

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 08-02

For the purpose of approving and transmitting the budget for the MERC Fund for fiscal year 2008-09.

WHEREAS, Metro Code 6.01.050(b) (c) & (d) provide that the Commission shall annually prepare and approve an annual budget which shall, to the maximum extent permitted by law, consist of one commission-wide series of appropriations; and

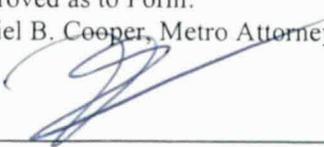
WHEREAS, the MERC Operating Fund and the MERC Pooled Capital Funds are now consolidated into one MERC Fund; and

WHEREAS, the Budget Committee has reviewed the proposed budget for the MERC Fund and recommends approval of the proposed budget,

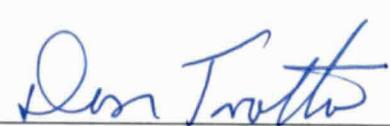
**BE IT THEREFORE RESOLVED** that the Metropolitan Exposition Recreation Commission approves and transmits to the Metro Budget Officer, for submission to the Metro Council the following budget attached as Exhibit A for the fiscal year beginning July 1, 2008 and ending June 30, 2009 for inclusion as part of the total Metro budget for this period:

Passed by the Commission on February 27, 2008.

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

By:   
Nathan A. Schwartz Sykes  
Senior Attorney

  
Chair Janice Marquis

  
Secretary-Treasurer – Don Trotter

## MERC STAFF REPORT

**Agenda Item: For the Purpose of approving and transmitting the budget for the MERC Fund for Fiscal Year 2008-09.**

**Resolution No. 08-02**

**Date:** February 27, 2008

**Presented by:**

Gary Reynolds  
Cynthia Hill

**Background and Analysis:** Resolution 08-02 would approve the attached proposed budget for submission to the Metro Council by a duly adopted resolution at a regular public meeting of the Commission.

Operationally, MERC is organized into several departments, the Oregon Convention Center, Portland Exposition Center, Portland Center for the Performing Arts, and MERC Administration. The MERC Fund is the official accounting entity containing the operating and capital resources and requirements of the departments managed by MERC.

**Discussion and Analysis:** The Budget Committee, consisting of Commissioners Marquis, Trotter, and Reynolds, reviewed the budget in detail. Based on current economic conditions, MERC's Strategic Plan and presentations by venues, staff developed the proposed MERC budget. Exhibit A is attached and includes the following information:

- Budget Overview
- Organizational Chart
- Budget Statement All Departments
- Five Year Capital Plan
- Goals, Accomplishments and Service
- Performance Measures

The overview of the 2008-09 Budget was presented at the January Commission meeting. During the month of February staff has continued to review and make adjustments to the preliminary budget. The Budget Committee met on February 11, 2008 and voted to forward the 2008-09 Budget to the full Commission, for consideration, comment and passage.

The Budget Committee will be apprised and convened, if required, to review any information that may materially impact and may amend this budget anytime prior to Metro FY 2008-09 Budget Adoption. The Budget Committee will recommend changes to the Commission for approval.

**Financial Impact:** The proposed budget contemplates an increase of \$232,684 to the ending fund balance.

**Recommendation:** Staff recommends Adoption of Resolution No 08-02, for the purpose of approving and transmitting the budget for the MERC Fund for Fiscal Year 2008-09.



 A SERVICE OF METRO

METROPOLITAN EXPOSITION RECREATION COMMISSION

2008-09 FY  
Proposed Budget

Resolution 08-02  
Exhibit A

MERC Commission Meeting

February 27, 2008

Oregon Convention Center  
777 MLK Boulevard  
Portland, Oregon

## Table of Contents

Organizational Chart	1
Budget Overview	2 - 5
Budget Statement All Departments	6
Budget Statement Portland Exposition Center	7
Budget Statement Oregon Convention Center	8
Budget Statement Portland Center for the Performing Arts	9
Budget Statement Headquarter Hotel	10
Budget Statement Administration	11
Five Year Capital Plan	12 - 14
Goals & Objectives	15 - 17
Performance Measures	18

**METRO COUNCIL**

**MERC Commission**

<b>Executive</b>	
Chief Executive Officer	1.0 FTE
Chief Operating Officer	1.0 FTE
Executive Assistant	1.0 FTE
Administrative Assistant	1.0 FTE

<b>Communications &amp; Strategic Development</b>	
Director	1.0 FTE
Public Affairs Manager	1.0 FTE

<b>MERC Administration</b>	
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<b>Accounting</b>	
Controller	1.0 FTE
Accountant	2.0 FTE
Accounting Technician	3.0 FTE

<b>Construction/Capital Projects</b>	
Manager	1.0 FTE
Construction Project Manager	1.0 FTE
Administrative Assistant	1.0 FTE

<b>Finance &amp; Procurement</b>	
Manager	1.0 FTE
Procurement Analyst	1.0 FTE

<b>Human Resources</b>	
Manager	1.0 FTE

<b>Information Systems</b>	
Manager	1.0 FTE
Business Systems Analyst	1.0 FTE
Computer Systems Administrator	1.0 FTE
PC Technician PT	.5 FTE
Training Technician PT	.5 FTE

<b>Oregon Convention Center</b>	
Executive Director	1.0 FTE
Assistant Executive Director	1.0 FTE
Executive Assistant	1.0 FTE
Secretary	1.0 FTE

<b>Portland Center for the Performing Arts</b>	
Executive Director	1.0 FTE
Assistant Executive Director	1.0 FTE
Executive Assistant	1.0 FTE

<b>Portland Exposition Center</b>	
Director	1.0 FTE
Executive Assistant	1.0 FTE

<b>Operations</b>	
Director	1.0 FTE
Administrative Assistant	3.0 FTE
Audio/Visual Sales	1.0 FTE
Audio/Visual Supervisor	1.0 FTE
Audio/Visual Technician Lead	1.0 FTE
Audio/Visual Technician	3.0 FTE
Electrician	5.0 FTE
Lead Electrician	1.0 FTE
Lead Operating Engineer	1.0 FTE
Maintenance Supervisor	1.0 FTE
Operating Engineers	5.0 FTE
Operations Manager	2.0 FTE
Set-up & Operations Supervisor	5.0 FTE
Senior Set-up Supervisor	1.0 FTE
Service Sales Coordinator	1.0 FTE
Sustainability Coordinator	1.0 FTE
Technical Services Supervisor	1.0 FTE
Telecom & Info System Technician	1.0 FTE
Utility Maintenance Lead	1.0 FTE
Utility Maintenance	3.0 FTE
Utility Worker	40.0 FTE

<b>Event Services</b>	
Director	1.0 FTE
Administrative Assistant	1.0 FTE
Account Executive	3.0 FTE
Event Manager	2.0 FTE
Event Manager PT	1.5 FTE
Senior Event Manager	1.0 FTE

<b>Sales/Marketing</b>	
Director	1.0 FTE
Administrative Assistant	2.0 FTE
Graphic Designer	1.0 FTE
Marketing & Web Serv Manager	1.0 FTE
Promo/Marketing Coord PT	.75 FTE
Sales Manager	4.0 FTE

<b>Special Services</b>	
Security Manager	1.0 FTE
Administrative Assistant	.5 FTE
Facility Security Agent	7.0 FTE

<b>Ticketing/Parking Services</b>	
Manager	1.0 FTE
Administrative Technician	.5 FTE
Volunteer Serv. Coordinator PT	.5 FTE

<b>Event Services</b>	
Manager	1.0 FTE
Administrative Assistant	2.0 FTE
Admissions Staffing Mgr	1.0 FTE
Asst. Event Serv's Mgr	1.0 FTE
Volunteer Coordinator	1.0 FTE

<b>Sales &amp; Marketing</b>	
Sales & Booking Manager	1.0 FTE
Sales Manager	2.0 FTE
Promo/Marketing Coord PT	1.0 FTE

