
MERC Commission Budget Retreat

November 1, 2017
1:15pm

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



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

www.oregonmetro.gov



Metro | *Exposition Recreation Commission*

Agenda

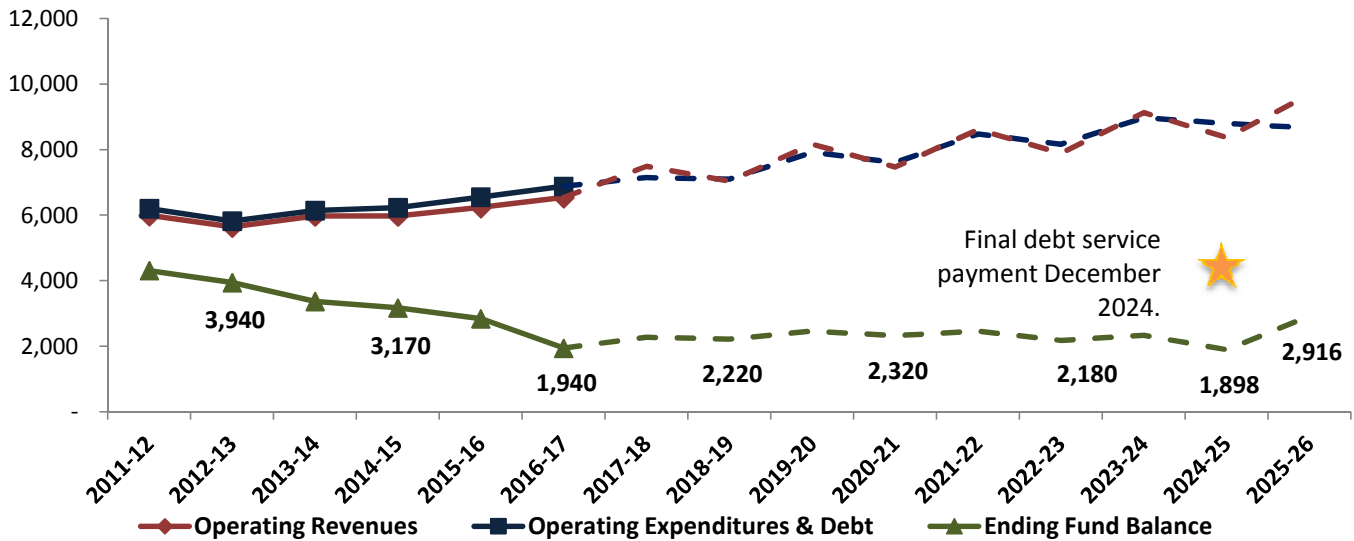
Meeting: MERC Budget Retreat
Date: Wednesday, November 1, 2017
Time: 1:15 – 3:00 p.m.
Place: Oregon Convention Center, VIP Suite B

1:15	1.	INTRODUCTION	Commissioner Krys-Rusoff
1:20	2.	GOALS FOR THE DAY	Scott Cruickshank
1:25	3.	BUDGET PREPARATION	Rachael Lembo
		<ul style="list-style-type: none"> • FY 2018-19 Budget assumptions • FY 2018-19 Budget themes 	
		VENUE REPORTS	Rachael Lembo
		Expo Center , pages 3-7	Matthew P. Rotchford
		<ul style="list-style-type: none"> • Expo Fund Forecast & Reserves (Lembo) • Strategic Goals • Status Report: FY 2017-18 Budget Objectives • Future Opportunities & Challenges 	
		Portland's Centers for the Arts , pages 8-11	Julie Bunker
		<ul style="list-style-type: none"> • P'5 Fund Forecast & Reserves (Lembo) • Strategic Goals • Status Report: FY 2017-18 Budget Objectives • Future Opportunities & Challenges 	
		Oregon Convention Center , pages 12-18	Craig Stroud
		<ul style="list-style-type: none"> • OCC Fund Forecast & Reserves (Lembo) • Strategic Goals • Status Report: FY 2017-18 Budget Objectives • Future Opportunities & Challenges 	
2:50		Commission Budget Process Review	Rachael Lembo
		ADJOURN	

Portland Expo Center
5 - Year Forecast Summary
(\$ Thousands)

	<i>Cirque year</i>		<i>Cirque year</i>		<i>Cirque year</i>	
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Beginning Fund Balance	1,940	2,280	2,220	2,460	2,320	2,460
Event Revenue	7,020	6,550	7,660	6,950	8,100	7,380
MTOCA	400	400	400	400	400	400
Other	70	90	100	110	110	110
Operating Revenues	7,490	7,040	8,160	7,470	8,610	7,890
Operating Expenditures	6,130	6,080	6,900	6,600	7,450	7,130
Net Operating (A)	1,360	960	1,260	870	1,160	760
Debt Service (B)	1,020	1,020	1,020	1,020	1,020	1,030
Operating net of debt (A-B)	340	-60	240	-150	140	-270
Capital						
TLT Pooled Capital	2,870	1,120	1,150	1,240	1,270	1,330
Aramark Capital Contribution	110	140	30	70	110	130
Capital Revenue	2,980	1,260	1,190	1,300	1,380	1,460
Capital Expenditures	2,980	1,260	1,190	1,300	1,380	1,460
Net Capital (C)	0	0	0	0	0	0
Fund Balance Inc./ (Dec) (A-B+C)	340	-60	240	-150	140	-270
Ending Fund Balance	2,280	2,220	2,460	2,320	2,460	2,180

