
MERC Commission Meeting

March 7, 2018
3:30 pm

Oregon Convention Center
7777 NE MLK Jr. Ave
Holladay Suite

Metro respects civil rights

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Thông báo về sự Metro không kỳ thị của

Metro tôn trọng dân quyền. Muốn biết thêm thông tin về chương trình dân quyền của Metro, hoặc muốn lấy đơn khiếu nại về sự kỳ thị, xin xem trong www.oregonmetro.gov/civilrights. Nếu quý vị cần thông dịch viên ra dấu bằng tay, trợ giúp về tiếp xúc hay ngôn ngữ, xin gọi số 503-797-1890 (từ 8 giờ sáng đến 5 giờ chiều vào những ngày thường) trước buổi họp 5 ngày làm việc.

Повідомлення Metro про заборону дискримінації

Metro з повагою ставиться до громадянських прав. Для отримання інформації про програму Metro із захисту громадянських прав або форми скарги про дискримінацію відвідайте сайт www.oregonmetro.gov/civilrights або Якщо вам потрібен перекладач на зборах, для задоволення вашого запиту зателефонуйте за номером 503-797-1890 з 8.00 до 17.00 у робочі дні за п'ять робочих днів до зборів.

Metro 的不歧视公告

尊重民權。欲瞭解Metro民權計畫的詳情，或獲取歧視投訴表，請瀏覽網站 www.oregonmetro.gov/civilrights。如果您需要口譯方可參加公共會議，請在會議召開前5個營業日撥打503-797-1890（工作日上午8點至下午5點），以便我們滿足您的要求。

Ogeysiiska takooris la'aanta ee Metro

Metro waxay ixtiraamtaa xuquuqda madaniga. Si aad u heshid macluumaad ku saabsan barnaamijka xuquuqda madaniga ee Metro, ama aad u heshid warqadda ka cabashada takoorista, booqo www.oregonmetro.gov/civilrights. Haddii aad u baahan tahay turjubaan si aad uga qaybqaadatid kullam dadweyne, wac 503-797-1890 (8 gallinka hore illaa 5 gallinka dambe maalmaha shaqada) shan maalmo shaqa ka hor kullanka si loo tixgaliyo codsashadaada.

Metro의 차별 금지 관련 통지서

Metro의 시민권 프로그램에 대한 정보 또는 차별 항의서 양식을 얻으려면, 또는 차별에 대한 불만을 신고 할 수 www.oregonmetro.gov/civilrights. 당신의 언어 지원이 필요한 경우, 회의에 앞서 5 영업일 (오후 5시 주중에 오전 8시) 503-797-1890를 호출합니다.

Metroの差別禁止通知

Metroでは公民権を尊重しています。Metroの公民権プログラムに関する情報について、または差別苦情フォームを入手するには、www.oregonmetro.gov/civilrights。までお電話ください公開会議で言語通訳を必要とされる方は、Metroがご要請に対応できるよう、公開会議の5営業日前までに503-797-1890（平日午前8時～午後5時）までお電話ください。

ការម Metro
ការគោរពសិទ្ធិពលរដ្ឋរបស់ ១ សំរាប់ព័ត៌មានអំពីកម្មវិធីសិទ្ធិពលរដ្ឋរបស់ Metro
ឬដើម្បីទទួលបានក្បួនបណ្តឹង រើសអើងសូមចូលទស្សនាគេហទំព័រ
www.oregonmetro.gov/civilrights
បើលោកអ្នកត្រូវការអនុបកប្រែភាសានៅពេលអង្គ
បុណ្យសាធារណៈ សូមទូរស័ព្ទលេខ 503-797-1890 (ម៉ោង 8 រឺក្នុងម៉ោង 5 ល្ងាច
ថៃអង្គការ) ប្រាំពីរថៃអង្គ
ថៃអង្គការ មុនថៃអង្គការដើម្បីអាចឲ្យគេសម្រួលតាមសំណើរបស់លោកអ្នក

إشعار بحقوق مدني من Metro

تحتزم Metro الحقوق والمدنية للمزيد من المعلومات حول برنامج Metro لحقوق والمدنية أو لإبداء شكوى خذات مديري رجي زيارة الموقع الإلكتروني www.oregonmetro.gov/civilrights. إن كنت بحاجة إلى مساعدة في اللغة، ي ج ب ع ل ي ك الاتصال مقدم ب ر ق ل ه ا ت ف 503-797-1890 من الساعة 8 صباحاً حتى الساعة 5 مساءً، أيام الاثنين إلى الجمعة قبل خمسة () أيام عمل من موعد الاجتماع.

Paunawa ng Metro sa kawalan ng diskriminasyon

Iginagalang ng Metro ang mga karapatang sibil. Para sa impormasyon tungkol sa programa ng Metro sa mga karapatang sibil, o upang makakuha ng porma ng reklamo sa diskriminasyon, bisitahin ang www.oregonmetro.gov/civilrights. Kung kailangan ninyo ng interpreter ng wika sa isang pampublikong pulong, tumawag sa 503-797-1890 (8 a.m. hanggang 5 p.m. Lunes hanggang Biyernes) lima araw ng trabaho bago ang pulong upang mapagbigyan ang inyong kahilingan. Notificación de no discriminación de Metro.

Notificación de no discriminación de Metro

Metro respeta los derechos civiles. Para obtener información sobre el programa de derechos civiles de Metro o para obtener un formulario de reclamo por discriminación, ingrese a www.oregonmetro.gov/civilrights. Si necesita asistencia con el idioma, llame al 503-797-1890 (de 8:00 a. m. a 5:00 p. m. los días de semana) 5 días laborales antes de la asamblea.

Уведомление о недопущении дискриминации от Metro

Metro уважает гражданские права. Узнать о программе Metro по соблюдению гражданских прав и получить форму жалобы о дискриминации можно на веб-сайте www.oregonmetro.gov/civilrights. Если вам нужен переводчик на общественном собрании, оставьте свой запрос, позвонив по номеру 503-797-1890 в рабочие дни с 8:00 до 17:00 и за пять рабочих дней до даты собрания.

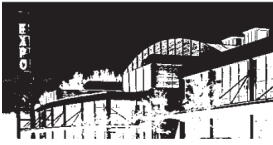
Avizul Metro privind nediscriminarea

Metro respectă drepturile civile. Pentru informații cu privire la programul Metro pentru drepturi civile sau pentru a obține un formular de reclamație împotriva discriminării, vizitați www.oregonmetro.gov/civilrights. Dacă aveți nevoie de un interpret de limbă la o ședință publică, sunați la 503-797-1890 (între orele 8 și 5, în timpul zilelor lucrătoare) cu cinci zile lucrătoare înainte de ședință, pentru a putea să vă răspunde în mod favorabil la cerere.

Metro txoj kev ntxub ntxaug daim ntawv ceeb toom

Metro tributes cai. Rau cov lus qhia txog Metro txoj cai kev pab, los yog kom sau ib daim ntawv tsis txaus siab, mus saib www.oregonmetro.gov/civilrights. Yog hais tias koj xav tau lus kev pab, hu rau 503-797-1890 (8 teev sawv ntxov txog 5 teev tsaus ntuj weekdays) 5 hnub ua hauj lw m ua nte ntawm lub rooj sib tham.





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

www.oregonmetro.gov



Metro | *Exposition Recreation Commission*

Revised Agenda

Meeting: Metro Exposition Recreation Commission Meeting
Date: Wednesday, March 7, 2018
Time: 3:30-4:30 p.m.
Place: Oregon Convention Center, Holladay Suite

CALL TO ORDER

- | | | | |
|-------------|------------|--|--|
| 3:30 | 1. | QUORUM CONFIRMED | |
| 3:35 | 2.0 | OPPORTUNITY FOR PUBLIC COMMENT ON NON-AGENDA ITEMS | |
| 3:40 | 3.0 | COMMISSION/COUNCIL LIASON COMMUNICATIONS | Karis Stoudamire-Phillips.
Tom Hughes |
| 3:45 | 4.0 | GM COMMUNICATIONS | Scott Cruickshank |
| 3:50 | 5.0 | ACTION AGENDA | |
| | 5.1 | Resolution 18-06: For the purpose of approving the Metropolitan Exposition Recreation Commission ("MERC") 2018-19 Proposed Budget and 2018-19 through 2022-23 Capital Improvement Plan, pgs 32-46 | Rachael Lembo |
| | 5.2 | Resolution 18-03: For the purpose of delegating authority to the General Manager of Visitor Venues to approve contracts on behalf of the Metropolitan Exposition Recreation Commission (MERC) and revoking MERC's Contracting and Purchasing Rules, pgs 23-24 | Scott Cruickshank |
| | 5.3 | Resolution 18-04: For the purpose of delegating authority to the Metro Chief Operating Officer (Metro COO) to approve and adopt personnel policies on behalf of the Metropolitan Exposition Recreation (MERC), pgs 25-26 | Scott Cruickshank |
| | 5.4 | Resolution 18-05: For the purpose of approving the Oregon Convention Center's Updated Scheduling Policies, pgs 27-31 | Cindy Wallace |

ADJOURN

MERC Commission Meeting

March 7, 2018
3:30 pm

Financial Report

JANUARY 2018

FINANCIAL INFORMATION

For Management Purposes only



OREGN

Oregon
Convention
Center



Memo



Metro

600 NE Grand Ave.
Portland, OR 97232-2736

Date: March 7, 2018
To: Commissioner Karis Stoudamire-Phillips, Chair
Commissioner Deidra Kryz-Rusoff, Secretary-Treasurer
Commissioner John Erickson
Commissioner Damien Hall
Commissioner Ray Leary
Commissioner Dañel Malán
Commissioner Deanna Palm

From: Rachael Lembo – MERC Finance Manager
Re: Financial Updates for January 2018

January 2018 Executive Summary

January was a busy month at the venues, each in their unique way. The Oregon Convention Center hosted the International Auto Show, Portland's Centers for the Arts saw multiple performances from Broadway Across America and the resident companies, and the Expo Center hosted the Portland Boat Show and the Rose City Classic Dog Show.

At the previous commission meeting, Commissioner Kryz-Rusoff inquired about the higher Materials and Services costs this year vs. last year. Through January 2018 total MERC materials and services costs are \$10 million, compared to \$8.7 million as of January 2017. This is due to various activities throughout the venues:

- P5 materials and services costs are up \$750,000, primarily due to the following:
 - \$470,000 in additional costs related to P5 Presents, due to additional programming, more events earlier in the fiscal year, and artist revenue share costs due to successful ticket sales.
 - \$190,000 in additional ticket service fees and credit card fees due Hamilton single ticket sales.
 - \$40,000 in additional marketing costs due to increased marketing made possible by the new Assistant Director of Marketing position.
- OCC materials and services costs are up \$310,000, primarily due to the following:
 - \$140,000 on the Travel Portland contract, which increased 7% this year (expected TLT increase).
 - \$80,000 in additional marketing in preparation of the OCC hotel opening.
 - \$70,000 on the Lloyd parking lot lease, new in FY 2017-18.
- Expo materials and services costs are up \$180,000, almost entirely due to the Cirque du Soleil event.

The costs noted above were all included in the FY 2017-18. Through the end of January materials and services are at 55% of budget, and are expected to be within budget at year-end.

Total MERC Venues – January Financial Statistics

MERC Venues Events & Attendance

Events and attendance were both up from the prior year, and January had the highest attendance so far this year. The attendance is primarily driven by the International Auto Show at OCC, with over 50,000 attendees, and almost 23,000 attendees to the Book of Mormon at the Keller.

Total MERC Venues	FY 2016-17		FY 2017-18		Change from Prior Year	
	Events	Attendance	Events	Attendance	Events	Attendance
Q1	284	342,829	281	322,419	(3), (1%)	(20,410), (6%)
Q2	444	513,442	480	558,255	36, 8%	44,813, 9%
January	97	165,003	100	199,076	3, 3%	34,073, 21%
YTD	825	1,021,274	861	1,079,750	36, 4%	58,476, 6%

MERC Venues Revenues & Expense

Total venue event revenues (charges for services and food & beverage) through January are \$27.3 million, 58% of annual budget. Overall operating expenses through January are \$36.6 million, 57% of annual budget. Total MERC net operations through January are \$2.5 million, 11% above the three year historical average.

	FY2017-18 YTD	Budget	% of Budget
Event Revenues	27,263,136	47,307,634	58%
Other Revenues	11,809,431	19,993,193	59%
Operating Expenses	36,605,394	64,024,639	57%
Net Operations	2,467,173	3,276,188	75%

Food & Beverage

Both OCC and Expo are significantly behind the budgeted margin at this point in the year, due to higher labor costs. Aramark has reviewed these costs and is making proposed changes in operations with the goal of raising the margin to budget by the end of the year. The margin at Portland'5 is above budget and is expected to be maintained through the busy spring.

	FY2017-18 YTD	Budget	Prior Year YTD
OCC	10.3%	16.9%	17.5%
P5	26.6%	21.2%	29.0%
Expo	9.1%	17.0%	7.9%

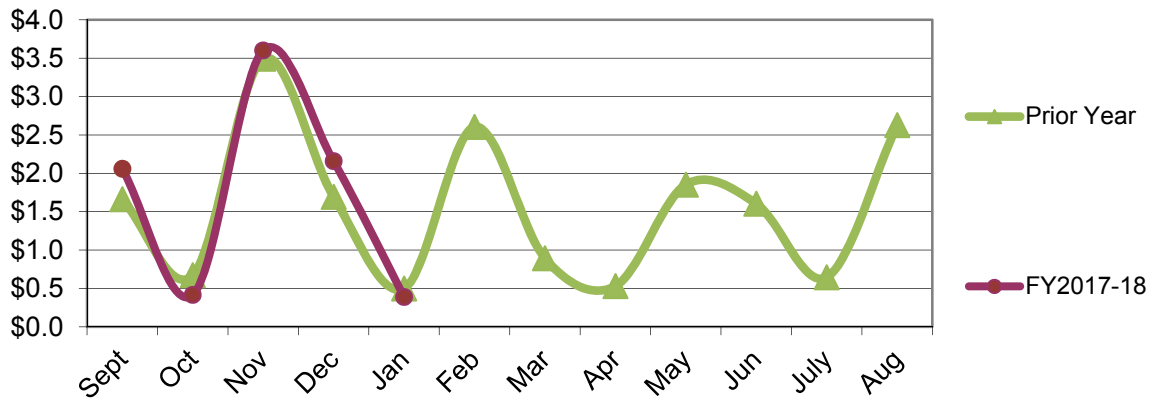
Transient Lodging Tax (TLT)

The January TLT payment was \$390,000, down 22% from the prior year. However, this is one of the smallest collection months, and total YTD collections are up 8%.

Metro TLT receipts	FY2016-17	FY2017-18	\$ Var	% Var
Sept-Nov	5,826,749	6,077,022	250,273	4%
Dec	1,694,772	2,157,905	463,133	27%
Jan	500,212	389,733	(110,479)	-22%
YTD	8,021,733	8,624,660	602,927	8%

TLT Collections by Month

Shown in Millions



Historical Actual Comparison FY 2014-15 to FY 2017-18

	Fiscal Year: FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	3-yr Hist. Average	% Var Average	% Var PY
Revenues	YTD	YTD	YTD	YTD			
Food and Beverage	9,139,997	12,206,836	9,773,301	10,134,970	10,373,378	-2.3%	3.7%
Charges for Services	12,753,521	15,868,658	15,429,379	17,128,165	14,683,853	16.6%	11.0%
<i>Subtotal Event Revenues</i>	<i>21,893,517</i>	<i>28,075,494</i>	<i>25,202,680</i>	<i>27,263,136</i>	<i>25,057,231</i>	<i>8.8%</i>	<i>8.2%</i>
Lodging Tax	6,065,124	7,435,932	8,021,733	8,624,660	7,174,263	20.2%	7.5%
Other	328,803	199,420	444,909	3,184,771	324,377	881.8%	615.8%
Total Revenues	28,287,444	35,710,846	33,669,323	39,072,567	32,555,871	20.0%	16.0%
Expenses							
Food and Beverage	7,306,860	8,848,346	7,917,390	8,806,816	8,024,199	9.8%	11.2%
Personnel Services	10,101,193	11,016,014	11,364,881	12,163,868	10,827,363	12.3%	7.0%
Materials and Services	6,936,586	8,170,455	8,746,202	10,027,087	7,951,081	26.1%	14.6%
Other Operating Expense	3,510,807	3,580,636	3,518,553	5,607,622	3,536,665	58.6%	59.4%
Total Operating Expense	27,855,446	31,615,451	31,547,026	36,605,394	30,339,308	20.7%	16.0%
Net Operations	431,998	4,095,395	2,122,297	2,467,173	2,216,563	11.3%	16.3%
Food & Beverage Margin \$	1,833,136	3,358,490	1,855,911	1,328,154	2,349,179	-43.5%	-28.4%
Food & Beverage Margin %	20.1%	27.5%	19.0%	13.1%	22.2%		

Oregon Convention Center

Event revenues were \$2.5 million in January, up 11% over the prior year. The food and beverage margin was negative, which is unusual in January. This was partly due to a large one-time purchase of food carts, without that cost the margin would've been 5%. However, that is still below last January's margin of 14% on comparable revenues. The driver appears to be wages, and Aramark has implemented a weekly review of labor costs by department to control costs. Expenses, excluding the \$2 million pass through to the Visitor Development Fund and food and beverage expenses discussed above, are at 52% of budget, less than the 58% mark we were at last January. Overall net operations are \$3.0 million, well above the \$2.4 million at this time last year.

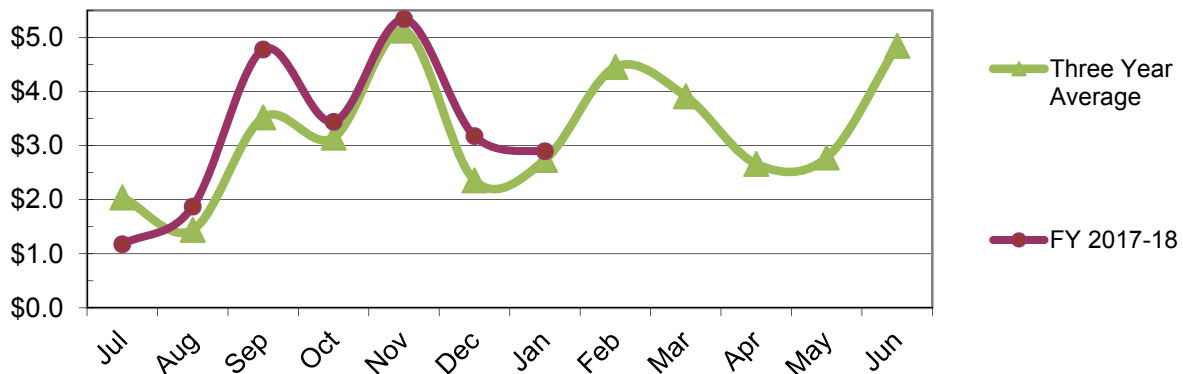
Highest Grossing Events

Event*	Gross Event Revenue	% of Event Revenue
Portland International Auto Show	\$815,005	36%
Tektronix Sales University	560,559	25%
Northwest Food & Beverage World	322,317	14%
Walker Stalker Con & Heroes & Villains Fan Fest	149,457	7%
All other Events	391,421	17%
Total Event Revenues	\$2,238,759	100%

*Note: revenue reported in the table above reflects event receipts in the reporting month only and not total gross event revenue or total gross monthly revenue.