<b>Ticketing Services</b>	
Manager	1.0 FTE
Asst. Ticket Serv Manager	1.0 FTE
Ticket Serv Coordinator	1.0 FTE

<b>Operations</b>	
Manager	1.0 FTE
Administrative Assistant	1.0 FTE
Assistant Operations Manager	1.0 FTE
Maintenance & Const. Supv	1.0 FTE
Lead Electrician	1.0 FTE
Lead Facility Security Agent	1.0 FTE
Lead Stage Door Watchperson	1.0 FTE
Operating Engineer	2.0 FTE
Painter	1.0 FTE
Setup & Operations Supervisor	3.0 FTE
Stage Supervisor	1.0 FTE
Stagehands (reimbursed labor)	15.0 FTE
Utility Lead	1.0 FTE
Utility Maintenance Lead	1.0 FTE
Utility Maintenance Tech	1.0 FTE

<b>Sales &amp; Events</b>	
Manager	1.0 FTE
Event Manager	2.0 FTE
Event Manager PT	.4 FTE
Administrative Assistant PT	.6 FTE

<b>Operations</b>	
Manager	1.0 FTE
Assistant Operations Manager	1.0 FTE
Utility Lead	2.0 FTE
Utility Maintenance Specialists	3.0 FTE
Electrician PT	.5 FTE

<b>Ticketing/Parking Services</b>	
Manager	1.0 FTE

## **2008-09 Preliminary Budget Overview**

### **MERC Commission Meeting – February 27, 2008**

#### **Budget Committee**

- **October 24, 2007** – Distribute and review budget planning schedule and assumptions
- **January 18, 2008** – Staff presents preliminary budgets and the Five Year Capital Plan
- **February 11, 2008** – Continuation of staff presentation, VDI request discussion and Committee budget recommendation to full Commission

#### **Commission**

- **January 23, 2008** – Budget overview presented by Commissioner Trotter, Budget Committee Chair

#### **Significant Issues**

- **Headquarters Hotel**
  - Resources dedicated for next phase of Headquarters Hotel Project \$6,096,202
    - 2008-09 MTOCA Funding \$692,490
    - PERS Reserve budgeted in a contingency in the amount of \$1,703,712 (PCPA not included as restricted by IGA)
    - Headquarters Hotel Contingency funded from the Oregon Convention Center fund balance \$3,700,000
- **Second year contribution to renewal & replacement, total accumulated \$1.5 million**
  - 2008-09 renewal & replacement contribution \$520 thousand
  - 2008-09 Contingency for capital (Transient Lodging Tax) \$699 thousand
  - 2007-08 renewal & replacement contribution \$295 thousand

#### **Goals**

- The goal is a slightly better than break-even budget which results in a fund balance of \$13.50 million. This achieves the strategic fund balance goal of \$13.50 which is comprised of:
  - OCC = 3 months operating expense
  - EXPO = 6 months operating expense plus annual debt service payment for Hall D
  - PCPA = 6 months operating expense
  - MERC = 6 months operating expense

#### **Operating Revenues \$18 million 10% greater than current budget**

- **EXPO \$3.8 million operating revenue before F&B**
  - Building rental rate increase 3%
  - Overall proposed operating revenue is 2% over FY 2007-08 budget
- **OCC \$7.4 million operating revenue before F&B**
  - 2008-09 fiscal year will see a fewer number of conventions than 2007-08, but anticipate more local events
  - Convention Business will be 8% lower than 2007-08 with about 4 fewer new conventions for the year.
  - Overall proposed operating revenue is 6.3% over FY 2007-08 budget
  - The first full year at rental rate that increased 10% as of July 2007 should result in \$100 thousand more revenue
  - Increased efforts to sell more parking to exhibitors and shows will have a \$100 thousand impact
  - Additional staff and increased AV sales efforts should generate \$120 thousand additional revenue
  - New sales effort with telecommunications company and new pricing structure should increase revenue \$50 thousand
- **PCPA \$6.8 million operating revenue before F&B**
  - Overall proposed operating revenue is 19.5% over FY 2007-08 budget
  - Assumes 14 weeks of Broadway, including 7 weeks of mega shows (Phantom and Wicked)
  - The Oregon Children's Theater move from Keller Auditorium will free up 6 weeks for more Broadway and commercial concert tours

- Base rents increase 3% across the board
- Merchandising anticipated to be up 43% due to 14 Weeks of Broadway
- Utility services estimated to increase 25% due to more commercial shows at the Keller Auditorium

**Food & Beverage Revenues \$12.6 million 13.4% greater than current budget**

- Food & Beverage Margin for Consolidated MERC is 22.2% which equals \$2.8 million net revenue
  - EXPO Revenues \$2.2 million with a 29.6% margin
    - Both catering and concession prices were increased in 2007-08 FY with no anticipated increase in 2008-09
    - 2008-09 Revenue is anticipated to increase less than 1% over the current year Budget
  - OCC \$8.9 million with a 21.8% margin
    - Revenue is projected to be slightly lower than 2006-07 actuals and 17.3% increase over the 2007-08 Budget
  - PCPA \$1.5 million with 14.1% margin
    - 10.8% increase anticipated from more catering as well as strong concessions from increased attendance at Broadway and commercial shows
    - 7.6% increase in gross margin over 2007-08 budget

**Non - Operating Revenues**

- Transient Lodging Tax \$11 million
  - OCC Lodging Tax revenue is calculated based on history and recent industry trends. The estimate assumes 2007-08 will increase 7% over 2006-07 actuals and assumes a 5% increase for 2008-09.
  - PCPA is based on CPI increase compounded for 2007-08 and 2008-09 FY.
  - VDI Support
    - OCC proposed a request for \$500 thousand from the Visitor Development Fund. A portion will fund additional national marketing.
    - The Budget Committee recommended OCC request an additional \$400 thousand for a total VDI Request of \$900 thousand to fund the 2008-09 proposed capital projects ( see OCC projects page 12)
    - PCPA is budgeting \$593 thousand from the Visitor Development Fund. This represents a CPI increase compounded for 2007-08 and 2008-09 FY
  - Enhanced Marketing \$413 thousand
- City of Portland Contribution to PCPA
  - Contractual support is \$737 thousand – a CPI increase compounded for 2007-08 and 2008-09 FY
    - 50% dedicated to the upkeep of City owned facilities
    - 50% dedicated to operations to off-set resident companies fee schedule
- Investment Earnings estimated at 4%

**Personal Services**

- Full time equivalent positions in 2008-09 are 191 FTE
- MERC employs approximately 360 Part-time staff in addition to the 191 Full time positions
- 5.00 FTE new positions in the 2008-09 budget
  - Add 3.00 FTE new positions at OCC
    - 1.00 FTE Sustainability Coordinator
    - 2.00 FTE Utility Worker (Set-up Services)
  - Add 2.00 FTE new positions at PCPA
    - 1.00 FTE Maintenance Worker
    - 1.00 FTE Ticket Services Coordinator
- FTE changes during the 2007-08 fiscal year
  - 1.00 FTE Painter at PCPA
  - 1.00 FTE Administrative Assistant Construction
  - 1.00 FTE Administrative Assistant MERC Administration

- Salary and Wage Adjustments Full-time Non-Represented
  - Assumes 6% salary adjustment pool
    - Merit Matrix Pool
    - Incentive pay
    - Other salary adjustments
- All Other Labor Groups
  - 3% inflation factor provided by Metro
- AFSCME health and welfare cap increase estimated impact 2008-09 FY \$87 thousand (See page 16)