Expo Financial Forecast
(\$ Thousands)



**Portland Expo Center
5-Year Forecast Summary
Assumptions**

Expo Specific Assumptions

	Forecast FY2018-19	Forecast FY2019-20	Forecast FY2020-21	Forecast FY2021-22	Forecast FY2022-23
Event Revenues annual increase	3.00%	3.00%	3.00%	3.00%	3.00%
Cirque du Soleil	\$ -	\$ 915,000	\$ -	\$ 942,450	\$ -
MTOCA	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Food & Beverage margin	14.00%	14.00%	14.00%	14.00%	14.00%
Materials & Services as percentage of non F&B event revenues	35.12%	35.12%	35.12%	35.12%	35.12%

- Cirque du Soleil is expected to return every other year remaining static in FY19-20 and increasing by 3% in FY21-22.
- Capital expenditures are equal to capital revenue.

General Assumptions

	Forecast FY2018-19	Forecast FY2019-20	Forecast FY2020-21	Forecast FY2021-22	Forecast FY2022-23
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The assumptions below are annual increases:

Revenues

TLT Total Collections	5.00%	4.00%	5.00%	4.00%	4.00%
Transfers-R (MERC Admin cost allocation)	3.00%	5.00%	3.00%	5.00%	3.00%

Expenses

Salary - COLA	2.50%	2.50%	2.75%	2.75%	2.75%
Salary - Merit	2.50%	2.50%	2.25%	2.25%	2.25%
Health & Welfare	6.99%	5.00%	5.00%	5.00%	5.00%
PERS Combined Rate	4.55%	20.65%	5.86%	17.87%	0.36%
Transfers-E (Metro central service cost allocation)	3.00%	5.00%	3.00%	5.00%	3.00%

- Maintains \$5,000,000 in TLT Pooled Capital Reserves in MERC Admin Subfund, and allocates remaining to OCC (85%) and Expo (15%).
- Capital contribution is based on Aramark schedule through FY2018-19, then assumes similar schedule.

KEY OBJECTIVES FOR FY 2017-18

- Champion the need for long-term funding inclusion of the Portland Expo Center within the Visitor Facility Trust Account (VFTA) through education, data analysis and partnerships.
- Expand and develop our small team of venue professionals through continued training, positive opportunities for growth, professional development and community engagement.
- Complete our varied capital projects on time, under budget and in a manner that supports the goals of our agency while providing opportunities for COBID firms, our region and the long-term capital needs of the Portland Expo Center.
- Drive revenues through successful development of our new event production team to expand sponsorship and advertising, increased new event opportunities and a successful series of performances by the Cirque du Soleil residency in FY18.
- Develop a long-term plan for the Expo Center that supports Metro’s broader diversity, equity and inclusion goals through staff development, patron outreach and welcoming customer service approaches.

Champion the need for long-term funding inclusion of the Portland Expo Center within the Visitor Facility Trust Account (VFTA) through education, data analysis and partnerships.

Status: On-going

For the first half of this fiscal year and the prior year, most of my focus has been on education. There is much basic understanding and myth separation to do with other agency representatives about the Expo Center and its regional value. This was a focus of our efforts.

An introductory, “Mezzanine Level” discussion and tour took place with Ken Rust, (the soon to retire) City of Portland CFO on July 13th, 2017 and a brief overview meeting was held with Mayor Ted Wheeler on October 6th, 2017, along with Andy Shaw from Metro. Both meetings were very positive and helped dispel some of the thoughts about what Expo “was,” what it has become and the economic impact and other values it brings as part of many fine venues in the region. Plans for similar county meetings and with others are planned to express Expo’s value as a strategic regional asset and its economic impact to the region as documented by the Crossroads economic impact studies.

The topic is one where we need to be strategic and measured in our approach towards success and aligned internally as to the best ask, for the greatest good, at the right time. The Metro CFO and Metro GMVV are leading those discussions with partners.

Expand and develop our small team of venue professionals through continued training, positive opportunities for growth, professional development and community engagement.

Status: On-going

The Expo team in this new fiscal year has participated in numerous trainings or engagements – IAVM National Conference (Director), the Kenton Street Fair (NPD, May), Self Enhancement, Inc. (Sept.), various DEI trainings and meetings (Metro Learning Center – ongoing including Leading with Racial Equity), Children’s Cancer Association (Oct.), Management Training – Leadership Academy - PSU (Clark), IAFE Conference (invited by Fairgrounds committee of IAVM – Nov., Director), IAVM Spring Regional (3-4 Expo staff – May), INTIX (Ticketing conference) and PIE (Parking conference) for Clark Moss.

As a small team it is an important goal for us to work towards continued training and community outreach while maintaining a high-level of customer-service and superior event execution. We have in the past months developed a confidence in the training and results produced by our PT teams in events, sales and parking departments. This allows our team to better grow and develop in a similar way as our peers without worrying about the event that is taking place “back home.” Regardless, it is important to have a goal around this as it is always very easy to say that we do not have time for these things outside of our busy event schedule.

Complete our varied capital projects on time, under budget and in a manner that supports the goals of our agency while providing opportunities for COBID firms, our region and the long-term capital needs of the Portland Expo Center.

