



Metro



# MERC FY26 Proposed Budget

March 5, 2025

# Agenda

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- Welcome
  - Venue Context – Ashley Sloan
- Venue Budgets (OCC, P'5, Expo)
  - Director's Overview – Cindy Wallace, Rachael Lembo, Matthew Rotchford
  - Budget Detail FY26 – Ashley Sloan
- Questions & Discussion
- Budget Timeline
  - Next steps - Ashley Sloan

# Venue Budget Context

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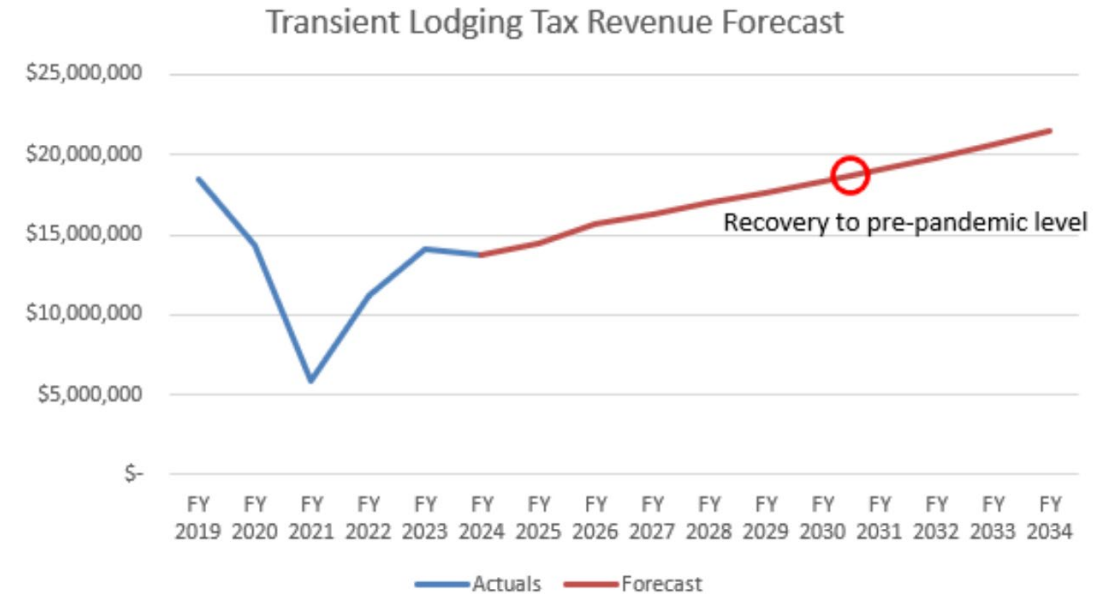
## Budget Submission

Date	Meeting/Action	
November 2024	Departments Create Budgets	✓
December 2024	MERC Commission Meeting – Budget Retreat	✓
January 2025	Budget Submitted	✓
January 2025	Budget Committee Meeting – Capital	✓
February 2025	Budget Committee Meeting - Operations	
March 2025	MERC Commission Meeting – Budget Presentation	
April 2025	Proposed Budget to Metro Council	
May 2025	Council Approve Budget	