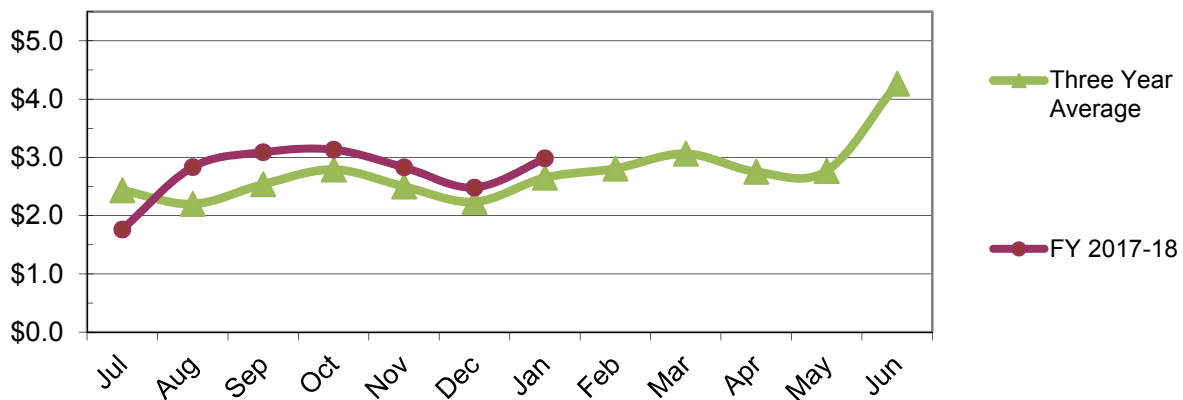
OCC Program Revenues by Month

Shown in Millions



OCC Program Expense by Month

Shown in Millions



Portland's Centers for the Arts

Portland's had high revenues in January, however this is primarily due to over \$700k of revenue from P5 Presents performances, many of which took place prior to January. These closeouts are more complex than client produced shows, which delayed the revenue recording. Finance and P5 are starting a process review for P5 Presents closeouts to identify efficiencies and improve timeliness. P5 is not seeing the same issues as OCC in the food and beverage margin. The January margin was 22.3%, bringing the YTD margin to 26.6%. Expenses are at 58% of budget, slightly less than last year at this time, which was 61% spent. January net operations were \$410,000, bringing YTD net operations to negative \$270,000. This is expected to be made up in the final quarter of the year, which represents 34% of the revenue budget.

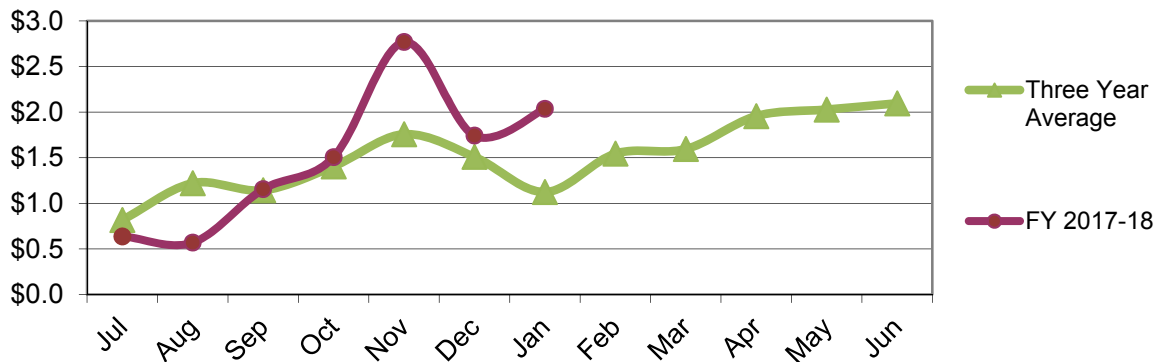
Highest Grossing Events

Event*	Gross Event Revenue	% of Event Revenue
Book of Mormon	\$303,363	16%
Idina Menzel	129,715	7%
Dracula	127,627	7%
Brian Setzer Orchestra Christmas Rocks! Tour	120,037	7%
All other Events	1,163,087	63%
Total Event Revenues	\$1,843,829	100%

*Note: revenue reported in the table above reflects event receipts in the reporting month only and not total gross event revenue or total gross monthly revenue.

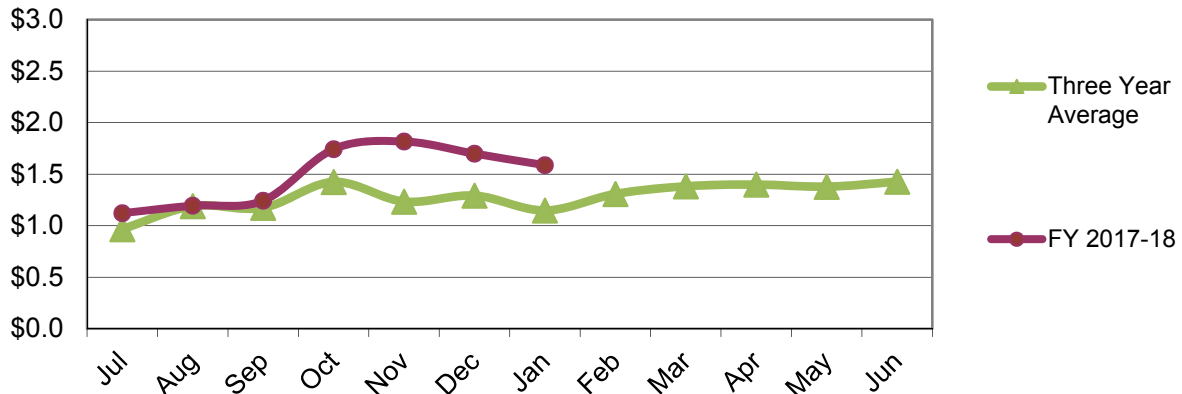
P5CA Program Revenue by Month

Shown in Millions



P5CA Program Expense by Month

Shown in Millions



Portland Expo Center

Expo January event revenues were \$640,000, 4% higher than the prior year but less than budget due to the cancellation of the NW Agriculture Show. Food and beverage sales were up 7% from last year, with a margin of 15.3%. However, similar to OCC, food and beverage labor costs are impacting the margin, and Aramark is reviewing those costs. Expenses, excluding debt service, are at 54% of budget, comparable to the spend rate last year of 53%. Overall net operations are negative \$400,000, however that is expected to turn around after the busy months of February and March.

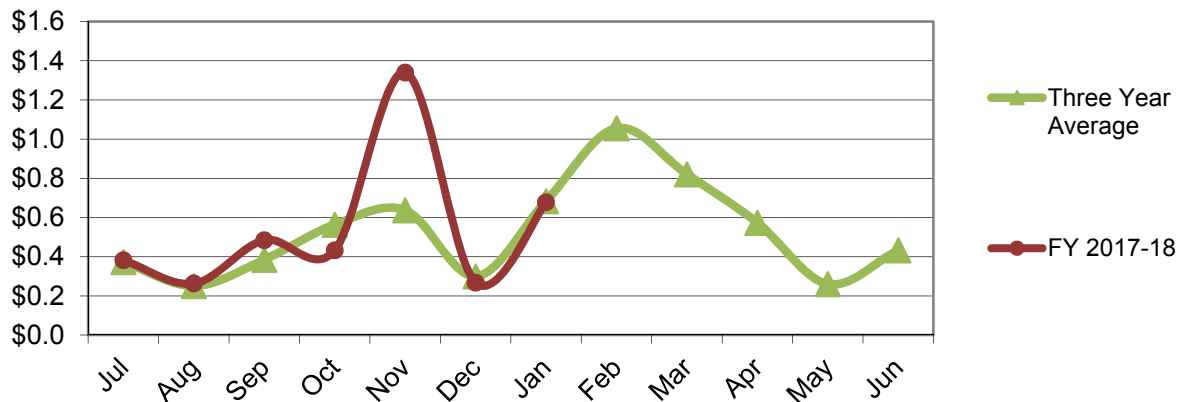
Highest Grossing Events

Event*	Gross Event Revenue	% of Event Revenue
Rose City Classic Dog Show	\$253,791	42%
Portland Boat Show	197,758	32%
Cannabis Collaborative Conference	54,276	9%
The Great Train Expo	35,279	6%
All other Events	67,771	11%
Total Event Revenues	\$608,875	100%

*Note: revenue reported in the table above reflects event receipts in the reporting month only and not total gross event revenue or total gross monthly revenue.

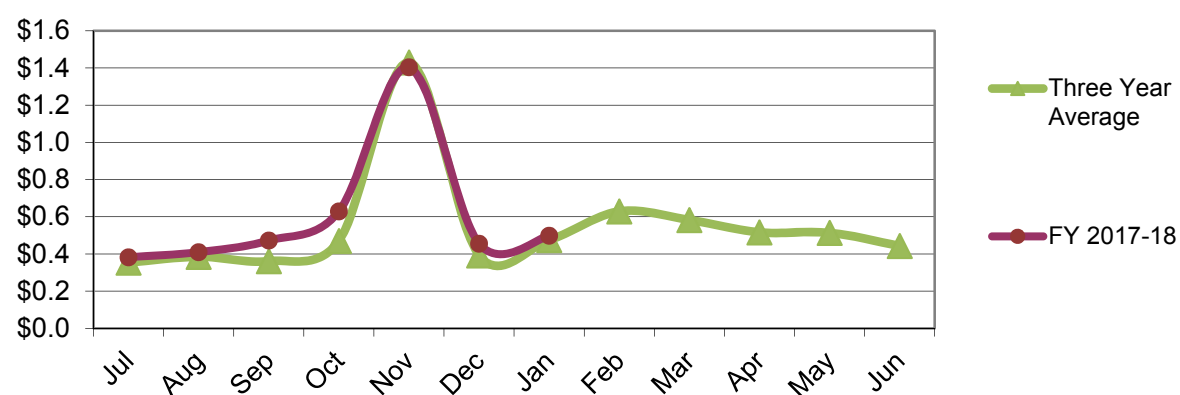
Expo Program Revenue by Month

Shown in Millions



Expo Program Expense by Month

Shown in Millions



MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

All Departments

January 2018

	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	3,670,729	2,568,645	17,128,165	15,429,379	28,783,091	111.01%	59.51%
Contributions from Governments	-	-	-	-	889,441	0.00%	0.00%
Contributions from Private Sources	-	-	300,000	-	75,000	0.00%	400.00%
Enhanced Marketing VDF	-	-	-	-	491,122	0.00%	0.00%
Food and Beverage Revenue	1,366,816	1,284,986	10,134,970	9,773,301	18,524,543	103.70%	54.71%
Grants	1,000	-	138,553	8,055	38,000	1720.09%	364.61%
Interest Earnings	43,470	51,113	339,316	152,566	445,000	222.41%	76.25%
Lodging Tax	389,733	500,212	8,624,660	8,021,733	13,052,470	107.52%	66.08%
Miscellaneous Revenue	110,182	47,886	173,571	120,957	113,765	143.50%	152.57%
Transfers-R	33,333	23,333	233,331	163,331	400,000	142.86%	58.33%
Visitor Development Fund Alloc	-	-	2,000,000	-	4,488,395	0.00%	44.56%
Total Revenues	5,615,263	4,476,174	39,072,567	33,669,323	67,300,827	116.05%	58.06%
Food & Beverage Services	1,328,256	1,095,900	8,806,816	7,917,390	15,252,656	111.23%	57.74%
Materials and Services	1,608,705	1,143,424	10,027,087	8,746,202	18,326,503	114.65%	54.71%
Personnel Services	1,858,550	1,711,458	12,163,868	11,364,881	22,106,786	107.03%	55.02%
Transfers-E	384,096	338,918	3,607,622	3,518,553	5,830,412	102.53%	61.88%
Visitor Development Marketing	-	-	2,000,000	-	2,508,282	0.00%	79.74%
Total Expenditures	5,179,606	4,289,701	36,605,394	31,547,026	64,024,639	116.03%	57.17%
Net Operations	435,657	186,473	2,467,173	2,122,297	3,276,188		
Capital							
Contributions from Private Sources	381,250	-	381,250	318,750	762,501	119.61%	50.00%
Grants	-	-	-	18,464	-	0.00%	0.00%
Lodging Tax	-	-	-	-	6,741,441	0.00%	0.00%
Miscellaneous Revenue	-	-	2,290	4,317	-	53.03%	0.00%
Transfers-R	-	26,667	-	186,669	-	0.00%	0.00%
Total Revenues	381,250	26,667	383,539	528,200	7,503,942	72.61%	5.11%
Capital Outlay	385,565	559,908	2,712,204	2,439,331	15,768,548	111.19%	17.20%
Materials and Services	288,071	87,171	1,725,463	87,393	1,141,867	1974.38%	151.11%
Total Expenditures	673,637	647,079	4,437,668	2,526,724	16,910,415	175.63%	26.24%
Net Capital	(292,387)	(620,412)	(4,054,128)	(1,998,524)	(9,406,473)		
12 Month Fund Balance Increase	143,270	(433,939)	(1,586,955)	123,773	(6,130,285)		

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

Convention Center Operating Fund

January 2018

	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	1,605,456	1,358,144	7,216,801	6,230,499	11,789,193	115.8%	61.2%
Contributions from Private Sources	-	-	300,000	-	-	0.0%	0.0%
Enhanced Marketing VDF	-	-	-	-	491,122	0.0%	0.0%
Food and Beverage Revenue	913,920	910,703	7,219,536	6,838,073	13,050,157	105.6%	55.3%
Grants	1,000	-	88,553	8,055	-	1099.4%	0.0%
Interest Earnings	17,012	18,546	140,643	52,270	190,000	269.1%	74.0%
Lodging Tax	346,661	444,868	7,671,495	7,134,196	11,661,784	107.5%	65.8%
Miscellaneous Revenue	10,209	16,448	36,890	46,138	17,700	80.0%	208.4%
Transfers-R	(78,161)	(67,396)	(547,124)	(471,771)	(937,926)	116.0%	58.3%
Visitor Development Fund Alloc	-	-	2,000,000	-	3,784,454	0.0%	52.8%
Total Revenues	2,816,098	2,681,312	24,126,794	19,837,459	40,046,484	121.6%	60.2%
Food & Beverage Services	965,285	783,310	6,473,931	5,640,810	10,840,964	114.8%	59.7%
Materials and Services	804,396	742,572	4,775,344	4,465,064	9,848,744	106.9%	48.5%
Personnel Services	995,868	931,635	6,328,252	5,865,882	11,199,173	107.9%	56.5%
Transfers-E	219,750	199,731	1,538,250	1,440,101	2,830,488	106.8%	54.3%
Visitor Development Marketing	-	-	2,000,000	-	2,491,122	0.0%	80.3%
Total Expenditures	2,985,299	2,657,248	21,115,776	17,411,856	37,210,491	121.3%	56.7%
Net Operations	(169,202)	24,064	3,011,018	2,425,603	2,835,993		
Capital							
Contributions from Private Sources	267,642	-	267,642	199,219	476,563	134.3%	56.2%
Grants	-	-	-	7,500	-	0.0%	0.0%
Miscellaneous Revenue	-	-	2,290	4,317	-	53.0%	0.0%
Transfers-R	-	26,667	8,000,000	186,669	16,000,000	4285.7%	50.0%
Total Revenues	267,642	26,667	8,269,932	397,705	16,476,563	2079.4%	50.2%
Capital Outlay	327,533	269,230	1,202,412	946,525	9,200,500	127.0%	13.1%
Materials and Services	281,369	-	634,422	222	355,000	285518.6%	178.7%
Total Expenditures	608,902	269,230	1,836,834	946,747	9,555,500	194.0%	19.2%
Net Capital	(341,260)	(242,563)	6,433,097	(549,042)	6,921,063		
12 Month Fund Balance Increase	(510,462)	(218,499)	9,444,116	1,876,560	9,757,056		

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

Portland'5 Centers for the Arts Fund

January 2018

	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	1,598,685	756,994	7,423,613	7,078,207	12,170,223	104.9%	61.0%
Contributions from Governments	-	-	-	-	889,441	0.0%	0.0%
Contributions from Private Sources	-	-	-	-	75,000	0.0%	0.0%
Food and Beverage Revenue	276,784	209,084	1,815,041	2,024,845	3,175,764	89.6%	57.2%
Grants	-	-	-	-	38,000	0.0%	0.0%
Interest Earnings	19,061	18,635	104,653	53,870	170,000	194.3%	61.6%
Lodging Tax	43,072	55,344	953,166	887,537	1,390,686	107.4%	68.5%
Miscellaneous Revenue	99,414	30,581	122,883	59,876	61,590	205.2%	199.5%
Transfers-R	(40,519)	(36,852)	(283,632)	(257,965)	(486,226)	109.9%	58.3%
Visitor Development Fund Alloc	-	-	-	-	703,941	0.0%	0.0%
Total Revenues	1,996,497	1,033,787	10,135,723	9,846,371	18,188,419	102.9%	55.7%
Food & Beverage Services	213,737	176,397	1,332,546	1,437,678	2,503,553	92.7%	53.2%
Materials and Services	647,270	306,942	4,122,018	3,370,426	6,323,561	122.3%	65.2%
Personnel Services	616,088	576,652	4,181,003	4,089,014	7,862,673	102.2%	53.2%
Transfers-E	110,177	96,587	771,239	700,329	1,322,109	110.1%	58.3%
Total Expenditures	1,587,272	1,156,577	10,406,807	9,597,447	18,011,896	108.4%	57.8%
Net Operations	409,225	(122,790)	(271,083)	248,924	176,523		
Capital							
Contributions from Private Sources	48,290	-	48,290	71,719	114,375	67.3%	42.2%
Grants	-	-	-	9,964	-	0.0%	0.0%
Total Revenues	48,290	-	48,290	81,683	114,375	59.1%	42.2%
Capital Outlay	54,516	282,898	1,270,031	1,206,986	3,450,733	105.2%	36.8%
Materials and Services	6,702	36,415	120,648	36,415	325,000	331.3%	37.1%
Total Expenditures	61,218	319,313	1,390,679	1,243,401	3,775,733	111.8%	36.8%
Net Capital	(12,928)	(319,313)	(1,342,389)	(1,161,718)	(3,661,358)		
12 Month Fund Balance Increase	396,297	(442,103)	(1,613,472)	(912,794)	(3,484,835)		

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

Expo Fund

January 2018

	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	466,588	453,507	2,487,752	2,120,672	4,823,675	117.3%	51.6%
Food and Beverage Revenue	176,113	165,198	1,100,393	910,383	2,298,622	120.9%	47.9%
Interest Earnings	1,076	2,067	13,145	6,204	35,000	211.9%	37.6%
Miscellaneous Revenue	559	857	13,798	14,944	34,475	92.3%	40.0%
Transfers-R	33,333	23,333	233,331	163,331	400,000	142.9%	58.3%
Total Revenues	677,669	644,961	3,848,419	3,215,534	7,591,772	119.7%	50.7%
Food & Beverage Services	149,234	136,194	1,000,340	838,902	1,908,139	119.2%	52.4%
Materials and Services	135,991	73,103	875,571	697,214	1,615,813	125.6%	54.2%
Personnel Services	159,425	160,025	1,083,572	1,019,290	1,939,455	106.3%	55.9%
Transfers-E	53,984	42,425	1,291,338	1,371,898	1,670,090	94.1%	77.3%
Visitor Development Marketing	-	-	-	-	17,160	0.0%	0.0%
Total Expenditures	498,634	411,746	4,250,821	3,927,304	7,150,657	108.2%	59.4%
Net Operations	179,035	233,215	(402,402)	(711,770)	441,115		
Capital							
Contributions from Private Sources	65,318	-	65,318	47,813	171,563	136.6%	38.1%
Grants	-	-	-	1,000	-	0.0%	0.0%
Transfers-R	-	-	1,425,000	-	2,850,000	0.0%	50.0%
Total Revenues	65,318	-	1,490,318	48,813	3,021,563	3053.1%	49.3%
Capital Outlay	3,516	7,780	239,762	285,820	2,867,315	83.9%	8.4%
Materials and Services	-	50,756	970,393	50,756	461,867	1911.9%	210.1%
Total Expenditures	3,516	58,536	1,210,155	336,576	3,329,182	359.5%	36.3%
Net Capital	61,802	(58,536)	280,163	(287,763)	(307,619)		
12 Month Fund Balance Increase	240,837	174,679	(122,239)	(999,533)	133,496		

