

Proposed Budget - Department Overview

FY 2025-26



Portland's Centers for the Arts, 3/17/2025

Summary of Department Budget for FY26 Proposed Budget

Portland's Centers for the Arts brings nearly 1,000 music, theatre, dance, and lecture performances to Portland each year because we know that art matters. Art brings joy, inspires the mind, and unites communities. Art changes lives.

Among the largest performing arts centers in the country, Portland's is a national leader in keeping art and culture thriving in the region. We operate the Arlene Schnitzer Concert Hall, Keller Auditorium, and Antoinette Hatfield Hall, which includes the Newmark, Dolores Winningstad, and Brunish Theatres. The buildings are owned by the City of Portland and operated by Metro under an intergovernmental agreement.

- **Major Programs:**
 - Performing arts events
 - Resident Art Companies: Oregon Symphony, Portland Opera, Oregon Ballet Theatre, Oregon Children's Theatre, and Portland Youth Philharmonic
 - Other local arts groups
 - Broadway Across America
 - Commercial events
 - Department of Culture & Community
 - Facilitated across four areas: the Youth Arts Program (YAP), the Community Arts and Culture Program (CACP), organizational culture, and social equity work.
 - Portland's Presents
 - Event promoted by Portland's to increase theatre usage and raise additional net revenue
 - Includes Music on Main summer performances
- **Funding Sources:** Total P's revenue in the FY26 budget is \$27M. The majority (85%) of this revenue is client-driven revenues such as theatre rental and reimbursed labor, and patron-driven revenues such as ticket service charges and food and beverage sales.
 - Additional funding sources include:
 - **Government Support:** 13% (\$3.5M) from the Visitor Facilities Trust Account and City of Portland
 - **Other Support:** 2% from interest earnings and miscellaneous sources
- **Accomplishments/work over the fiscal year:**
 - **Performing Arts Venues Workgroup**
 - In October 2024, Metro Council and the City of Portland established this group to evaluate management of Portland's arts facilities. Charged with examining challenges and opportunities with the current operating model and exploring alternative operating models, findings will be presented to Council by June 2025
- **Total Costs (appropriations budget)**
 - P's's \$26.5M in operating expenses for FY26 are allocated as follows:
 - **Personnel Services:** \$12.7M (48%)
 - **Materials and Services:** \$9.4M (35%)
 - **Cost Allocation Plan (Metro Support):** \$4.5M (17%)

Proposed Budget - Department Overview

FY 2025-26



Portland's Centers for the Arts, 3/17/2025

- **FTE to support proposed service level**
 - P'5 has 60 full-time equivalent (FTE) positions budgeted for FY26.

Ongoing Department Growth and/or Reductions included in FY26 Proposed Budget

Challenges:

- **Attendance Decline:** The number of events and annual attendance have not recovered to pre-pandemic levels, which impacts revenues for both Portland's and our clients.
- **Rising Operational Costs:** High inflation, upward wage pressure, and an increase in the PERS rate have contributed to a significant increase in expenses.
- **Capital Funding:** In the current year, only a small number of projects focused on safety and event continuity are budgeted, due to limited funding.

Opportunities:

- **Rate Development:** Revenue rate increases include a 3% increase on flat-rate theatre rental and increases of up to 12% on reimbursed labor. The increases balance the need to generate revenue to cover costs and the desire to limit rate increases on clients already facing financial challenges.
 - Portland's provides various discounts to non-profit clients, most significantly on theatre rental rates: 70% discount for resident companies, 50% discount for featured tenants, and 20% for other non-profits.
- **Venue Workgroup:** Discussions occurring in Venue Workgroup to strategize challenges P'5 faces.

Reductions in FY26

- \$2.3M (15%) Personnel reduction
 - 12 FTE (17%) Reduction (72 total down to 60)

Highlighted Significant Changes from FY25 Budget

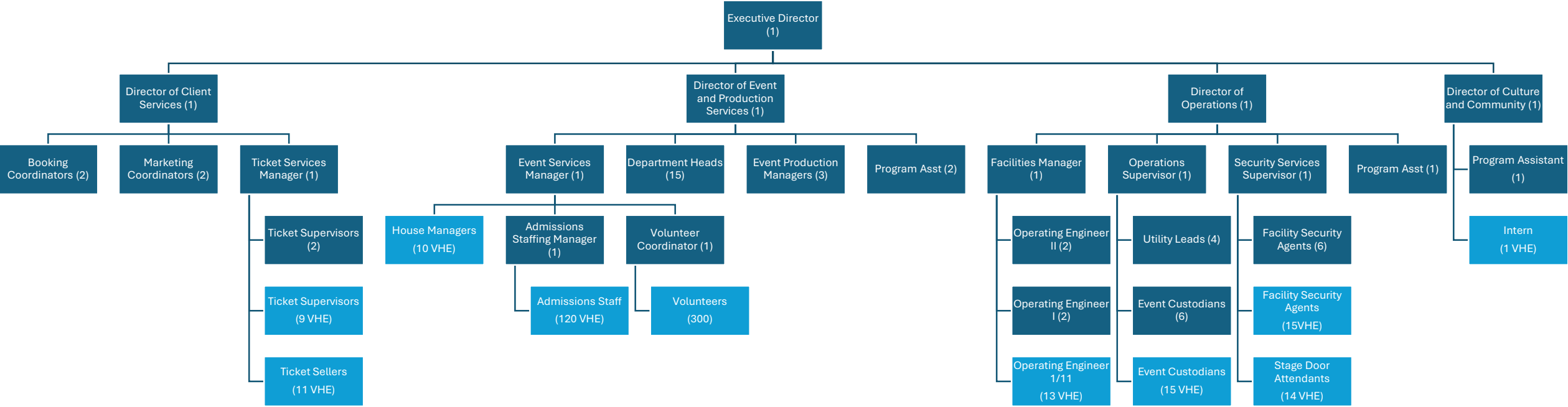
To balance the budget, Portland's considered additional rate increases and reductions in both personnel and materials and services. Due to the client impacts of additional rate increases, and the previous year's reductions in materials and services to address budget issues, the operating budget gap was primarily addressed through a reduction in personnel. In addition, Portland's collaborated with Expo Center and the Oregon Convention Center to identify ways to reduce costs through changes to service delivery, technology deployment, and shared management. Those collaborations resulted in the consolidation of Portland's Public Safety management under the Oregon Convention Center. The three MERC venues also identified opportunities to align technology use by deploying best practices existing in one venue to the others. In the coming year, Portland's will focus on ensuring event continuity and limiting service reductions to clients and patrons.

Any Other Overall Impacts that Require Council Direction and/or Attention : N/A

Attachments: Org Chart

PORTLAND'S

CENTERS FOR THE ARTS



Full Time
Employee (FTE)

Variable Hour
Employee (VHE)