

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 09-01

For the purpose of approving and transmitting the budget for the MERC Fund for Fiscal Year 2009-2010.

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

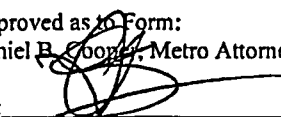
WHEREAS, the MERC Operating Fund and the MERC Pooled Capital Funds are now consolidated into one MERC Fund; and

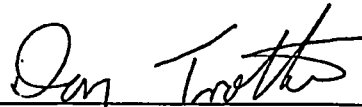
WHEREAS, the MERC Budget Committee has reviewed the proposed budget for the MERC Fund and recommends approval of the proposed budget,

BE IT THEREFORE RESOLVED that the Metropolitan Exposition Recreation Commission approves and transmits to the Metro Chief Operating Officer, for submission to the Metro Council, the following budget attached as Exhibit A, for the fiscal year beginning July 1, 2009 and ending June 30, 2010 for inclusion as part of the total Metro budget for this period.

Passed by the Commission on February 25, 2009

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

By: 
Nathan A. Schwartz Sykes
Senior Attorney


Chair


Secretary-Treasurer

MERC Staff Report

Agenda Item/Issue: For the purpose of approving and transmitting the budget for the MERC Fund for Fiscal Year 2009-2010.

Resolution No.: 09-01

Presented By: Gary Reynolds
Kathy Taylor
Cynthia Hill

Date: February 25, 2009

Background and Analysis: Resolution 09-01 would approve the attached proposed budget for submission to the Metro Council by a duly adopted resolution at a regular public meeting of the MERC Commission.

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

The Budget Committee, consisting of MERC Commissioners Reynolds (Chair), Dozono and McClain, reviewed the budget in detail.

“Exhibit A” includes a letter from Gary Reynolds, MERC Commissioner and David Woolson, MERC CEO describing the challenges and the many conflicting factors we faced in the development of the 2009-10 Proposed Budget.

Fiscal Impact: This budget proposes a net decrease of \$300,190 as a result of operations and plans to spend \$870,000 of existing fund balance designated for Capital only expenditures. The total net decrease to fund balance is \$1,170,190.

Recommendation: The MERC Commission Budget Committee recommends adoption of Resolution 09-01, for the purpose of approving and transmitting the budget for the MERC Fund for Fiscal Year 2009-2010.



METROPOLITAN EXPOSITION RECREATION COMMISSION

**Exhibit A
Resolution 09-01**

**2009-10 FY
Proposed Budget**

MERC Commission Meeting

February 25, 2009

To: MERC Commission

From: Gary Reynolds, Budget Committee Chair, and David Woolson, MERC CEO

Date: February 20, 2009

Re: 2009-10 Budget Status

This was a very challenging budget to create because of many conflicting factors. While the difficulties were many, we believe that we have developed a solid preliminary budget that will meet our client and customer demands and maintain the viability of our venues. Due to the current significant economic downturn, we will re-evaluate the budget after reviewing May lodging tax revenues and current market conditions. Additionally, we will be carefully monitoring the budget after its adoption to make sure it reflects revenue realities. Some of the major complexities we addressed during our budget preparations include:

- The major influence of the worsening national, state and local economic situation.
- A strong book of events is scheduled for the next year. FY10 was projected to be perhaps the most profitable year in our history due to a large number of conventions coupled with a strong year for Broadway shows.
- Concerns about lower than anticipated convention attendance caused us to reduce our Food & Beverage revenue and margins.
- Conversely, Portland is in a unique position compared to other convention centers. Our lack of corporate business, usually a negative factor, is an advantage in an economic downturn. During a recession our reliance on association meetings is a benefit because associations must hold their conventions in order to generate their operating revenue. In fact, it is their primary source of revenue.
- Decline in hospitality occupancy will result in lodging tax decreases for OCC and PCPA.
- However, a compensating factor on hospitality is our higher than average number of conventions which could positively impact occupancy rates, especially during the autumn of 2009.
- As part of the budget development process over the last few months all directors have gone through a series of thorough reviews and with iterative cost cutting measures and expenditure postponements.

Goal for Net Operating Budget – Annually, our goal is to present a ‘breakeven’ operating budget where operating expenditures is covered by anticipated revenue. After accounting for the anticipated reduction of revenue and lodging tax and recording expense decreases, the FY 10 budget has an operating deficit of \$302 thousand. Fortunately, several years of strong lodging tax revenues helped us build a substantial fund balance for just such times. As the situation evolves we will continue to closely monitor expenses. Our foremost goal is to maintain our solid business operations and safeguard our financial position.

- To date there have been several rounds of expense reductions. After presentation of the preliminary budget in January, the facilities directors have adjusted the budget down by \$423 thousand:
 - \$1.3 Million reduction of expenses
 - \$562 thousand for OCC F&B, Goods & Service, Marketing
 - \$650 thousand for BrewPub
 - \$72 thousand PCPA Goods & Service
 - \$77 thousand Fringe Benefits
 - \$942 thousand reduction in revenue
 - \$542 thousand Lodging Tax
 - \$400 thousand OCC F&B
 - New Green Event: Net revenue of \$8,000
 - OCC Revenue \$333 thousand and Expense \$325 thousand
- Revenue, excluding F&B, is up 1.25%
- Operating Expense, excluding F&B, is up 2%
 - Personal Services 2%
 - Goods & Services 3%
 - Marketing 0%
- Many line items are based on booked events and direct costs for those events.
- Every line item was evaluated to determine the appropriate budget amount. In EBMS managers entered detailed notes to describe and support anticipated transactions.
- An inflation factor is applied to goods and services only if no better information is available.
- Cost of Living Adjustments apply to labor union contracts.

Personal Service – In recognition of the seriousness of the economic situation, proposed salary increases of about 4% will be budgeted for the year, but a final decision will be made as to what, if any, increases are awarded when revenue from FY09 lodging tax is actually received in May and again in August. Our primary goal is to maintain our staffing level and retain our workforce. All decisions relative to compensation will be carefully weighed over the next few months. Further, if we determined it is in the best interest of our business, hiring freezes will be considered on a position by position basis, as will other cost containment actions.

- Labor contracts cost of living increases are budgeted between 2 and 4%. Each of the six contracts relies on a different CPI measured at different dates. Contracts stipulate that employees are to be paid COLA regardless of the budgeted increase.
- Compensation increases for non-represented employees (about 100 FTE) is proposed as:
 - Annual non-contract salary increases ~\$275 thousand/year 4% pool
 - Bonus and TAP ~\$145 thousand/year 2% pool

Experience in weathering times of recession – It is important to remember that MERC has successfully maneuvered through serious financial and economic crisis in the past. As with previous recessions, our directors will watch the economic climate and make reductions and cutbacks as needed. All of our executives weathered the 9/11 recession and gained valuable experience. They have demonstrated a keen ability for determining what steps to take while keeping the venues financially sound and meeting customers' expectations. The MERC Commission will be given regular updates at Commission meetings each month.

Resources for Capital – First and foremost, our facilities are well maintained and there is no deferred maintenance. In addition, funds have been set aside to maintain and upgrade all our venues. Our budgeted projects are funded from operation or from designated or restricted reserves, in all, totaling \$4.3 Million. These reserves can only be used for Capital and cannot be used for Operations. The reserves include:

- Renewal and Replacement Reserves designated by Commission
- Restricted Lodging Tax receipts – excess of 7% for OCC
- Expo Phase 3 Expansion Reserves from user fees designated by Commission

Rainy Day Fund –MERC has been prudent and saved substantial resources over the last few years. The Fund Balance is \$26 million dollars, which exceeds our Strategic Fund Balance Goal by \$5 million. Over the last 4 years, lodging tax revenues considerably exceeded our expectations. Rather than increase spending to match increased revenues, excess funds were saved in dedicated reserve accounts and earmarked for the Strategic Fund or Renewal and Replacement Reserves. One of the purposes of the Strategic Fund Balance is to provide the resources necessary to maintain our business and staffing during a downturn.

Budget Law Constraints – In the private sector, budgets are based on expected Net Results. The primary control in public budget law is an Expenditure Appropriation. It is intentionally designed to make it difficult to spend more than the appropriation, regardless of fluctuations in our business. Revenue increases force us to amend the budget to cover associated direct costs (food, labor), but amendments are limited by law to budgeted contingencies. As an enterprise fund, this is a challenge for us every year. Unfortunately, budget law wasn't designed with enterprises in mind.

- Our budget was created assuming that booked business will occur. In order to pay for the related costs, we also budgeted expenses consistent with these revenue projections. If the business does not materialize, these expenses will not be incurred.

Alternatives – At our monthly Executive Management Team meeting, we review our financial situation and our updated forecasts. Based on conditions and projections, we can informally adjust our budget. With EBMS, we can maintain both a formal adopted budget and a revised budget that reflects changing conditions. Any significant impacts will be brought to Commission.

Directors have prepared a contingency plan to guide MERC in the event our operations deteriorate. The plan outlines options for various deteriorating economic scenarios. The plan will be refined over the next several months so that we can react swiftly and decisively to any and all situations. This has worked effectively in the past. The following will be monitored:

- Each director has already compiled expenditures to be cut, reduced or postponed. Some of these have been included in the budget. Others will be applied as the situation unfolds in accordance with our contingency plan.
 - Our most discretionary spending is for selected Goods & Services such as travel, training, meetings, and consultants. ~ \$800 thousand/year MERC wide.
- Capital projects (funded from operating resources) can be postponed to conserve fund balance, if needed.

Transient Lodging Tax – A critical factor in our future decisions over the next year will be lodging tax – which represents 25% of our revenue.

- Lodging tax was \$9.7M last year, so a 1% decrease is approximately \$100 thousand.
- A likely scenario is a 0% to 5% decline this year, followed by a 10% decline next year.
 - The FY10 budget has been adjusted to reflect a decline in TLT.
 - The adopted budget for FY09 has not been adjusted. A decline of 5% for FY09 will result in TLT being over budget \$215 thousand – due to conservative budgeting last year.
- Milestone months for lodging tax are February, May, August and November.
- VDI has adequate fund balance to fill the buckets for FY10.

In conclusion, MERC’s FY10 operating budget is based on booked events and revenues, estimated direct costs and line-by-line analysis. We have trimmed \$1.3 million expenses from the preliminary budget and revenues were reduced by almost \$1 million. The big unknown is lodging tax – as circumstances change, management will modify operating and capital expenditures. Management can determine the best action on Personal Service increases after lodging tax for FY09 is known. In these uncertain times, MERC will balance cutting budgeted expenses with the necessity to maintain adequate appropriation and expenditure authority to carry out the business that is booked for the year. Our promise is to be vigilant to the changing situation and to modify our operations accordingly.

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Metropolitan Exposition Recreation Commission

BUDGET DEVELOPMENT CALENDAR

February 25, 2009

Budget Development Process		Date
MERC	Budget Committee Meeting - OCC King Board Room 11:00 AM - 1:00 PM Draft Budget Calendar & Assumptions Budget Overview	October 29
MERC	Budget Assumptions distributed to MERC Venues	October 30
Metro	Budget Preparation Materials - Metro Council Work Session	November 5
	<i>Holiday Veterans Day</i>	<i>November 11</i>
	<i>Holiday Thanksgiving</i>	<i>November 27</i>
MERC	Venues develop 2009-10 FY Budget and Five Year Capital Plan	November/December
MERC	Facility Directors and Operations Managers meet with MERC Construction Manager	November/December
PCPA	Present Proposed Capital Projects to the Friends of PCPA for approval	November/December
MERC	Venue Budgets Due (meet with Woolson, Taylor and Hill) <i>Robyn Williams</i> <i>Chris Bailey</i> <i>Jeff Blosser</i>	December 15 thru 19
MERC	Review venue budgets and develop Budget Committee materials	December 22 thru January 9
	<i>Christmas Day</i>	<i>December 25</i>
	<i>New Years Day</i>	<i>January 1</i>
MERC	Distribute Budget Committee Materials	January 14
MERC	Budget Committee Meeting - King Board Room 11:00 AM - 2:00 PM	January 23
	<i>Martin Luther King Jr. Day</i>	<i>January 19</i>
MERC	Distribute Commission Materials	January 21 or 22
MERC	Commission Meeting - Present Proposed Budget	January 28
Metro	MERC Budget due to Metro	February 20
MERC	Distribute Budget Committee Materials	February TBD (10 - 13)
MERC	Budget Committee Meeting - Approve Budget Proposal for submission to Commission MERC Board Room 11:00 AM - 1:00 PM	February 17
MERC	Distribute Commission Materials	February 18 or 19
MERC	Commission Meeting - Approve Proposed Budget for submission to Metro Council	February 25
MERC	Budget Committee Meeting - as needed Location TBD	March TBD
MERC	Distribute Commission Materials	March 19 or 20

Metropolitan Exposition Recreation Commission

BUDGET DEVELOPMENT CALENDAR

February 25, 2009

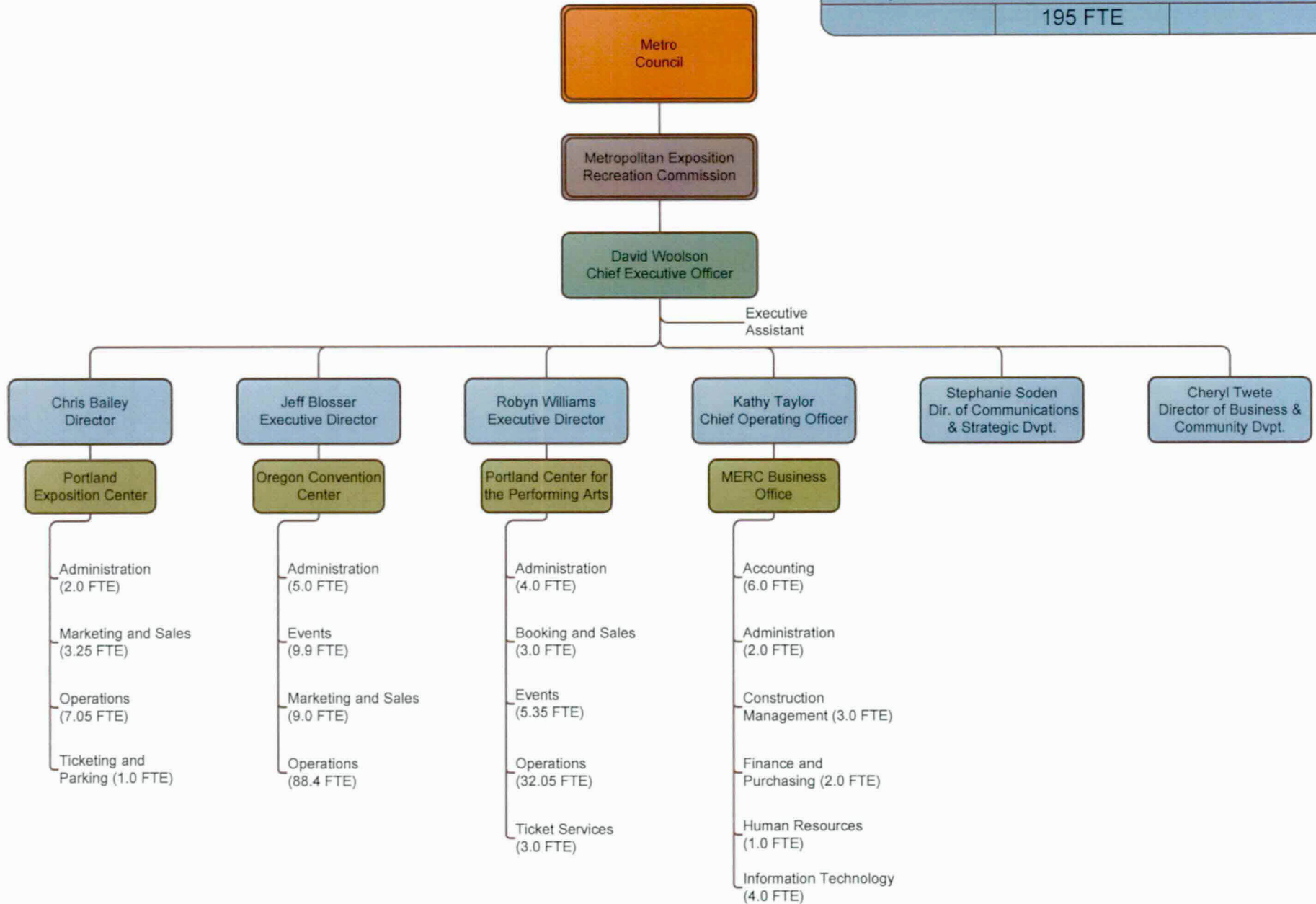
Budget Development Process		Date
MERC	Commission Meeting - Revise and Approve Proposed Budget	March 25
Metro	Metro COO Proposes Budget Public Hearing	April 2
Metro	Council Budget Work Session	April 21
MERC	Budget Committee Meeting - as needed Location TBD	April 22
MERC	Commission Meeting - Final Amendment to the 2009-10 Proposed Budget <i>Reductions to the 2009-10 Budget accepted through June</i>	April 22
Metro	Council Approves Budget for Transmittal to TSCC	April 30
MERC	Budget Committee Meeting - as needed Location TBD	May
Metro	Deadline to submit budget to TSCC	May 15
MERC	Commission Meeting - Final Amendments 2008-09 Current Year Budget	May 27
Metro	TSCC Public Hearing Council Chambers	June 4 12:30 PM - 2:00PM
Metro	Adoption of Final Amendments	June 11
Metro	Adoption of the Budget	June 18
MERC	Send MERC Budget Resolution to Multnomah County - VDF Request Attention: Bill Moravic -Mindi Harris - Harry Morton	June 25
MERC	Commission Meeting	June 17