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

MERC Admin Sub Fund

January 2018

	<u>Current Month</u>	<u>Prior Year</u>	<u>Current Year to</u>	<u>Prior Year to</u>	<u>Current Year</u>	<u>% of Prior Year</u>	<u>% of Annual</u>
	<u>Actual</u>	<u>Month Actual</u>	<u>Date Actuals</u>	<u>Date Actual</u>	<u>Budget</u>	<u>to Date</u>	<u>Budget</u>
Operations							
Grants	-	-	50,000	-	-	0.0%	0.0%
Interest Earnings	6,321	11,865	80,876	40,222	50,000	201.1%	161.8%
Transfers-R	118,679	104,248	830,755	729,737	1,424,152	113.8%	58.3%
Total Revenues	125,000	116,114	961,631	769,959	1,474,152	124.9%	65.2%
Materials and Services	21,048	20,808	254,154	213,498	538,385	119.0%	47.2%
Personnel Services	87,169	43,146	571,041	390,695	1,105,485	146.2%	51.7%
Transfers-E	185	175	6,795	6,225	7,725	109.2%	88.0%
Total Expenditures	108,402	64,129	831,990	610,419	1,651,595	136.3%	50.4%
Net Operations	16,599	51,985	129,641	159,540	(177,443)		
Capital							
Lodging Tax	-	-	-	-	6,741,441	0.0%	0.0%
Transfers-R	-	-	(9,425,000)	-	(18,850,000)	0.0%	50.0%
Total Revenues	-	-	(9,425,000)	-	(12,108,559)	0.0%	77.8%
Capital Outlay	-	-	-	-	250,000	0.0%	0.0%
Total Expenditures	-	-	-	-	250,000	0.0%	0.0%
Net Capital	-	-	(9,425,000)	-	(12,358,559)		
12 Month Fund Balance Increase	16,599	51,985	(9,295,359)	159,540	(12,536,002)		

MERC Food and Beverage Margins

January 2018

	Current Month Actual	Prior Year Month Actual	Current Year to Date	Prior Year to Date Actual	Annual Budget
Convention Center Operating Fund					
Food and Beverage Revenue	913,920	910,703	7,219,536	6,838,073	13,050,157
Food & Beverage Services	965,285	783,310	6,473,931	5,640,810	10,840,964
Food and Beverage Gross Margin	(51,365)	127,394	745,605	1,197,263	2,209,193
Food and Beverage Gross Margin %	-5.62%	13.99%	10.33%	17.51%	16.93%
Portland'S Centers for the Arts Fund					
Food and Beverage Revenue	276,784	209,084	1,815,041	2,024,845	3,175,764
Food & Beverage Services	213,737	176,397	1,332,546	1,437,678	2,503,553
Food and Beverage Gross Margin	63,047	32,687	482,495	587,167	672,211
Food and Beverage Gross Margin %	22.78%	15.63%	26.58%	29.00%	21.17%
Expo Fund					
Food and Beverage Revenue	176,113	165,198	1,100,393	910,383	2,298,622
Food & Beverage Services	149,234	136,194	1,000,340	838,902	1,908,139
Food and Beverage Gross Margin	26,879	29,004	100,053	71,481	390,483
Food and Beverage Gross Margin %	15.26%	17.56%	9.09%	7.85%	16.99%
MERC Fund Total					
Food and Beverage Revenue	1,366,816	1,284,986	10,134,970	9,773,301	18,524,543
Food & Beverage Services	1,328,256	1,095,900	8,806,816	7,917,390	15,252,656
Food and Beverage Gross Margin	38,561	189,085	1,328,154	1,855,911	3,271,887
Food and Beverage Gross Margin %	2.82%	14.71%	13.10%	18.99%	17.66%

MERC Statement of Fund Balances and Reserves

January 2018

	Annual Basis			Monthly Basis	
	FY 2016-17 Actuals	FY 2017-18 Budget	FY 2017-18 YTD Actuals	FY 2016-17 January	FY 2017-18 January
<u>Oregon Convention Center</u>					
Beginning Fund Balance	21,770,042	24,966,039	25,024,238	23,865,101	34,978,816
Fund Balance Inc (Dec)	3,254,196	9,757,056	9,444,116	(218,499)	(510,462)
Ending Fund Balance	25,024,238	34,723,095	34,468,354	23,646,602	34,468,354
<i>Contingency - Operating</i>		1,500,000			
<i>Contingency - New Capital-Business Strategy</i>		2,092,301			
<i>Contingency - Renewal & Replacement</i>		31,130,794			
Ending Fund Balance		34,723,095			
<u>Portland's Centers for the Arts</u>					
Beginning Fund Balance	13,178,660	13,293,035	12,883,997	12,707,968	10,874,227
Fund Balance Inc (Dec)	(294,663)	(2,038,222)	(1,613,473)	(442,103)	396,297
Ending Fund Balance	12,883,997	11,254,813	11,270,524	12,265,865	11,270,524
<i>Contingency - Operating</i>		600,000			
<i>Contingency - New Capital-Business Strategy</i>		2,263,311			
<i>Contingency - Renewal & Replacement</i>		8,391,502			
Ending Fund Balance		11,254,813			
<u>Expo</u>					
Beginning Fund Balance	2,843,104	2,527,012	1,941,946	1,668,892	1,578,870
Fund Balance Inc (Dec)	(901,158)	395,988	(122,239)	174,679	240,837
Ending Fund Balance	1,941,946	2,923,000	1,819,707	1,843,571	1,819,707
<i>Contingency - Operating</i>		662,730			
<i>Contingency - New Capital-Business Strategy</i>		2,260,270			
<i>Contingency - Renewal & Replacement</i>		-			
Ending Fund Balance		2,923,000			
<u>MERC Administration</u>					
Beginning Fund Balance	14,171,403	18,757,585	18,573,659	14,278,959	9,261,700
Fund Balance Inc (Dec)	4,402,256	(12,536,002)	(9,295,359)	51,985	16,599
Ending Fund Balance	18,573,659	6,221,583	9,278,299	14,330,944	9,278,299
<i>Contingency - Operating</i>		53,460			
<i>Contingency - Renewal & Replacement</i>		1,056,059			
<i>Contingency - TLT Pooled Capital</i>		5,112,064			
Ending Fund Balance		6,221,583			
<u>MERC Fund</u>					
Beginning Fund Balance	51,963,209	59,543,671	58,423,839	52,520,920	56,693,613
Fund Balance Inc (Dec)	6,460,630	(4,421,180)	(1,586,955)	(433,938)	143,271
Ending Fund Balance	58,423,839	55,122,491	56,836,884	52,086,982	56,836,884

**MERC Visitor Venues
Events-Performances-Attendance
FY 2017-18**

OCC	January 2015		January 2016		January 2017		January 2018		Net Change from Prior Year		January 2018	
	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Revenue	% of Rev.
Tradeshows/Conventions	5	6,005	6	8,381	5	5,927	5	9,681	-	3,754	1,079,374	48%
Consumer Public Shows	6	65,114	4	78,216	5	61,659	4	74,112	(1)	12,453	1,045,662	47%
Miscellaneous									-	-	14,457	1%
Miscellaneous -In-House	13	253	17	299	14	255	17	550	3	295	7,810	0%
Meetings	13	5,483	8	4,144	7	3,853	7	3,265	-	(588)	77,961	3%
Catering	3	2,360	3	1,710	2	2,200	1	260	(1)	(1,940)	13,496	1%
Totals	40	79,215	38	92,750	33	73,894	34	87,868	1	13,974	2,238,760	100%

Expo Center	January 2015		January 2016		January 2017		January 2018		Net Change from Prior Year		January 2018	
	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Events	Attendance	Revenue	% of Rev.
Consumer Public Shows	6	33,059	4	30,768	6	23,841	6	28,678	-	4,837	548,723	90%
<i>Cirque Du Soleil</i>	-	-	-	-	-	-	-	-	-	-	-	0%
Miscellaneous	1	24	-	-	-	-	1	350	1	350	5,877	1%
Meetings	3	28	1	60	-	-	-	-	-	-	-	0%
Catering	-	-	-	-	-	-	-	-	-	-	-	0%
Tradeshows/Conventions	1	3,358	1	3,395	1	2,611	1	3,349	-	738	54,276	9%
Totals	11	36,469	6	34,223	7	26,452	8	32,377	1	5,925	608,876	100%
Totals w/Cirque du Soleil	11	36,469	6	34,223	7	26,452	8	32,377	1	5,925	608,876	100%

Portland '5	January 2015		January 2016		January 2017		January 2018		Net Change from Prior Year		January 2018	
	Performances	Attendance	Performances	Attendance	Performances	Attendance	Performances	Attendance	Performances	Attendance	Revenue	% of Rev.
Commercial (Non-Broadway)	3	5,144	3	5,000	2	2,365	7	14,238	5	11,873	412,210	22%
Broadway	8	22,235	16	44,506	11	24,102	8	22,924	(3)	(1,178)	339,663	18%
Resident Company	19	22,059	22	24,157	23	23,336	20	28,334	(3)	4,998	301,750	16%
Non-Profit	14	4,174	14	3,896	3	4,811	6	3,608	3	(1,203)	49,616	3%
Promoted/ Co-Promoted	6	1,160	6	1,031	3	981	6	2,044	3	1,063	739,018	40%
Student	15	9,987	11	8,571	13	9,025	10	7,661	(3)	(1,364)	2,280	0%
Miscellaneous	-	-	2	56	2	37	1	22	(1)	(15)	(708)	0%
Totals	65	64,759	74	87,217	57	64,657	58	78,831	1	14,174	1,843,829	100%

OCC Capital Project Status Report

Project Phases: **Planning** - Initiating/Planning, **Design** - Design & Engineering, **Contracting** - in process of vendor selection & signing contract with selected vendor, **Construction/In Progress** - in progress, **Complete** - substantially complete, **Ongoing** - capital maintenance

Category Project Title	Management	Phase	FY 2017-18 Budget		
			Amended	Actual	Remaining
Food & Beverage					
Food & Beverage Point of Sale System (POS) Replacement	ARA / IS	Contracting	230,000	-	230,000
Renewal & Replacement					
Plaza, Entries, & Major Interior Remodel	CPMO	Design	4,640,000	888,008	3,751,992
Building Envelop Assessment	CPMO	Contracting	150,000	-	150,000
Cooling System Design Consulting (Cooling Towers & Chillers)	CPMO	Design	80,000	12,087	67,913
Loading Dock Improvements (Dock Locks, Enclosures, Levelers)	CPMO	Contracting	360,000	38,679	321,321
Movable Partition Refurbishment	OCC	In Progress	180,000	21,606	158,394
Staff & Setup Supervisor Support Space Renovation	CPMO	In Progress	644,000	587,215	56,785
Security & Access					
Security Camera Replacements	CPMO	Contracting	450,000	-	450,000
Alerton Global Controller & Software Upgrade	OCC	Ongoing	70,000	66,701	3,299
Integrated Door Access Controls	CPMO	Planning	300,000	-	300,000
Life & Safety					
Telecom MDF Fire Suppression Upgrade	OCC	On hold	55,000	-	55,000
Emergency Notification Upgrade	OCC	Complete	41,000	23,135	17,865
Fire Sprinkler System Design Consulting	OCC	Cancelled	50,000	-	50,000
Lighting & Electrical					
Exhibit Hall Lighting Control Replacement	CPMO	Design	275,000	25,040	249,960
Technology					
Telephone - Voice Over Internet Protocol (VOIP) Implementation	IS	Construction	352,500	57,993	294,507
Equipment					
AV Equipment	OCC	Ongoing	150,000	159,955	(9,955)
Tug Tow Tractor Purchase	OCC	In Progress	28,000	-	28,000
480V Show Equipment	OCC	In Progress	90,000	-	90,000
Holladay Suites Furniture Purchase	OCC	In Progress	50,000	17,944	32,056
Total			8,195,500	1,898,362	6,297,138
% of Budget				23%	77%
Project Phase Totals		# of Proj	% of Total		
Projects in Planning or Design phases		4	21%		
Projects in Contracting or Construction/In Progress phases		10	53%		
Completed Projects		1	5%		
Ongoing Projects		2	11%		
On-hold or Cancelled Projects		2	11%		
		19			

Portland'5 Center Capital Project Status Report

Project Phases: **Planning** - Initiating/Planning, **Design** - Design & Engineering, **Contracting** - in process of vendor selection & signing contract with selected vendor, **Construction/In Progress** - in progress, **Complete** - substantially complete, **Ongoing** - capital maintenance

Category	Project Title	Management	Phase	FY 2017-18 Budget		
				Amended	Actuals	Remaining
Food & Beverage						
	85108 ArtBar Bar Replacement (Aramark)	CPMO	Cancelled	75,000	-	75,000
	85110 Aramark Point Of Sale System Replacement	ARA / IS	Contracting	130,000	-	130,000
Venue Management						
	8R089/90 Newmark / Winningstad Lighting Overhaul	P5	Complete	946,613	821,621	124,992
	8R143 Newmark LED Cyclorama Light Fixtures	P5	Complete	70,000	69,810	190
	8R176 AHH Brunish Theater Electrical Improvements	P5	Complete	50,000	53,994	(3,994)
	8R181 AHH, ASCH, Keller Assisted Listening System	P5	Complete	58,000	58,802	(802)
	8R182 AHH, ASCH, Keller ADA Signage	P5	Planning	50,000	-	50,000
	8R183 ASCH Soft Goods	P5	Design	100,000	-	100,000
	8R184 Keller Balcony Front Fill Speakers	P5	Planning	50,000	-	50,000
	8R185 Aerial Work Platform (Scissor lift)	P5	Complete	20,000	10,439	9,561
	8R186 Banquet Chairs Replacement	P5	Planning	20,000	-	20,000
	8R201 Keller light replacements	P5	In Progress	12,000	-	12,000
CpMO Management						
	8R098 Keller - Roof & Drains Replacement	CPMO	Complete	90,000	27,973	62,027
	8R099 ASCH - Portland Sign Assessment & Refurb Scoping	CPMO	Complete	150,000	171,609	(21,609)
	8R092 Schnitzer Orchestra Shell Replacement	CPMO	Design	1,355,000	48,347	1,306,653
	8R178 All Buildings Access Controls CCTV Replacement	CPMO	Construction	200,000	-	200,000
	8R179 AHH Roof, Green Roof	CPMO	Design	150,000	16,825	133,175
	8R120 ASCH - Cooling System Replacement	CPMO	Cancelled	10,000	-	10,000
	8R177 ASCH Audience Chamber Lighting	CPMO	Design	25,000	14,289	10,711
Information Technology						
	65701B AHH/ASCH/Keller VOIP Implementation	IS	Design	72,600	-	72,600
	65701C AHH/ASCH/Keller VOIP Implementation	IS	Design	141,520	-	141,520
Total				3,775,733	1,293,709	2,482,024
% of Budget					34%	66%
Project Phase Totals		# of Proj	% of Total			
Projects in Planning or Design phases		9	43%			
Projects in Contracting or Construction/In Progress phases		3	14%			
Completed Projects		7	33%			
On hold or Cancelled Projects		2	10%			
		21				

Expo Center Capital Project Status Report

Project Phases: **Planning** - Initiating/Planning, **Design** - Design & Engineering, **Contracting** - in process of vendor selection & signing contract with selected vendor, **Construction/In Progress** - in progress, **Complete** - substantially complete, **Ongoing** - capital maintenance

Category	Project Title	Management	Phase	FY 2017-18 Budget		
				Amended	Actuals	Remaining
Food & Beverage						
	85106 Connector Glass Door (ARA)	CPMO	Contracting	225,000	12,280	212,720
	85107 Concessions Upgrades (ARA)	EXPO	Planning	50,000	-	50,000
	85110 Aramark Point of Sale System Replacement	IS	Contracting	160,000	-	160,000
Renewal & Replacement						
	8N020 Audio Visual Equipment	EXPO	Ongoing	11,867	-	11,867
	8R040 Parking Lot Asphalt	CPMO	Ongoing	135,000	-	135,000
	8R151 Expo Water Efficiency Upgrades	EXPO	Construction	80,000	-	80,000
	8R169 Halls ABCDE Lighting Controls study and Replacement	CPMO	Planning	20,000	-	20,000
	8R170 New Hall A Shore Power	CPMO	Complete	220,000	217,741	2,259
	8R171 Interior & Exterior Lighting Replacements	EXPO	Planning	70,000	-	70,000
	8R172 Hall C HVAC Study	CPMO	Contracting	35,000	-	35,000
	8R173 Halls ABCDE HVAC Controls Replacement	EXPO	Planning	60,000	-	60,000
	8R202 PGE Upgrades	CPMO	Contracting	100,000	-	100,000
Roofing						
	8R135 ABC Roof Repairs (R&R)	EXPO	Ongoing	80,000	-	80,000
	8R136 Halls D & E Roof Replacement (R&R)	CPMO	Construction	1,744,689	968,995	775,694
Equipment						
	8N011 Electronic Signage	CPMO	Contracting	47,548	689	46,859
	8R112 Security Camera Access Control System	CPMO	In Progress	82,138	-	82,138
	8R150 Radio Replacements	EXPO	Ongoing	20,000	-	20,000
Information Technology						
	65701B Voice Over IP (VoIP) Infrastructure	IS	In Progress	107,940	5,928	102,012
	8R139 WiFi Upgrade	EXPO	Ongoing	80,000	-	80,000
Total				3,329,182	1,205,633	2,123,549
% of Budget					36%	64%
Project Phase Totals		# of Proj	% of Total			
Projects in Planning or Design phases		4	21%			
Projects in Contracting or Construction/In Progress phases		9	47%			
Completed Projects		1	5%			
Ongoing Projects		5	26%			
On hold or Cancelled Projects		0	0%			
		19				

MERC Commission Meeting

March 7, 2018
3:30 pm

Action Agenda

METROPOLITAN EXPOSITION RECREATION COMMISSION
Resolution No. 18-03

For the purpose of delegating authority to the General Manager of Visitor Venues to approve contracts on behalf of the Metropolitan Exposition Recreation Commission (MERC) and revoking MERC's Contracting and Purchasing Rules.

WHEREAS, MERC currently approves contracts over the amount of \$150,000 for the Oregon Convention Center, the Portland's Centers for the Arts and the Portland Expo Center; and

WHEREAS, Metro approved new Metro Code language in Metro Code Section 2.04 and adopted Procurement Administrative Rules that replace MERC's Contracting and Purchasing Rules; and

WHEREAS, Metro Code Section 2.04.040 delegates authority to MERC to approve contracts for the facilities it manages and allows MERC to require that it approve certain contracts; and

WHEREAS, the Metro Council has delegated authority to the Metro COO to approve all contracts for Metro except in very limited circumstances relating to the transfer of an interest in real property or the transfer of any essential function of Metro to another government; and

WHEREAS, to provide for business efficiencies and consistency with agency-wide practice, MERC believes that it is in the best interest for MERC to delegate its authority to approve contracts to the General Manager of Visitor Venues.

BE IT THEREFORE RESOLVED, that the Metropolitan Exposition Recreation Commission:

1. Delegates its authority to approve contracts to the General Manager of Visitor Venues such that MERC will no longer require approval of contracts unless required by the Metro Code.
2. Revokes MERC's Contracting and Purchasing Rules and hereby adopts Metro's Procurement Administrative Procedures.

