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Portland, OR 97232
503-797-1780

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Metro | *Exposition Recreation Commission*

MERC Budget Committee Meeting Agenda

Meeting:	Metro Exposition Recreation Commission Budget Committee
Date:	Wednesday, February 17, 2016
Time:	10:00 a.m. to 11:30 a.m.
Location:	Portland'5 Centers for the Arts – Hatfield Hall, Madison Room, 5th Floor

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10:00	Opening Remarks	Scott Robinson
10:05	Proposed Budget Overview	Ben Rowe
10:35	Discuss Budget Priorities	Robinson/ Venue Directors
11:05	Discuss Budget Transmittal Memo	Rowe/ Robinson
11:30	Adjourn	

METROPOLITAN EXPOSITION RECREATION COMMISSION
Resolution Number 16-04

For the purpose of approving the Metropolitan Exposition Recreation Commission ("MERC") 2016-17 Proposed Budget and 2016-17 Capital Plan.

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

WHEREAS, the MERC Budget Committee has met in public meetings for the purpose of creating the MERC 2016-17 Budget and recommends approval of the budget and annual capital plan attached as Exhibit A to this Resolution.

BE IT THEREFORE RESOLVED, that the Metropolitan Exposition Recreation Commission:
Approves the MERC Fiscal Year 2016-17 Budget and 2016-17 Capital Plan attached as Exhibit A and transmits it to the Metro Chief Operating Officer for submission to the Metro Council for inclusion in the Metro budget for the Fiscal Year 2016-17.

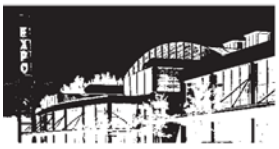
Passed by the Commission on March 2, 2016.

_____
Chair

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

_____
Secretary/Treasurer

_____
Nathan A. S. Sykes, Deputy Metro Attorney



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Metro | *Exposition Recreation Commission*

Date: March 2, 2016
To: MERC Commission
From: Karis Stoudamire-Phillips, Chair of the MERC Budget Committee
Scott Robinson, Metro Deputy COO
Re: Transmittal of the Fiscal Year 2016-17 MERC Budget

The MERC Budget Committee recommends for MERC's approval, the Fiscal Year 2016-17 Proposed Budget which is summarized in MERC Resolution 16-04 Exhibits A & B. After the MERC Budget Retreat on November 4, 2015, the Budget Committee met three times gathering information from venue directors regarding the challenges and opportunities each venue faces in the coming year. This contextual information was essential to the committee's understanding of the revenue forecasts and operational and capital expenditure requests of each venue. The Proposed Budget represents a realistic and achievable budget, reflective of each venue's event bookings, with measured capacity to accommodate unexpected event booking revenue.

In addition to preparing the budget recommendation, the Committee:

Capital

- reviewed the MERC 5-year capital plan;
- approved the FY 2016-17 capital plan of $6,454,328;
- reviewed and recommends a request for $600,000 in MTOCA funds to support ongoing efforts to develop both the Oregon Convention Center ($320,000 – Capital); and the Portland Expo Center ($280,000 - Operations);
- reviewed and recommends that an annual TLT Pooled Capital allocation of $375,000 be used for a new mass notification and fire alarm system at the Oregon Convention Center (OCC);
- reviewed and recommends that Portland Expo Center (Expo) receive $620,000 from TLT Pooled Capital for capital projects including Halls A,B,C,D,E roofing repairs, refurbishment, and replacement, and HVAC, refurbishments;

Operating

- reviewed and recommends the request from Portland'5 Centers for the Arts (Portland'5) for an increase of 3.00 Full-Time Equivalent (FTE) positions; an Education and Community Engagement Manager, Administrative Technician, and day-time Utility Lead;
- reviewed and recommends OCC's request for an increase of 1.00 FTE position; including an Audio Visual Supervisor in response to the Audio Visual Division filing to organize under a labor contract;

OCC Hotel Project

- reviewed and recommends a request for $927,212 in Hotel project expenditures, including a contingency for bond processing costs and budget for project management, legal, financial consulting, construction oversight, and ribbon cutting ceremony costs;

The Committee's recommended budget will be presented to MERC Commissioners on Wednesday, March 2, 2016 for consideration and approval. It will then be forwarded to the Metro Budget Officer, Martha Bennett, Chief Operating Officer, for review by the Metro Council beginning mid-April. If the Chief Operating Officer proposes amendments to the budget, those changes will be brought back to the Commission for consideration in April or May.

Forecasted economic environment for Fiscal Year 2016-17

The economic recovery from the Great Recession continues with FY 2016-17 forecasts reflected in increased event bookings across the venues. Portland'5 has booked 9.5 weeks of Broadway shows in FY 2016-17. Although 2.5 weeks less than the all-time record of 12 weeks in FY 2016, this is still very strong. OCC forecasts hosting 47 national conventions, which is three less than its record 50 in FY 2016. As usual, OCC expects a few additional large event bookings as the year progresses. Expo's budget for FY 2016-17 is slightly less than FY 2016; however it reflects a healthy 3% compound annual growth rate in event related revenues over FY 2015 actual revenues. Portland Expo's proposed FY 2016-17 budget does not include a Cirque du Soleil event.

Transient Lodging Tax

Transient Lodging Tax (TLT) revenue is trending to perform even better in FY 2016 than its record year in FY 2015. Portland truly is happening now! There are over 1,000 hotel rooms either planned or currently under construction in Portland. This is in addition to the new TLT receipts generated from the Airbnb agreement mid-way through FY 2015. The MERC forecast for TLT revenues in FY 2016-17 matches the County's forecast at 4% growth over FY 2016, benefiting both Portland'5 and OCC. Because of the record receipts and OCC's and Portland'5's maximum allocation growth year over year, the TLT Pooled Capital Account balance will continue to grow over the next several years. The Expo Center does not currently receive a direct TLT contribution.

On the expense side, Expo's budget continues to be stressed by tax increases including Multnomah County Drainage District fees. The City of Portland phased storm water fee increases are fully implemented within the FY 2016-17 budget. Portland'5 resident company schedules remain flat and its aging buildings continue to require major capital improvements. The assumption of a 2.0% CPI & Cost of Living Allowance (COLA) was used in the development of the FY 2016-17 Budget, however, the Bureau of Labor Statistics (BLS) reported in January 2016 that the calendar year Portland-Salem Area Consumer Price Index for All Urban Consumers (CPI-U) increased only 1.23%. The BLS January to January statistics will not be published until February 24th, 2016. Both the AFSCME and LIUNA agreements use the January-to-January Portland-Salem CPI-U indicator for their cost of living increases. All three venues have absorbed increased utility, food and personnel costs into their budget without increasing their Materials and Services budget. Through good operational efficiency management, the venue directors continue to minimize expenditure growth while keeping revenues on pace with inflation.

Significant impacts in the Fiscal Year 2016-17 Proposed Budget

- Assumed cost impacts for both the Affordable Healthcare Act and the newly implemented sick leave laws are included in the FY 2016-17 Proposed Budget. Because these cost increases can be managed to some degree, there is not a significant impact to the venues.
- Both the budgeted fixed amount for health and welfare benefits per employee and the Public Employee Retirement System (PERS) rate decreased from FY 2015-16. Both of these rate decreases are a one-time reprieve. It is expected both rates will increase in FY 2017-18.

- No assumptions are included in the proposed budget for minimum wage increases. If proposed legislation is scheduled to take effect during FY 2016-17, the venues may decide to propose a budget amendment at that time. Under the current proposalPortland'5 will experience the most significant impact of the three venues. Both OCC and Expo's base hourly rates are above the first phase of proposed increased hourly rates.
- Continued funding for the OCC hotel project, which aims to solve the lack of a dedicated block of hotel rooms located across the street from the center, is proposed to be funded by OCC in FY 2016-17 in the amount of $927,212 which includes project management staff (0.50 FTE), construction oversight, ribbon cutting ceremony costs; bond financing contingency costs, development and design expenses, outside legal services, and other costs associated with this effort.
- The Oregon Convention Center budgeted $189,437 for the fifth of ten loan payments to the General Fund. OCC borrowed $2.2 million from the General Fund for OCC's Portland Streetcar Local Improvement District (LID) tax assessment in 2012.
- Expo will receive $280,000 in MTOCA funding in FY 2016-17 pending approval from the Metro Chief Operating Officer and Metro Council. These funds are being used for marketing and facility refurbishment projects.

Key Budget Objectives
In preparing the FY 2016-17 Budget, MERC Administration and the venues composed key objectives. Attachment A to this memo is a list of FY 2016-17 Key Budget Objectives for MERC Administration and each venue. These key objectives appropriately address both the Budget Committee and MERC Commission requests of staff during the budget process and throughout the year.

Policy Considerations
First Opportunity Target Area (FOTA) Hiring
Diversity Equity & Inclusion (DEI) Program Goals
Minority, Women-owned, Emerging Small Business (MWESB) Contracting
All three venues are committed to FOTA, DEI, and MWESB goals and policies. The Human Resources department and Aramark share the responsibility for FOTA hiring program updates. The Procurement division of Finance will continue to report MWESB contracting statistics quarterly. As the OCC hotel project approaches financial close in late 2017, efforts to launch construction employment and contracting outreach will begin. While this is not a Metro construction project, the Metro project team is committed to contributing towards achieving the minority contracting and workforce equity goals required throughout the construction phase of the project. One of the new budget objectives for FY 2016-17 is to maintain oversight and provide regular reporting to stakeholders of the required minority contracting and workforce equity goals throughout the construction of the OCC Hotel project. The committee is impressed with the various methods each venue's budget process facilitated initiatives related to DEI program goals including new positions, outreach programs, training budgets, and hiring initiatives.

Five-Year Capital Plans & Fund Reserves
The Budget Committee reviewed each venue's five-year capital plan and the forecasted impact on their respective fund reserves. All three venues are confronted with the challenges of aging facilities and growing operating expenditures in a competitive marketplace. These dynamics paint a unique narrative

for each venue. The Budget Committee encourages the Commission to keep the three distinct narratives surrounding each venue's capital needs and five-year forecast at the forefront of its priorities.

Oregon Convention Center
OCC's capital funding and fund balance reserves narrative revolves around balancing strategically drawing from both its own fund balance and the TLT Pooled Capital account to address renewal and replacement. Because the OCC Hotel is expected to open in 2019 and due to the health of TLT as well as its event schedule, OCC operations are forecasted to fully fund its current five-year capital plan and also maintain healthy reserves. However, OCC is in the process of completing both a Facility Condition Assessment and a Facility Master Plan. The Facility Condition Assessment will inventory and detail the condition and estimated life expectancy of all mechanical systems of the building as well as propose best-practice maintenance measures to extend system life. The Facility Master Plan will propose interior finish refurbishments to maintain the facility at world-class standards. Once these two processes are complete, OCC will have a more complete picture of estimated future capital costs. The challenge will be to strategically schedule and match funding sources to projects.

Portland'5 Centers for the Arts
Portland'5 net operations are forecasted to be an average $1,000,000 each year over the next five years yet its reserves are forecasted to be reduced from over $10 million in 2016 to under $8 million in 2021 due to its capital needs. The Portland'5 Project scope includes exploring the dynamics of growing net operations, the heavy subsidies provided to the resident companies, appropriately managing the stewardship City of Portland facilities, maintaining reserves, and identifying funding sources for major capital projects. The City of Portland recently completed a partial Facility Condition Assessment (FCA) of Portland'5 buildings. The assessment included neither seismic nor American with Disabilities Act compliance. Work is under way to analyze the FCA information and quantify the gap of information necessary to facilitate a more complete picture of long-term capital needs and funding gaps.

Portland Expo Center
Expo is on track to deplete its reserves in December of 2018. This forecast includes Expo growing its event related revenue by 3% each year, receiving an average of $450,000 in TLT Pooled Capital and receiving $280,000 in MTOCA allocation from the General Fund each year. The scope of the Expo Project includes: exploring the proposed hybrid option, finding alternative funding sources for capital needs and campus investment, and maintaining reserves. Continued work on the Expo project is funded from the MERC Admin budget in FY 2016-17.

We would like to especially thank Ben Rowe, MERC Finance Manager, for his tireless work with the venues to compose a balanced budget. Thanks also to the Metro finance team for their work with Ben and the venue directors to ensure that all of our assumptions are accurate. A big thank you also goes to the venue directors and their staff who worked many hours on projections and balancing the budget. This group of professionals has done the tough work and produced budgets that we can all stand behind and be proud of. The proposed budget provides the venues with the financial resources needed to achieve excellence in customer service and maintain the venues in a manner that delivers on our promise to the region to operate world-class facilities.