#### **Materials and Services**

- Increase reflects higher utility costs
- 3% CPI (unless more accurate estimate provided) and projected event activity.
- Aramark food & beverage expenses \$9.8 million for Consolidated MERC
  - EXPO includes increased labor expense for potential union negotiations
  - OCC includes the addition of one sales position to service clients and a sous chef to help manage kitchen costs and increase service to simultaneous client events
- National Marketing Contract \$2,872,043
  - Base contract is increased by 3% to \$2,066,103
  - Special marketing is increased by 3% to \$81,557
  - Increase base contract an additional 2%, \$41,702, to continue funding for current programs for FAM Trips, marketing
  - \$250 thousand for new marketing initiatives
    - This continues the \$100,000 from 2007-08 FY – VDI funding request
    - Increases an additional \$100,000 - VDI funding request
    - OCC contribution of \$50,000 from operating funds
  - \$20,000 contribution from the OCC Sales & Marketing Department for advertising
  - VDI Enhanced Marketing \$412,681
- External audit of MERC operations \$60 thousand
- MERC Support Costs increased 26% due to increased staff and the inclusion of several one-time projects
  - Full year cost of 2007-08 mid-year FTE additions \$183 thousand
  - Business Development and Marketing project \$75 thousand
  - IT capital projects \$98 thousand
  - Part-time Information Technology position .50 FTE MERC lacks the human resources to support more than 200 PC's and dozens of servers \$26 thousand
  - Part-time Information Technology position to develop and deliver IT software training \$34 thousand
- Metro Indirect Cost/Support Services is 8.8% greater than the 2007-08 FY Budget
  - \$104 thousand budgeted for legal services pending approval of the headquarters hotel project
- Metro Risk Management Services are budget at 7.1% less than the 2007-08 FY Budget.
  - Property Insurance based on property values
  - Liability allocated based on three year average losses
  - Workers' Compensation based on three year average losses

#### **Transfers**

- Interfund Transfers In
  - \$693 thousand incoming transfer from METRO Tourism Opportunity and Competitiveness Account (MTOCA) to be dedicated to the headquarters hotel project
  - \$11 thousand one-time transfer from Metro General Fund to off-set increase in indirect cost charged to MERC
- Debt Service
  - EXPO \$1.2 million debt service Hall D Replacement
  - OCC \$17,805 for the Steel Bridge LID

## **Results**

- Net increase to fund balance is \$233 thousand
- Projected ending fund balance is \$21.8 million
- PERS Reserve \$1.7 million dedicated to the headquarters hotel project
- PERS Reserve \$ \$813 thousand
- Designated User Fees for Phase 3 construction, estimated to be \$1.2 million (includes estimated fees collected through 6/30/09)
  - Actual as of 6-30-2007 \$749,728
  - Estimate 2007-08 \$205,000
  - Estimate 2008-09 \$200,000
- \$13.46 million available for strategic fund balance, only \$40 thousand less than the strategic fund balance goal of \$13.50 million

## **Capital Projects**

- Projects over \$100 thousand
  - PCPA – House Sound System Replacement at the Arlene Schnitzer Concert Hall
- Expo Projects funded from existing fund balance
- OCC projects funded from existing fund balance and VDI Support
  - Metro Tourism Opportunity & Competiveness Account (MTOCA) project (transfer from Metro General Fund is budgeted as a project to be determined and designated to support the Headquarter Hotel project
- PCPA projects funded through donations from the Friends of PCPA capital campaign

## **Five Year Capital Plan**

- The five year Capital plan includes all projects and capital purchased over \$10 thousand requested by venues. See Five Year Capital Plan (pages 12-14)

**Metropolitan Exposition-Recreation Commission**  
**MERC Budget Statement**  
**All Departments**

	Prior Year	Current Year	Next Year Budget	Change	% Change
	Actual	Budget			
	June-07	June-08	June-09		
<b>Operating</b>					
Revenue	16,399,259	16,385,239	18,004,390	1,619,151	9.9%
Revenue - Food and Beverage	12,577,227	11,097,449	12,579,134	1,481,685	13.4%
Costs - Food and Beverage	(9,630,524)	(8,525,795)	(9,789,499)	(1,263,704)	14.8%
Personal Services	(14,549,444)	(16,898,767)	(18,265,681)	(1,366,914)	8.1%
Goods & Services	(6,405,156)	(7,364,448)	(7,667,173)	(302,725)	4.1%
Marketing	(2,409,615)	(2,643,553)	(2,872,043)	(228,490)	8.6%
	<b>(4,018,252)</b>	<b>(7,949,875)</b>	<b>(8,010,872)</b>	<b>(60,997)</b>	<b>0.8%</b>
<b>Non Operating</b>					
Transient, Lodging Tax	9,360,038	9,419,249	10,954,685	1,535,436	16.3%
Government Support City of Portland	689,082	711,375	737,449	26,074	3.7%
Non-Operating Revenue	859,662	628,116	739,194	111,078	17.7%
Non-Operating Expense	(3)	(2,500)	(2,500)	-	0.0%
	<b>10,908,779</b>	<b>10,756,240</b>	<b>12,428,828</b>	<b>1,672,588</b>	<b>15.5%</b>
<b>Support and Risk Management</b>					
MERC Administration	-	-	-	-	n/a
Metro Support Services	(1,663,955)	(1,693,465)	(1,842,802)	(149,337)	8.8%
Metro Risk Management	(564,167)	(627,565)	(582,761)	44,804	-7.1%
	<b>(2,228,122)</b>	<b>(2,321,030)</b>	<b>(2,425,563)</b>	<b>(104,533)</b>	<b>4.5%</b>
<b>Net Increase (Decrease)</b>	<b>4,662,405</b>	<b>485,335</b>	<b>1,992,393</b>	<b>1,507,058</b>	<b>310.5%</b>
<b>Transfers</b>					
Intrafund Transfers	-	(555,848)	-	555,848	-100.0%
Transfers to	(324,000)	669,720	-	(669,720)	-100.0%
Transfers from	-	-	11,937	11,937	n/a
Debt Service	(871,695)	(1,208,283)	(1,210,037)	(1,754)	0.1%
<b>Net Transfers</b>	<b>(1,195,695)</b>	<b>(1,094,411)</b>	<b>(1,198,100)</b>	<b>(103,689)</b>	<b>9.5%</b>
<b>Net Operations</b>	<b>3,466,710</b>	<b>(609,076)</b>	<b>794,293</b>	<b>1,403,369</b>	<b>-230.4%</b>
<b>Capital</b>					
Capital Outlay	(2,152,441)	(1,740,878)	(1,796,771)	(55,893)	3.2%
Personal Services	(190,969)	-	-	-	n/a
Goods & Services	(77,831)	-	-	-	n/a
Non-Operating Revenue	865,176	346,102	542,672	196,570	56.8%
Intrafund Transfers	-	555,848	-	(555,848)	-100.0%
Transfers from	1,648,462	688,256	692,490	4,234	0.6%
<b>Net Capital</b>	<b>92,397</b>	<b>(150,672)</b>	<b>(561,609)</b>	<b>(410,937)</b>	<b>272.7%</b>
<b>Fund Balance Inc (Dec)</b>	<b>3,559,107</b>	<b>(759,748)</b>	<b>232,684</b>	<b>992,432</b>	<b>-130.6%</b>
<b>Food and Beverage Gross Margin</b>	<b>23.4%</b>	<b>23.2%</b>	<b>22.2%</b>	<b>-1.0%</b>	
<b>Full Time Employees</b>	<b>162.70</b>	<b>186.00</b>	<b>191.00</b>	<b>5.00</b>	<b>2.7%</b>
<b>Excise Tax Transfer to Metro</b>	<b>1,607,957</b>				
<b>Fund Balance</b>					
Beginning Fund Balance	18,791,360	22,350,467	21,590,719	(759,748)	-3.4%
Fund Balance Inc (Dec)	3,559,107	(759,748)	232,684	992,432	-130.6%
<b>Ending Fund Balance</b>	<b>22,350,467</b>	<b>21,590,719</b>	<b>21,823,403</b>	<b>232,684</b>	<b>1.1%</b>
Unrestricted Fund Balance	19,124,864	15,881,381	10,874,506	(4,924,945)	-31.0%
Contingency	-	1,887,008	2,064,067	177,059	9.4%
Contingency for Renewal & Replacement	-	295,000	520,000	225,000	76.3%
Designated Renewal & Replacement Reserve	-	-	295,000	295,000	n/a
Contingency for Capital (TL Tax over 7%)	-	-	698,885	698,885	n/a
Contingency for HQH Hotel - Reimbursable	-	-	3,700,000	3,700,000	n/a
Designated for Phase 3 (restricted)	749,726	972,162	1,154,728	182,566	18.8%
Contingency for PERS except PCPA	-	1,277,579	1,703,712	748,779	58.6%
Contingency for PERS - PCPA	-	404,576	812,505	407,929	100.8%
Designated PERS Reserve	2,475,877	1,277,589	-	(1,277,589)	-100.0%
<b>Ending Fund Balance</b>	<b>22,350,467</b>	<b>21,590,719</b>	<b>21,823,403</b>	<b>232,684</b>	<b>1.1%</b>
<b>Strategic Goal</b>	<b>11,361,675</b>	<b>12,270,798</b>	<b>13,498,861</b>		
Available for Strategy Goal	19,124,864	18,063,389	13,458,573		
<b>Excess (Gap)</b>	<b>7,763,189</b>	<b>5,792,590</b>	<b>(40,289)</b>		

