget Overview – MERC Admin Charges

MERC Support Services Charges	2015	2016	2017	\$	%
OCC	707,841	707,841	816,073	108,232	15%
Portland'5	428,413	428,413	436,462	8,049	2%
Expo	123,336	123,336	-	-	(-100%)
Total Indirect/Direct Charges	1,294,429	1,294,429	1,209,959	116,281	(-4%)

- Charges represent % of venue expense budget of total MERC: OCC-57%, P5-34%, Expo-9%
- Portland'5 is receiving a one-time \$44K subsidy for Education and Community Engagement Manager Position
 - Portland'5 actual Y-O-Y charges are \$52K, 12%
- Expo is receiving one-time \$130K, 100% subsidy from MERC Admin fund balance
 - Expo actual Y-O-Y charges are \$6K, 5%

MERC Budget Overview – Capital

MERC Capital Funding Fiscal Year 2016

	MERC Funds			External Funding		Total
	Renewal Replacement	Business Strategy	TLT Pooled	Aramark Capital	MTOCA (General Fund)	
OCC	1,330,068	180,000	375,000	-	320,000	2,205,068
Portland 5	3,051,000	-	-	60,000	-	3,111,000
Expo	386,740	10,000	620,000	125,000	-	1,141,740
MERC Total	4,767,808	190,000	995,000	185,000	320,000	6,457,808

- No changes since December 16th MERC Budget Committee Meeting

Note: Aramark capital contributions to the Venues are distributed on a 5-year schedule. Venues may plan to spend more than their accrued Aramark contribution amounts for project timing purposes and be paid back by the scheduled payments.

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Capital Budget Themes

2. Expo Project

Next Steps:

- Continue building business case for VFTA IGA (TLT) request (2018)
 - North Portland hotel / TLT data

- Continue building hybrid scenario scope of work
 - Identifying alignment with Metro/regional priorities
 - Identify complementary tenant uses to Expo business
 - Communication plan with Expo business clients
 - Market & financial feasibility analyses ≈ \$150K
 - Hall C facility analysis

- Discuss financial levers with MERC Budget Committee
- Presentation to Metro Council December work session 2015