Passed by the Commission on March 7, 2018.

Approved as to form:

Alison R. Kean, Metro Attorney

_____ Chair

By: _____

Nathan A. S. Sykes, Deputy Metro Attorney

_____ Secretary/ Treasurer

MERC Staff Report

Agenda Item/Issue: For the purpose of delegating authority to the General Manager of Visitor Venues to approve contracts on behalf of the Metropolitan Exposition Recreation Commission (MERC) and revoking MERC's Contracting and Purchasing Rules.

Resolution No.: 18-03

Presented By: Scott Cruickshank

Date: March 7, 2018

Background and Analysis: MERC has been a part of Metro since it was formed in 1987 as part of an agreement with the City of Portland for Metro to establish a commission for the planning development, promotion, operation and management of the region's convention, trade and spectator facilities. MERC currently oversees the Oregon Convention Center, Portland's Centers for the Arts and the Expo Center. As part of its management of the venues, MERC has the power to enter into contracts on behalf of MERC. MERC required approval of contracts over a certain dollar amount in accordance with MERC's Contracting and Purchasing Rules that were first approved in 1988. Metro does not require Metro Council approval for Metro contracts except in very limited circumstances related to the purchase or sale of real estate or an Intergovernmental agreement that transfers a government function.

In 2017, the Metro Council revised Metro Code Section 2.04, Metro Contract and Procurement Policies and issued Procurement Administrative Rules that apply to both Metro and MERC. The newly adopted Code language and rules supercede MERC's Contracting and Purchasing Rules so MERC no longer requires its own rules. Under the new Code Provision, MERC may require approval of certain contracts or delegate that authority such as Metro has done to the Chief Operating Officer (COO). MERC and Metro staff both believe that delegation of contract authority to the General Manager of Visitor Venues is in the best interest of MERC to facilitate ease of contracting, comply with the Metro Code and the Metro Procurement Administrative Rules and provide consistency with Metro contracting practices.

Although MERC will no longer approve contracts related to the venues, they will continue to meet regularly to review venue business and offer advice and guidance on pursuing equitable outcomes in our community as large contract opportunities become available at the venues.

Fiscal Impact: None

Recommendation: Staff recommends that the Metropolitan Exposition Recreation Commission adopt Resolution 18-03, for the purpose of delegating authority to the General Manager of Visitor Venues to approve contracts on behalf of the MERC and revoking MERC's Contracting and Purchasing Rules.

METROPOLITAN EXPOSITION RECREATION COMMISSION
Resolution No. 18-04

For the purpose of delegating authority to the Metro Chief Operating Officer (Metro COO) to approve and adopt personnel policies on behalf of the Metropolitan Exposition Recreation Commission (MERC).

WHEREAS, MERC currently adopts personnel policies applicable to MERC venue employees at the Portland's Centers for the Arts, the Oregon Convention Center and the Portland Expo Center pursuant to Metro Code Sections 2.02.010 (b) and 6.01.040 (a); and

WHEREAS, the Metro Council has delegated authority to the Metro COO to approve and adopt personnel policies for all Metro employees; and

WHEREAS, MERC may delegate any power and authority of MERC to the Metro COO pursuant Metro Code Section 6.01.070; and

WHEREAS, MERC believes it is in the best interest of MERC and Metro to have consistent, agency-wide personnel policies through the Metro COO.

BE IT THEREFORE RESOLVED, that the Metropolitan Exposition Recreation Commission:

Delegates its authority to approve and adopt personnel policies applicable to employees at the MERC venues to the Metro COO.

Passed by the Commission on March 7, 2018.

Chair

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

Secretary/Treasurer

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

MERC Staff Report

Agenda Item/Issue: For the purpose of delegating authority to the Metro Chief Operating Officer (Metro COO) to approve and adopt personnel policies on behalf of the Metropolitan Exposition Recreation Commission (MERC).

Resolution No.: 18-04

Presented By: Scott Cruickshank

Date: March 7, 2018

Background and Analysis: ; MERC has been a part of Metro since it was formed in 1987 as part of an agreement with the City of Portland for Metro to establish a commission for the planning, development, promotion, operation and management of the region's convention, trade and spectator facilities. MERC currently oversees the Oregon Convention Center, Portland's Centers for the Arts and the Expo Center.

MERC has previously approved and maintained its own set of personnel policies for employees of the MERC venues. When the Metro Council changed Chapter 6.01.04 of the Code in regard to the powers of MERC in 2010, it provided that MERC may direct and control the authority of the Metro COO in regard to the establishment of policies at the venues. MERC has continued to approve changes to personnel policies. All Metro personnel policies are approved by the Metro COO without Council approval. MERC and Metro staff believe that it is in the best interests of both MERC and Metro to have consistent personnel policies approved by the Metro COO as it will provide for ease of adoption of personnel policies applicable to the entire agency and consistency of such personnel policies. For these reasons, staff recommend that MERC delegate authority to the Metro COO to approve personnel policies applicable to employees at the venues overseen by MERC.

Fiscal Impact: None

Recommendation: Staff recommends that the Metropolitan Exposition Recreation Commission adopt Resolution 18-04, for the purpose of delegating authority to the Metro COO to approve and adopt personnel policies on behalf of MERC.

METROPOLITAN EXPOSITION RECREATION COMMISSION
Resolution No. 18-05

For the purpose of approving the Oregon Convention Center’s Updated Scheduling Policies.

WHEREAS, the Metropolitan Exposition Recreation Commission (MERC) approves scheduling policies for the Oregon Convention Center (OCC), and;

WHEREAS, a Hyatt Regency Portland is being constructed adjacent to the OCC; and

WHEREAS, Metro and Hyatt executed a Room Block Agreement whereby the Hyatt Regency Portland will reserve up to 500 rooms for OCC convention business 36 months and further into the future; and

WHEREAS, the Hyatt Regency Portland room block provides opportunity to increase the MERC scheduling policies’ criteria to support OCC’s goal of attracting city-wide conventions with a larger number of attendees; and

WHEREAS, city-wide conventions with a larger number of attendees typically result in larger exhibit hall space utilization at the OCC; and

WHEREAS, OCC seeks to amend the scheduling policies to capitalize on the room block.

BE IT THEREFORE RESOLVED, that the Metropolitan Exposition Recreation Commission approves the Oregon Convention Center’s Updated Scheduling Policies, per Attachment A.

Passed by the Commission on March 7, 2018.

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 approving the Oregon Convention Center's Updated Scheduling Policies.

Resolution No.: 18-05

Presented By: Cindy Wallace, Director of Sales

Date: March 7, 2018

Background and Analysis: The Oregon Convention Center (OCC) is one of the largest convention facilities in the Pacific Northwest and most sustainable in the world. With exhibit space, meeting space, onsite parking, full-service catering and easy public transportation options to both downtown and to the Portland International Airport, the OCC is well positioned as an excellent option for meetings and conventions in the region.

After nearly 30 years, a long-awaited convention center hotel is being constructed adjacent to the OCC. Construction of the Hyatt Regency Portland started in Aug. 2017 with a grand opening scheduled for Jan. 2020. The Hyatt Regency Portland and Metro entered into a room block agreement whereby Hyatt will hold specific numbers of room blocks for specific future periods to support convention business as part of the OCC sales package.

The proposed changes to OCC's scheduling policies integrate the additional rooms and recognize that larger conventions typically result in larger exhibit hall space utilization. For periods from 36 to 60 months in the future, the proposed booking policy increases the guest room night minimum from 600 to 800 rooms on peak night for first priority scheduling. For periods 60 months or further in the future, the proposed booking policy increases the guest room night minimum from 800 to 1,300 rooms, the maximum amount of the room block agreement, as well as increases the exhibit hall space gross square foot minimum rental from 120,000 to 130,000 square feet for first priority scheduling.

The scheduling policies continue to recognize that it is the responsibility of the OCC's management to operate the facility in a sound business manner; consequently, the policy provides management the right to make reservations for any activity deemed appropriate to the OCC's objectives and to qualify all activities requesting use of the OCC.

Fiscal Impact: Long-term, the increases in peak night requirements and exhibit hall rental minimums for first priority reservations will result in larger conventions with more rooms per peak night, thus providing an increased economic impact to the region.

Attachments to Resolution and Staff Report: Attachment A reflects the proposed scheduling policies changes.

Recommendation: Staff recommends that the Metropolitan Exposition-Recreation Commission adopt Resolution 18-05, Oregon Convention Center's Updated Scheduling Policies as outlined in Attachment A.



Scheduling Policies

Approved by the Metropolitan Exposition-Recreation Commission
~~December 2015~~DATE

The Oregon Convention Center Mission Statement

To maximize economic benefits for the metropolitan region and the state of Oregon, while protecting the public investment in the facility.

The Center is a publicly-owned national and international convention, trade show and multi-purpose facility operated by the Metropolitan Exposition-Recreation Commission. The goal of the Oregon Convention Center is to provide the highest degree of cost-effective tenant and patron service, while recognizing its obligations to the citizens of Oregon in developing maximum use of the building and grounds.

The Commission recognizes the intense competition for available conventions, trade shows, and other varied public events by all the convention and exhibition facilities throughout the western states, and therefore expresses confidence in the sales abilities of the Oregon Convention Center sales staff, in conjunction with the endeavors of Travel Portland to bring this highly desirable business to the State of Oregon. The Oregon Convention Center was designed as a means of serving this function, and when convention or trade show events are not booked, the facility should be scheduled in the best interest of the facility with community, educational, cultural, religious, athletic and/or entertainment events.

These policies are intended to be guidelines within which the Oregon Convention Center Executive Director and staff will seek to obtain the optimum usage of the facility.

Scheduling Priorities:

When booking the Oregon Convention Center, consideration shall be given by the Commission to the following factors:

- Projected overall economic impact on the state of Oregon and metropolitan area of Portland;
- Total number of hotel rooms required;
- Projected revenue to the facility both in terms of direct space rental revenue, as well as projected revenue from concessions and other building services; and
- Potential for repeat booking.

First Priority:

First priority for scheduling space and dates in the Oregon Convention Center are: conventions, trade shows, corporate meetings and similar activities that are not normally open to the general public and generating significant room night occupancy for local hotels. In addition, local conventions, trade shows or special events may be deemed appropriate to the overall objectives of the Oregon Convention Center and may be offered equal scheduling priority at the discretion of the Oregon Convention Center Executive Director.

Scheduling commitments, i.e. reservations for first priority events and activities, may be as far in advance as is necessary or appropriate and may supersede requests for other events and activities, unless a license agreement has been previously executed by the Center and the user for such other event.

Scheduling of first priority events beyond eighteen months in general will fit the following criteria:

- 18 months – 3 years
Have a minimum of 500 guest rooms on peak night ~~and~~
~~Q~~occupy 60,000 gross square feet of exhibit hall space
- 3 – 5 years
Have a minimum of ~~600~~800 guest rooms on peak night ~~and~~
~~Q~~occupy 90,000 gross square feet of exhibit hall space
- 5 or more years into the future
Have a minimum of ~~800~~1,300 guest rooms on peak night ~~and~~
~~Q~~occupy ~~120,000~~130,000 gross square feet of exhibit hall space

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Each event will have paid a minimum of \$1,000.00 or 25% deposit of total rental of facility with a completed license agreement.

Second Priority:

Second priority for scheduling space and dates in the Oregon Convention Center is available to consumer or public exhibitions, local corporate meetings, special events, banquets, entertainment events, business meetings and other activities which essentially draw from or appeal to the general public and/or local attendees and participants.

Facility and date scheduling commitments for second priority events and activities are generally made not more than eighteen months in advance and are subject to change to accommodate first priority events unless a license agreement has been previously executed by the Center and user for such event. However, large consumer and public exhibitions held on an annual basis may at the discretion of the Convention Center Executive Director obtain tentative scheduling commitments for facilities and dates on a long term basis, subject to revision to accommodate first priority activities.

Within the second priority category, the Oregon Convention Center may give preference to long standing annual public and commercial shows with a proven record of success and significant economic impact, and may offer alternate dates in a given year which may result in termination of other second priority scheduling commitments.

Subject to the priorities set forth above, the Oregon Convention Center Executive Director may find it necessary to exercise discretion as to the issuance, modification or termination of scheduling commitments.

Special Considerations:

It is the responsibility of the Oregon Convention Center management to operate the facility in a sound business manner in an effort to maximize both economic benefit and financial stability of the facility. Consequently, Center management reserves the right to promote, solicit, develop and make reservations for any activity deemed appropriate to the Center's objectives, and to qualify all activities requesting utilization of the facility.

Event Spacing:

Event spacing shall apply to events, which have twenty percent (20%) like exhibitors, are charging an admission to gain entry to the show and/or are open to the general public rather than being limited to a well-defined class of persons who normally belong to a trade or professional association.

Similar shows renting exhibit hall space of 60,000 gross square feet or more and are actively competing for specialized and specific local markets shall maintain the following clearance periods prior to the first show day and following the last show day. Ingress and egress shall be excluded from the space count.

- 45 Days: Public/consumer shows; i.e. boat shows, RV shows, home shows, car shows, sportsmen shows, nursery/garden shows, business/office/computer shows, etc.
- 30 Days: Hobby/arts and crafts; i.e. antique shows, food shows, collectibles, children, baby, bridal shows, career fairs, etc.
- Events not falling into any of these event categories will be at the discretion of the Facility Executive Director.
- No agreement with any user will be executed requiring such clearance periods.

Spacing of shows may be adjusted to shorter periods of time if event producers of each show agree to shorten the protection period. This approval would be in writing and obtained from each promoter affected by the Oregon Convention Center spacing policy.

The Oregon Convention Center Executive Director shall have the right to establish a clearance period as deemed appropriate for the welfare of the Center for any events contracting at the Oregon Convention Center.

Generally speaking, such special considerations do not usually apply to conventions, trade shows and other first priority activities. However, the Oregon Convention Center Executive Director shall have the right to establish a clearance period for highly competitive activities as deemed appropriate to the welfare of the Center.

Definition of Terminology:

In the process of scheduling facilities and dates, the following terms and definitions shall always apply to scheduling commitments; i.e. reservations, issued by the authority:

Tentative: Facilities and dates will be held pending notification to the contrary by either party. In the event a tentative commitment is released by the Oregon Convention Center, the requesting party will be notified that the facilities and/or dates have been released.

Second Option: Facilities and dates will be reserved tentatively but the tentative reservation will be contingent upon release of a prior reservation which is considered first option.

First Option: Facilities and dates reserved on first option are reserved tentatively but a conflicting commitment for the facilities and dates generally will not be made in favor of a second requesting party within the same scheduling priority without first offering the party holding a first option an opportunity to either execute a license agreement or release its reservation.

Definite: Facilities and dates are considered a confirmed or contractual commitment only upon execution of an Oregon Convention Center license agreement by the event sponsor and the Oregon Convention Center Executive Director specifying all details of the commitment. However, facilities and dates may be held as "definite" upon receipt of a letter of confirmation signed by both the event sponsor and the Oregon Convention Center Executive Director pending the preparation of a license agreement. In the event such a letter of confirmation is signed by both the sponsor and Travel Portland, no conflicting scheduling will be made during a reasonable period, permit preparation and execution of a license agreement. Definite holds may also be placed on space by Travel Portland for confirmed room night generated business as outlined in scheduling of 1st priority events beyond 18 months.

No variance from the Center's agreement represented in the above terms may be made in any case except upon the prior, express written approval of the Oregon Convention Center Executive Director.

Deposit Schedules:

Deposits are required for all activities upon execution of a formal Center license agreement. For both first and second priority events the deposit schedule is as follows:

Conventions, Trade Shows, Consumer/Public Exhibitions

- On signing - \$1,000.00 to 25% of rental
- 30 days prior to event - Balance due

Meetings Where Rental Value is Less Than \$1,000.00

- On signing - 100% of rental

Meetings Where Rental Value is More Than \$1,000.00

- On signing - 25% of rental
- 30 days prior to event - Balance due

Food and Beverage Only Events

- On signing - \$1,000.00
- 30 days prior to event - Balance due

Notwithstanding the foregoing, first-time events without a past history of success, and event sponsors with inadequate references, no prior event history, a record of slow payment, etc. may be required at the Center's option to remit up to one hundred percent (100%) of anticipated rental plus a contingency fee to cover event related costs at the discretion of the Oregon Convention Center Executive Director.

Events and circumstances not covered in the above scheduling policies may be subject to special conditions as deemed appropriate by the Convention Center Executive Director.

Facility Use Application and Approval:

If you wish to reserve any part of the Oregon Convention Center on either a tentative or definite basis, you may be asked to first submit a Facility Use Application Permit.

The Oregon Convention Center management may decline to approve any application for any producer on the basis of credit references, financial ability or prior experience or for any producer whose conduct is or in the opinion of the management may not be beneficial to the interest of the Metropolitan Exposition-Recreation Commission.

METROPOLITAN EXPOSITION RECREATION COMMISSION
Resolution Number 18-06

For the purpose of approving the Metropolitan Exposition Recreation Commission (MERC) 2018-19 Proposed Budget and 2018-19 through 2022-23 Capital Improvement Plan.

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

WHEREAS, the MERC Budget Committee has met in public meetings for the purpose of creating the MERC 2018-19 Budget and recommends approval of the budget and five-year capital plan attached as Exhibit A to this Resolution.

BE IT THEREFORE RESOLVED, that the Metropolitan Exposition Recreation Commission:
Approves the MERC Fiscal Year 2018-19 Budget and 2018-19 through 2022-23 Capital Improvement Plan attached as Exhibit A and transmits it to the Metro Chief Operating Officer for submission to the Metro Council for inclusion in the Metro budget for the Fiscal Year 2018-19.

Passed by the Commission on March 7, 2018.