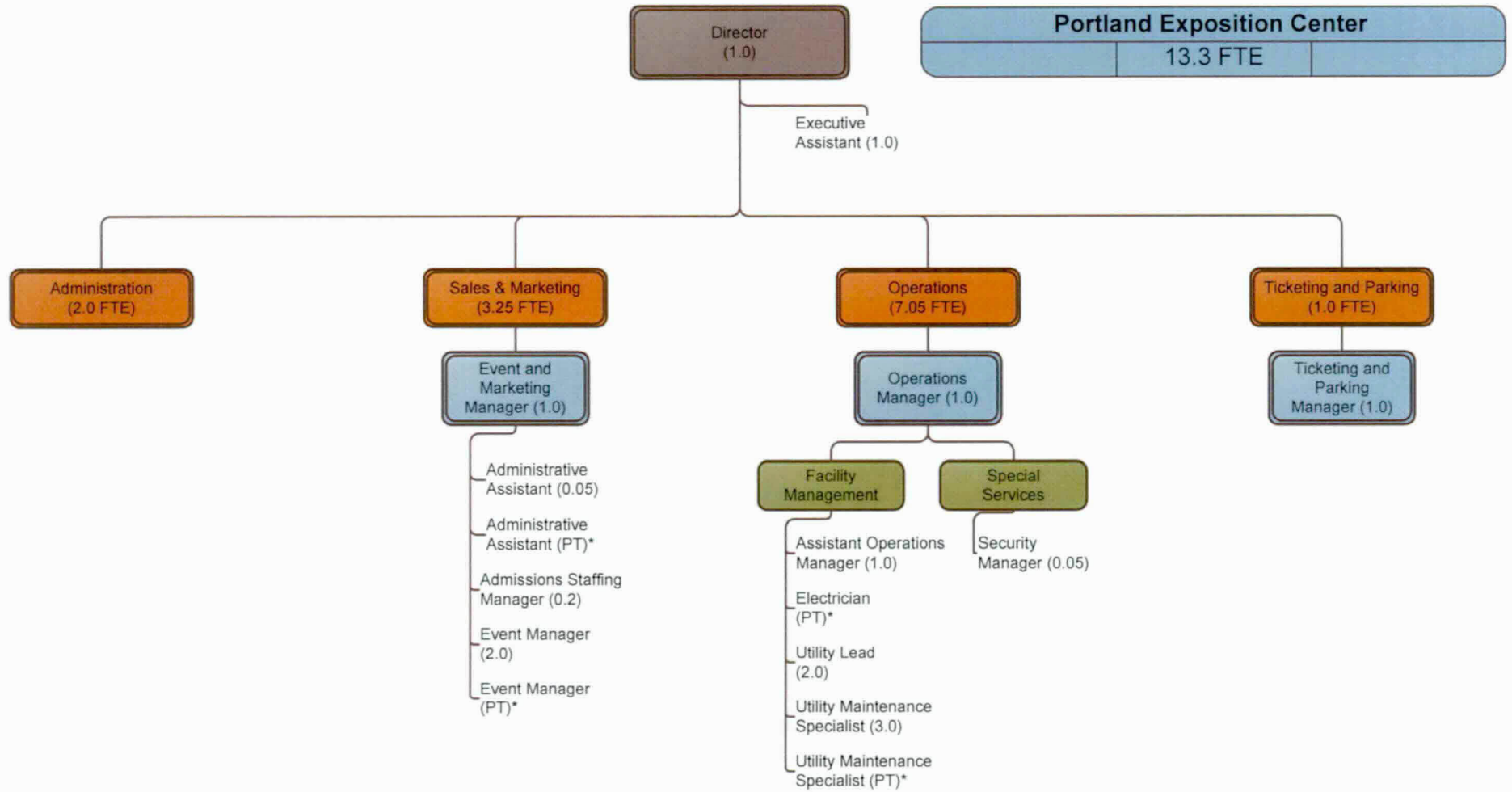
Budget Committee Meetings
Commission Meetings
Metro Meetings and Deadlines
<i>Holidays</i>

* Council and Metro Dates are estimates and subject to change

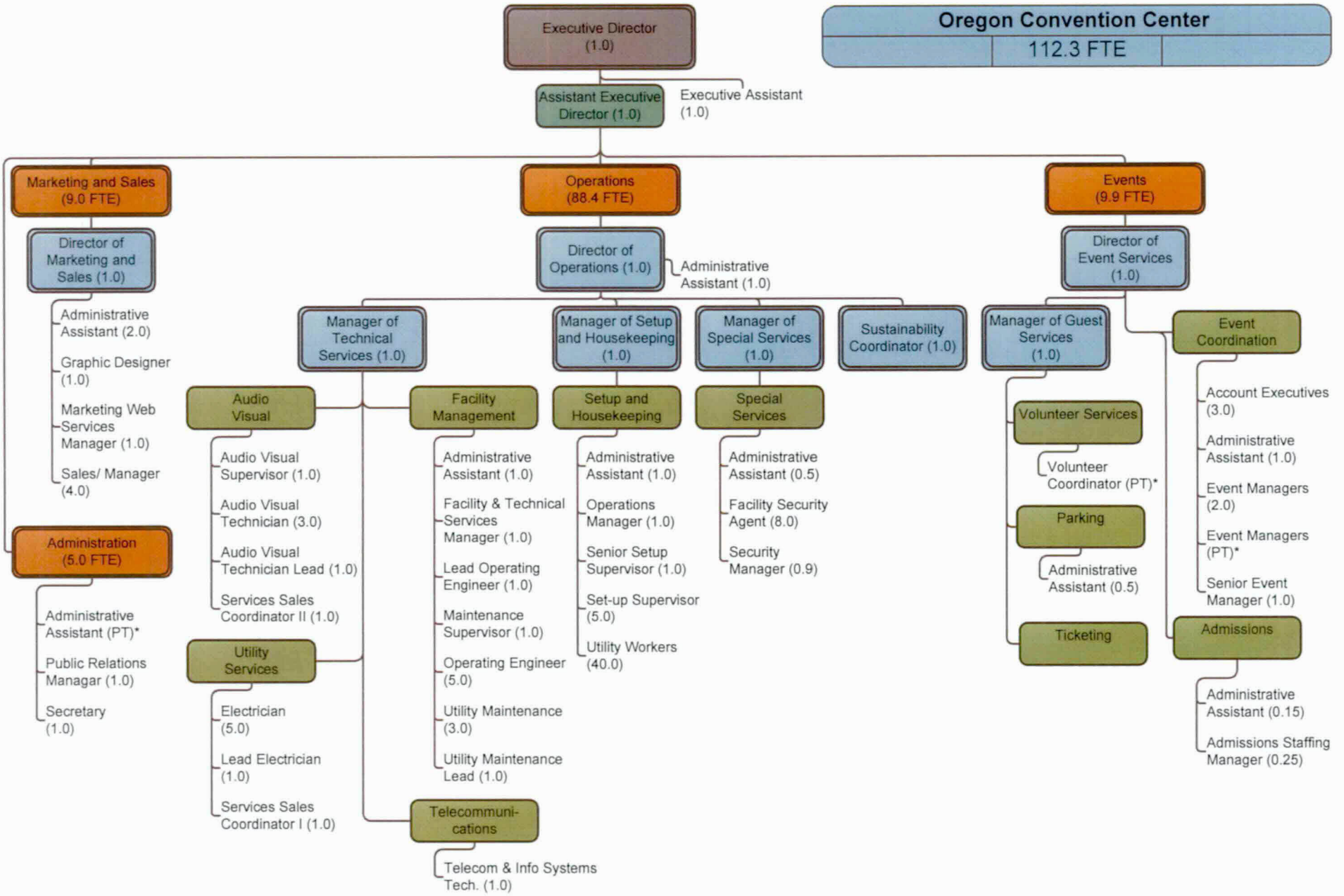
Metropolitan Exposition Recreation Commission