Status: On-going

Our facilities vary in ages from 1928 (ABC) to 1996 (E) to 2001 (D). All have their varied needs and issues to address. In addition, the campus itself is over 53 acres with parking, landscapes, levee property, a private road, meeting rooms, a full service kitchen, and restaurant and storage areas. The campus itself is maintained very well with a small team that cares a great deal about the campus.

In the early months of FY18, we have addressed the shore power installation project for Cirque du Soleil that used in large part, a COBID firm – Ramos Excavating. That project will complete by year end when the permanent structure will be finalized. The roofing project took place all summer long and with the weather, had to stop. The project is at 85% completion, and now both Halls D and E have a roof that has been restored with a 30-year warranty in a highly sustainable way. The project is on budget and other than the Connector hall, is mostly complete. Final items will be the gutters, drain spouts and safety ladder.

This winter we will follow up on numerous other projects from telecommunications (wi-fi, POS and DAS projects), and campus improvements (Greenwall Courtyard, security cameras, lighting control review and replacements, asphalt improvements, HVAC studies (C and controls) and water efficiency improvements.) Most are on track with more activity in December and the spring to avoid events. Lastly, there are some simple purchases or repairs to be made for radios, audio visual and door replacements for ABC per the fire marshal’s request.

Our capital planning has never been stronger with the presence of Jesse Flores from Metro cPMO and Chuck Dills, Expo Operations Manager on our team. They work well together and update our teams often to meet successful results.

Drive revenues through successful development of our new event production team to expand sponsorship and advertising, increased new event opportunities and a successful series of performances by the Cirque du Soleil residency in FY18.

Status: In Progress / Complete

The sales team along with our agents with BMM Media have grown our sponsorships to a larger base, but the revenue stream is less year over year due to Pepsi’s agreement with MERC changing somewhat. The self-produced PDX Drive-In Spectacular was a huge success in many ways. With more time throughout the year, we can pursue sponsorships for our Honoring our History event and other options.

The Cirque du Soleil residency with *KURIOS – The Cabinet of Curiosities* was a huge success. With 7 weeks of events, we welcomed over 100,000 new guests to the campus. We safely parked over 33,000 cars and served a wide variety of alcoholic beverages that accounted for a greater than 50% increase in sales. Kudos to Expo F&B Director, Riley Hartman and Expo Parking Manager, Clark Moss for their commitment to excellence and attention to the many details of this event execution. In addition, the electrical shore power project accounted for all of the Cirque's power during their residency which with partnership with the cPMO, PGE and many others on the team, has created a long-lasting improvement to the campus which can be enjoyed by many other events. A complete detailed overview of the Cirque event metrics will be provided.

Develop a long-term plan for the Expo Center that supports Metro's broader diversity, equity and inclusion goals through staff development, patron outreach and welcoming customer service approaches.

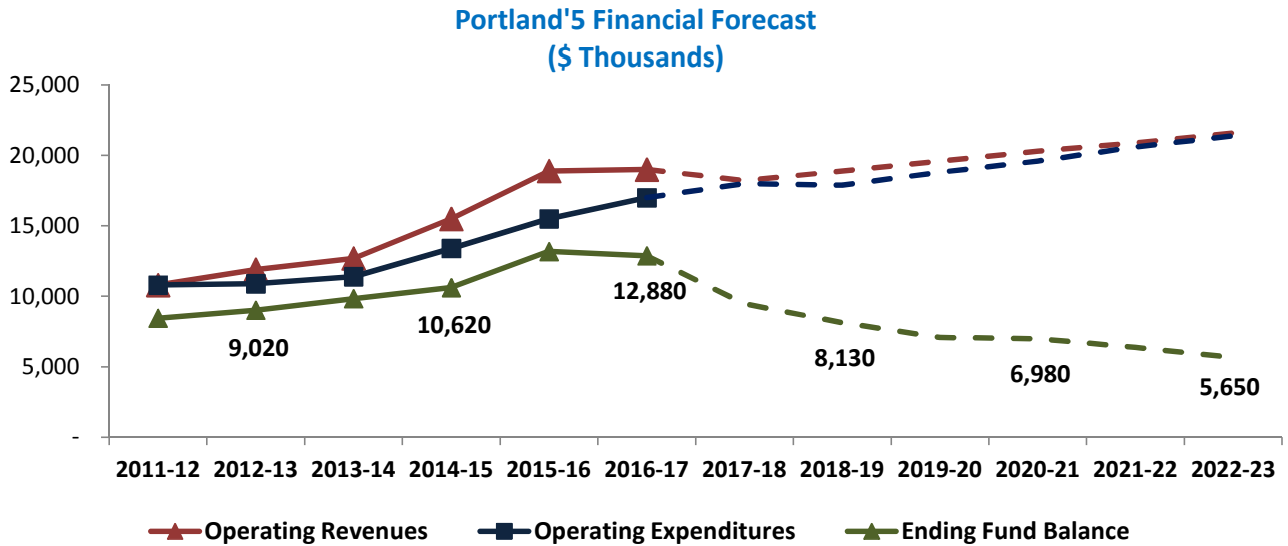
Status: In Progress

In working with DEI team members Raahi Ready and Nathan Baptiste, the Expo is organizing specific DEI plans at the staff level by department. In addition to our work with Vanport Mosaic, Oregon Nikkei and other local groups, the Expo is taking an inventory of what we have completed already and what goals we feel we can attain that will become part of our normal work plans and also meet the spirit and intention of the Diversity Action Plan. Staff are looking historically with our long relationship with the Fair Housing Council bus tours and other programs that may or may not have been noted in the past. Staff is taking part in multiple trainings and is working to develop an overview for these efforts that support MERC and Metro's goals.