DRAFT

And finally, thank you to the MERC Budget Committee members including Commissioners Karis Stoudamire-Phillips, Terry Goldman and Deidra Krys-Rusoff for their leadership, probing questions, and enthusiastic participation on the Budget Committee.

DRAFT

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

All Departments

2017

Line		2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Budget	2016-17 Budget	Change in Annual Budget $	%
	Operations							
1	Charges for Services	20,818,578	20,873,669	25,334,609	24,711,900	25,283,884	571,984	2%
2	Contributions from Governments	798,035	814,794	837,608	853,950	871,029	17,079	2%
3	Contributions from Private (ARA)				15,000	13,000	(2,000)	-13%
4	Enhanced Marketing VDF	441,358	450,000	462,694	472,781	482,614	9,833	2%
5	Food and Beverage Revenue	15,784,720	14,052,840	17,383,250	16,325,143	17,248,329	923,186	6%
6	Grants	12,073	32,422	12,873	-	55,000	55,000	
7	Interest Earnings	99,479	173,347	211,752	91,000	171,000	80,000	88%
8	Interfund Loans	-	1,919,916	-	-		-	
9	Lodging Tax	10,243,940	10,904,188	10,830,714	11,443,458	11,964,317	520,859	5%
10	Miscellaneous Revenue	114,815	106,187	159,784	95,477	103,440	7,963	8%
11	Transfers-R	568,633	418,633	1,138,263	1,015,132	280,000	(735,132)	-72%
12	Visitor Facilities Trust Account	2,712,406	2,471,052	2,345,524	2,215,901	2,446,504	230,603	10%
13	**Total Revenues**	**51,594,036**	**52,217,048**	**58,717,071**	**57,239,742**	**58,919,117**	**1,679,375**	**3%**
14							-	
15	Capital Outlay	298,992	12,796	-	-	-	-	
16	Food & Beverage Services	12,774,024	12,298,206	13,946,162	13,694,997	13,970,429	275,432	2%
17	Materials and Services	11,782,522	14,255,752	14,240,191	15,484,426	16,999,424	1,514,998	10%
18	Personnel Services	16,558,158	16,296,492	17,696,176	19,860,619	20,575,407	714,788	4%
19	Transfers-E	4,548,947	5,088,997	5,414,178	9,001,335	5,567,091	(3,434,244)	-38%
20	Visitor Development Marketing	441,358	450,000	462,694	472,781	482,614	9,833	2%
21	**Total Expenditures**	**46,404,001**	**48,402,241**	**51,759,941**	**58,514,158**	**57,594,965**	**(919,193)**	**-2%**
22	Net Operations	5,190,035	3,814,807	6,957,131	(1,274,416)	1,324,152	2,598,568	-204%
23							-	
24	**Capital**						0	
25	Contributions from Private	75,000	85,000	200,000	387,501	637,501	250,000	65%
26	Grants	410,072	422,333	243,149	-		-	
27	Lodging Tax	1,066,283	1,923,700	5,241,751	-		-	
28	Miscellaneous Revenue	10,986	-	14,633	-		-	
29	Other Financing Sources	-	5,190	3,125	-		-	
30	Transfers-R	-	-	-	110,000	320,000	210,000	191%
31	**Total Revenues**	**1,562,340**	**2,436,223**	**5,702,658**	**497,501**	**957,501**	**460,000**	**92%**
32							**-**	
33	Capital Outlay	2,499,727	4,605,435	4,353,906	8,483,500	6,454,328	(2,029,172)	-24%
34	**Total Expenditures**	**2,499,727**	**4,605,435**	**4,353,906**	**8,483,500**	**6,454,328**	**(2,029,172)**	**-24%**
35	Net Capital	(937,387)	(2,169,212)	1,348,752	(7,985,999)	(5,496,827)		
36	Fund Balance	4,252,649	1,645,594	8,305,883	(9,260,415)	(4,172,675)		
37								
38	Food & Beverage Margin $	3,010,696	1,754,635	3,437,088	2,630,146	3,277,900	647,754	25%
39	**Food & Beverage Margin %**	**19.07%**	**12.49%**	**19.77%**	**16.11%**	**19.00%**		
40								
41	**Full-Time Equivalent (FTE) Positions**	**181.50**	**175.50**	**182.35**	**186.45**	**189.95**	**3.50**	**1.92%**
42								

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

All Departments

2017

		2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Budget	2016-17 Budget	Change in Annual Budget $	Change in Annual Budget %
43	**Fund Balance**							
44	**Beginning Fund Balance (Budgeted)**			31,934,460	34,133,771	40,849,697		
45	Fund Balance Inc. (Dec.)			8,305,883	(9,275,415)	(4,172,675)		
46	**Ending Fund Balance**	**30,414,366**	**31,934,460**	**40,240,343**	**24,858,356**	**36,677,022**		
47								
48	Operating Contingency				2,515,000	2,515,000		
49	Renewal & Replacement				11,260,000	23,195,536		
50	New Capital / Business Strategy				4,938,974	5,817,104		
51	TLT Pooled Capital				6,144,382	5,149,382		
52	**Total Reserves**				**24,858,356**	**36,677,022**		
53								
54	**Beginning Fund Balance (Actual)**				40,240,343			
55	Fund Balance Inc. (Dec.) (Projected)				609,353			
56	**Ending Fund Balance (Projected)**				**40,849,696**			
57								
58								
59	**Total Resources**				91,856,014	100,726,315		
60	**Total Requirements**				91,856,014	100,726,315		
61					-	(0)		

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

Convention Center Operating Fund

2017

Line		2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Budget	2016-17 Budget	Change in Annual Budget $	%
	Operations							
1	Charges for Services	9,549,810	8,674,381	11,548,219	10,236,686	10,764,464	527,778	5%
2	Enhanced Marketing VDF	441,358	450,000	462,694	472,781	482,614	9,833	2%
3	Food and Beverage Revenue	11,727,208	9,972,528	12,485,252	11,750,000	12,000,000	250,000	2%
4	Grants	-	20,739	6,878	-		-	
5	Interest Earnings	31,130	64,792	75,938	30,000	75,000	45,000	150%
6	Interfund Loans	-	1,919,916		-		-	
7	Lodging Tax	8,981,106	9,609,783	9,519,489	10,097,485	10,593,288	495,803	5%
8	Miscellaneous Revenue	23,422	19,724	44,722	16,000	17,000	1,000	6%
9	Transfers-R	(223,367)	(223,432)	93,756	(66,242)	(808,751)	(742,509)	1121%
10	*General Fund - Hotel Support*	-	-	*321,000*	-	-	-	
11	*General Fund - MTOCA*	*546,633*	*418,633*	*320,000*	*210,000*	-	*(210,000)*	*-100%*
12	*Hotel Bond Reimbursement*	-	-	-	*265,000*	-	*(265,000)*	*-100%*
13	*General Fund - Support Services Subsidy FY*	-	-	*80,298*	*86,300*	-	*(86,300)*	*-100%*
14	*General Fund - Support Services Subsidy FY*	-	-	*80,299*	*80,299*	-	*(80,299)*	*-100%*
15	*MERC Admin Support*	*(770,000)*	*(642,065)*	*(707,841)*	*(707,841)*	*(808,751)*	*(100,910)*	*14%*
16	Visitor Facilities Trust Account	2,081,895	1,826,052	1,682,329	1,548,281	1,754,757	206,476	13%
17	**Total Revenues**	**32,612,563**	**32,334,483**	**35,919,277**	**34,084,991**	**34,878,372**	**793,381**	**2%**
18								
19	Capital Outlay	276,685	12,796		-		-	
20	Food & Beverage Services	9,386,663	8,855,561	10,058,470	9,815,867	9,762,922	(52,945)	-1%
21	Materials and Services	7,752,806	9,589,298	8,250,490	9,153,855	9,936,571	782,716	9%
22	Personnel Services	8,531,668	8,549,439	9,279,349	10,737,796	11,052,971	315,175	3%
23	Transfers-E	1,934,976	2,427,981	3,003,759	6,040,444	2,652,939	(3,387,505)	-56%
24	*Hotel Development*	-	-	*472,796*	*3,400,000*		*(3,400,000)*	*-100%*
25	*General Fund - Hotel PM*	*127,450*	*142,347*	*97,604*	*69,345*	*72,212*	*2,867*	*4%*
26	*General Fund - Support Services*	*1,807,526*	*1,843,570*	*2,080,459*	*2,381,662*	*2,391,290*	*9,628*	*0%*
27	*General Fund - Ptld Streetcar Loan*		*442,064*	*227,400*	*189,437*	*189,437*	-	*0%*
28	*General Fund - PERS Reserve*			*125,500*	-	-	-	
29	Visitor Development Marketing	441,358	450,000	462,694	472,781	482,614	9,833	2%
30	**Total Expenditures**	**28,324,156**	**29,885,075**	**31,054,762**	**36,220,743**	**33,888,017**	**(2,332,726)**	**-6%**
31	Net Operations	4,288,406	2,449,408	4,864,515	(2,135,752)	990,355	3,126,107	-146%
32								
33	**Capital**							
34	Contributions from Private (ARA)	-	-	125,000	242,188	398,438	156,250	65%
35	Grants	406,640	1,800		-		-	
36	Miscellaneous Revenue	10,986	-	14,633	-		-	
37	Transfers-R	90,000	615,000		650,000	695,000	45,000	7%
38	*MTOCA*				*110,000*	*320,000*	*210,000*	*191%*
39	*TLT Pooled Capital*	*90,000*	*615,000*	*1,123,000*	*540,000*	*375,000*	*(165,000)*	*-31%*
40	**Total Revenues**	**507,626**	**616,800**	**1,262,633**	**892,188**	**1,093,438**	**201,250**	**23%**
41							-	
42	Capital Outlay	1,473,754	2,712,266	2,322,780	3,966,400	2,180,068	(1,786,332)	-45%
43	**Total Expenditures**	**1,473,754**	**2,712,266**	**2,322,780**	**3,966,400**	**2,180,068**	**(1,786,332)**	**-45%**
44	Net Capital	(966,129)	(2,095,466)	(1,060,147)	(3,074,212)	(1,086,630)	1,987,582	
45	Fund Balance	3,322,277	353,943	3,804,368	(5,209,964)	(96,275)	5,113,689	
46								
47	Food & Beverage Margin $	2,340,545	1,116,968	2,426,782	1,934,133	2,237,078	302,945	16%
48	Food & Beverage Margin %	**19.96%**	**11.20%**	**19.44%**	**16.46%**	**18.64%**		
49								
50	**Full-Time Equivalent (FTE) Positions**	**110.30**	**112.30**	**114.65**	**114.65**	**115.65**	**-**	**0.00%**
51								

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

Convention Center Operating Fund

2017

		2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Budget	2016-17 Budget	Change in Annual Budget $	%
52	**Fund Balance**							
53	**Beginning Fund Balance (Budgeted)**			14,644,177	14,174,771	18,513,545	-	
58	Fund Balance Inc. (Dec.)			3,804,368	(5,209,964)	(96,275)		
59	**Ending Fund Balance**	**14,415,732**	**14,644,177**	**18,448,545**	**8,964,807**	**18,417,270**		
60								
61	Operating Contingency				1,500,000	1,500,000		
62	Renewal & Replacement				6,190,729	15,095,962		
63	New Capital / Business Strategy				1,274,078	1,821,308		
64	**Total Reserves**				**8,964,807**	**18,417,270**		
65								
66	**Beginning Fund Balance (Actual)**				18,448,545			
67	Fund Balance Inc. (Dec.) (Forecasted)				65,000			
68	**Ending Fund Balance (Forecasted)**				**18,513,545**			
69								
70	**Total Resources**				49,151,950	54,485,355		
71	**Total Requirements**				49,151,950	54,485,355		
72					-	-		