# Venue Budget Context

## Transient Lodging Tax

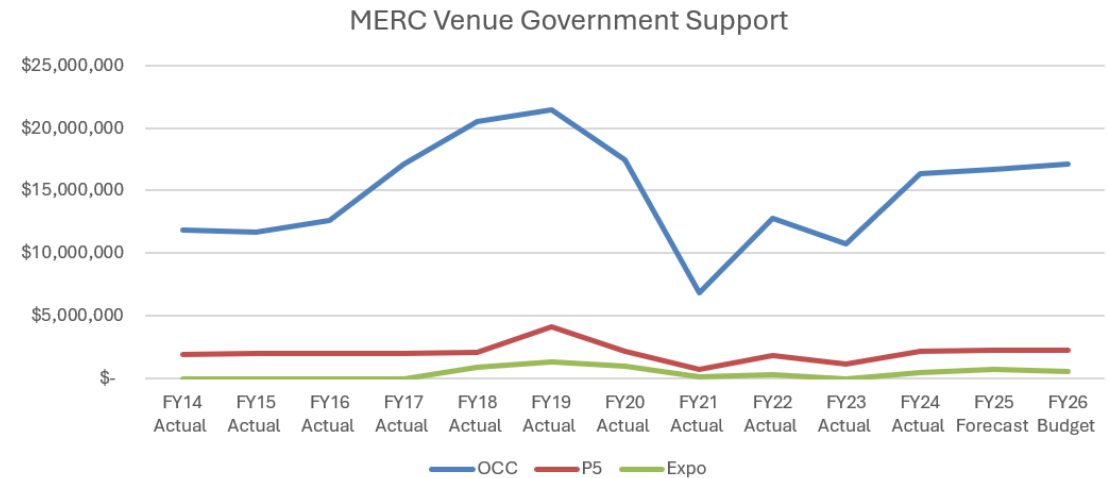
- Recovery of Portland economy slower than originally forecasted
- Original forecast set to recover to FY19 rates by 2025
- Now forecast to rebound by 2030



# Venue Budget Context

## Government Support

- Government revenues (TLT and VDFA) are budgeted in FY26 at FY17 levels
- Slow recovery to these tax bases has disrupted the operational model of all 3 MERC venues

