
MERC Commission Meeting

December 1, 2021
12:30 pm

Zoom Virtual Meeting

Metro respects civil rights

Metro fully complies with Title VI of the Civil Rights Act of 1964 and related statutes that ban discrimination. If any person believes they have been discriminated against regarding the receipt of benefits or services because of race, color, national origin, sex, age or disability, they have the right to file a complaint with Metro. For information on Metro's civil rights program, or to obtain a discrimination complaint form, visit www.oregonmetro.gov/civilrights or call 503-813-7514. Metro provides services or accommodations upon request to persons with disabilities and people who need an interpreter at public meetings. If you need a sign language interpreter, communication aid or language assistance, call 503-797-1890 or TDD/TTY 503-797-1804 (8 a.m. to 5 p.m. weekdays) 5 business days before the meeting. All Metro meetings are wheelchair accessible. For up-to-date public transportation information, visit TriMet's website at www.trimet.org.

Thông báo về sự Metro không kỳ thị của

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

Повідомлення Metro про заборону дискримінації

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

Metro 的不歧视公告

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

Ogeysiiska takooris la'aanta ee Metro

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

Metro의 차별 금지 관련 통지서

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

Metroの差別禁止通知

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

ការម Metro
ការគោរពសិទ្ធិពលរដ្ឋរបស់ ១ សំរាប់ព័ត៌មានអំពីកម្មវិធីសិទ្ធិពលរដ្ឋរបស់ Metro
ឬដើម្បីទទួលបានក្បួនបណ្តឹង រើសអើងសូមចូលទស្សនាគេហទំព័រ
www.oregonmetro.gov/civilrights
បើលោកអ្នកត្រូវការអនុបកប្រែភាសានៅពេលអង្គ
បុណ្យសាធារណៈ សូមទូរស័ព្ទលេខ 503-797-1890 (ម៉ោង 8 រឺក្នុងម៉ោង 5 ល្ងាច
ថ្ងៃអាទិត្យ) ប្រាំពីរថ្ងៃ
មុនថ្ងៃបុណ្យសាធារណៈ ឲ្យគេសម្រួលតាមសំណើរបស់លោកអ្នក

إشعار بحقوق مدني من Metro

تحتزم Metro الحقوق والمدنية للمزيد من المعلومات حول برنامج Metro لحقوق والمدنية أو لإبداء شكوى خذات مديري رجي زيارة الموقع الإلكتروني www.oregonmetro.gov/civilrights. إن كنت بحاجة إلى مساعدة في اللغة، يجب عليك الاتصال مقدم برفق بالهاتف 503-797-1890 من الساعة 8 صباحاً حتى الساعة 5 مساءً، أيام الاثنين إلى الجمعة قبل خمسة (5) أيام عمل من موعد الاجتماع.

Paunawa ng Metro sa kawalan ng diskriminasyon

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

Notificación de no discriminación de Metro

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

Уведомление о недопущении дискриминации от Metro

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

Avizul Metro privind nediscriminarea

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

Metro txoj kev ntxub ntxaug daim ntawv ceeb toom

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





Karis Stoudamire-Phillips
Chair

John Erickson
Vice chair

Deidra Krys-Rusoff
Secretary-treasurer

Damien Hall

Ray Leary

Dañel Malán

Deanna Palm

Meeting Agenda

December 1, 2021

12:30 to 2:30 p.m.

Zoom | Webinar ID: 899 5156 1451

- | | |
|-------------------|--|
| 12:30 p.m. | Call to Order and Roll Call |
| 12:35 | Citizen Communication |
| 12:40 | Commission / Council Liaison Communications |
| 12:45 | General Manager Communications
Steve Faulstick |
| 12:50 | Financial Report
Katie Shifley |
| 12:55 | Venues Business Reports
Matthew P. Rotchford, Robyn Williams, Craig Stroud |
| 1:05 | Consent Agenda <ul style="list-style-type: none">Record of MERC Actions, November 3, 2021 |
| 1:10 | Adjourn |
| 1:10 p.m. | Budget Retreat
Katie Shifley |

MERC Commission Meeting

December 1, 2021
12:30 pm

Financial Report

Date: December 1, 2021
 To: Commissioner Karis Stoudamire-Phillips, Chair
 Commissioner John Erickson, Vice Chair
 Commissioner Deidra Krys-Rusoff, Secretary-Treasurer
 Commissioner Damien Hall
 Commissioner Ray Leary
 Commissioner Dañel Malán
 Commissioner Deanna Palm
 Councilor Christine Lewis
 From: Katie Shifley – MERC Finance Manager
 Subject: October 2021 Financial Update

October 2021 close data and low-confidence year-end projections are provided by venue, below. Low confidence projections continue to suggest that total draws on operating fund balance during FY 2021-22 are generally in alignment with budget. While there are no major changes in year-end projections this month, the third quarter remains a critical period to monitor and could generate large swings in the financial outlook.

VFTA allocations for each venue have been revised downward, to 80% of base, in anticipation of potential changes. The capital contribution from Levy are reflected as restricted capital balance for each venue, rather than a component of capital fund balance.

OCC

- The projected draw on fund balance for OCC has not substantially changed, though it is worth noting that Food & Beverage figures will fluctuate as accounting practices are finalized.

P'5

- The P'5 budget has been updated to reflect November CIP amendment.
- The projected draw on fund balance for P'5 increased slightly, related to a decision to fill 2.0 vacant positions to address workload related to COVID-19 safety requirements and burnout concerns.
- Projected General Fund transfer revenues are expected to decrease as a result of available SVOG resources.

Expo

- The overall outlook improved slightly for Expo, which had higher-than-projected revenues in September and October (including a correction to September figures).
- Projected General Fund transfer revenue is expected to decrease, pending a change in expense coding for DOS project expenses.

Levy Food & Beverage – Two months of financial reporting are now available from Levy. P'5 and Expo commission revenue from Levy are expected to come in under the contract minimum due to lower than typical activity. OCC, which retained a profit share approach for food and beverage, is projected to have a lower margin than in years past due to inflationary and supply chain pressures. The chart below compares October 2019 F&B margin to October 2021 margin (OCC) and commission (Expo and P'5).

	October 2019	October 2021
OCC F&B	\$ 176,351	\$ 252,824
Expo F&B	\$ (11,528)	\$ 17,312
P'5 F&B	\$ 66,614	\$ 62,086

Schnitzer Sewer Project – City of Portland staff are preparing an update to the IGA with P'5 to bring to City Council. The update would provide \$150,000 to fund preconstruction and design for the planning of this work during FY 2021-22, and states that the City may provide additional funds to help pay for construction of the project later in the fiscal year, or during subsequent years.

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission
 Oregon Convention Center
 October 2021

	YTD Actuals		Annual Budget	Year-End by QTR				
	October 2021	Year to Date		Q1 - Actuals	Q2 Projection	Q3 - Projection	Q4 - Projection	Full Year
Operations								
Charges for Services	1,490,456	2,960,159	14,162,411	1,469,703	3,478,296	4,846,987	4,822,292	14,617,278
Local Government Shared Revenues	504,131	1,523,049	9,991,245	1,018,918	3,389,381	2,122,686	3,584,075	10,115,061
Grants	-	1,000	-	1,000	-	-	-	1,000
Interest Earnings	8,981	29,641	160,000	20,660	20,660	20,660	20,660	82,641
Miscellaneous Revenue	627	70,268	9,331	69,641	-	-	-	69,641
Transfers-R	-	-	-	-	-	-	-	-
Total Revenues	2,004,195	4,584,117	24,322,987	2,579,922	6,888,337	6,990,333	8,427,028	24,885,620
Personnel Services	603,120	2,055,321	9,380,055	1,452,202	1,679,186	2,752,478	2,822,349	8,706,215
Materials and Services	693,450	2,407,207	14,321,726	1,713,757	2,761,349	3,900,101	4,488,044	12,863,251
Transfers-E	444,961	1,779,844	5,339,565	1,334,883	1,334,883	1,334,883	1,334,883	5,339,532
Total Expenditures	1,741,530	6,242,372	29,041,346	4,500,842	5,775,418	7,987,462	8,645,276	26,908,998
Net Operations	262,665	(1,658,255)	(4,718,359)	(1,920,920)	1,112,919	(997,129)	(218,248)	(2,023,378)
Capital								
Total Revenues	-	-	2,250,000	-	-	-	-	-
Total Expenditures	-	-	410,000	-	-	110,000	-	110,000
Net Capital	-	-	1,840,000	-	-	(110,000)	-	(110,000)
Change in Fund Balance	262,665	(1,658,255)	(2,878,359)	(1,920,920)	1,112,919	(1,107,129)	(218,248)	(2,133,378)
Beginning Fund Balance - Operating		11,097,327	8,721,708	11,097,327	9,176,407	10,289,326	9,182,198	11,097,327
Ending Fund Balance - Operating		9,439,072	4,003,349	9,176,407	10,289,326	9,292,198	9,073,949	9,073,949
Ending Fund Balance - Capital		-	1,840,000	-	-	(110,000)	(110,000)	(110,000)
Ending Fund Balance		9,439,072	5,843,349	9,176,407	10,289,326	9,182,198	8,963,949	8,963,949

Food & Beverage Restricted Capital Balance	2,250,000
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Note: Food & Beverage revenues and expenses will continue to fluctuate as accounting process is finalized