We are in the initial phases of discovery with the DEI team and are looking forward to a staff-wide effort that will change our work systems and plans. We continue to reach out to community groups that may not think of the Expo as front of mind to hold their event, and offer our services and venues to meet their goals.

Portland's Centers For The Arts
5 - Year Forecast Summary
(\$ Thousands)

	CAGR							CAGR	
	FY12-FY17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	FY19-FY24	
Beginning Fund Balance		12,880	9,460	8,130	7,080	6,980	6,370		
Event Revenue	13.4%	15,350	15,880	16,440	17,010	17,610	18,230	3.5%	
TLT	1.9%	1,390	1,430	1,460	1,500	1,540	1,570	2.5%	
City of Portland	2.3%	890	910	930	960	980	1,010	2.5%	
Other		560	630	780	800	810	800		
Operating Revenues	11.8%	18,190	18,850	19,610	20,270	20,930	21,610	3.5%	
Operating Expenditures	9.4%	18,010	17,950	18,820	19,610	20,560	21,380	4.5%	
Net Operating (A)		180	900	790	660	370	230		
Capital									
Grants/Miscellaneous		0	3,200	0	0	0	0		
Aramark Capital Contribution		170	70	50	100	160	200		
Capital Revenue		170	3,270	50	100	160	200		
Capital Expenditures		3,780	5,500	1,900	860	1,150	1,150		
Net Capital (B)		-3,610	-2,230	-1,850	-760	-990	-950		
Fund Balance Inc./ (Dec) (A+B)		-3,430	-1,330	-1,050	-100	-610	-730		
Ending Fund Balance		9,460	8,130	7,080	6,980	6,370	5,650		



**Portland'5 Centers for the Arts
5-Year Forecast Summary
Assumptions**

Portland'5 Specific Assumptions

	Forecast FY2018-19	Forecast FY2019-20	Forecast FY2020-21	Forecast FY2021-22	Forecast FY2022-23
Event Revenues annual increase	3.50%	3.50%	3.50%	3.50%	3.50%
TLT and City of Portland annual increase	2.50%	2.50%	2.50%	2.50%	2.50%
Food & Beverage margin	23.50%	23.50%	23.50%	23.50%	23.50%
Materials & Services as percentage of non F&B event revenues	39.45%	39.45%	39.45%	39.45%	39.45%

- Portland'5 Foundation contributions are expected to cover half of the Education costs in FY18-19, and all of the costs going forward.
- Assumes reimbursement from Oregon Symphony for new orchestra shell costs in FY18-19.
- Capital expenditures are based on the FY17-18 5 year CIP, excluding FY18-19 Keller projects.

General Assumptions

	Forecast FY2018-19	Forecast FY2019-20	Forecast FY2020-21	Forecast FY2021-22	Forecast FY2022-23
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The assumptions below are annual increases:

Revenues

TLT Total Collections	5.00%	4.00%	5.00%	4.00%	4.00%
Transfers-R (MERC Admin cost allocation)	3.00%	5.00%	3.00%	5.00%	3.00%

Expenses

Salary - COLA	2.50%	2.50%	2.75%	2.75%	2.75%
Salary - Merit	2.50%	2.50%	2.25%	2.25%	2.25%
Health & Welfare	6.99%	5.00%	5.00%	5.00%	5.00%
PERS Combined Rate	4.55%	20.65%	5.86%	17.87%	0.36%
Transfers-E (Metro central service cost allocation)	3.00%	5.00%	3.00%	5.00%	3.00%

- Maintains \$5,000,000 in TLT Pooled Capital Reserves in MERC Admin Subfund, and allocates remaining to OCC (85%) and Expo (15%).
- Capital contribution is based on Aramark schedule through FY2018-19, then assumes similar schedule.

KEY OBJECTIVES FOR FY 2017-18

- Continue business development initiative via Portland'5 Presents events.
- Continue to develop and implement a plan to address long term funding strategy for Portland'5.
- Continue to develop and implement revitalization plan for the Portland'5 Foundation.
- Continue development of sponsorship, advertising and marketing initiatives that generate revenue.
- Develop education and community engagement program.

Continue business development initiative via Portland'5 Presents events.

Status: In progress, on going

Portland'5 has booked 34 shows thus far and anticipates booking a total of 44. \$20,000 in sponsorships was booked from Music on Main and \$40,000 in advertising has been sold so far this fiscal year. Our co-presenting with Portland Jazz Festival and Chamber Music Northwest continues. We have also sponsored August Wilson's Red Door Project's monologue competition, Literary Arts' Wordstock and Oregon Symphony's Sounds of Home series. These sponsorships are designed to increase access to disadvantaged audiences or create cultural awareness.

Continue to develop and implement a plan to address long term funding strategy for Portland'5.