**Metropolitan Exposition-Recreation Commission**  
**MERC Budget Statement**  
**Portland Exposition Center**

	Current Year			Change	% Change
	Prior Year Actual June-07	Budget June-08	Next Year Budget June-09		
<b>Operating</b>					
Revenue	3,590,753	3,744,448	3,819,977	75,529	2.0%
Revenue - Food and Beverage	2,043,278	2,131,842	2,151,319	19,477	0.9%
Costs - Food and Beverage	(1,481,617)	(1,494,419)	(1,515,262)	(20,843)	1.4%
Personal Services	(1,323,176)	(1,470,092)	(1,591,637)	(121,545)	8.3%
Goods & Services	(1,074,112)	(1,178,537)	(1,193,518)	(14,981)	1.3%
	<b>1,755,125</b>	<b>1,733,242</b>	<b>1,670,879</b>	<b>(62,363)</b>	<b>-3.6%</b>
<b>Non Operating</b>					
Non-Operating Revenue	280,284	148,200	161,619	13,419	9.1%
Non-Operating Expense	-	-	-	-	n/a
	<b>280,284</b>	<b>148,200</b>	<b>161,619</b>	<b>13,419</b>	<b>9.1%</b>
<b>Support and Risk Management</b>					
MERC Administration	(200,382)	(250,578)	(291,027)	(40,449)	16.1%
Metro Support Services	(166,393)	(169,347)	(184,280)	(14,933)	8.8%
Metro Risk Management	(61,000)	(77,445)	(79,379)	(1,934)	2.5%
	<b>(427,775)</b>	<b>(497,370)</b>	<b>(554,686)</b>	<b>(57,316)</b>	<b>11.5%</b>
<b>Net Increase (Decrease)</b>	<b>1,607,634</b>	<b>1,384,072</b>	<b>1,277,812</b>	<b>(106,260)</b>	<b>-7.7%</b>
<b>Transfers</b>					
Intrafund Transfers	-	(70,000)	-	70,000	-100.0%
Transfers to	-	-	-	-	n/a
Transfers from	-	-	1,194	1,194	n/a
Debt Service	(852,800)	(1,189,931)	(1,192,232)	(2,301)	0.2%
<b>Net Transfers</b>	<b>(852,800)</b>	<b>(1,259,931)</b>	<b>(1,191,038)</b>	<b>68,893</b>	<b>-5.5%</b>
<b>Net Operations</b>	<b>754,834</b>	<b>124,141</b>	<b>86,774</b>	<b>(37,367)</b>	<b>-30.1%</b>
<b>Capital</b>					
Capital Outlay	(40,631)	(50,000)	(150,000)	(100,000)	200.0%
Personal Services	(26,239)	-	-	-	n/a
Goods & Services	(16,490)	-	-	-	n/a
Non-Operating Revenue	108,248	63,750	73,329	9,579	15.0%
Non-Operating Expense	-	-	-	-	n/a
Intrafund Transfers	-	70,000	-	(70,000)	-100.0%
Transfers to	-	-	-	-	n/a
Transfers from	-	-	-	-	n/a
<b>Net Capital</b>	<b>24,888</b>	<b>83,750</b>	<b>(76,671)</b>	<b>(160,421)</b>	<b>-191.5%</b>
<b>Fund Balance Inc (Dec)</b>	<b>779,723</b>	<b>207,891</b>	<b>10,103</b>	<b>(197,788)</b>	<b>-95.1%</b>
<b>Food and Beverage Gross Margin</b>					
	27.5%	29.9%	29.6%	-0.3%	
<b>Full Time Employees</b>					
	13.60	13.30	13.30	-	0.0%
<b>Excise Tax Transfer to Metro</b>					
	416,188	-	-	-	
<b>Fund Balance</b>					
Beginning Fund Balance	4,801,723	5,581,446	5,789,337	207,891	3.7%
Fund Balance Inc (Dec)	779,723	207,891	10,103	(197,788)	-95.1%
<b>Ending Fund Balance</b>	<b>5,581,446</b>	<b>5,789,337</b>	<b>5,799,440</b>	<b>10,103</b>	<b>0.2%</b>
Unrestricted Fund Balance	4,599,380	4,124,243	3,897,695	(226,548)	-5.5%
Contingency	-	435,650	472,017	36,367	8.3%
Contingency for Renewal & Replacement	-	20,000	20,000	-	0.0%
Designated Renewal & Replacement Reserve	-	-	20,000	20,000	
Designated for Phase 3 (restricted)	749,726	972,162	1,154,728	182,566	
Contingency for PERS	-	118,641	235,000	116,359	
Designated PERS Reserve	232,340	118,641	-	(118,641)	-100.0%
<b>Ending Fund Balance</b>	<b>5,581,446</b>	<b>5,789,337</b>	<b>5,799,440</b>	<b>10,103</b>	<b>0.2%</b>
<b>Strategic Goal</b>					
Available for Strategy Goal	2,792,253	3,261,455	3,342,441		
	4,599,380	4,579,893	4,389,712		
<b>Excess (Gap)</b>	<b>1,807,127</b>	<b>1,318,438</b>	<b>1,047,271</b>		