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

Portland'5 Centers for the Arts Fund

2017

Line		2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Budget	2016-17 Budget	Change in Annual Budget $	%
	Operations							
1	Charges for Services	7,405,258	8,142,899	9,957,385	10,091,678	10,351,965	260,287	3%
2	Contributions from Governments	798,035	814,794	837,608	853,950	871,029	17,079	2%
3	Contributions from Private (ARA)					13,000	13,000	
4	Food and Beverage Revenue	2,154,102	2,093,848	2,989,218	2,663,978	3,252,119	588,141	22%
5	Grants	12,073	-	5,995	-	55,000	55,000	
6	Interest Earnings	48,489	76,255	100,967	31,000	60,000	29,000	94%
7	Lodging Tax	1,262,834	1,294,405	1,311,226	1,345,973	1,371,029	25,056	2%
8	Miscellaneous Revenue	72,049	68,133	81,962	56,227	61,590	5,363	10%
9	Transfers-R	(463,750)	(388,603)	(428,413)	(382,213)	(442,226)	(60,013)	16%
10	*General Fund - Support Services Subsidy FY16 One-time*			-	46,200	-	(46,200)	-100%
11	*MERC Admin Support*	*(463,750)*	*(388,603)*	*(428,413)*	*(428,413)*	*(442,226)*	*(13,813)*	*3%*
12	Visitor Development Fund Alloc	630,511	645,000	663,195	667,620	691,747	24,127	4%
13	**Total Revenues**	**11,919,601**	**12,746,731**	**15,519,143**	**15,328,213**	**16,285,253**	**957,040**	**6%**
14								
15	Food & Beverage Services	1,727,447	1,731,559	2,196,910	2,243,543	2,520,826	277,283	12%
16	Materials and Services	2,644,325	3,031,888	3,967,386	4,368,968	5,126,153	757,185	17%
17	Personnel Services	5,437,387	5,497,004	5,975,182	6,494,395	6,859,330	364,935	6%
18	Transfers-E	1,119,634	1,145,041	1,255,121	1,219,558	1,195,645	(23,913)	-2%
19	*General Fund - Support Services*	*1,119,634*	*1,145,041*	*1,176,121*	*1,219,558*	*1,195,645*	*(23,913)*	*-2%*
20	*General Fund - PERS Reserve*			*79,000*	-	-	-	
21	**Total Expenditures**	**10,928,793**	**11,405,493**	**13,394,599**	**14,326,464**	**15,701,954**	**1,375,490**	**10%**
22	Net Operations	990,808	1,341,238	2,124,544	1,001,749	583,299	(418,450)	-42%
23								
24	**Capital**							
25	Contributions from Private (ARA)	75,000	85,000	45,000	58,125	95,625	37,500	65%
26	Grants	3,432	35,000	113,899	-		-	
27	**Total Revenues**	**78,432**	**120,000**	**158,899**	**58,125**	**95,625**	**37,500**	**65%**
28							-	
29	Capital Outlay	493,423	643,700	1,498,685	3,156,100	3,152,520	(3,580)	0%
30	**Total Expenditures**	**493,423**	**643,700**	**1,498,685**	**3,156,100**	**3,152,520**	**(3,580)**	**0%**
31	Net Capital	(414,991)	(523,700)	(1,339,786)	(3,097,975)	(3,056,895)		
32	Fund Balance	575,817	817,538	784,758	(2,096,226)	(2,473,596)		
33								
34	Food & Beverage Margin $	426,655	362,289	792,308	420,435	731,293	310,858	74%
35	**Food & Beverage Margin %**	**19.81%**	**17.30%**	**26.51%**	**15.78%**	**22.49%**		
36								
37	**Full-Time Equivalent (FTE) Positions**	**46.40**	**44.40**	**46.90**	**49.40**	**52.40**	**3.00**	**6.07%**

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

Portland'5 Centers for the Arts Fund

2017

		2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Budget	2016-17 Budget	Change in Annual Budget $	%
38								
39	**Fund Balance**							
40	**Beginning Fund Balance (Budgeted)**			9,837,692	8,789,652	11,348,488	8,789,652	
45	Fund Balance Inc. (Dec.)			784,758	(2,096,226)	(2,473,596)		
46	**Ending Fund Balance**	**9,020,156**	**9,837,692**	**10,622,450**	**6,693,426**	**8,874,892**		
47								
48	Operating Contingency				600,000	600,000		
49	Renewal & Replacement				4,136,126	6,270,637		
50	New Capital / Business Strategy				1,957,300	2,004,255		
51	**Total Reserves**				**6,693,426**	**8,874,892**		
52								
53	**Beginning Fund Balance (Actual)**				10,622,451			
54	Fund Balance Inc. (Dec.) (Forecasted)				726,037			
55	**Ending Fund Balance (Forecasted)**				**11,348,488**			
56								
57	**Total Resources**				24,175,990	27,729,366		
58	**Total Requirements**				24,175,990	27,729,366		
59					-	-		

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

Expo Fund

2017

Line		2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Budget	2016-17 Budget	Change in Annual Budget $	%
	Operations							
1	Charges for Services	2,296,290	2,398,860	2,396,914	2,662,630	2,545,448	(117,182)	-4.40%
2	Parking	1,567,220	1,657,504	1,414,685	1,720,906	1,622,007	(98,899)	-6%
3	Contributions from Private Sources				15,000		(15,000)	-100%
4	Food and Beverage Revenue	1,903,409	1,986,464	1,908,780	1,911,165	1,996,210	85,045	4%
5	Grants	-	11,683	-	-	-	-	0%
6	Interest Earnings	12,484	20,690	17,414	18,000	18,000	-	0%
7	Miscellaneous Revenue	19,344	18,175	33,100	23,250	24,850	1,600	7%
8	Transfers-R	(119,249)	(111,875)	213,330	203,997	280,000	76,003	37%
9	*General Fund - MTOCA*			*280,000*	*280,000*	*280,000*	-	*0%*
10	*General Fund - Support Services Subsidy FY16 One-time*			-	*19,500*	-	*(19,500)*	*-100%*
11	*General Fund - Support Services Subsidy FY15 Part II*			*56,666*	*27,833*	-	*(27,833)*	*-100%*
12	*MERC Admin Support*	*(119,249)*	*(111,875)*	*(123,336)*	*(123,336)*	-	*123,336*	*-100%*
13	**Total Revenues**	**5,679,498**	**5,981,501**	**5,984,223**	**6,554,948**	**6,486,515**	**(68,433)**	**-1%**
14								
15	Capital Outlay	22,306	-	-	-	-		
16	Food & Beverage Services	1,659,914	1,711,086	1,690,782	1,635,587	1,686,681	51,094	3%
17	Materials and Services	1,156,463	1,405,290	1,252,238	1,482,018	1,393,615	(88,403)	-6%
18	Personnel Services	1,484,027	1,510,480	1,668,415	1,797,467	1,786,611	(10,856)	-1%
19	Transfers-E	307,205	327,324	428,044	555,157	535,979	(19,178)	-3%
20	*General Fund - Support Services*	*307,205*	*327,324*	*411,666*	*555,157*	*535,979*	*(19,178)*	*-3%*
21	*General Fund - PERS Reserve*			*21,500*	-	-	-	
22	**Total Expenditures**	**4,629,916**	**4,954,179**	**5,039,479**	**5,470,229**	**5,402,886**	**(67,343)**	**-1%**
23	Net Operations	1,049,583	1,027,321	944,744	1,084,719	1,083,629	(1,090)	0%
24								
25	Debt Service	1,187,132	1,188,651	1,188,050	1,186,176	1,182,528	(3,648)	0%
26	**Operations net of Debt**	**(137,549)**	**(161,330)**	**(243,306)**	**(101,457)**	**(98,899)**	**2,558**	**-3%**
27								
28	**Capital**							
29	Grants	-	385,533	129,250	-	-	-	
30	Contributions from Private (ARA)			30,000	72,188	143,438	71,250	99%
31	Other Financing Sources	-	5,190	3,125	-		-	
32	Transfers-R	-	-	-			-	
33	*TLT Pooled Capital*	*270,000*	*165,000*	*360,000*	*280,000*	*620,000*	*340,000*	*121%*
34	**Total Revenues**	**270,000**	**555,723**	**522,375**	**352,188**	**763,438**	**411,250**	**117%**
35								
36	Capital Outlay	472,332	962,510	478,441	1,361,000	1,121,740	(239,260)	-18%
37	**Total Expenditures**	**472,332**	**962,510**	**478,441**	**1,361,000**	**1,121,740**	**(239,260)**	**-18%**
38	Net Capital	(202,332)	(406,787)	43,934	(1,008,812)	(358,302)		
39	Fund Balance	(339,881)	(568,117)	(199,372)	(1,110,269)	(457,201)		
40								
41								
42	Food & Beverage Margin $	243,496	275,378	217,998	275,578	309,529	33,951	12%
43	**Food & Beverage Margin %**	**12.8%**	**13.9%**	**11.4%**	**14.4%**	**15.5%**		
44								
45	**Full-Time Equivalent (FTE) Positions**	**13.30**	**12.30**	**14.80**	**15.80**	**15.30**	**(0.50)**	**-3.38%**
46								

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

Expo Fund

2017

		2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Budget	2016-17 Budget	Change in Annual Budget $	%
47	**Fund Balance**							
48	**Beginning Fund Balance (Budgeted)**			3,367,237	3,167,865	2,798,742	3,167,865	
53	Fund Balance Inc. (Dec.)			(199,372)	(1,110,269)	(457,201)		
54	**Ending Fund Balance**	**3,935,353**	**3,367,237**	**3,167,865**	**2,057,596**	**2,341,541**		
55								
56	Operating Contingency				350,000	350,000		
57	Renewal & Replacement				-			
58	New Capital / Business Strategy				1,707,596	1,991,541		
59	**Total Reserves**				**2,057,596**	**2,341,541**		
60								
61	**Beginning Fund Balance (Actual)**				3,167,865			
62	Fund Balance Inc. (Dec.) (Forecasted)				(369,123)			
63	**Ending Fund Balance (Forecasted)**				**2,798,742**			
64								
65	**Total Resources**				10,075,001	10,048,695		
66	**Total Requirements**				10,075,001	10,048,695		
67					-	(0)		

MERC Statement of Activity with Annual Budget

Metropolitan Exposition-Recreation Commission

MERC Admin Sub Fund

2017

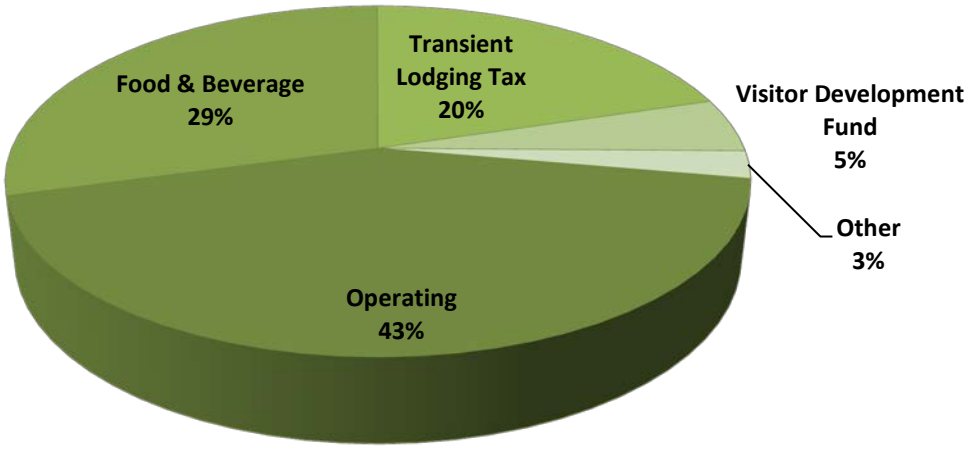
Line		2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Budget	2016-17 Budget	Change in Annual Budget $	%
	Operations							
1	Charges for Services	(0)	25	17,406	-		-	
2	Interest Earnings	7,376	11,611	17,433	12,000	18,000	6,000	50%
3	Miscellaneous Revenue	-	155	-	-	-	-	
4	Transfers-R	1,374,999	1,142,543	1,259,590	1,259,590	1,250,977	(8,613)	-1%
5	*MERC Admin Support From OCC*	*770,000*	*642,065*	*707,841*	*707,841*	*808,751*	*100,910*	*14%*
6	*MERC Admin Support From P5*	*463,750*	*388,603*	*428,413*	*428,413*	*442,226*	*13,813*	*3%*
7	*MERC Admin Support From Expo*	*119,249*	*111,875*	*123,336*	*123,336*	*-*	*(123,336)*	*-100%*
8	**Total Revenues**	**1,382,375**	**1,154,334**	**1,294,429**	**1,271,590**	**1,268,977**	**(2,613)**	**0%**
9								
10	Materials and Services	228,927	229,275	297,282	479,585	543,085	63,500	13%
11	Personnel Services	1,105,077	739,568	773,769	830,961	876,495	45,534	5%
12	Transfers-E	-	-	12,000	-	-	-	
13	*General Fund - PERS Reserve*			*12,000*		-	-	
14	**Total Expenditures**	**1,334,004**	**968,844**	**1,083,051**	**1,310,546**	**1,419,580**	**109,034**	**8%**
15	Net Operations	48,371	185,490	211,378	(38,956)	(150,603)	(111,647)	287%
16	**Capital**							
17	Lodging Tax	1,066,283	1,923,700	5,241,751	-	-		
18	Transfers-R	(360,000)	(780,000)	(1,483,000)	(820,000)	(995,000)	(175,000)	21%
19	*TLT Pooled Capital to OCC*	*(90,000)*	*(615,000)*	*(1,123,000)*	*(540,000)*	*(375,000)*	*165,000*	*-31%*
20	*TLT Pooled Capital to Expo*	*(270,000)*	*(165,000)*	*(360,000)*	*(280,000)*	*(620,000)*	*(340,000)*	*121%*
21	**Total Revenues**	**706,283**	**1,143,700**	**3,758,751**	**(820,000)**	**(995,000)**	**(175,000)**	**21%**
22							**-**	
23	Capital Outlay	60,218	286,959	54,000	-	-	-	
24	**Total Expenditures**	**60,218**	**286,959**	**54,000**	**-**		**-**	
25	Net Capital	646,065	856,740	3,704,751	(820,000)	(995,000)		
26	Fund Balance	694,436	1,042,231	3,916,129	(858,956)	(1,145,603)		
27								
28	**Full-Time Equivalent (FTE) Positions**	**11.50**	**6.50**	**6.00**	**6.60**	**6.60**	**-**	**0.00%**
29								
30	**Fund Balance**							
31	**Beginning Fund Balance (Budgeted)**			4,085,354	8,001,483	8,188,922		
35	Fund Balance Inc. (Dec.)			3,916,129	(858,956)	(1,145,603)		
36	**Ending Fund Balance**	**3,043,125**	**4,084,393**	**8,001,483**	**7,142,527**	**7,043,319**		
37								
38	Operating Contingency			65,000	65,000	65,000		
39	Renewal & Replacement			933,145	933,145	1,828,937		
40	TLT Pooled Capital			7,003,338	6,144,382	5,149,382		
41				**8,001,483**	**7,142,527**	**7,043,319**		
42				-	-			
43	**Beginning Fund Balance (Actual)**			4,085,354	8,001,483			
44	Fund Balance Inc. (Dec.) (Forecasted)			148,413	187,439			
45	**Ending Fund Balance (Forecasted)**			**4,233,767**	**8,188,922**			
46								
47								
48	**Total Resources**			9,138,534	8,453,073	8,462,899		
49	**Total Requirements**			9,138,534	8,453,073	8,462,899		
50				-	-	-		