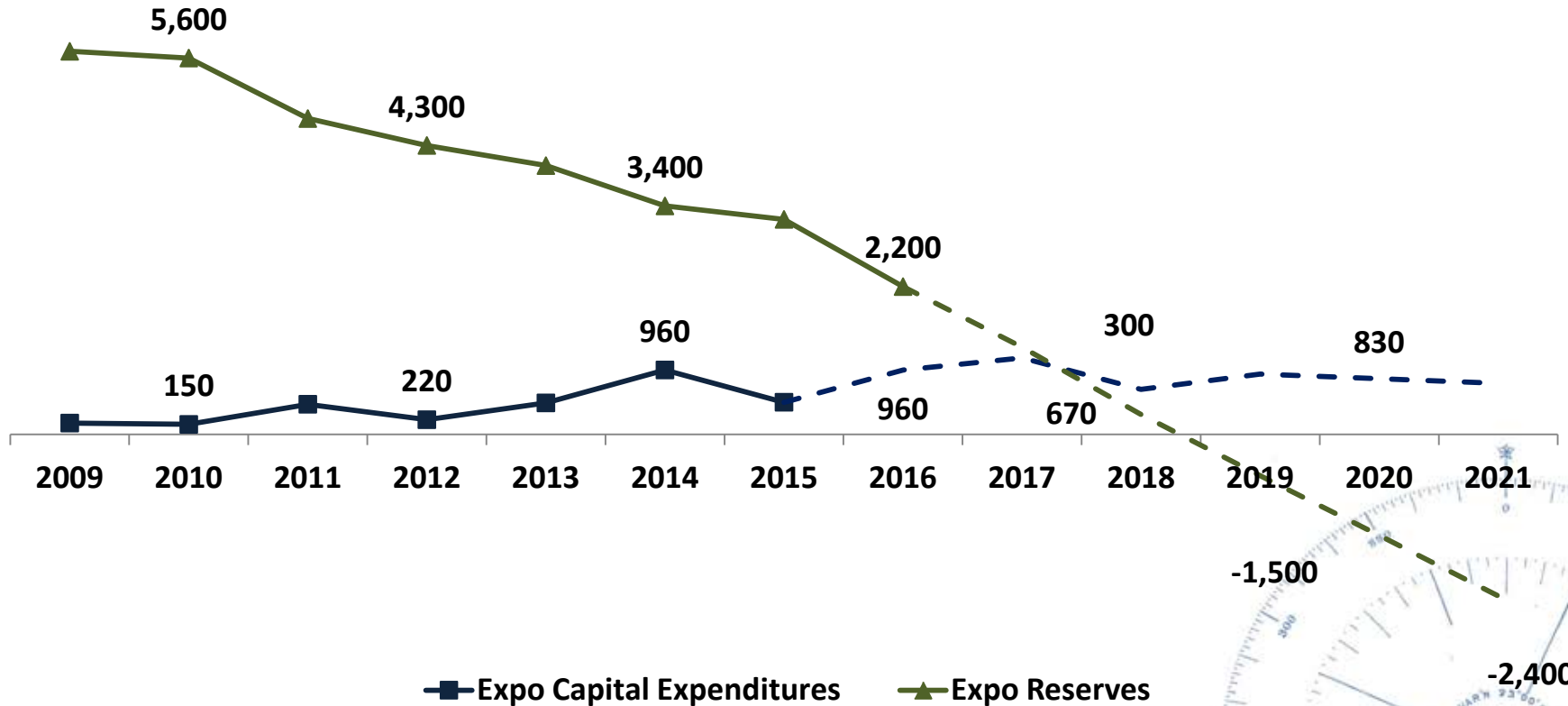
Expo Additional Requests

Additional Request	FTE	\$
Revenue		
Annual MTOCA allocation from General Fund to conduct enhanced marketing and complete facility enhancements	0.00	280,000
TLT Pooled Capital for several capital projects including: ABC roof repairs, Hall A carpet & paint, water efficiency upgrades, landscaping, radios, solar, facility condition assessment, HVAC	0.00	620,000
Revenue Subtotal	0.00	900,000



Expo Capital Expenditures & Reserves Forecast

(\$ Thousands)



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Capital Budget Themes

1. OCC Hotel

- Legal process
- Revenue bonds financial close
- Hotel ground-breaking timeline
- Plaza project
- Facility master planning
- Facility condition assessment