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

Portland's 5 Centers for the Arts

October 2021

	YTD Actuals		Annual Budget	Year-End by QTR				
	October 2021	Year to Date		Q1 - Actuals	Q2 Projection	Q3 - Projection	Q4 - Projection	Full Year
Operations								
Charges for Services	861,029	1,280,261	10,292,646	419,233	2,888,182	3,079,408	3,516,391	9,903,213
Local Government Shared Revenues	213,104	324,826	1,332,846	111,722	443,592	209,534	432,089	1,196,936
Contributions from Governments	-	-	1,006,827	-	-	-	1,006,827	1,006,827
Contributions from Private Sources	-	-	139,350	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Interest Earnings	12,653	35,938	71,000	23,285	22,653	15,000	15,000	75,938
Miscellaneous Revenue	2,337	6,454	21,523	4,117	2,337	-	-	6,454
Transfers-R	-	72,498	290,000	72,498	-	-	-	72,498
Total Revenues	1,089,123	1,719,977	13,154,192	630,855	3,356,763	3,303,942	4,970,307	12,261,866
Personnel Services	583,383	1,687,812	7,526,833	1,104,430	1,824,535	1,848,446	1,879,618	6,657,029
Materials and Services	408,270	1,509,607	4,893,947	1,101,337	1,336,766	1,355,776	1,385,091	5,178,970
Transfers-E	210,830	843,320	2,529,964	632,490	632,490	632,490	632,490	2,529,960
Total Expenditures	1,202,482	4,040,740	14,950,744	2,838,257	3,793,791	3,836,712	3,897,199	14,365,959
Net Operations	(113,360)	(2,320,762)	(1,796,552)	(2,207,403)	(437,028)	(532,770)	1,073,108	(2,104,093)
Capital								
Total Revenues	310	671	500,000	671	-	-	-	671
Total Expenditures	163,628	484,293	2,360,000	310,569	900,000	650,000	-	1,860,569
Net Capital	(163,318)	(483,622)	(1,860,000)	(309,898)	(900,000)	(650,000)	-	(1,859,898)
Change in Fund Balance	(276,678)	(2,804,385)	(3,656,552)	(2,517,300)	(1,337,028)	(1,182,770)	1,073,108	(3,963,990)
Total Ending Fund Balance		2,898,683	805,349	3,185,768	1,848,740	665,969	1,739,078	1,739,078
Food & Beverage Restricted Capital Balance								500,000

Notes: SVOG (\$8M, with potential supplemental award) not yet reflected here.

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

Portland Expo Center

October 2021

	YTD Actuals		Annual Budget	Year-End by QTR				
	October 2021	Year to Date		Q1 - Actuals	Q2 Projection	Q3 - Projection	Q4 - Projection	Full Year
Operations								
Charges for Services	384,245	976,433	3,475,557	592,189	698,745	1,762,900	390,359	3,444,192
Local Government Shared Revenues	-	-	287,500	-	-	-	120,822	120,822
Interest Earnings	1,640	5,345	10,000	3,704	2,000	2,000	2,000	9,704
Miscellaneous Revenue	13,107	12,499	24,946	(608)	13,107			12,499
Transfers-R	54,166	386,664	820,000	332,498	162,498	(7,502)	162,498	649,992
Total Revenues	453,157	1,380,941	4,618,003	927,784	876,349	1,757,398	675,678	4,237,209
Personnel Services	107,300	333,708	1,858,270	226,408	327,264	477,484	321,899	1,353,057
Materials and Services	142,003	476,103	1,790,218	334,100	462,003	750,000	480,000	2,026,103
Transfers-E	67,513	270,052	1,831,562	202,539	1,223,939	202,539	202,539	1,831,556
Total Expenditures	316,816	1,079,863	5,480,050	763,047	2,013,207	1,430,023	1,004,438	5,210,716
Net Operations	136,341	301,078	(862,047)	164,736	(1,136,858)	327,375	(328,760)	(973,506)
Capital								
Total Revenues	-	-	540,000	-	40,000	-	-	40,000
Total Expenditures	-	-	350,000	-	-	-	-	-
Net Capital	-	-	190,000	-	40,000	-	-	40,000
Change in Fund Balance	136,341	301,078	(672,047)	164,736	(1,096,858)	327,375	(328,760)	(933,506)
Beginning Fund Balance - Operating		1,830,570	1,067,561	1,830,570	1,995,306	898,449	1,225,824	1,830,570
Ending Fund Balance - Operating		2,131,648	205,514	1,995,306	858,449	1,185,824	857,064	857,064
Ending Fund Balance - Capital		-	190,000	-	40,000	40,000	40,000	40,000
Ending Fund Balance		2,131,648	395,514	1,995,306	898,449	1,225,824	897,064	897,064

Food & Beverage Restricted Capital Balance

500,000

MERC Commission Meeting

December 1, 2021
12:30 pm

Venue Business Reports



MERC Commission Business Report for December 1, 2021 Meeting Portland Expo Center – Matthew P. Rotchford, Executive Director

Events / Sales Awareness

- The holiday season is upon us and the Expo was very pleased to welcome over 10,000 guests over 4 days for the inaugural Portland Holiday Market show. In addition the Shooting Sports and Blade Expo joined us for Sat./Sun. Both events focused on physically distanced measures and enhanced security to enforce masking and other protocols. Overall, a great weekend of events where our staff did outstanding work.
- Looking ahead, Expo will host the Hot Import Nights car event and two electronic dance concerts by Red Cube & Disco Donnie Presents, including a two-day New Year's Eve event. Numerous safety measures are in place for the event and given the tragedy in Texas, additional added steps are being taken to ensure both staff and patron safety.
- The Expo completed our Amazon Studios Feature Film event in Hall C earlier this November, and we extended the Amazon Driver Training event into 2022.
- OHSU COVID-19 Vaccination and Testing will continue at the Expo Center through January in order to accommodate booster shots and vaccines for children 5 years & older. Latest data reports of over 2,500 vaccinations and 14,000 tests administered since September.

Building / Department Awareness

- Budget details and analysis are taking part in all departments, and comparative analysis that accounts for the very difficult challenges faced by COVID-19.
- A number of positive stories were gained by the Holiday Market event, and Metro Communications Director, Neil Simon worked with Steve Faulstick to create an Op-Ed article that we hope will be placed. Last, Chair Stoudamire-Phillips reached out to all Expo clients on behalf of the MERC Commission to share her thoughts on the recent media information and challenges facing our partners.

Capital Project Updates

- Numerous projects for food and beverage continue to keep Expo Engineer, Tom Nast very busy. In addition, lighting for both meeting rooms D202-4 and the parking lots are now being addressed with new LED fixtures and/or controls.

Staff / Partners

- Staff are participating in Charitable Giving efforts through the agency and have been participating in a number of personal efforts they care about.
- An outreach to all contracted partners was completed to provide information on the recent policy change for contractors. Some information has already returned and others are working with Expo and Metro staff to field questions. Chuck Dills is serving on an outreach team to clarify those details for these important work groups.
- Multnomah County has reached out to both OCC and the Expo in regards to potential for warming shelters. Discussion on these details regarding timelines, protocols and safety measures are being clarified before any agreements are confirmed.



PORTLAND'S CENTERS FOR THE ARTS



Business Report Portland's Centers for the Arts December 2021



P5 held their kickoff budget meeting with Katie. Calendar was finalized and staff are off and running building a budget based on anticipated business in FY23. Several staff commented that it felt good to be building a budget again rather than just cutting and pasting based on unknown assumptions like last year. While there are still a lot of unknowns, everyone is feeling positive about the direction business is headed.



P5 recently learned that their Shuttered Venue Operating Grant reconsideration request was denied. There was no explanation as to why. Metro finance has submitted an application for consideration for a supplemental award and feel good about our chances so we're hoping to fill this wallet up soon!



Shows continue to pick up and November and December are very busy. Events have been running smoothly and people seem thrilled to be back seeing live performances. Vacant positions continue to be a problem as the tough labor market has us seeing few if any applicants for some positions-particularly in custodial, engineering and security. Our third party providers are saying the same thing. We're trying to decide what approach to take if we can't get positions filled.

PORTLAND'5

CENTERS FOR THE ARTS



Portland'5 Presents had a busy month.

Ak Dan Gwang Chil (ADG7) in the Newmark only sold 229 tickets but we were thrilled to see a diverse audience in attendance as this band is Korean and all songs are sung in Korean. It was a really good show and the audience had a great time.

Price is Right Live was at the Keller with 1,320 tickets sold.

VERY enthusiastic audience. About half the size as normal. We think this is largely a suburban crowd and they may be wary about coming to downtown Portland.

Our most profitable show was the return of the popular Hip Hop Nutcracker with 2,320 tickets sold.

Lots of happy families attending but we saw some issues with parents not reading the COVID notices at the top of ticket/event pages and showing up not realizing that the COVID protocols apply to everyone regardless of age. Had to turn some people away.