Metropolitan Exposition Recreation Commission
Proposed Budget
Fiscal Year 2016-17

MERC Budget Summary (Thousands)

	2014 Actual	2015 Actual	2016 Budget	2017 Budget	Difference $	Difference %
Operating Revenues						
Charges for Services	20,874	25,335	24,712	25,284	572	2.3%
Food & Beverage	14,053	17,383	16,325	17,248	923	5.7%
Lodging Tax	10,904	10,831	11,443	11,964	521	4.6%
Visitor Development	2,921	2,808	2,689	2,929	240	8.9%
Other Revenue	3,465	2,360	2,071	1,493	(577)	(28.0%)
Operating Revenues	**52,217**	**58,717**	**57,240**	**58,919**	**1,679**	**2.9%**
Operating Expenses						
Personnel	16,296	17,696	19,861	20,575	715	3.6%
Food & Beverage	12,298	13,946	13,695	13,970	275	2.0%
Materials & Services	14,256	14,240	15,484	16,999	1,515	9.8%
Other	5,552	5,877	6,074	6,050	(24)	(0.4%)
Hotel Development			3,400	-	(3,400)	(100.0%)
Operating Expenditures	**48,402**	**51,759**	**58,514**	**57,595**	**(919)**	**(1.6%)**
Net Operations **(B)**	3,815	6,957	(1,274)	1,324	2,599	
Food & Beverage Margin $	**1,755**	**3,437**	**2,630**	**3,278**	**648**	**25%**
Food & Beverage Margin %	**12%**	**20%**	**16%**	**19%**		
Capital Revenues						
Aramark Contributions	85	200	388	638	250	65%
MTOCA - General Fund	-	-	110	320	-	-
Grants	422	243	-	-	-	-
Lodging Tax	1,924	5,242	-	-	-	-
Miscellaneous	5	18	-	-	210	-
Total Capital Revenues	**2,436**	**5,703**	**498**	**958**	**460**	**92%**
Total Capital Expenses	**4,605**	**4,354**	**8,484**	**6,454**	**(2,029)**	**(24%)**
Net Capital **(C')**	(2,169)	1,349	(7,986)	(5,497)		0%
Change in Fund Balance **B+C =(D)**	**1,646**	**8,306**	**(9,260)**	**(4,173)**		
Beginning Fund Balance **(A)**	30,289	31,934	34,134	40,850		
Change in Fund Balance **(D)**	1,646	(8,306)	(9,260)	(4,173)		
Ending Fund Balance **A+D =(E)**	**31,934**	**40,240**	**24,858**	**36,677**		

MERC Fund Summary of Resources



Revenues	OCC	P'5	Expo	Admin	MERC
Charges for Services	10,764,464	10,351,965	4,167,455		25,283,884
Food & Beverage	12,000,000	3,252,119	1,996,210	-	17,248,329
Lodging Tax	10,593,288	1,371,029	-	-	11,964,317
Visitor Development	2,237,371	691,747	-	-	2,929,118
Other	(716,751)	618,393	322,850	1,268,977	1,493,469
Total	**$ 34,878,372**	**$ 16,285,253**	**$ 6,486,515**	**$ 1,268,977**	**$ 58,919,117**
Capital Revenues	1,093,438	95,625	763,438	(995,000)	957,501
Beginning Fund Bal.	18,513,545	11,348,488	2,798,742	8,188,922	40,849,697
Total Resources	**$ 54,485,355**	**$ 27,729,366**	**$ 10,048,695**	**$ 8,462,899**	**$ 100,726,315**

Operating Revenue
The MERC Fund total charges for services of $25.3 million is 2% greater than the FY 2015-16 Budget. Charges for services revenue include: facility & equipment rentals, parking, and services provided to clients and attendees.

Oregon Convention Center

- OCC's $10.8 million charges for services revenue is 5% greater than the FY 2015-16 Budget. The event space revenue budget is based on contracted, tentative repeat clients, and historical pickup event bookings. Currently OCC has 43 conventions on the books compared to 45 at this time last year. The FY 2016 budget assumes an expectation of 47 total national convention bookings compared to the historical average of 42.

Portland'5 Centers for the Arts

- Portland'5 $10.4 million charges for services revenue is 3% greater than the FY 2015-16 Budget. While the number scheduled weeks of Broadway shows is contracting from a record 12 in FY 2015-16 to 9.5 weeks, Portland'5 Presented shows is expanding its program.

Portland Expo Center

- Expo's $4.2 million charges for services revenue is 5% less than the FY 2015-16 Budget however reflects a 3% compound annual growth rate from FY 2014-15 actual revenues.
- The MERC Budget Committee reviewed and approved Expo's request of $280,000 in MTOCA funding for marketing & sales activities, and related facility improvement projects.

Food & Beverage Margins

MERC's food & beverage budget aligns more closely to FY 2014-15 actual than 2015-16 budget due to the quickly recovering economy and higher than expected revenue and margin performance. Food & beverage revenue is $17.2 million 6% greater than FY 2015-16.

		2014 Actual	2015 Actual	2016 Budget	2017 Budget	Difference $	Difference %
OCC	**Revenue**	9,972,528	12,485,252	11,750,000	12,000,000	250,000	2%
	Expense	8,855,561	10,058,470	9,815,867	9,762,922	-52,945	-1%
	Margin $	**1,116,968**	**2,426,782**	**1,934,133**	**2,237,078**	**302,945**	**16%**
	Margin %	**11%**	**19%**	**16.5%**	**18.6%**		
P'5	**Revenue**	2,093,848	2,989,218	2,663,978	3,252,119	588,141	22%
	Expense	1,731,559	2,196,910	2,243,543	2,520,826	277,283	12%
	Margin $	**362,289**	**792,308**	**420,435**	**731,293**	**310,858**	**74%**
	Margin %	**17%**	**27%**	**15.8%**	**22.5%**		
Expo	**Revenue**	1,986,464	1,908,780	1,911,165	1,996,210	85,045	4%
	Expense	1,711,086	1,690,782	1,635,587	1,686,681	51,094	3%
	Margin $	**275,378**	**217,998**	**275,578**	**309,529**	**33,951**	**12%**
	Margin %	**14%**	**11%**	**14.4%**	**15.5%**		
MERC	**Revenue**	14,052,840	17,383,250	16,325,143	17,248,329	923,186	6%
	Expense	12,298,206	13,946,162	13,694,997	13,970,429	275,432	2%
	Margin $	**1,754,635**	**3,437,088**	**2,630,146**	**3,277,900**	**647,754**	**25%**
	Margin %	**12%**	**20%**	**16%**	**19%**		

Oregon Convention Center

- OCC food & beverage revenue is forecasted at $12 million, 2% greater compared to FY 2015-16 budget with a 19% margin.

Portland'5 Centers for the Arts

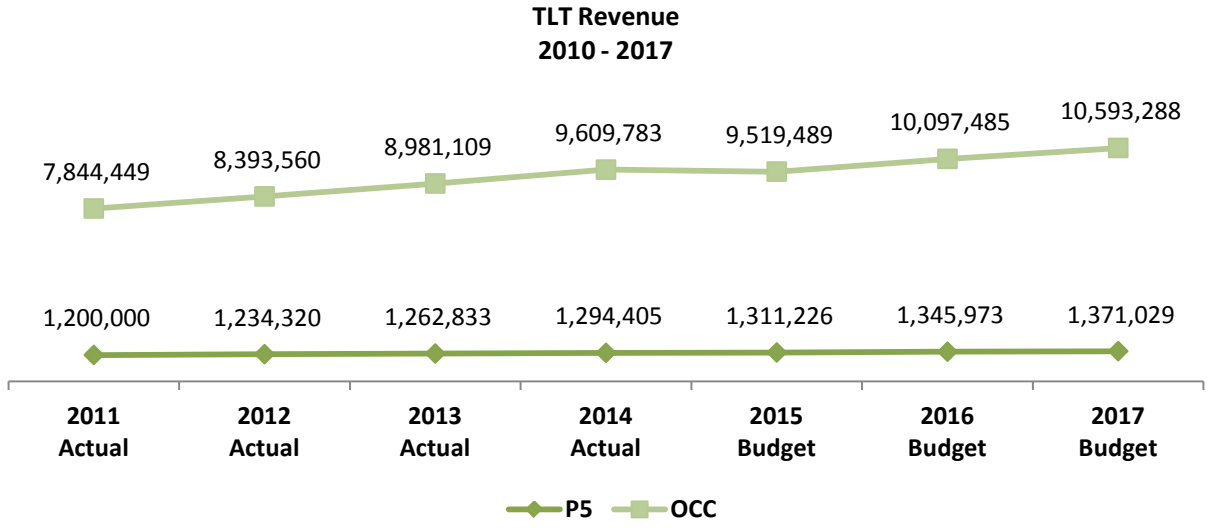
- P'5 food & beverage revenue is forecasted at $3.3 million. This represents a 22% increase over FY 2015-16 due to underestimating food and beverage performance in 2015-16.

Portland Expo Center

- EXPO food & beverage revenue is forecasted at $2.0 million, 4% more than FY 2015-16 budget.
  - Note: FY 2014 actuals reflect hosting the Cirque du Soleil event.

Transient Lodging Tax (TLT)

The total Transient Lodging Tax (TLT) revenue budget for FY 2016-17 of $12 million, is an increase of 4.55% over the FY 20115-16 Budget.



Portland'5 Centers for the Arts

- According to the Visitor Development Fund (VDF) Intergovernmental Agreement (IGA), Portland'5 is allocated a maximum increase over the prior year receipts, of the Portland-Salem, second-half Calendar Year, Consumer Price Index (CPI), two years prior. For FY 2015-16 this is a 2.26% increase over FY 2015 actual receipts. The Portland5 FY 2016-17 Budget for TLT receipts represents a 2.5% (CPI budget assumption) increase over the FY 2015-16 maximum.

Oregon Convention Center

- OCC is allocated the greater of CPI as defined above or 7% over the prior year receipts. OCC is expected to receive the full 7% maximum increase over FY 2014-15 actual receipts in FY 2015-16. The OCC FY 2016-17 Budget for TLT receipts represents a 4% increase over the FY 2015-16 maximum allocation amount which matches Multnomah County's forecast assumption.

Portland Expo Center

- The Portland Expo Center does not receive TLT revenues, however does receive TLT Pooled Capital for specific projects.

TLT Pooled Capital

- All TLT receipts over these maximums are deposited into the MERC Fund TLT Pooled Capital account to be allocated to specific projects in future years. $1.9 million and 5.2 million was allocated to the MERC Fund TLT Pooled Capital in FY 2013-14 and FY 2014-15 respectively. TLT Pooled Capital revenue estimates are not budgeted in FY 2015-16 or FY 2016-17.

