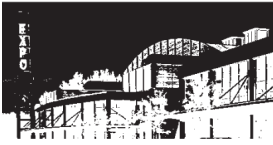

MERC Commission Meeting

February 3, 2016
12:45 pm

Oregon Zoo
4001 SW Canyon Road
Vista Room



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

www.oregonmetro.gov



Metro | *Exposition Recreation Commission*

Agenda

Meeting: Metro Exposition Recreation Commission Meeting
Date: Wednesday, February 3, 2016
Time: 12:45 – 2:30 p.m.
Place: Oregon Zoo Vista Room

CALL TO ORDER

- | | | | |
|-------|-----|--|--|
| 12:45 | 1. | QUORUM CONFIRMED | |
| 12:46 | 2. | OPPORTUNITY FOR PUBLIC COMMENT ON NON-AGENDA ITEMS | |
| 12:50 | 3. | COMMISSION/COUNCIL LIAISON COMMUNICATIONS | Terry Goldman/Sam Chase |
| 12:55 | 4. | METRO DEPUTY COO COMMUNICATIONS | Scott Robinson |
| 1:00 | 5. | CONSENT AGENDA | |
| | | <ul style="list-style-type: none"> • January 6, 2016 Record of MERC Actions, pages 4-5 | |
| 1:05 | 6. | ACTION AGENDA | |
| | 6.1 | Resolution 16-01: For the purpose of electing the Metropolitan Exposition Recreation Commission (MERC) Chair for the remainder of Fiscal Year 2015-16, page 7 | Goldman |
| | 6.2 | Resolution 16-02: For the purpose of adopting changes to MERC Personnel Policies, pages 8-16 | Mary Rowe |
| 1:15 | 7. | CHANGES TO MERC PERSONNEL POLICIES: SALES INCENTIVE POLICY,
pages 18-21 | Mary Rowe |
| 1:20 | 8. | FINANCIAL REPORT, pages 23-37 | Ben Rowe |
| 1:25 | 9. | VENUE BUSINESS REPORTS | Robyn Williams
Matthew P. Rotchford
Scott Cruickshank |
| 1:35 | 10. | ARAMARK QUARTERLY REPORT, pages 39-56 | Ed Strong |
| 1:45 | 11. | FY 2014-15 FINANCIAL AUDIT, pages 58-68 | Tim Collier
Ashley Osten, Moss Adams |
| 1:55 | 12. | REVIEW GOALS IDENTIFIED IN DRAFT STRATEGIC PLAN TO ADVANCE EQUITY, DIVERSITY AND INCLUSION | Patty Unfred
Juan Carlos Ocaña-Chiu |
| 2:15 | 13. | OREGON ZOO GUEST SERVICES STRATEGY | Craig Stroud |

ADJOURN

MERC Commission Meeting

February 3, 2016
12:45 pm

5.0 Consent Agenda

Metropolitan Exposition Recreation Commission
Record of MERC Commission Actions
 January 6, 2016
 Portland's Centers for the Arts, Brunish Theater

Present:	Terry Goldman, Damien Hall, Judie Hammerstad, Deidra Krys-Rusoff, Ray Leary, Metro Council Liaison Sam Chase
Absent:	Elisa Dozono (excused), Karis Stoudamire-Phillips (excused)
	A regular meeting of the Metropolitan Exposition-Recreation Commission was called to order by Chair Terry Goldman at 12:55 p.m.
1.0	QUORUM CONFIRMED A quorum of Commissioners was present.
2.0	OPPORTUNITY FOR PUBLIC COMMENT ON NON-AGENDA ITEMS None
3.0	COMMISSION/COUNCIL LIAISON COMMUNICATIONS <ul style="list-style-type: none"> Metro Council Liaison Chase updated the Commission on Metro's Transit Oriented Development Program and Metro's Equitable Housing Initiative.
4.0	METRO DEPUTY COO COMMUNICATIONS Scott Robinson, Metro Deputy COO and Interim Visitor Venues General Manager, provided updates to the Commission including: <ul style="list-style-type: none"> Two break-ins at Expo caused minor damage. The key Expo Project recommendations offered by MERC Commissioners were shared with Metro Council at a December work session. As a result, staff received direction to begin implementing strategic next steps. The FOTA Task Force recommendations for changes to the FOTA geographic boundaries and income eligibility thresholds were presented at a Council Work Session in December. Scott Robinson thanked Commissioner Leary for his part in the presentation. MERC Budget Committee will meet to review venue operations budgets on January 27.
5.0	MERC FINANCIAL REPORT MERC Finance Manager Benjamin Rowe updated the Commission on November financials for the MERC venues.
6.0	VENUE BUSINESS REPORTS Venue Directors Robyn Williams, Matthew P. Rotchford and Scott Cruickshank presented end of calendar year 2015 reports to the Commission noting each venue's highlights and accomplishments.
7.0	CONSENT AGENDA Includes: <ul style="list-style-type: none"> December 2, 2015 Record of MERC Actions Ethics Form, CAB Events March 30-31 A motion was made by Commissioner Krys-Rusoff and seconded by Commissioner Leary to approve the Consent Agenda. VOTING: AYE: 5 (Goldman, Hall, Hammerstad, Krys-Rusoff, Leary) NAY: 0 MOTION PASSED
8.0	ACTION AGENDA Resolution 15-22A For the purpose of approving corrections to the recommendations by the General Manager of Visitor Venues, as recommended by the First Opportunity Target Area (FOTA) Task Force, to adjust the income eligibility thresholds for Metro's FOTA hiring program. Scott Robinson presented the amended resolution.

	<p>A motion was made by Commissioner Leary and seconded by Commissioner Kryz-Rusoff to approve Resolution 15-22A.</p> <p>VOTING: AYE: 5 (Goldman, Hall, Hammerstad, Kryz-Rusoff, Leary) NAY: 0 MOTION PASSED</p>
9.0	<p>OCC HOTEL PROJECT UPDATE: SCOPE, SCHEDULE, BUDGET</p> <p>Hillary Wilton, Hotel Project Manager, and Scott Cruickshank updated the Commission on the hotel project noting that project delays have affected the schedule as well as the budget.</p>
10.0	<p>PROPOSED CHANGES TO MERC PERSONNEL POLICIES</p> <p>Metro HR Director, Mary Rowe, presented a revised Americans with Disability Act policy. A resolution regarding the policy will be presented at the February 3, 2016 MERC meeting.</p>
11.0	<p>Chair Goldman called the MERC Commission into EXECUTIVE SESSION to conduct deliberations with persons designated by Metro/MERC to carry on labor negotiations under ORS 192.660(2)(d).</p>
	<p>The Executive Session concluded at 2:24 p.m. and the Chair reconvened the regular MERC Commission meeting.</p>
	<p>As there was no further business to come before the Commission, the meeting was adjourned at 2:25 p.m.</p>

MERC Commission Meeting

February 3, 2016
12:45 pm

6.0 Action Agenda

METROPOLITAN EXPOSITION RECREATION COMMISSION
Resolution No. 16-01

For the Purpose of Electing the Metropolitan Exposition Recreation Commission (MERC) Chair for the remainder of Fiscal Year 2015-16.

WHEREAS, Commissioner Terry Goldman resigned from the office of MERC Chair MERC Commission as of February 3, 2016; and

WHEREAS, the MERC By-Laws state in Section Two; Subsection 7, VACANCIES: Should the offices of Chair, Vice Chair, or Secretary-Treasurer become vacant, the Commission shall elect a successor from its membership at or before the next regular meeting or a special meeting and such election shall be for the unexpired term of such office; and

WHEREAS, Commissioner _____ has been nominated for and has accepted the nomination for the position of Chair for the remainder of the term of office which expires on June 30, 2016;

BE IT THEREFORE RESOLVED that the position of Chair of the Metropolitan Exposition Recreation Commission for the remainder of Fiscal Year 2015-16 be hereby confirmed.

Passed by the Commission on February 3, 2016.

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

Chair

Nathan A. S. Sykes, Deputy Metro Attorney

Secretary-Treasurer

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 16-02

For the purpose of adopting changes to the MERC Personnel Policies.

WHEREAS, the Metropolitan Exposition Recreation Commission (MERC) is authorized to adopt personnel policies pursuant to Metro Code Sections 2.02.010 (b) and 6.01.040 (a); and

WHEREAS, MERC periodically updates the MERC Personnel Policies (the Personnel Policies) in accordance with both legal requirements and agency-wide policies.

BE IT THEREFORE RESOLVED that the Metropolitan Exposition Recreation Commission adopts the changes to the Personnel Policies in a form substantially similar to the attached Exhibit B.

Passed by the Commission on February 3, 2016.

Chair

Secretary-Treasurer

Approved As To Form:
Alison R. Kean, Metro Attorney

By: _____
Nathan A.S. Sykes, Deputy Metro Attorney

MERC STAFF REPORT

Agenda Item/Issue: For the purpose of adopting changes to the MERC Personnel
Resolution No.: Policies. **16-02**
Date: February 3, 2016
Presented by: Mary Rowe, Metro Human Resources Director

Background and Analysis:

The MERC Commission last approved a complete personnel policy manual for venues staff in August 2007. Beginning in 2011, Metro's Human Resources Department began a project to review and update both the MERC policy manual and Metro's policy manual, Executive Order #88, with the goal of developing one set of agency-wide personnel policies and procedures. The policies are being updated and implemented on a rolling basis in an order determined by legal changes and business needs. Human Resources staff developed these policies in consultation with department managers, the Office of Metro Attorney, and the Metro Senior Leadership Team. This policy was presented to the Commission for discussion on January 6, 2015.

Resolution:

This resolution seeks the MERC Commission's approval of the following personnel policy:

- Americans with Disabilities Act

Long range fiscal impact:

There is no additional fiscal impact projected for implementation of the Americans with Disabilities Act Policy changes.

Recommendation: The Metropolitan Exposition Recreation Commission adopts the change to the Personnel Policies in a form substantially similar to the attached Exhibit B.

**EXHIBIT A: SUMMARY OF PROPOSED PERSONNEL POLICY FOR MERC COMMISSION
FEBRUARY 3, 2016**

Below is a list of the draft policy for your review. This proposed policy is intended to supersede the one included in the All-Metro Policy adopted January 2014. New edits made at the recommendation of the Commission, Office of Metro Attorney, and/or the Metro Senior Leadership Team following the January 6, 2016, Commission meeting are noted in bold italics.

Policy	Existing MERC Policy	Existing Metro Policy	Applicable Legal Provisions	Policy Summary/Explanation of Change	Fiscal Impact	Business Impact
Americans with Disabilities Act	Americans with Disabilities Act	<ul style="list-style-type: none"> • Americans with Disabilities Act • ORS 659A.103 – 659A.142 	<ul style="list-style-type: none"> • Revised procedures and guide/forms for requesting an accommodation. • Revised interactive process for discussing reasonable accommodations and documentation • Change in terminology from employee to individual • OMA must be involved if an accommodation is denied 	N/A	Process improvement	Americans with Disabilities Act

DRAFT

1/13/16



Subject Americans with Disabilities Act (ADA)
Section Human Resources
Approved by

POLICY

Metro complies with the Americans with Disabilities Act and corresponding state law. In keeping with Metro’s commitment to equal opportunity, Metro will not discriminate against any individual based on disability and will ensure that reasonable disability accommodation is provided to allow qualified individuals with disabilities to perform the essential functions of their positions and enjoy equal benefits and privileges of employment.

Applicable to

All employees, interns and applicants.

Where provisions of an applicable collective bargaining agreement directly conflict with this policy, the provisions of that agreement will prevail.

Definitions

Americans with Disabilities Act (ADA): A federal law designed to protect individuals with disabilities from discrimination. For purposes of this policy, the focus will be on the employment-related portion of the ADA.

Disability: A substantial impairment of a major life activity. Temporary impairments of short duration, such as colds, flu, sunburn, or broken bones that heal normally, are typically not disabilities.