Status: In progress

The City of Portland commissioned a seismic study of the Keller so an understanding of those capital costs can be considered. A preliminary report has prompted some additional study. A Facility Condition Assessment was completed in 2015-16, prioritizing and quantifying renewal and replacement projects at the three facilities. This included the first phases of both an ADA compliance survey as well as the seismic study. A cost recovery/ client subsidy study has been completed, quantifying subsidies to resident and Non-profit clients. The Strategic Initiatives Program Director is developing a project plan which will be presented to stakeholders in the coming months. A Project status report will be delivered at the January 3rd Commission Meeting.

Continue to develop and implement revitalization plan for the Portland'5 Foundation.

Status: In progress

The Foundation hired a Development Manager in January 2017. She has focused on getting board policies in place, implemented funding software, organized the donor database and has been meeting with current funders. She worked with P5 staff on a web page for the Foundation and is in the process of setting up online donations. The board is starting to bring on much needed new members.

Continue development of sponsorship, advertising and marketing initiatives that generate revenue.

Status: In progress

Season sponsor renewed their \$20,000 sponsorship and the local Toyota dealers increased their sponsorship by \$5,000 to \$25,000 for the funding of bus transportation to P5 education shows. Music on Main sponsorship generated \$20,000 this summer. The Portland'5 Foundation has adopted P5's educational initiatives as part of their fundraising plan.

Develop education and community engagement program.

Status: On going

So far, 5 educational shows have been presented:

1. A family show at Billy Elliot
2. National Geographic Live with Terry Virts
3. Three performances of Hands Up
4. American Brass Quintet went to Meadows Elementary
5. Las Migas went to Cesar Chavez Elementary

Hip Hop Nutcracker will be Nov. 15th and a community conversation will take place following the performance. Their Asst. producer/choreographer is doing a master class for students at Jefferson High School.

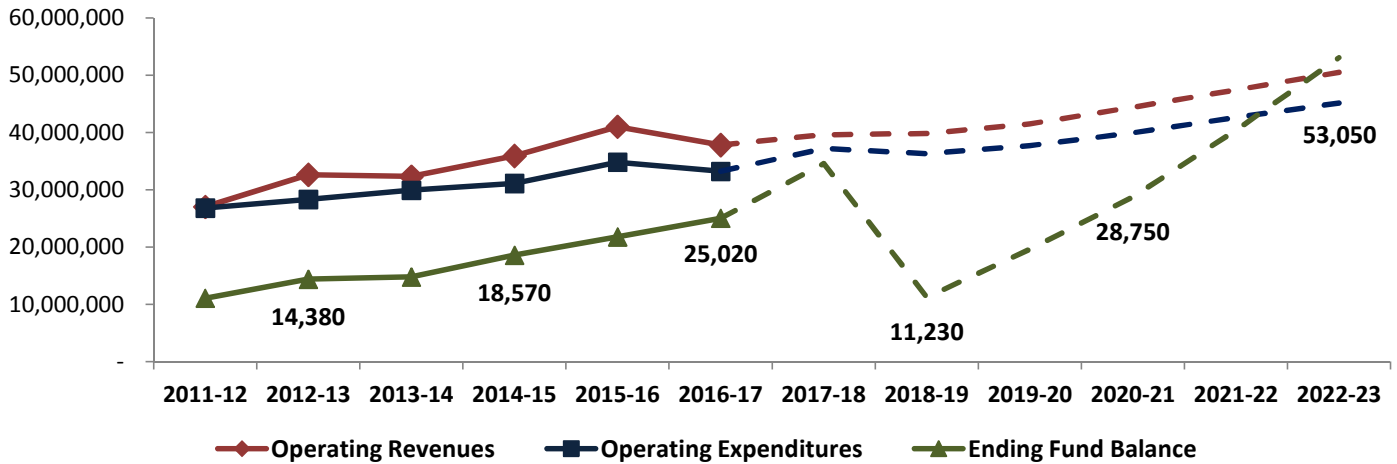
Tabling events have provided opportunities for visibility and to learn more about our community. So far this year we were at Good in the Hood, Zoo Twilight Family event, El Grito Fiestas Patrias and Dia de los Muertos family festival.

P5 staff visited the new theater at Roosevelt High and offered training on their new theatrical equipment for their staff and students.

**Oregon Convention Center
5-Year Forecast Summary
(\$ Thousands)**

	CAGR							CAGR
	FY12-FY17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	FY18-FY24
Beginning Fund Balance		25,020	34,580	11,230	19,590	28,750	40,370	
Operating Revenue								
Event Revenue	7.0%	24,840	25,580	27,120	29,020	31,050	33,220	6.0%
TLT	5.4%	11,200	12,130	12,730	13,240	13,910	14,460	4.4%
Other		3,540	2,060	1,660	2,140	2,420	2,820	
Operating Revenues	7.0%	39,580	39,770	41,510	44,400	47,380	50,500	4.7%
Operating Expenditures	4.4%	37,210	36,280	37,700	39,940	42,620	45,080	3.9%
Net Operating (A)		2,370	3,490	3,810	4,460	4,760	5,420	
Capital								
Aramark Capital Contrib.		480	560	140	280	460	550	
TLT Pooled Capital		16,260	6,350	6,530	7,000	7,200	7,520	
Total Capital Revenue		16,740	6,910	6,670	7,280	7,660	8,070	
Total Capital Expenditures		9,560	33,740	2,120	2,580	810	810	
Net Capital (B)		7,180	-26,830	4,550	4,700	6,850	7,260	
Fund Balance Inc./ (Dec) (A+B)		9,550	-23,350	8,360	9,160	11,620	12,680	
Ending Fund Balance		34,580	11,230	19,590	28,750	40,370	53,050	