**Metropolitan Exposition-Recreation Commission**  
**MERC Budget Statement**  
**Oregon Convention Center**

	Current Year			Change	% Change
	Prior Year Actual June-07	Budget June-08	Next Year Budget June-09		
<b>Operating</b>					
Revenue	6,789,473	6,935,446	7,369,246	433,800	6.3%
Revenue - Food and Beverage	9,102,257	7,586,100	8,900,001	1,313,901	17.3%
Costs - Food and Beverage	(6,919,761)	(5,741,227)	(6,961,152)	(1,219,925)	21.2%
Personal Services	(7,349,270)	(8,005,907)	(8,741,296)	(735,389)	9.2%
Goods & Services	(3,061,374)	(2,999,604)	(3,504,823)	(505,219)	16.8%
Marketing POVA	(2,409,615)	(2,643,553)	(2,872,043)	(228,490)	8.6%
	<b>(3,848,290)</b>	<b>(4,868,745)</b>	<b>(5,810,067)</b>	<b>(941,322)</b>	<b>19.3%</b>
<b>Non Operating</b>					
Transient, Lodging Tax	7,414,610	7,431,156	8,872,707	1,441,551	19.4%
Non-Operating Revenue	271,191	212,500	267,288	54,788	25.8%
Non-Operating Expense	(3)	-	-	-	n/a
	<b>7,685,798</b>	<b>7,643,656</b>	<b>9,139,995</b>	<b>1,496,339</b>	<b>19.6%</b>
<b>Support and Risk Management</b>					
MERC Administration	(1,102,088)	(1,378,181)	(1,571,548)	(193,367)	14.0%
Metro Support Services	(915,176)	(931,405)	(995,114)	(63,709)	6.8%
Metro Risk Management	(380,364)	(357,489)	(325,341)	32,148	-9.0%
	<b>(2,397,628)</b>	<b>(2,667,075)</b>	<b>(2,892,003)</b>	<b>(224,928)</b>	<b>8.4%</b>
<b>Net Increase (Decrease)</b>	<b>1,439,879</b>	<b>107,836</b>	<b>437,925</b>	<b>330,089</b>	<b>306.1%</b>
<b>Transfers</b>					
Intrafund Transfers	-	(514,200)	-	514,200	-100.0%
Transfers to	(324,000)	-	-	-	n/a
Transfers from	-	-	6,446	6,446	n/a
Debt Service	(18,895)	(18,352)	(17,805)	547	-3.0%
<b>Net Transfers</b>	<b>(342,895)</b>	<b>(532,552)</b>	<b>(11,359)</b>	<b>521,193</b>	<b>-97.9%</b>
<b>Net Operations</b>	<b>1,096,984</b>	<b>(424,716)</b>	<b>426,566</b>	<b>851,282</b>	<b>-200.4%</b>
<b>Capital</b>					
Capital Outlay	(1,655,062)	(1,220,220)	(1,142,940)	77,280	-6.3%
Personal Services	(26,649)	-	-	-	n/a
Non-Operating Revenue	704,607	-	50,863	50,863	n/a
Intrafund Transfers	-	514,200	-	(514,200)	-100.0%
Transfers from	1,648,462	688,256	692,490	4,234	0.6%
<b>Net Capital</b>	<b>671,358</b>	<b>(17,764)</b>	<b>(399,587)</b>	<b>(381,823)</b>	<b>2149.4%</b>
<b>Fund Balance Inc (Dec)</b>	<b>1,768,342</b>	<b>(442,480)</b>	<b>26,979</b>	<b>469,459</b>	<b>-106.1%</b>
<b>Food and Beverage Gross Margin</b>	<b>24.0%</b>	<b>24.3%</b>	<b>21.8%</b>	<b>-2.5%</b>	
<b>Full Time Employees</b>	<b>103.30</b>	<b>107.30</b>	<b>110.30</b>	<b>3.00</b>	<b>2.8%</b>
<b>Excise Tax Transfer to Metro</b>	<b>1,191,769</b>	-	-	-	
<b>Fund Balance</b>					
Beginning Fund Balance	7,342,516	8,985,592	8,143,112	(842,480)	-9.4%
Fund Balance Inc (Dec)	1,768,342	(442,480)	26,979	469,459	-106.1%
HQH Fund Balance Inc (Dec)	(125,266)	(400,000)	(104,000)	296,000	-74.0%
<b>Ending Fund Balance</b>	<b>8,985,592</b>	<b>8,143,112</b>	<b>8,066,091</b>	<b>(77,021)</b>	<b>-0.9%</b>
Unrestricted Fund Balance	7,713,082	5,588,275	920,389	(4,667,886)	-83.5%
Contingency	-	1,009,717	979,337	(30,380)	-3.0%
Contingency for Renewal & Replacement	-	225,000	250,000	25,000	11.1%
Designated Renewal & Replacement Reserve	-	-	225,000	225,000	n/a
Contingency for Capital (TL Tax over 7%)	-	-	698,885	698,885	n/a
Contingency for HQH Hotel - Reimbursable	-	-	3,700,000	3,700,000	n/a
Contingency for PERS	-	660,060	1,292,480	632,420	95.8%
Designated PERS Reserve	1,272,510	660,060	-	(660,060)	-100.0%
<b>Ending Fund Balance</b>	<b>8,985,592</b>	<b>8,143,112</b>	<b>8,066,091</b>	<b>(77,021)</b>	<b>-0.9%</b>
<b>Strategic Goal</b>					
Available for Strategy Goal	4,351,497	4,205,037	4,819,623		
	<b>7,713,082</b>	<b>6,822,992</b>	<b>2,149,726</b>		
<b>Excess (Gap)</b>	<b>3,361,585</b>	<b>2,617,955</b>	<b>(2,669,897)</b>		

Metropolitan Exposition-Recreation Commission  
**MERC Budget Statement**  
**Portland Center for the Performing Arts**

	Current Year			Change	% Change
	Prior Year Actual June-07	Budget June-08	Next Year Budget June-09		
<b>Operating</b>					
Revenue	5,979,645	5,671,845	6,776,667	1,104,822	19.5%
Revenue - Food and Beverage	1,431,692	1,379,507	1,527,814	148,307	10.8%
Costs - Food and Beverage	(1,229,145)	(1,290,149)	(1,313,085)	(22,936)	1.8%
Personal Services	(4,675,949)	(5,342,369)	(5,751,698)	(409,329)	7.7%
Goods & Services	(1,716,062)	(1,755,205)	(2,171,744)	(416,539)	23.7%
	<b>(209,818)</b>	<b>(1,336,371)</b>	<b>(932,046)</b>	<b>404,325</b>	<b>-30.3%</b>
<b>Non Operating</b>					
Transient, Lodging Tax	1,945,428	1,988,093	2,081,978	93,885	4.7%
Government Support City of Portland	689,082	711,375	737,449	26,074	3.7%
Non-Operating Revenue	354,228	259,416	286,092	26,676	10.3%
Non-Operating Expense	-	(2,500)	(2,500)	-	0.0%
	<b>2,988,738</b>	<b>2,956,384</b>	<b>3,103,019</b>	<b>146,635</b>	<b>5.0%</b>
<b>Support and Risk Management</b>					
MERC Administration	(701,327)	(877,025)	(1,047,699)	(170,674)	19.5%
Metro Support Services	(582,386)	(592,713)	(663,408)	(70,695)	11.9%
Metro Risk Management	(122,803)	(192,631)	(178,041)	14,590	-7.6%
	<b>(1,406,516)</b>	<b>(1,662,369)</b>	<b>(1,889,148)</b>	<b>(226,779)</b>	<b>13.6%</b>
<b>Net Increase (Decrease)</b>	<b>1,372,404</b>	<b>(42,356)</b>	<b>281,825</b>	<b>324,181</b>	<b>-765.4%</b>
<b>Transfers</b>					
Intrafund Transfers	-	28,352	-	(28,352)	-100.0%
Transfers from	-	-	4,297	4,297	n/a
<b>Net Transfers</b>	<b>-</b>	<b>28,352</b>	<b>4,297</b>	<b>(24,055)</b>	<b>-84.8%</b>
<b>Net Operations</b>	<b>1,372,404</b>	<b>(14,004)</b>	<b>286,122</b>	<b>300,126</b>	<b>-2143.1%</b>
<b>Capital</b>					
Capital Outlay	(374,169)	(293,696)	(405,000)	(111,304)	37.9%
Personal Services	(138,080)	-	-	-	n/a
Goods & Services	(61,341)	-	-	-	n/a
Non-Operating Revenue	42,225	282,352	418,480	136,128	48.2%
Non-Operating Expense	-	-	-	-	n/a
Intrafund Transfers	-	(28,352)	-	28,352	-100.0%
<b>Net Capital</b>	<b>(531,365)</b>	<b>(39,696)</b>	<b>13,480</b>	<b>53,176</b>	<b>-134.0%</b>
<b>Fund Balance Inc (Dec)</b>	<b>841,040</b>	<b>(53,700)</b>	<b>299,602</b>	<b>353,302</b>	<b>-657.9%</b>
<b>Food and Beverage Gross Margin</b>					
	14.1%	6.5%	14.1%	7.6%	
<b>Full Time Employees</b>					
	29.80	44.40	46.40	2.00	4.5%
<b>Fund Balance</b>					
Beginning Fund Balance	6,258,043	7,099,083	7,045,383	(53,700)	-0.8%
Fund Balance Inc (Dec)	841,040	(53,700)	299,602	353,302	-657.9%
<b>Ending Fund Balance</b>	<b>7,099,083</b>	<b>7,045,383</b>	<b>7,344,985</b>	<b>299,602</b>	<b>4.3%</b>
<b>Unrestricted Fund Balance</b>					
Unrestricted Fund Balance	6,299,979	5,839,940	5,766,031	(73,909)	-1.3%
Contingency	-	346,290	466,449	120,159	34.7%
Contingency for Renewal & Replacement	-	50,000	250,000	200,000	400.0%
Designated Renewal & Replacement Reserve	-	-	50,000	50,000	n/a
Contingency for PERS	-	404,576	812,505	407,929	100.8%
Designated PERS Reserve	799,104	404,577	-	(404,577)	-100.0%
<b>Ending Fund Balance</b>	<b>7,099,083</b>	<b>7,045,383</b>	<b>7,344,985</b>	<b>299,602</b>	<b>4.3%</b>
<b>Strategic Goal</b>					
Available for Strategy Goal	3,810,578	4,193,862	4,618,264		
	6,299,979	6,236,230	6,482,480		
<b>Excess (Gap)</b>	<b>2,489,401</b>	<b>2,042,368</b>	<b>1,864,216</b>		