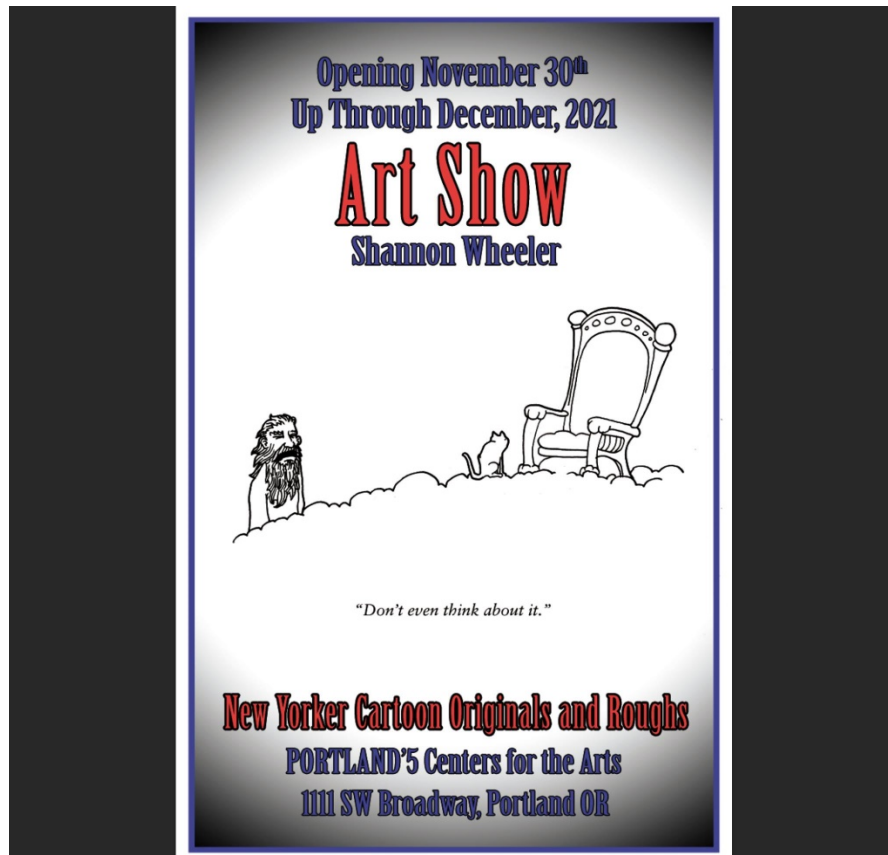
aren't participating.

The virtual presentation of Sugar Skulls to Title I schools served approximately 2, 925 students from 33 elementary schools in Washington and Multnomah Counties. We are struggling to get a response from Clackamas schools as we are not hearing from our pre-COVID contacts. If anyone has any names of who we could reach out to we would love to hear from you. We hate the idea that Clackamas schools

PORTLAND'S CENTERS FOR THE ARTS



Box office window talk through units have been installed. This has really improved communication quality between patrons and box office staff plus has increased safety for COVID reasons. They also work with induction loop amplifiers for patrons with hearing aids.



Our first art show since all shows were cancelled since March 2020 features cartoonist Shannon Wheeler. We were originally not going to do art exhibits until 2023 but we decided the lightheartedness of Shannon Wheeler's cartoons would be really nice for the patrons coming to our holiday shows. Shannon is the creator of Too Much Coffee Man and worked with P5 to produce the Too Much Coffee Man Opera in Brunish Theater. Shannon's cartoons regularly appear in the New Yorker Magazine.

MERC Monthly Business Report - OCC Report
 December 2021

1. Renewed Client Discussions about Future Events

As previously reported, Dec. 2021 and Jan. 2022 have fewer and smaller events than historic pre-COVID levels. Below is a chart and notes providing context for pre-COVID business activity compared to current year activity.

Oregon Convention Center
 Business Activity for December and January
 Pre-COVID-19 Year Compared to Current Year

Space Type	Dec. 2019 and Jan. 2020	Dec. 2021 and Jan. 2022	Difference	
			Amount	Percentage
Exhibit Hall Square Footage	6,235,000	4,888,000	-1,347,000	-22%
Ballroom Square Footage	1,141,250	360,000	-781,250	-68%
Meeting Rooms Count	1,002	305	-697	-70%

The table above represents event activity within exhibit halls, ballrooms and meeting rooms pulled from OCC's booking calendar and represents move-in, event, and move-out days for the periods noted.

As can be seen, actual Dec. 2019 and Jan. 2020 square footage uses in the halls and ballrooms, as well as uses of meeting rooms, were considerably greater than scheduled uses in Dec. 2020 and Jan. 2021. The Beyond Van Gogh daily consumer show in OCC Hall E represents 1,860,000 of exhibit hall use in the Dec. 2021 and Jan. 2022 figure. This is a rare one-time opportunity for use of an OCC exhibit hall that was possible due to a sparse event calendar this year and relocations of other previously booked activities in Hall E to other OCC exhibit halls.

OCC business picks up in Feb. 2022 through June 30, 2022; however, there remains much discussion with clients around their decision to move forward, cancel or adjust the size of their planned convention, meeting, or consumer show in that period. Per national trends in the convention industry, events continue to generate reduced attendance. Our experience has been attendance reductions of 30 to 50 percent.

2. Beyond Van Gogh Portland

I'm pleased to announce a strong and successful launch of the Beyond Van Gogh Portland show. As a reminder, that show is described as:

In an imaginative and immersive presentation crafted for our unique times by world renowned audiovisual designers, Beyond Van Gogh uses cutting-edge projection technology to create an engaging journey into the world of Van Gogh. Using his dreams, his thoughts, and his words to drive the experience as a narrative, we move along projection swathed walls wrapped in light, colour, and shapes that swirl, dance and refocus into flowers, cafes and landscapes. Masterpieces, now freed from frames, come alive, appear and disappear, flow across multi-surfaces, the minutia of details titillating our heightened senses. Through his own words set to a symphonic score, we may come to a new appreciation of this tortured artist's stunning work.

OCC's event management, production and parking teams, alongside Levy food and beverage representatives, are working to optimize the experience, guest offerings, and financial outcomes of the event. My thanks to those teammates who are working the upcoming holidays to support the show's success. It is events like this that provide me direct evidence of how OCC is knit into the cultural fabric of our region – so many people have reached out saying they have tickets or commenting on their positive experience at the show. Happy Holidays!

MERC Commission Meeting

December 1, 2021
12:30 pm

Consent Agenda

Metropolitan Exposition Recreation Commission
Record of MERC Commission Actions
November 3, 2021
Virtual Zoom Meeting

Present:	John Erickson, Deidra Kryz-Rusoff, Damien Hall, Ray Leary, Dañel Malan, Deanna Palm
Absent:	Karis Stoudamire-Phillips
	A regular meeting of the Metropolitan Exposition Recreation Commission was called to order Vice Chair Erickson at 12:32.
1.0	Quorum Confirmed A quorum of Commissioners was present.
2.0	Opportunity for Public Comment on Agenda and Non-Agenda items <ul style="list-style-type: none"> • N/A
3.0	Commission and Council Communications <ul style="list-style-type: none"> • Commissioner Leary welcomed new GM Steve Faulstick. • Councilor Lewis shared about the recent bell ringing at the zoo to celebrate the completion of the bond projects. Dozens of new affordable units from the 2018 housing bond have been made available over 3 sites this fall. Council is working on redistricting maps to reapportion the 6 Metro Council Districts as a result of the census. Metro has a current Council vacancy after Bob Stacey stepped down in October. Council will accept applications to fill the vacancy after the new boundaries are drawn and must appoint a new Councilor for District 6 by January 13. • Commissioner Leary asked if any of the resources from the housing bond could supplement some of the temporary housing solutions such as shelters or tiny houses. Councilor Lewis responded that the units being developed through the housing bond are split – half of them are designated for those who make 0-30% of the median family income and the other half are for those who fall in the 30-60% median family income bracket.
4.0	COO Communications Marissa Madrigal provided the following updates: <ul style="list-style-type: none"> • Welcomed Steve Faulstick and thanked MERC for their role in the interim GM recruitment. • Provided an overview of the expansion of our community clean-up programs and services. • Commissioner Kryz-Rusoff asked about inter-agency activity around clean-up responsibilities. Madrigal acknowledged the complex ownership of some larger sites. Our RID Patrol team has IGA's with other public entities to assist with clean up in public spaces. • Commissioner Leary asked for any updates on potential Safe Rest sites. Madrigal stated she doesn't have any updates on requests specific to Expo at this time.
4.0	GM Communications Steve Faulstick provided the following updates: <ul style="list-style-type: none"> • Congratulated Matthew Rotchford for his 30 years at Metro • Thanked Scott Cruickshank for his role in the Levy food and beverage transition. • We have begun work on the budget process while applying a racial equity lens using the new budget equity tool. • The MERC page on the website has been removed from the Metro committees section and given its own page to avoid any confusion.
5.0	Financial Report Katie Shifley presented a financial update. <ul style="list-style-type: none"> • Commissioner Kryz-Rusoff asked about the thought process around TLT year by year returns. Shifley responded that it is based on forecast data and trends from CBRE data shared from Travel Portland compared to a baseline from FY18-19.