Essential function: The fundamental duties of a position that an individual with a disability holds or desires. Considerations in determining essential functions include the time it takes to perform the function; the consequences of not performing that function; whether the position exists to perform that function; and whether there are others who can perform that function.

Genetic information: For the purposes of this policy, genetic information includes an individual’s family medical history, the results of an individual’s or family member’s genetic tests, the fact that an individual or an individual’s family member sought or received genetic information of a fetus carried by an individual or an individual’s family member or an embryo lawfully held by an individual or family member receiving assistive reproductive services.

Interactive process: An informal process between an individual with a disability and an employer in an effort to identify potential reasonable accommodation.

Major life activity: Major life activities include, but are not limited to: caring for oneself; performing manual tasks; seeing; hearing; eating; drinking; sleeping; walking; standing; lifting; bending; twisting; speaking; breathing; cognitive functioning; learning; education; reading; concentrating; remembering; thinking; communicating; operation of a major bodily function, including but not limited to functions of the immune system, normal cell growth, and digestive, bowel, bladder, neurological, brain, respiratory, circulatory, endocrine and reproductive functions; working. To be substantially limited in the major life activity of working, an individual must be significantly restricted in the ability to perform a class of jobs or a broad range of jobs in various classes as compared to the ability of an average person with comparable skill, experience, education or other job-related requirements needed to perform those same positions.

Qualified individual: An individual who is able to perform the essential functions of his or her position with or without reasonable accommodation.

Reasonable accommodation: Any modification or adjustment to a position or the work environment that will enable a qualified individual with a disability to participate in the application process or perform essential job functions. Reasonable accommodation also includes adjustments to provide a covered individual the same employment rights and privileges enjoyed by those without disabilities.

Substantially limits: Restricts one or more of an individual's major life activities as compared to most people in the general population. This analysis is made without regard to whether the individual can reduce the effects of the impairment through the use of mitigating measures, with the exception of ordinary eyeglasses and contact lenses.

Undue hardship: A significant difficulty or expense.

Guidelines

1. Metro will not discriminate against any employee, intern or applicant because the individual has a disability or a record of disability; is regarded as having a disability; is associated with a person with a disability; or has inquired about, received, or requested reasonable accommodation.
2. Metro will provide reasonable accommodation to employees, interns and applicants with disabilities unless to do so would result in an undue hardship. When an otherwise qualified employee or intern has a disability, Metro will engage in an interactive process to determine whether he or she can perform the essential functions of his or her position with reasonable accommodation.
3. In accordance with the Genetic Information Non-Discrimination Act of 2008, no genetic information, including family medical history, will be requested or considered as part of the accommodation process.

Procedures

Applicants for employment or promotion

1. Reasonable accommodation will be provided to disabled applicants for employment, internship or promotion if necessary to complete the application process.

- a. If a physical capacities test is necessary before beginning regularly scheduled work, the test will be required only after a conditional offer of employment has been made, consistent with the requirements of the ADA.
- a. If the results of a physical capacities test indicate that an employee is unable to perform essential functions of the position, Metro will initiate an interactive process with the employee to determine whether disability accommodation is appropriate.
- b. Disabled applicants are required to make a request for reasonable accommodation to their recruiter and the recruiter is responsible for ensuring that a complete Request for Reasonable Accommodation Form is on file.

Current employees and interns

- 2. An individual with a disability may request an accommodation if needed to perform the essential functions of his or her position.
 - a. The individual should initiate the request by contacting his or her supervisor or the Human Resources Benefits Manager.
 - b. Upon receipt of a request for accommodation, the supervisor shall immediately notify the HR Benefits Manager.
 - c. The individual is required to complete the Request for Reasonable Accommodation Form and submit it to the HR Benefits Manager within 14 calendar days.
 - d. The HR Benefits Manager is responsible for providing an overview of the ADA accommodation process to the individual initiating the request utilizing the following documents: Guide to Interactive Process for Reasonable Accommodation and Checklist for Reasonable Accommodation Requests.
- 3. Upon receipt of a completed Request for Reasonable Accommodation Form, the HR Benefits Manager is responsible for determining whether the individual has a disability. The HR Benefits Manager can request that the individual provide documentation to support what the impairment is and how the impairment substantially limits a major life activity unless the impairment is obvious or substantiating documents is already on file or due to other applicable reasons.
 - a. If documentation is required to support what the impairment is and how the impairment substantially limits a major life activity, the HR Benefits Manager will write a letter outlining the duties of the position to the employee's or intern's health care provider and will request a signed medical release from the employee or intern. The release will authorize the health care provider to provide a medical opinion and relevant medical information as to whether the individual can perform the full scope of the essential duties of the position and what, if any, accommodation(s) are recommended.
 - b. If documentation is required to support what the impairment is and how the impairment substantially limits a major life activity, the HR Benefits Manager will review the health care provider's responses. If the documentation is insufficient to establish the existence of a disability and the need for

accommodation, the HR Benefits Manager will explain why the documentation is insufficient and allow an opportunity to provide the missing information.

- i. With the employee's or intern's written consent, the HR Benefits Manager may request follow-up information directly from the employee's health care provider.
 - ii. If necessary to confirm or clarify the need for accommodation, Metro may require the employee or intern to go to a second health care provider chosen by Metro for an independent medical opinion at Metro's expense.
 - c. Metro will reimburse the employee or intern for out-of-pocket costs for providing medical documentation required under this policy in accordance with applicable law
4. The employee or intern will be asked to meet with the HR Benefits Manager and/or his/her supervisor to engage in an interactive process to discuss the disability in relation to the essential functions of the position and to identify reasonable adjustments or changes that may allow the individual to perform these essential functions.
 - a. Prior to the meeting, HR will inform the individual that they may have a union representative, family member, or other appropriate person present during interactive process meetings.
 - b. An employee or intern may choose to decline participation in the interactive process at this point or at any other time. This decision will suspend Metro's further assessment of potential disability accommodations until the employee or intern re-initiates a request. HR will twice seek to initiate such a dialogue before closing the matter due to non-participation. A closure of this nature will not prevent the employee from initiating the ADA process at a later date for the same or different medical reasons.
5. The HR Benefits Manager, the employee or intern, and the supervisor will meet to discuss the accommodation **the employee/intern is requesting** and, if appropriate, other potential accommodations that may allow the employee or intern to perform the essential functions of his or her position. HR and the employee's supervisor will jointly determine if a reasonable accommodation is available, and if so, they will arrange for timely implementation.
6. If a reasonable accommodation cannot be made so that an employee may continue to successfully perform in his or her current position, the HR Recruitment and Selection Manager will conduct a thorough review of available **and suitable** positions to determine if there is an available, suitable position for which the employee may be eligible.
7. If the suggested accommodations will create an undue hardship to Metro's operations as defined by the ADA, the HR Benefits Manager will meet with an employee to determine if any other benefit options, **including a review of available and suitable positions**, may be appropriate. If no other options are found, Human Resources will meet with the department Director and Office of Metro Attorney to determine if a termination is necessary due to inability to perform the job.

8. **An employee who has a disability that may cause performance or conduct problems is encouraged to seek reasonable accommodation before problems arise.**
9. **Consistent with the ADA, Metro will not accommodate or extend job protections based on current use of illegal drugs or being under the influence of alcohol at the workplace.**
10. Metro will provide reasonable accommodation to help employees meet performance and conduct standards; however, Metro is not required to waive **or lower** performance or conduct standards that are job-related and consistent with business necessity or to rescind discipline or an evaluation warranted by poor performance if the employee has not requested accommodation.
11. At the conclusion of the interactive process, the HR Benefits Manager is responsible for completing the Resolution of Request for Reasonable Accommodation Form. The Office of Metro Attorney must be consulted before denying an accommodation request.
12. Information obtained regarding an individual's medical condition or history will be kept in separate medical files and treated as confidential, except as follows:
 - a. Supervisors and managers may be informed regarding necessary restrictions on the individual's duties and necessary accommodations.
 - b. First aid and safety personnel may be informed, when appropriate, if the disability might require emergency treatment.
 - c. Officers and employees of the Equal Employment Opportunity Commission and the Bureau of Labor and Industries investigating compliance will be provided relevant information upon request.
13. Anyone with concerns about the ADA process, including the outcome of the interactive process, may contact the Director of Human Resources or Office of Metro Attorney to discuss the matter.
14. Anyone who experiences or observes discrimination, harassment, or retaliation related to disability should report the offending conduct using the procedures specified in Metro's Discrimination and Harassment Policy.

Responsibilities

Employee/Intern:

- Notify the supervisor or HR Benefits Manager that an accommodation is being requested.
- Meet with the HR Benefits Manager to begin the ADA interactive process and follow up as requested.
- Provide a medical release for Metro to obtain relevant medical information if applicable.
- Report any discrimination, harassment, or retaliation related to disability using the procedures specified in Metro's Discrimination and Harassment Policy.

Supervisor:

- Timely respond to all ADA requests by notifying HR.
- Participate in a discussion with the employee or intern and HR regarding reasonable accommodation.
- Coordinate with the Human Resources Department and the employee or intern to implement any necessary accommodations.
- Refer any reports or observations of discrimination, harassment, or retaliation related to disability to the HR Department.
- Maintain the confidentiality of medical information.

HR Benefits Manager:

- Provide the employee or intern with the appropriate forms and procedures.
- Obtain necessary medical information from the applicable health care professional(s) if necessary in order to verify the need for accommodation and identify potential solutions.
- Ensure that genetic information is not requested or considered during the accommodation process.
- Work with the employee or intern and the supervisor to determine if reasonable accommodation(s) can be made.
- **Consult with Office of Metro Attorney prior to denying an employee's accommodation request.**
- Coordinate implementation of any necessary accommodations.
- Ensure completion of process documents including the Checklist for Reasonable Accommodation Requests, Guide to Interactive Process for Reasonable Accommodation, and Resolution of Request for Reasonable Accommodation Form.
- Maintain medical information in a confidential file separate from the personnel file.

References

Americans with Disabilities Act of 1990 (ADA) as amended- 42 U.S.C. 12101 et seq., 29 C.F.R. 1630 et seq.

ORS 659A.103 – 659A.142; OAR 839-006-0200 – 839-006-0265 (Oregon disability law).

2013 Oregon Laws Ch. 379 (House Bill 2669)

Genetic Information Nondiscrimination Act of 2008 (GINA) - Pub.L. 110-233, 122 Stat. 881 (2008).

MERC Commission Meeting

February 3, 2016
12:45 pm

7.0 Proposed Changes to
MERC Personnel Policies

SUMMARY OF PROPOSED SALES INCENTIVE PLAN POLICY FOR PRESENTATION TO MERC COMMISSION

February 3, 2016

Below is the draft policy for your review. The proposed Sales Incentive Plan Policy is a new policy.

Policy	Existing MERC Policy	Applicable Legal Provisions	Policy Summary/Explanation of Change	Fiscal Impact	Business Impact
Sales Incentive Plan	Sales Incentive Plan (7/2013)	None	<ul style="list-style-type: none"> • Director of Sales responsible for submitting quarterly documentation of results and proposed bonuses to Facility Director for approval, then to Metro Finance and Regulatory Services to audit and affirm, prior to payment (if any). • Removes provision for sales team eligibility for salary increases based on salary range or CPI. • Deletes reference to sales incentive bonus in lieu of merit pay. 	N/A	<ul style="list-style-type: none"> • Process improvement. • Clarifies responsibilities. • More frequently payment of incentives. • Eliminates provision for alternative salary increases in lieu of incentives.



DRAFT
1/19/16

Subject Sales Incentive Plan
Section Human Resources; Visitor Venues
Approved by

POLICY or PROCEDURE

Sales Managers will participate in a sales incentive program. The incentive goals will be included in the annual budget and reviewed quarterly. If employees meet both individual and team goals, they will receive quarterly bonuses.