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

Chair

Secretary/Treasurer

Nathan A. S. Sykes, Deputy Metro Attorney

Metropolitan Exposition-Recreation Commission
All Venues

	FY 2019 Proposed Budget
OPERATIONS	
Charges for Services	31,605,196
Contributions from Governments	911,677
Contributions from Private Sources	125,000
VFTA Enhanced Marketing	503,014
Food and Beverage Revenue	22,008,213
Interest Earnings	690,798
Lodging Tax	13,069,871
Miscellaneous Revenue	156,328
Transfers-R	1,280,389
VFTA Operating Support	2,550,651
Total Revenues	72,901,137
Food & Beverage Services	17,183,017
Materials and Services	18,679,879
Personnel Services	23,236,686
Transfers-E	7,581,244
Management Fee	2,564,209
Visitor Development Marketing	503,014
Total Expenditures	69,748,049
Net Operations	3,153,088
CAPITAL	
Contributions from Private Sources	3,862,501
Lodging Tax	7,465,244
Total Revenues	11,327,745
Capital Outlay	6,175,000
Materials and Services	37,515,000
Personnel Services	642,099
Total Expenditures	44,332,099
Net Capital	(33,004,354)
Grand Total Operations / Capital	(29,851,266)
Beginning Fund Balance	54,092,655
Contingency / Ending Fund Balance	24,241,389

Metropolitan Exposition-Recreation Commission
Convention Center Operating Fund

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2019 Proposed Budget	FY18-FY19 Var \$	FY18-FY19 Var %
OPERATIONS							
Charges for Services	12,414,336	14,590,975	12,758,745	12,673,382	13,507,270	833,888	7%
Contributions from Private Sources	-	-	-	-	-	-	0%
VFTA Enhanced Marketing	462,694	473,139	478,453	491,122	503,014	11,892	2%
Food and Beverage Revenue	13,421,646	16,059,767	14,397,491	14,028,919	16,054,616	2,025,697	14%
Grants	6,878	8,352	8,055	-	-	-	0%
Interest Earnings	75,938	180,454	189,373	190,000	300,000	110,000	58%
Lodging Tax	9,519,489	10,185,853	10,898,863	11,661,784	11,644,428	(17,356)	0%
Miscellaneous Revenue	44,722	50,854	29,936	17,700	28,828	11,128	63%
Transfers-R	801,597	376,599	50,000	-	-	-	0%
VFTA Operating Support	1,682,329	1,955,473	5,739,705	3,784,454	1,829,111	(1,955,343)	-52%
Total Revenues	38,429,628	43,881,468	44,550,621	42,847,361	43,867,267	1,019,906	2%
Food & Beverage Services	10,058,470	11,648,678	10,899,392	10,840,964	12,547,299	1,706,335	16%
Materials and Services	8,723,286	9,826,869	8,922,820	9,848,744	10,134,141	285,397	3%
Personnel Services	9,279,349	10,184,474	10,110,575	11,199,173	12,060,539	861,366	8%
Transfers-E	3,238,804	6,741,837	7,599,007	3,768,414	4,145,065	376,651	10%
Management Fee	1,802,510	2,138,424	1,894,621	1,862,951	1,877,840	14,889	1%
Visitor Development Marketing	462,694	473,139	478,453	2,491,122	503,014	(1,988,108)	-80%
Total Expenditures	33,565,113	41,013,422	39,904,868	40,011,368	41,267,898	1,256,530	3%
Net Operations	4,864,515	2,868,046	4,645,753	2,835,993	2,599,369	(236,624)	-8%
CAPITAL							
Contributions from Private Sources	125,000	399,605	398,438	476,563	557,813	81,250	17%
Grants	-	-	97,548	-	-	-	0%
Miscellaneous Revenue	14,633	2,455	4,317	-	-	-	0%
Lodging Tax Pooled Capital	-	-	-	-	6,345,457	6,345,457	100%
Transfers-R	1,123,000	650,000	1,695,000	16,000,000	-	(16,000,000)	-100%
Total Revenues	1,262,633	1,052,060	2,195,303	16,476,563	6,903,270	(9,573,293)	-58%
Capital Outlay	2,322,780	695,466	1,451,385	9,200,500	2,885,000	(6,315,500)	-69%
Materials and Services	-	28,643	2,135,475	355,000	32,553,000	32,198,000	9070%
Personnel Services	-	-	-	-	383,690	383,690	100%
Total Expenditures	2,322,780	724,109	3,586,860	9,555,500	35,821,690	26,266,190	275%
Net Capital	(1,060,147)	327,951	(1,391,557)	6,921,063	(28,918,420)	(35,839,483)	-518%
Grand Total Operations / Capital	3,804,368	3,195,997	3,254,196	9,757,056	(26,319,051)	(36,076,107)	-370%
Beginning Fund Balance	14,769,677	18,574,045	21,770,042	25,024,238	35,813,363		
Contingency / Ending Fund Balance	18,574,045	21,770,042	25,024,238	34,781,294	9,494,312		

Note: Certain prior year amounts have been adjusted to be conform to current year presentation. This includes:
- Revenues previously subject to excise tax have been adjusted to reflect gross revenue, not net of excise tax. A comparable Management Fee has been included in Materials and Services.
- Transfers for MERC Admin support costs are now shown in Transfers-E (expense) rather than Transfers-R (revenue).

**Oregon Convention Center CIP Summary
Fiscal Year 2019**

	Prior Years	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total
Master Plan Renovation	5,220,000	27,630,000	2,650,000	-	-	-	35,500,000
Cooling System Rplcmnt	80,000	2,900,000	-	-	-	-	2,980,000
Lighting Control System	275,000	2,080,000	-	-	-	-	2,355,000
Orbit Bakery/Front Remodel	-	793,000	707,000	-	-	-	1,500,000
Tower/Crown Glazing	75,000	500,000	-	-	-	-	575,000
* Water Heater Replacement	-	275,000	-	-	-	-	275,000
Exterior Waterproofing	75,000	250,000	400,000	-	-	-	725,000
* Portable Ticketing Kiosks Purchase	-	250,000	-	-	-	-	250,000
* Ops Office/Guest Service/pacificWild North reno	-	80,000	900,000	-	-	-	980,000
* Compost Digester Installation	-	75,000	400,000	-	-	-	475,000
Crbrd Baler & Cnpy	-	75,000	350,000	-	-	-	425,000
* Key Management System Upgrade	-	75,000	-	-	-	-	75,000
* Parking Pay on Foot Stations Purchase/Install	-	75,000	-	-	-	-	75,000
* Rain Garden Tree Replacement	-	50,000	-	-	-	-	50,000
Chair Replacement	-	-	1,300,000	1,500,000	-	-	2,800,000
* Lobby Lighting Retrofit	-	-	650,000	-	-	-	650,000
Table Replacement	-	-	450,000	-	-	-	450,000
* AHU Motor Upgrade to VFD Controls	-	-	250,000	-	-	400,000	650,000
* Elevator Door & Operator Replacement	-	-	250,000	-	-	-	250,000
* Loading Dock Coil Door Replacement	-	-	250,000	-	-	-	250,000
Public Circulation Furniture Replacement	-	-	175,000	-	-	-	175,000
* Mass Notification Consulting & Implementation	-	-	150,000	-	-	-	150,000
* Glass Tower Structural Reinforcement	-	-	100,000	800,000	-	-	900,000
AV Audio System Upgrade	-	-	100,000	750,000	-	-	850,000
* Escalator Safety Skirt Brush Installation	-	-	100,000	-	-	-	100,000
* Electrical Infrastructure Upgrade	-	-	60,000	500,000	500,000	-	1,060,000
* Employee Locker Room Renovation	-	-	60,000	400,000	-	-	460,000
* Exhibit Hall Restroom Renovation	-	-	-	224,000	1,700,000	-	1,924,000
* ABC Meeting Room Renovation	-	-	-	100,000	6,500,000	-	6,600,000
Boiler Replacement	-	-	-	75,000	1,800,000	-	1,875,000
* VIP B Renovation	-	-	-	70,000	400,000	-	470,000
* Interior Digital Signage Additions	-	-	-	-	1,000,000	-	1,000,000
* CCTV Replacement	-	-	-	-	800,000	-	800,000
* Gingko Lane Renovation	-	-	-	-	700,000	5,000,000	5,700,000
* Exhibit Hall Sound Panel Replacement	-	-	-	-	500,000	-	500,000
* Holladay Suites Renovation	-	-	-	-	60,000	400,000	460,000
* DEF Meeting Rooms/Lobbies/Restrooms Reno	-	-	-	-	-	1,100,000	1,100,000
* Holladay & 1st Avenue Exterior Improvements	-	-	-	-	-	500,000	500,000
* Security Console/Entrance area Renovation	-	-	-	-	-	140,000	140,000
* VIP D Renovation	-	-	-	-	-	75,000	75,000
Subtotal Capital Projects	-	50,000	3,895,000	4,419,000	13,960,000	7,615,000	29,939,000
Ongoing Capital Maintenance							
Food & Beverage Capital Investment	-	-	618,000	1,325,000	1,325,000	1,325,000	4,593,000
A/V Equipment (NBS)	-	150,000	150,000	150,000	150,000	150,000	750,000
WiFi & Show Network Upgrades	-	120,000	120,000	130,000	130,000	130,000	630,000
Alerton Gbl Cntrlr Upgrc	-	60,000	60,000	60,000	-	-	180,000
Subtotal Ongoing	-	330,000	330,000	340,000	280,000	280,000	1,560,000
TOTAL - Convention Center Operating Fund	\$5,725,000	\$35,438,000	\$10,250,000	\$6,084,000	\$15,565,000	\$9,220,000	\$82,282,000

* New project in FY2018-19

Metropolitan Exposition-Recreation Commission
Portland's Centers for the Arts Fund

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2019 Proposed Budget	FY18-FY19 Var \$	FY18-FY19 Var %
OPERATIONS							
Charges for Services	9,957,385	12,679,505	12,914,253	12,170,223	13,346,980	1,176,757	10%
Contributions from Governments	837,608	856,873	866,299	889,441	911,677	22,236	2%
Contributions from Private Sources	-	-	-	75,000	125,000	50,000	67%
Food and Beverage Revenue	2,989,218	3,321,789	3,329,348	3,175,764	3,450,895	275,131	9%
Grants	5,995	6,000	-	38,000	-	(38,000)	-100%
Interest Earnings	100,967	169,135	153,354	170,000	225,000	55,000	32%
Lodging Tax	1,311,226	1,340,824	1,355,841	1,390,686	1,425,443	34,757	2%
Miscellaneous Revenue	81,962	233,102	102,488	61,590	89,000	27,410	45%
Transfers-R	-	46,200	-	-	-	-	0%
VFTA Operating Support	663,195	678,165	685,783	703,941	721,540	17,599	3%
Total Revenues	15,947,557	19,331,593	19,407,366	18,674,645	20,295,535	1,620,890	9%
Food & Beverage Services	2,196,910	2,494,426	2,486,088	2,503,553	2,643,820	140,267	6%
Materials and Services	3,967,386	5,380,756	6,190,771	6,323,561	6,901,917	578,356	9%
Personnel Services	5,975,182	6,448,947	7,099,975	7,862,673	8,488,561	625,888	8%
Transfers-E	1,683,534	1,647,971	1,698,417	1,808,335	1,647,114	(161,221)	-9%
Total Expenditures	13,823,012	15,972,100	17,475,251	18,498,122	19,681,412	1,183,290	6%
Net Operations	2,124,545	3,359,493	1,932,115	176,523	614,123	437,600	248%
CAPITAL							
Contributions from Private Sources	45,000	87,188	143,438	114,375	3,067,813	2,953,438	2582%
Grants	113,899	30,980	9,964	-	-	-	0%
Miscellaneous Revenue	-	135,171	-	-	-	-	0%
Total Revenues	158,899	253,339	153,402	114,375	3,067,813	2,953,438	2582%
Capital Outlay	1,498,685	1,056,623	2,323,012	3,450,733	2,950,000	(500,733)	-15%
Materials and Services	-	-	57,167	325,000	4,035,000	3,710,000	1142%
Personnel Services	-	-	-	-	177,367	177,367	100%
Total Expenditures	1,498,685	1,056,623	2,380,179	3,775,733	7,162,367	3,386,634	90%
Net Capital	(1,339,786)	(803,284)	(2,226,778)	(3,661,358)	(4,094,554)	(433,196)	12%
Grand Total Operations / Capital	784,759	2,556,209	(294,663)	(3,484,835)	(3,480,431)	4,404	0%
Beginning Fund Balance	9,837,690	10,622,449	13,178,658	12,883,995	9,456,346		
Contingency / Ending Fund Balance	10,622,449	13,178,658	12,883,995	9,399,160	5,975,915		

Note: Certain prior year amounts have been adjusted to be conform to current year presentation. This includes:
- Transfers for MERC Admin support costs are now shown in Transfers-E (expense) rather than Transfers-R (revenue).

Portland'5 Centers for the Arts CIP Summary
Fiscal Year 2019

	Prior Years	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total
Schnitzer Orchestra Shell Replacement	1,355,000	1,845,000	-	-	-	-	3,200,000
AHH Roof	150,000	1,500,000	-	-	-	-	1,650,000
Keller Electrical Infrastructure Update	-	850,000	-	-	-	-	850,000
ASCH FOH Elevators Overhaul	-	400,000	-	-	-	-	400,000
* KA Generator Fuel Storage	-	350,000	-	-	-	-	350,000
ASCH Backstage Dressing Tower Elevator	-	300,000	-	-	-	-	300,000
ASCH Roof Drains	-	250,000	-	-	-	-	250,000
ASCH Piano Replacement	-	200,000	-	-	-	-	200,000
* Newmark Main Speakers	-	200,000	-	-	-	-	200,000
ASCH Chamber Lighting	25,000	175,000	-	-	-	-	200,000
* Portable Concession Kiosks	-	175,000	-	-	-	-	175,000
* ArtBar/Lobby Furniture Replacement	-	175,000	-	-	-	-	175,000
Newmark Piano Replacement	-	150,000	-	-	-	-	150,000
* KA Fall Arrest	-	100,000	-	-	-	-	100,000
* ASCH Cooling Airflow Study	-	100,000	-	-	-	-	100,000
AHH EIFS Replacement Phase III (R&R)	-	75,000	700,000	-	-	-	775,000
ASCH Broadway and Park Marquees	-	50,000	800,000	-	-	-	850,000
AHH/ASCH/Keller ADA signage	50,000	30,000	50,000	95,000	-	-	225,000
AHH Stage door area rebuild	-	25,000	150,000	-	-	-	175,000
* ASCH Orchestra concession rebuild	-	-	600,000	-	-	-	600,000
* KA Catwalk at FOH	-	-	350,000	-	-	-	350,000
* ASCH Box office rebuild	-	-	250,000	-	-	-	250,000
* KA Camera/Security System	-	-	200,000	-	-	-	200,000
* AHH Video monitors for poster cases	-	-	50,000	-	-	-	50,000
ASCH - Cooling System Replacement	10,000	-	-	1,200,000	-	-	1,210,000
ASCH New Seats	-	-	-	600,000	-	-	600,000
* KA New PA (Monitors, Amps, Mains)	-	-	-	400,000	-	-	400,000
Keller Building HVAC Controls & Stage HVAC Imp	-	-	-	250,000	-	-	250,000
AHH Rotunda/Bistro Carpet Replacement	-	-	-	150,000	-	200,000	350,000
* AHH 4th and 5th floor remodel	-	-	-	150,000	-	-	150,000
AHH Lobby Storefront Doors Replacement (R&R)	-	-	-	82,000	-	-	82,000
* Winnigstad Seating replacement	-	-	-	75,000	-	-	75,000
AHH Park Street lobby door replacement	-	-	-	50,000	-	-	50,000
* KA Lobby Monitors	-	-	-	50,000	-	-	50,000
Keller Stage Pit Lifts Overhaul	-	-	-	-	500,000	-	500,000
AHH Freight Elevator Overhaul	-	-	-	-	400,000	-	400,000
Keller Backstage Dressing Tower Elevator	-	-	-	-	300,000	-	300,000
* Newmark Seating replacement	-	-	-	-	225,000	-	225,000
* AHH Brunish Dressing Build-Out	-	-	-	-	175,000	-	175,000
* Newmark Replace Stage Floor	-	-	-	-	100,000	-	100,000
* Winni Hoists	-	-	-	-	75,000	-	75,000
* ASCH Stage Door Area Rebuild	-	-	-	-	-	75,000	75,000
TOTAL - Portland'5 Centers for the Arts Fund	\$1,590,000	\$6,950,000	\$3,150,000	\$3,102,000	\$1,775,000	\$275,000	\$16,842,000

* New project in FY2018-19

Metropolitan Exposition-Recreation Commission
Expo Fund

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2019 Proposed Budget	FY18-FY19 Var \$	FY18-FY19 Var %
OPERATIONS							
Charges for Services	4,097,469	4,258,479	4,311,932	5,185,451	4,750,946	(434,505)	-8%
Food and Beverage Revenue	2,051,938	2,146,826	2,349,531	2,471,019	2,502,702	31,683	1%
Grants	-	10,800	-	-	-	-	0%
Interest Earnings	17,414	29,457	23,030	35,000	35,000	-	0%
Miscellaneous Revenue	33,100	39,935	37,525	34,475	38,500	4,025	12%
Transfers-R	336,666	327,333	280,000	400,000	400,000	-	0%
Total Revenues	6,536,587	6,812,831	7,002,018	8,125,944	7,727,148	(398,796)	-5%
Food & Beverage Services	1,690,782	1,692,124	1,841,361	1,908,139	1,991,898	83,759	4%
Materials and Services	1,252,238	1,389,854	1,520,397	1,615,813	1,475,736	(140,077)	-9%
Personnel Services	1,668,415	1,726,549	1,787,490	1,939,455	1,971,970	32,515	2%
Debt Service	1,209,550	1,186,176	1,203,395	1,022,275	1,022,025	(250)	0%
Transfers-E	529,880	678,493	530,430	647,815	693,773	45,958	7%
Management Fee	429,028	446,882	464,753	534,172	463,270	(70,902)	-13%
Visitor Development Marketing	-	-	-	17,160	-	(17,160)	-100%
Total Expenditures	6,779,893	7,120,077	7,347,826	7,684,829	7,618,672	(66,157)	-1%
Net Operations	(243,307)	(307,247)	(345,808)	441,115	108,476	(332,639)	-75%
CAPITAL							
Contributions from Private Sources	30,000	58,125	95,625	171,563	236,875	65,312	38%
Grants	129,250	-	1,000	-	-	-	0%
Lodging Tax Pooled Capital	3,125	-	-	-	1,119,787	1,119,787	100%
Transfers-R	360,000	280,000	1,016,740	2,850,000	-	(2,850,000)	-100%
Total Revenues	522,375	338,125	1,113,365	3,021,563	1,356,662	(1,664,901)	-55%
Capital Outlay	478,441	304,650	491,379	2,867,315	340,000	(2,527,315)	-88%
Materials and Services	-	50,989	1,177,336	461,867	927,000	465,133	101%
Personnel Services	-	-	-	-	81,042	81,042	100%
Total Expenditures	478,441	355,639	1,668,715	3,329,182	1,348,042	(1,981,140)	-60%
Net Capital	43,934	(17,514)	(555,350)	(307,619)	8,620	316,239	-103%
Grand Total Operations / Capital	(199,373)	(324,761)	(901,158)	133,496	117,096	(16,400)	-12%
Beginning Fund Balance	3,367,238	3,167,865	2,843,105	1,941,947	2,283,061		
Contingency / Ending Fund Balance	3,167,865	2,843,105	1,941,947	2,075,443	2,400,157		

Note: Certain prior year amounts have been adjusted to be conform to current year presentation. This includes:
- Revenues previously subject to excise tax have been adjusted to reflect gross revenue, not net of excise tax. A comparable Management Fee has been included in Materials and Services.
- Transfers for MERC Admin support costs are now shown in Transfers-E (expense) rather than Transfers-R (revenue).