195 FTE





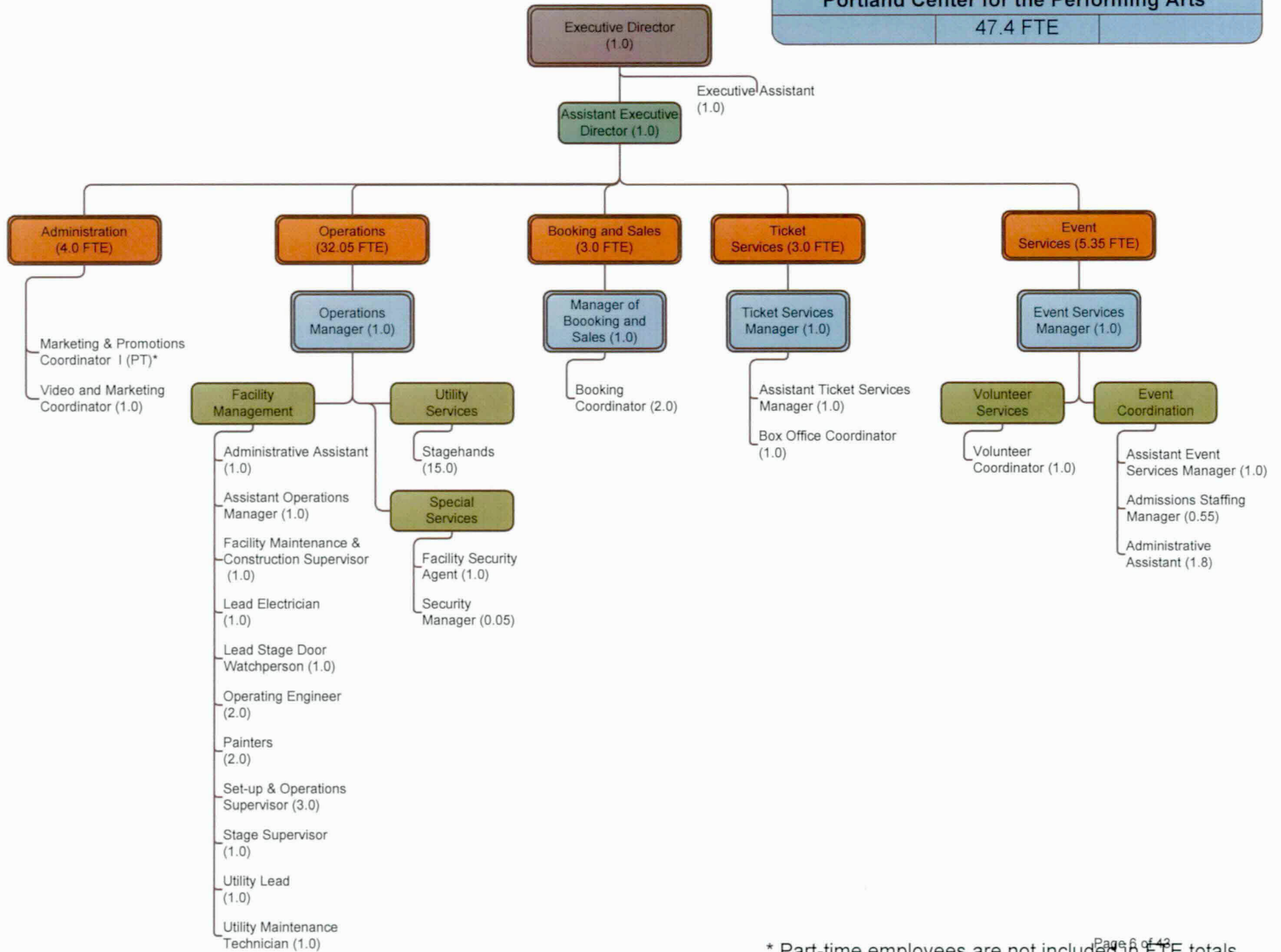
Oregon Convention Center
112.3 FTE



* Part-time employees are not included in FTE totals

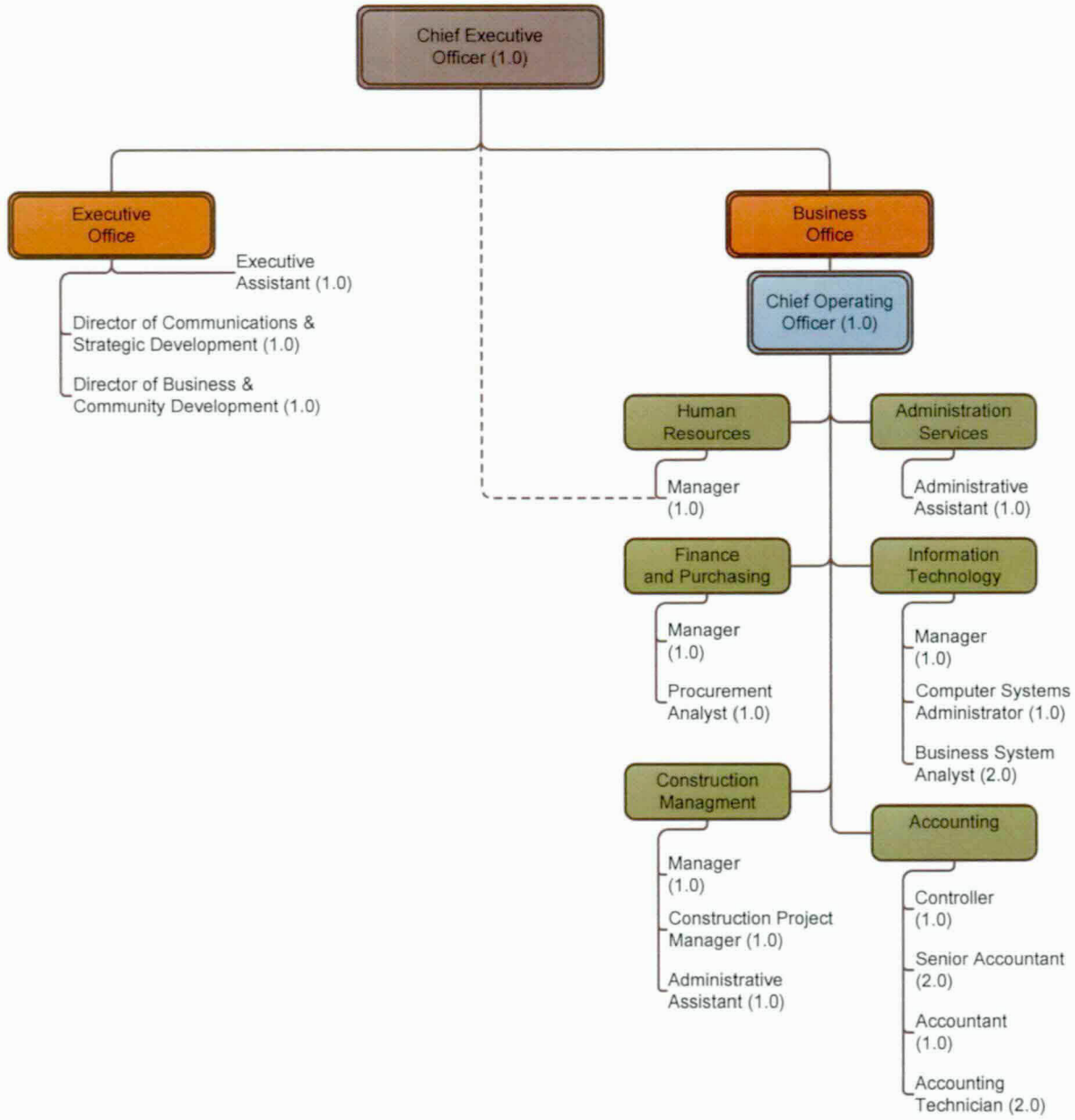
Portland Center for the Performing Arts

47.4 FTE



* Part-time employees are not included in FTE totals

MERC Administration
22 FTE



Metropolitan Exposition-Recreation Commission
MERC Proposed Budget

Seven Year Trend

	2009-10 Proposed Budget	2008-09 Adopted Budget	2007-08 Prior Actual	2006-07 Prior Actual	2005-06 Prior Actual	2004-05 Prior Actual	2003-04 Prior Actual
	June-10	June-09	June-08	June-07	June-06	June-05	June-04
Net Increase (Decrease) from Operations	905,700	1,770,393	5,659,047	4,662,405	3,975,139	3,706,399	2,011,130
Expo	1,012,430	1,177,812	1,640,729				
OCC	(206,111)	437,925	3,181,280				
HQH	-	(226,000)	(330,685)				
PCPA	(50,619)	281,825	746,790				
Admin	150,000	98,831	420,934				
Debt Service & Transfer	(1,205,890)	(1,210,037)	(1,208,281)	(1,195,695)	(1,706,452)	(1,411,310)	(1,226,372)
Expo - Debt Service	(1,188,632)	(1,192,232)	(1,189,932)				
OCC - Debt Service	(17,258)	(17,805)	(18,349)				
A. Net Operations	(300,190)	560,356	4,450,767	3,466,710	2,268,687	2,295,089	784,758
Capital Outlay & Expense	(3,571,678)	(2,453,869)	(954,075)	(2,421,241)	(2,605,588)	(1,526,598)	(1,871,391)
Expo	(367,500)	(180,000)	(9,049)				
OCC	(2,119,990)	(1,468,157)	(585,976)				
PCPA	(934,188)	(660,000)	(162,662)				
Admin	(150,000)	(145,712)	(196,388)				
Resources	2,701,678	1,513,816	222,863	2,513,638	1,176,953	3,115,834	902,628
Revenue	2,009,188	767,672	222,863				
Expo - F&B	187,500	73,329	46,056				
OCC - F&B	887,500	50,863	72,157				
PCPA - Friends, F&B	934,188	643,480	102,789				
Admin	-	-	1,861				
MTOCA - OCC	692,490	746,144	-				
B. Net Capital	(870,000)	(940,053)	(731,212)	92,397	(1,428,635)	1,589,236	(968,763)
C. Fund Balance Inc (Dec)	(1,170,190)	(379,697)	3,719,555	3,559,107	840,052	3,884,325	(184,005)
Ending Fund Balance	24,532,071	25,702,261	26,070,021	22,350,466	18,791,359	17,951,307	14,066,982

Seven Year Trend

	2009-10 Proposed Budget June-10	2008-09 Adopted Budget June-09	2007-08 Prior Actual June-08	2006-07 Prior Actual June-07	2005-06 Prior Actual June-06	2004-05 Prior Actual June-05	2003-04 Prior Actual June-04
D. Fund Balance specifically restricted for Capital purposes							
Contingency for Renewal & Replacement	970,000	520,000	295,000				
Designated for Renewal & Replacement	815,000	295,000	-				
Designated for Phase 3	1,339,841	1,154,728	944,840				
Restricted by Agreement - TLT	640,310	1,180,311	1,180,311				
	3,765,151	3,150,039	2,420,151				
E. Ending Fund Balance	24,532,071	25,702,261	26,070,021	22,350,466	18,791,359	17,951,307	14,066,982
Beginning Fund Balance	25,702,261	26,070,021	22,350,466				
Fund Balance Inc (Dec)	(1,170,190)	(367,760)	3,719,555				
Ending Fund Balance	24,532,071	25,702,261	26,070,021				
Unrestricted Fund Balance	12,486,013	14,177,688	20,907,202				
Contingency	2,009,197	2,064,067	-				
Contingency for Renewal & Replacement	970,000	520,000	295,000				
Total Available for Strategic Goal	15,465,210	16,761,755	21,202,202				
Designated for Renewal & Replacement	815,000	295,000	-				
Designated for Phase 3	1,339,841	1,154,728	944,840				
Contingency for HQH	3,700,000	3,700,000	-				
Contingency for HQH (PERS Rsvr - Prior)	1,486,398	1,704,212	94,306				
Designated for PERS Reserve - Current	375,932	-	-				
Designated for PERS Reserve - Prior	709,380	812,505	2,460,862				
Restricted by Contract - Aramark	-	93,750	187,500				
Restricted by Agreement - TLT	640,310	1,180,311	1,180,311				
Designated and Restricted	9,066,861	8,940,506	4,867,819	3,275,938	2,426,998		
Ending Fund Balance	24,532,071	25,702,261	26,070,021				
F. Strategic Goal	15,079,862	15,007,602	13,939,240	12,383,841	11,198,977		
Available for Strategy Goal	15,465,210	16,761,755	21,202,202	19,074,528	16,364,361		
Excess (Gap)	385,348	1,754,153	7,262,962	6,690,687	5,165,384		

The projected FY 2010 decrease in Fund Balance results from strategic Capital Outlays. These investments use prior years' increases to the Fund Balance resulting from operations and lodging tax.

Seven Year Trend

	2009-10 Proposed Budget	2008-09 Adopted Budget	2007-08 Prior Actual	2006-07 Prior Actual	2005-06 Prior Actual	2004-05 Prior Actual	2003-04 Prior Actual
	June-10	June-09	June-08	June-07	June-06	June-05	June-04
G. TLT & VDI included above	10,930,634	11,114,685	11,112,056	9,360,038	8,769,877	7,683,769	7,893,216
OCC	8,975,971	9,032,707	9,115,656				
TLT	7,903,290	7,560,026	8,319,253				
Excess over 7%			481,426				
OCC up to 7% increase			7,837,827				
VDI	660,000	1,060,000	400,000				
Enhanced VDI	412,681	412,681	396,403				
PCPA	1,954,663	2,081,978	1,996,400				
TLT	1,361,667	1,488,982	1,433,334				
VDI	592,996	592,996	563,066				
Annual % Increase	-2%	0%	19%	7%	14%	-3%	
Actual in excess of budget	**	**	1,692,807	565,710	1,211,153	683,106	(530,999)
4 year accumulation			2,258,517	1,776,863	1,894,259		(funded by city)

Seven Year Trend

		2009-10 Proposed Budget	2008-09 Adopted Budget	2007-08 Prior Actual	2006-07 Prior Actual	2005-06 Prior Actual	2004-05 Prior Actual	2003-04 Prior Actual
		June-10	June-09	June-08	June-07	June-06	June-05	June-04
H.	Full Time Employees excludes variable event and part time staff	195.0	192.0	186.0	179.0	161.0	156.0	157.0
	Net Increase (Decrease) - 8 yr	3.0 6.80	6.0 3.8	7.0 (2.2)	18.0 (9.2)	5.0 (27.2)	(1.0) (32.2)	(31.2) (31.2)
	Expo 0.46	13.3	13.3	13.3	13.3	13.3 (.54 Reclass) Utility Lead	12.8 (2 Utility) (Utility Lead) Asst Ops Mgr	14.8
	OCC 8.68	112.3 Public Relations Security	110.3 Sustainability 2 Utility Set up	107.3 Electrician Accounting Coord (V) Sales Manager (V)	104.3 2 Account Exec (Event Manager)	103.3 (1.32 Reclass) 2 Utility Account Exec (Event) (Ground Maint)	103.6 Sales Manager	102.6
	PCPA 24.21	47.4 Marketing	46.4 Maintenance Ticket Coordinator	44.4 Painter	43.4 15 Stagehands (Previously excluded as variable event labor)	28.4 2.21 Reclass Booking Coord Bldg Main Supervr Asst Ops Mgr	23.2 (0.4 Reclass)	23.6
	Admin 5.65 (V) vacant	22.0	22.0 Bus Analyst -IT trainer Dir of Bus Dev (PR Admin)	21.0 MBO Admin Construction Admin PR Admin	18.0 Bus Analyst - IT Procurement	16.0 (.35 Reclass)	16.4 0.4 Reclass	16.0
2002-03 for comparison 188.2 total, 15.9 Expo, 131.8 OCC, 28.3 PCPA, 12.3 Admin								

Seven Year Trend

	2009-10 Proposed Budget June-10	2008-09 Adopted Budget June-09	2007-08 Prior Actual June-08	2006-07 Prior Actual June-07	2005-06 Prior Actual June-06	2004-05 Prior Actual June-05	2003-04 Prior Actual June-04
J. Metro Support, Risk, MTOCA							
MERC Resources to Metro				EMS			
Support Services	2,027,653	1,842,802	1,521,312	1,663,955	1,732,213	1,461,856	
Annual % increase	10%	21%	-9%	-4%	18%		
Legal - Direct		104,000					
Risk Management for insurance & work	488,572	582,761	547,706	564,167	536,709	534,717	
Annual % increase	-16%	6%	-3%	5%	0%		
Total Support	2,516,225	2,529,563	2,069,018	2,228,122	2,268,922	1,996,573	
Annual % increase	-1%	22%	-7%	-2%	14%		
Excise Tax - Facility	944,807	944,807	944,807	1,609,135	716,558	730,117	
Excise Tax - Food & Beverage	771,382	771,382	771,382		690,096	844,664	
Total Excise Tax	1,716,189	1,716,189	1,716,189	1,609,135	1,406,654	1,574,781	
Transfers to Metro	4,232,414	4,245,752	3,785,207	3,837,257	3,675,576	3,571,354	
Metro Resources to MERC							
VDI Subsidy (support services)	-	-	-	-	192,943	89,268	
Support credit for sustainability		11,937					
MTOCA (for Capital)	692,490	746,144	669,720	652,113	636,208	504,000	
MTOCA excess collections	-	-	-	-	-	36,134	
Transfers from Metro	692,490	758,081	669,720	652,113	829,151	629,402	
Net Transfer to Metro	(3,539,924)	(3,487,671)	(3,115,487)	(3,185,144)	(2,846,425)	(2,941,952)	
Net Transfer to Metro, without support	(1,023,699)	(958,108)	(1,046,469)	(957,022)	(577,503)	(945,379)	

Seven Year Trend

	2009-10 Proposed Budget June-10	2008-09 Adopted Budget June-09	2007-08 Prior Actual June-08	2006-07 Prior Actual June-07	2005-06 Prior Actual June-06	2004-05 Prior Actual June-05	2003-04 Prior Actual June-04
H. MERC Support							
MERC Admin Resources							
MERC Support Allocation	3,047,075	2,910,274	2,505,784	2,003,797	1,464,841	1,192,196	959,217
Advertising, Commissions Revenue	38,500	38,500	40,466	39,388	45,845	41,985	34,089
Investment Revenue	30,000	24,195	39,911	(35,946)	(16,976)	(7,953)	3,297
Total Resources	3,115,575	2,972,969	2,586,161	2,007,239	1,493,710	1,226,228	996,603
MERC Admin Expenditures							
MERC Business Office (MBO)							
Accounting	540,691	520,300	483,495	450,000			
1 Construction Management	282,005	273,007	156,424	Direct Allocation	Direct Allocation	Direct Allocation	Direct Allocation
2 Information Technology	572,369	518,291	429,802	344,187	Direct Allocation	Direct Allocation	Direct Allocation
Human Resource	112,160	115,270	90,065	97,588			
1 Finance & Purchasing	194,454	84,527	75,000	70,000			
MERC Business Office	355,501	523,940	458,013	335,102			
-	2,057,180	2,035,335	1,692,798	1,296,877			
4		+1 FTE	+1 FTE	+2 FTE			
MERC Executive Office (MEO)			MEO office	CEO 6 mo vacancy		CEO 6 mo vacancy	
2 MERC Executive Office	590,465	385,899	300,000	180,000			
Public Affairs	275,493	435,604	160,568	142,514			
Board of Commissioners	11,850	17,300	10,000	10,000	-	-	-
-	877,808	838,803	470,568	332,514			
2		+1 FTE	+1 FTE				
MERC Administration	2,934,988	2,874,138	2,163,366	1,629,390	1,339,304	1,238,013	1,073,208
Capital Outlay	150,000	145,712	196,388	82,579	-		
Total Expenditures	3,084,988	3,019,850	2,359,754	1,711,970	1,339,304	1,238,013	1,073,208
Inc(Dec) to MERC Fund	(30,587)	(46,881)	226,407	295,269	154,406	(11,785)	(76,605)
These items are estimates. Originally budgeted/expensed in department 'MERC Business Office'. New departments created later for better control.							

- Commercial concerts budgeted at 2007-08 level
- Resident companies' usage is flat
- Ticket sales commission assumes an 11% increase due to \$.05 ticket fee increase, \$50,000 volume rebate and early sales for Lion King in January 2010.
- Resident Companies' user fee will increase by \$.025.