**Metropolitan Exposition-Recreation Commission**  
**MERC Budget Statement**  
**Headquarter Hotel**  
For information only - HQH included in OCC Budget

	<u>Prior Year Actual</u>	<u>Current Year</u> <u>Budget</u>	<u>Next Year Budget</u>
	June-07	June-08	June-09
<b>Operating</b>			
Personal Service	-	(69,720)	-
Goods and Service:			
Developer Agreement	-	(600,000)	-
Services - Communications	(44,132)	-	-
Services - Financial	-	-	-
Services - Legal	-	-	(104,000)
Services - Management Consulting	(23,265)	(400,000)	-
Services - Market Analysis	(42,035)	-	-
Services - Project Management	(15,834)	-	-
	<u>(125,266)</u>	<u>(1,069,720)</u>	<u>(104,000)</u>
<b>Non Operating</b>			
	-	-	-
<b>Net Increase (Decrease)</b>	<b>(125,266)</b>	<b>(1,069,720)</b>	<b>(104,000)</b>
<b>Transfers</b>			
Intrafund Transfers	-	-	-
Transfers to	-	669,720	-
Transfers from	-	-	-
Debt Service	-	-	-
<b>Net Transfers</b>	<b>-</b>	<b>669,720</b>	<b>-</b>
<b>Net Operations</b>	<b>(125,266)</b>	<b>(400,000)</b>	<b>(104,000)</b>

<b>Source of Funds</b>			
MTOCA Transfer	-	669,720	692,490
Contingency for HQH Hotel - Reimbursable	-	-	3,700,000
Contingency for PERS except PCPA	-	-	1,703,712
<b>Total Sources</b>	<b>-</b>	<b>669,720</b>	<b>6,096,202</b>

Metropolitan Exposition-Recreation Commission  
**MERC Budget Statement**  
**MERC Administration**

	Prior Year Actual	Current Year	Next Year Budget	Change	% Change
	June-07	Budget June-08	June-09		
<b>Operating</b>					
Revenue	39,388	33,500	38,500	5,000	14.9%
Personal Services	(1,201,049)	(2,010,679)	(2,181,050)	(170,371)	8.5%
Goods & Services	(428,342)	(431,102)	(693,088)	(261,986)	60.8%
	<b>(1,590,003)</b>	<b>(2,408,281)</b>	<b>(2,835,638)</b>	<b>(427,357)</b>	<b>17.7%</b>
<b>Non Operating</b>					
Non-Operating Revenue	(46,041)	8,000	24,195	16,195	202.4%
Non-Operating Expense	-	-	-	-	n/a
	<b>(46,041)</b>	<b>8,000</b>	<b>24,195</b>	<b>16,195</b>	<b>202.4%</b>
<b>Support and Risk Management</b>					
MERC Administration	2,003,797	2,505,784	2,910,274	404,490	16.1%
Metro Risk Management	-	-	-	-	n/a
	<b>2,003,797</b>	<b>2,505,784</b>	<b>2,910,274</b>	<b>404,490</b>	<b>16.1%</b>
<b>Net Increase (Decrease)</b>	<b>367,753</b>	<b>105,503</b>	<b>98,831</b>	<b>(6,672)</b>	<b>-6.3%</b>
<b>Net Transfers</b>	-	-	-	-	n/a
<b>Net Operations</b>	<b>367,753</b>	<b>105,503</b>	<b>98,831</b>	<b>(6,672)</b>	<b>-6.3%</b>
<b>Capital</b>					
Capital Outlay	(82,579)	(176,962)	(98,831)	78,131	-44.2%
Non-Operating Revenue	10,095	-	-	-	n/a
<b>Net Capital</b>	<b>(72,485)</b>	<b>(176,962)</b>	<b>(98,831)</b>	<b>78,131</b>	<b>-44.2%</b>
<b>Fund Balance Inc (Dec)</b>	<b>295,269</b>	<b>(71,459)</b>	<b>-</b>	<b>71,459</b>	<b>-100.0%</b>
<b>Full Time Employees</b>	<b>16.00</b>	<b>21.00</b>	<b>21.00</b>	<b>-</b>	<b>0.0%</b>
<b>Fund Balance</b>					
Beginning Fund Balance	389,078	684,347	612,888	(71,459)	-10.4%
Fund Balance Inc (Dec)	295,269	(71,459)	-	71,459	-100.0%
<b>Ending Fund Balance</b>	<b>684,347</b>	<b>612,888</b>	<b>612,888</b>	<b>-</b>	<b>0.0%</b>
Unrestricted Fund Balance	512,424	328,924	290,392	43,398	13.2%
Contingency	-	95,351	146,264	50,913	53.4%
Contingency for PERS	-	94,302	176,232	-	-
Designated PERS Reserve	171,923	94,311	-	(94,311)	-100.0%
<b>Ending Fund Balance</b>	<b>684,347</b>	<b>612,888</b>	<b>612,888</b>	<b>-</b>	<b>0.0%</b>
<b>Strategic Goal</b>					
Available for Strategy Goal	407,348	610,445	718,535	-	-
Excess (Gap)	512,424	424,275	436,656	-	-
	<b>105,076</b>	<b>(186,170)</b>	<b>(281,879)</b>		

**Metropolitan Exposition Recreation Commission  
Five Year Capital Plan  
2008-09 through 2012-13 Fiscal Years  
February 27, 2008**

<u><b>Oregon Convention Center</b></u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
400 Amp Panel and Disconnect Switch	15,000				
AV Equipment Purchase for Shows	92,450				
Liebert Replacement for AV Control Room	10,500				
Lighting Controls Hall A/A1	60,000				
Men's Restroom Change-out/Original Side	90,000				
Public Space Recycling Containers	60,000				
Ticket Printers and Scanners	30,000				
Turnstiles (8)	14,500				
Wi-Fi Upgrade	78,000				
MTOCA Project TBA (dedicated to the Headquarters Hotel project)	692,490				
Chiller VFD		100,000			
Exterior Building Painting		195,000			
LEED Change-out all VAV Controllers in Meeting Rooms		150,000			
MTOCA Project TBA (Resurface & Repair Exhibit Hall A, Oregon Ballroom, ABC Mtg Rms)		669,720			
Replace 18" Classroom Tables		100,000			
Security Console Replacement		15,000			
Telecom/New Voice over IP		80,000			
Upgrade Kitchen Capacity & Storage for Efficiency		1,000,000			
Construct Operations Office and Add Additional Conference Meeting Space			1,350,000		
Construction /Headquarter Hotel Connection and Signage			450,000		
Install Electronic Swipe Locking System for Mtg & Ballrooms			300,000		
Plaza Issues			90,000		
Rehab/Renovate Skyview Terrace & VIP B Suite			250,000		
Replace Tile Floor in All Restrooms in Original Bldg.			300,000		
Rework Oregon Ballroom Capabilities-more breakouts			1,500,000		
SECOM-Lloyd Lot Upgrade			65,000		
VFD Controls			133,760		
Bleacher Replacement				1,800,000	
Replace Glass in Exterior Canopies in MLK & Holladay				65,000	
Replace Original Roof				1,600,000	
Carpet Replacement				1,700,000	
Cover the plaza on MLK and Holladay with Glass					5,000,000
<b>Total Oregon Convention Center</b>	<b>1,142,940</b>	<b>2,309,720</b>	<b>4,438,760</b>	<b>5,165,000</b>	<b>5,000,000</b>