**Portland Expo Center CIP Summary
Fiscal Year 2019**

	Prior Years	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total
Hall C HVAC Study and Installation	35,000	200,000	-	-	-	-	235,000
* Cirque Parking lot Improvements	-	200,000	-	-	-	-	200,000
Lighting Control review and install - Halls ABCDE	20,000	150,000	-	-	-	-	170,000
Hall C Roof Recoat	-	125,000	-	-	-	-	125,000
* Hall C Enhancements	-	100,000	-	-	-	-	100,000
* Halls D&E Solar	-	50,000	-	-	-	-	50,000
Security Gates and Fencing	-	42,000	50,000	-	-	-	92,000
UP4 New Storage Building	-	40,000	250,000	-	-	-	290,000
Expo Website Update	-	40,000	100,000	-	-	-	140,000
Portable Concession Kiosks	-	35,000	-	-	-	-	35,000
Facility Wide Door review / install / security	-	20,000	150,000	-	-	-	170,000
Hall A Carpet Paint	-	10,000	90,000	-	-	-	100,000
Halls ABC Interior and Exterior Paint (R&R)	-	-	120,000	120,000	-	-	240,000
Facility Wide Drinking Fountain replacement	-	-	50,000	-	-	-	50,000
Hall D Storage Office Conversion	-	-	35,000	300,000	-	-	335,000
Hall D Kitchen Office Conversion	-	-	20,000	300,000	-	-	320,000
* Electronic Reader Board Upgrade	-	-	-	100,000	-	-	100,000
* Sustainability upgrades	-	-	-	75,000	-	-	75,000
Facility Wide Overhead Door review / install	-	-	-	35,000	250,000	-	285,000
Parking Lot Improvements	-	-	-	-	700,000	-	700,000
Hall D & E HVAC - Condition Analysis & Repair Budget	-	-	-	-	135,000	-	135,000
Hall D/E Compressed Air	-	-	-	-	50,000	-	50,000
Hall E Flat Roofs	-	-	-	-	35,000	750,000	785,000
* UP2 North Walkway Cover	-	-	-	-	25,000	50,000	75,000
Expo Road Relocation	-	-	-	-	-	25,000	25,000
Subtotal Capital Projects	55,000	1,012,000	865,000	930,000	1,195,000	825,000	4,882,000
Ongoing Capital Maintenance							
Security Cameras / Access Controls		75,000	10,000	66,500	50,000	150,000	351,500
Parking Lot Asphalt Maintenance / Replacement		-	62,000	64,500	67,080	69,763	263,343
Subtotal Ongoing		75,000	72,000	131,000	117,080	219,763	614,843
TOTAL Portland Expo Center	\$55,000	\$1,087,000	\$937,000	\$1,061,000	\$1,312,080	\$1,044,763	\$5,496,843

Metropolitan Exposition-Recreation Commission
MERC Admin Sub Fund

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2019 Proposed Budget	FY18-FY19 Var \$	FY18-FY19 Var %
OPERATIONS							
Charges for Services	17,406	-	-	-	-	-	0%
Interest Earnings	17,433	64,501	115,094	50,000	130,798	80,798	162%
Transfers-R	1,259,590	1,298,890	1,250,977	1,424,152	880,389	(543,763)	-38%
Total Revenues	1,294,429	1,363,391	1,366,071	1,474,152	1,011,187	(462,965)	-31%
Materials and Services	297,282	282,631	326,269	538,385	391,184	(147,201)	-27%
Personnel Services	773,769	832,280	737,859	1,105,485	715,616	(389,869)	-35%
Transfers-E	12,000	-	33,850	7,725	73,267	65,542	848%
Total Expenditures	1,083,051	1,114,911	1,097,977	1,651,595	1,180,067	(471,528)	-29%
Net Operations	211,378	248,480	268,094	(177,443)	(168,880)	8,563	-5%
CAPITAL							
Lodging Tax Pooled Capital	5,241,751	6,741,441	6,525,901	6,741,441	-	(6,741,441)	100%
Transfers-R	(1,483,000)	(820,000)	(2,391,740)	(18,850,000)	-	18,850,000	-100%
Total Revenues	3,758,751	5,921,441	4,134,161	(12,108,559)	-	12,108,559	-100%
Capital Outlay	54,000	-	-	250,000	-	(250,000)	-100%
Total Expenditures	54,000	-	-	250,000	-	(250,000)	-100%
Net Capital	3,704,751	5,921,441	4,134,161	(12,358,559)	-	12,358,559	-100%
Grand Total Operations / Capital	3,916,129	6,169,921	4,402,255	(12,536,002)	(168,880)	12,367,122	-99%
Beginning Fund Balance	4,085,355	8,001,484	14,171,405	18,573,660	6,539,885		
Contingency / Ending Fund Balance	8,001,484	14,171,405	18,573,660	6,037,658	6,371,005		

Memo



Metro

600 NE Grand Ave.
Portland, OR 97232-2736

Date: March 7, 2018
To: MERC Commissioners
From: Deidra Krys-Rusoff, Chair of the MERC Budget Committee
Scott Cruickshank, General Manager of Visitor Venues
Re: Transmittal of the Fiscal Year 2018-19 MERC Budget

The budget is an important tool for measuring success and accomplishing goals of the venues and the Commission. The FY 2018-19 budget appropriates over \$138 million to operate the venues and invest in our facility assets. The Budget Committee recommends the Commission approve Resolution 18-06, approving the MERC FY 2018-19 Proposed Budget and FY 2018-19 Capital Improvement Plan.

After the MERC Budget Retreat on November 1, 2017, the Budget Committee met twice to review and discuss details of the budget. These meetings allowed the Venue Directors to share significant items in their budgets, major capital projects, new Full Time Equivalent (FTE) and/or program requests, and respond to questions from the Budget Committee. Highlights from those meetings are described below.

Oregon Convention Center

Budget Priorities

- Begin the renovation and maintain the OCC using the Facility Master Plan and condition assessments
- Deliver world class customer service
- Grow the OCC's economic impact through increased convention and consumer show business
- Continue to assess and improve public safety
- Generate operating revenues to cover 100 percent of operating expenses and maintain strategic reserves

Significant Changes in the Budget

- OCC has 48 conventions and a strong line-up of regional events scheduled in FY18-19 supporting a forecast record rental of more than \$5 million. Of this amount, \$4.3 million is licensed with \$710,000 of projected business pick-up between now and the end of FY18-19.
- Forecast parking revenue is \$2.1 million, a 14 percent increase compared to the FY17-18 budget. This strong increase is due to a recent rate increase, dynamic pricing and an increase in monthly users from construction work around the center.

- Food and beverage forecasted revenues are \$16.1 million, a 14 percent increase compared to the FY17-18 budget. This level of business is comparable to FY15-16, OCC's largest grossing year. The budgeted margin is 21.8%, slight decrease from FY17-18.
- OCC proposes a new position in Sales: a Sales Coordinator who will maximize un-booked space rentals and provide more bandwidth for the current sales team to respond to and support convention proposals. It is expected that the Sales Coordinator position will generate new sales equal to or greater than the position's costs.
- OCC proposes to develop an Ambassador program, which will provide customer service, way finding, guest services and improve center safety and security. This program will be added to the Event Services Department and will be staffed by a new full time Guest Services Supervisor and a pool of part time ambassador employees.
- Materials and Services budget increases have been minimized for existing programs and workload. Increases are primarily associated with programs with offsetting event revenues.
- OCC's capital improvement program includes the start of construction on the major interior and plaza renovation project, as well as nearly \$8 million in other projects.
- OCC is funding the personal services costs for a 1.0 FTE project manager from the Metro Construction Project Management Office (cPMO) to support the increased workload in the OCC capital improvement plan for FY18-19.
- Beginning in FY 2018-19 Metro will no longer charge a 7.5 percent excise tax on event related revenues. Revenues had previously been recorded net of this tax; for purposes of budget review prior year actuals and the FY 2017-18 budget have been adjusted to reflect gross revenues. A new management fee to Metro will support the costs of general government activities such as the Council office and elections expense, as well as various planning, parks and venue activities.

Portland'5 Centers for the Arts

Budget Priorities

- 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
- Continue to develop the education and community engagement program

Significant Changes in the Budget

- The budget includes 9 weeks of Broadway, including 2 weeks of Phantom of the Opera. In addition, Wicked, which is scheduled for FY 2019-20, will go on sale in FY 2018-19.
- Rental and billable rates are set to increase 3 percent.
- Food and beverage revenues are up 9 percent based on event projections and spending trends. The budgeted margin is 23.4%, an increase from FY17-18 but more comparable to prior years.
- The Portland'5 Foundation has committed \$125,000 towards the Education program. Portland'5 has requested an Administrative Technician position in the Education department, to support the education program tasks. This will help with the logistics to ensure educational events operate smoothly and efficiently, and allow for additional community engagement initiatives.
- Materials and services includes increased security to insure the safety of the public and staff and provide protection of all three venues. Much of this is in reimbursable labor which is billed to the client, however some are costs that must be absorbed by Portland'5. This includes a new Facility Security Agent to staff the Antoinette Hatfield Hall stage door and a full time Administrative Assistant at the reception desk.
- Major capital projects include replacement of the orchestra shell in the Arlene Schnitzer Concert Hall (ASCH), overhaul of front of house and back of house elevators in that theater and replacement of the Antoinette Hatfield Hall roof. The ASCH will be dark for approximately two months this summer to accommodate projects in that space.
- To accomplish the capital plan Portland'5 has increased cPMO Project Manager support from 0.5 to 1.0 FTE.

Portland Expo Center

Budget Priorities

- Drive revenues in key areas of Food and Beverage, Parking and Charges for Services through contracted management, sales efforts, policy direction and dynamic pricing opportunities.
- Broaden the education and outreach to varied groups of professional and political supporters towards the sustained fiscal support of the Portland Expo Center, its programs and increased economic impact to the region.
- Continued development of our venue professionals through training, professional development and strategic community engagement that supports Metro's broader diversity, equity and inclusion goals.
- Completion of valuable Capital Projects that are on time, under budget and represent the values of our agency by providing opportunities for COBID firms, our region and the long-term capital needs of the Portland Expo Center.

- Expand and solidify our long-term partnerships with Cirque du Soleil. Leverage partnership through capital investments, long-term planning, and the expansion of flexible event spaces for concerts and other opportunities on the Expo campus.
- Focused effort on solidifying the goals of the Expo Project through review of campus assets, analytical data review and unique partnerships that support the overall economic health, mission and vision of the Expo Center.

Significant Changes in the Budget

- Cirque du Soleil is not part of these budget year assumptions. Cirque will be included bi-annually starting in FY20-21.
- Expo's charges for services represent an overall flat trend from FY17-18 actuals. Multi-year bookings are about to sunset and are under review. Rental rate increases over prior year represent 3 percent with staff focus turning toward corporate opportunities, yearly onsite advertising sales and yield management efforts (seasonal bookings).
- Base parking rates have been increased from \$8 to \$10 per car, which results in an estimated increase of \$300,000.
- Food and beverage revenues are up 7 percent from FY 2016-17, primarily due to recent price changes. The budgeted margin is 20.4%, a decrease from FY16-17 (comparable non-Cirque year).
- The budget includes a General Fund allocation of \$400,000 from Metro. Additionally MERC Admin support costs were waived this year.
- There are currently no FTE changes or new requests in the proposed budget.
- Overall materials and services costs were held flat, though certain utility costs are increasing. Expo reduced other operating costs to offset these increases.
- Capital projects are funded by TLT Pooled Capital, and focus on recommendations of the Expo Project. Major projects include improvements to Lower Parking Lot 1, partially funded by a contribution from Cirque du Soleil, and refurbishment of Hall C.
- Beginning in FY 2018-19 Metro will no longer charge a 7.5 percent excise tax on event related revenues. Revenues had previously been recorded net of this tax; for purposes of budget review prior year actuals and the FY 2017-18 budget have been adjusted to reflect gross revenues. A new management fee to Metro will support the costs of general government activities such as the Council office and elections expense, as well as various planning, parks and venue activities.

MERC Administration

Budget Priorities

- Continue development and implementation of Phase III of the Expo Project
- Continue development of the Portland'5 Project
- Ensure proper reporting to stakeholders of the required minority contracting and workforce equity goals throughout the construction of the OCC Hotel project
- Advocate and provide follow-through for the MERC commission's desired goals and outcomes resulting from the March 7, 2018 MERC Retreat

Significant Changes in the Budget

- TLT Pooled Capital will be received directly by OCC (85%) and Expo (15%) starting in FY 2018-19, eliminating the need for transfers out of MERC Admin. MERC Admin will maintain a balance of \$5 million in TLT Pooled Capital.
- The Communications and Policy Development Manager will be allocated 25% to the Zoo this year, rather than fully funded by MERC Admin.
- The Director of Strategic Initiatives-Visitor Venues will continue to be fully funded by MERC Admin, rather than allocated 25% to the Zoo as previously planned. This is a two year limited duration position ending June 30, 2019.
- cPMO staff will be charged directly to the venues this year, rather than to MERC Admin. This makes these costs more transparent to the venues. It also allows the Venues to show these costs are part of Capital Projects, a division which is shown below Net Operations on the monthly financial reports, and to fund them with TLT Pooled Capital.

Long term considerations

While the proposed budget is annual, management considered long term impacts during budget development, specifically in two areas: PERS and the five year capital improvement plan.

Public Employees Retirement System (PERS)

The PERS rate is flat for FY 2018-19, as it is the second year of the biennial rate. PERS is expected to increase in FY 2019-20 from an average of 12.6 percent of total salary to 17.6 percent, a 40 percent increase overall. The venues considered the impact of PERS in future years, especially when deliberating on new positions.

Capital Improvement Plan

The majority of capital funding at OCC and Expo comes from Transient Lodging Taxes. At Portland'5 the funding comes from accumulated fund balance. At the start of the budget process the venues developed five year forecasts, which were shared with the Commission at the Budget Retreat in November. These forecasts were used to determine available capital funding for the five year capital improvement plan.

Conclusion

The Budget Committee has discussed the proposed budget with staff during two Budget Committee meetings, and supports approval by the Commission. Concurrently, the budget is being reviewed by Metro's Chief Operating Officer (COO). After approval by the Commission and the COO the budget will be presented to Metro Council on April 12, 2018, and is will be considered for approval by Council on May 3, 2018.

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



Metro

FY 2018-19 Proposed Budget

March 7, 2018

FY 2018-19 Proposed Budget

- Introduction
- Budget Process
 - November Budget Retreat
 - Budget Committee Review
 - Capital
 - Operations
 - Proposed Budget

Oregon Convention Center

Budget Priorities

- Master Renovation and facility maintenance
- World class customer service
- Economic impact
- Public Safety
- Maintain strategic reserves

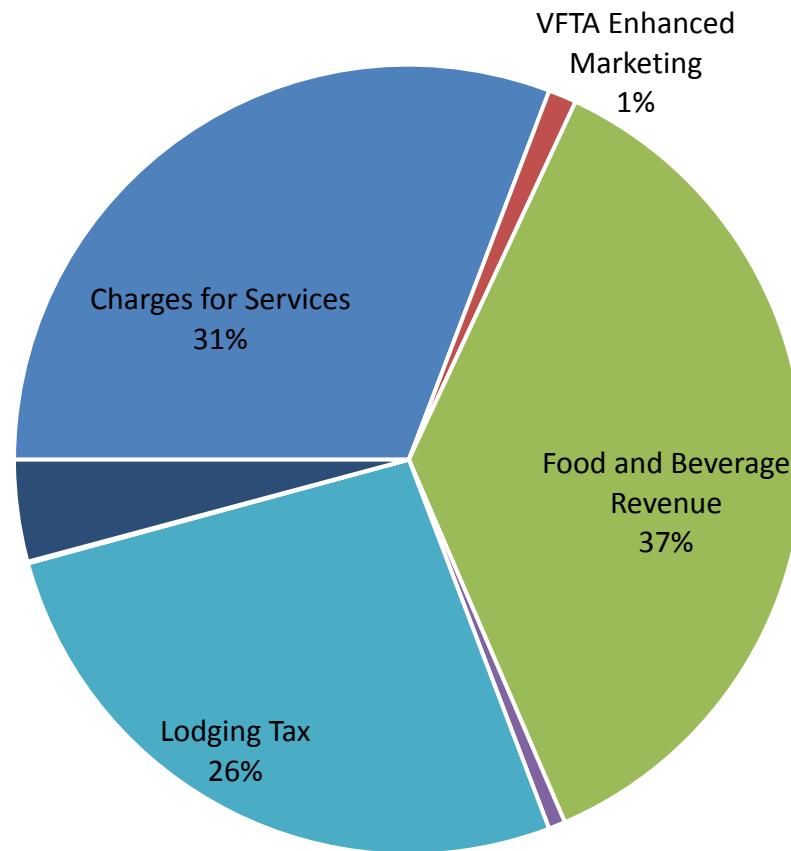
Oregon Convention Center

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2019 Proposed Budget	FY18-FY19 Var \$	FY18-FY19 Var %
OPERATIONS							
Total Revenues	38,429,628	43,881,468	44,550,621	42,847,361	43,867,267	1,019,906	2%
Total Expenditures	33,565,113	41,013,422	39,904,868	40,011,368	41,267,898	1,256,530	3%
Net Operations	4,864,515	2,868,046	4,645,753	2,835,993	2,599,369	(236,624)	-8%
CAPITAL							
Total Revenues	1,262,633	1,052,060	2,195,303	16,476,563	6,903,270	(9,573,293)	-58%
Total Expenditures	2,322,780	724,109	3,586,860	9,555,500	35,821,690	26,266,190	275%
Net Capital	(1,060,147)	327,951	(1,391,557)	6,921,063	(28,918,420)	(35,839,483)	-518%
Grand Total Operations / Capital	3,804,368	3,195,997	3,254,196	9,757,056	(26,319,051)	(36,076,107)	-370%

OCC Revenue

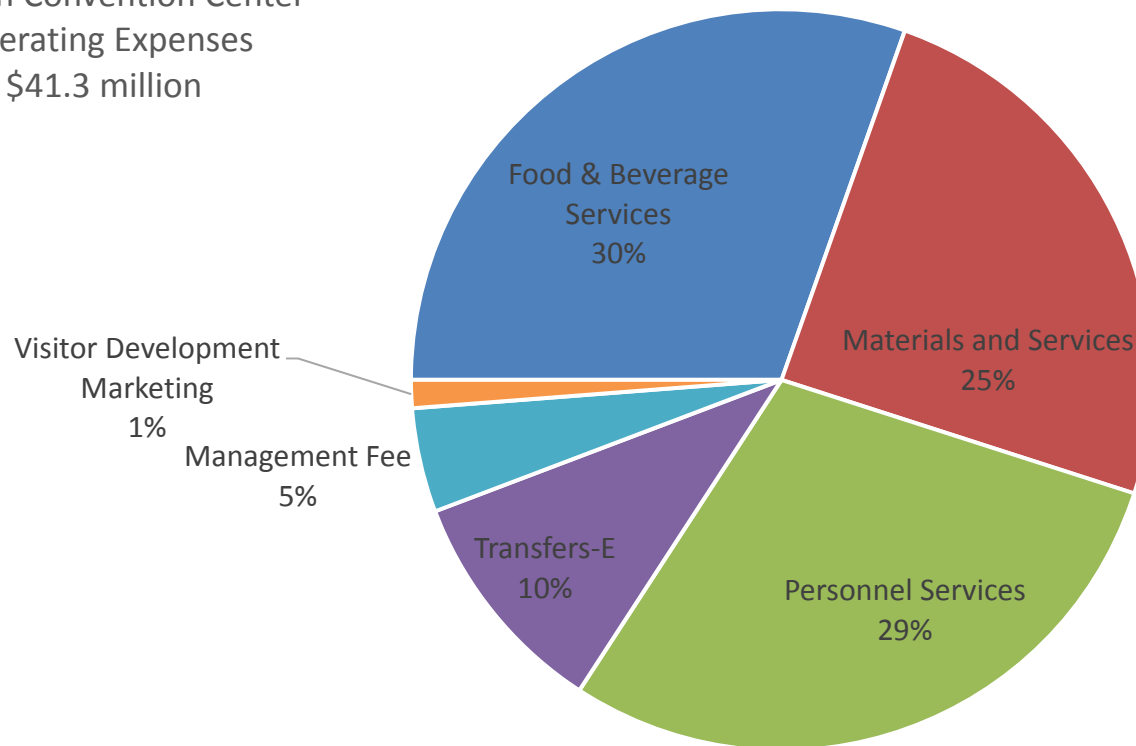
Oregon Convention Center
Operating Revenue
\$43.9 million