	<ul style="list-style-type: none"> Faulstick added that after review of the Smith Travel Report and others provided by Travel Portland, positive trends over the past 12 months were noted. Commissioner Erickson asked how many rooms are currently being considered within our budget projections in comparison to 2019. Faulstick responded that he will follow up with that information after the meeting.
6.0	<p>Venue Business Reports Matthew P. Rotchford, Craig Stroud and Ed Williams reported on business at the venues during the past month.</p> <ul style="list-style-type: none"> Commissioner Kryz-Rusoff acknowledged that due to the tight timeline for the P5 sewer work we are moving forward and assuming direction of the project however, we should not be financially responsible for the work. Lauren Broudy from the City of Portland added that \$150,000 is being considered by the City Council this fall for design and pre-construction work, and is currently working on funding for the rest of the project.
7.0	<p>Consent Agenda</p> <ul style="list-style-type: none"> Record of MERC Actions, October 6, 2021 <p>A motion was made by Commissioner Hall and seconded by Commissioner Malan to approve the Consent Agenda.</p> <p>VOTING: AYE: 6 (Erickson, Kryz-Rusoff, Hall, Leary, Malan and Palm) NAY: 0</p> <p>MOTION PASSED</p>
8.0	<p>Action Agenda</p> <ul style="list-style-type: none"> Resolution 21-07 - For the purpose of approving and transmitting to the Metro Council an amendment to the FY 2021-22 MERC Fund budget. The proposed amendment is specific to 1) the Portland 5' capital improvement plan and funding and 2) the conversion of variable hour event custodians to positioned employment with Metro. Katie Shifley presented. Commissioner Leary asked if the full time status was predicated on a 32 hour work week. Shifley responded that under the previous labor agreement all were budgeted as variable hour staff, but the labor agreement required that 8 of those event custodians be guaranteed a 32 hour work week. Malan highlighted that offering PERS and health insurance is valuable and will aid in staff retention. <p>A motion was made by Commissioner Kryz-Rusoff and seconded by Commissioner Palm to approve Resolution 21-07.</p> <p>VOTING: AYE: 6 (Erickson, Kryz-Rusoff, Hall, Leary, Malan and Palm) NAY: 0</p> <p>MOTION PASSED</p>
10.0	<p>Expo Development Opportunity Study Update Paul Slyman presented</p> <ul style="list-style-type: none"> Introduced Chuck Gallagher as the new Expo DOS Project Manager and Neil Simon as Metro's new Communications Director.
	As there was no further business to come before the Commission, the meeting was adjourned at 1:48 p.m. p.m.

Minutes submitted by Amy Nelson.

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



Metro

MERC Budget Retreat 5 year forecast

December 1, 2021



Agenda

Context setting

Five year forecast assumptions

OCC

- 5 year forecast
- Director comments

P'5

- 5 year forecast
- Director comments

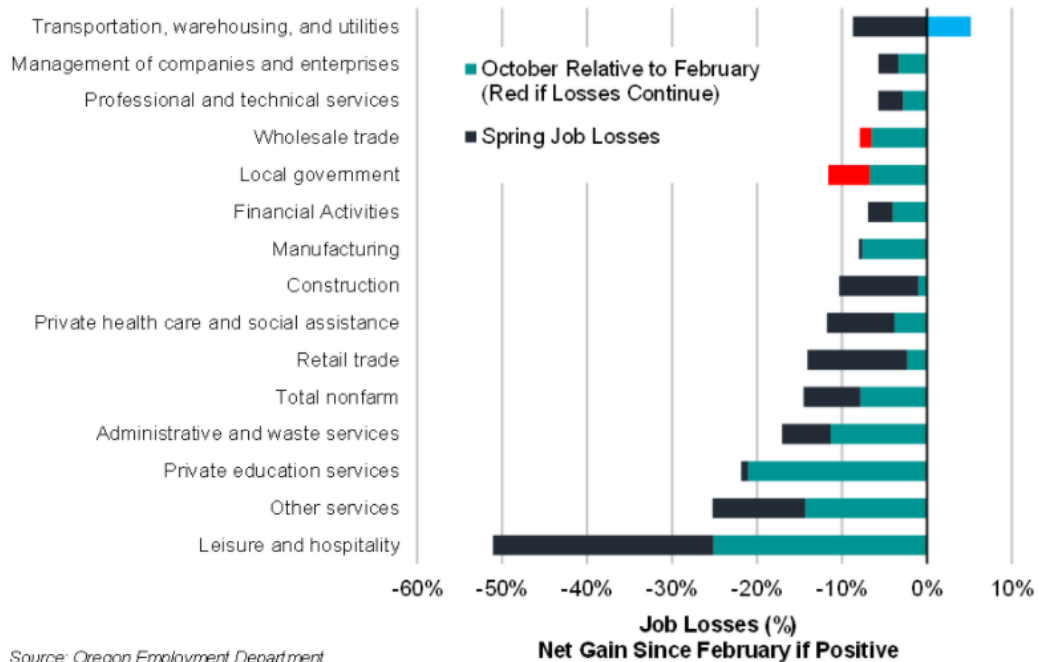
Expo

- 5 year forecast
- Director comments

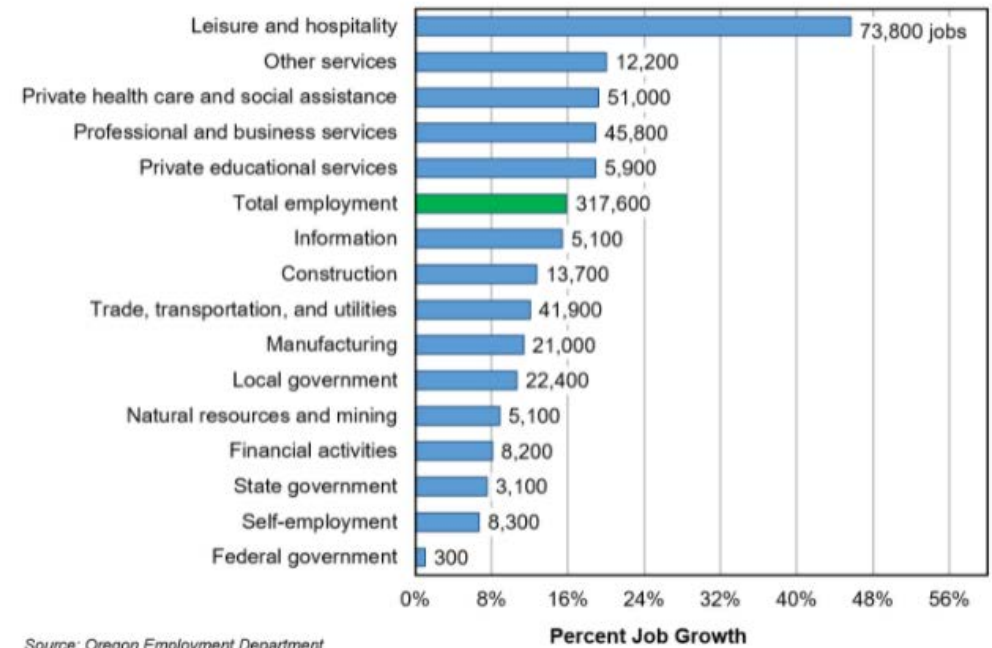
Next Steps

Where we are today

**Oregon COVID-19 Job Loss and Recovery by Sector
Seasonally Adjusted**



**Leisure and Hospitality is Projected to Recover and Grow
Oregon Industry Projections, 2020-2030**

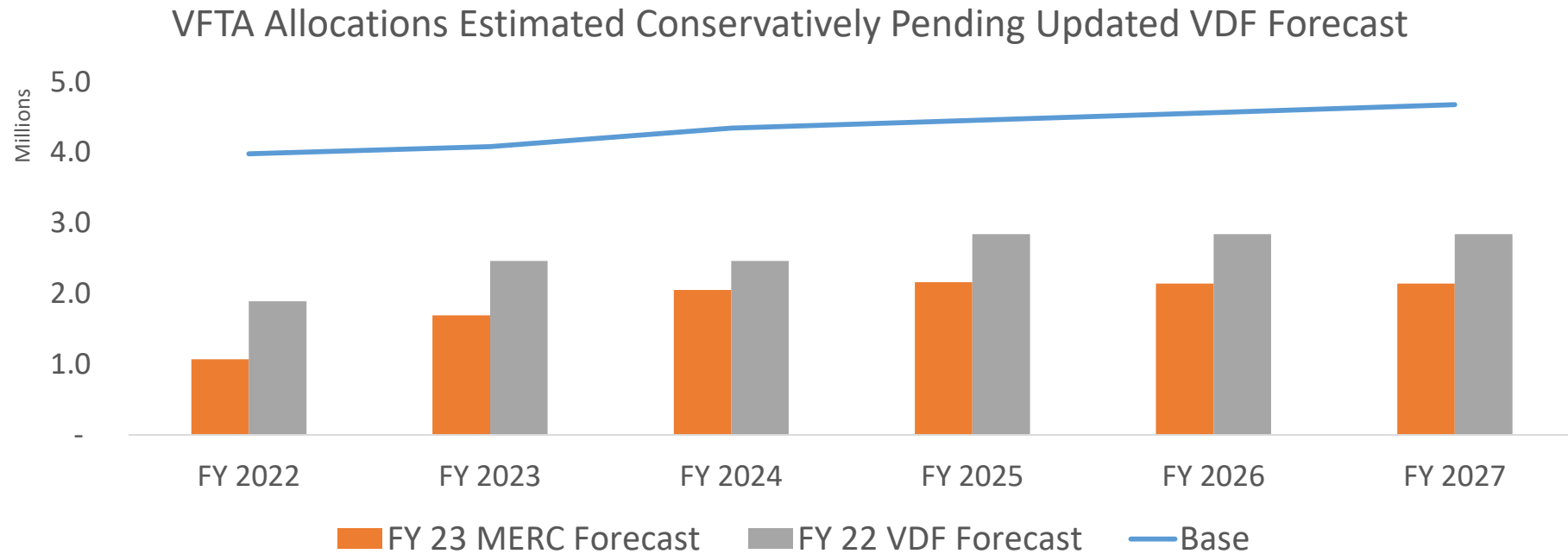


5 Year Forecast Assumptions

- Cancellations and attendance are a concern, but venues remain open.
- Slow recovery, with business rebounding differently by venue.
- Near term inflationary impacts affect materials & services spending
- No new FTE, but estimates of refilling vacant positions by venue
- Wage and benefit increases expected based on Metro global variables
- Cost Allocation Plan (CAP) charges for Metro overhead will decrease for a few years, before increasing in out-years of forecast