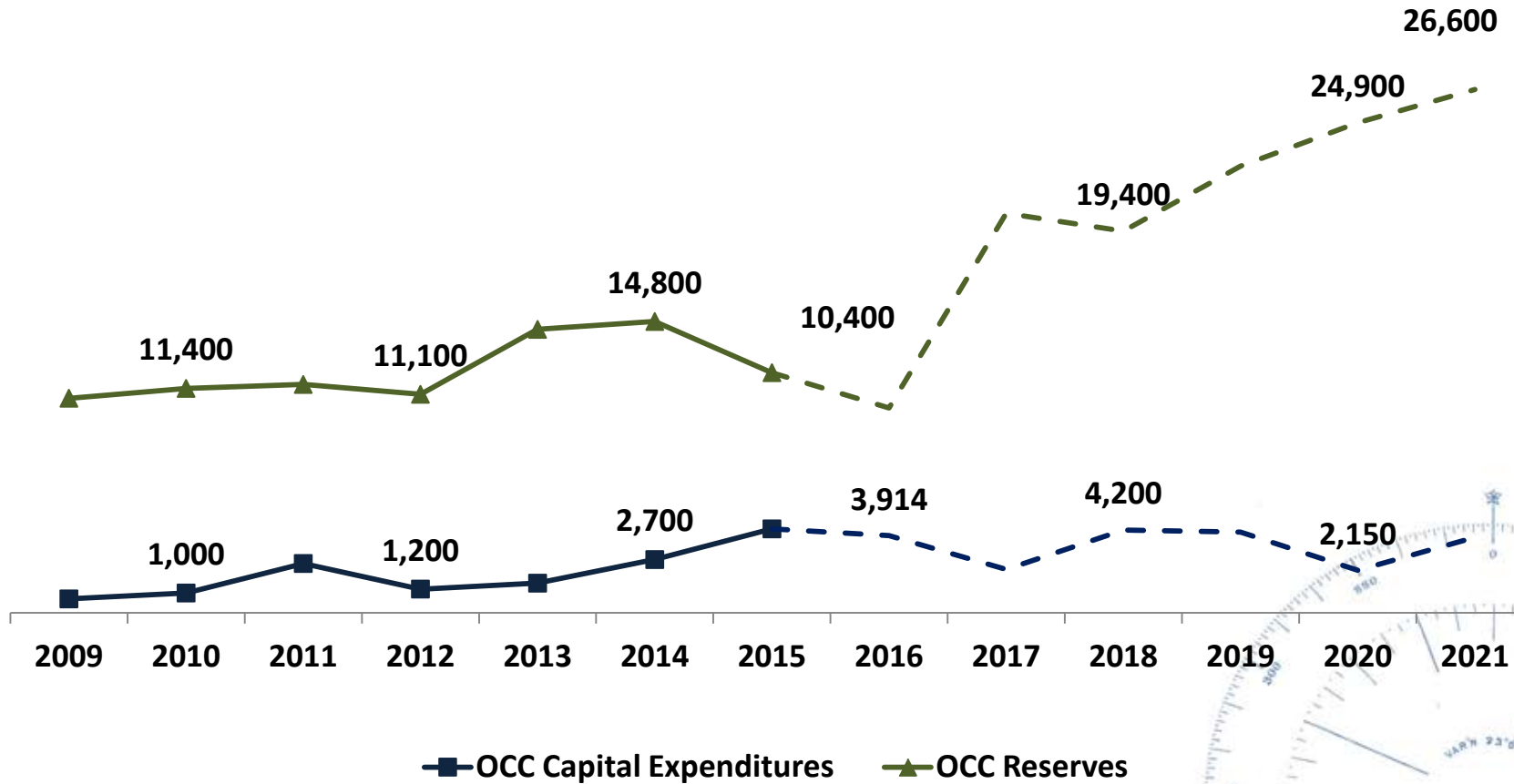
OCC Additional Requests

Additional Request	FTE	\$
Revenue		
Annual MTOCA allocation from General Fund to be used for Xirrus WiFi upgrades & AV equipment	0.00	320,000
General Fund Subtotal		320,000
TLT Pooled Capital allocation to be used for: Mass notification & fire alarm notification upgrades	0.00	375,000
TLT Pooled Capital Subtotal		375,000
Expense		
Audio Visual Department Supervisor	1.00	87,100
Total	1.00	



OCC Capital Expenditures & Reserves Forecast

(\$ Thousands)



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Capital Budget Themes

3. Portland'5 Project

- P5 Facility Condition Assessment (FCA)
 - Waiting for final report from Cardno
 - Identify FCA gaps & required additional studies
- Quantify capital funding gap
 - Once all FCAs are complete, staff will quantify capital needs
- Develop facility asset management plan
 - Prioritize scope and scale of improvements - align capital, maintenance, and business needs
- Messaging and relationship with City of Portland
 - Frame messages, timing, and stakeholders for discussion