Applicable to

MERC venue Sales Managers

Definitions

1. Sales incentive plan: pre-established goals and criteria identified by management and approved by the MERC Commission or Metro COO. The plan will identify goals that are measurable, increase revenues to the department utilizing the program, provide a reward that motivates employees, and offer immediate rewards.
2. Sales incentive bonus: is compensation intended to reward program participants for meeting pre-established, quarterly, targeted goals to increase revenue. Employees participating in the plan are eligible for quarterly payments based on both individual and team objectives.
3. Sales incentive plan and program goals: the goals for the sales incentive programs are as follows:
 - a. To increase sales of facility rentals and other services when compared to the same quarter in previous years.
 - b. To insure Metro's venues remain first class and operate as prestige facilities at the national/international level as measured by industry standards.
 - c. To increase total economic impact to the region by increasing city-wide sales as measured in the annual economic impact study.
 - d. To retain a strong sales team by compensating them according to standard industry practices
4. Sales incentive plan quarterly rating periods:
 - a. July 1-September 30
 - b. October 1-December 31
 - c. January 1-March 31
 - d. April 1-June 30

Guidelines

1. The intention of this program is to align sales teams with industry practices in order to provide consistency and achieve strong results. The incentive structure gives management immediate feedback on successful programs at both the group and individual level. This is essential in market-driven industries like the hospitality industry. The bonus structure allows management to target current “need” periods with specific goals and incentives in order to increase bookings, revenues and facility utilization on an expanded basis.
2. Staff will receive rewards for generating immediate revenue as well as increasing bookings for successive years, specifically targeting an 18-24 month timeframe. Metrics for this will be meeting sales goals, feasibility of implementing across other departments, and staff feedback.
3. During the annual budget development process, financial compensation tied to this program will be incorporated and approved through the usual route. The Director of Sales will submit documentation of quarterly results and proposed bonuses approved by the Facility Director to (Metro) Finance and Regulatory Services. Prior to payment, Finance and Regulatory Services will audit the documentation and affirm the quarterly results and proposed bonus payments (if any).

Procedures:

1. At the beginning of each fiscal year, management, in consultation with the MERC Commission or Metro COO, will determine overall sales incentive plan ratings and goals. These ratings will be metrics that are accessible from the EBMS database or another program participant’s financial systems.
2. Upon approval, management will inform sales managers of their goals. Management will collect and evaluate data at the end of each ratings period to determine if the sales team both as a group and individually have met quarterly goals. An audit of this information will be conducted by accounting staff during their regular quarter end process.
3. Following this audit, authorization for incentive payments (if any) will be forwarded to Human Resources Department for payroll processing.
4. If, during the employment performance assessment process an employee receives an overall rating of Needs Development or Unsatisfactory, the employee will forfeit his or her eligibility to participate in the sales incentive plan until his or her performance improves.
5. The dollar amount budgeted for the sales incentive plan will be determined on an annual basis during the budget development process. Continuation of the plan and the budget must be approved as part of the regular budget process.

Responsibilities

Sales Team:

- Are expected to be familiar with the plan, goals, incentives, and the rating areas.

Director of Sales:

- In conjunction with the Facility Director, Visitor Venues General Manager and other senior management, develops goals, budget, and rating areas.
- Is responsible for communicating the annual plan to the sales team, managing the plan, and is accountable for conducting a regular review of progress towards the goals with both the sales team staff and other senior management.
- Transmits documentation of quarterly sales results and approved proposed bonuses to Metro Finance and Regulatory Services.

Facility Director:

- Oversees Director of Sales implementation and management of plan. Monitors and communicates quarterly results of the incentive plan to the Visitor Venues General Manager.
- Approves proposed bonuses for sales team based on quarterly sales results.

Finance and Regulatory Services:

- Reviews and audits quarterly results and approves transmission of the results to Human Resources for processing.

MERC Commission Meeting

February 3, 2016
12:45 pm

8.0 Financial Report

DECEMBER 2015

FINANCIAL INFORMATION

For Management Purposes only



OREGN

Oregon
Convention
Center



Date: February 3, 2016

To: Commissioner Terry Goldman, Chair
 Commissioner Karis Stoudamire-Phillips, Vice Chair
 Commissioner Judie Hammerstad, Secretary-Treasurer
 Commissioner Ray Leary
 Commissioner Elisa Dozono
 Commissioner Deidra Krys-Rusoff
 Commissioner Damien Hall

From: Ben Rowe – MERC Finance Manager

Re: MERC Financial Information for the month of December, Fiscal Year 2015-16

MERC Venues Events & Attendance

The number of December events was 10% below the prior year due to fewer events at each venue but most notably at Portland’5. However, event attendance was 20% (34,000) over the prior year due to strong year over year attendance most notably at Portland’5 with the Broadway production of *Beauty and the Beast* and other commercial performances. December events and attendance are respectively 10% below and 18% above the three-year historical monthly average. Second quarter events are slightly above the prior year with attendance 6% (30,000) over the prior year with strong performance from both OCC and Portland’5. Year to date events are slightly over the prior year, however attendance performed 11% (79,000) over the prior year.

Total MERC Venues	2014		2015		Change from Prior Year	
	Events	Attendance	Events	Attendance	Events	Attendance
1st Quarter	269	280,679	293	329,836	24, 9%	49,157, 18%
October	164	145,199	181	157,188	17, 10%	11,989, 8%
November	155	156,479	154	141,041	(-1), (-1%)	(-15,388), (-10%)
December	141	165,618	127	199,255	(-14), (-10%)	33,637, 20%
2nd Quarter	460	467,296	462	497,534	2, 0%	30,238, 6%
Year to date	729	747,975	755	827,370	26, 4%	79,395, 11%

MERC Venues Revenues & Expense

Both OCC and Portland’5 hosted their best year to date ever! Year to date event revenues (rent and food and beverage) are 27% (\$4.9 million) above prior year, 40% above the three-year historical YTD average, and 17% above YTD budget projections. Total venue expenses are 13% above the prior year, 19% above the three-year historical YTD average, and meet YTD budget projections.

Food & Beverage

The total MERC venues food and beverage margin for December is 17%, 0.5% below the prior year. The YTD margin is 27%, 5% above the prior YTD, and 10% above the three-year historical YTD average.

Net Operations

Total MERC YTD net operations are \$2.8 million (4 times) greater than the prior year, and \$4.2 million (6 times) greater than the three-year historical average.

Historical Actual Comparison FY 2013-2015 to FY 2016

	Fiscal Year:	2013	2014	2015	2016	2012-14	% Diff.	% Diff.
Revenues		YTD	YTD	YTD	YTD	Average	Average	2015
Food & Beverage		6,922,501	6,891,971	7,857,496	10,319,890	7,223,990	42.9%	31.3%
Charges for Services		8,961,614	8,620,063	10,463,474	12,909,251	9,348,384	38.1%	23.4%
Lodging Tax		4,191,273	4,946,295	5,816,432	7,045,524	4,984,667	41.3%	21.1%
Other		111,643	515,085	274,191	145,161	300,306	-51.7%	-47.1%
Total Revenue		20,187,031	20,973,414	24,411,593	30,419,826	21,857,346	39.2%	24.6%
Expenses								
Food & Beverage		5,788,920	5,971,187	6,107,782	7,490,866	5,955,963	25.8%	22.6%
Personnel Services		8,238,654	8,168,190	8,615,020	9,389,645	8,340,621	12.6%	9.0%
Materials & Services		5,081,093	5,147,300	5,866,074	6,867,944	5,364,822	28.0%	17.1%
Other		2,755,178	2,794,552	3,158,053	3,192,835	2,902,594	10.0%	1.1%
Total Expense		21,863,846	22,081,229	23,746,929	26,941,290	22,564,001	19.4%	13.5%
Net Operations		(1,676,815)	(1,107,815)	664,664	3,478,535	(706,655)	-592.3%	423.4%
Food & Beverage Margin		16.4%	13.4%	22.3%	27.4%	17.6%	9.9%	5.1%

Oregon Convention Center

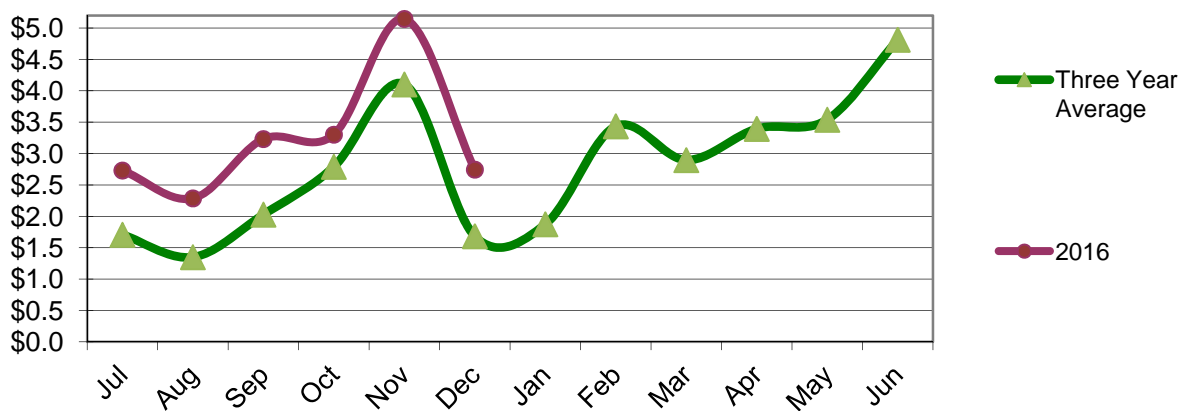
OCC hosted its highest grossing first-half of the year ever, achieving the same within each month! FY 2015 was OCC's best year ever and FY 2016 YTD gross revenues are \$4.2 million (28%) above the prior year. OCC's gross revenue increase over the prior year to date is due to \$1 million in additional TLT revenue received to date combined with its 9% (22) increase in events and 11% (23,000) increase in attendance, facilitating record rental and food and beverage sales. December event revenues are 18% (\$184,000) over the prior December. OCC's total December revenues are 77% above the prior year, 61% greater than budget projections, and 63% (\$1.0 million) above the three-year historical monthly average. OCC December events and attendance are respectively -6% below and 10% above the prior year, and 9% and 21% above the three-year historical monthly average. Expenses are 7% above the prior year, 3% above YTD budget projections, and 15% above the three-year historical December average. OCC's food and beverage margin is 29% YTD.