Food & Beverage Revenues is flat at \$12.5 million same as the current budget

- Food & Beverage Margin for Consolidated MERC is 21% which equals \$2.5 million net revenue. This is slightly less than the current year budget.
 - EXPO revenues \$2.1 million with a 26.4% margin
 - 2009-10 revenue is projected to be 1% less than current year with about the same margin.
 - OCC revenue \$8.6 million with a 21.1% margin
 - Revenue is projected to be 4% less than the current year budget with a comparable margin.
 - PCPA revenue \$1.4 million with 12.3% margin
 - Revenue is anticipated to be down 6% from the current year budget with fewer weeks of Broadway. Margin is projected to decline.

Non - Operating Revenues

- Transient Lodging Tax \$11,002,301
 - OCC is budgeted at 5% less than 2007-08 actual
 - PCPA is budgeted at 5% less than 2007-08 actual
- VDI Enhanced Support
 - OCC \$660,000 request from the Visitor Development Fund.
 - PCPA \$592,996 same as 2008-09 Budget
- Enhanced Marketing \$412,681 same as 2008-09 Budget
- City of Portland - PCPA
 - Contractual support is \$760,926 – inflated each year by the annual Portland Salem CPI change
 - 50% dedicated to the upkeep of City owned facilities.
 - 50% dedicated to operations to off-set resident companies fee schedule
- Investment Earnings estimated at 2.5%

Personal Services

- Full time employee 195 FTE
- Part time employees 317 – direct labor that varies based on event requirements
- 3.00 FTE new positions are requested in the 2009-10 budget
 - Add 2.00 FTE new positions at OCC
 - Security Agent for the Graveyard Shift
 - Public Relations Manager
 - Convert .75 FTE part time Marketing Promotions Coordinator to full time Public Relations Manager.
 - Add 1.00 FTE new position at PCPA
 - Video System Coordinator agent dependent on receiving a Grant
 - Convert .75 FTE part time Marketing Promotion Coordinator to full time Video System Coordinator
- FTE changes during the 2008-09 fiscal year
 - Two .50 FTE IT positions were combined into 1.00 FTE Business System Analyst
 - Reclassify 1.00 FTE Public Relation Manager (vacant) to Director of Business and Community Development in Executive Office
- Salary and wage adjustments full-time non-represented
 - Merit Matrix pay increases and other adjustments 4.3%
 - Target Achievement Pay (TAP) 1.7%
- Represented Labor Groups
 - 4% inflation factor

Materials and Services

- Utility increases expected to be greater than CPI
- Aramark food & beverage expenses \$9,579,028 for Consolidated MERC
- National Marketing Contract \$3,032,042 is budgeted at 2008-09 level with no increase for 2009-10.
 - Base contract \$2,066,103
 - Special marketing \$ 81,557
 - 2% for FAM, Sales Trips, Marketing \$ 41,702
 - to continue funding for FAM Trips, marketing
 - New marketing initiatives. \$ 250,000
 - Continues the \$100,000 VDI request
 - An additional \$100,000 VDI request
 - OCC \$50,000 contribution
 - OCC Sales & Marketing for advertising \$ 20,000
 - Destination marketing requested by VDI \$ 160,000
 - VDI Enhanced Marketing \$ 412,681
- Metro Indirect Cost/Support Services transfer has increased \$184,852 or 10% over the 2008-09 Adopted Budget.
- Metro Risk Management Services are \$94,190 less than 2008-09 Adopted Budget or 16% decrease.
 - 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
 - \$692,490 incoming transfer from Metro Tourism Opportunity and Competitiveness Account (MTOCA). Three proposed Capital projects included on the OCC Five Year Capital Plan are intended to be funded by this source.
- Debt Service
 - EXPO bond payment for Hall D Replacement \$1,188,631
 - OCC LID payment for the Steel Bridge \$ 17,258

Capital Projects

- Projects over \$100,000
 - OCC Moveable Air Wall Repair \$ 340,000
 - OCC Upgrade Kitchen Capacity (new F & B contract) \$1,000,000
 - OCC VAV Controllers & CO2 Sensors \$ 100,000
 - OCC Lighting Fixture Replacement & Upgrade \$ 200,000
 - OCC Add Automatic Hand Dryers to all Restrooms \$ 150,000
 - OCC Kinko's Remodel \$ 150,000
 - PCPA Hatfield Cultural Video Project \$ 522,188
 - PCPA Food & Beverage Capital Investment (new contract) \$ 175,000
 - EXPO Food & Beverage Capital Investment (new contract) \$ 187,500

Five Year Capital Plan

- The five year Capital plan includes all projects and capital purchased over \$10,000 requested by venues. See attached Five Year Capital Plan.

Results and Fund Balance

- Net decrease to fund balance is \$1,170,190
- Fund Balance is proposed to be \$24,532,071 which is \$1.2 million less than the current year budget Fund Balance.
 - \$9,066,861 of the Fund Balance is designated or restricted for a specific purpose.
 - Leaving \$15,465,210 million available for strategic fund balance
- Restricted and Designated
 - PERS Reserves, current and prior
 - PERS Reserves as established by Metro are \$375,932
 - PERS Reserve \$1.49 million and OCC fund balance of \$3.7 million dedicated to the headquarters hotel project for a total of \$5,186,398
 - Prior PERS Reserves of \$709,380 for PCPA are available for future projects.
 - Restricted fund balance for Capital from excess TLT is \$1,180,310 less \$540,000 for 2009-10 capital projects.
 - Designated User Fees for Expo Phase 3 construction estimated to be \$1,339,841 (includes fees collected through 6/30/10)
 - Actual as of 6-30-2008 \$944,841
 - Estimate 2008-09 \$200,000
 - Estimate 2009-10 \$195,000
 - Use of Funds
 - Columbia River Crossing/Expo Master Plan Update in FY 2008-09 & 2009-10 FY is \$150,000

Strategic Goal is \$15,168,391

- The Strategic Goal is \$15.1 million.
 - OCC 3 months operating expense
 - EXPO 6 months operating expense
 - Annual debt service payment for Hall D replacement
 - PCPA 6 months operating expense
 - MERC 6 months operating expense
- Fund balance available to meet the goal is \$15.5 million.
 - Available funds include unrestricted fund balance and current year contingencies (except HQH contingency)
- The excess gap is \$385,348.

Personnel Request

Fiscal Year 2009-10

ACTION REQUESTED:

Adding new full time Security Agent to the Graveyard shift at the Oregon Convention Center

POSITION # AND INCUMBENT:

This would be a new position

DUTIES AND RESPONSIBILITIES:

Graveyard shift's main responsibilities are to monitor the cameras throughout the building, make sure the facility is secure at night inside and outside. Monitor the fire life safety system in case of emergencies and be the point of contact for police and fire. Monitor overhead doors and let show management into the facility after hours. Make rounds outside the building and contact individuals who are not suppose to be on premises at that time and take appropriate action when needed to protect the facility and grounds of the OCC.

JUSTIFICATION:

We currently are not fully staffed on graveyard and this position is being staffed by part-time staff on occasion. For safety issues and proper security procedures and needs of the Facility this position needs to be added. Part-time labor will be reduced to staff this position and will make sure we have two people on each shift as well as provide consistent security service to our clients and building staff working graveyard as well.

BUDGET IMPACT (for FTE increases or reclasses include only the new or additional cost):

	<u>Rate</u>	<u># of hours worked</u>	<u>Amount</u>	<u>Total</u>
Salary	\$15.41	2088	\$32,176	
Fringe:				
Variable-base fringe	17.88%		\$5753	
Variable-bond recovery	3.20%		\$1030	
Fixed	\$11,238		\$11,238	
Additional Costs:				
Computer			\$ _____	
Office set-up			\$ _____	
Other (specify) Uniforms, training and license			\$1000	
TOTAL NEW COSTS				\$51,197

Anticipated Starting Date of Position: July 1, 2009

Funding Source(s): OCC Operating Fund

Personnel Request

Fiscal Year 2009-10

ACTION REQUESTED:

Change part-time Marketing Promotions coordinator position to full time Public Relations Manager

POSITION # AND INCUMBENT:

Current Budget includes a vacancy for a .60 part time FTE, position 794. Part time position is currently budgeted at \$25,318.

DUTIES AND RESPONSIBILITIES:

This position will assist the MERC's Director of communication and Strategic Development with public relations, communications, press activities and messaging for both MERC and OCC. Will work closely with the OCC staff on development of story lines, magazine advertising, and trade publications to help tell the OCC and convention business story both locally and to the industry. Will coordinate work through the Director's office and through the OCC Executive Director's office as well.

JUSTIFICATION:

This position is an implementation of the strategic plan goals as well as making an emphasis on telling the MERC Facilities story of our importance to the community. Emphasis will on so be on supporting the marketing and sales efforts of the OCC through placement of stories about how OCC is impacting the industry and why it is important to bring your event to the convention Center.

BUDGET IMPACT (for FTE increases or reclasses include only the new or additional cost):

	<u>Rate</u>	<u># of hours worked</u>	<u>Amount</u>	<u>Total</u>
Salary	\$11.03	2088	\$23,031	
Fringe:				
Variable-base fringe	17.88%		\$4118	
Variable-bond recovery	3.20%		\$737	
Fixed			\$11,238	
Additional Costs:				
Computer			\$1500	
Office set-up			\$0	
Other (specify)			\$ _____	
TOTAL NEW COSTS				\$40,624

Anticipated Starting Date of Position: July 1, 2009

Funding Source(s): OCC Operating Fund

Personnel Request

Fiscal Year 2009-10

ACTION REQUESTED:

Taking a part-time position budgeted at .75 to full time.

POSITION # AND INCUMBENT:

Position 1012 Marketing & Promotions Coordinator

DUTIES AND RESPONSIBILITIES:

.75 of duties remain unchanged. New .25 duties will be to act as a video system coordinator for new Cultural Video Project at Hatfield Hall. Duties will consist of coordination and scheduling of arts education video.

JUSTIFICATION:

Cultural Video Project requires someone to coordinate and schedule arts education video content. Increasing this existing position by .25 is more cost effective than creating another part-time position-especially as the current employee has the skill set and desirability to take on this additional work.

BUDGET IMPACT (for FTE increases or reclasses include only the new or additional cost):

	<u>Rate</u>	<u># of hours worked</u>	<u>Amount</u>	<u>Total</u>
Salary	\$17.75/hr	2088	\$ 37,062	
Fringe:				
Variable-base fringe	17.88%		\$ 7,221	
Variable-bond recovery	3.20%		\$ 1,292	
Fixed	\$ 11,238		\$ 11,238	
Additional Costs:				
Computer				
Office set-up			n/a	
Other (specify)				
TOTAL NEW COSTS				\$ 61,349

**Note: Only
\$27,812
In "new" costs**

Anticipated Starting Date of Position:

Funding Source(s): Provide explanation of funding source(s) (e.g., excise tax, new grants, existing grants, other identified sources, etc.).

\$27,812 will be funded by Cultural Video Grants in FY 10 and 11. Increase contingent upon grant funding.

Metropolitan Exposition Recreation Commission

Transient Lodging & Rental Car Taxes

February 25, 2009

Metro/MERC Distribution

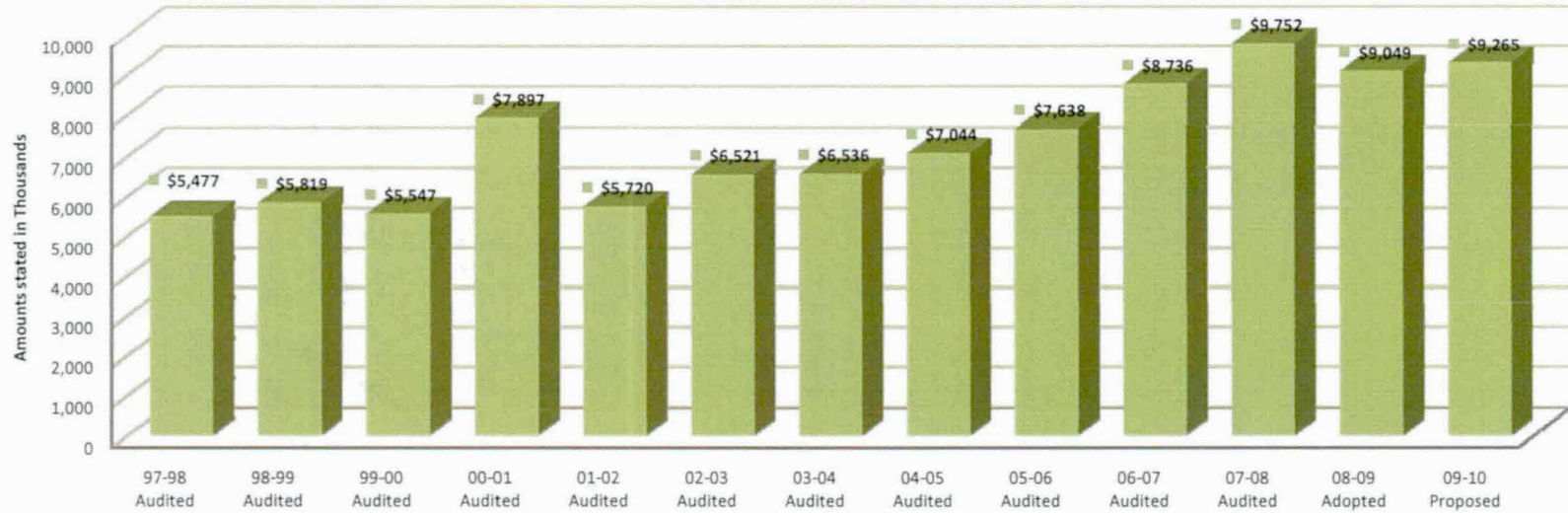
(stated in thousands)	Audited 97-98	Audited 98-99	Audited 99-00	Audited 00-01	Audited 01-02	Audited 02-03	Audited 03-04	Audited 04-05	Audited 05-06	Audited 06-07	Audited 07-08	Adopted 08-09	Proposed 09-10
Hotel/Motel Tax for OCC	3,800	4,066	4,286	4,586	4,462	5,016	5,098	5,494	6,629 *	6,729	7,838	7,560	7,903
Hotel/Motel Tax for PCPA	1,200	1,248	1,261	1,300	1,258	1,335	1,438	1,550	927 *	1,391	1,433	1,489	1,362
For OCC Pooled Capital	477	505	-	2,011	-	170	-	-	82 *	616	481		
Total Metro/MERC	5,477	5,819	5,547	7,897	5,720	6,521	6,536	7,044	7,638 *	8,736	9,752	9,049	9,265
Percent change		106%	95%	142%	72%	114%	100%	108%	108%	114%	112%	93%	102%

Total Metro/MERC VDI

(stated in thousands)	Audited 00-01	Audited 01-02	Audited 02-03	Audited 03-04	Audited 04-05	Audited 05-06	Audited 06-07	Audited 07-08	Adopted Budget 08-09	Preliminary 09-10
VDI for OCC (2001-06)	5,740	600	950	1,000	250	300	300	400	1,060	660
VDI Enhanced Marketing (POVA)	250	350	352	357	367	376	386	398	413	413
PCPA Visitor Development Fund	250	500	504	-	24	537	554	563	593	593
Total Metro/MERC VDI	6,240	1,450	1,806	1,357	641	1,213	1,240	1,361	2,066	1,666

* FY 2005-06 includes a \$444,135 adjustment between OCC and PCPA reconciling PCPA to the annual CPI increase.