**OCC Financial Forecast
(\$ Thousands)**



**Oregon Convention Center
5-Year Forecast Summary
Assumptions**

OCC Specific Assumptions

	Forecast FY2018-19	Forecast FY2019-20	Forecast FY2020-21	Forecast FY2021-22	Forecast FY2022-23
Event Revenues annual increase	3.00%	6.00%	7.00%	7.00%	7.00%
Food & Beverage margin	17.80%	17.80%	17.80%	17.80%	17.80%
Materials & Services as percentage of non F&B event revenues	77.65%	77.65%	77.65%	77.65%	77.65%
Client Incentive Expense (due to expected impacts of major renovation)	\$ 70,000	\$ 30,000	\$ -	\$ -	\$ -
Transfers-R (Project Management costs for renovation)	\$ 135,588	\$ 144,162	\$ -	\$ -	\$ -
Repayment of interfund loan	\$ 719,952	\$ -	\$ -	\$ -	\$ -

- \$2M from VFTA to assist with funding incentives for large scale opportunities in FY2017-18 is not recurring.
- Capital expenditures are based on the FY17-18 5 year CIP schedule.

General Assumptions

	Forecast FY2018-19	Forecast FY2019-20	Forecast FY2020-21	Forecast FY2021-22	Forecast FY2022-23
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The assumptions below are annual increases:

Revenues

TLT Total Collections	5.00%	4.00%	5.00%	4.00%	4.00%
Transfers-R (MERC Admin cost allocation)	3.00%	5.00%	3.00%	5.00%	3.00%

Expenses

Salary - COLA	2.50%	2.50%	2.75%	2.75%	2.75%
Salary - Merit	2.50%	2.50%	2.25%	2.25%	2.25%
Health & Welfare	6.99%	5.00%	5.00%	5.00%	5.00%
PERS Combined Rate	4.55%	20.65%	5.86%	17.87%	0.36%
Transfers-E (Metro central service cost allocation)	3.00%	5.00%	3.00%	5.00%	3.00%

- Maintains \$5,000,000 in TLT Pooled Capital Reserves in MERC Admin Subfund, and allocates remaining to OCC (85%) and Expo (15%).
- Capital contribution is based on Aramark schedule through FY2018-19, then assumes similar schedule.

KEY OBJECTIVES FOR FY 2017-18

- Complete the first phase priority projects developed through the Master Plan and Facility Assessment work in coordination with the Convention Center Hotel opening in 2019.
- Develop a sales and marketing plan for Hyatt Hotel Convention package.
- Achieve a 95% Waste Diversion Policy compliance by clients and measure and celebrate the amount of waste diverted from landfills.
- Measure and celebrate the energy usage and cost savings achieved through OCC's sustainability measures and capital projects.
- Improve OCC cellular service and WiFi capabilities and customer satisfaction of use of these systems by upgrading fiber backbone throughout.
- Develop and implement a social media marketing and promotion plan to increase followers.
- Implement a program to increase Food & Beverage sales to Exhibitors Services.

Complete the first phase priority projects developed through the Master Plan and Facility Assessment work in coordination with the Convention Center Hotel opening in 2019.

Status: Ongoing

Coinciding with the opening of the Hyatt Regency Portland, updates and improvements to the 27-year-old Oregon Convention Center will improve the visibility of, and access to, the building entries and also enhance the surrounding neighborhood. Updating the interior spaces from the concourse to the ballrooms will reinvigorate the image of the OCC to local Portlanders, as well as improve its competitiveness nationally. Updates being considered include surface finishes, lighting, furniture, entries and floor surfaces.

The renovation project continues to progress with design underway and the Construction Manager/General Contractor (CM/GC) procurement process completed. The renovation project design process transitioned from schematic design to design development in Oct. 2017. The OCC team prioritized the project scopes to achieve budget alignment, and provided the design team with prioritized scopes for project alternates, both additive and deductive, to support a project budget balanced to available resources when the project is bid to subcontractors by the general contractor.

The CM/GC contract was awarded to Colas Construction, in partnership with Raimore Construction, both certified minority-owned businesses. To Metro's knowledge, this is the largest public works project awarded to a minority-owned firm in the role of general contractor in the state of Oregon's history. Colas' team has been working with the design team and OCC staff to provide scope, schedule and budget information for use in project decision-making.

The project is expected to be complete in summer/fall of 2019. This timing is prior to the grand opening of the Hyatt Regency Portland.

Develop a sales and marketing plan for Hyatt Hotel Convention package. NOTE: This goal has been split into two parts, with responses for each.

Develop and execute a marketing strategy plan to compete with the multiple new hotel properties that will be entering the hospitality community in the next two calendar years.

Status: In Progress, Ongoing

The Sales and Marketing departments will work with our internal resources and those of Grady Britton to determine our numerous and varied marketing and communication needs. Short and long-term goals will be identified with audiences, timing and competition in mind. Assets will be created and rolled-out based on a market research, target audiences and near and long-term priorities.

Develop a sales and communication strategy in collaboration with Travel Portland and the Hyatt sales force that ensures the terms of the room block agreement are upheld and that information is relayed from all parties effectively and efficiently with the intent of generating five to ten additional convention bookings each year after hotel opening in 2020.