\* All items not approved with funding on an annual basis will be considered unfunded

**Five Year Capital Plan**  
**2008-09 through 2012-13 Fiscal Years**  
**February 27, 2008**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
<b><u>Portland Center for Performing Arts</u></b>					
Arlene Schnitzer Concert Hall - House Sound System Replacement	150,000				
Arlene Schnitzer Concert Hall Screens and projection equipment*	100,000				
Brunish Hall Lighting Upgrade	15,000				
Keller Auditorium Chiller pump, strainer, motor, drive bypass and piping controls	55,000				
Keller Auditorium Loft Blocks	10,000				
Keller Auditorium Orchestra Pit Chairs	30,000				
Keller Auditorium Roof - Repair/Replacement	45,000				
Arlene Schnitzer Concert Hall Rigging**		50,000			
Arlene Schnitzer Concert Hall Roof**		45,000			
Hatfield Hall Marquee		50,000			
Hatfield Hall Portable Staging		8,000			
Keller Auditorium Rigging pipe and wire rope replacement		75,000			
Arlene Schnitzer Concert Hall Boiler**			100,000		
Hatfield Hall Dimmer System			300,000		
Hatfield Hall Roof - Repair and Replacement			45,000		
Keller Auditorium Boilers Replacement			90,000		
Newmark Theater Stage Floor Replacement			100,000		
Hatfield Hall Trash Compactor				50,000	
Newmark Theater Main Curtain				20,000	
Winningstad Theater Main Curtain				10,000	
Hatfield Hall Chiller					250,000
Keller Auditorium Clear Com					15,000
Keller Auditorium Masking					26,000
<b>Total Portland Center for Performing Arts</b>	<b>405,000</b>	<b>228,000</b>	<b>635,000</b>	<b>80,000</b>	<b>291,000</b>

\* Requires 50% funding from OSO or grants

\*\* May be included in Arlene Schnitzer Concert Hall renovation

**UNFUNDED PROJECTS PORTLAND CENTER FOR PERFORMING ARTS (Cost to be determined)**

Arlene Schnitzer Concert Hall renovation

**Five Year Capital Plan**  
**2008-09 through 2012-13 Fiscal Years**  
**February 27, 2008**

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
<b><u>Portland Expo Center</u></b>					
Asphalt maintenance and/or removal/replacement*	50,000	50,000	50,000	50,000	50,000
Hall(s) A, B, & C Roofs - Repair/Replacement (preliminary estimate - awaiting proposals)	100,000				
<b>Total Portland Expo Center</b>	<b>150,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>

\* Pending information yet to be received, FY 09 dollars may be reassigned to include addressing space heater replacement and/or roof repair.

**UNFUNDED PROJECTS PORTLAND EXPO CENTER (Cost to be determined)**

- Bleacher Upgrade for Safety Requirements (estimate \$100,000)
- Compactor and 40 yard compactor Box (estimate \$20,000)
- Exhibit Hall C Heater Replacement
- Exhibit Hall(s) roof repair/replacement (partial funding in 2008-09 FY)
- Full site electronic wayfinding (estimate \$300,000)
- Phase III
  - SW parking lot & South Access Drive realignment
  - Replace/renovate Halls A, B and C
  - North walkway canopy and electronic sign
  - Covered/enclosed exhibit hall connector
  - SE meeting rooms

**Executive & Administration**

Replace two Citrix Servers	13,000				
MS Office 2007 upgrade	56,505				
OCC Network 1 Gigabit Bandwidth	12,000				
SQL Server 2005 EBMS HW Platform	17,326				
IT Projects		100,000	100,000	100,000	100,000
<b>Total Executive &amp; Administration</b>	<b>98,831</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>

<b>Total MERC</b>	<b>1,796,771</b>	<b>2,687,720</b>	<b>5,223,760</b>	<b>5,395,000</b>	<b>5,441,000</b>
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\* All items not approved with funding on an annual basis will be considered unfunded

## **MAJOR ACCOMPLISHMENTS IN FY 2007–08**

### **Administration**

- Continue and expand implementation of Event Business Management System (EBMS) to allow event based analyses and management information for improved decision making and process improvement
- Perform a process improvement project for EBMS.
- External audit conducted of MERC's first year of accounting activity on EBMS with no material weaknesses or significant deficiencies noted and contributing to Metro's unqualified opinion.
- Implement compensation study for non represented employees including merit matrix program and targeted achievement plan.
- Redeveloped MERC Strategic Business Plan and Implementation Plan for 2008–2012.
- Implemented PROPHIX business intelligence software for enhanced budgeting and forecasting, as well as the ability to generate performance measurements and executive dashboards with displays of key success factors.

### **Oregon Convention Center**

- Completed lighting controls upgrade for Exhibit Halls C and B and the Oregon Ballroom.
- Completed installation of new AV Control Room and Sound System for the original side of the facility to replace the failing system and match the new upgrade system on the expansion side.
- LEED-EB Certification will be completed in March/April 2008 for the entire building as the Gold Rating.
- Metro Council approved moving forward with executing the Headquarters Hotel Developers Agreement and phase 1 of the design for this project, with deliverables due by June 30 on phase 1.

### **Portland Center for the Performing Arts**

- Oregon Children's Theater moved into Hatfield Hall as a resident company, thus freeing up Keller Auditorium for Broadway and commercial shows
- Co-produce the world premier of Too Much Coffee Man-the Refill.
- Implemented secret shopper program to test customer service levels
- Completed Economic Impact Study
- Leased office space formerly occupied by Portland Center Stage
- Opened coffee bar in Hatfield Lobby offering free Wi-Fi.
- Worked with Oregon Liquor Control Commission (OLCC) to change alcohol beverage practices in performing arts concert venues.
- Completed first PCPA annual report
- Worked with Department of Homeland Security on facility exposure audit

### **Portland Expo Center**

- Developed an integrated sales approach/event relocation plan with OCC.
- Established a Task Force to review recommendations of the 2006 "Market Assessment and Financial Feasibility Study".
- Developed an on-line exhibitor service order website
- Completed an Economic Impact Study.
- Established a MERC-wide Statement of Understanding agreement with the American Red Cross.

## **SERVICE LEVEL CHANGES FROM FY 2007–08**

### **Administration**

- Two FTE added during 2007-08 for Administrative Assistants in Construction and for General Administration support. No additional full time positions requested for 2008-09.
- During 2007-08 a vacant Public Affairs Coordinator was reclassified to Communication and Strategic Development Director to more effectively implement MERC's strategic plan priorities.
- One part-time PC Technician - MERC lacks the human resources to support more than 200 PC's and dozens of servers
- One part-time Training Technician to develop and deliver IT software training

### **Oregon Convention Center**

- Two new positions in the Operations Department graveyard shift for cleaning and maintenance to improve customer service and maintain a consistent cleaning schedule.
- OCC Sustainability Coordinator to concentrate on LEED-EB compliance after certification, OCC sustainable program, green team and recycling, client information education and outreach.

### **Portland Center for the Performing Arts**

- Add Ticket Services Coordinator to assist small non-profit users in ticketing logistics.
- Add Utility Maintenance Worker in response to observations identified in Metro Audit "MERC Facilities Efficiently Maintained".
- 1.00FTE Painter added mid-year 2007-08

### **Portland Expo Center**

- Increased Part-Time Electrician from .20 to .50 FTE.

## **MAJOR OBJECTIVES FOR FY 2008–09**

### **Administration**

- Continue development and implementation of critical financial management policies, procedures, and processes.

- In partnership with OCC and Metro develop a financing plan and secure funding for construction of a publicly owned convention headquarters hotel. This project requires re-examining Transient Lodging Tax and Visitor Development Initiative.
- Develop performance standards based on industry benchmarks.
- Continue implementation of strategic business plan.
- Implement recommendations that are generated from the EBMS process improvement project.
- Upgrade to Microsoft Office 2007 for all personal computers and laptops.