TLT Pooled Capital Receipts

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual
TLT Pooled capital Receipts	492,463	902,650	1,066,582	1,920,311	5,241,751

Non-Operating Revenues

Visitor Facilities Trust Account (VFTA Buckets) includes operational support for OCC and Portland'5.

- VFTA Bucket 5 – OCC request for operational support - $1,340,595
- VFTA Bucket 7 – OCC request for enhanced marketing - 482,614
- VFTA Bucket 8 – OCC patron TriMet passes pass-through - 414,162
- VFTA Bucket 10 – P'5 request for operational support - 691,747

Portland'5 Centers for the Arts

- The City of Portland contribution of $871,029 to P'5 increases by CPI annually.
- There is no annual contribution from the Portland'5 Foundation for capital renewal and replacement budgeted in FY 2016-17.

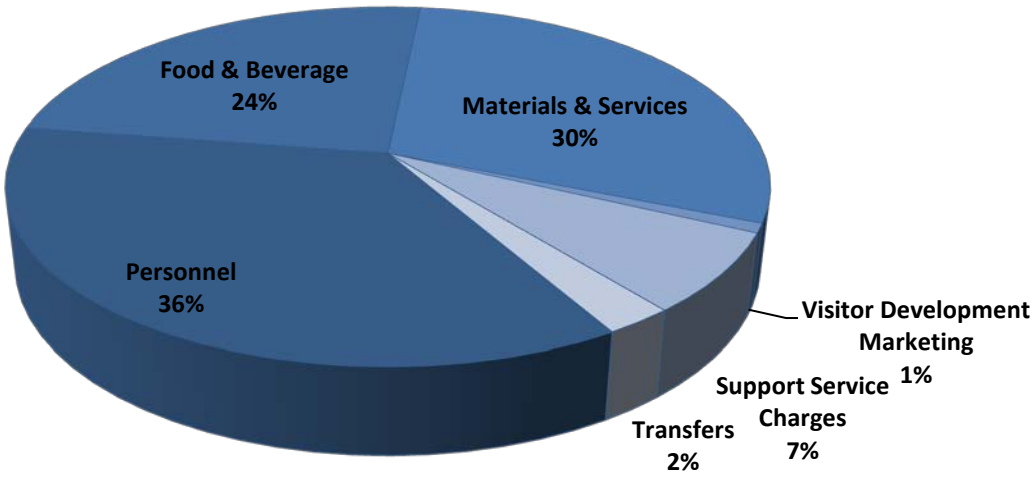
Oregon Convention Center

- OCC Transfer Revenue from other funds:
  - OCC has requested a transfer of $375,000 from the MERC TLT Pooled Capital Account.

Portland Expo Center

- Expo Transfer Revenue from other funds:
  - The MERC Commission and Metro Council approved a change in the General Fund Metropolitan Tourism and Competitiveness Account (MTOCA) policy language to include Expo as a recipient of funding beginning in FY 2014-15.
  - A FY 2016 proposal was made and accepted by the MERC Budget Committee for Expo to be allocated $280,000 in MTOCA funding for marketing & sales activities, and related facility improvement projects.

MERC Fund Summary of Requirements



Expenses	OCC	P'5	Expo	Admin	MERC
Personnel	11,052,971	6,859,330	1,786,611	876,495	20,575,407
Food & Beverage	9,762,922	2,520,826	1,686,681	-	13,970,429
Materials & Services	9,936,571	5,126,153	1,393,615	543,085	16,999,424
VFTA	482,614	-	-		482,614
Support Services	2,391,290	1,195,645	535,979		4,122,914
Transfers	261,649	-	1,182,528	-	1,444,177
Total	**$ 33,888,017**	**$ 15,701,954**	**$ 6,585,414**	**$ 1,419,580**	**$ 57,594,965**
Capital Expenses	2,180,068	3,152,520	1,121,740	-	6,454,328
Reserves	18,417,270	8,874,892	2,341,541	7,043,319	36,677,022
Total Requirements	**$ 54,485,355**	**$ 27,729,366**	**$ 10,048,695**	**$ 8,462,899**	**$ 100,726,315**

Personnel Services
Full Time Equivalent (FTE) Positions

	2014 Actual	2015 Actual	2016 Budget	2017 Budget	Difference 16/17	Additional Request	2017 Total
Convention Center	112.30	114.65	114.65	114.65	0.00	1.00	115.65
Portland'5	44.40	46.90	49.40	49.40	0.00	3.00	52.40
Portland Expo	12.30	14.80	15.80	15.30	(0.50)	0.00	15.30
Administration	6.50	6.00	6.50	6.50	0.00	0.00	6.50
Total FTE	**175.50**	**182.35**	**186.35**	**185.85**	**(0.50)**	**4.00**	**189.85**

The MERC Fund includes a proposed 189.85 full time equivalent (FTE) positions for the FY 2016-17 Budget and approximately 300 part-time employees. This represents a total proposed increase of 4.00 FTE over the prior year. The requested additional 4.00 FTE positions were reviewed and approved by the MERC Budget Committee and are summarized below.

Oregon Convention Center

- Audio Visual Technical Supervisor (1.00 FTE Increase) – OCC's Audio Visual department employees filed to be represented under a labor agreement. Due to this action, OCC has need for a non-represented exempt supervisor for oversight and direction of this group.

Portland'5 Centers for the Arts

- Education and Community Engagement Manager (1.00 FTE addition) – P'5 is seeking to add this management position over its new Education and Community Engagement program. This position will assist schools with access to educational materials around P5 Presents shows, write grants for funding our educational outreach programs, and act as the point person to engage with more diverse and underserved communities to help further the Equity, Diversity, and Inclusion goals of Portland'5 and Metro.

- Utility Lead (day-time) (1.00 FTE addition) – P'5 is seeking to add this position to create a promotional and skill development opportunity that can lead to other promotional opportunities within Portland'5 and Metro. This position will direct the activities of daytime custodial and setup efforts for clients. It frees up management time currently spent on this day-to-day work.

- Administrative Technician (1.00 FTE addition) – P'5 is seeking to restore this position that was eliminated in FY 2011-12. The loss of a major tenant (Third Rail Repertory Theatre), the changing schedule for the Opera going to a summer schedule, and Portland'5 Presents presenting 40+ shows a year has resulted in a large increase of single-day events. This causes a significant increase in the number of shows that need to be advanced. This position was originally cut because it was underutilized. Due to several changing dynamics and increased business, needs to be restored.

Portland Expo Center

- Marketing & Promotions Coordinator I (0.50 FTE part-time limited duration decrease) – Expo sought to add this position during the FY 2015-16 budget process, but shortly afterwards the

position classification was changed through a classification and compensation study, changing the total cost of the position. Instead of filling this part-time limited duration position, Expo will fulfill the scope of work originally intended for this position from variable hour temporary resources shared with the Expo event management team.

Food & Beverage

- The MERC food & beverage budget aligns more closely to FY 2014-15 actual than 2015-16 budget due to the quickly recovering economy and higher than expected revenue and margin performance. MERC food & beverage expenses of $14 million are budgeted to increase only 2% over the prior year budget resulting in a 19% margin, $648,000 or 25% greater than FY 2015-16 budget, however only $24,000 or less than 0.5% over FY 2014-15 actual expenditures.

Materials & Services

- All three Venues and MERC Administration budgeted decreases in non-event, non one-time related Materials & Services expenses in FY 2016-17 over the prior year.

- Total Materials & Services budget for FY 2016-17 is $1,515,000 or 10% increase from FY 2015-16. This increase is due to event related increases and one-time expenses.

- Utility rates across the venues are forecasted to increase. However, each of the venues have completed and or in the process of completing several lighting, water, and heating and cooling cost saving projects to contain utility expense growth.

Oregon Convention Center

- The national marketing contract with Travel Portland is $3,600,000 or 36% of its total Materials & Services budget.
- VFTA Bucket 7 for enhanced marketing is budgeted at $482,614 and passed through to Travel Portland.
- VFTA Bucket 8 for OCC patron TriMet passes is budgeted at $414,162 and passed through to TriMet.

Portland'5 Centers for the Arts

- Portland'5 Materials & Services increase of $757,185 or 17% is wholly due to Portland'5 expansion and growth of its *Portland'5 Presents* program.

Portland Expo Center

- Expo Materials & Services reflect a 6% decrease over the FY 2015-16 budget after accommodating fees increases for both Multnomah County Drainage District (MCDD) and Portland Bureau of Environmental Services (storm water).

MERC Administration

- MERC Administration Materials & Services budget increased by $63,000 or 13% from the previous year due to three items:
    - $3,500 in meeting expenses for increased expenses of MER Committee meetings
    - $50,000 in consulting services for the second phase of the Expo Project
    - $10,000 in software maintenance for the addition of new functionality in the Event Business Management System (EBMS)

Metro Support Services Charges

Total metro direct and indirect support service charges for FY 2016-17 represent a 0.8% decrease from the FY 2015-16 Budget.

FY 2016-17 Support Services Charges

	OCC	P'5	Expo	MERC
Indirect Charges				
Support Services	$ 2,190,580	$ 1,079,164	$ 437,851	$ 3,707,595
Building Management	11,785	7,499	2,143	21,427
Subtotal Indirect Charges	**2,202,365**	**1,086,663**	**439,994**	**3,729,022**
% of Operating Budget	6.5%	6.9%	6.7%	6.4%
Direct Charges				
Risk Management Claims	123,170	47,415	94,479	265,064
Workers Compensation Claims	65,755	61,567	1,506	128,828
Subtotal Direct Charges	**188,925**	**108,982**	**95,985**	**393,892**
Grand Total:	**$ 2,391,290**	**$ 1,195,645**	**$ 535,979**	**$ 4,122,914**

Historical Support Service charges

	2013	2014	2015	2016	2017
Oregon Convention Center	1,807,526	1,843,572	2,086,901	2,381,662	2,391,290
Portland'5	1,119,634	1,145,036	1,176,646	1,219,558	1,195,645
Portland Expo Center	307,205	327,323	411,666	555,157	535,979
Total MERC	**3,236,378**	**3,317,945**	**3,677,228**	**4,158,393**	**4,124,931**
Increase $		81,567	359,283	481,165	(33,462)
Increase %		3%	11%	13%	-1%

Support services indirect charges are calculated amounts for Information Technology, Finance and Accounting, Procurement, Human Resources, Communications, and Legal Services costs. These formulaic charges are based upon actual FTE count, transaction counts (i.e. number of purchasing orders issued), computer server usage, and number of staff hours spent on venue specific items. These charges to operating departments increase when expenses in support departments increase due to items like additional FTE, and PERS and Health & Welfare increases, etc.

Direct charges are actual expenses incurred for identified items, two-years prior. These costs are charged directly to the venue. Metro uses a self insured model of payment for both risk and worker's compensation claims.

Transfers

- Expo transfer to Revenue Bond Fund for Hall D debt payment $1,182,528
- OCC transfer to Metro General Fund for Streetcar assessment loan repayment 189,437
- OCC transfer to Metro General Fund for Hotel Project Management work 72,212

Capital

Summary of Capital Project Funding FY 2016-17

Capital request expenditures and descriptions are included in the next section by venue.

Funding Source	OCC	P'5	Expo	Admin	MERC
Renewal Replacement Reserves	1,330,068	3,051,000	386,740	-	**4,767,808**
New Business Strategy	180,000	-	10,000	-	**190,000**
TLT Pooled Capital	375,000	-	620,000	-	**995,000**
Aramark Capital	-	60,000	125,000	-	**185,000**
MTOCA	320,000	-	-	-	**320,000**
Total Capital Revenues	**2,205,068**	**3,111,000**	**1,141,740**	**-**	**6,457,808**

MERC Administration will distribute $995,000 of TLT Pooled Capital funds, via an intra-fund transfer, to OCC ($375,000) and Expo ($620,000) for identified capital projects at each venue.