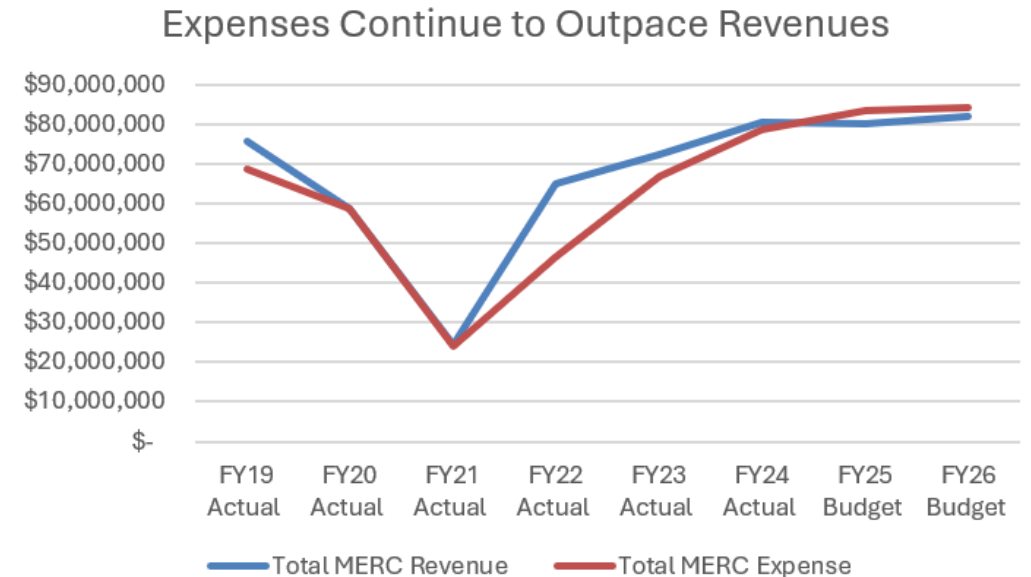




# Venue Budget Context

## Expenses Outpacing Revenue

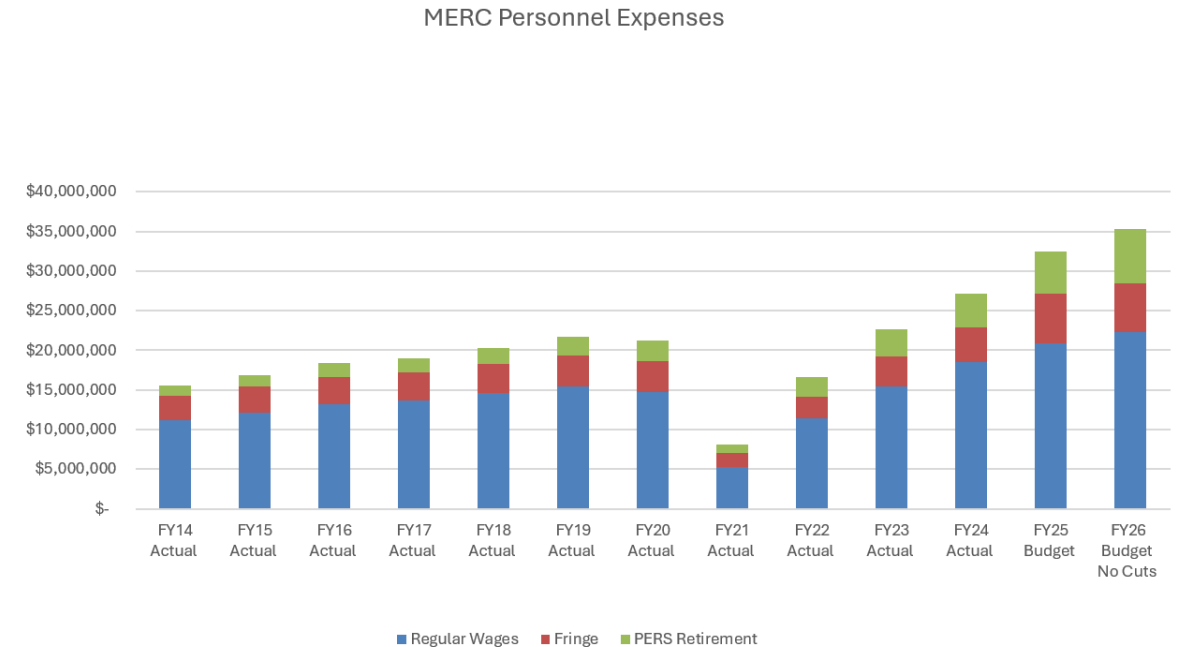
- Revenue has been growing at an average of ~6%
- Expenses have grown at an average of ~17%
- This disconnect challenges the Venue's operational models



# Venue Budget Context

## Inflationary Pressure

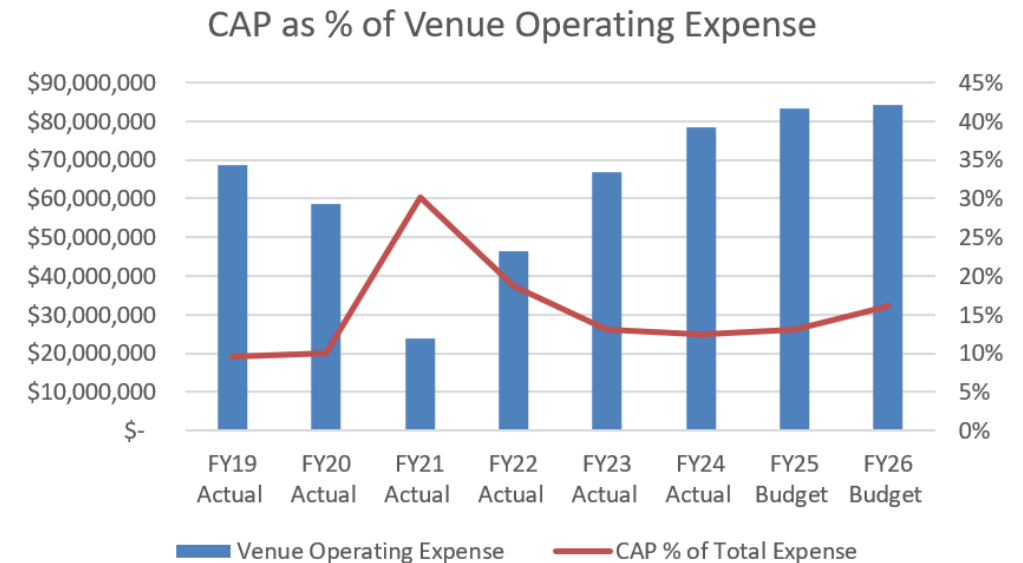
- Personnel expenses grew ~15% YoY for the past 3 years
- In FY26 PERS rate up 28% YoY