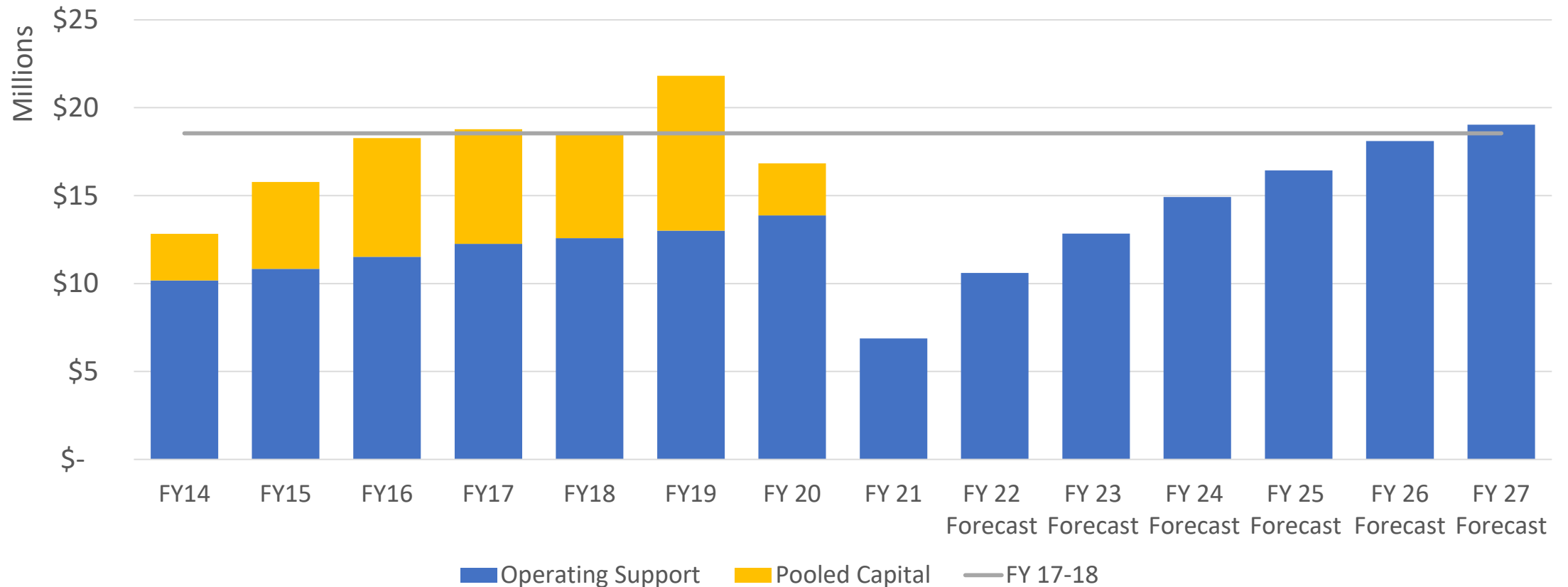
5 Year Forecast Assumptions

VFTA Allocations not yet finalized, but a slight decrease in support is forecasted



5 Year Forecast Assumptions

Estimated Excise Tax Fund MERC Support





OREGON CONVENTION CENTER

Convention Center Revenue Assumptions

- Rental revenues are forecasted to rebuild slowly over the five year forecast horizon, and forecasted to reach 90% of pre-COVID norms by FY 2027.
- FY 23 will be a relatively strong year due to strength of past bookings, but pipeline after FY 23 is a concern.
- Ancillary revenues (utilities, A/V, parking) are estimated individually, grow slowly over the five years but downward pressure expected on pricing will limit revenue potential in some lines.
- Food & Beverage – profit-share model retained with Levy. Margins assumed to be low (15%) for first few years of forecast before stabilizing at 20% (23% average historical margin).
- VFTA Allocation discounted pending final information
- TLT operating support expected to rebound and grow, offsetting pooled capital
- \$100,000 in grant revenue from recently awarded Economic Development Agency grant is assumed in FY 2022 – FY 2024

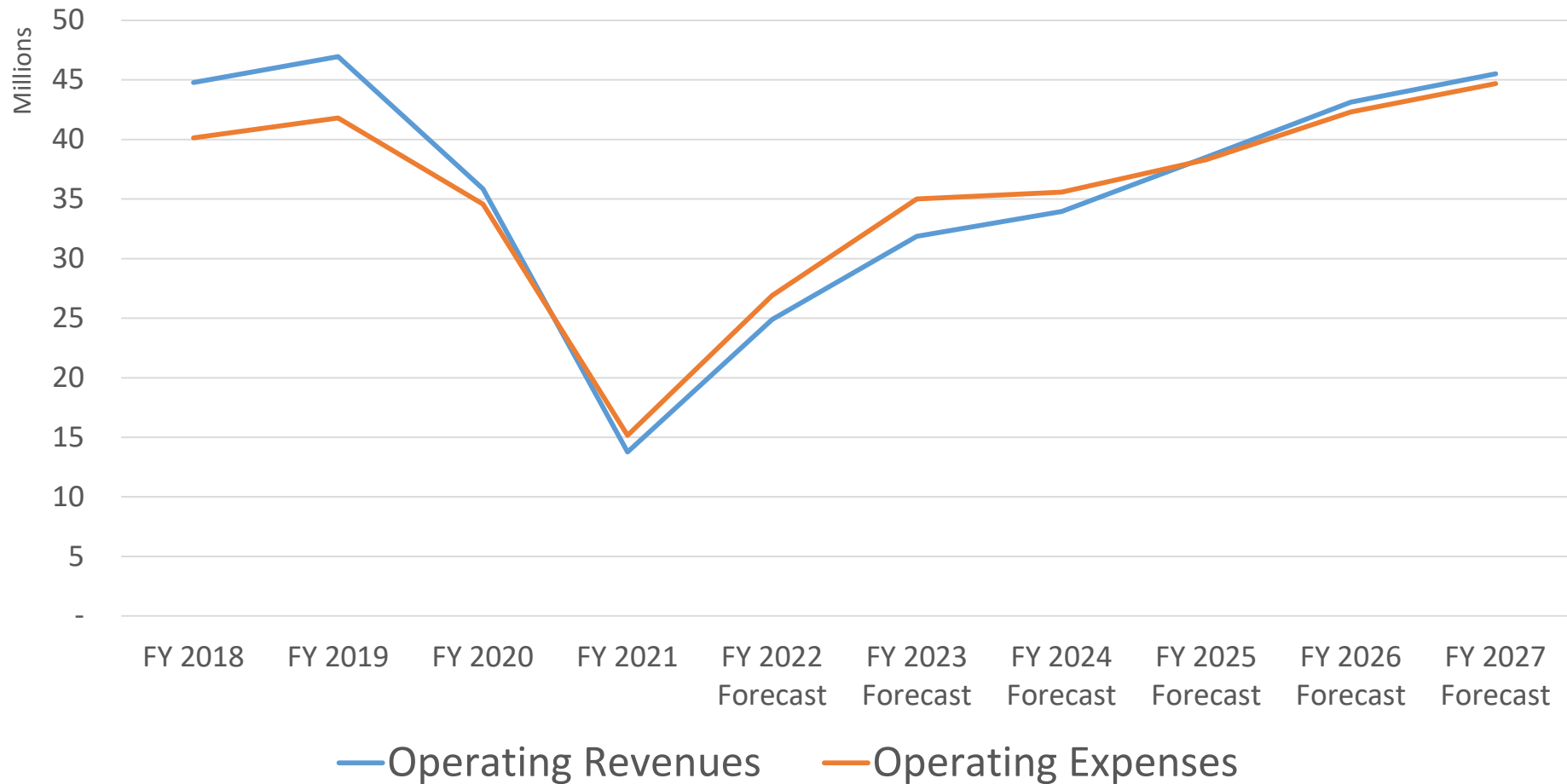
Convention Center Expense Assumptions

- Personnel – forecast based on current year scaled staffing plan, with a plug in FY 24 and FY 25 to fill 2 - 4 additional vacant positions.
 - 6% - 8% annual increase in total personnel costs expected (PERS, wage increases, variable hour staffing costs scaled to event activity)
- Materials & Services – inflationary impacts forecasted conservatively, with higher impacts in FY 23 and FY 24 than in later years of the forecast.
- Capital Outlay – Capital spending in forecast based on a combination of CIP projects and desired reinvestment levels.
 - Capital spending (~2M) for glazing repair project is a critical project for FY 23.
 - Absent significant changes in the forecast OCC will be unable to fund the level of capital reinvestment currently assumed in the forecast.
- Cost Allocation Plan (CAP) transfer declines in FY 24 and FY 25 before increasing again in FY 26 and FY 27