Transient Lodging Tax



Travel Portland National Sales Contract

Budget FY 2009-10	Budget 08-09	Inflation Factor	Current Year	Budget 09-10	Increase over prior year
Base Contract:					
Travel Portland (POVA) 2008-09	2,066,103	0.0%	-	2,066,103	-
Marketing	81,557	0.0%	-	81,557	-
Total Base Contract	2,147,659		-	2,147,659	-
Additional Amounts:					
2% for Fam, Sales Trip, Marketing	2,147,659		-	41,702	-
Headquarters Hotel Efforts	250,000		-	250,000	-
OCC Sales & Marketing Contribution	20,000		-	20,000	-
Additional Amount Approve June 6, 2008	160,000		-	160,000	-
New projects developed by OCC, Travel Portland, Tri-County Lodging to market the Portland destination for conventions and single hotel business					
Total Additional Amounts	2,577,659		-	471,702	-
Total Travel Portland (POVA) Contract 2009-10 FY				2,619,361	-
VDI Enhanced Marketing				412,681	
Total National Sales				3,032,042	

FY 2009-10 Preliminary Cost Allocation Plan

DESCRIPTION	FY 2007-08 Actuals	FY 2008-09 Adopted Budget	FY 2009-10 Base Budget	\$ Change from 08-09 Adopted Budget	% Change from 08-09 Adopted Budget
TOTAL ALLOCATED TRANSFERS (including Risk Management)					
Planning Fund	2,745,758	2,950,045	2,861,756	(\$88,289)	-3.0%
Solid Waste Revenue Fund	3,397,066	3,878,905	4,358,531	479,626	12.4%
Zoo Operating Fund	2,361,829	2,728,681	2,745,004	16,323	0.6%
General Fund	1,201,871	1,280,763	1,208,910	(71,853)	-5.6%
MERC Operating Fund	2,066,618	2,529,563	2,516,225	(13,338)	-0.5%
Regional Parks Fund	1,153,754	1,100,143	1,327,726	227,583	20.7%
Nature in Neighborhoods	0	190,445	178,582	(11,863)	-6.2%
Natural Areas Bond	629,924	1,032,409	870,756	(161,653)	-15.7%
Total	\$13,556,820	\$15,690,954	\$16,067,490	\$376,536	2.4%
GENERAL FUND ALLOCATIONS**					
Planning Fund	\$90,580	\$77,711	\$147,438	\$69,727	89.7%
Solid Waste Revenue Fund	159,736	134,797	379,865	245,068	181.8%
Zoo Operating Fund	69,357	69,812	164,113	94,301	135.1%
General Fund	39,477	53,696	106,996	53,300	99.3%
MERC Operating Fund	89,507	87,251	105,936	18,685	21.4%
Regional Parks Fund	38,788	30,912	112,532	81,620	264.0%
Nature in Neighborhoods	0	1,672	8,536	6,864	410.5%
Natural Areas Bond	6,341	24,176	26,282	2,106	8.7%
Total	\$493,786	\$480,027	\$1,051,697	\$571,670	119.1%
SUPPORT SERVICES FUND ALLOCATIONS					
Planning Fund	\$2,063,497	\$2,173,271	\$2,029,975	(\$143,296)	-6.6%
Solid Waste Revenue Fund	2,759,800	3,164,303	3,401,974	237,671	7.5%
Zoo Operating Fund	1,847,033	2,212,477	2,297,305	84,828	3.8%
General Fund	754,396	787,616	667,997	(119,619)	-15.2%
MERC Operating Fund*	1,431,805	1,859,551	1,921,718	62,167	3.3%
Regional Parks Fund	866,037	852,728	1,015,256	162,528	19.1%
Nature in Neighborhoods	0	154,192	136,567	(17,625)	-11.4%
Natural Areas Bond	489,027	961,380	799,330	(162,050)	-16.9%
Total	\$10,211,595	\$12,165,518	\$12,270,122	\$104,604	0.9%
BUILDING MANAGEMENT FUND ALLOCATIONS					
Planning Fund	\$538,541	\$648,243	\$652,495	\$4,252	0.7%
Solid Waste Revenue Fund	314,652	382,010	384,516	2,506	0.7%
Zoo Operating Fund	0	0	0	0	n/a
General Fund	383,026	419,686	422,439	2,753	0.7%
MERC Operating Fund	0	0	0	0	n/a
Regional Parks Fund	121,742	88,826	89,409	583	0.7%
Nature in Neighborhoods	0	32,913	33,129	216	0.7%
Natural Areas Bond	125,709	42,755	43,036	281	0.7%
Total	\$1,483,670	\$1,614,433	\$1,625,023	\$10,590	0.7%
RISK MANAGEMENT FUND ALLOCATIONS					
Planning Fund	\$53,140	\$50,820	\$31,848	(\$18,972)	-37.3%
Solid Waste Revenue Fund	162,878	197,795	192,176	(5,619)	-2.8%
Zoo Operating Fund	445,439	446,392	283,586	(162,806)	-36.5%
General Fund	24,972	19,765	11,479	(8,286)	-41.9%
MERC Operating Fund	545,306	582,761	488,572	(94,189)	-16.2%
Regional Parks Fund	127,187	127,677	110,529	(17,148)	-13.4%
Nature in Neighborhoods	0	1,668	351	(1,317)	-79.0%
Natural Areas Bond	8,847	4,098	2,108	(1,990)	-48.6%
Total	\$1,367,769	\$1,430,976	\$1,120,648	(\$310,328)	-21.7%

includes only indirect costs

* Support Service Transfers in 2008-09 include \$104,000 in Contingency for HQ Hotel, expected to be fully spent.

** Increase in General Fund includes post-SMI transfer of 2.0 FTE into COO's office and 2.0 FTE into Archives/Records Management. The 2.0 FTE in the COO's office were non-allocated in prior years.

Metropolitan Exposition Recreation Commission
Performance Measures 2009-10 Budget

Performance Measure	Actual 2003-04	Actual 2004-05	Actual 2005-06	Actual 2006-07	Actual 2007-08	Target 2008-09	Target 2009-10
Oregon Convention Center							
1. Number of Events/Conventions/Trade Shows	91	148	123	150	152	150	160
a. Consumer/public shows		55	44	58	57	55	55
b. Convention/trade/miscellaneous		93	79	92	95	95	105
2. Estimated economic impact in metropolitan region	\$482 m	\$421 m	\$552 m	\$374 m	\$442 m	\$475 m	\$485 m
3. Attendance	668,911	700,360	633,575	608,673	614,900	625,000	625,000
4. Occupancy	37%	48%	44%	46%	47%	47%	48%
5. Operating Revenues to Operating Expenditures Ratio				81%	82%	73%	72%
6. Food and Beverage Margin	23.0%	29.0%	20.4%	24.0%	21.0%	21.8%	21.1%

Portland Exposition Center							
1. Number of Events	92	100	102	99	107	102	100
a. Consumer/public shows	54	54	53	58	60	57	55
b. Convention/trade/miscellaneous	38	46	49	41	47	45	45
2. Estimated economic impact in metropolitan region					\$37 m		
3. Attendance at Events	501,670	469,943	470,984	477,082	510,100	495,000	470,000
a. Consumer/public shows	460,429	436,166	436,186	410,059	418,939	449,000	435,000
b. Convention/trade/miscellaneous	41,241	33,777	34,798	67,023	91,902	46,000	35,000
4. Operating Revenues to Operating Expenditures Ratio				145%	147%	136%	133%
5. Food and Beverage Margin	18.0%	36.0%	30.2%	27.5%	25.8%	29.6%	26.4%

Portland Center for the Performing Arts							
1. Number of Performances	978	937	980	1,113	827	975	865
2. Estimated economic impact in metropolitan region					\$56 m		
3. Attendance	910,619	797,752	953,863	862,897	817,637	1,000,000	850,000
4. Total Weeks of Broadway	10.0	7.0	8.0	9.0	9.0	14.0	9.0
5. Total Commercial Shows	99	84	200	348	200	125	200
6. Operating Revenues to Operating Expenditures Ratio				97%	91%	90%	88%
7. Food and Beverage Margin	11.0%	-1.0%	14.3%	14.1%	10.3%	14.1%	12.3%

MAJOR ACCOMPLISHMENTS IN FY 2008-09

Administration

- Continue process improvement project for MERC Event Business Management System (EBMS).
- Complete external audit of MERC's second year of accounting activity on EBMS with no material weaknesses or significant deficiencies noted, contributing to Metro's unqualified opinion.
- Implementation of the MERC Strategic Business Plan for 2008-2012.

Oregon Convention Center

- Completed LEED-EB recertification in March/April 2008 and achieved a Silver rating.
- Secured Metro Council approval to move forward with executing the headquarters hotel development agreement and phase 1 of the design for this project.
- Hired a sustainability coordinator to help manage all of the sustainability programs for OCC as well as educate our clients, exhibitors and contractors on being green and to set long terms goals for managing our sustainable programs in the future.
- Completed annual economic impact study for OCC

Portland Center for the Performing Arts

- Led project development and funding for a cultural video project at Hatfield Hall
- Initiated first economic impact study for PCPA
- Took part in IAAM performing arts center operations benchmark study
- Obtained funding and launched design development options for Schnitzer Concert Hall
- Implemented first "Spotlight Tour" program to better inform the community about PCPA
- Developed intern program for minority, disadvantaged and disabled college students
- Purchased new scheduling software for admissions scheduling
- Obtained title sponsor for Music on Main concert series
- Conducted LEEDS/Sustainability study for all PCPA venues

Portland Expo Center

- Conducted vulnerability site assessment with the Department of Homeland Security.
- Executed revenue generating site lease agreement with Clearwire for transmission of its communication services.
- Finalized the Columbia River Crossing Project consensus recommendation relative to the Marine Drive / I-5 interchange.
- Completed facility assessment and established next step action items associated with the American Red Cross / MERC SOU.
- Initiated first economic impact study for Expo

SERVICE LEVEL CHANGES FROM FY 2008-09

Administration

- During the 2008-09 FY MERC has reclassified the vacant Public Relation Manager position to a director of Business and Community Development. This position will manage business and community development and including creation and execution of short and long term strategic business plans.
- The Information Technology Department converted two part time positions into 1.00 FTE Business Systems Analyst dedicated to training and customer support.
- There are no significant changes proposed in the 2009-10 Budget

Oregon Convention Center

- Safety issues and proper security procedures and needs of the facility, OCC increased 1.00 FTE Facility Security Agent to the graveyard shift.
- Increase existing vacant .60 FTE Marketing and Promotions Coordinator at the Oregon Convention Center to 1.00 FTE Public Relations Manager. This position will assist the MERC Director of Communications and Strategic Development with public relations, communications, press activities and messaging for both MERC and OCC.
- There are 41 national/regional conventions booked for 2009-10, an increase of seven from the current year.
- MERC has dedicated \$5,186,398 in General Contingency for next phase of Headquarters Hotel Project if approved by Metro Council

- PERS Reserve Contingency \$1,486,398
- Headquarters Hotel Contingency funded from the Oregon Convention Center fund balance \$3,700,000

Portland Center for the Performing Arts

- 2009-10 FY will have nine weeks of Broadway, down from the 14 weeks booked for the 2008-09 FY.
- PCPA is seeking grant funding for the Cultural Video project. The Cultural Video Center will provide a series of large retractable video screens in the lobby of Antoinette Hatfield Hall that will be programmed with educational video content about and by Oregon's artists and art organizations. If grant funding is secured PCPA will increase the current .75 FTE Marketing Promotions Coordinator to 1.0 FTE to act as the Video System Coordinator.

Portland Expo Center

- There is no expected change in service levels for the Portland Expo Center.
- The Expo Center budget includes \$50,000 to complete an update of the Master Plan funded from admission fees previously collected and designated for phase 3.

MAJOR OBJECTIVES FOR FY 2009-10

Administration

- Continue development and implementation of critical financial management policies, procedures and processes.
- Emphasis on training and business process improvement especially for users of EBMS
- Develop performance standards based on industry benchmarks.
- Partner with OCC and Metro to 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.

Oregon Convention Center

- Increase customer service levels throughout the OCC organization for our clients and our internal customers by establishing service standards and employee expectations.
- Capital projects to include revenue generation operations with new kitchen improvements and creation of new seated food operation. Major re-lamping project to decrease our electrical consumption by 15% and moving forward with a solar panel project on the southern roof to increase our renewal energy usage by an additional 10-12%.

Portland Center for the Performing Arts

- Launch cultural video project.
- Repair peripet wall at Arlene Schnitzer Concert Hall
- Focus will be primarily on seeking opportunities to increase revenues in a down economy and identifying operational efficiencies while maintaining a high level of customer service and satisfaction.

Portland Expo Center

- Execute action items identified in the American Red Cross / MERC SOU.
- Determine and begin initial steps in updating the Conditional Use Master Plan

Metropolitan Exposition-Recreation Commission

MERC Proposed Budget

All Departments

	Three Year Trend			Proposed \$ Change	Proposed % Change
	2009-10	2008-09	2007-08		
	Proposed	Adopted	Prior		
	Budget	Budget	Actual		
	June-10	June-09	June-08		
Operating					
Revenue	18,229,961	18,004,390	17,780,211	225,571	1%
Revenue - Food and Beverage	12,123,799	12,579,134	12,662,562	(455,335)	-4%
Total Operating Revenue	30,353,760	30,583,524	30,442,773	(229,764)	-1%
Costs - Food and Beverage	(9,579,028)	(9,789,499)	(10,072,088)	210,471	-2%
Personal Services	(18,561,671)	(18,285,681)	(15,808,463)	(275,990)	2%
Goods & Services	(8,095,583)	(7,869,173)	(7,589,048)	(226,410)	3%
Marketing (including Enhanced VDI)	(3,032,043)	(3,032,043)	(2,621,997)	-	0%
Total Operating Expenses	(39,268,325)	(38,976,396)	(36,091,597)	(291,929)	1%
Net Operating Results	(8,914,565)	(8,392,872)	(5,648,824)	(521,693)	6%
Non Operating					
Transient, Lodging Tax	10,930,634	11,114,685	11,112,056	(184,051)	-2%
TLT	9,264,957	9,049,008	9,752,587	215,949	2%
VDI	1,252,996	1,652,996	963,066	(400,000)	-24%
Enhanced VDI	412,681	412,681	396,403	-	0%
Government Support City of Portland	760,926	737,449	711,375	23,477	3%
Non-Operating Revenue	647,430	739,194	886,242	(91,764)	-12%
Non-Operating Expense	(2,500)	(2,500)	(2,503)	-	0%
	12,336,490	12,588,828	12,707,169	(252,338)	-2%
Support and Risk Management					
MERC Administration	-	-	-	-	-
Metro Support Services	(2,027,654)	(1,842,802)	(1,521,312)	(184,852)	10%
Metro Risk Management	(488,571)	(582,761)	(547,706)	94,190	-16%
	(2,516,225)	(2,425,563)	(2,069,018)	(90,662)	4%
Net Increase (Decrease)	905,700	1,770,393	4,989,327	(864,693)	-49%
Transfers					
Transfers from	-	11,937	669,720	(11,937)	-100%
Debt Service	(1,205,890)	(1,210,037)	(1,208,281)	4,147	0%
Net Transfers	(1,205,890)	(1,198,100)	(538,561)	(7,790)	1%
Net Operations	(300,190)	572,293	4,450,767	(872,483)	-152%
Capital					
Capital Outlay	(3,571,678)	(2,228,869)	(954,075)	(1,342,809)	60%
Goods & Services	-	(225,000)	-	225,000	-100%
Non-Operating Revenue	2,009,188	767,672	222,863	1,241,516	162%
Transfers from	692,490	746,144	-	(53,654)	-7%
Net Capital	(870,000)	(940,053)	(731,212)	70,053	-7%
Fund Balance Inc (Dec)	(1,170,190)	(367,760)	3,719,555	(802,430)	218%
Food and Beverage Gross Margin	21.0%	22.2%	20.5%		-1.2%
Full Time Employees - per Budget	195	192	182		
Excise Tax	-	-	(1,716,189)		
Fund Balance					
Beginning Fund Balance	25,702,261	26,070,021	22,350,466		
Fund Balance Inc (Dec)	(1,170,190)	(367,760)	3,719,555		
Ending Fund Balance	24,532,071	25,702,261	26,070,021		
Unrestricted Fund Balance	12,486,013	14,177,688	20,907,202		
Contingency	2,009,197	2,064,067	-		
Contingency for Renewal & Replacement	970,000	520,000	295,000		
Designated for Renewal & Replacement	815,000	295,000	-		
Designated for Phase 3	1,339,841	1,154,728	944,840		
Contingency for HQH	3,700,000	3,700,000	-		
Contingency for HQH (PERS Rsvr - Prior)	1,486,398	1,704,212	94,306		
Designated for PERS Reserve - Current	375,932	-	-		
Designated for PERS Reserve - Prior	709,380	812,505	2,460,862		
Restricted by Contract - Aramark	-	93,750	187,500		
Restricted by Agreement - TLT	640,310	1,180,311	1,180,311		
Ending Fund Balance	24,532,071	25,702,261	26,070,021		
Strategic Goal	15,079,862	15,007,602	13,939,240		
Available for Strategy Goal	15,465,210	16,761,755	21,202,202		
Excess (Gap)	385,348	1,754,153	7,262,962		