Highest Grossing Events

Event	Gross Event Revenue	% of December Event Revenue
Festival of Trees	\$215,126	20%
Marquis and Cononus Employee Holiday Party	164,848	15%
Maxim Integrated Holiday Party	94,598	9%
Oregon Business Plan Leadership Summit 2016	82,966	8%
All other Events	540,693	49%
Total	\$1,098,231	100%

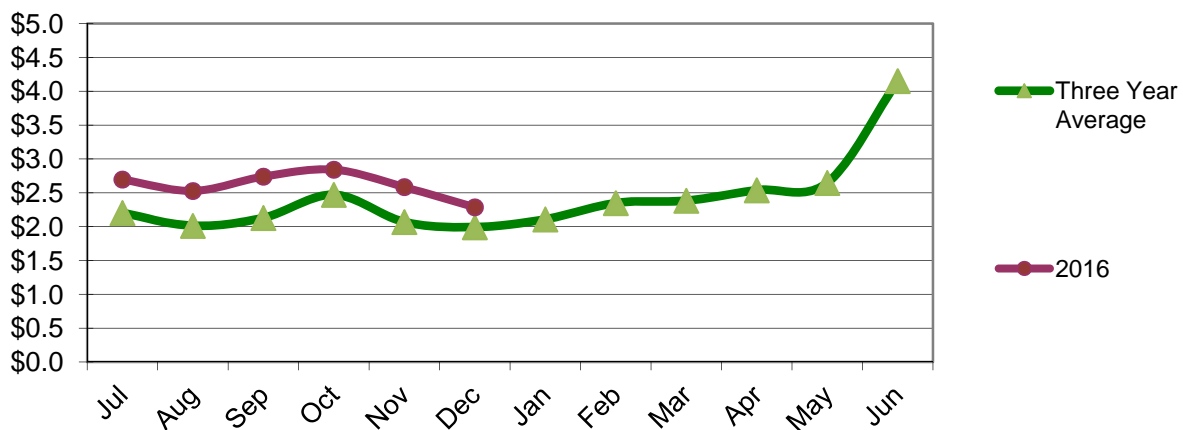
OCC Program Revenues by Month

Shown in Millions



OCC Program Expense by Month

Shown in Millions



Portland's Centers for the Arts

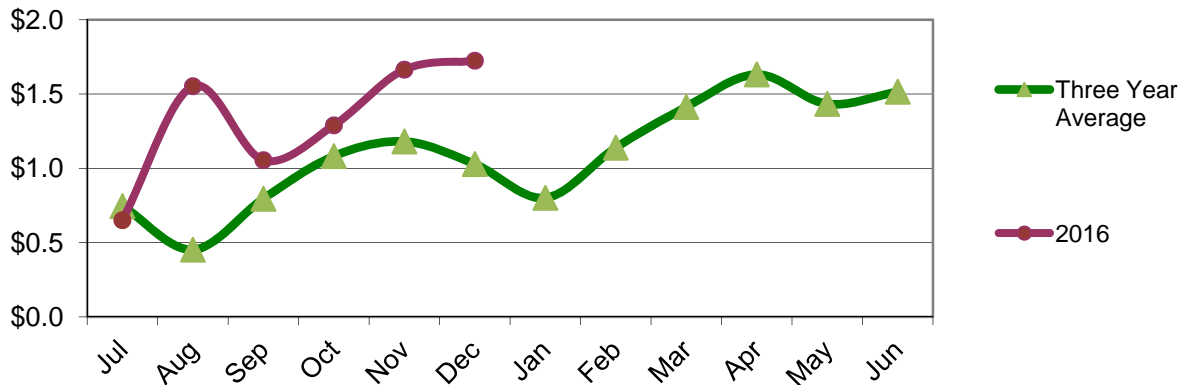
Portland's achieved the highest grossing first half of the year ever. Portland's December revenues closed 67% (\$690,000) above the prior year, 68% above the three-year historical average, and 45% above budget projections. Year to date revenues are 12% above budget projections. In December Portland's hosted -9 (-11%) less performances however 29,000 (35%) more attendees compared to the prior year. Portland's dramatic decrease in number of performances year over year is due to its loss of bookings from a regular non-profit theater group, *Third Rail*. December performances and attendance are respectively -20% below and 27% greater than the three-year historical monthly average. December expenses are 23% above the prior year, 26% above the three-year historical monthly average, and 2% above budget projections. Portland's YTD food and beverage margin is 28%, 2% below the prior year.

Highest Grossing Events

Event	Gross Event Revenue	% of December Event Revenue
The Nutcracker	\$272,479	18%
Beauty and the Beast	218,914	15%
Shaping Sound	81,068	5%
Book of Mormon	80,069	5%
All other Events	823,270	56%
Total	\$1,475,799	100%

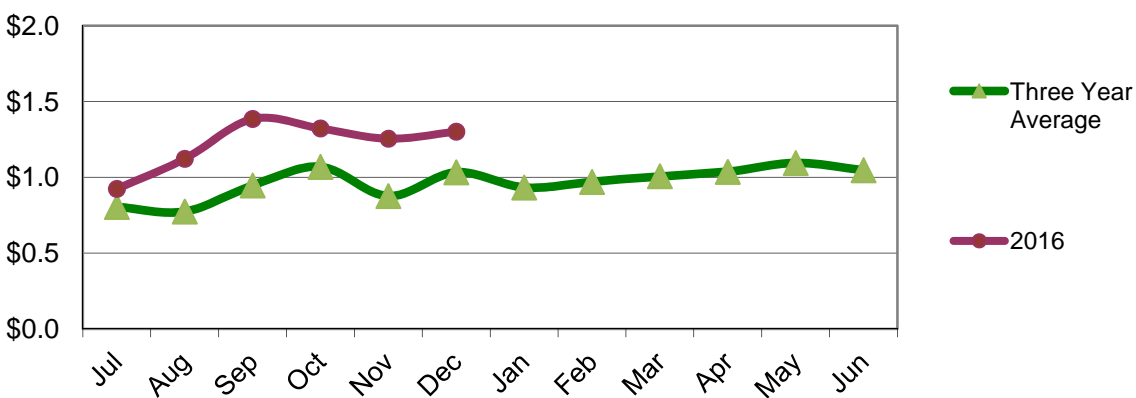
P5CA Program Revenue by Month

Shown in Millions



P5CA Program Expense by Month

Shown in Millions



Portland Expo Center

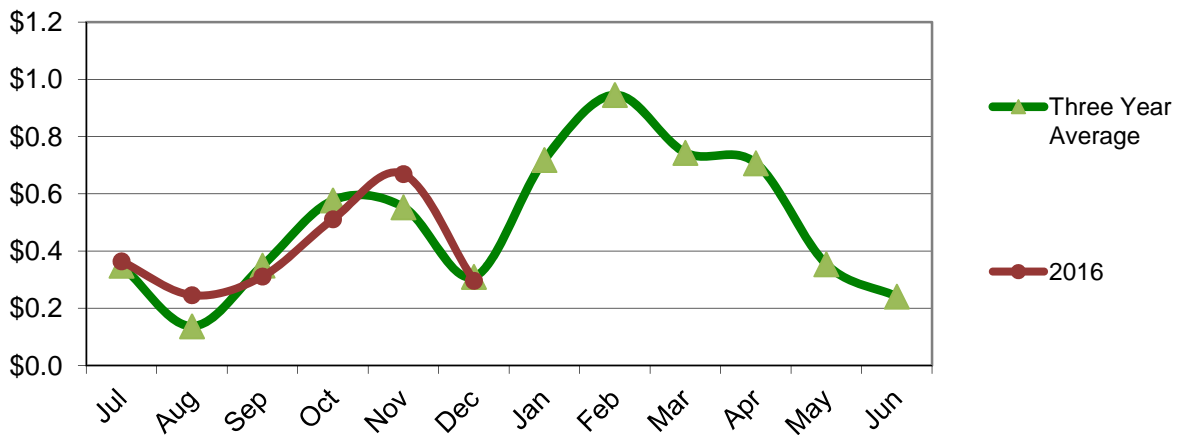
Expo's first two quarters closed just shy of last year, (1.5% below) and -9% below the three-year historical December average. However, these numbers do not include revenue from the American Rabbit Breeders Association's Annual Convention of over \$180,000. Expo hosted 2 (-29%) fewer events however 108 (0%) more attendees in December than the prior year. December events and attendance are respectively -24% and -7% below the three-year historical monthly average. Expo's December expenses are 1% under the prior year, and meet the three-year historical average. Expo's food & beverage margin year to date is 11%.

Highest Grossing Events

Event	Gross Event Revenue	% of December Event Revenue
America's Largest Christmas Bazaar	\$173,711	60%
Collector's West Gun and Knife Show	58,257	20%
All Things Cheer	28,816	10%
Portland Metro RV Dealers	11,967	4%
All other Events	272,751	94%
Total	\$288,917	100%

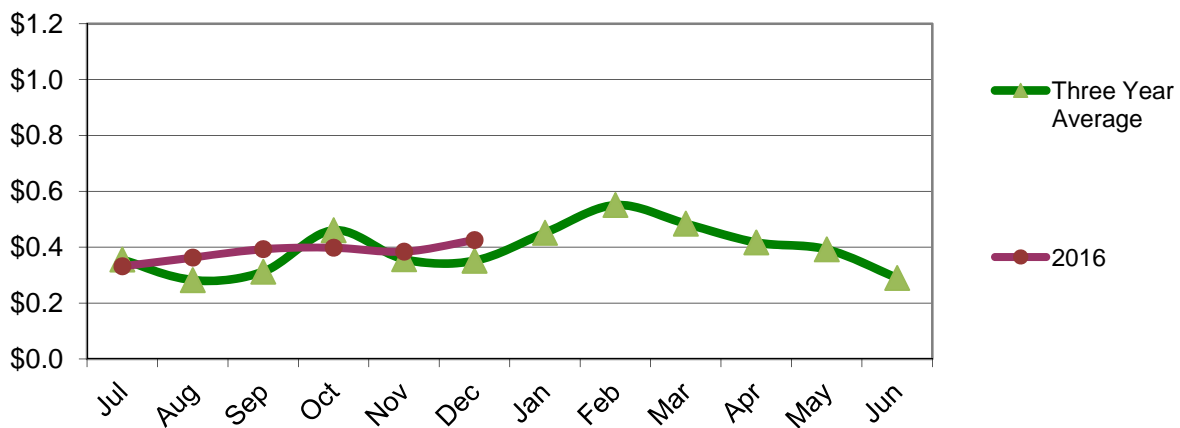
Expo Program Revenue by Month

Shown in Millions



Expo Program Expense by Month

Shown in Millions



MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

All Departments

December 2015

	Current Month Actual	Prior Year Month Actual	Current Year to Date Actual	Prior Year to Date Actual	Current Year Budget	% of Prior Year	% of Annual Budget
Operations							
Charges for Services	1,886,057	1,273,504	12,909,251	10,463,474	24,711,900	123.37%	52.24%
Contributions from Governments	-	-	-	-	853,950	0.00%	0.00%
Contributions from Private Sources	-	-	-	-	15,000	0.00%	0.00%
Enhanced Marketing VDF	-	-	-	-	472,781	0.00%	0.00%
Food and Beverage Revenue	1,174,918	1,034,585	10,319,890	7,857,496	16,325,143	131.34%	63.21%
Interest Earnings	25,532	10,801	102,715	103,039	91,000	99.69%	112.87%
Lodging Tax	1,777,642	633,849	7,045,524	5,816,432	11,443,458	121.13%	61.57%
Miscellaneous Revenue	10,533	8,291	42,446	62,523	95,477	67.89%	44.46%
Transfers-R	(0)	18,105	(0)	108,630	1,015,132	0.00%	0.00%
Visitor Development Fund Alloc	-	-	-	-	2,215,901	0.00%	0.00%
Total Revenues	4,874,682	2,979,135	30,419,826	24,411,593	57,239,742	124.61%	53.14%
Capital Outlay	-	20	-	20	-	0.00%	0.00%
Food & Beverage Services	969,691	849,092	7,490,866	6,107,782	13,694,997	122.64%	54.70%
Materials and Services	1,214,581	1,049,425	6,867,944	5,866,074	15,484,426	117.08%	44.35%
Personnel Services	1,586,824	1,431,197	9,389,645	8,615,020	19,860,619	108.99%	47.28%
Transfers-E	328,045	294,300	3,192,835	3,158,033	9,001,335	101.10%	35.47%
Visitor Development Marketing	-	-	-	-	472,781	0.00%	0.00%
Total Expenditures	4,099,141	3,624,034	26,941,290	23,746,929	58,514,158	113.45%	46.04%
Net Operations	775,541	(644,899)	3,478,535	664,664	(1,274,416)		
Capital							
Contributions from Private Sources	193,750	100,000	193,750	100,000	372,501	193.75%	52.01%
Grants	-	-	-	156,486	-	0.00%	0.00%
Miscellaneous Revenue	-	-	-	14,633	-	0.00%	0.00%
Transfers-R	(0)	-	(0)	-	110,000	0.00%	0.00%
Total Revenues	193,750	100,000	193,750	271,119	482,501	71.46%	40.16%
Capital Outlay	132,952	35,735	1,024,367	2,850,288	8,483,500	35.94%	12.07%
Materials and Services	-	-	18,571	-	-	0.00%	0.00%
Total Expenditures	132,952	35,735	1,042,938	2,850,288	8,483,500	36.59%	12.29%
Net Capital	60,798	64,265	(849,188)	(2,579,169)	(8,000,999)		
12 Month Fund Balance Increase	836,339	(580,634)	2,629,347	(1,914,505)	(9,275,415)		