Convention Center Year Forecast

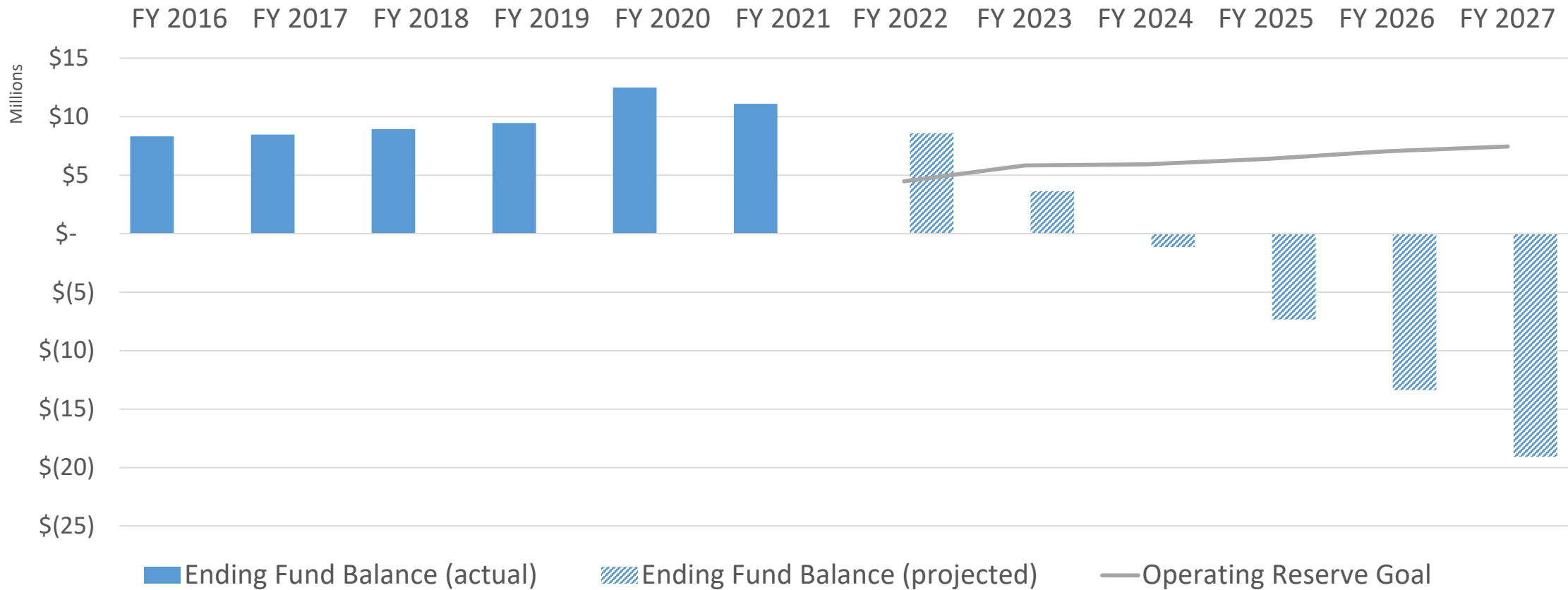
	Forecast (in thousands)					
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Beginning Fund Balance	\$11,097	\$8,964	\$4,012	-\$759	-\$6,964	-\$13,006
Event Revenues	\$14,617	\$18,928	\$18,758	\$21,981	\$25,031	\$26,489
Other Revenues	\$10,268	\$12,932	\$15,189	\$16,529	\$18,110	\$19,021
Operating Revenues	\$24,886	\$31,860	\$33,947	\$38,510	\$43,141	\$45,510
Operating Expenses	\$26,909	\$35,015	\$35,574	\$38,297	\$42,303	\$44,697
Net Operating	-\$2,023	-\$3,155	-\$1,627	\$213	\$837	\$813
Capital Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Capital Expense	\$110	\$1,798	\$3,144	\$6,418	\$6,879	\$6,506
Net Capital	-\$110	-\$1,798	-\$3,144	-\$6,418	-\$6,879	-\$6,506
Ending Fund Balance	\$8,964	\$4,012	-\$759	-\$6,964	-\$13,006	-\$18,699
Restricted Capital (Levy)	2250					4500

Convention Center Five Year Forecast



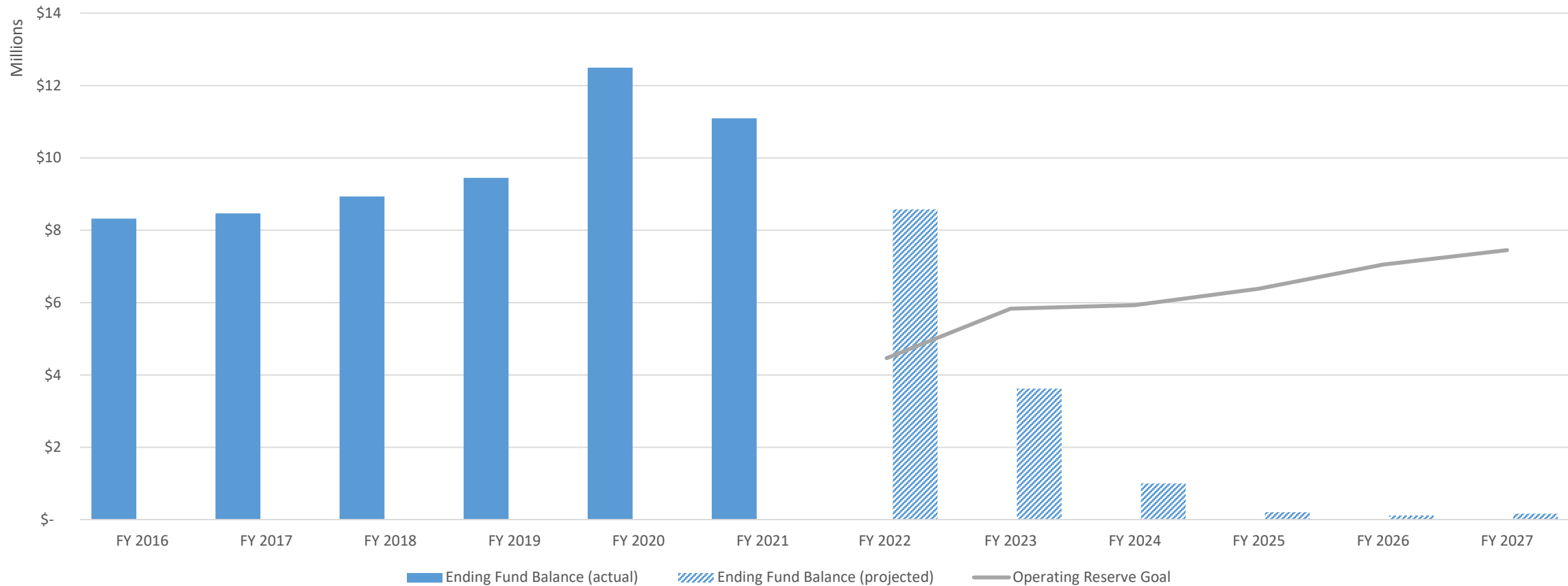
Convention Center Five Year Forecast

OCC Operating Fund Balance - Desired Capital Spending



Convention Center Five Year Forecast

OCC Operating Fund Balance - Minimal Capital Investment



Convention Center FY 21-22 Update

Managing Through Uncertainty

- Invest in our teams as business recovers, with keen attention to not overstaffing, and keeping an eye on the new business pipeline.
- Defer capital projects
- Continue Reimagining activities with Lifecycle of Event Workshops to increase effectiveness and efficiency of service delivery and internal activities.

Convention Center FY 22-23 Priorities, Challenges, and Opportunities

Budget Priorities

- Scale up team to successfully service existing license agreements and commitments
- Continue phased implementation of the OCC Racial Equity Action Plan
- Support marketing and sales efforts, through OCC actions and the National Marketing contract with Travel Portland
- Execute against commitments in the Economic Development Agency grant for convention marketing and support
- Maintain and enhance public safety for attendees, staff and the building.

Convention Center FY 22-23 Priorities, Challenges, and Opportunities

Challenges & Opportunities

COVID and city reputation impacts

Revenue constraints and inflation pressures on costs

Continued Reimagination of Client Service Delivery, particularly for event driven activities with peaks and valleys through calendar

Collaborate with Venues and other Metro departments on resource optimization/sharing, technology opportunities, etc.

Continue sales incentives to target and deliver future business commitments, identify sales optimization strategies.