Status: In Progress, Ongoing

The OCC Director of Sales along with Travel Portland's Senior VP of Convention Sales and Hyatt's Regional VP of Sales & Marketing will create a process for establishing future room block rates that allows the hospitality community to present a competitive bid to prospective convention clients.

Achieve a 95% Waste Diversion Policy compliance by clients and measure and celebrate the amount of waste diverted from landfills.

Status: Ongoing

In fiscal year 2015-16, OCC achieved 84% customer compliance with the Waste Diversion Policy. OCC employees continue to increase levels of expertise, and communication continues to improve between OCC and clients. Overall waste diversion for the OCC held at 65% for fiscal year 2016-17, but with increased efficiencies of measurement, and despite increases in efficiencies that cut down on diverted materials, the continuing increase of client WDP compliance should result in an overall waste diversion rate of 70%.

Measure and celebrate the energy usage and cost savings achieved through OCC's sustainability measures and capital projects.

Status: Ongoing

After one-year of production from its two-megawatt solar array, the OCC generated 1.8 million kwh of clean renewable energy. The use of on-site electricity kept approximately 1600 tons of carbon dioxide from polluting the atmosphere. This amount of gas emission is comparable to driving a car to the moon and back 16 times. The array helped OCC to cut the amount of electricity purchased in the past fiscal year from Pacific Power by nearly 30%. Alongside an aggressive campaign of systems upgrades, such as lighting and air handlers, overall electricity usage was cut from 8.24 million kwh to 7.66 million kwh in the past fiscal year.

OCC has continued its involvement in the Energy Trust Strategic Energy Management and has monthly meetings to discuss improvement areas and opportunities. OCC made multiple improvements to the HVAC systems. First, staff added return air temperature sensors to half of the meeting rooms in the facility. Adding return air sensors provides more consistent client comfort and limits cycling between heating and cooling. Second, OCC retrofitted four air handlers with Variable Frequency Drives which

allow fan speeds to ramp up or down based on the needs of each space. Previously the fans operated continuously at full speed. Third, OCC worked with our Building Management Systems contractor to improve the programming of multi-zone air handling units. These improvements provide more consistent space temperatures. Finally, OCC finished the tower lighting project. OCC moved to color changing LEDs. This move reduced the number of fixtures and halves the energy used. This change also provides a revenue generating opportunity to sell the tower and crescent lighting ability to clients. Each of these steps save energy.

Improve OCC cellular service and WiFi capabilities and customer satisfaction of use of these systems by upgrading fiber backbone throughout.

Status: In Progress

InSite Wireless is finalizing their design layout for antennas and “Head End” mechanical and electrical. Finalized designs will then be submitted for permitting. The anticipated installation start date is the first quarter of 2018. InSite will also install 10Gbps fiber backbone infrastructure in the center. OCC is currently updating its wireless internet antenna to accommodate 10Gbps speeds to the internet. The voice over IP (VoIP) project is underway. All Cat6 cabling has been installed and the network backbone is ready for the migration from OCC’s Nortel PBX to VoIP.

Develop and implement a social media marketing and promotion plan to increase followers.

Status: Ongoing

The OCC actively uses social media - including Facebook, Twitter, Pinterest, YouTube and Instagram - to help promote and build awareness about upcoming events, but also to engage attendees while events are happening. OCC’s Facebook profile (32,047 Likes, with thousands of post reaches each week) is one of the most widely followed of any convention center. Our social media messaging regularly features advance ticket promotions, original event photography, and short promotional videos highlighting both events and convention center services. Convention center news items are regularly distributed through social media, as well as sales offers and call-to-action messaging targeted at meeting planners and the hospitality industry. The social media program also builds the OCC’s brand statement by being innovative, engaging and confident.

Implement a program to increase Food & Beverage sales to Exhibitors Services.

Status: In Progress

OCC and the MERC venues are in the process of contracting with Appetize Point of Sale System to replace the outdated and non-PCI compliant system. Once this system is in place, the Ungerboeck Software system that runs the venues’ booking and sales system can be optimized to provide direct sales to exhibitors. Direct sales will be available through advance website ordering and on the floor ordering thru the Appetize POS. Metro IT, MERC leadership and the venues are working toward establishing a timeline for completion of both portions of this goal. As part of optimization of EBMS, Rebecca Green, Matt Uchtman and our USI representative are working to present a proposal to catch up the MERC venues on USI services.

KEY OBJECTIVES FOR FY 2017-18

- Develop and implement phase III of the Expo Project.
- Provide a semi-annual Portland’s Project Progress Report to the MERC Commission.
- Maintain oversight, facilitation, and regular and timely reporting to stakeholders of the required minority contracting and workforce equity goals throughout the construction of the OCC Hotel project.
- Provide monthly Capital Project Progress reports to the Commission.

Develop and implement phase III of the Expo Project.

Status: In progress

Expo Project Phase II – Refurbish Hall C: The Strategic Initiatives Program Director is working with the Construction Project Management Office to refine the scope of work for an architect and construction cost estimator. The architect will estimate the construction costs of specific projects identified by the Expo Project Steering Committee that will most likely facilitate higher utilization rates for Hall C. Once we have construction cost estimates, we can then prioritize proposed projects for Hall C and work through the capital planning process. In the next several months, we expect to produce a prioritized list of projects to make Hall C a more leasable space.