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

Convention Center Operating Fund

December 2015

	Current Month Actual	Prior Year Month Actual	Current Year to Date Actuals	Prior Year to Date Actual	Current Year Budget	% of Prior Year to Date	% of Annual Budget
<u>Operations</u>							
Charges for Services	518,839	353,098	5,617,281	4,612,680	10,236,686	121.8%	54.9%
Enhanced Marketing VDF	-	-	-	-	472,781	0.0%	0.0%
Food and Beverage Revenue	701,958	684,050	7,905,546	5,671,471	11,750,000	139.4%	67.3%
Interest Earnings	9,697	3,968	35,277	35,072	30,000	100.6%	117.6%
Lodging Tax	1,570,861	557,112	6,225,963	5,112,624	10,097,485	121.8%	61.7%
Miscellaneous Revenue	2,577	2,528	12,527	17,173	16,000	72.9%	78.3%
Transfers-R	(58,987)	(45,604)	(353,921)	(273,623)	(66,242)	129.3%	534.3%
Visitor Development Fund Alloc	-	-	-	-	1,548,281	0.0%	0.0%
<u>Total Revenues</u>	2,744,945	1,555,152	19,442,673	15,175,398	34,084,991	128.1%	57.0%
Food & Beverage Services	621,378	575,500	5,628,972	4,381,070	9,815,867	128.5%	57.3%
Materials and Services	656,523	651,829	3,794,897	3,459,737	9,153,855	109.7%	41.5%
Personnel Services	818,010	729,500	4,959,233	4,477,628	10,737,796	110.8%	46.2%
Transfers-E	191,339	181,007	1,298,546	1,335,597	6,040,444	97.2%	21.5%
Visitor Development Marketing	-	-	-	-	472,781	0.0%	0.0%
<u>Total Expenditures</u>	2,287,249	2,137,836	15,681,648	13,654,032	36,220,743	114.8%	43.3%
<u>Net Operations</u>	457,696	(582,684)	3,761,025	1,521,366	(2,135,752)		
<u>Capital</u>							
Contributions from Private Sources	121,094	62,500	121,094	62,500	242,188	193.8%	50.0%
Grants	-	-	-	-	-	0.0%	0.0%
Miscellaneous Revenue	-	-	-	14,633	-	0.0%	0.0%
Transfers-R	540,000	-	540,000	360,000	650,000	-150.0%	-83.1%
<u>Total Revenues</u>	661,094	62,500	661,094	437,133	892,188	-95.8%	-47.0%
Capital Outlay	14,026	4,643	267,239	1,565,089	3,966,400	17.1%	6.7%
Materials and Services	-	-	18,571	-	-	0.0%	0.0%
<u>Total Expenditures</u>	14,026	4,643	285,810	1,565,089	3,966,400	18.3%	7.2%
<u>Net Capital</u>	647,068	57,857	375,283	(1,127,956)	(3,074,212)		
12 Month Fund Balance Increase	1,104,764	(524,827)	4,136,309	393,409	(5,209,964)		

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

Portland's Centers for the Arts Fund

December 2015

	Current Month Actual	Prior Year Month Actual	Current Year to Date Actuals	Prior Year to Date Actual	Current Year Budget	% of Prior Year to Date	% of Annual Budget
Operations							
Charges for Services	1,149,789	718,229	5,573,527	4,127,763	10,091,678	135.0%	55.2%
Contributions from Governments	-	-	-	-	853,950	0.0%	0.0%
Food and Beverage Revenue	388,219	267,095	1,690,481	1,460,925	2,663,978	115.7%	63.5%
Interest Earnings	10,027	4,445	47,161	50,566	31,000	93.3%	152.1%
Lodging Tax	206,782	76,737	819,560	703,808	1,345,973	116.4%	60.9%
Miscellaneous Revenue	5,483	3,582	19,355	33,592	56,227	57.6%	34.4%
Transfers-R	(35,701)	(35,701)	(214,206)	(214,206)	(382,213)	100.0%	56.0%
Visitor Development Fund Alloc	-	-	-	-	667,620	0.0%	0.0%
Total Revenues	1,724,598	1,034,388	7,935,879	6,162,447	15,328,213	128.8%	51.8%
Food & Beverage Services	251,301	182,125	1,217,772	1,015,918	2,243,543	119.9%	54.3%
Materials and Services	377,984	292,786	2,338,585	1,616,607	4,368,968	144.7%	53.5%
Personnel Services	574,438	512,917	3,133,632	2,914,511	6,494,395	107.5%	48.3%
Transfers-E	97,369	71,871	618,932	545,633	1,219,558	113.4%	50.8%
Total Expenditures	1,301,093	1,059,700	7,308,921	6,092,668	14,326,464	120.0%	51.0%
Net Operations	423,506	(25,312)	626,958	69,779	1,001,749		
Capital							
Contributions from Private Sources	43,594	22,500	43,594	22,500	58,125	193.8%	75.0%
Grants	-	-	-	42,986	-	0.0%	0.0%
Total Revenues	43,594	22,500	43,594	65,486	58,125	66.6%	75.0%
Capital Outlay	118,926	30,672	566,008	916,377	3,156,100	61.8%	17.9%
Total Expenditures	118,926	30,672	566,008	916,377	3,156,100	61.8%	17.9%
Net Capital	(75,332)	(8,172)	(522,414)	(850,891)	(3,097,975)		
12 Month Fund Balance Increase	348,174	(33,484)	104,544	(781,112)	(2,096,226)		

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

Expo Fund

December 2015

	Current Month Actual	Prior Year Month Actual	Current Year to Date Actuals	Prior Year to Date Actual	Current Year Budget	% of Prior Year to Date	% of Annual Budget
<u>Operations</u>							
Charges for Services	217,428	202,176	1,718,443	1,723,009	4,383,536	99.7%	39.2%
Contributions from Private Sources	-	-	-	-	15,000	0.0%	0.0%
Food and Beverage Revenue	84,741	83,440	723,863	725,100	1,911,165	99.8%	37.9%
Interest Earnings	1,751	1,008	6,994	8,666	18,000	80.7%	38.9%
Miscellaneous Revenue	2,474	2,181	10,564	11,757	23,250	89.8%	45.4%
Transfers-R	(10,278)	(5,556)	(61,668)	(33,336)	203,997	185.0%	-30.2%
<u>Total Revenues</u>	296,116	283,249	2,398,195	2,435,196	6,554,948	98.5%	36.6%
Capital Outlay	-	20	-	20	-	0.0%	0.0%
Food & Beverage Services	97,011	91,467	644,123	710,793	1,635,587	90.6%	39.4%
Materials and Services	158,698	94,821	538,043	545,385	1,482,018	98.7%	36.3%
Personnel Services	130,429	122,172	860,912	824,450	1,797,467	104.4%	47.9%
Transfers-E	39,337	41,422	1,275,357	1,264,803	1,741,333	100.8%	73.2%
<u>Total Expenditures</u>	425,475	349,902	3,318,434	3,345,450	6,656,405	99.2%	49.9%
<u>Net Operations</u>	(129,360)	(66,652)	(920,239)	(910,254)	(101,457)		
<u>Capital</u>							
Contributions from Private Sources	29,063	15,000	29,063	15,000	72,188	193.8%	40.3%
Grants	-	-	-	113,500	-	0.0%	0.0%
Transfers-R	280,000	-	280,000	360,000	280,000	-77.8%	-100.0%
<u>Total Revenues</u>	309,063	15,000	309,063	488,500	352,188	-51.4%	-71.3%
Capital Outlay	-	420	191,120	368,822	1,361,000	51.8%	14.0%
<u>Total Expenditures</u>	-	420	191,120	368,822	1,361,000	51.8%	14.0%
<u>Net Capital</u>	309,063	14,580	117,942	119,678	(1,008,812)		
12 Month Fund Balance Increase	179,703	(52,072)	(802,297)	(790,576)	(1,110,269)		

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

MERC Admin Sub Fund

December 2015

	Current Month Actual	Prior Year Month Actual	Current Year to Date Actuals	Prior Year to Date Actual	Current Year Budget	% of Prior Year to Date	% of Annual Budget
Operations							
Charges for Services	-	-	-	22	-	0.0%	0.0%
Interest Earnings	4,057	1,380	13,283	8,735	12,000	152.1%	110.7%
Transfers-R	104,966	104,966	629,795	629,795	1,259,590	100.0%	50.0%
Total Revenues	109,023	106,346	643,078	638,552	1,271,590	100.7%	50.6%
Capital Outlay	-	-	-	-	-	0.0%	0.0%
Materials and Services	21,377	9,990	196,420	244,346	479,585	80.4%	41.0%
Personnel Services	63,946	66,607	435,867	398,432	830,961	109.4%	52.5%
Transfers-E	-	-	-	12,000	-	0.0%	0.0%
Total Expenditures	85,324	76,597	632,287	654,778	1,310,546	96.6%	48.2%
Net Operations	23,699	29,749	10,791	(16,227)	(38,956)		
Capital							
Transfers-R	(820,000)	-	(820,000)	(720,000)	(820,000)	-113.9%	-100.0%
Total Revenues	(820,000)	-	(820,000)	(720,000)	(820,000)	-113.9%	-100.0%
Net Capital	(820,000)	-	(820,000)	(720,000)	(820,000)		
12 Month Fund Balance Increase	(796,301)	29,749	(809,209)	(736,227)	(858,956)		

MERC Visitor Venues
Events-Performances-Attendance
FY 2015-16

OCC	December 2013		December 2014		December 2015		Net Change from Prior Year		December 2015	
	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Revenue	% of Rev.
Tradeshows/Conventions	4	3,275	3	2,109	5	9,124	2	7,015	260,956	24%
Consumer Public Shows	3	24,766	6	32,819	4	31,373	(2)	(1,446)	338,759	31%
Miscellaneous							-	-		0%
Miscellaneous -In-House	11	303	14	349	21	514	7	165	12,533	1%
Meetings	9	3,016	14	5,193	6	3,090	(8)	(2,103)	40,074	4%
Catering	13	6,464	12	5,241	10	6,119	(2)	878	445,909	41%
Totals	40	37,824	49	45,711	46	50,220	(3)	4,509	1,098,231	100%

Expo Center	December 2013		December 2014		December 2015		Net Change from Prior Year		December 2015	
	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Revenue	% of Rev.
Consumer Public Shows	2	33,224	2	34,144	2	34,953	-	809	248,720	86%
<i>Cirque Du Soleil</i>	-	-	-	-	-	-	-	-		0%
Miscellaneous	2	2,149	4	2,000	1	1,238	(3)	(762)	37,149	13%
Meetings	2	46	1	24	2	85	1	61	2,756	1%
Catering	-	-	-	-	-	-	-	-		0%
Tradeshows/Conventions	-	-	-	-	-	-	-	-	291	0%
Totals	6	35,419	7	36,168	5	36,276	(2)	108	288,916	100%
Totals w/Cirque du Soleil	6	35,419	7	36,168	5	36,276	(2)	108	288,916	100%

Portland '5	December 2013		December 2014		December 2015		Net Change from Prior Year		December 2015	
	Performances	Attendance	Performances	Attendance	Performances	Attendance	Performances	Attendance	Revenue	% of Rev.
Commercial (Non-Broadway)	18	13,964	3	3,672	10	13,981	7	10,309	326,708	22%
Broadway	-	-	-	-	8	18,255	8	18,255	326,827	22%
Resident Company	30	59,484	31	66,356	32	68,303	1	1,947	4,664	0%
Non-Profit	48	28,484	50	13,613	24	11,890	(26)	(1,723)	688,417	47%
Promoted/Co-Promoted	1	102	1	98	2	330	1	232	129,182	9%
Student	-	-	-	-	-	-	-	-		0%
Miscellaneous	-	-	-	-	-	-	-	-		0%
Totals	97	102,034	85	83,739	76	112,759	(9)	29,020	1,475,798	100%