Metropolitan Exposition-Recreation Commission
MERC Proposed Budget
Portland Exposition Center

	Three Year Trend			Proposed \$ Change	Proposed % Change
	2009-10	2008-09	2007-08		
	Proposed Budget June-10	Adopted Budget June-09	Prior Actual June-08		
Operating					
Revenue	3,705,306	3,819,977	3,985,117	(114,671)	-3%
Revenue - Food and Beverage	2,133,289	2,151,319	2,093,352	(18,030)	-1%
Total Operating Revenue	5,838,595	5,971,296	6,078,469	(132,701)	-2%
Costs - Food and Beverage	(1,570,435)	(1,515,262)	(1,552,665)	(55,173)	4%
Personal Services	(1,545,827)	(1,591,637)	(1,436,762)	45,810	-3%
Goods & Services	(1,280,421)	(1,293,518)	(1,144,938)	13,097	-1%
Total Operating Expenses	(4,396,683)	(4,400,417)	(4,134,365)	3,734	0%
Net Operating Results	1,441,912	1,570,879	1,944,104	(128,967)	-8%
Non Operating					
Non-Operating Revenue	148,734	161,619	167,958	(12,885)	-8%
Non-Operating Expense	-	-	-	-	-
	148,734	161,619	167,958	(12,885)	-8%
Support and Risk Management					
MERC Administration	(304,707)	(291,027)	(250,578)	(13,680)	5%
Metro Support Services	(202,766)	(184,280)	(152,131)	(18,486)	10%
Metro Risk Management	(70,743)	(79,379)	(68,624)	8,636	-11%
	(578,216)	(554,686)	(471,333)	(23,530)	4%
Net Increase (Decrease)	1,012,430	1,177,812	1,640,729	(165,382)	-14%
Transfers					
Transfers from	-	1,194	-	(1,194)	-100%
Debt Service	(1,188,632)	(1,192,232)	(1,189,932)	3,600	0%
Net Transfers	(1,188,632)	(1,191,038)	(1,189,932)	2,406	0%
Net Operations	(176,202)	(13,226)	450,797	(162,976)	1232%
Capital					
Capital Outlay	(367,500)	(180,000)	(9,049)	(187,500)	104%
Construction Management	-	-	-	-	-
Non-Operating Revenue	187,500	73,329	46,056	114,171	156%
Net Capital	(180,000)	(106,671)	37,007	(73,329)	69%
Fund Balance Inc (Dec)	(356,202)	(119,897)	487,803	(236,305)	197%
Food and Beverage Gross Margin	26.4%	29.6%	25.8%		-3%
Full Time Employees - per Budget	13.30	13.30	13.30		
Excise Tax	-	-	(451,128)		
Fund Balance					
Beginning Fund Balance	5,949,353	6,069,250	5,581,447		
Fund Balance Inc (Dec)	(356,202)	(119,897)	487,803		
Ending Fund Balance	5,593,151	5,949,353	6,069,250		
Unrestricted Fund Balance	3,738,378	4,047,108	4,867,128		
Contingency	218,622	472,017	-		
Contingency for Renewal & Replacement	20,000	20,000	20,000		
Designated for Renewal & Replacement	40,000	20,000	-		
Designated for Phase 3	1,339,841	1,154,728	944,840		
Contingency for HQH (PERS Rsvr - Prior)	205,841	235,500	-		
Designated for PERS Reserve - Current	30,469	-	-		
Designated for PERS Reserve - Prior	-	-	237,282		
Ending Fund Balance	5,593,151	5,949,353	6,069,250		
Strategic Goal (6 mo, debt)	3,386,974	3,392,441	3,257,115		
Available for Strategy Goal	3,977,000	4,539,125	4,887,128		
Excess (Gap)	590,027	1,146,685	1,630,013		

Metropolitan Exposition-Recreation Commission
MERC Proposed Budget
Oregon Convention Center

Excluding HQH

	Three Year Trend			Proposed \$ Change	Proposed % Change
	2009-10	2008-09	2007-08		
	Proposed Budget June-10	Adopted Budget June-09	Prior Actual June-08		
Operating					
Revenue	8,006,117	7,369,246	7,869,606	636,871	9%
Revenue - Food and Beverage	8,550,083	8,900,001	8,992,501	(349,918)	-4%
Total Operating Revenue	16,556,200	16,269,247	16,862,107	286,953	2%
Costs - Food and Beverage	(6,744,807)	(6,961,152)	(7,105,565)	216,345	-3%
Personal Services	(9,183,993)	(8,741,296)	(7,764,622)	(442,697)	5%
Goods & Services	(4,010,888)	(3,504,823)	(3,114,513)	(506,065)	14%
Marketing (including Enhanced VDI)	(3,032,043)	(3,032,043)	(2,621,997)	-	0%
Total Operating Expenses	(22,971,731)	(22,239,314)	(20,606,697)	(732,417)	3%
Net Operating Results	(6,415,531)	(5,970,067)	(3,744,590)	(445,464)	7%
Non Operating					
Transient, Lodging Tax	8,975,971	9,032,707	9,115,656	(56,736)	-1%
TLT	7,903,290	7,560,026	8,319,253	343,264	5%
VDI	660,000	1,060,000	400,000	(400,000)	-38%
Enhanced VDI	412,681	412,681	396,403	-	0%
Non-Operating Revenue	248,836	267,288	334,799	(18,452)	-7%
Non-Operating Expense	-	-	(3)	-	-
	9,224,807	9,299,995	9,450,452	(75,188)	-1%
Support and Risk Management					
MERC Administration	(1,645,421)	(1,571,548)	(1,378,181)	(73,873)	5%
Metro Support Services	(1,094,933)	(995,114)	(836,721)	(99,819)	10%
Metro Risk Management	(275,033)	(325,341)	(309,680)	50,308	-15%
	(3,015,387)	(2,892,003)	(2,524,582)	(123,384)	4%
Net Increase (Decrease)	(206,111)	437,925	3,181,280	(644,036)	-147%
Transfers					
Transfers from	-	6,446	-	(6,446)	-100%
Debt Service	(17,258)	(17,805)	(18,349)	547	-3%
Net Transfers	(17,258)	(11,359)	(18,349)	(5,899)	52%
Net Operations	(223,369)	426,566	3,162,931	(649,935)	-152%
Capital					
Capital Outlay	(2,119,990)	(1,468,157)	(585,976)	(651,833)	44%
Non-Operating Revenue	887,500	50,863	72,157	836,637	1645%
Transfers from	692,490	746,144	-	(53,654)	-7%
Net Capital	(540,000)	(671,150)	(513,818)	131,150	-20%
Fund Balance Inc (Dec)	(763,369)	(244,584)	2,649,112	(518,785)	212%
Food and Beverage Gross Margin	21.1%	21.8%	21.0%		-0.7%
Full Time Employees - per Budget	112.30	110.30	107.30		
National/Regional Conventions	41	34	36		
Excise Tax	-	-	(1,263,519)		
Fund Balance					
Beginning Fund Balance	10,833,435	11,304,019	8,985,591		
Fund Balance Inc (Dec)	(763,369)	(244,584)	2,649,112		
Fund Balance Inc (Dec) for HQH	-	(226,000)	(330,685)		
Ending Fund Balance	10,070,066	10,833,435	11,304,019		
Unrestricted Fund Balance	2,477,831	3,112,557	8,391,088		
Contingency	1,206,167	979,337			
Contingency for Renewal & Replacement	250,000	250,000	225,000		
Designated for Renewal & Replacement	475,000	225,000			
Contingency for HQH	3,700,000	3,700,000			
Contingency for HQH (PERS Rsvr - Prior)	1,131,796	1,292,480			
Designated for PERS Reserve - Current	188,962				
Designated for PERS Reserve - Prior			1,320,120		
Restricted by Contract - Aramark		93,750	187,500		
Restricted by Agreement - TLT	640,310	1,180,311	1,180,311		
Ending Fund Balance	10,070,066	10,833,435	11,304,019		
Strategic Goal (3 mo)	5,742,933	5,559,829	5,151,674		
Available for Strategy Goal	3,933,998	4,341,894	8,616,088		
Excess (Gap)	(1,808,935)	(1,217,935)	3,464,414		

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

	Three Year Trend			Proposed \$ Change	Proposed % Change
	2009-10 Proposed Budget	2008-09 Adopted Budget	2007-08 Prior Actual		
	June-10	June-09	June-08		
Operating					
Revenue	6,480,038	6,776,667	5,885,022	(296,629)	-4%
Revenue - Food and Beverage	1,440,427	1,527,814	1,576,709	(87,387)	-6%
Total Operating Revenue	7,920,465	8,304,481	7,461,731	(384,016)	-5%
Costs - Food and Beverage	(1,263,786)	(1,313,085)	(1,413,858)	49,299	-4%
Personal Services	(5,518,471)	(5,751,698)	(4,857,935)	233,227	-4%
Goods & Services	(2,152,079)	(2,171,744)	(1,914,971)	19,665	-1%
Total Operating Expenses	(8,934,336)	(9,236,527)	(8,186,764)	302,191	-3%
Net Operating Results	(1,013,871)	(932,046)	(725,033)	(81,825)	9%
Non Operating					
Transient, Lodging Tax	1,954,663	2,081,978	1,996,400	(127,315)	-6%
<i>TLT</i>	<i>1,361,667</i>	<i>1,488,982</i>	<i>1,433,334</i>	<i>(127,315)</i>	<i>-9%</i>
<i>VDI</i>	<i>592,996</i>	<i>592,996</i>	<i>563,066</i>	-	<i>0%</i>
Government Support City of Portland	760,926	737,449	711,375	23,477	3%
Non-Operating Revenue	219,860	286,092	345,436	(66,232)	-23%
Non-Operating Expense	(2,500)	(2,500)	(2,500)	-	0%
	2,932,949	3,103,019	3,050,710	(170,070)	-5%
Support and Risk Management					
MERC Administration	(1,096,947)	(1,047,699)	(877,025)	(49,248)	5%
Metro Support Services	(729,955)	(663,408)	(532,460)	(66,547)	10%
Metro Risk Management	(142,795)	(178,041)	(169,402)	35,246	-20%
	(1,969,697)	(1,889,148)	(1,578,887)	(80,549)	4%
Net Increase (Decrease)	(50,619)	281,825	746,790	(332,444)	-118%
Transfers					
Transfers from	-	4,297	-	(4,297)	-100%
Net Transfers	-	4,297	-	(4,297)	-100%
Net Operations	(50,619)	286,122	746,790	(336,741)	-118%
Capital					
Capital Outlay	(934,188)	(435,000)	(162,662)	(499,188)	115%
Goods & Services	-	(225,000)	-	225,000	-100%
Non-Operating Revenue	934,188	643,480	102,789	290,708	45%
Net Capital	-	(16,520)	(59,874)	16,520	-100%
Fund Balance Inc (Dec)	(50,619)	269,602	686,917	(320,221)	-119%
Food and Beverage Gross Margin	12.3%	14.1%	10.3%		-1.8%
Full Time Employees - per Budget	47.40	46.40	43.40		
Weeks of Broadway	9	14.5	9		
Fund Balance					
Beginning Fund Balance	8,055,601	7,785,999	7,099,082		
Fund Balance Inc (Dec)	(50,619)	269,602	686,917		
Ending Fund Balance	8,004,982	8,055,601	7,785,999		
Unrestricted Fund Balance	5,739,398	6,476,647	6,926,846		
Contingency	451,078	466,449			
Contingency for Renewal & Replacement	700,000	250,000	50,000		
Designated for Renewal & Replacement	300,000	50,000			
Designated for PERS Reserve - Current	105,126				
Designated for PERS Reserve - Prior	709,380	812,505	809,153		
Ending Fund Balance	8,004,982	8,055,601	7,785,999		
Strategic Goal (6 mo)	4,467,168	4,618,264	4,093,382		
Available for Strategy Goal	6,890,476	7,193,096	6,976,846		
Excess (Gap)	2,423,308	2,574,833	2,883,464		

Metropolitan Exposition-Recreation Commission
MERC Proposed Budget
Convention Center Headquarter Hotel Project

	Three Year Trend			Proposed \$ Change	Proposed % Change
	2009-10	2008-09	2007-08		
	Proposed Budget June-10	Adopted Budget June-09	Prior Actual June-08		
Operating					
Personal Services	-	(20,000)	(28,748)	20,000	-100%
Goods & Services	-	(206,000)	(971,657)	206,000	-100%
<i>Meetings Expense</i>	-	-	(541)	-	-
<i>Developer Agreement I</i>	-	-	(600,028)	-	-
<i>Developer Agreement II</i>	-	-	-	-	-
<i>Communications Consulting</i>	-	-	(56,424)	-	-
<i>Construction Consulting</i>	-	-	-	-	-
<i>Financial Consulting</i>	-	-	(133,441)	-	-
<i>Legal Consulting</i>	-	(184,000)	(52,194)	184,000	-100%
<i>Management Consulting</i>	-	(22,000)	(8,836)	22,000	-100%
<i>Market Consulting</i>	-	-	(78,194)	-	-
<i>Project Management</i>	-	-	(41,999)	-	-
	-	-	-	-	-
Net Operations	-	(226,000)	(330,685)	226,000	-100%

Metropolitan Exposition-Recreation Commission
MERC Proposed Budget
MERC Administration