Expo Project Phase III - Hybrid Business Model Exploration: The Strategic Initiatives Program Director will present a project plan to explore a hybrid business model for the Expo campus to stakeholders in the coming months. A Project status report will be delivered at the January 3rd Commission Meeting.

Provide a semi-annual Portland’s Project Progress Report to the MERC Commission.

Status: In Progress

Several foundational elements necessary to make progress on this project are in motion:

- A cost recovery/ client subsidy study has been completed, quantifying subsidies to resident and featured clients
- A Facility Condition Assessment was completed in 2015-16, prioritizing and quantifying renewal and replacement projects at the three facilities. This included the first phases of both an ADA compliance survey and seismic study.

The Strategic Initiatives Program Director is developing a project plan which will be presented to stakeholders for approval in the coming months. A Project status report will be delivered at the January 3rd Commission Meeting.

Maintain oversight, facilitation, and regular and timely reporting to stakeholders of the required minority contracting and workforce equity goals throughout the construction of the OCC Hotel project.

Status: In Progress

The Hotel Project Manager and General Manager are maintaining oversight of this work and will provide a status report at the January 3rd Commission Meeting.

Provide monthly Capital Project Progress reports to the Commission.

Status: Complete

A Capital Project Progress report is included in the monthly financial report and Commission meeting packet.

Metropolitan Exposition Recreation Commission

Budget Retreat Minutes

November 1, 2017

Oregon Convention Center VIP Suite B

Present:	Deidra Krysov-Rusoff (Chair), Ray Leary, Karis Stoudamire-Phillips, Judie Hammerstad, Damien Hall, Deanna Palm, Dañel Malán
Absent:	
Others Present	Scott Cruickshank, Matthew P. Rotchford, Craig Stroud, Julie Bunker, Rachael Lembo, Tim Collier, Nathan Sykes, Benjamin Rowe, David Woodman, Margie Helton
	The Budget Work Session was called to order by MERC Budget Committee Chair, Deidra Krysov-Rusoff at 1:00 p.m.
1.0	Commissioner Krysov-Rusoff opened the meeting with brief comments about the goals for the retreat as well as explaining the budget process for the FY2018-19 MERC budget.
2.0	MERC Finance Manager, Rachael Lembo, laid out the plan for the retreat and explained how the five year forecast was arrived at for each venue including a brief listing of major factors and assumptions that were used to prepare the forecast.
3.0	Metro FRS Director, Tim Collier, presented the forecast and projections for PERS costs and how they affect the venue budgets over the next five years including the fact that PERS forecasts now assume a 5.25% increase per biennium. Discussion followed regarding the effect of PERS on budgets. Lembo then outlined the assumptions for TLT as well as general budget assumptions.
4.0	<p>Lembo went through the venue-specific numbers per venue including a detailed 5-year forecast, assumptions, each venue's strategic goals and their priorities, as well as the venues' short- and long-term opportunities and challenges before ending with the budget themes. After presenting the information for each venue, Lembo asked commissioners if there was anything more that they would like to know about during the budget process.</p> <p>Portland's presentation:</p> <ul style="list-style-type: none">• Commissioner Leary inquired, over the next 3 to 5 years, which work at the P'5 venues will be the biggest "budget buster". <p>Julie Bunker, Operations Manager at P'5, responded that the Keller Seismic study and work to meet seismic upgrades following the study will hurt the most and noted that the venue may need to shut down for a term in order to complete the work.</p> <p>When asked about issues they would like to hear more about regarding P'5, commissioners requested:</p> <ul style="list-style-type: none">• More information on the Foundation's work plan• A better understanding of the P'5 buildings' relationship with the City of Portland <p>Expo Center presentation:</p> <ul style="list-style-type: none">• Since security issues are a challenge for Expo and other venues, commissioners discussed how they might get involved in a conversation with the city of Portland. <p>The commissioners requested more information on:</p> <ul style="list-style-type: none">• What the options for Expo's land use might be including whether it could be utilized to enhance Expo.• Costs associated with Levee property issues.• A diversity budget entry for Expo.• Possibility of enhancing the site with information on the property's legacy. <p>OCC presentation:</p> <ul style="list-style-type: none">• The group discussed the pros and cons of providing Wi-Fi access at no charge to clients. It was noted that currently Wi-Fi is a source of revenue.• Commissioner Leary noted that, while recruiting for new positions as the hotel nears completion,

	<p>it is important to put increasing emphasis on diversity.</p> <ul style="list-style-type: none"> • Commissioner Leary requested information regarding the development of the Albina area which includes OCC and the new hotel. <p>Stroud and Cruickshank discussed the possibilities for the development noting that the venues communications manager will be involved in the discussions at the Lloyd district meetings going forward.</p> <ul style="list-style-type: none"> • Commissioner Krys-Rusoff noted during a discussion on a possible economic downturn that the financial world expects a recession in 1-1/2 to 2 years although it is expected to be shallow. <p>MERC Admin presentation: The commission requested:</p> <ul style="list-style-type: none"> • Regular reports on wage increases and a twice per year reports on PERS assumptions including any effects the increase in minimum wage has. Commissioner Krys-Rusoff also requested that the escalation in construction costs should be watched as well.
	<p>Lembo closed the meeting by reviewing the timeline for the budget process.</p>
	<p>The meeting was adjourned at 3:10 p.m.</p>