MERC Visitor Venues
Events-Performances-Attendance
FY 2015-16

	2nd quarter 13-14		2nd quarter 14-15		2nd quarter 15-16		Net Change from Prior Year	
OCC	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance
Tradeshows/Conventions	15	16,432	23	36,297	22	42,863	(1)	6,566
Consumer Public Shows	16	78,623	16	60,658	16	68,576	-	7,918
Miscellaneous	-	-	-	-	-	-	-	-
Miscellaneous -In-House	33	571	35	778	50	1,470	15	692
Meetings	47	15,753	52	19,105	46	15,366	(6)	(3,739)
Catering	31	18,806	31	15,315	28	15,403	(3)	88
Totals	142	130,185	157	132,153	162	143,678	5	11,525

	2nd quarter 13-14		2nd quarter 14-15		2nd quarter 15-16		Net Change from Prior Year	
Expo Center	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance
Consumer Public Shows	13	97,558	13	93,378	13	85,175	-	(8,203)
<i>Cirque Du Soleil</i>	-	-	-	-	-	-	-	-
Miscellaneous	6	7,283	8	2,210	9	4,161	1	1,951
Meetings	3	72	2	64	7	282	5	218
Catering	-	-	-	-	-	-	-	-
Tradeshows/Conventions	3	4,238	4	5,966	4	12,920	-	6,954
Totals	25	109,151	27	101,618	33	102,538	6	920
Totals w/Cirque du Soleil	25	109,151	27	101,618	33	102,538	6	920

	2nd quarter 13-14		2nd quarter 14-15		2nd quarter 15-16		Net Change from Prior Year	
PCPA	Performances	Attendance	Performances	Attendance	Performances	Attendance	Performances	Attendance
Commercial (Non-Broadway)	42	46,118	26	33,322	23	34,497	(3)	1,175
Broadway	15	26,434	16	32,816	21	43,172	5	10,356
Resident Company	75	110,335	81	123,598	77	113,455	(4)	(10,143)
Non-Profit	107	53,682	131	32,301	115	45,238	(16)	12,937
Promoted/Co-Promoted	4	347	4	326	8	3,195	4	2,869
Student	23	15,144	16	10,880	21	11,530	5	650
Miscellaneous	2	274	2	282	2	231	-	(51)
Totals	268	252,334	276	233,525	267	251,318	(9)	17,793

MERC Food and Beverage Margins

December 2016

	Current Month Actual	Prior Year Month Actual	Current Year to Date Actual	Prior Year to Date Actual	Annual Budget
Convention Center Operating Fund					
Food and Beverage Revenue	701,958	684,050	7,905,546	5,671,471	11,750,000
Food & Beverage Services	621,378	575,500	5,628,972	4,381,070	9,815,867
Food and Beverage Gross Margin	80,580	108,550	2,276,573	1,290,400	1,934,133
Food and Beverage Gross Margin %	11.48%	15.87%	28.80%	22.75%	16.46%
Portland'5 Centers for the Arts Fund					
Food and Beverage Revenue	388,219	267,095	1,690,481	1,460,925	2,663,978
Food & Beverage Services	251,301	182,125	1,217,772	1,015,918	2,243,543
Food and Beverage Gross Margin	136,918	84,970	472,710	445,007	420,435
Food and Beverage Gross Margin %	35.27%	31.81%	27.96%	30.46%	15.78%
Expo Fund					
Food and Beverage Revenue	84,741	83,440	723,863	725,100	1,911,165
Food & Beverage Services	97,011	91,467	644,123	710,793	1,635,587
Food and Beverage Gross Margin	(12,270)	(8,027)	79,740	14,308	275,578
Food and Beverage Gross Margin %	-14.48%	-9.62%	11.02%	1.97%	14.42%
MERC Total					
Food and Beverage Revenue	1,174,918	1,034,585	10,319,890	7,857,496	16,325,143
Food & Beverage Services	969,691	849,092	7,490,866	6,107,782	13,694,997
Food and Beverage Gross Margin	205,227	185,493	2,829,024	1,749,715	2,630,146
Food and Beverage Gross Margin %	17.47%	17.93%	27.41%	22.27%	16.11%

MERC Statement of Fund Balances and Reserves

December 2015

	FY 2016 Through December	FY 2015 Through December	FY 2015 Through June	FY 2016 Annual Budget
<u>Oregon Convention Center</u>				
Beginning Fund Balance	18,574,045	14,769,677	14,769,677	14,174,771
Fund Balance Inc (Dec)	4,136,309	393,409	3,804,368	(3,553,564)
Ending Fund Balance	22,710,354	15,163,086	18,574,045	10,621,207
<i>Contingency - Operating</i>				1,500,000
<i>Contingency - New Capital-Business Strategy</i>				1,274,078
<i>Contingency - Renewal & Replacement</i>				7,847,129
Ending Fund Balance				10,621,207
<u>Portland'5 Centers for the Arts</u>				
Beginning Fund Balance	10,622,451	9,837,692	9,837,692	8,789,652
Fund Balance Inc (Dec)	104,544	(781,112)	784,759	(1,380,726)
Ending Fund Balance	10,726,995	9,056,580	10,622,451	7,408,926
<i>Contingency - Operating</i>				600,000
<i>Contingency - New Capital-Business Strategy</i>				1,957,300
<i>Contingency - Renewal & Replacement</i>				4,851,626
Ending Fund Balance				7,408,926
<u>Expo</u>				
Beginning Fund Balance	3,167,865	3,367,237	3,367,237	3,039,644
Fund Balance Inc (Dec)	(802,297)	(790,576)	(199,372)	(610,969)
Ending Fund Balance	2,365,568	2,576,661	3,167,865	2,428,675
<i>Contingency - Operating</i>				350,000
<i>Contingency - New Capital-Business Strategy</i>				2,078,675
<i>Contingency - Renewal & Replacement</i>				-
Ending Fund Balance				2,428,675
<u>MERC Administration</u>				
Beginning Fund Balance	8,001,481	4,085,353	4,085,353	4,349,393
Fund Balance Inc (Dec)	(809,209)	(736,227)	3,916,128	(858,956)
Ending Fund Balance	7,192,272	3,349,126	8,001,481	3,490,437
<i>Contingency - Operating</i>				65,000
<i>Contingency - Renewal & Replacement</i>				811,772
<i>Contingency - TLT Pooled Capital</i>				2,613,665
Ending Fund Balance				3,490,437
<u>MERC Fund</u>				
Beginning Fund Balance	40,365,842	32,059,959	32,059,959	30,353,460
Fund Balance Inc (Dec)	2,629,348	(1,914,505)	8,305,883	(6,404,215)
Ending Fund Balance	42,995,190	30,145,454	40,365,842	23,949,245

MERC Commission Meeting

February 3, 2016
12:45 pm

10.0 Aramark Second
Quarter Review

2nd Quarter Review - 2016

Portland Expo Center
Portland's 5 Centers for the Arts
Oregon Convention Center

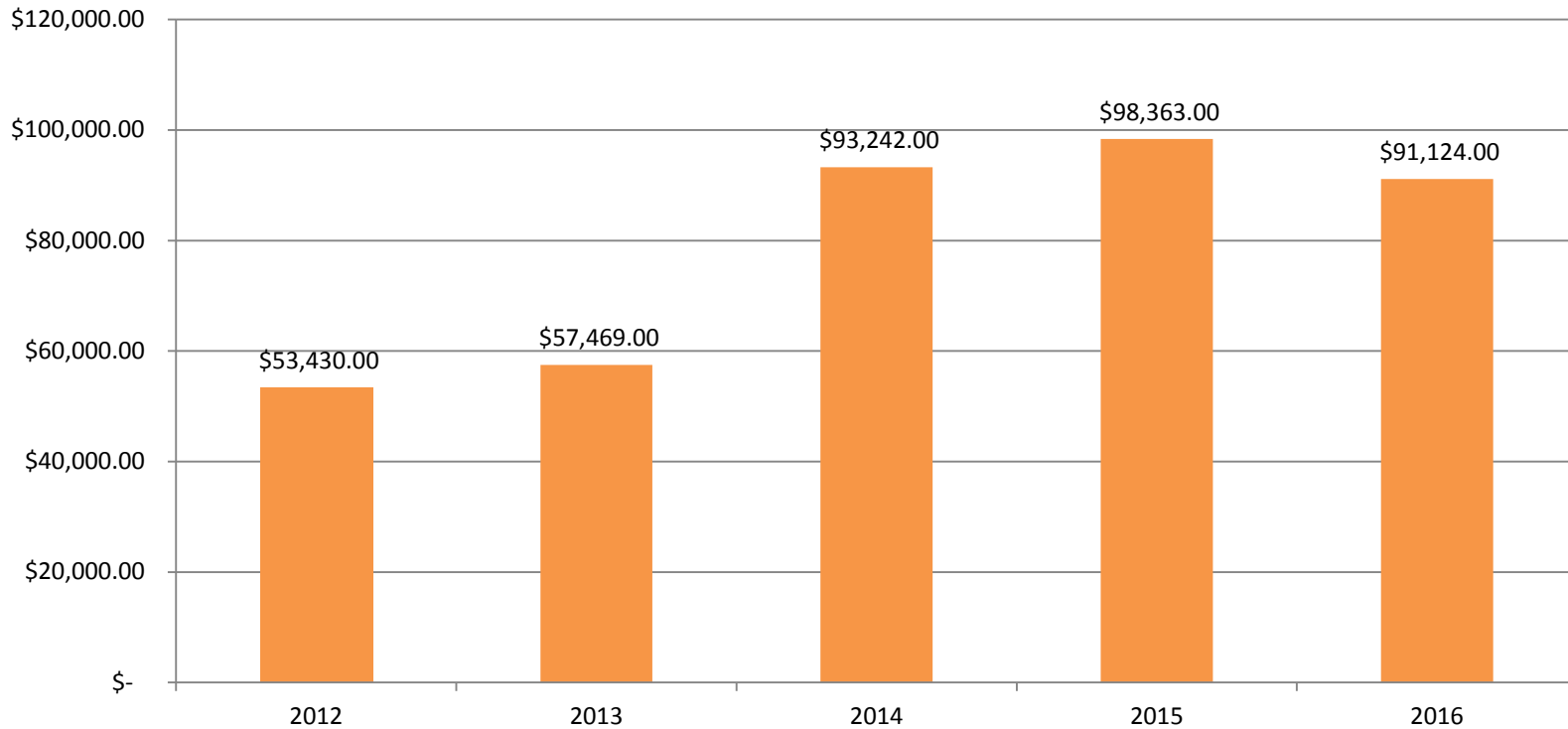
February 3, 2016

Financials | 2nd Quarter Highlights | Hiring | Purchasing | Aramark

Portland Expo Center

	2016 – thru 2 nd Quarter		2015 – thru 2 nd Quarter		2016 Budget				
Net Gross Receipts	\$	723,863	\$	725,100	\$	1,911,165			
Cost of Sales	\$	154,950	28.2%	\$	177,176	29.4%	\$	430,465	26.8%
Labor	\$	282,729	39.1%	\$	324,079	44.7%	\$	746,096	39.0%
Margin	\$	79,740	11.0%	\$	14,308	2.0%	\$	275,578	14.4%