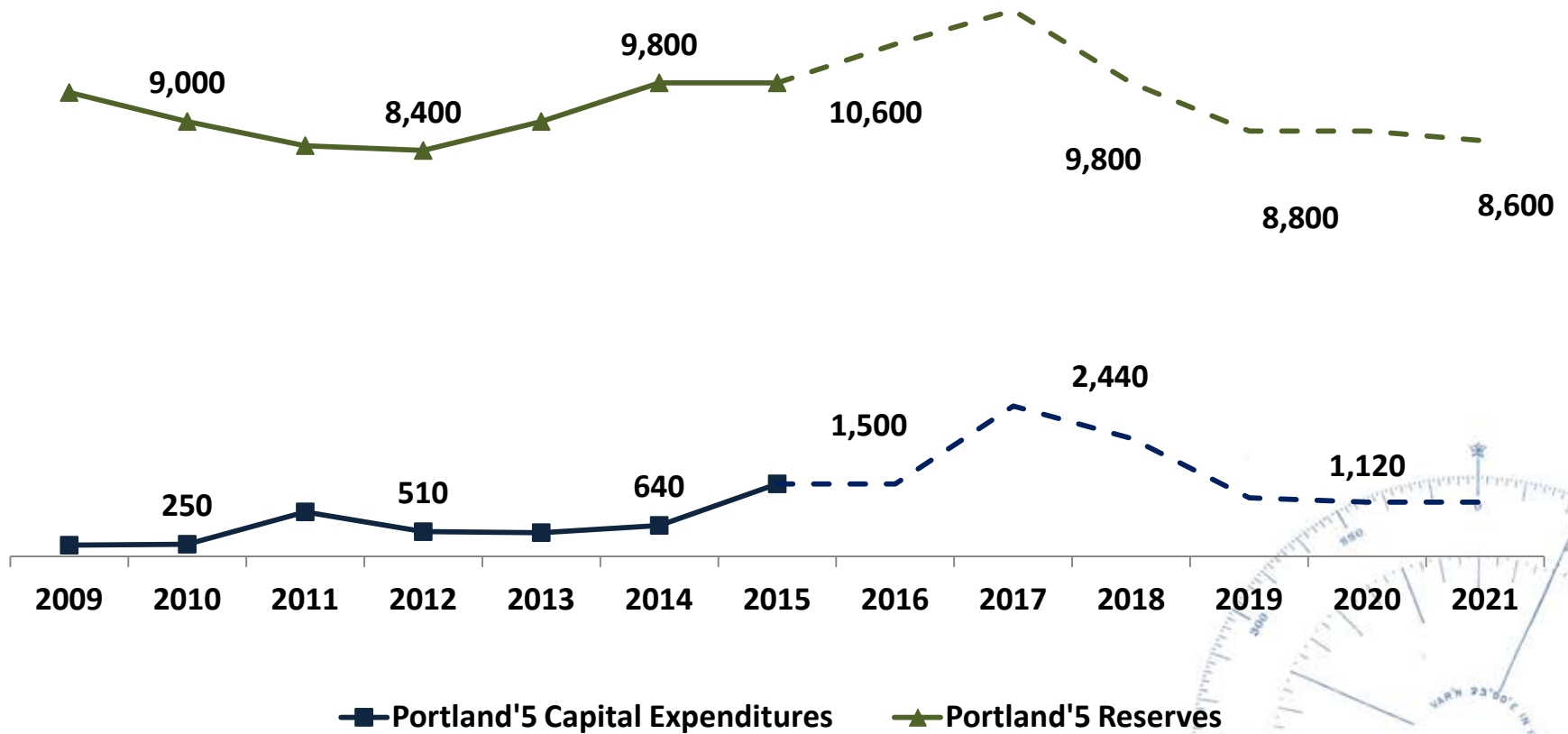
Portland's 5 Additional Requests

Additional Request	FTE	\$
Expense		
Education and Community Engagement Manager for Marketing & Sales Department	1.00	86,800
Administrative Technician for Event Services Department	1.00	64,300
Daytime Utility Lead for Operations Department	1.00	73,200
Total	3.00	224,300



Portland's Capital Expenditures & Reserves Forecast

(\$ Thousands)



February 17th Meeting

Draft Agenda Items:

- MERC Proposed Budget overview
 - Operations & Capital combined
- Revisit Budget Themes
- Review Budget Committee Memo
- Final Capital Requests
- TLT Pooled Capital Forecast
- Support Services Charges final numbers