VFTA Operating Support
4%

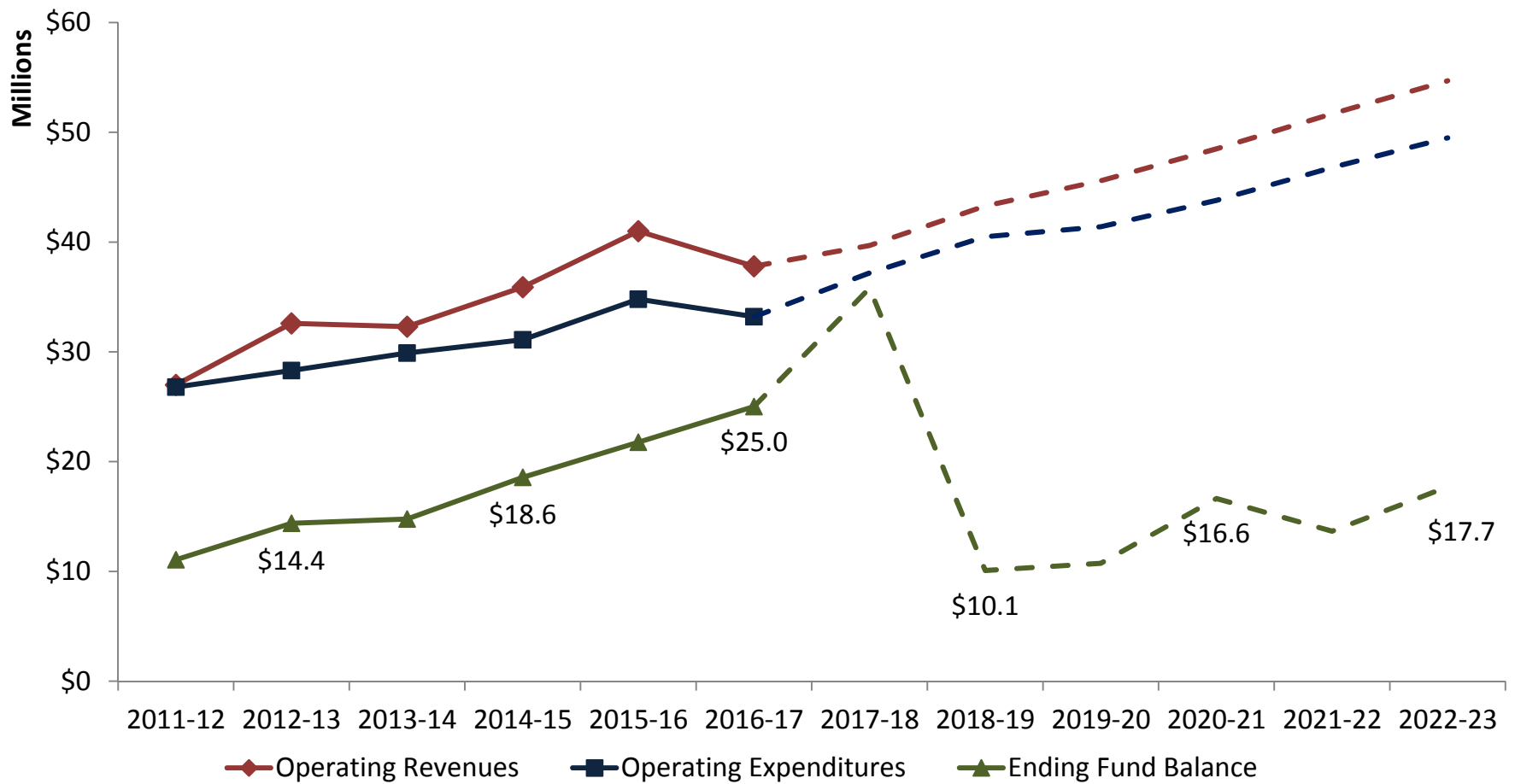


OCC Expense

Oregon Convention Center
Operating Expenses
\$41.3 million



OCC 5 year forecast



Portland'5 Centers for the Arts

Budget Priorities

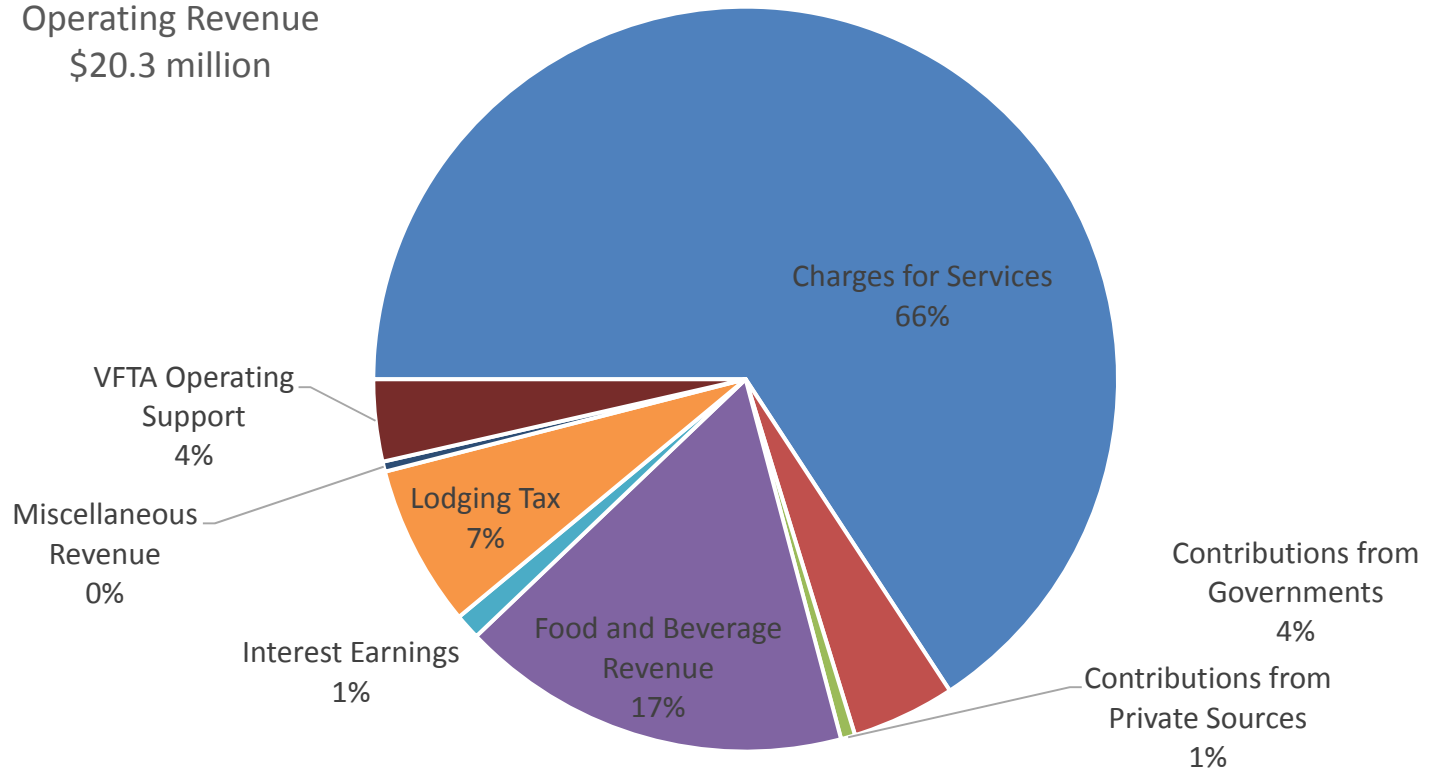
- Portland'5 Presents
- Long term funding strategy for Portland'5
- Portland'5 Foundation
- Sponsorship, advertising and marketing initiatives that generate revenue
- Education and community engagement program

Portland's 5 Centers for the Arts

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2019 Proposed Budget	FY18-FY19 Var \$	FY18-FY19 Var %
OPERATIONS							
Total Revenues	15,947,557	19,331,593	19,407,366	18,674,645	20,295,535	1,620,890	9%
Total Expenditures	13,823,012	15,972,100	17,475,251	18,498,122	19,681,412	1,183,290	6%
Net Operations	2,124,545	3,359,493	1,932,115	176,523	614,123	437,600	248%
CAPITAL							
Total Revenues	158,899	253,339	153,402	114,375	3,067,813	2,953,438	2582%
Total Expenditures	1,498,685	1,056,623	2,380,179	3,775,733	7,162,367	3,386,634	90%
Net Capital	(1,339,786)	(803,284)	(2,226,778)	(3,661,358)	(4,094,554)	(433,196)	12%
Grand Total Operations / Capital	784,759	2,556,209	(294,663)	(3,484,835)	(3,480,431)	4,404	0%

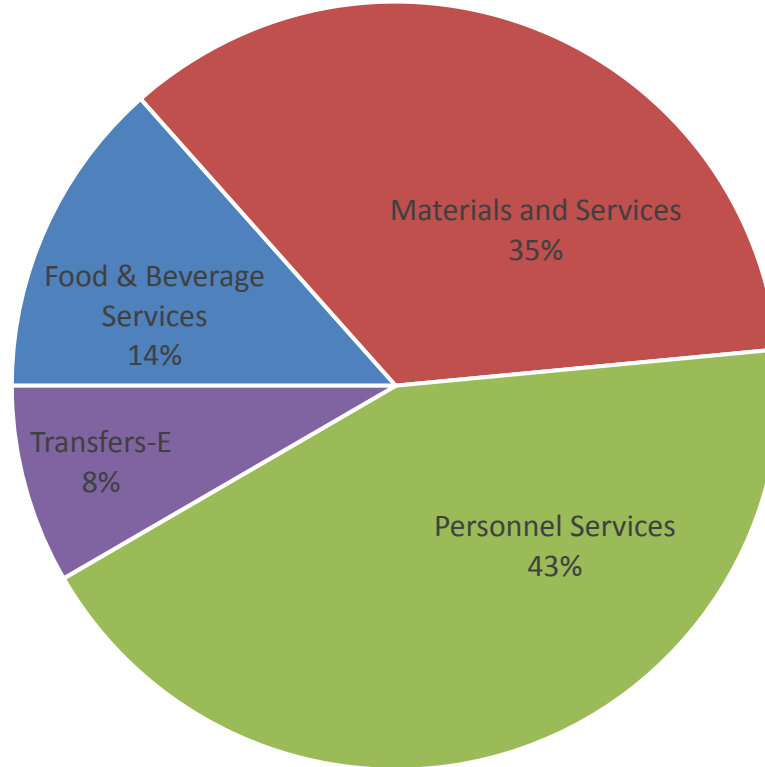
Portland's Revenue

Portland's Centers for the Arts
Operating Revenue
\$20.3 million

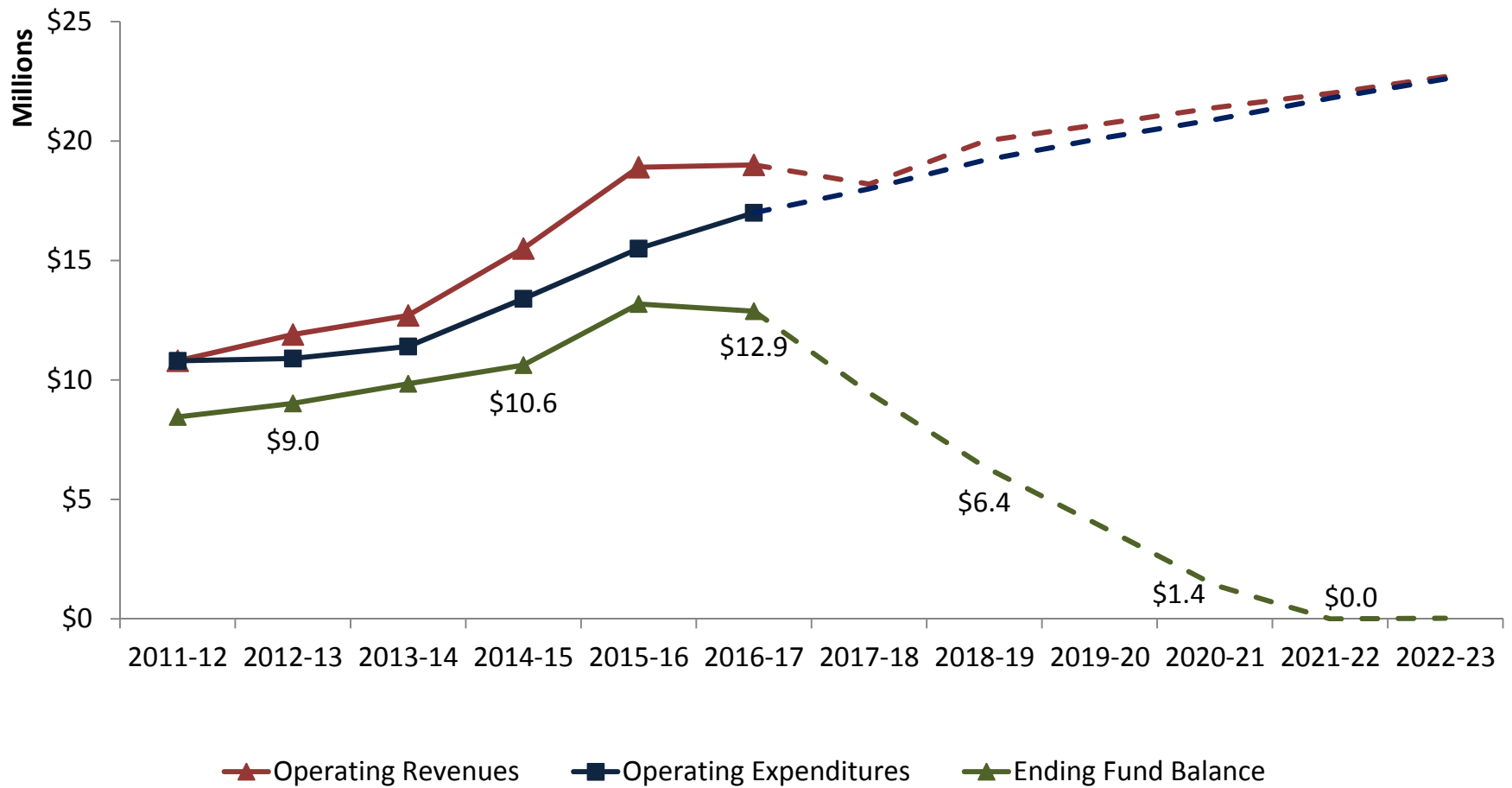


Portland's Expense

Portland's Centers for the Arts
Operating Expenses
\$19.7 million



Portland's 5 year forecast



Portland Expo Center

Budget Priorities

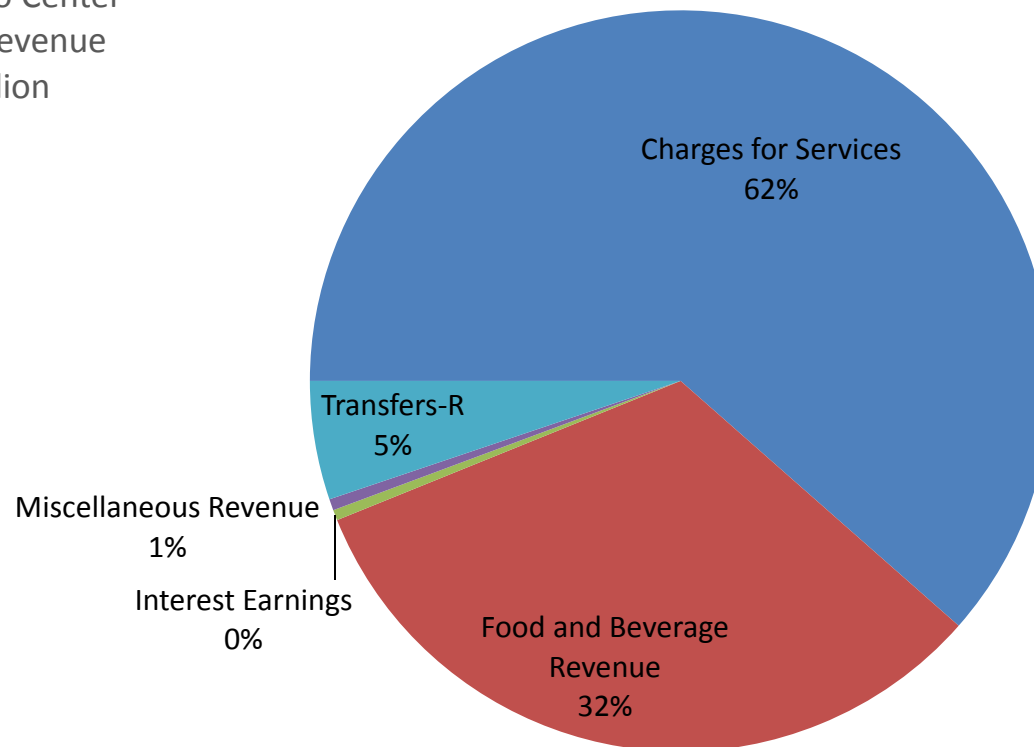
- Drive revenues
- Generate broad support for Expo
- Staff development
- Capital projects
- Long-term partnership with Cirque du Soleil
- Expo project

Portland Expo Center

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2019 Proposed Budget	FY18-FY19 Var \$	FY18-FY19 Var %
OPERATIONS							
Total Revenues	6,536,587	6,812,831	7,002,018	8,125,944	7,727,148	(398,796)	-5%
Total Expenditures	6,779,893	7,120,077	7,347,826	7,684,829	7,618,672	(66,157)	-1%
Net Operations	(243,307)	(307,247)	(345,808)	441,115	108,476	(332,639)	-75%
CAPITAL							
Total Revenues	522,375	338,125	1,113,365	3,021,563	1,356,662	(1,664,901)	-55%
Total Expenditures	478,441	355,639	1,668,715	3,329,182	1,348,042	(1,981,140)	-60%
Net Capital	43,934	(17,514)	(555,350)	(307,619)	8,620	316,239	-103%
Grand Total Operations / Capital	(199,373)	(324,761)	(901,158)	133,496	117,096	(16,400)	-12%