	Three Year Trend			Proposed \$ Change	Proposed % Change
	2009-10 Proposed Budget	2008-09 Adopted Budget	2007-08 Prior Actual		
	June-10	June-09	June-08		
Operating					
Revenue	38,500	38,500	40,466	-	0%
Personal Services	(2,313,380)	(2,181,050)	(1,720,397)	(132,330)	6%
Goods & Services	(652,195)	(693,088)	(442,969)	40,893	-6%
Net Operating Expenses	(2,927,075)	(2,835,638)	(2,122,900)	(91,437)	3%
Non Operating					
Non-Operating Revenue	30,000	24,195	38,049	5,805	24%
Non-Operating Expense	-	-	-	-	-
	30,000	24,195	38,049	5,805	24%
Support and Risk Management					
MERC Administration	3,047,075	2,910,274	2,505,784	136,801	5%
	3,047,075	2,910,274	2,505,784	136,801	5%
Net Increase (Decrease)	150,000	98,831	420,934	51,169	52%
Net Transfers	-	-	-	-	-
Net Operations	150,000	98,831	420,934	51,169	52%
Capital					
Capital Outlay	(150,000)	(145,712)	(196,388)	(4,288)	3%
Non-Operating Revenue	-	-	1,861	-	-
Net Capital	(150,000)	(145,712)	(194,527)	(4,288)	3%
Fund Balance Inc (Dec)	-	(46,881)	226,407	46,881	-100%
Full Time Employees - per Budget	22.00	22.00	18.00		
Excise Tax	0.0%	0.0%	(1,542)		
Fund Balance					
Beginning Fund Balance	863,872	910,753	684,346		
Fund Balance Inc (Dec)	-	(46,881)	226,407		
Ending Fund Balance	863,872	863,872	910,753		
Unrestricted Fund Balance	530,406	541,376	722,140		
Contingency	133,330	146,264			
Contingency for HQH (PERS Rsvr - Prior)	148,761	176,232	94,306		
Designated for PERS Reserve - Current	51,375				
Designated for PERS Reserve - Prior			94,307		
Ending Fund Balance	863,872	863,872	910,753		
Strategic Goal (6 mo)	1,482,788	1,437,069	1,081,683		
Available for Strategy Goal	663,736	687,640	722,140		
Excess (Gap)	(819,052)	(749,429)	(359,543)		

Metropolitan Exposition Recreation Commission
Five Year Capital Plan
2009-10 through 2013-14 Fiscal Years
February 25, 2009

	<u>Funding Source</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Oregon Convention Center (OCC)						
OCC 2009-10 FY						
Moveable Air Wall Repair and Retrofit	MTOCA proposal	340,000				
Exhibit Hall Wi-Fi and Show Network Upgrade	OCC Fund Balance	85,000				
* Upgrade Kitchen Capacity & Storage for Efficiency	F & B Contract Capital Investment & TLT Capital Reserve	1,000,000				
VAV Controllers and CO2 Sensors Upgrade on AHUs (LEED)	TLT Capital Reserve	100,000				
Lighting Fixture Replacement and Upgrade	MTOCA proposal	200,000				
Add Automatic Hand Dryers to all Restrooms	MTOCA proposal	150,000				
MTOCA Project - to be determined Contingency	MTOCA Balance	2,490				
Retro - Commissioning (RCX) (every year for LEED)	TLT Capital Reserve	65,000				
Elevators 1 & 3 Cab Retrofit	TLT Capital Reserve	37,500				
Gates for Exhibit Hall Rest Rooms	TLT Capital Reserve	25,000				
Garage Door at Dry Waste Compactor	TLT Capital Reserve	15,000				
Replace Riding Vacuum	TLT Capital Reserve	12,000				
Digital Signage Upgrade	TLT Capital Reserve	50,000				
3-Wheeled Security Vehicle (T3)	TLT Capital Reserve	14,000				
Renovate Pre-A & Pre-C Phone Bank	TLT Capital Reserve	24,000				
** Kinko's Remodel (5% Reserve Acct.)	Food & Beverage Reserve	150,000				
* Kitchen Remodel funded from F & B Capital \$887,500 & TLT Fund \$112,500						
** The line for capital on the Budget Statement is understated by the \$150,000 for the kinko's remodel, which is budgeted in the Food & Beverage Costs						
OCC 2010-11 FY						
Construct Operations Office and Add Additional Conference Meeting Space	Unfunded		1,350,000			
Chiller VFD	Unfunded		100,000			
Plaza Issues	Unfunded		90,000			
Rehab/Renovate Skyview Terrace & VIP B Suite	Unfunded		250,000			
Rework Oregon Ballroom Capabilities-more breakouts	Unfunded		1,500,000			
Phone Bank Retrofit Project	Unfunded		32,000			
Pickup Truck	Unfunded		30,000			
Fork Lifts	Unfunded		60,000			
Public Circulation Furniture (Lobby Areas)	Unfunded		250,000			
Riding Sweeper/Scrubber	Unfunded		35,000			
Retro - Commissioning (RCX) (every year for LEED)	Unfunded		65,000			
Original Building Air wall Retrofit Project*	Unfunded		220,000			
VAV Controllers and CO2 sensors on AHUs (LEED)	Unfunded		105,000			
Lighting Fixture Upgrades	Unfunded		100,000			
Digital Signage Upgrade	Unfunded		33,000			
Dragon Café/Brew Pub Restaurant Project	Unfunded		600,000			

**Five Year Capital Plan
2009-10 through 2013-14 Fiscal Years**

February 25, 2009

	<i>Funding Source</i>	<i>2009-10</i>	<i>2010-11</i>	<i>2011-12</i>	<i>2012-13</i>	<i>2013-14</i>
OCC 2011-12 FY						
Replace Glass in Exterior Canopies in MLK & Holladay	Unfunded			65,000		
Replace Original Roof	Unfunded			1,800,000		
Riding Sweeper/Scrubber	Unfunded			35,000		
Automated Parking System Replacement	Unfunded			130,000		
Retro - Commissioning (RCX) (every year for LEED)	Unfunded			65,000		
Exterior Security Bollards (or Planters)	Unfunded			60,000		
Rest Room Handicap Door Operators	Unfunded			40,000		
Construction /Headquarter Hotel Connection and Signage	Unfunded			450,000		
Install Electronic Swipe Locking System for Mtg & Ballrooms	Unfunded			300,000		
Replace Tile Floor in All Restrooms in Original Bldg.	Unfunded			300,000		
OCC 2012-13 FY						
Concrete Polishing	Unfunded				375,000	
Retro - Commissioning (RCX) (every year for LEED)	Unfunded				65,000	
Carpet Replacement	Unfunded				1,700,000	
Bleacher Replacement	Unfunded				1,800,000	
OCC 2013-14 FY						
Cover the plaza on MLK and Holladay with Glass	Unfunded					5,000,000
Retro - Commissioning (RCX) (every year for LEED)	Unfunded					65,000

Total Oregon Convention Center		2,269,990	4,820,000	3,245,000	3,940,000	5,065,000
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Portland Center for the Performing Arts (PCPA)

PCPA 2009-10 FY		
ASCH Rigging	Friends of PCPA	52,000
Hatfield Roof	Friends of PCPA	45,000
Hatfield Risers	Friends of PCPA	15,000
Keller Rigging	Friends of PCPA	65,000
Hatfield 18" Tables	Friends of PCPA	10,000
Smart Maintenance Upgrade (BigFoot)	Friends of PCPA	20,000
Keller Follow Spot Lighting	Friends of PCPA	30,000
Hatfield Cultural Video Project	Grants	522,188
Food & Beverage Capital Investment - New Contract	F & B Contract Capital Investment	175,000

**Five Year Capital Plan
2009-10 through 2013-14 Fiscal Years**

February 25, 2009

	<i>Funding Source</i>	<i>2009-10</i>	<i>2010-11</i>	<i>2011-12</i>	<i>2012-13</i>	<i>2013-14</i>
PCPA 2010-11 FY						
Arlene Schnitzer Concert Hall Boiler**	Friends of PCPA		100,000			
Hatfield Hall Dimmer System	Friends of PCPA		300,000			
Hatfield Hall Roof - Repair and Replacement	Friends of PCPA		45,000			
Keller Auditorium Boilers Replacement	Friends of PCPA		90,000			
Newmark Theater Stage Floor Replacement	Friends of PCPA		100,000			
Hatfield Follow Spots	Friends of PCPA		14,000			
PCPA 2011-12 FY						
Hatfield Hall Trash Compactor	Friends of PCPA			50,000		
Newmark Theater Main Curtain	Friends of PCPA			20,000		
Winnigstad Theater Main Curtain	Friends of PCPA			10,000		
Arlene Schnitzer Concert Hall Follow Spots	Friends of PCPA			20,000		
PCPA 2012-13 FY						
Hatfield Hall Chiller	Friends of PCPA				250,000	
Keller Auditorium Clear Com	Friends of PCPA				15,000	
Keller Auditorium Masking	Friends of PCPA				26,000	
Hatfield Hall ADA FM Listening Systems	Friends of PCPA				40,000	
PCPA 2013-14 FY						
Newmark Fore Stage Lift	Friends of PCPA					85,000
Arlene Schnitzer Cooling Tower	Friends of PCPA					110,000
Arlene Schnitzer Chiller	Friends of PCPA					250,000
Arlene Schnitzer Concert Hall Masking	Friends of PCPA					25,000
Hatfield Hall ADA Upgrades	Friends of PCPA					15,000
Keller ADA Upgrades	Friends of PCPA					15,000
Total Portland Center for the Performing Arts		934,188	649,000	100,000	331,000	500,000

**Five Year Capital Plan
2009-10 through 2013-14 Fiscal Years**

February 25, 2009

	<u>Funding Source</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Portland Expo Center (EXPO)						
EXPO 2009-10 FY						
Parking Lot Asphalt maintenance and/or removal/replacement	EXPO Fund Balance	75,000				
Hall "A" - "B" Relamp	EXPO Fund Balance	15,000				
Hall C Heating System	EXPO Fund Balance	70,000				
Halls D (18 units) & E (15 units) emergency lighting battery backups	EXPO Fund Balance	20,000				
Food & Beverage Capital Investment - New Contract	F & B Contract Capital Investment	187,500				
EXPO 2011-12 thru 2014-15 FY						
Parking Lot Asphalt maintenance and/or removal/replacement	EXPO Fund Balance		50,000	50,000	50,000	50,000
UNFUNDED PROJECTS PORTLAND EXPO CENTER (Cost to be determined)						
Bleacher Upgrade for Safety Requirements (estimate \$100,000)						
Full site electronic way finding (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						
Total Portland Expo Center		367,500	50,000	50,000	50,000	50,000
MERC Administration (MERC)						
MERC 2009-10 FY						
SharePoint ExtraNET Server	MERC Support Costs	60,000				
KRONOS Advance Scheduling System	MERC Support Costs	60,000				
Server Virtualization		30,000				
MERC 2010-11 thru 20014-15 FY						
Information Technology	MERC Support Costs		100,000	100,000	100,000	100,000
Total MERC Administration		150,000	100,000	100,000	100,000	100,000
Total MERC		3,721,678	5,619,000	3,495,000	4,421,000	5,715,000

MERC Capital Project Detail
2009-10 Proposed Budget

<u>Project</u>	<u>Description</u>	<u>Justification</u>	<u>Source</u>	<u>Impact</u>	<u>Risk</u>
Oregon Convention Center					
Moveable Air Wall Repair and Retrofit	The original facility is now approaching 20 years in operation and these Air Walls are in need of major maintenance to extend their life, work properly for event needs, to keep them in working order. Many of the covering are in need of repair or replacement and we utilize these divider walls everyday for events. Many of the wall foot closures do not work properly and sound bleeds through the rooms for different events and they are hard to maneuver being 18-30 feet tall.	This would be a MOTCA fund project request to keep the Facility in first class condition and meets the definition.	This is part of a two year project and can be broken into two pieces to help spread the costs as the estimated costs for this project is \$560,000 and should secure operational status for these walls for 10-12 years with proper annual maintenance as we have performed in the past.	Increased labor to move walls, sound bleeding into events separated by the walls, many of the wall coverings are not repairable and unsightly and cannot be maintained. There is a low level safety issue as well for crew who have to deal with these walls on a daily basis.	Repair all rollers, track mechanisms, bearings, foot closures and wall coverings to make sure all walls operate properly and efficiently as designed. We are targeting the original side of the facility Air Wall systems that include Exhibit Halls A and A1, Oregon Ballroom, A,B,C Meeting Rooms
Replace Exhibit Hall WIFI and Show Network	This would allow for the matching of the new system installed in all of the lobby, meeting rooms and Ballrooms and provides for higher bandwidth capabilities for our customers. We charge a fee for this installation and is a significant revenue source for the OCC. We currently have a contract for sales and marketing of this system to customers through Smart City Networks affiliate CCPI which ends in 2009. This would allow us to manage the whole system ourselves as well if we decide to not renew the agreement. Current revenues are split evenly and the return on investment would be less than two years.	Funding source would be OCC operating funds for this project	We currently jointly manage the telecommunications options with CCPI and split the revenue with them for marketing and sales services. This purchase allows for the entire system to be managed by OCC if we do not extend this agreement or decide to go out and select a different vendor to provide these services in the future. This enhances our capabilities and we are looking at increasing our revenue this year by 30% and we could cover the entire cost if we self operate the system.	There is no real risk here for not doing this project	This would replace the current WIFI antenna with a higher coverage capability/management system and provide for a Show upgrade for exhibit type events utilizing the Exhibit Halls.
Upgrade Kitchen Capacity and Storage	Increased building space and an additional Ballroom have increased our food only event schedule as well as the need to due multiple events with different menu selections by clients. We feel this increase in capacity will allow for better quality product, timely delivery, capability to better serve the customers menu choices and increase the capacity of our dish washing and reduce the labor necessary to provide all of the services listed. this should increase our margins on an annual basis, with payback probably around 7 years.	Funding source would be \$800,000 from the new Food and Beverage Contract capital investment monies required by the new contract as well as \$200,000 being requested from the MERC Capital Fund Account.	Impact will be having the kitchen down over a three-four month period as the event schedule permits, but should all be accomplished in a year once construction commences. Again impact is increase of capacity, flexibility of menu choices and services provided, increase in quality and a savings in labor.	The longer we delay the harder it is to keep up the service levels without spending more money on labor with the potential of reduced quality of the products we do serve with the limited kitchen capacity.	This project would increase the cooking capacity in the kitchen by re-configuring the layout, adding 2 fryers, 1 convection steamer, 1 tilting skillet/braising pan, 2 convection ovens stacked, 1 charbroiler, 1 griddle and 2 heavy duty ranges. All of this equipment would fit under a new venting hood and fire suppression system. This almost doubles our capacity without increasing the footprint of the kitchen. We would purchase 2 new dishwashers as well as a soiled tray handling system for dirty dish cleaning, a new walk-in cooler and refrigeration with this increased cooking capacity, renovated lockers and dressing area for the increased staff and new storage construction for Item currently stored in the kitchen. This is a significant project with more than \$500,000 in equipment purchases.