THANK YOU

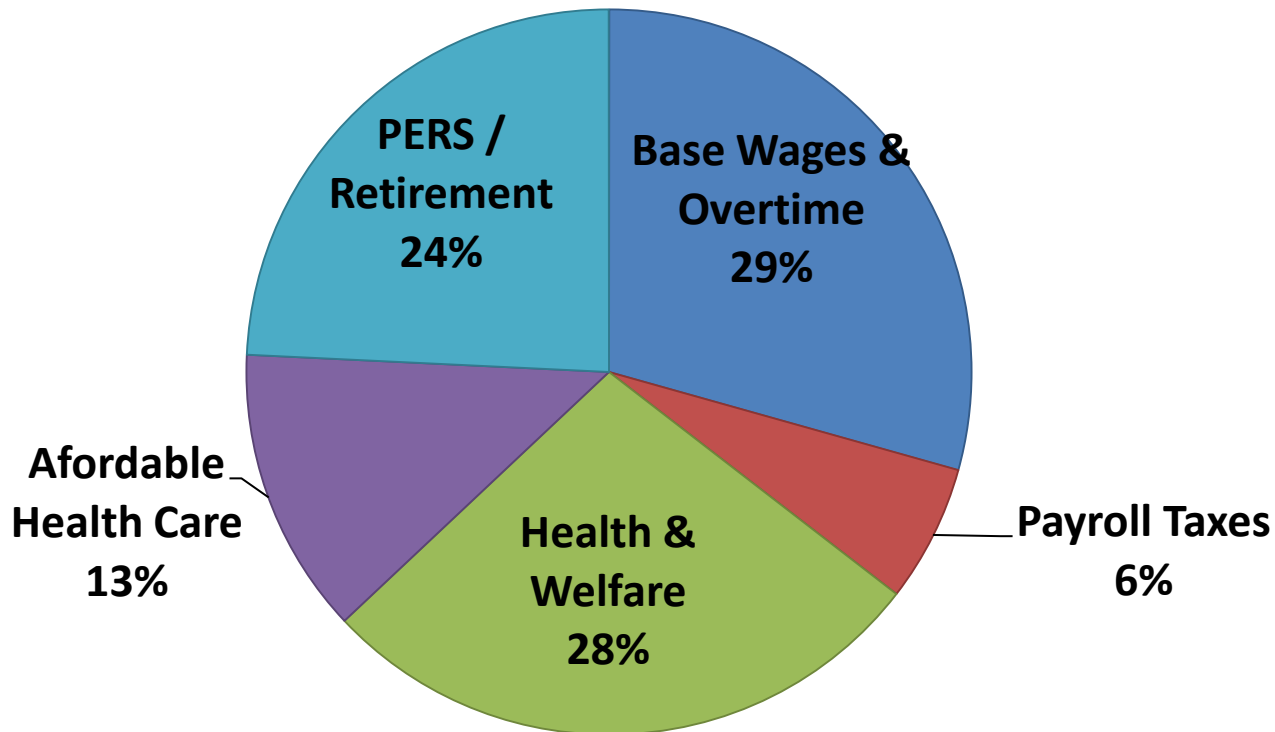


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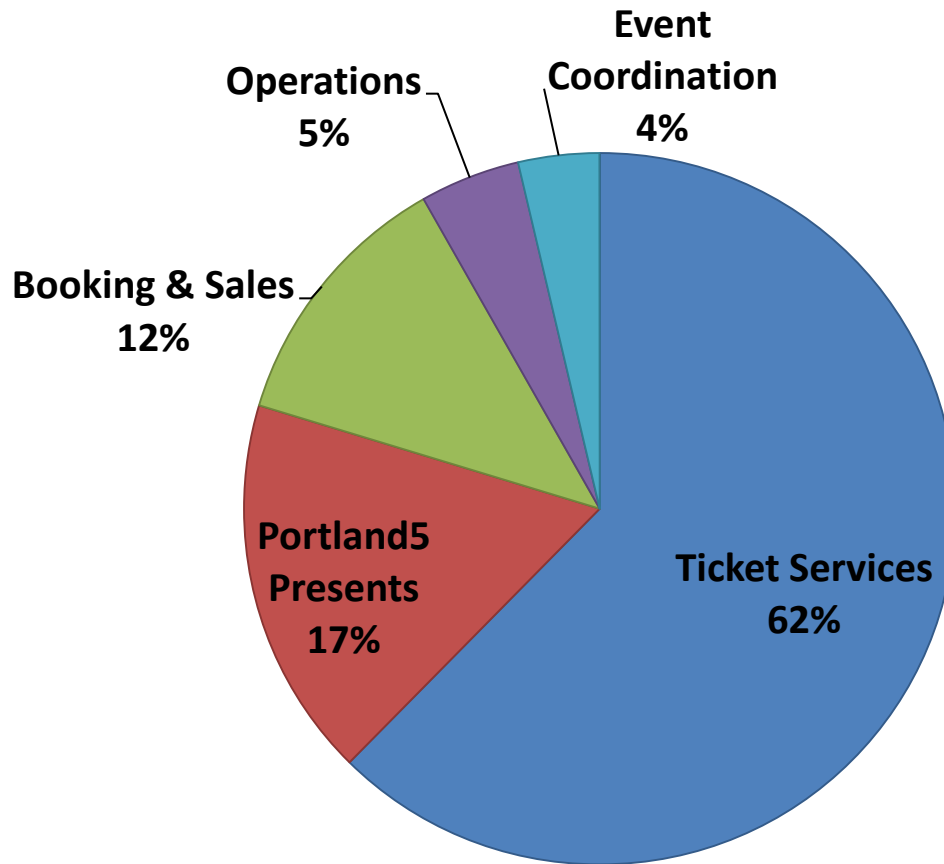
MERC Budget Overview – Personnel

- Personnel Services – Increase of 7.7%, \$1.4 million over FY15



Portland's Charges for Services

Portland's Charges for Services Increase \$2,637,613, 35%



OCC Major Rev & Exp Changes

Revenue Decreases

265,000	Hotel Bond Funding Reimbursement
210,000	Conclusion of General Fund Subsidy for Hotel Project
166,599	Conclusion of General Fund Subsidies for Support Service Charges
641,599	Subtotal

Expense Increases

414,162	Patron TriMet passes pass-through expense. New budgeted Expense.
250,000	National Marketing Contract increase
149,057	MERC Admin charges increase
119,000	Support Services Charges (estimated 5%) increases
95,000	Personnel reclasses & filled vacancies
85,000	Lease payment for Lloyd Lot
1,112,219	Subtotal

1,753,818 **Grand Total**

MERC Venues Resources & Expense Matrix

Resources (✓ = Funding source is available to the Venue)	Expo	OCC	P5
Operating			
Transient Lodging Tax (TLT)		✓	✓
Excise Tax Fund (ETF)		✓	✓
Visitor Facilities Trust Account Pass Through to Travel Prtlnd		✓	
City of Portland Contractual Support			✓
Portland'5 Foundation – Donations			✓
Grants	✓	✓	✓