#### **Oregon Convention Center**

- Optimize opportunities to increase advertising/sponsorship revenues through the Spot Focus Agreement.
- Continue implementation of strategic business plan
- Increase customer service levels throughout the OCC organization for our clients and our internal customers by setting service standards and employee expectations.

#### **Portland Center for the Performing Arts**

- Identify LEEDS/sustainability at PCPA facilities
- Re-vamping policies and procedures for Brunish Hall to increase ease of usage for small local non-profit organizations.
- Complete IAAM Vulnerability Assessment Tool to identify security weaknesses in PCPA facilities.
- Continue implementation of strategic business plan.
- Purchase and implement scheduling software for admissions staffing.

#### **Portland Expo Center**

- Develop funding strategies for a capital improvement initiative that will complete facility modernization.
- Re-establish an ongoing tourism/hospitality business forum to promote the Delta Park area.
- Execute a second year survey/update of the FY 2007-08 initial Economic Impact Study.
- Continue implementation of strategic business plan.
- Execute American Red Cross Statement of Understanding

# Metropolitan Exposition Recreation Commission

## Performance Measures

	Actual 2003/04	Actual 2004/05	Actual 2005/06	Actual 2006/07	Target 2007/08	Target 2008/09
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### OCC

1. Number of Events/Conventions/Trade Shows	91	93	90	90	85	89
2. Estimated economic impact in metropolitan region	\$481.5 m	\$420.9 m	\$551.6 m	\$373.8 m	\$475 m	\$475 m
3. Attendance	668,911	700,360	633,575	608,673	630,000	625,000
4. Occupancy	37%	48%	44%	46%	45%	47%
5. Food and Beverage Margin	23.0%	29.0%	20.4%	24.0%	24.3%	21.8%

### EXPO

1. Number of Events	92	100	102	99	100	102
a. Consumer/public shows	54	54	53	58	55	57
b. Convention/trade/miscellaneous	38	46	49	41	45	45
2. Attendance at Events	501,670	469,943	470,984	477,082	482,000	495,000
a. Consumer/public shows	460,429	436,166	436,186	410,059	445,000	449,000
b. Convention/trade/miscellaneous	41,241	33,777	34,798	67,023	37,000	46,000
3. Food and Beverage Margin	18.0%	36.0%	30.2%	27.5%	29.9%	29.6%

### PCPA

1. Number of Performances	978	937	950	1,113	935	975
8. Attendance	900,000	797,752	780,000	862,897	780,000	1,000,000
3. Total Weeks of Broadway	10.0	7.0	8.0	9.0	10.0	14.0
4. Total Commercial Shows	99	84	200	348	120	125
5. Food and Beverage Margin	11.0%	-1.0%	14.3%	14.1%	6.5%	14.1%

# Metropolitan Exposition Recreation Commission

## Budget Meeting Minutes

February 11, 2008  
Oregon Convention Center  
MERC Board Room

Present: Don Trotter (Chair), Gary Reynolds and Janice Marquis

Also Present: David Woolson, Kathy Taylor, Chris Bailey, Jeff Blosser, Karen Feher, Cynthia Hill, Robyn Williams, and Nathan Sykes.

### 1. CALL TO ORDER

- A meeting of the Metropolitan Exposition Recreation Commission Budget Committee was called to order by Chair Don Trotter at the Oregon Convention Center at 1:30 p.m. The 2008-09 Fiscal Year Preliminary Budget packet materials, dated February 11, 2008, were distributed and reviewed throughout the meeting, and are attached and made a part of this meeting record.

### 2. VENUE BUDGET PRESENTATIONS (CONTINUED)

- PCPA Proposed Capital: Robyn Williams reviewed the proposed FY 2008-09 PCPA capital budget items.
- MERC Administration and Executive Office: Kathy Taylor reviewed the Administration and Executive Office proposed budget consisting of personal services and goods and services. The personal services FTE proposed for FY 2008-09 should be 19.
- Commissioner Reynolds asked for specific detail related to the goods and services proposed number. Kathy Taylor will provide that detail to Commissioner Reynolds. K Taylor also reviewed MERC Administration and Executive Office proposed capital primarily related to IT needs.

### 3. PERS RESERVE OVERVIEW AND PCPA IGA

- Nathan Sykes, Metro Legal, reviewed the Explanation and History of the PERS Reserve, included in the budget packet materials attached. N. Sykes reported there is a restriction in the IGA that any PCPA funds or net surplus shall only be used for the benefit of City facilities, so the PERC reserve cannot for the benefit of the HQH.

### 4. REVIEW AND DISCUSS VDI REQUEST

- A Hotel/Motel and Motor Vehicle Tax Flow Chart, including VDI buckets, was distributed and discussed, and is attached and made a part of this meeting record. The request for this budget is \$500,000 and the process to submit that request is that MERC Commission approves the amount in the proposed fiscal budget, and the budget is transmitted to Metro Council for approval. If there are no objections to the request, within the overall Metro budget, once the overall Metro budget is approved, the VDI request is

considered approved. If there is an objection to the VDI request, it is resolved by Multnomah County Chair Wheeler, City of Portland Mayor Potter and Metro Council President Bragdon. There was a discussion regarding whether the VDI request should be increased and it was the consensus of the committee to increase the request to \$900,000 for now to provide a break-even budget for OCC to fund FY 08-09 capital projects. There was also discussion regarding the variety of VDI buckets and each bucket's definition. Karen Feher, Metro Finance, stated she would provide the Committee with the bucket definitions. Budget Committee Chair Trotter summarized the discussion by noting that since there are many questions related to the VDI, he suggested the Committee establish a VDI request dollar amount, review information, when received, related to the VDI bucket definitions and then change the VDI request dollar amount, if need be, in the future.

#### **5. REVIEW CHANGES FROM PREVIOUS PRESENTATION**

- Cynthia Hill reviewed with the Committee changes to the budget from the last budget meeting, which are included in the attached budget materials.

#### **6. RECOMMENDATION TO FULL MERC COMMISSION**

- Budget Committee Chair Trotter asked if the Committee was ready to take action in recommending, to the MERC Commission, the approval of FY 2008-09 budgets. Cynthia Hill stated she would make changes to the PCPA capital budget as discussed; increase the VDI number to \$900,000; and add the word "reimbursable" to the Contingency for HQ Hotel.
- A motion was made by Commissioner Reynolds and seconded by Commissioner Marquis to recommend to the MERC Commission, adoption of the MERC FY 2008-09 budgets, with changes as discussed, and transmitted to the Metro Council.

VOTING: Aye: 3

Nay: 0

Motion passed

- Budget Committee Chair Trotter stated he would not be attending the February 27th MERC Commission meeting and asked that Commissioner Reynolds or Commissioner Marquis provide the Commission with a budget committee recap of discussion and action.

#### **7. WRAP UP DISCUSSION**

- Trotter also reported that while attending the Skanner's ML King Jr. Breakfast, where scholarships were being presented to a variety of recipients, Metro COO, Michael Jordan and Metro Councilor Hostika asked D. Trotter if MERC would like to participate in providing scholarships. David Woolson noted that in the current MERC Executive/Administration budget, there was outreach money which could be used for scholarships.
- Cynthia Hill reviewed the next steps and will be developing the budget narratives which will be e-mailed to the Committee.

- Commissioner Marquis asked about the OCC rental rate increase of 10% and the Expo rental rate increase of 3%, and asked if the Expo rental rates should be increased further. Jeff Blosser noted that OCC rental rates were flat during expansion and the last OCC increase was in 2005. Chris Bailey provided Commissioner Marquis with a history of Expo rental rate increases.
- Cynthia Hill noted that the carpet replacement project has been added by OCC to the Capital Schedule in FY 2011-2012.
- Budget Committee Chair Trotter asked staff to provide notes to the Committee if further housekeeping changes were made to the proposed budget.

As there was no other business to come before the MERC Budget Committee, the meeting was adjourned at 2:45 p.m.