MERC Capital Project Detail

2009-10 Proposed Budget

Project	Description	Justification	Source	Impact	Risk
VAV Controls and CO2 Sensor Upgrade	The VAV boxes will allow computer control and monitoring of the room air temps and CO2 levels. The CO2 sensors allow outside air based on need. Motion sensors will shut off or reduce fan speeds depending on room activity.	Capital Budget - 2009/2010 - 2010/2011- Cost split over two years.	Monitoring and adjusting room temperatures more accurately while increasing the indoor air quality for clients through the room CO2 sensors. The motion sensors will shutdown fans during periods of inactivity reducing energy.	This is a requirement of the LEED certification. These improvements will reduce energy costs and improve efficiency of cooling and heating in the meeting rooms while increasing the indoor air quality of the rooms for our customers.	Upgrade the pneumatic controls for the A, B, C Meeting Room VAV boxes and add CO2 sensors and motion detectors similar to the expansion side of the facility. Requirement from LEED for energy reduction and improved air quality.
Lighting Fixture Replacement/Upgrade	The project will be projected to save annually 1,740, 257 kWh of electricity per year is a 16.8% reduction of total usage by the Center, resulting in an annual savings of \$82, 336 per year once the project is complete. There is an estimated \$178, 285 Energy Trust of Oregon Incentive credit and potentially BETC Credits of approximately \$163, 852 to lower the cost of this project from \$682,558 to \$300,421 if all credits are realized. This project also significantly helps the LEED-EB operating issues of the center and reduces OCC Carbon Footprint offset by 661 tons of CO2.	This would be a MOTCA Funded project request of \$200,000 for this fiscal year or about 2/3 of the total project.	Impact on the operation is a significant saving of the electric bill of \$82,336 per year which does not include the labor saving of less frequent changing out of the light fixtures due to longer life of the new fixtures. Payback on this project when completed would be just under 4 years.	There is no real risk here other than not capturing annual savings associated with savings on the electric bill	This is a lighting fixture retrofit project to replace fixture, lamp and ballast for the Metal Halides and incandescent in the lobby areas and the Exhibit Halls with energy efficient long life fixtures. This project is being broken up into two parts due to funding constraints, but has a huge payback for the facility.
Add Automatic Hand Dryers to all Restrooms	The results will be a significant savings of purchasing janitorial products, reducing the waste bill and save labor on servicing of the restrooms	This will be a MOTCA funded project request due to the sustainability aspects of the project.	This will reduce paper product/janitorial equipment purchases by 50% or about \$16,000 per year and reduce the tonnage of waste going out of the facility due to wet paper products being thrown away by patrons. This is a long term payback, but adds a great sustainability factor to OCC's everyday operations.	There are no risks to not doing this project	OCC is looking to adding 70-88 electric automatic Dyson Hand Dryers to all restrooms replacing 90% of the paper hand towels currently being used in the restrooms at the facility. the \$150,000 price includes the electrical installation and labor to install of these units.
Retro - Commissioning Project	LEED requirement to re-commission all mechanical systems in a five year period. Increased equipment efficiency and energy cost reduction by fine tuning all mechanical systems.	Capital Budget - \$65,000 per year for the next five years. 2010-2014	Fulfilling LEED requirements and verifying equipment is running as designed and at an optimal level. This should reduce energy costs over time and result in significant energy cost savings.	Possibility of losing LEED certification by not completing the requirement and inefficiency in mechanical equipment operation which could increase energy consumption over time.	Re-commission all HVAC mechanical systems throughout the facility. Test and record operation of every system and compare results to original design specifications to ensure systems are operating properly as designed.
Elevator 1 & 3 Retrofit	This is a maintenance and upgrade project with very little return.	Sources of funds for this project would come from OCC operating monies	Should have little impact on the operation and can be easily scheduled between event needs with a cost of about \$18,750 per elevator	There is no risk or consequence related to not doing this project	This project would resurface the interior of the 2 passenger elevators on the original side of the facility so we can update the look and match the newer passenger elevators on the expanded side of the facility. The interior finishes have substantial wear and tear and have the old bland finishes. We would like to replace with wood and stainless similar to the new passenger elevators to update the look.

MERC Capital Project Detail

2009-10 Proposed Budget

Project	Description	Justification	Source	Impact	Risk
Erect Lockable Gates at all Exhibit Hall Restrooms	This project would give our staff the flexibility to clean restrooms and lock them down between shows so that no one can use them before shows and we have to clean them again prior to show opening. Currently we have to reclean these restrooms because folks have used them/ during move-in or between events and they become dirty and need cleaning again. This would save us a lot of labor.	Source of funds if the OCC Operating Account	There is a labor savings and helps keep the client happy with clean restrooms for their event. The price includes 10 gates, hardware and the labor to install them, about \$2500 per gate	There is no risk or consequence for not doing this project	Erect lockable gates at all 10 of the Exhibit Hall Restrooms so Bathrooms can be locked off after cleaning. There are no doors on these restrooms and they cannot be blocked off for any reason. all of the other restrooms in the building have lockable doors.
Replacement of Overhead Door for Dry Waste Compactor	This is a maintenance/operations issue	OCC Operating Fund	This replacement is necessary to effectively secure the building around this compactor unit and really is a maintenance replacement need for a worn out piece of equipment.	The risk is minimal for this project if it is delayed	OCC is in need of replacing the Overhead Door for the Dry Waste compactor on the main loading dock
Replace Riding Vacuum	We are replacing some of the original riding vacuum equipment that no longer can be repaired adequately to stay operational functional. This is an equipment replacement item	OCC Operating fund	Helps the cleaning crew be more efficient and effective to clean large areas of the facility with minimum amount of labor. We also utilize this equipment to clean/sweep aisle carpet that we generate around \$100,000 annually	Risk is not great if this project is delayed, but a little more serious if not purchased in terms of doing the job needed in the time frames we have to clean the facility of sweep the show.	This is to replace one of the riding vacuum cleaners we use to sweep the building carpeted areas as well as generate revenue for booth and aisle cleaning for shows.
Replace Way Digital Equipment	Current equipment is over 6 years old and does not provide the service level or the technology needed to be able to service our show managers and attendees. We get complaints on our surveys that the way finding system is in adequate for show management needs and helping folks to locate their meeting room or event space. We would be able to provide faster information, more client information as well as information about what's going on in OCC and around the world with news and weather. This upgrade will allow for the replacement of 8 screens and maps in the facility. We would also be able to replace some of the Clarity screen system on the overhead signage for messaging as well.	OCC Operating fund	This will improve customer service with quicker access to event information and a means to find that location in the facility. We can also message/market other services and events in the facility to those attending events at OCC.	There is not a risk or consequence for not doing this project or postponing it.	This request will allow for the replacement of old technology currently in use in the OCC Information Kiosk system to up grade the capabilities of information distribution and touch screen for visitors to help them be able to locate their meeting space in the center. this will also provide OCC with a better way to communicate other information about what's going on in the center, market our food options and other events as well as provide for faster communication with our guests.
3-Wheeled Security Vehicle	We currently spend about \$3000 annually to lease a car which has very little use for the security staff here at OCC. this vehicle would better suite our needs to make rounds in the facility, check out situations outside the facility and respond in a timely manner when needed.	OCC Operating funds would be the source for this project	This would have a return on investment of a little over 4 years.	There is no risk if this project is delayed	OCC is requesting to purchase a 3 wheeled vehicle that can be utilized inside and outside the building to have security respond quickly and make their rounds of the building much faster.

MERC Capital Project Detail
2009-10 Proposed Budget

<u>Project</u>	<u>Description</u>	<u>Justification</u>	<u>Source</u>	<u>Impact</u>	<u>Risk</u>	
Renovate Pre-A and Pre-C Phone Banks	This takes a non productive area and sets up the ability for attendees to access our WiFi network and do work while they are here attending events at OCC. We do charge for access to our system and this would be a potential revenue item all be it somewhat small.	Funding would be through the OCC Operating fund		This is really a customer service item and makes better use of space that was originally dedicated to pay phone usage and there is small revenue attached to this project, but not enough to warrant a payback period for this project.	There is no risk for not doing this project	This would be the second phase of a three phase project to renovate the old phone bank areas into laptop work stations for guests attending OCC events. Pay phones are no longer feasible and are not used by most people entering the facility for events, but many people need to be able to access the internet and work on their laptops.
Kinko's Remodel to food Outlet	Cost estimate per the schematic design is \$250,000 for all construction, remodel and FF & E for this location. We feel that the ROI for this project will be in 2.5 years and generate significant revenue on an ongoing basis for OCC. It will be managed by Food and Beverage contractor and opened on an event driven basis to achieve effectiveness	Funds will come from the OCC Food and Beverage 5% Reserve Account from this year and \$125,000 from fiscal year 2009-2010 to accomplish this project		OCC food and beverage concessions operations suffers from lack of seating in the main areas where attendees are located and this project will help to alleviate this problem as well as creating an unique space to serve out attendees a different food and beverage menu and atmosphere. We feel this will increase our concession food spending for every show.	Risk of not moving forward is the chance we do not realize additional food and beverage revenue and increase our per cap spending in the building through our concession operations.	This project is in current design and would remodel the old Kinko's Business Office into a first class food outlet with seating for about 75 people, bar and food preparation and food service to OCC attendees. Located in the central part of the facility would be the meeting place for folks attending events, serve a different food option and provide for much needed seating in the public spaces of the facility OCC currently does not have. The space is currently under-utilized and this provide a huge opportunity to increase our per capita food spending as well.
Portland Center for Performing Arts						
ASCH Rigging		Capital - fund balance		There is no monetary return on investment. Equipment must be replaced in scheduled intervals based upon wear and use. Equipment must be safe and in working order at all times.	Delay of this work will result in paying higher price and fee and could also lead to safety issues.	Rigging Equipment and Installation for the Arlene Schnitzer Concert Hall. Rigging consists of a fly system, which is a system of ropes, counterweights, pulleys, and other such tools within a theatre designed to allow a technical crew to quickly move set pieces, lights, and microphones on and off stage by 'flying' them in from a large opening above the stage known as a flyspace, flyloft, fly tower, or fly gallery.
AHH - Roof Renewal		Capital - fund balance		There is no monetary return on investment. Building components must be replaced in scheduled intervals based upon wear. Roof must be replaced in order to secure structure, interior and walls from further damage from large leaks.	Delay of this work will result in paying higher price and fees related to work, additional building damage and deterioration and building safety issues.	Roof Renewal & Replacement project. Age and weather deterioration has caused rotunda roof to be replaced.
AHH - Risers		Capital - fund balance		Necessary for seating capacity and additional hall configurations for space layout and show needs.	Higher cost of product	Risers for Antoinette Hatfield Hall

MERC Capital Project Detail
2009-10 Proposed Budget

<u>Project</u>	<u>Description</u>	<u>Justification</u>	<u>Source</u>	<u>Impact</u>	<u>Risk</u>
Keller Rigging		Capital - fund balance	There is no monetary return on investment. Equipment must be replaced in scheduled intervals based upon wear and use. Equipment must be safe and in working order at all times.	Delay of this work will result in paying higher price and fee and could also lead to safety issues.	Rigging Equipment and installation for the Arlene Schnitzer Concert Hall. Rigging consists of a fly system, which is a system of ropes, counterweights, pulleys, and other such tools within a theatre designed to allow a technical crew to quickly move set pieces, lights, and microphones on and off stage by 'flying' them in from a large opening above the stage known as a flyspace, flyloft, fly tower, or fly gallery.
Hatfield Tables		Capital - fund balance	There is no monetary return on investment. Equipment must be replaced in scheduled intervals based upon wear and use. Equipment must be safe and in working order at all times.	Current tables are not in useful condition and deterioration can cause safety issues / risk for patrons and staff. Delay of this work will result in paying higher price and fee.	Capital Purchase of 18" tables. Current tables need to be replaced. They are unsafe.
Smart Maintenance Upgrade		Capital - fund balance	There is no monetary return on investment established at this time. However this software upgrade is necessary to upgrade our current version. Smart maintenance allows Operations staff to track all maintenance issue, service inventory, work orders, etc.	Must be done 2009.	Software Upgrade
Keller Follow Spot Lighting		Capital - fund balance	There is no monetary return on investment. Equipment must be replaced in scheduled intervals based upon wear and use. Adequate lighting is to be provided for show purposes. Equipment must be safe and in working order at all times. L	Delay of this work will result in paying higher price for materials.	New follow spot lighting purchase. Replace existing follow spot lighting that is past its replacement period.
Cultural Video Project		Capital - fund balance	There is no monetary return on investment established at this time. This project will create partnerships throughout the community and all PCPA to contribute and be more involved in the cultural community.		Cultural Video Project.
Portland Expo Center					
EXPO Hall "C" Heating System		Capital Fund Balance	There has been no ROI done for this project. By replacing the current heating system, Hall "C" will have a functioning heating system and will be able to be maintained properly. The end result should also yield energy cost savings and use efficiency. There will be no negative impact on facility operations.	Complete system failure (no permanent heat source in Hall "C").	Replace heating system in Hall "C". Current heating system in Hall "C" is obsolete and system parts can no longer be replaced and/or maintained. System is currently failing.

MERC Capital Project Detail
2009-10 Proposed Budget

<u>Project</u>	<u>Description</u>	<u>Justification</u>	<u>Source</u>	<u>Impact</u>	<u>Risk</u>
EXPO Halls D& E Emergency Lighting		Capital Fund Balance	Safety - There has been no ROI done for this project. There will be no negative impact on facility operations.	Replacement MUST be done for building safety compliance and public safety.	Replace lighting battery back-up for Halls "D" & "E".
EXPO Halls "A" - "B" Relamp		Capital Fund Balance	There has been no ROI done for this project. The project end result will yield energy cost savings and use efficiency. There will be no negative impact on facility operations.	higher project costs and energy costs.	Change out lighting in Halls "A" and "B" from T-12's to T8's for energy cost and efficiency benefits.
EXPO Parking Lot R&R		Capital Fund Balance	There has been no ROI done for this project. There will be no negative impact on facility operations.	higher project costs and further deterioration which could lead to unsafe conditions.	Parking lot asphalt to be removed and replaced at Halls A, B and C. General Maintenance can not be done due to the deteriorations of asphalt. (Original Request 1/16/2009)
Information Technology (MERC)					
SharePoint EXTRANet	The ultimate objective of this project is to provide web based collaboration tools with MERC external partners, stakeholders, and citizens using a standard, scalable, and technically friendly platform that can be deployed without the expense of external consultants. Potential examples include collaboration web sites for major MERC projects like HQH, CRC, capital improvements. Automated web data collection of vendor demographics and surveys are more examples.	capital	No ROI has been calculated for this project	Continuation of funding for external consultants, and internal web masters, to custom build web based collaboration tools.	Access to the existing SharePoint product is restricted to internal users authenticated to our network. The existing SharePoint product will not allow deployment of internet facing collaboration web sites. This project purchases the SharePoint product licenses needed to deploy internet facing web site.
Kronos Advanced Scheduling	Elimination of manual side systems moving to agency wide standard scheduling platform. Fewer errors and more efficient for scheduler and employees.	capital	No ROI has been calculated for this project.	Continuation of manual scheduling for event staff.	Implement Kronos advanced scheduling for MERC event staff employees scheduled by the PCPA events department and PCPA volunteers. PCPA schedules front of house event staff for all PCPA venues, OCC, and EXPO front of house event staff. Demonstrate applicability of scheduling functionality to other MERC/METRO departments that may benefit from automated employee scheduling; MERC security, medical technicians, operations; METRO parts, zoo, solid waste.
EBMS License Bump	We have become aware from advances in the EBMS product that we are regularly exceeding the concurrent license count specified in our software license agreement with USI.	capital	No ROI has been calculated for this project.	Limit EBMS usage to 64 concurrent users on a consistent basis or litigation due to license violations.	Increase EBMS concurrent license count from 64 to 80.
Server Virtualization	Consolidation of several old servers into a single new server will reduce electrical expense and reduce the equipment footprint in the data center.	capital	No ROI was calculated for this project.	The older servers are obsolete and the probability of failure is higher. Our potential risk for business disruption is higher if we do not keep our data center equipment current.	Server virtualization allows IT to consolidate the functionality of several older servers into a single new server. Several servers in our data center are older than five years and need to be replaced.