Investment earnings & other miscellaneous revenue	✓	✓	✓
Metro Tourism and Opportunity Account (MTOCA) – G.F.	✓	✓	
Capital			
TLT Pooled Capital (Transfer from Admin TLT Reserves)	✓	✓	✓
Aramark Capital Contribution	✓	✓	✓
Metro Tourism and Opportunity Account (MTOCA) – G.F.	✓	✓	
Grants / Other private contributions	✓	✓	✓
Reserves			
Operating Contingency	✓	✓	✓
Renewal & Replacement (R&R)	✓	✓	✓
New Capital / Business Strategy	✓	✓	✓

Expenditures (✓ = Venue responsible for the expenditure category)	Expo	OCC	P5
Operating			
Operating Expenditures	✓	✓	✓
Nat. Marketing Cntrct. - Travel Portland - VFTA pass through		✓	
MERC Administration Support (Transfer to MERC Admin)	✓	✓	✓
Support Services (Transfer to the Metro General Fund)	✓	✓	✓
Debt			
Hall D Replacement (Transfer to Expo Bond Fund)	✓		
OCC Streetcar LID Debt (Transfer to Metro General Fund)		✓	
Taxes			
Excise Tax paid to Metro (Paid on gross revenue with exceptions for grants; donations; sponsorships; advertising)	✓	✓	
Capital			
	✓	✓	✓

MERC Proposed Capital Funding FY 2017 – 17

The MERC Fund has three major reserve accounts and two major external funding sources from which to fund capital projects. Included in each Venue's Budget is a detailed list of FY 2016 projects and proposed funding from the following sources.