West Delta – thru 2nd Quarter 2016



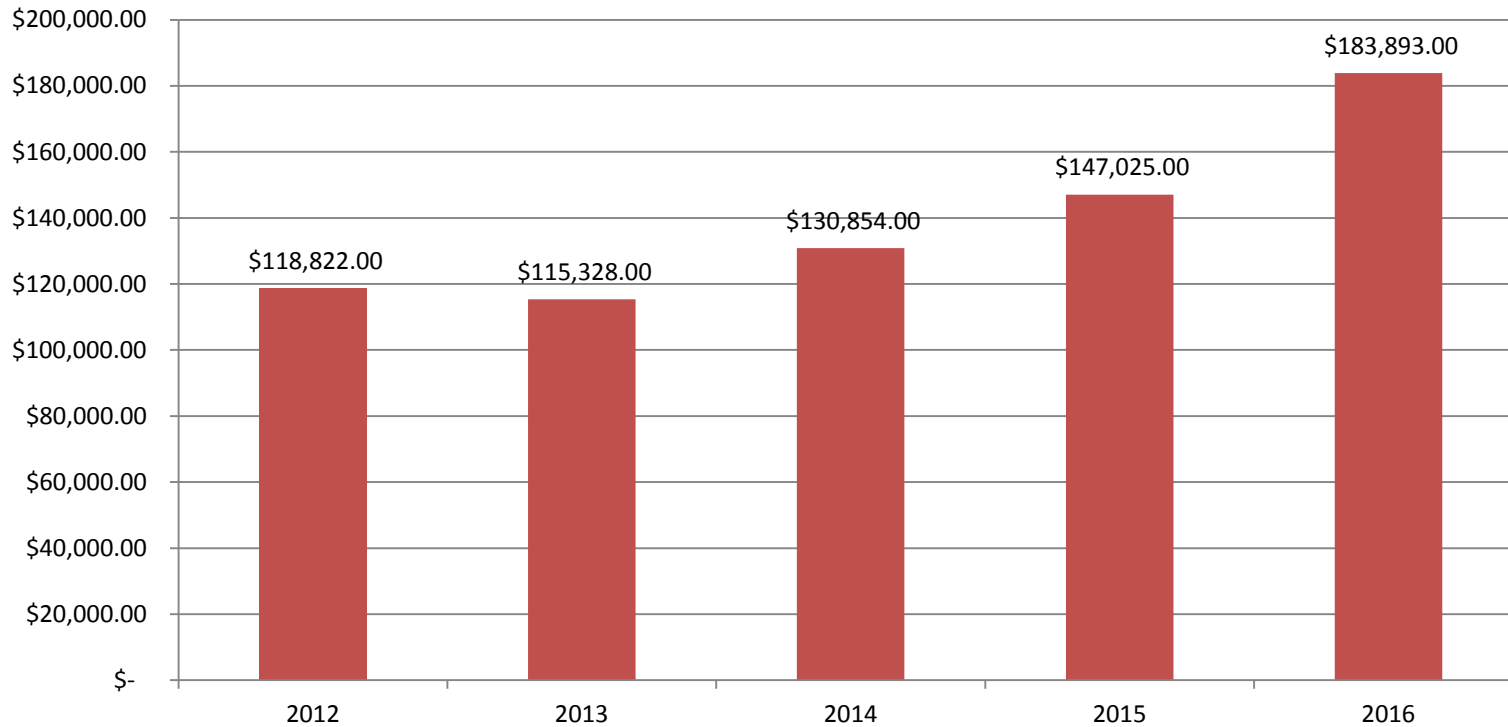
2016 Expo 2nd Quarter Highlights

- Top 5 Events
 - Christmas Bazaar \$131K
*2 Weekends
 - Rabbit Breeders \$51K
 - Antique Show \$50K
 - Tattoo Show \$33K
 - RV Show \$32K
- Stands D/E Refresh
- 3rd Quarter

Portland'5 Centers for the Arts

	2016 – thru 2 nd Quarter		2015 – thru 2 nd Quarter		2016 Budget				
Net Gross Receipts	\$	1,690,481	\$	1,460,925	\$	2,663,978			
Cost of Sales	\$	308,211	19.2%	\$	251,819	18.3%	\$	550,294	21.4%
Labor	\$	566,912	33.5%	\$	509,057	34.8%	\$	1,223,345	45.9%
Margin	\$	472,710	28.0%	\$	445,007	30.5%	\$	420,435	15.8%

ArtBar Bistro – thru 2nd Quarter 2016



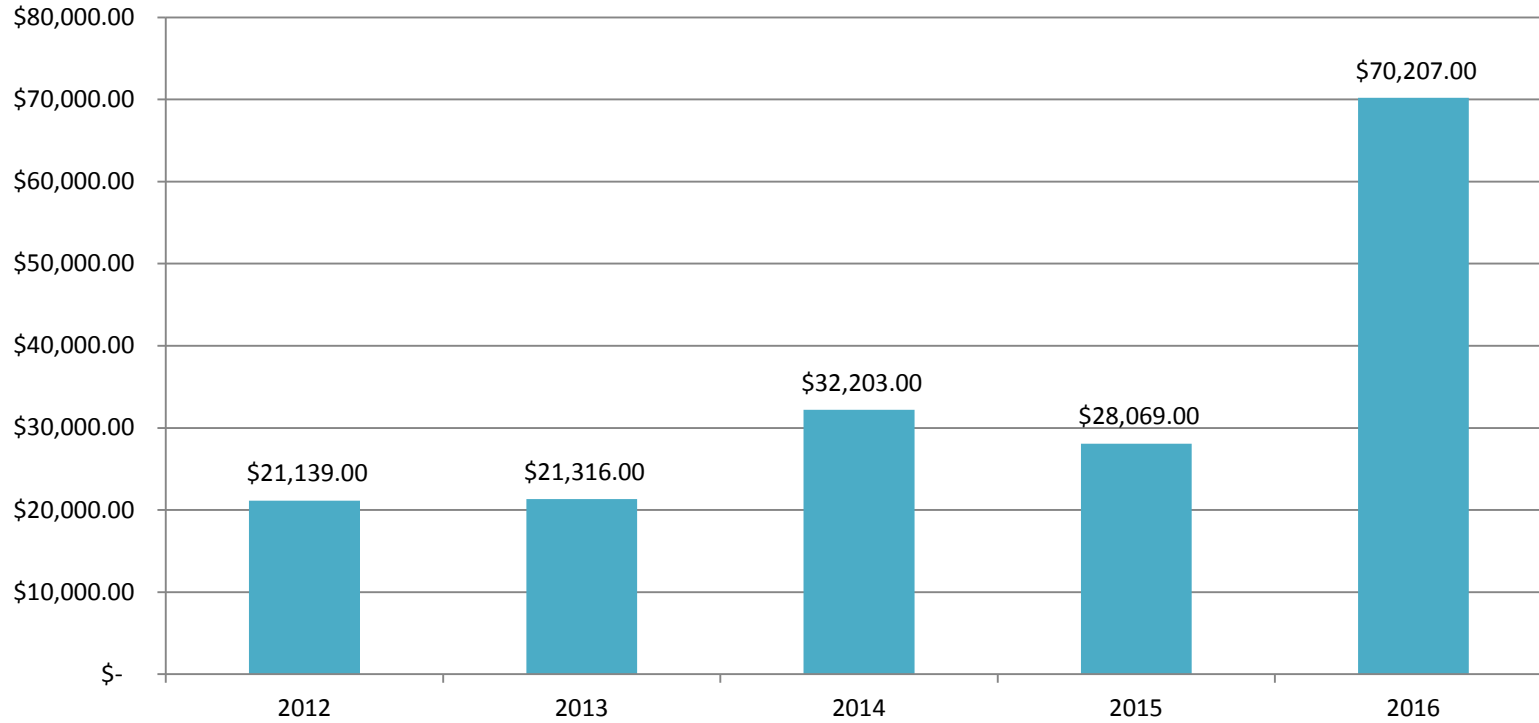
2016 P5 2nd Quarter Highlights

- Top 5 Events
 - Nutcracker \$155K
 - Beauty & the Beast \$75K
 - 42nd Street \$56K
 - Little Big Town \$24K
 - Puscifer \$23K
- Catering Sales/Operations Role
- PT Supervisor – OT/Bench Strength

Oregon Convention Center

	2016 – thru 2 nd Quarter		2015 – thru 2 nd Quarter		2016 Budget				
Net Gross Receipts	\$	7,905,546	\$	5,671,471	\$	11,750,000			
Cost of Sales	\$	1,312,408	20.0%	\$	1,057,771	22.3%	\$	2,405,363	24.5%
Labor	\$	3,125,744	39.5%	\$	2,586,664	45.6%	\$	5,486,007	46.7%
Margin	\$	2,276,573	28.8%	\$	1,290,400	22.8%	\$	1,934,133	16.5%

Stir Bistro – thru 2nd Quarter 2016



2016 OCC 2nd Quarter Highlights

- Top 5 Events
 - PuppetCon \$536K
 - Marquis \$150K
 - CERF \$145K
 - Festival of Trees \$123K
 - ASM \$104K
- Stir – Breakfast
- OrMOM Donations

Community Employment Partners

FOTA

- Giacometti Partners LTD
- Urban League Portland
- PCC NE Campus
- Dress For Success

Portland Metro

- New City Initiatives
- Central City Concern
- Transition Projects
- Goodwill Industries
- Catholic Charities
- Department of Veteran Affairs
- Pivot/JobCorps
- IRCO Immigrant and Refugee Community Organization
- Cascadia
- Roosevelt High School "I Am Academy"
- Albertina Kerr

Community Outreach

10/1 - Dress for Success Employer Information Panel

10/5 - Goodwill Job Fair

10/8 - Job Corps – OCC Tour

10/23 - Goodwill Job Fair-Employer Presentation

11/4 - Transition Projects – OCC Tour

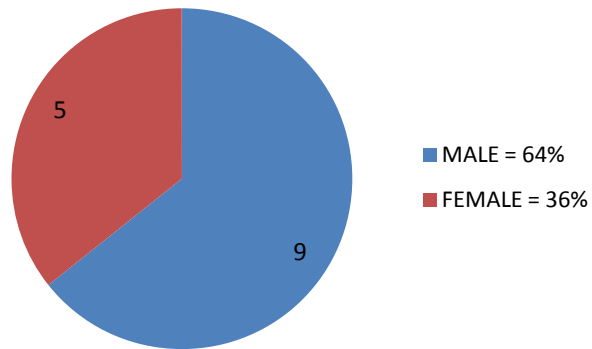
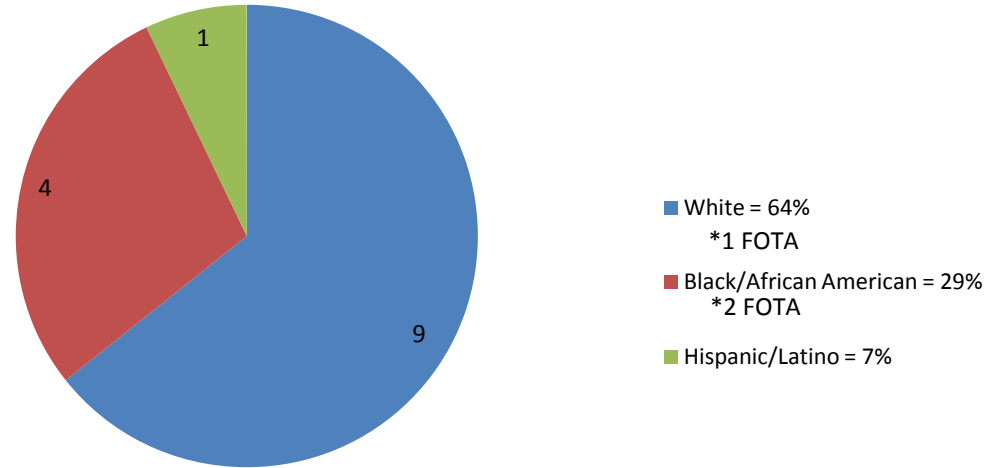
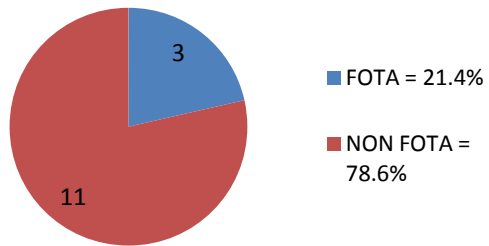
Job Fair