PORTLAND

TODAY

P'S&C MNW PRESENTS
BLACK VIOLIN
FEB 24 7:30PM

PORTLAND

PORTLAND'S & CHAMBER MUSIC NW PRESENT
BLACK VIOLIN
FEBRUARY 24 7:30PM

GENE SCHNITZER CONCERT HALL

Portland's Revenue Assumptions

- Event revenues assumed at 90% of pre-COVID levels for FY 23 and FY 24, bouncing back to 100% in FY 25 – FY 27.
- Food & Beverage – new commission model
 - Attendance levels estimated to come in below minimum per Levy contract (920,000) for first few years of the forecast, and guaranteed minimum payment discounted proportionally
- No structural change to rental rates assumed

Portland's Expense Assumptions

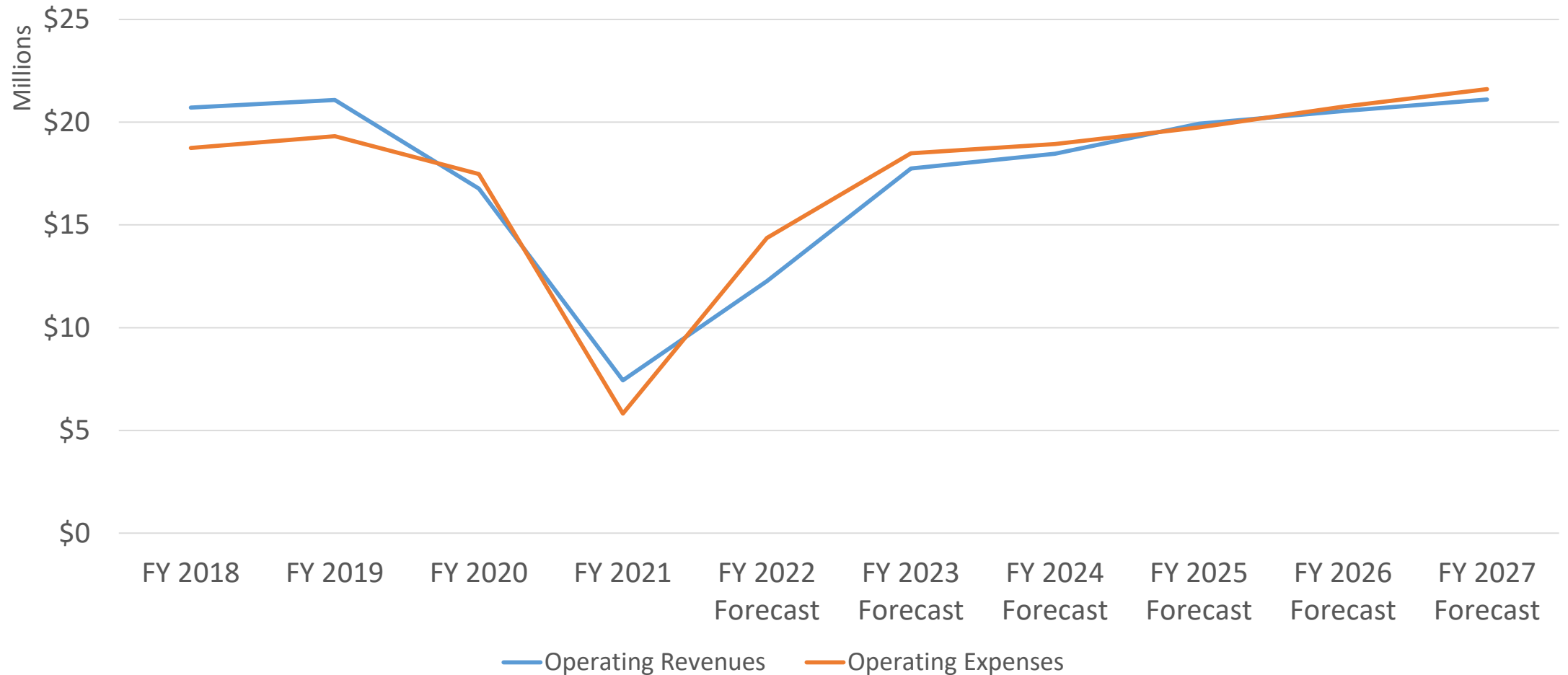
- Personnel – increases of 4 - 8% per year, due to wages, PERS and variable hour staff increases as business builds back.
 - Current staffing level for FTE
- Materials & Services – inflationary increases will have an impact, but efforts being made to keep costs as low as possible.
- Capital Outlay – about \$5M in capital spending desired in FY 23 and FY 24, but availability of resources is a big question mark.
- Cost Allocation Plan (CAP) transfer declines in FY 24 and FY 25 before increasing again in FY 26 and FY 27

Portland's Five Year Forecast

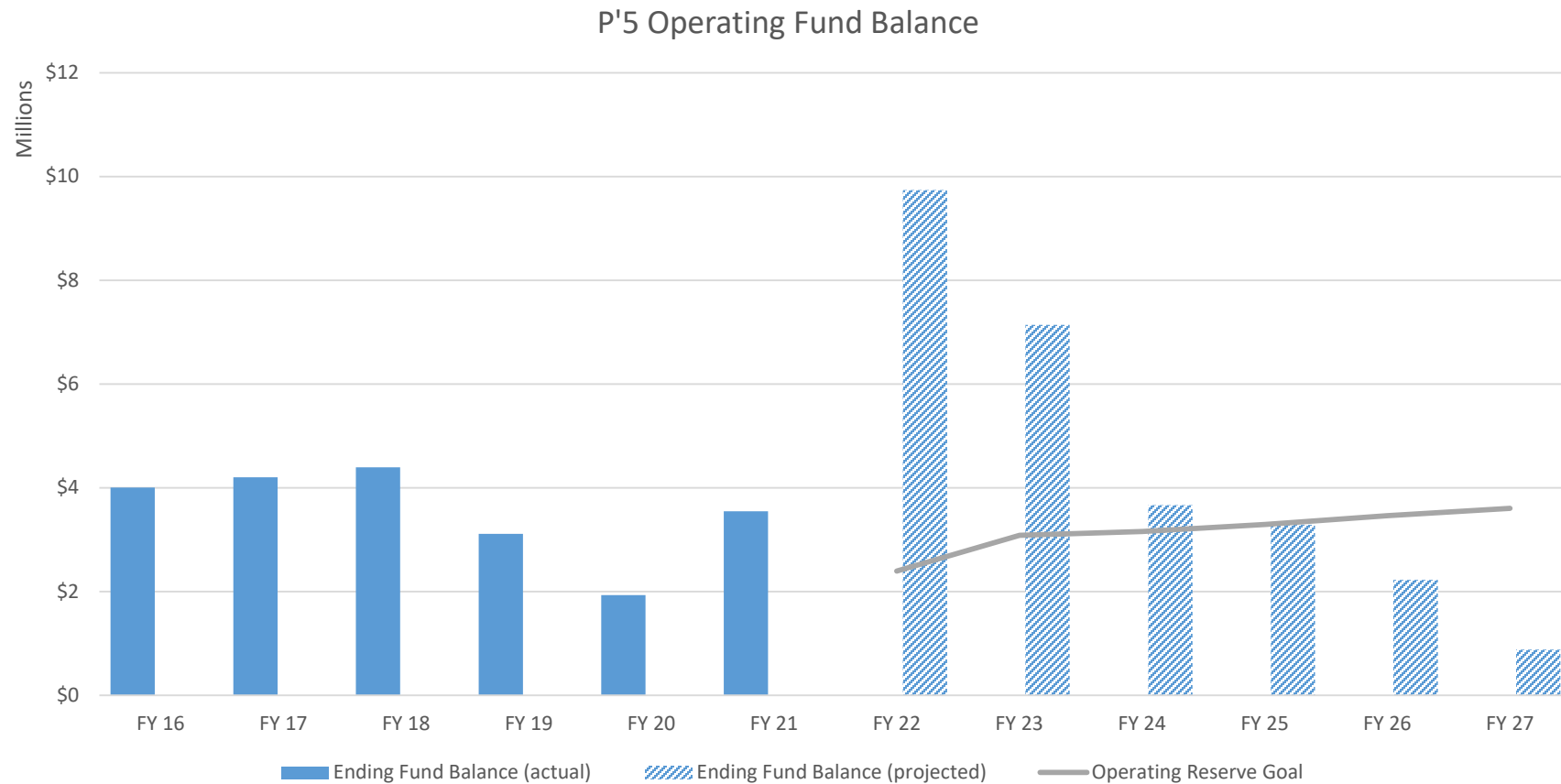
	Forecast					
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Beginning Fund Balance	5,703	9,738	7,139	3,662	3,288	2,225
Event Revenues	9,903	14,984	15,518	16,837	17,335	17,823
Other Revenues	2,359	2,757	2,944	3,083	3,201	3,252
Grant Revenue	8,000					
Operating Revenues	20,262	17,741	18,461	19,921	20,536	21,075
Operating Expenses	14,366	18,490	18,939	19,744	20,750	21,602
Net Operating	5,896	(749)	(477)	177	(214)	(527)
Capital Revenue	-	-	-	-	-	-
Capital Expense	1,861	1,850	3,000	550	850	850
Net Capital	(1,861)	(1,850)	(3,000)	(550)	(850)	(850)
Ending Fund Balance	9,738	7,139	3,662	3,288	2,225	848
Restricted Capital (Levy)	500					1,000

in thousands

Portland's Five Year Forecast



Portland's Five Year Forecast



Portland's FY 21-22 Update

Managing Through Uncertainty

- Re-opening: Bigger lift than anticipated
- In spite of some uncertainty future bookings continue to be strong
- Invest in our team members
- Continue building on our reputation as safe, well run and customer service oriented venues

Portland's FY 22-23 Priorities, Challenges, and Opportunities

Budget Priorities

- Conservative M&S spending while focusing on staff and business development
- Continue cost recovery analysis
- Lower subsidy of non-profits
- Build back education and community engagement program

Portland's FY 22-23 Priorities, Challenges, and Opportunities

Challenges & Opportunities

- Low fund balance won't provide much protection in case of an emergency
- Inability to address capital needs of aging venues
- Opportunity to begin mission shift to better serve more diverse arts organizations



Expo Revenue Assumptions

Event revenues are forecasted to rebuild slowly over the five year forecast horizon, but are not expected to reach 100% of pre-COVID levels (inflation adjusted) within the five year forecast.

Food & Beverage – new commission model

- Attendance levels estimated to come in below minimum per Levy contract (500,000) for first few years of the forecast, and guaranteed minimum payment discounted proportionally

VFTA Allocation discounted, and TLT pooled capital not assumed at this time.