Reserve Balances

Summary of Reserve Balances FY 2016-17

	OCC	P'5	Expo	Admin	MERC
Beginning Fund Balance (Bud.)	18,513,545	11,348,488	2,798,742	8,188,922	40,849,697
Fund Balance Inc. / (Dec.)	(96,275)	(2,473,596)	(457,201)	(1,145,603)	(4,172,675)
Ending Fund Balance	**18,417,270**	**8,874,892**	**2,341,541**	**7,043,319**	**36,677,022**
Operating Contingency	1,500,000	600,000	350,000	65,000	2,515,000
Renewal & Replacement	15,095,962	6,270,637	-	1,828,937	23,195,536
New Business Strategy	1,821,308	2,004,255	1,991,541	-	5,817,104
TLT Pooled Capital				5,149,382	5,149,382
Total Reserves	**18,417,270**	**8,874,892**	**2,341,541**	**7,043,319**	**36,677,022**

Oregon Convention Center
Capital Request
Fiscal Year 2016-17

OCC Capital Projects Funding Summary

Project	Renewal Replacement	Business Strategy	TLT Pooled	Aramark Capital	MTOCA	Total
Electrical & Lighting Systems						
VOIP Telecomm Upgrade	313,568					313,568
Network OM4 Fiber Upgrade	130,000					130,000
CCTV Digital Camera Upgrade	450,000					450,000
Mass Notification & Fire Alarm			375,000			375,000
Telecom MDF Fire Suppression	55,000					55,000
WiFi & Show Network Upgrade					170,000	170,000
Building Refurbishment & F&B						-
Admin Office Carpet Replcmnt	95,000					95,000
Drinking Fountain Replacement	175,000					175,000
Alerton Global Software	70,000					70,000
Engineer Workspace Remodel		35,000				35,000
Facility Enhancements						-
Cardboard Baler & Canopy		130,000				130,000
Equipment						-
Performance Stage ADA Ramp	16,500					16,500
Utility Cart & Tug Purchase		15,000				15,000
Audio Visual Equipment					150,000	150,000
OCC Total:	**1,305,068**	**180,000**	**375,000**	**-**	**320,000**	**2,180,068**

Telecommunications/VoIP - $313,568
Funding Source: R&R Reserves

- Replaces existing Meridian Nortel PBX with Cisco VoIP
- Upgrades phone systems and handsets throughout facility
- Project is coordinated with Metro IT
- Replacing CAT3 copper cabling with CAT6 cabling in the original building

Audio Visual Equipment Purchase - $150,000
Funding Source: MTOCA

- Purchase of additional HD video equipment to increase inventory and reduce rental of outside equipment
- OCC routinely sub-rents over $350,000 in audio visual equipment because of the lack of inventory onsite and the increasing demand of larger more complex shows
- The equipment will continue to update OCC's inventory, reduce internal staff labor and will increase margins on shows by decreasing sub rental costs

Xirrus WiFi & Show Network Upgrade - $170,000
Funding Source: MTOCA

- Replacement of first generation WiFi arrays and associated network switches
- Addition of arrays to areas to increase overall coverage and user capacity
- Replacement of older model network equipment that was purchased in FY 2010 with updated switches that are capable of 10Gbps uplink

Fiber Optic Network Upgrade - $130,000
Funding Source: R & R Reserve

- Replacement of existing 1Gbps fiber optic cable with new 10Gbps fiber optic cable for future 10 Gbps uplink network capacity

CCTV Digital Camera Upgrade - $450,000
Funding Source: R&R Reserve

- Phase II replacement of CCTV cameras of the project started in FY2015-16 will replace approximately 70 of the remaining analog cameras that were not replaced in the first phase of this project
- Upon completion of this phase OCC will have converted approximately 100% of its analog cameras to digital cameras

Administrative & Guest Services Office Carpet Replacement - $95,000
Funding Source: R & R Reserve

- Replacement of 13 year old carpet with easily replaced carpet tiles
- OCC proposes to install high durability carpet tiles to allow for easier replacement in the future

Drinking Fountain Replacement - $175,000
Funding Source: R & R Reserve

- Replacement of aging water fountains with newer models containing bottle filling stations as an additional feature, which allow for easier maintenance
- Installation of stand-alone bottle fillers as replacement for bubblers in use in facility kitchen/break room areas

Alerton Global Controller & Software Upgrade - $70,000
Funding Source: R & R Reserve

- Phase II software program upgrade from Envision to Compass
    - Phase I replaced one global system controller
- Replacement of five end of life global controller units for HVAC system
- Updating of graphics and functionality in our Building Management System

Cardboard Baler & Canopy - $130,000
Funding Source: New Capital

- Cardboard baler to replace two aging systems
- Canopy to protect baled cardboard and staff working to load and unload cardboard bales

Telecom MDF Fire Suppression Upgrade - $55,000
Funding Source: R & R Reserve

- Replace the existing water based fire suppression system with a dry chemical based system designed to prevent damage to sensitive electronic equipment

Utility Cart & Tug Purchase – $15,000
Funding Source – R & R Reserve

- Two pieces of power equipment to assist staff in moving heavy equipment around the facility

Engineer & Electrical Office Remodel - $35,000
Funding Source: R & R Reserve

- Remodel of existing office space to best accommodate staff and management needs
- Remodel will place the Lead Electrician and Lead Engineer together with their respective crews
- Remodel will bring all maintenance related staff into the same area, with leads
- Provide new desks, chairs, worktables and shared cabinet space, a shared office for the lead engineer & electrician, as well as remove the electrical supplies from the office space

Performance Stage ADA Ramp - $16,500
Funding Source: R & R Reserve

- Replacement of ADA ramp, rails, supports, and carts for storage

Mass Notification & EST-3 Fire Alarm Notification Upgrades - $375,000
Funding Source: TLT Pooled Capital

- Upgrade existing fire alarm system to NFPA and ADA standards. Additionally, upgrades are required before a Mass Notification System can be achieved. This system will be integrate into the existing fire alarm system infrastructure

Portland'5 Centers for the Arts
Capital Request
Fiscal Year 2016-17

Portland'5 Centers for the Arts Capital Projects Funding Summary

Portland 5	Renewal Replacement	Aramark Capital	Total
Roofing			
Keller Roof & Drains Replacement	1,036,000		**1,036,000**
Elevators			**-**
FOH Elevators Overhaul (2)	480,000		**480,000**
Electrical & Lighting Systems			**-**
VOIP Telecomm	141,520		**141,520**
Main Switchgear	25,000		**25,000**
Electrical Panels (w/ switchgear)	25,000		**25,000**
Fire Alarm System	175,000		**175,000**
Lighting System Overhaul	80,000		**80,000**
LED PAR Theatrical fixtures	15,000		**15,000**
Building Re-Key + software	50,000		**50,000**
Building Refurbishment & F&B			**-**
Exterior concrete panel repairs	500,000		**500,000**
Portland Sign overhaul	360,000		**360,000**
Shell Rigging Overhaul	150,000		**150,000**
Backstage Entry Door	30,000		**30,000**
Brunish Deck Replacement	25,000		**25,000**
ArtBar back bar replacement		30,000	**30,000**
ArtBarista remodel		30,000	**30,000**
Portland'5 Total	**3,092,520**	**60,000**	**3,152,520**

Keller Roof and Drains: full tear-off and replacement (3rd of 3 year project) $1,036,000
Funding Source: R&R Reserves

Replace existing Keller Auditorium roof, insulation, drains, and sheet metal system with a newly designed and engineered roofing system. The roofing system has already experienced a number of leaks in many different locations. Some portions have already been repaired/replaced along with a couple of drains. Interior damage from the leaks has occurred in the front of house lobbies, stairwells, and backstage with repairs to both ceilings and walls. The risks of roofing failures are significant. Work is expected to be completed in FY17. On the advice of our roofing consultant, we have shifted the construction portion of the project into a single phase project bridging FY16 & FY17. The design and engineering work is well underway and construction documents are expected in early 2016 with bidding to commence immediately thereafter. Estimates do not include a green roof or solar as the cost of a complete a structural assessment was proven to be cost inefficient.

Voice over Internet Protocol (VOIP) Phone System $141,520
Funding Source: R&R Reserves

Metro is moving the entire agency to a single standard IP based phone system. This project will replace our aging and increasingly failure prone system at Portland'5 facilities with a new system that will both stand-alone and be fully connected to all Metro facilities with 4 digit dialing, the potential for interagency video-conferencing and many other improvements and enhancements.

Building Re-Key $50,000
Funding Source: R&R Reserves

2nd phase of building key system overhaul and security enhancements. This phase includes re-keying of all interior door locks at the Arlene Schnitzer Concert Hall and Antoinette Hatfield Hall. We currently have a very poorly designed building key system that is highly expensive to maintain. 2nd phase of the project can be completed in FY17. ROI is a simple and effective design that allows for easier maintenance, adheres to appropriate access control and industry standard practices for recordkeeping, and places the 3 buildings under one unified key standard that can be maintained for the years to come.

AHH Front of House Elevators Overhaul $480,000
Funding Source: R&R Reserves

The front of house elevators at the Antoinette Hatfield Hall are more than 30 years old. While some operational systems are in good condition, other system components such as the geared hoist machine, motor generator set, relay controller selector, and a number of fire/life safety and ADA related components need to be replaced.

Building operations staff, contracted foodservice personnel, clients and our patrons in particular are heavily dependent on the front of house elevators at the Antoinette Hatfield Hall to access all front of house areas including the theaters, transporting event-related equipment, and facilitating ADA access to all front of house entry points to our three theaters. The risks associated with losing operation of the front of house elevators are costly. If we are unable to insure access to the front of house areas for clients and patrons, then our ability to provide equal and effective access to all three of the venues is jeopardized. In addition, while our compliance with ADA and fire/life safety systems is current to when the facility was constructed, we are lagging behind (30+ years) in code changes and the potential liability exposures associated with these areas is significant. This project should be completed in FY17. The ROI on this project is unknown but elevator controls and operational systems have improved drastically in the last thirty years leading to far more energy efficient and effective operations. While we are not certain of the exact level of reduction in electrical consumption, estimates range from 20-40% reduction in electrical consumption. In addition, new car door operators will provide a smoother and more efficient operation of the elevator.

Brunish Deck Replacement $25,000
Funding Source: R&R Reserves

Replace surfaces and repair damaged areas of deck between freight elevator and entrance to Brunish Theatre. Heavy use of Brunish Theatre over the past few years has exposed issues with the original deck design that need to be rectified. Work can be completed in summer of FY17. ROI on the work is provide a safe and effective surface to move equipment and personnel back and forth across the deck while maintaining appropriate access to the roof surface and drains below.

AHH Fire Alarm System replacement $175,000
Funding Source: R&R Reserves

The current Fire Alarm systems at the Antoinette Hatfield Hall (AHH) are original to the building, circa 1985. The system is an outdated zone type with as many as 35 devices reporting blindly to a single zone. This makes troubleshooting difficult and would cause unnecessary extra time to be taken in finding smoke or an actual fire should an emergency occur. Additionally, all of the alarm notification (siren) and firefighter announce services are tied to the building's Public Address system via a custom built interface located in the Newmark Theater sound booth, intermingled with theater audio components. This creates a potentially undesirable situation should one of the amplifiers fail or power to the sound racks be inadvertently shut off, a cable broken, cut, etc. since there would be no audible notifications at all in that case, and the building would be left with only the few strobe stations that exist. We believe that most if not all of this work can be completed in FY17. ROI on this work is directly related to the safety of our patrons and clients given the risks we have identified in the current system.

ASCH: Portland Sign—Structural, Architectural, Electrical overhaul $360,000
Funding Source: R&R Reserves

During a June 2015 assessment of the Portland sign and marquees on the Arlene Schnitzer Concert Hall, a number of issues were identified as needing to be addressed.

1. The structure of the beams holding the sign are showing corrosion and need to be repaired by July of 2016.
2. The sheet metal components making up the main architectural elements of the sign are generally in good condition. Unfortunately, some areas have heavy corrosion with large materials losses due to poorly designed drainage and water being trapped. We intend to re-fabricate the sign cladding with corrosion resistant aluminum panels installed on the (e) blade sign frame. The new sign is expected to last at least 25-40 years.
3. Many electrical components will require replacement due to corrosion and age. The lamp sockets are worn due to weathering and require full replacement along with all the wiring feeding them. The neon letters are approaching their end of life. The chase lights have all been replaced recently with LED lamps and will be salvaged and reinstalled after all other work has been completed on the sign. The existing junction box that feeds the sign is corroding and will be replaced.

Bid work on this project will start in FY16 and the project will be completed in FY17.
ROI on this project is to safely and appropriately maintain a Portland landmark.

ASCH Orchestra Shell Rigging overhaul $150,000
Funding Source: R&R Reserves

Overhaul all rigging systems on the orchestra shell. The current shell is more than 30 years old and per recent inspections by structural engineers and theatrical consultants, the rigging systems are in need of replacement. Other options are being studied at this time for potential replacement but this budget represents overhaul of the existing system since it is a matter of urgency. If we proceed to overhaul the existing system, then the work can be completed in FY17. If we choose another option, we may not complete that work in FY17. ROI is to appropriately address an area of identified safety risk for the organization. The orchestra shell has been inspected by theatrical professionals who report that its rigging systems need overhaul.