Oregon Convention Center
January 12-13, 2016

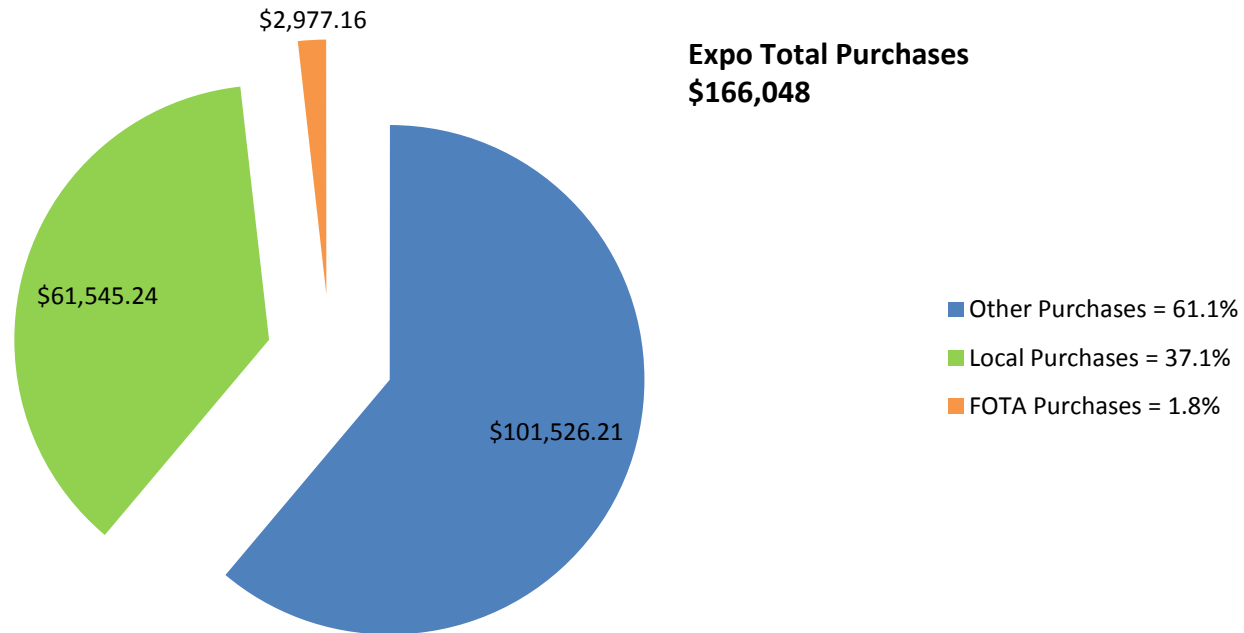
56 Attendees

41 Job Offers

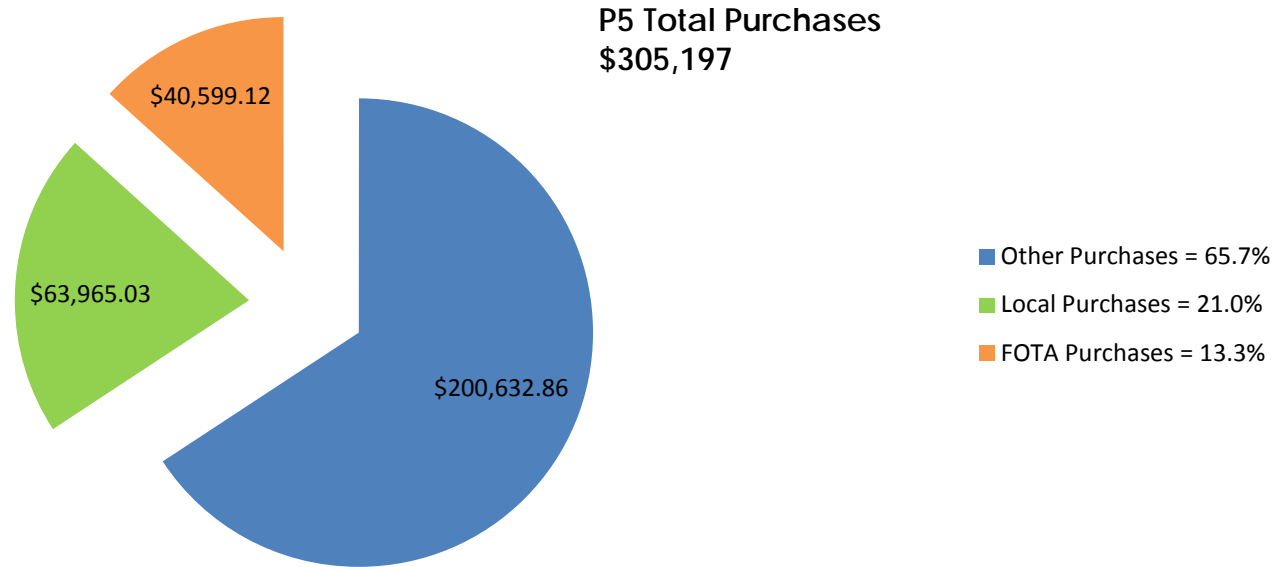
14 PT Employees Hired – 2nd Quarter



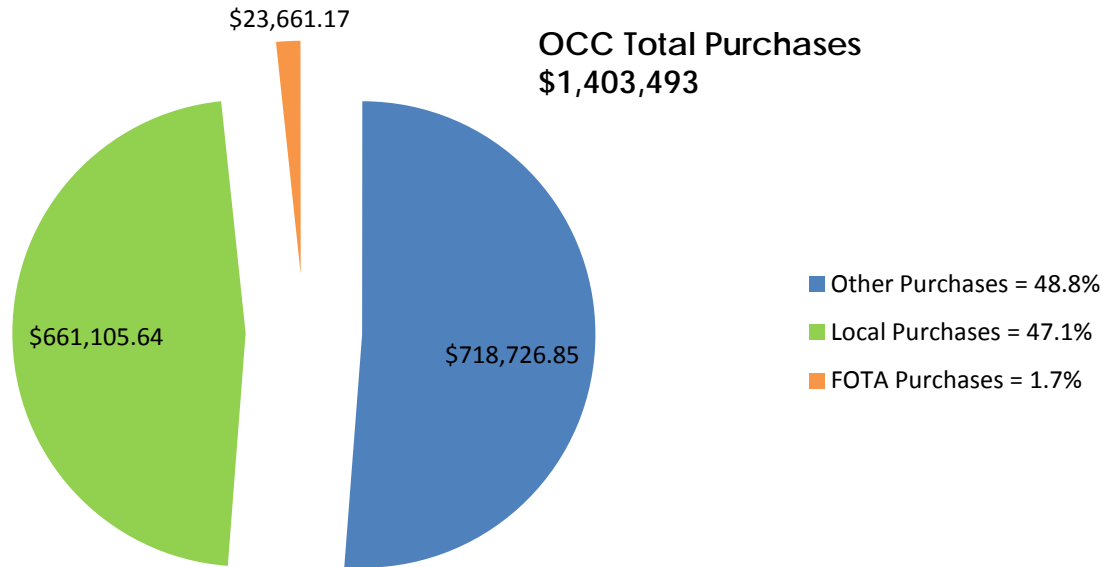
2016 Expo Purchasing – thru 2nd Quarter



2016 P5 Purchasing – thru 2nd Quarter



2016 OCC Purchasing – thru 2nd Quarter



Aramark

Pro Chef II Certifications

Shannon Wisner, P5 Chef de Cuisine

Chris Purdue, OCC Chef de Cuisine

Expo Culinary Position

Edwin Caballero, Sous Chef

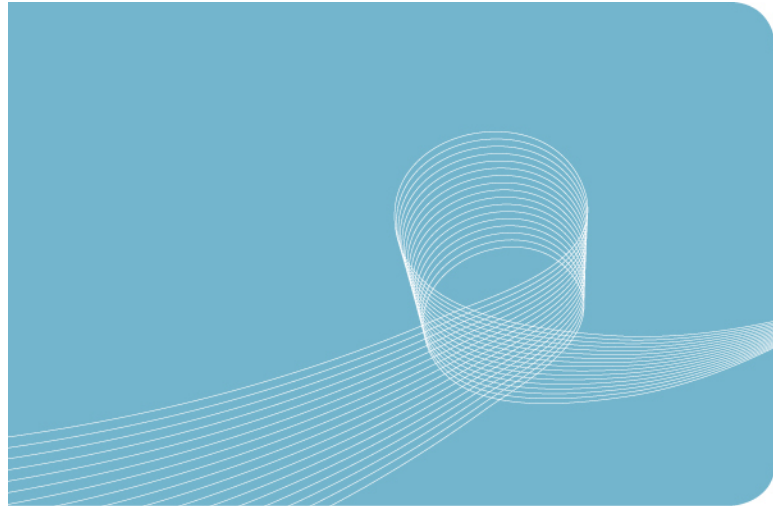
Super Bowl 50

Allan Wambaa

MERC Commission Meeting

February 3, 2016
12:45 pm


11.0 Financial Audit
FY 2014-15



**METRO EXPOSITION
AND RECREATION
COMMISSION**

Jim Lanzarotta, Partner
Ashley Osten, Senior Manager

February 3, 2016



**COMMUNICATION WITH
THOSE CHARGED WITH
GOVERNANCE AND AUDIT
RESULTS FOR 2015**

MOSS ADAMS_{LLP}
Certified Public Accountants | Business Consultants



WHAT WE WILL COVER

- Nature of services provided
- Audit opinion and reports
- Observations and best practices
- Accounting standards
- Questions and comments
- Acknowledgements

NATURE OF SERVICES PROVIDED



Audit

Performed an audit of Metro's (including MERC) financial statements in accordance with generally accepted auditing standards (GAAS) and government auditing standards (GAGAS)



Compliance (A-133)

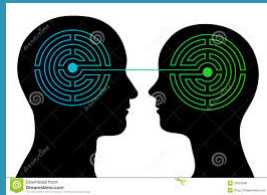
Performed a compliance audit of federal programs in accordance with U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* (OMB Circular A-133) and the 2014 A-133 Compliance Supplement



Compliance OMS

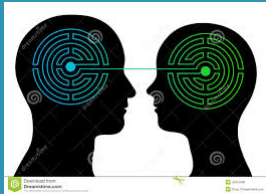
Performed a compliance audit under Minimum Standards for Audits of Municipal Corporations, prescribed by the Oregon Secretary of State

NATURE OF SERVICES PROVIDED



Communicate - Management

Communicated any material weaknesses and significant deficiencies in internal control identified during our audit



Communicate - TCWG

Completed our required communications under professional standards to the Committee on a timely basis

AUDIT RESULTS



Report	Result	Findings
Audit of Comprehensive Annual Financial Report	Unmodified Opinion	None
Federal Internal Control and Compliance	No Reportable Items	None
Oregon Minimum Standards Compliance	Compliance	None
Federal Compliance for Major Programs	Compliance	None
Schedule of Findings and Questioned Costs	Compliance	None
Natural Areas General Obligation Bonds	Compliance	None
Oregon Zoo General Obligation Bonds	Compliance	None



SINGLE AUDIT

- \$6.17M expenditures
- 2 Major Programs
- No Reported Findings

COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS

**Material
weaknesses**

**Significant
deficiencies**

**Nothing noted that should
be communicated to those
charged with governance**



MANAGEMENT LETTER COMMENTS

- Several employees had access to conflicting permission settings in the USI system related to supplier, voucher, and payment abilities.
- There were instances of invoices that were not accrued but were related to fiscal year 2015.
- A physical inventory of capital assets has not been performed for several years.

ACCOUNTING PRONOUNCEMENTS (GASB)

- GASB 68 – Accounting and Financial Reporting for Pensions – and amendment of GASB Statement No. 27 (implemented)
- GASB 69 – Government Combinations and Disposals of Government Operations (implemented)
- GASB 70 – Accounting and Financial Reporting for Nonexchange Financial Guarantees (implemented)
- GASB 72 – Fair Value Measurement and Application (effective 6/30/16)
- GASB 73 - Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68 –an amendment of GASB Statement No. 67 and No. 68 (effective 6/30/16)



COMMENTS

Questions?



ACKNOWLEDGEMENTS

Thanks to Tim Collier, Don Cox, Karla Lenox, Christine Balcazar, and their staff for their excellent facilitation of the audit process and Brian Evans for his management of the audit contract.