Renewal & Replacement Reserve

Each Venue has a dedicated Renewal and Replacement reserve within its individual fund. The Renewal and Replacement reserve is the general funding source for replacing equipment such as vehicles and facility elements such as roofs & HVAC systems that have fulfilled their useful life. The R&R reserve is funded with 90% of any net operating revenues at the end of each fiscal year.

Business Strategy Reserve

The Business Strategy funds are dedicated to each venue individually and reserved for specific new (non replacement) capital items or strategic business opportunities requiring seed funding. The Business Strategy Reserve is funded by 10% of any net operating revenue the end of each fiscal year.

Transient Lodging Tax (TLT) Pooled Capital

The TLT Pooled Capital reserve is held collectively at the MERC Fund level and allocated annually to the venues each year for specific projects. The MERC Commission decides how much TLT Pooled Capital to allocate to venues each year during the Budget process. TLT Pooled Capital is funded by any excess of TLT receipts over OCC and Portland's year over year increase caps of 7% and CPI(*) respectively. In Fiscal Year 2014-15 this excess was \$5,241,920, and in Fiscal Year 2013-14 it was \$1,923,697. The TLT Pooled Capital Reserve balance is currently \$7.0 million.

(*Portland-Salem, 2nd half calendar year June – December, Consumer Price Index (CPI), two years prior)

Aramark Capital Contribution

Part of the negotiated five-year agreement with Aramark is a cash capital contribution. MERC renewed its partnership with Aramark in 2014, negotiating a phased capital contribution as follows: \$1 million – September 2014, \$750,000 – July 2015, \$750,000 – July 2016, and \$250,000 – January 2017 if OCC Hotel construction begins.

Metropolitan Tourism Opportunity and Competitiveness Account (MTOCA)

The MTOCA is an annual transfer from the General Fund to OCC and Expo for specific projects that will yield demonstrable marketing advantages like sustainability, the OCC Hotel Project and facility enhancements. The Metro Council has full discretion to allocate any amount to either or both OCC and Expo each fiscal year. The MTOCA transfer amount has been budgeted at \$600,000 the prior two years and is budgeted at \$600,000 in FY 2016 as well. OCC traditionally receives \$420,000 annually and uses this funding for Capital projects. Expo traditionally receives \$180,000 annually and uses it for operational maintenance and marketing programs and for this reason is not included in the Capital Budget discussion.

MERC-Related Acronyms

Aramark	The venues contract with Aramark also referred to as Pacific Wild, for all Food and Beverage services.
AHH	Antoinette Hatfield Hall
AFSCME	American Federation of State, County and Municipal Employees
ASCH	Arlene Schnitzer Concert Hall
Business Strategy Reserve	The Business Strategy funds are dedicated to each venue individually and reserved for specific new (non replacement) capital items or strategic business opportunities requiring seed funding. The Business Strategy Reserve is funded by 10% of any net operating revenue the end of each fiscal year.
CAB	Customer Advisory Board - a group of existing customers convened to advise Travel Portland and its partners on industry trends, business priorities, and strategic direction.
EBMS	Event Business Management System – Software used to manage events and related contracts.
ESB	Emerging Small Business
FAM	Familiarization Trip - trips planned for travel executives in order to provide them with information on what Portland has to offer.
FOTA	First Opportunity Target Area - A hiring program intended to give residents living in an area identified as having more disadvantaged businesses and families a "First Opportunity" in employment at the Oregon Convention Center, Portland's Centers for the Arts and Portland Expo Center.
IGA	Intergovernmental Agreement
IUOE	International Union of Operating Engineers
MTOCA	Metro Tourism Opportunity and Competitiveness Account - an annual transfer from the General Fund to OCC and Expo for specific projects that will yield demonstrable marketing advantages like sustainability, the OCC Hotel Project and facility enhancements. The Metro Council has full discretion to allocate any amount to either or both OCC and Expo each fiscal year. The MTOCA transfer amount has been traditionally budgeted at \$600,000 the prior two years. OCC traditionally receives \$420,000 annually and uses this funding for Capital projects. Expo traditionally receives \$180,000 annually and uses it for operational maintenance and marketing programs.
MOU	Memorandum of Understanding
OBT	Oregon Ballet Theater - a resident company of the Keller Auditorium