Continuation of \$400,000 Metro General Fund support assumed

Expo Expense Assumptions

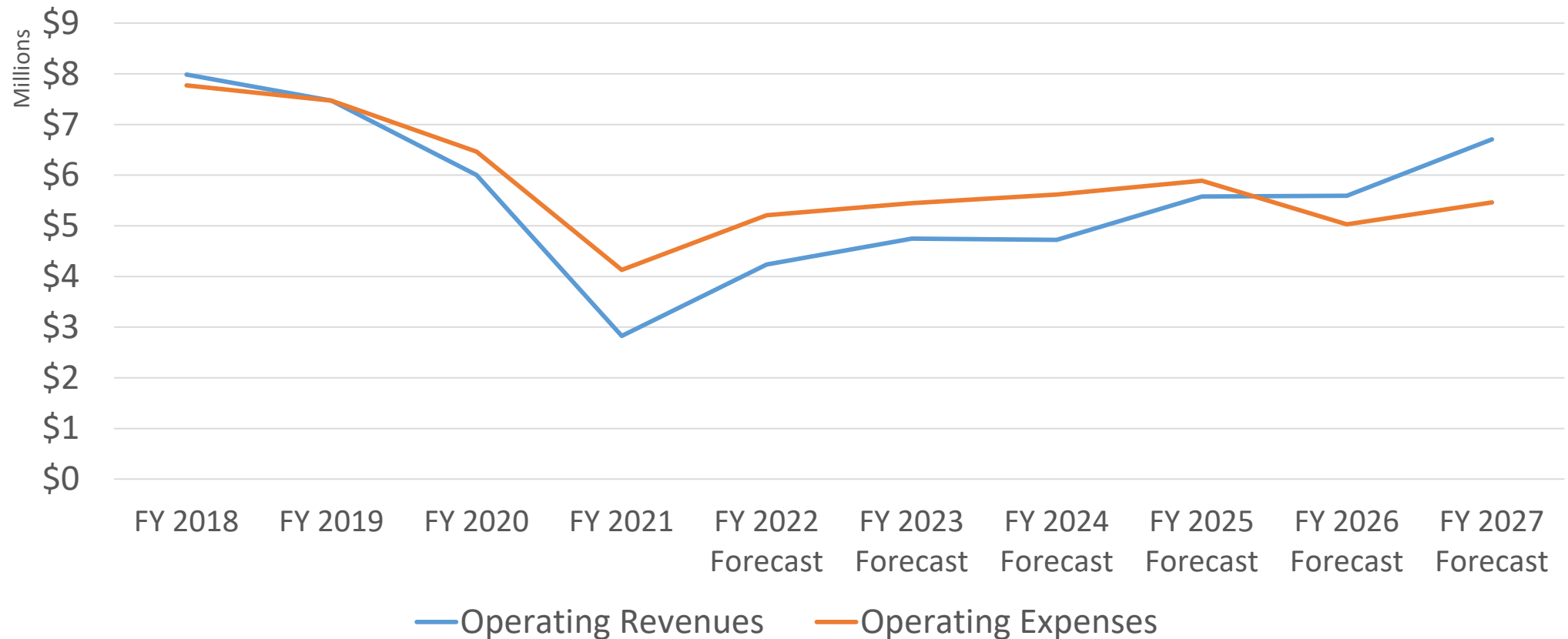
- Personnel – increases of 5 - 11% per year, due to wages, PERS and variable hour staff increases as business builds back.
 - Includes a plug to fill 3.0 vacant positions based on operational needs (e.g. booking and sales)
 - Assumes that Expo can continue to rely on event-driven staffing model for utility and custodial work
- Materials & Services – inflationary increases will have an impact, escalated based on agency-wide global variables
- Capital Outlay – capital spending limited to life/safety projects for transformer replacement and HVAC replacement.
- Cost Allocation Plan (CAP) transfer declines in FY 24 and FY 25 before increasing again in FY 26 and FY 27

Expo Five Year Forecast

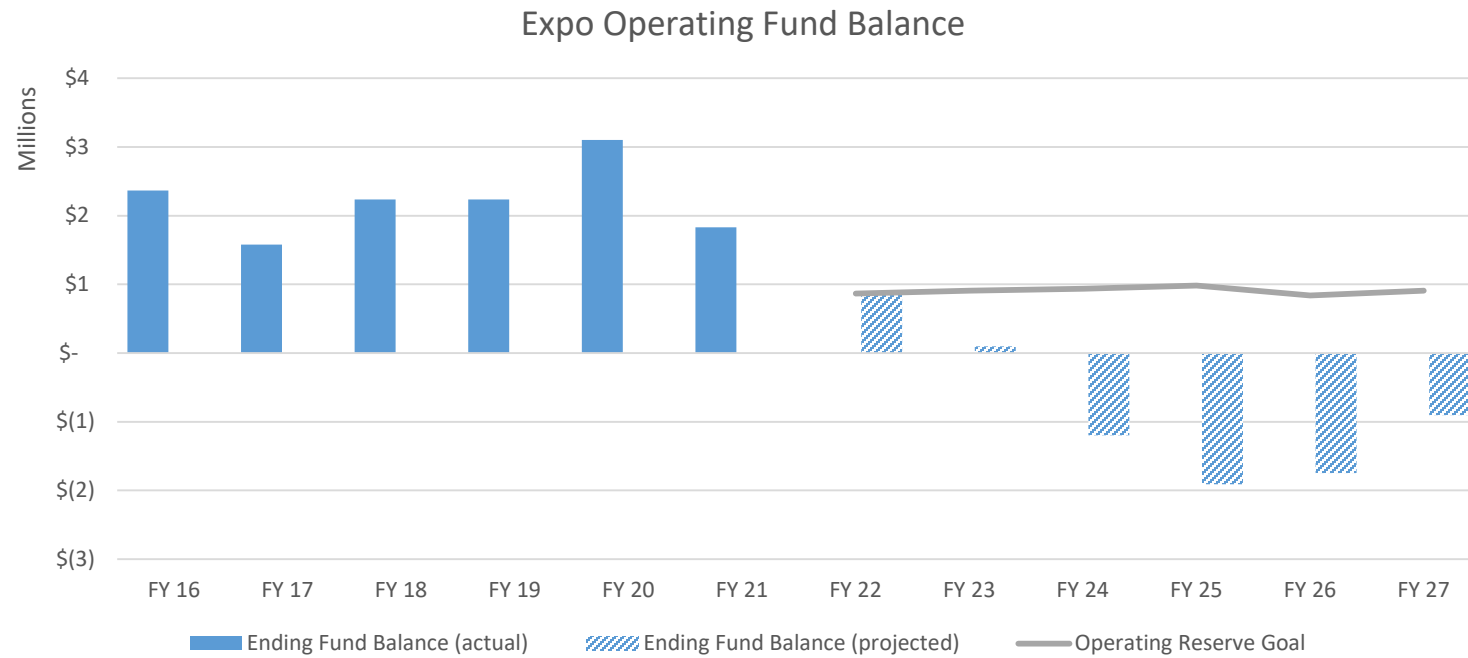
	Forecast					
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Beginning Fund Balance	1,831	897	96	(1,199)	(1,912)	(1,749)
Event Revenues	3,444	3,977	3,952	4,753	4,766	5,882
Other Revenues	793	772	772	825	825	826
Operating Revenues	4,237	4,748	4,724	5,577	5,591	6,709
Operating Expenses	5,211	5,449	5,620	5,890	5,028	5,463
Net Operating	(974)	(701)	(896)	(313)	563	1,245
Capital Revenue	40	-	-	-	-	-
Capital Expense		100	400	400	400	400
Net Capital	40	(100)	(400)	(400)	(400)	(400)
Ending Fund Balance	897	96	(1,199)	(1,912)	(1,749)	(904)
Restricted Capital (Levy)	500					1,000

in thousands

Expo Five Year Forecast



Expo Five Year Forecast



Expo FY 21-22 Update

Managing Through Uncertainty

- COVID-19 has impacted our retail events in particular, but also has developed creative and safe solutions.
- Most consumer show retail promoters are feeling positive about events planned in the future.
- Upcoming Cirque events and other multi-day events, Expo's small team needs bench support.
- GBAC Star accreditation and continued safety measures must be a goal for our entire team with the threat of new variants.

Expo FY 22-23

Priorities, Challenges, and Opportunities

Budget Priorities

- Cost-cutting measures implemented across all departments. Balancing service-level standards & customer delivery needs and expectations.
- 3 year agreements provide options to sell open dates.
- Impactful residency by Cirque and increased bridge-business such as storage uses create added revenues.
- Tough choices regarding capital deferred maintenance.
- Aligning budget goals with our diversity and equity plans

Expo FY 22-23

Priorities, Challenges, and Opportunities

Challenges & Opportunities

- Low fund balance concerns heading towards completion of \$1M/yr. debt service in FY25.
- Focusing the team and welcoming business, amidst an environment of media speculation and uncertainty.
- Defining a clear goal for a financially thriving community cultural campus for the next 100 years, providing the highest and best use ideals of the Expo DOS program.

MERC Commission Budget Process



Date	Meeting / Action
December 1, 2021	MERC Commission Meeting - Budget Retreat
TBD	Budget Committee Meeting - Capital
TBD	Budget Committee Meeting – Operations
March 2, 2022	MERC Commission Meeting - Budget Presentation
April 5, 2022	COO presents Proposed Budget to Metro Council

Thank You
oregonmetro.gov