ASCH Backstage Entry Door replacement $30,000
Funding Source: R&R Reserves

Replace the custom sized stage door entrance opening with new standard sized doors and glass above. Original Stage doors are failing and unable to be effectively secured after 30 years of heavy use. Opportunity to re-size the doors to a standard sized opening with readily available door and security hardware. Project can be completed in FY17. ROI is less maintenance expense and time on the existing doors and hardware. We will also greatly improve the appearance of the backstage entrance to the ASCH.

Keller Main Switchgear replacement-design and engineering $25,000
Funding Source: R&R Reserves

Keller main electrical switchgear, automatic transfer switch, and motor control centers serving the building are almost 50 years old. This is past their useful life span. We have done an engineering budgetary study for replacement and we now need to complete design and engineering calculations for proper bidding of this work in FY18. Design and Engineering can be completed in FY17. ROI is to properly maintain the electrical systems per the building code and allow for continued heavy programming uses of the facility which demand significant electrical consumption.

Keller Electrical Panels replacement-design and engineering $25,000
Funding Source: R&R Reserves

Keller electrical panel and sub-panels serving the building are almost 50 years old. This is past their useful life span. We need to complete design and engineering calculations and cost estimates for proper bidding of this work in FY18. Design and Engineering can be completed in FY17. ROI is to properly maintain the electrical systems per the building code and allow for continued heavy programming uses of the facility which demand significant electrical consumption.

Keller Exterior Pre-cast Concrete Panels $500,000
Funding Source: R&R Reserves

Repair, restore and/or replace the exterior precast concrete panels comprising a significant majority of the Keller Auditorium façade. Recent investigations indicate that the panels date to the 1968 renovation of Keller Auditorium and from their original installation have had a number of problems including de-lamination. During a building exterior investigation conducted by a building envelope consultant in August/Sep of 2015, a number of visual observations and concrete sounding techniques were used to identify the need for both immediate and short-term actions. A few immediate actions taken included removal of six catastrophically failing pre-cast concrete panels to avoid potential danger to the public. This work was completed in November 2015. The report also pointed out systemic failures in original construction methods for the pre-cast concrete panel system and the need to address a number of other spalled and cracking concrete locations, parapet coping deficiencies, and sealant joint failures to insure the long-term health of the panel system. While the extent of the overall project is currently unknown, we are currently contracting with a consulting team to gather the requirements necessary to properly bid the work needed to address repair, restoration or replacement of the Keller façade panels. We expect the work to proceed expeditiously and in concert with the planned roof renovations also in the budget for FY17. It is unknown if this work can be completed in FY17. ROI is to provide for the safe enjoyment of and proper maintenance of the

facilities by our audiences and the public. The current cost allocation for this project is a very early estimate and is likely to change.

Lighting System Overhaul FOH/Controls NMK/Winningstad $80,000
Funding Source: R&R Reserves

This project will complete a process to completely replace the production and house lighting systems from their current outdated systems to industry standard systems used throughout all of our other venues. This portion of work includes replacing lighting controls, associated dimmers, emergency lighting controls and new button control stations throughout the NMK and Winningstad audience areas. This project is needed to overhaul a system that can no longer acquire replacement parts, uses a communication protocol that hasn't been industry standard for more than 20 years, and eliminates points of potential failure in the regular operations of the system. We will be unable to stage shows without a fully operating production and house lighting dimmer system that integrates with our control consoles and uses the technology readily available and known to all of our clients. This phase of work can be completed in FY17. ROI for avoiding systemic failures with no viable replacement parts or operational alternatives and the labor associated with maintaining an outdated system.

Winningstad PAR Light Fixture Conversion to LED $15,000
Funding Source: R&R Reserves

Replace the stage wash lighting fixtures with newer available LED technology. All fixtures needed onstage consume significant amounts of power, require gel to color them, expensive bulbs (some of which are no longer made) and ongoing labor to maintain their heavy duty electrical cabling. We have many choices for an LED fixture that will allow all the desired color choices without the use of gel and will deliver up to twice the amount of visible light at roughly 1/10th the energy consumption. This is an opportunity to save energy, increase flexibility for our clients, and save in ongoing labor and material maintenance costs for the venue. This project can be completed in FY17. ROI is unconfirmed as of yet but anticipated to be 5 years or less. We also anticipate a small ETO incentive towards the project costs.

AHH Artbar Back Bar replacement (Aramark capital) $30,000
Funding Source: Aramark Capital Contribution

Remodel of Artbar back bar cabinetry to replace failing millwork and provide an additional point of sale so customers can be served more quickly and effectively. This work can be completed in FY17. ROI is an additional point of sale will help improve customer service and drive revenues. Replacement of the back bar is necessary due to constant cabinet door failures and labor wasted on regular repairs.

AHH Artbarista remodel (Aramark capital) $30,000
Funding Source: Aramark Capital Contribution

Artbarista remodel is to provide grab and go food opportunities for patrons who don't have time to sit down for a meal at the bistro or seek different food experiences. We expect this will drive foodservice revenues without heavily increasing labor costs. This work can be completed in FY17. ROI is by providing additional and more rapid foodservice offerings, we will enhance customer service and drive food revenues. The Artbarista doesn't currently get much use and this will also reactivate that portion of the rotunda lobby.

Portland Expo Center
Capital Request
Fiscal Year 2016-17

Portland Expo Center Capital Projects Funding Summary

Expo	Renewal Replacement	TLT Pooled	Aramark Capital	Total
Roofing				
Halls ABC Roofs - Minor Repairs		10,000		10,000
Hall D Roof - Barrel		350,000		350,000
Solar Project		100,000		100,000
HVAC				-
HVAC Analysis, Maint. & Repair		135,000		135,000
Hall C MAU Retrofit / Exhaust fans		15,000		15,000
Hall Exhaust Fans		10,000		10,000
Building Refurbishment & Food & Beverage				-
Parking Lot Asphalt Repairs	60,000			60,000
Voice Over IP (VoIP) System	70,740			70,740
Facility Assessment/ Capital Planning	20,000			20,000
Hall A Carpet & Paint	100,000			100,000
Hall A EXPO sign	25,000			25,000
Water Efficiency Upgrades	46,000			46,000
Equipment				-
Plastic / Flat Stacking Chairs	25,000			25,000
Radio Replacement	10,000			10,000
Scaffolding				10,000
Facility Enhancements				-
Landscaping Entry (Expo, Force, Marine)	30,000			30,000
Electronic Signage			**125,000**	125,000
Expo Total:	**$ 386,740**		**$ 125,000**	**$ 1,141,740**

Roofing

Expo Center Roof Repair - $460,000

Funding Source – *TLT Pooled Capital*

- $10,000 in stability repairs to Halls ABC per roofing report and review.
- $100,000 for full analysis and Phase 1 integration of Solar array within Hall D barrel roof.
- $350,000 for Phase 2 of 2 for the Hall D barrel roof replacement.

HVAC

HVAC Repair, Maintenance and Replacement - $160,000
Funding Source – TLT Pooled Capital

- $135,000 in stability repairs and replacement of Halls DE per HVAC report and review.
- $10,000 for full analysis and Phase 1 integration of Hall C MAU retrofit and Exhaust fans.
- $15,000 for Phase 1 integration of Exhaust Fans.

Building Refurbishment

Asphalt Repair, Maintenance and Study - $60,000
Funding Source – Renewal and Replacement

- $60,000 - Continuation of parking lot repairs, removal and standard maintenance. Removal and replacement of failing asphalt, to include seal coating of all areas Operations staff will continue to re-stripe the parking lots, walkways, ADA designation areas and safety notices internally. Focus area: Expo Road.
- Parking lot repairs will always be a part of basic R&R for the 52 acre Expo facility site.

Voice Over IP (VoIP) / Phone System (Phase 2 of 2) – $70,740
Funding Source – Renewal and Replacement

- Phase *2 of 2* – Full replacement of phone system and technology first installed in 1996. Phase 1 to be completed in FY16 ($37,200) wiring, hardware and cabling.
- Current system is outdated and not supported. No upgrades or support assistance available other than OCC Telecommunications Manager. Upgrade will include major infrastructure,
    - hardware and software package. This critical business system failed twice this year.
- Voice Over Internet Protocol is an initiative that is Metro-wide. Phase one will review hardware and connections relevant to Expo Center campus as well as initial purchases. Review of current and future needs as well as spin-off projects that are also related to this backbone infrastructure.

Hall A Carpet and Paint – $100,000
Funding Source - Renewal and Replacement

- Based on square footage estimates for a similar project completed for Halls D and E, this completes our "front door" lobby entry enhancements.
- Funding includes design and addition of Meeting Room A101 and potentially East Hall.

Hall A Expo Sign – $25,000
Funding Source - Renewal and Replacement

- Based on estimate from Ramsay Signs (our Neon tower sign provider) to remove and restore the Hall A entry with a more modern appeal that matches our current brand.
- Back-lit letters as well as neon options.

Water Efficiency (Phase 1 of 2) - Flush Valve replacement – $46,000
Funding Source - Renewal and Replacement

- Based on detailed report from the City of Portland Water Bureau, inici group study and related Energy Trust support – key items were noted to save water and reduce energy costs.
- Focus area is flush valves on Expo's toilets and urinals.

Facility Assessments / Capital Planning – $20,000
Funding Source - Renewal and Replacement

- Joining P5 and OCC, this project replaces the outdated 20 year capital plan. Full review and inventory of all capital items, values and replacement schedules with an eye towards useful life.

Equipment
Plastic Flat Stacking Chairs (Phase 3 of 3) – includes forklift cart - $25,000
Funding Source - Renewal and Replacement

- Phase 3 of 3 – Full replacement of folding, stacking chairs. New chairs meet current safety standards and hold well over 300 lbs, plus offer a professional presentation.

Scaffolding - $10,000
Funding Source – New Business Strategy

- Basic enhancement for in-house painting work, drive-in movies and other AV uses.

Radio Replacement - $10,000
Funding Source - Renewal and Replacement

- Phase 1 of 4 – Full replacement of analog radios for Operations team. Followed by Admin and other teams, repeaters. Pending FCC requirement.
- Expo is phasing this in as radios are in need of replacement.

Facility Enhancements
Electronic Signage (Phase 3 of 4) - $125,000
Funding Source – Aramark Capital

- Phase 1 of electronic signage includes the concessions stands for all areas. Phase 2 includes common areas such as the lobbies, box offices and other key sales areas.
- Phase 3 will focus on the same Allure Global system but in the outdoor entries and other outside applications for targeted messaging.

Landscaping Entry to Campus- $30,000
Funding Source – New Business Strategy

- In conjunction with the electronic signage project, this basic landscaping improvement provides the campus with a sense of entry and a platform tall enough for an outdoor sign.
- This provides the campus with the ability to add both state and national flags to our public campus.

MERC Venues Budget Objectives
FY 2015-16 Budget Objectives Status Report
FY 2016-17 Proposed Budget Objectives

MERC Administration
FY 2015-16 Key Budget Objectives Progress Report
February 17, 2016

Execute the FOTA improvement implementation plan.
Status: IN PROGRESS

The FOTA project team focused on two primary recommendations for program improvement: using intermediaries to improve the rate of FOTA hires and coordinating a community task force charged with updating the geographic boundaries and income thresholds of the program. In conjunction with Metro HR and the Office of Diversity, Equity and Inclusion, the FOTA project team continues to explore the use of community based organizations (CBO) to improve Metro's outcomes in outreach and recruitment for employment of minority and under-served populations within the FOTA area. It is anticipated that formal relationships will be established with one or more CBOs in FY 2015-16 if not sooner. The FOTA Task Force was convened in June and six meetings were held through October. A final report, including recommendations for updates to the program's geographic boundaries and income thresholds, was presented to the MERC Commission and Metro Council in December/January. Metro HR has updated its processes to incorporate the new boundaries and income eligibility thresholds.

Continue with phase II of the Expo Project and including financial analysis and stakeholder discussions.
Status: IN PROGRESS

The Expo project team, in collaboration with an internal advisory committee comprised of Metro executive leadership, conducted a comprehensive analysis of financial and business conditions relative to five facility investment scenarios. Results from the analysis shed light on the opportunities and challenges associated with investment at the Expo Center. Next steps include reviewing results with stakeholders, identifying areas for further study and determining a strategic direction for facility and business investment. It is anticipated that the Expo project team will begin conducting additional studies by the end of fiscal year 2015-16.

Provide a semi-annual Expo Project Phase II Progress Report to the MERC Commission.
Status: IN PROGRESS

The Expo project team presented an in-depth project update at the October 7th Commission meeting and a follow-up presentation at the November 4th Commission meeting. The project team expects to discuss key project milestones with the MERC Commission on an ongoing, regular basis.