OCC	Oregon Convention Center
OCCH	Oregon Convention Center Hotel also referred to as Headquarters Hotel
OCT	Oregon Children's Theater - a resident company of the Arlene Schnitzer Concert Hall.
OSO	Oregon Symphony Orchestra - a resident company of the Arlene Schnitzer Concert Hall.
P'5	Portland's Centers for the Arts, the umbrella organization overseeing management of and events within the Arlene Schnitzer Concert Hall, Keller Auditorium and the Brunish, Newmark and Winningstad Theaters inside Antoinette Hatfield Hall.
"PAC Man Chart"	Graphic chart depicting how TLT funds are distributed.
PCPA	Portland Center for the Performing Arts, the original name of Portland's Centers for the Arts.
RACC	Regional Arts and Culture Council - Established in 1995 RACC provides grants for artists, nonprofit organizations and schools.
Room Block Agreement	As a condition to Metro issuance of the Metro Revenue Bond, Metro and Owner/Hyatt Hotel Corporation have executed an Agreement to be negotiated among such parties which addresses and defines the terms required by Metro and Owner relating to city-wide events, event room blocks of 500 rooms and a mutually agreed upon timeframe and event block rates as applicable.
RFB	Request for bid
RFP	Request for proposal
R&R	Renewal & Replacement or capital program for replacing equipment such as vehicles and facility elements such as roofs & HVAC systems that have fulfilled their useful life.
TID	Tourism Improvement District - Portland's TID is a city-approved and hotelier-proposed assessment of two percent per night on guest room revenues for all hotels with more than 50 rooms located within the city of Portland.
TLT	Transit Lodging Tax - Tax collected from overnight Portland hotel guests. City of Portland: 6% (5% to City general fund; 1% to Travel Portland), and Multnomah County: 5.5% (2.5% Convention Center Phase II, .275% hotel operators, 2.725% Convention Center Phase I)

- VDI** The Visitors Development Initiative (VDI) was created in April 2000. At that time, the hotel and rental car industries agreed to self-tax themselves and increase the existing occupancy and rental car taxes by 2.5%. The tax increase led to the development of a Visitor Facility Trust Account (VFTA) that has collected enough revenue to support bonds that not only expanded the Oregon Convention Center, but also assisted in capital improvements for PCPA and Jeld-Wen Field, and continue to provide enhanced marketing dollars for the convention center operations.
- VDF** The Visitor Development Fund, as a component of the VFTA was created for the purpose of distributing grant funds to conventions and other organizations with the purpose of generating additional hotel occupancy and vehicle rental use.
- VFIGA** Visitor Facilities Intergovernmental Agreement - Agreement between Multnomah county, City of Portland and Metro on how Transient Lodging Taxes (TLT) and Motor Vehicle Rental Taxes are distributed throughout Multnomah County. They are illustrated in the PAC Man Chart.
- VFTA** Visitor Facilities Trust Account is a fund developed by the Visitor Development Initiative. The VFTA is funded by a 2.5% transient lodging tax and 2.5% vehicle rental tax in Multnomah County and outlines a series of bonds and financial obligations known as “buckets”. These obligations are for the purpose of enhancing visitor facilities and funding other initiatives with the purpose of driving visitors to the greater Portland region.