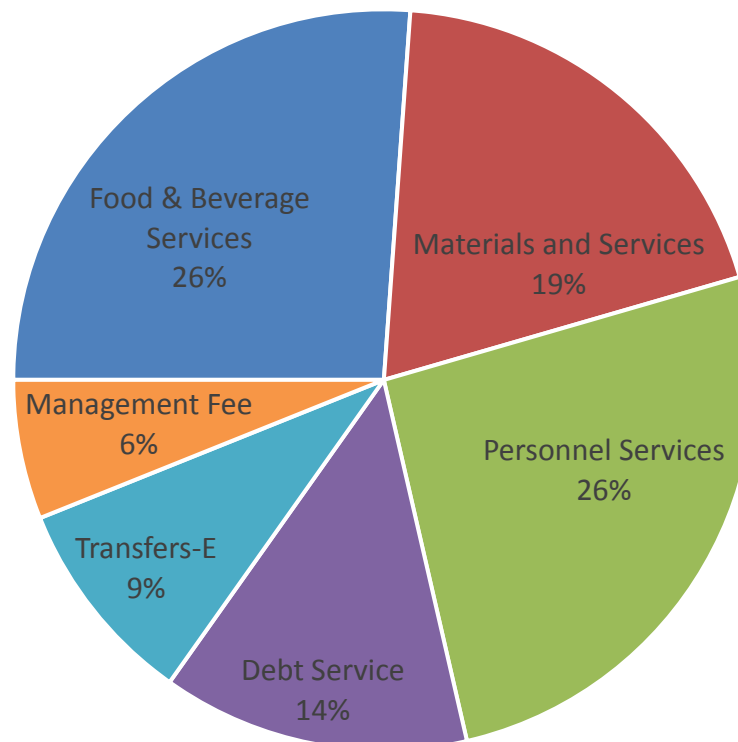
Expo Revenue

Portland Expo Center
Operating Revenue
\$7.7 million

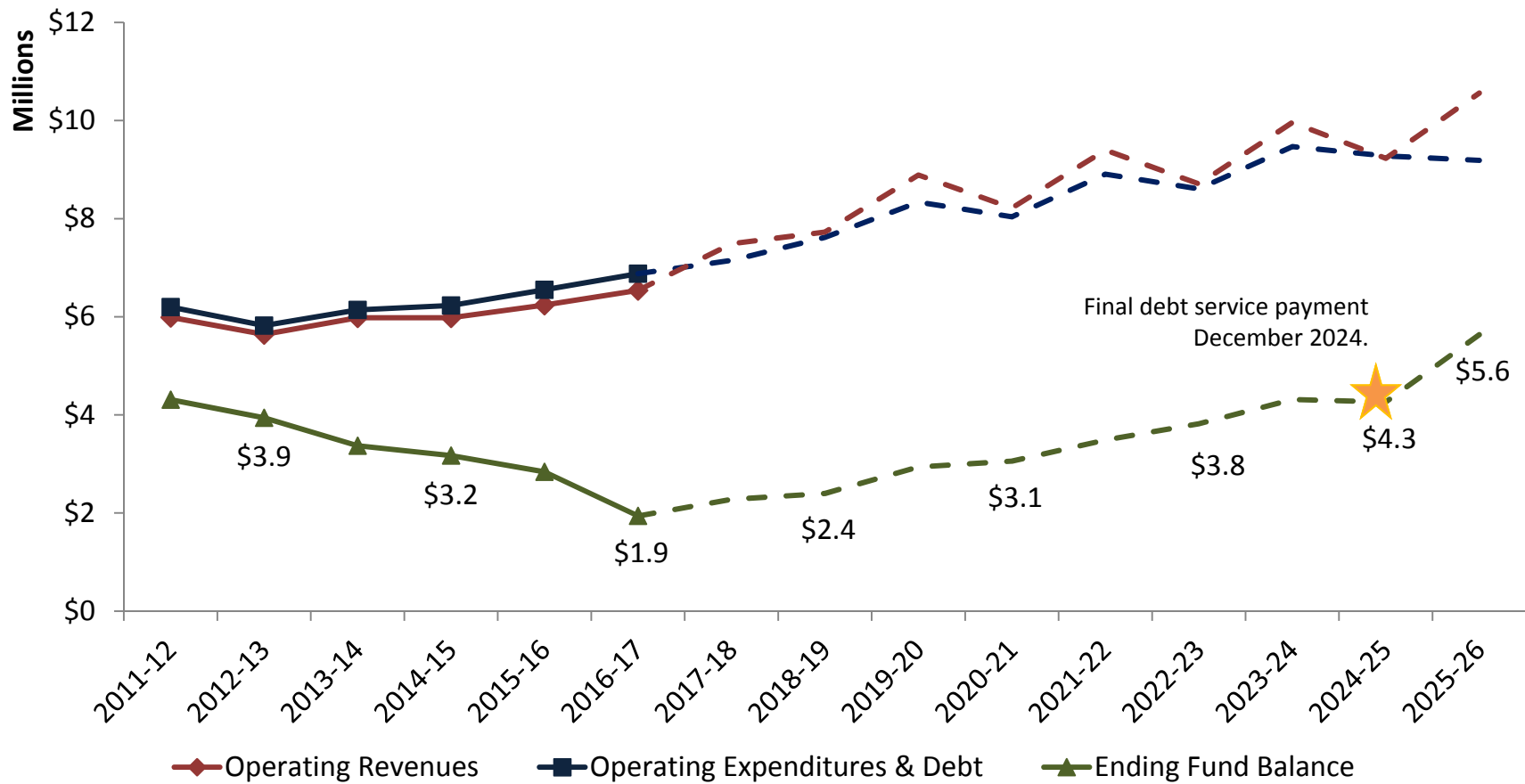


Expo Expense

Portland Expo Center
Operating Expenses
\$7.6 million



Expo 5 year forecast



MERC Administration

Budget Priorities

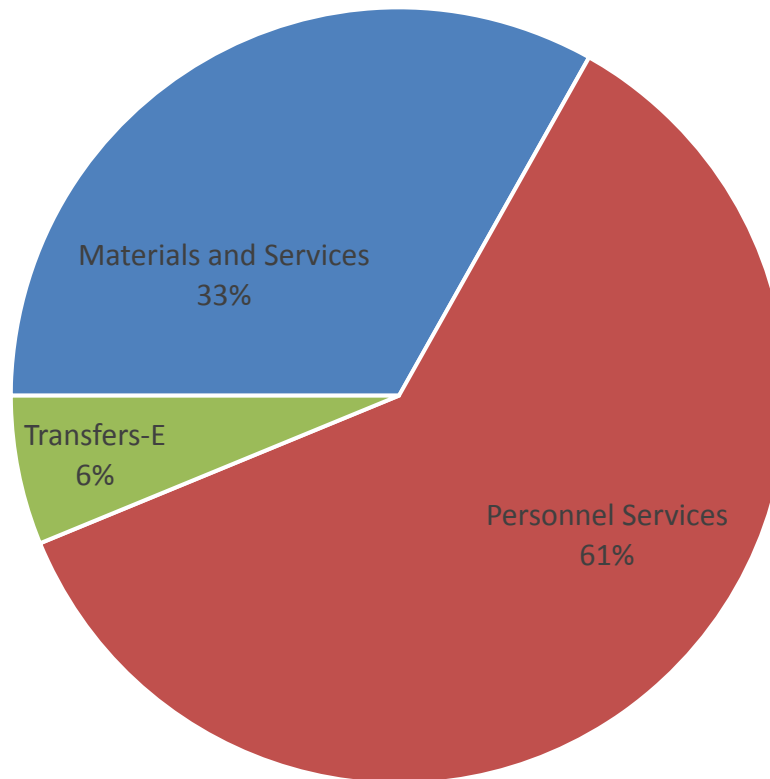
- Expo Project
- Portland'5 Project
- Oversight of OCC Hotel project
- Goals of March MERC retreat

MERC Administration

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2019 Proposed Budget	FY18-FY19 Var \$	FY18-FY19 Var %
OPERATIONS							
Total Revenues	1,294,429	1,363,391	1,366,071	1,474,152	1,011,187	(462,965)	-31%
Total Expenditures	1,083,051	1,114,911	1,097,977	1,651,595	1,180,067	(471,528)	-29%
Net Operations	211,378	248,480	268,094	(177,443)	(168,880)	8,563	-5%
CAPITAL							
Total Revenues	3,758,751	5,921,441	4,134,161	(12,108,559)	-	12,108,559	-100%
Total Expenditures	54,000	-	-	250,000	-	(250,000)	-100%
Net Capital	3,704,751	5,921,441	4,134,161	(12,358,559)	-	12,358,559	-100%
Grand Total Operations / Capital	3,916,129	6,169,921	4,402,255	(12,536,002)	(168,880)	12,367,122	-99%

MERC Admin Expense

MERC Administration
Operating Expenses
\$1.2 million



MERC Commission Budget Process



Date	Meeting / Action	✓
November 1, 2017	MERC Commission Meeting - Budget Retreat	✓
January 24, 2018	Budget Committee Meeting - Capital	✓
February 12, 2018	Budget Committee Meeting - Operations	✓
March 7, 2018	MERC Commission Meeting - Budget Presentation	✓
April 12, 2018	Metro Council Meeting - Budget Proposal	

Thank You
oregonmetro.gov



MARCH

AS OF: 3/15/2018 14:33

		Tentative calendar for the month of					Tentative calendar for the month of				
		SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY			
ASCH						OSO Special Blind Pilot 7:30pm	OSO Presentation Herbie Hancock 7:30pm	PYP PYP #3 7:30pm			
KA						OBT Alice (in wonderland) 12:00pm & 7:30pm	OBT Alice (in wonderland) 7:30pm	OBT Alice (in wonderland) 2:00pm & 7:30pm			
NMK						White Bird Urban Bush Women 8:00pm	White Bird Urban Bush Women 8:00pm	White Bird Urban Bush Women 8:00pm			
WIN							OCT - And in This Corner Open Rehearsal 7:00pm	OCT - And in This Corner 2:00pm & 5:00pm			
AHH						Stumptown Stages Folk City 7:30 PM BT	Stumptown Stages Folk City 7:30 PM BT	Stumptown Stages Folk City 7:30pm BT			
OCC	EXPO										
ASCH		OSO Kids #3 Along the Oregon Trail 2:00pm MYS MYS #2 7:30pm	Emporium Presents Daniel Tiger's Neighborhood 6:30pm						OSO Classical #11 Verdis Requiem 7:30pm		
KA		OBT Alice (in wonderland) 12:00pm		Broadway Across America Sound of Music 7:30pm	Broadway Across America Sound of Music 7:30pm	Broadway Across America Sound of Music 7:30pm	Broadway Across America Sound of Music 7:30pm	Broadway Across America Sound of Music 2:00pm & 7:30pm			
NMK			Portland'5 Presents Nat Geo Live Mireya Mayor 11:00am & 7:30pm			White Bird Jessica Lang Dance 7:30pm	White Bird Jessica Lang Dance 7:30pm	White Bird Jessica Lang Dance 7:30pm			
WIN		OCT And in This Corner 11:00am & 2:00pm		OCT And in This Corner 9:45am & 11:45am Two shows, one call time	OCT And in This Corner 9:45am & 11:45am Two shows, one call time	OCT And in This Corner 9:45am & 11:45am Two shows, one call time	OCT And in This Corner 9:45am & 11:45am Two shows, one call time	OCT And in This Corner 2:00pm & 5:00pm			
AHH		Stumptown Stages Folk City 2:00pm BT									
OCC	EXPO										
ASCH		OSO Classical #11 Verdis Requiem 2:00pm	OSO Classical #11 Verdis Requiem 7:30pm		White Bird Compania Jesus Carmona 7:30pm			OSO Classical #12 Brahms Violin Concerto 7:30pm			
KA		Broadway Across America Sound of Music 1:00pm & 6:30pm						Live Nation Brian Regan 8:00pm			
NMK						NW Dance Project NW Dance Project 7:30pm	NW Dance Project NW Dance Project 7:30pm	NW Dance Project NW Dance Project 7:30pm			
WIN		OCT And in This Corner 11:00am & 2:00pm		OCT And in This Corner 9:45am & 11:45am Two shows, one call time	OCT And in This Corner 9:45am & 11:45am Two shows, one call time	OCT And in This Corner 9:45am & 11:45am Two shows, one call time	OCT And in This Corner 9:45am & 11:45am Two shows, one call time	OCT And in This Corner 2:00pm & 5:00pm			
AHH			P'5/Noontime Showcase 12:00pm Rotunda Lobby Portland'5 Presents Poetry on Broadway Jane Wong & Shayla Lawson 7:30pm Rotunda Lobby								
OCC	EXPO										
ASCH		OSO Classical #12 Brahms Violin Concerto 7:30pm	OSO Classical #12 Brahms Violin Concerto 7:30pm	World Oregon Lourdes "Lulu" Garcia-Navaro 7:00pm		OSO Presentation The Fab Four 7:30pm	AEG Live Jim Jefferies 7:00pm & 10:00pm Two shows, one call time	OSO Presentation Jurassic Park 7:30pm			
KA				Broadway Across America Hamilton 7:30pm	Broadway Across America Hamilton 7:30pm	Broadway Across America Hamilton 7:30pm	Broadway Across America Hamilton 7:30pm	Broadway Across America Hamilton 2:00pm & 7:30pm			
NMK							Portland'5 Presents Best of Second City 7:00pm				
WIN		OCT And in This Corner 11:00am & 2:00pm		OCT And in This Corner 9:45am & 11:45am Two shows, one call time	OCT And in This Corner 9:45am & 11:45am Two shows, one call time	OCT And in This Corner 9:45am & 11:45am Two shows, one call time	OCT And in This Corner 9:45am & 11:45am Two shows, one call time	OCT And in This Corner 2:00pm & 5:00pm			
AHH											
OCC	EXPO										
ASCH		OSO Presentation Jurassic Park 2:00pm						Snowman Foundation Ten Grands 9:45am & 11:45am Two shows, one call time	Snowman Foundation Ten Grands 7:00pm		
KA		Broadway Across America Hamilton 1:00pm & 6:30pm		Broadway Across America Hamilton 7:30pm	Broadway Across America Hamilton 7:30pm	Broadway Across America Hamilton 7:30pm	Broadway Across America Hamilton 7:30pm	Broadway Across America Hamilton 2:00pm & 7:30pm			
NMK											
WIN		OCT And in This Corner 11:00am & 2:00pm						OCT Hungry Caterpillar 7:00pm Open Rehearsal	OCT Hungry Caterpillar 2:00pm & 5:00pm		
AHH											
OCC	EXPO										

NOTE: ALL LISTED EVENTS ARE SUBJECT TO CHANGE WITHOUT NOTICE

ASCH = Arlene Schnitzer Concert Hall KA = Keller Auditorium NMK = Newmark Theatre WIN = Dolores Winningstad Theatre AHH = Antoinette Hatfield Hall BT = Brunish Theatre

		Tentative calendar for the month of						Tentative calendar for the month of							
		SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
ASCH			1 World Oregon David Frum 7:00pm	2 Monqui Haim 8:00pm		4 Literary Arts Mohsin Hamid 7:30pm	5 Seattle Theatre Grp Trailer Park Boys 8:00pm	7 OSO Classical #13 Ravel's Daphnis and Chloe 7:30pm							
KA		Broadway Across America Hamilton 1:00pm and 6:30pm		Broadway Across America Hamilton 7:30pm	Broadway Across America Hamilton 7:30pm	Broadway Across America Hamilton 7:30pm	Broadway Across America Hamilton 7:30pm	Broadway Across America Hamilton 7:30pm	Broadway Across America Hamilton 7:30pm						Broadway Across America Hamilton 2:00pm and 7:30pm
NMK						White Bird Stephen Petronio Company 7:30pm	White Bird Stephen Petronio Company 7:30pm	White Bird Stephen Petronio Company 7:30pm							White Bird Stephen Petronio Company 7:30pm
WIN		OCT Hungry Caterpillar 11:00am and 2:00pm		OCT Hungry Caterpillar 9:45am and 11:45am Two shows, one call time	OCT Hungry Caterpillar 9:45am and 11:45am Two shows, one call time	OCT Hungry Caterpillar 9:45am and 11:45am Two shows, one call time	OCT Hungry Caterpillar 9:45am and 11:45am Two shows, one call time	OCT Hungry Caterpillar 9:45am and 11:45am Two shows, one call time	OCT Hungry Caterpillar 11:00am and 2:00pm						OCT Hungry Caterpillar 2:00pm and 5:00pm
AHH															
OCC	EXPO														
ASCH		8 OSO Classical #13 Ravel's Daphnis and Chloe 7:30pm	9 OSO Classical #13 Ravel's Daphnis and Chloe 7:30pm	10 True West Peppa Pig 6:00pm	11 PYP/PYP Student Perf 9:45am and 11:30am Two shows, one call time Live Nation/Camila Cabello 8:00pm	12 OSO Special Rick Springfield 7:30pm	13 Knitting Factory Michael Wolff 8:00pm	14 OSO Special Gala 6:00pm							
KA		Broadway Across America Hamilton 1:00pm and 6:30pm													POA Big Night Gala 7:30pm
NMK					OBT Man/Woman 7:00pm Open Rehearsal	OBT Man/Woman 7:30pm	OBT Man/Woman 7:30pm	OBT Man/Woman 7:30pm							OBT Man/Woman 2:00pm and 7:30pm
WIN		OCT Hungry Caterpillar 11:00am and 2:00pm		OCT Hungry Caterpillar 9:45am and 11:45am Two shows, one call time	OCT Hungry Caterpillar 9:45am and 11:45am Two shows, one call time	OCT Hungry Caterpillar 9:45am and 11:45am Two shows, one call time	OCT Hungry Caterpillar 9:45am and 11:45am Two shows, one call time	OCT Hungry Caterpillar 9:45am and 11:45am Two shows, one call time	OCT Hungry Caterpillar 11:00am and 2:00pm						OCT Hungry Caterpillar 2:00pm and 5:00pm
AHH			Portland'5 Ctrs for the Arts Noontime Showcase 12:00pm Rotunda Lobby												
OCC	EXPO		Portland'5 Presents Poetry on Broadway 7:30pm												
ASCH		15 Live Nation Bill Maher 8:00pm	16	17	18 Soul'd Out Productions Erykah Badu 8:00pm	19	20 Soul'd Out Productions Tipper + Toumani Diabate 8:00pm	21 OSO Classical #14 Saint-Saens' Organ Sym 7:30pm							
KA				Portland'5 Presents Rain - Tribute to the Beatles 7:30pm	Portland'5 Presents Rain - Tribute to the Beatles 7:30pm										TedX Portland TedX Portland 8:00am
NMK		OBT Man/Woman 2:00pm			OBT Man/Woman 12:00pm Student Perf	OBT Man/Woman 12:00pm Student Perf 7:30pm	OBT Man/Woman 7:30pm	OBT Man/Woman 7:30pm							OBT Man/Woman 1:00pm and 7:30pm
WIN		OCT Hungry Caterpillar 11:00am and 2:00pm		OCT Hungry Caterpillar 9:45am and 11:45am Two shows, one call time	OCT Hungry Caterpillar 9:45am and 11:45am Two shows, one call time	OCT Hungry Caterpillar 9:45am and 11:45am Two shows, one call time	OCT Hungry Caterpillar 9:45am and 11:45am Two shows, one call time	OCT Hungry Caterpillar 9:45am and 11:45am Two shows, one call time	OCT Hungry Caterpillar 11:00am and 2:00pm						OCT Hungry Caterpillar 2:00pm and 5:00pm
AHH															
OCC	EXPO														
ASCH		22 OSO Classical #14 Saint-Saens' Organ Sym 2:00pm	23 OSO Classical #14 Saint-Saens' Organ Sym 7:30pm	24 White Bird Alvin Ailey Dance 7:30pm	25 White Bird Alvin Ailey Dance 11:00am Student Perf 7:30pm	26 Literary Arts Verselandia 7:00pm	27	28 OSO Pops #4 The Hot Sardines 7:30pm							
KA															
NMK		OBT Man/Woman 1:00pm					Jefferson Dancers Jefferson Dancers 11:00am Student Perf 7:30pm	Jefferson Dancers Jefferson Dancers 7:30pm							Jefferson Dancers Jefferson Dancers 2:00pm and 7:30pm
WIN		OCT Hungry Caterpillar 11:00am and 2:00pm		OCT Hungry Caterpillar 9:45am and 11:45am Two shows, one call time	OCT Hungry Caterpillar 9:45am and 11:45am Two shows, one call time	OCT Hungry Caterpillar 9:45am and 11:45am Two shows, one call time	OCT Hungry Caterpillar 9:45am and 11:45am Two shows, one call time	OCT Hungry Caterpillar 9:45am and 11:45am Two shows, one call time	OCT Hungry Caterpillar 11:00am and 2:00pm						OCT Hungry Caterpillar 2:00pm and 5:00pm
AHH							Stumptown Stages Evita 7:30pm	Stumptown Stages Evita 7:30pm							Stumptown Stages Evita 7:30pm
OCC	EXPO														
ASCH		29 OSO Pops #4 The Hot Sardines 2:00pm	30												
KA															
NMK		OR Symphonic Band OR Symphonic Band 3:00pm													
WIN		OCT Hungry Caterpillar 11:00am and 2:00pm													
AHH		Stumptown Stages Evita 2:00pm													
OCC	EXPO														

NOTE: ALL LISTED EVENTS ARE SUBJECT TO CHANGE WITHOUT NOTICE

ASCH = Arlene Schnitzer Concert Hall KA = Keller Auditorium NMK = Newmark Theatre WIN = Dolores Winningstad Theatre AHH = Antoinette Hatfield Hall BT = Brunish Theatre