Develop and implement phase III of the Expo Project
Status: IN PROGRESS

In the fall of 2015, the Expo Project team engaged the MERC Commission and Metro Council to provide an update on progress. As a result, staff received direction to begin implementing strategic next steps for the Expo Center. First among these next steps is the deployment of key internal financial levers through the MERC budget process to support the Expo Center's capital

and operational budget. It is anticipated that a scope of work for a Hall C structural analysis study will be developed prior to the end of FY 16. Pre-development work for a hybrid study, which will assess the development potential of Halls AB for an alternative but compatible use, will also begin prior to the end of FY 16. It is also anticipated that the Expo Project team in collaboration with MERC and Metro leadership will begin to build a business case for a potential request of support from the Visitor Facilities Trust Account (VFTA). The Expo Project team expects to be able to continue the development of these strategic next steps through FY 17 and engage the MERC Commission and Metro Council on results and next steps.

Provide a semi-annual Portland'5 Project Progress Report to the MERC Commission.
Status: IN PROGRESS

A civil engineering firm – Cardno – conducted a facility conditions analysis (FCA) of P5 facilities in the fall of 2015. The P5 Capital Project team will review Cardno's preliminary reports in the winter of 2016 and conduct a gap analysis to identify additional capital needs. Based on these results, it is anticipated that the project team will identify additional studies, if necessary, to understand the full range of capital needs. It is anticipated the project team will develop a report on the scope and scale of capital needs by the end of FY 16. In FY 17, the project team anticipates the development of strategies to secure short and long-term funding for P5's capital program. Progress will be reported to the MERC commission on an ongoing, regular basis.

MERC Administration

Proposed Budget Objectives for FY 2016-17

Ongoing:

- Execute the FOTA improvement implementation plan.

Carryover from FY 2015-16:

- Develop and implement phase III of the Expo Project
- Provide a semi-annual Portland'5 Project Progress Report to the MERC Commission.

New:

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

Oregon Convention Center
FY 2015-16 Key Budget Objectives Progress Report
February 17, 2016

Enhance sustainability programs through teamwork and partnerships with clients, vendors and staff to maintain current LEED certification.

Status: IN PROGRESS, ONGOING

In addition to our waste diversion policy noted below, OCC continues to place a high value on our sustainability efforts. Most recently, this is displayed through the installation of a 2MW solar array on the facility roof. Additional projects in process include new lighting for the parking garage, ballrooms and towers. Further, we have contracted with Green Building Services to help us track our ongoing LEED recertification and ongoing building commissioning between now and recertification in 2019.

Continue energy consumption reductions.
Status: IN PROGRESS, ONGOING

Projects such as the solar system and lighting replacements will generate significant savings.

Implement Waste Diversion Policy.
Status: COMPLETE

This policy has been implemented in new contracts with compliance beginning January 1, 2016. To date, many contracts have been signed containing the new policy. Fiscal year 15-16 waste diversion goal is 70 percent.

Monitor the progress of the newly implemented Be the Difference customer service staff training, recognition and assessment program.
Status: COMPLETE

We re-tooled the program a bit but are feeling maybe Be the Difference has run its course. We are evaluating a new approach to employee recognition by assembling an employee work group to assist in this effort.

Develop master plan for OCC both interior and exterior of the facility (phase II FY 2015-16).
Status: IN PROGRESS

We have hired LMN Architects and are currently in process to develop this work. Additionally, we are pursuing a facility asset condition assessment that will concurrently inform our building infrastructure and mechanical system needs. Together, these projects will create a 15-20 year renewal and replacement plan.

Break ground on the convention center hotel project.
Status: IN PROGRESS

The HQH team has placed continued efforts in overcoming legal challenges, approach settlement and agreements with the opposition, and effectively issue $60 million in bonds.

Complete North Plaza landscape renovation.
Status: ON HOLD

We have a design, but the project remains on hold until further progress on the HQH. The loss of partnership funding from the city means that the Holladay Green Street portion will not be accomplished.

Complete food and beverage renovations.
Status: IN PROGRESS

The OCC is currently in the process of re-designing Cucina Rossa into a brew pub concept. The construction work for the Stir annex is in the bid process. In addition, the OCC is looking at the ability to build an in-house Food Cart to provide guests the feeling of street vendor that is so well known in Portland.

Enhance OCC security procedures and training.
Status: IN PROGRESS

We have successfully upgraded our CCTV video monitoring system and security console area to provide more surveillance opportunities. Recent upgrades to our radio system include security features that allow security staff to concurrently monitor all channels. This fall, all managers participated in a "Trained Crowd Manager" certification. This training focused on evacuations, sheltering and public safety. Soon, the team will begin the second phase, which is venue specific. Additionally this winter, our Special Services Manager, Nick Brown, will participate in an Active Shooter seminar and work toward developing a protocol customized for OCC.

Oregon Convention Center
Proposed Budget Objectives for FY 2016-17

Ongoing:

- Enhance sustainability programs through teamwork and partnerships with clients, vendors and staff to maintain current LEED certification.
- Continue energy consumption reductions.

New:

- Develop 15-20 year capital plan from Facility Master Plan and Facility Assessment work.
- Develop new employee recognition program to replace B the D
- Develop a sales and marketing plan for Hyatt Hotel Convention package
- Obtain a 70% Diversion rate through the new Waste Diversion Policy
- Achieve reduction in energy costs through completed lighting projects and operational solar array.
- Improve OCC cellular service and WiFi capabilities through:
    - A neutral host Distributed Antennae System.
    - Adding additional WiFi arrays throughout facility based on network coverage survey to improve WiFi capacity and better handle high density needs for event attendees.
    - Upgrade fiber backbone throughout to increase network capacity.
- Improve ability to connect with customers through social media
- Implement a program to increase Food & Beverage sales to Exhibitors Services
- Complete a staffing study.

Portland'5 Centers for the Arts
FY 2015-16 Key Budget Objectives Progress Report
February 17, 2016

Continue business development initiative via Portland'5 Presents events.
Status: IN PROGRESS, ONGOING

Portland'5 Presents has 24 performances booked thus far and anticipates adding another show or two in FY16. Booking for FY17 is already in process. Approximately $40,000 in advertising, sponsorships and grants has been received thus far. Advertising was available for the first time with Portland'5's new printed program that not only showcases upcoming shows but includes considerable information about who and what P5 is. Co-presentation collaborations were established with the Portland Jazz Festival and Chamber Music Northwest. This fiscal year an educational component was begun to provide elementary school children a free opportunity to hear nationally celebrated musicians. Title 1 schools were given the first chance to schedule their schools with our two shows-Black Violin and Mariachi Sol de Mexico. The shows "sold out" in 3 hours. A couple grants to fund our educational shows are pending.

Continue implementation of the sponsorship kit for Portland'5 produced events.
Status: COMLETE

Sponsorship kit was produced and generated more than $34,000 in sponsorships and advertising. Very successful.

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

Conversations with our liaison with the City of Portland has resulted in the language describing spectator facilities to more clearly call out the P5 venues. The City funded facility assessments of their spectator facilities this summer and included the Keller, Schnitzer and the Hatfield. We are currently reviewing the draft reports and conducting a gap analysis to determine if any critical items have been omitted.

Continue to develop and implement revitalization plan for the Portland'5 Foundation.
Status: IN PROGRESS

The P5 Foundation contracted with a development consultant to work with them on a revitalization plan. The plan is scheduled to be complete in early 2016 and will include an action plan of next steps.

Seek opportunities for capital projects to advance green initiatives and lower operating costs.
Status: IN PROGRESS, ONGOING

Every capital project is viewed for potential green/energy savings opportunities. LED bulb replacement is ongoing throughout the venue-most recently in the Newmark Theatre. The electronic marquee on Hatfield Hall will soon be replaced with a new LED marquee. Low flow toilets and urinals are replacing older fixtures at the Schnitzer. An HVAC controls update at the Schnitzer will realize energy savings. Staff are being trained in the Energy Trust of Oregon's Strategic Energy Management program. This program helps us identify more opportunities to save operating dollars by educating the engineering team, staff and clients about our best opportunities to save costs. The program will also help identify and provide some funding for capital projects that will save on energy costs.

Portland'5
Proposed Budget Objectives for FY 2016-17

Ongoing:

- Seek opportunities for capital projects to advance green initiatives and lower operating costs.
- Continue business development initiative via Portland'5 Presents events.

Carryover from FY 2015-16:

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

New:

- Continue development of sponsorship, advertising and marketing initiatives that generate revenue.
- Develop education and community engagement program to increase the participation of disadvantaged communities and schools through diverse Portland'5 programming.

Portland Expo Center
FY 2015-16 Key Budget Objectives Progress Report
February 17, 2016

Create and develop new events and sponsorship & advertising opportunities to expand into new markets and conduct community outreach in a more diverse, equitable and inclusive manner.

Status: ONGOING

Without a dedicated budget-line, the Expo staff successfully created a 6-event drive-in movie series that proved very successful especially from a sponsorship revenue and community outreach perspective. These events were created entirely in-house, engaged a diverse local community, and created new opportunities for varied events. The Expo continues to build its event development team and pursue new and diverse opportunities that sustain ROI and fill open and available dates that expand the event calendar. Advertising opportunities have increased, but internal or external advertising sales and event production assistance is needed to attain higher revenue goals for on-site or website advertising.

Expand teambuilding and communication amongst Expo, pacificwild and City Center staff. Develop understanding of revenue goals amongst all teams.

Status: ONGOING

Our internal team created, developed and executed the drive-in movie series. In doing so, all departments had opportunity and input to develop a series of events that was as much about cross-departmental team building as it was about presenting a public show. Prior to the drive-in kick-off, the entire team held a BBQ for all of the teams to enjoy their accomplishment. Inter-departmental communication continues to be a focus with more team-building needed. Throughout the year, admin staff and operations teams transformed their work environments to a more positive and healthy atmosphere – something not attempted in over a decade. A series of meetings have been established for all managers with the MERC Finance Manager. Emphasis is revenue generation and continued efforts on expense mitigation.

Engage with the Metro Council on developing scenarios for the future of Expo and their options for implementation.

Status: ONGOING

There have been a numerous informational meetings with both individual and small groups of Metro Council and MERC Commissioner Leadership at the outset of the Expo project and prior to the work of the internal team review of the Hunden report. We have continued to host these individual and small group meetings, as well as a full presentation on our work during a Metro Work Session. Increased awareness about the Expo Center and its role within Metro's mission has grown over time. Leadership continues to explore a variety of strategic options and several scenarios for Expo's future that have been identified utilizing a wide range of financial tools, data analysis and key partnerships. As further studies complete, additional engagement with leadership will take place.

Engage in proactive measures to mitigate increased costs generated from Multnomah County Drainage District and Bureau of Environmental Services policy changes.

Status: IN PROGRESS

Increased awareness and involvement for levee recertification have taken place. Metro's involvement in the Oregon Solutions Program has been consistent for Expo and other properties.

This long-term involvement will assist these region-wide issues over time. However, in the short-term, MCDD costs for Peninsula 1 will continue to increase with few immediate solutions other than passing it on to the PENN1 district membership. There is discussion of a reorganization of the district to create one levee organization, which would share expense and responsibility for the system. Continued work with the Oregon Solutions Program has opened a dialogue with city, county and federal jurisdictions. The City of Portland's BES stormwater fees in FY2017 total over $145,000 per year for the property. A detailed overview of these issues and impacts has been prepared and awaits approval to move forward with a formal BES meeting. Stormwater mitigation for the property is on hold as ROI is not achievable without such investments decreasing these expenses.

Portland Expo Center
Proposed Budget Objectives for FY 2016-17

Ongoing:

- Engage with the Metro Council on developing scenarios for the future of Expo and their options for implementation.
- Expand teambuilding and communication amongst Expo, pacificwild and City Center staff. Develop understanding of revenue goals amongst all teams.
- Create and develop new events and sponsorship & advertising opportunities to expand into new markets and conduct community outreach in a more diverse, equitable and inclusive manner.
- Engage in proactive measures to mitigate increased costs generated from Multnomah County Drainage District and Bureau of Environmental Services policy changes.

New:

- Develop strategies and data analysis that support a long-term funding proposal for inclusion of the Portland Expo Center within the Visitor Facility Trust Account (VFTA).
- Implement strategies and a staff-driven culture that supports operating revenue enhancement and continued cost containment for the long-term.
- Extend Expo's capital project plan to 2025 maintaining healthy reserves.
- Expand the region's understanding of the complete history, role and economic impact of the Expo Center campus and the numerous public events we host.
- Develop an event production team that drives new revenue streams through event development, sponsorship/advertising, and use of key dates that create lasting community benefits for our stakeholders.
- Continue MTOCA funded and brand-centric improvements to the existing campus that enhance the customer experience and support a modern, welcoming and vital event campus.