# Venue Budget Context

## Inflationary Pressure

- Cost Allocation Plan (CAP) expenses outpacing operating expense growth in recent years
- Same increases to personnel expenses affecting CAP



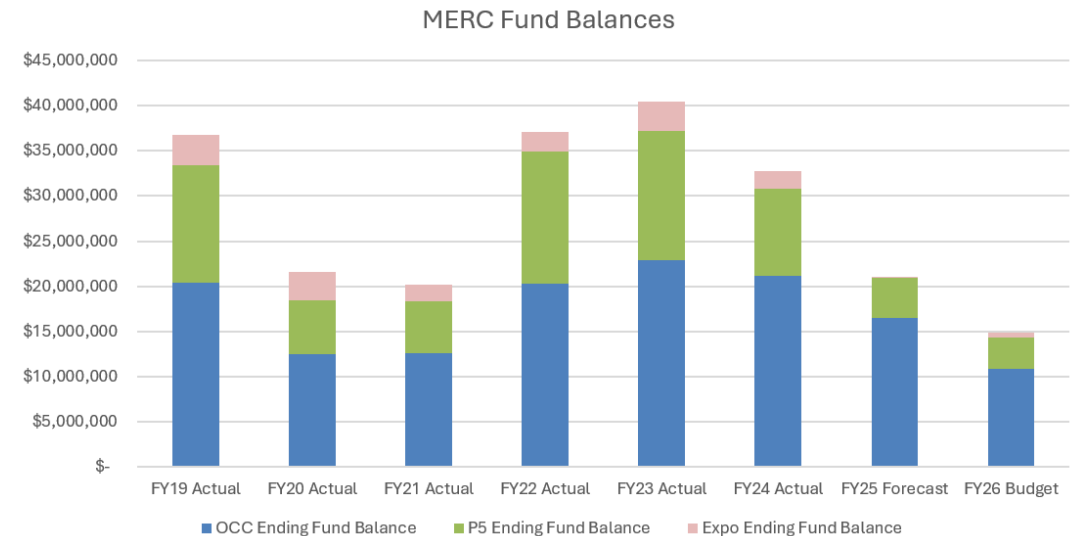


# Venue Budget Context

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## Fund Balances

- Fund Balances used to cover operating losses and capital spend
- TLT Pooled capital not received in FY24 deepened forecasted fund use
- Only OCC has recommended fund balance reserves





# OCC Proposed Budget FY26



# OCC FY26 Overview

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- Director's Overview
  - Current State
  - Operating Environment
  - Budget Approach & Goals
  - Risks & Opportunities
- Proposed Budget FY26
  - Revenue
  - Expenses
  - Material Changes to Base Budget
  - Capital Improvement Plan
  - Ending Balances



# OCC FY26 Overview

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## Current State

- Pooled capital from transient lodging tax is being forecasted at \$0 for FY26.
- Future pace bookings are trending 20-30% below historical averages.
- Convention booking windows have shortened significantly.
- Consumer sentiment of Portland as a safe destination is still a concern.

# OCC FY26 Overview

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## Operating Environment

- Ensure continuity of essential operations and core services.
- Manage financial constraints through strategic cost reductions and creative revenue solutions.
- Redirect resources to support vital programs and services.
- Prioritize critical infrastructure upkeep through the Capital Improvement Plan (CIP).

# OCC FY26 Overview

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## Budget Approach & Goals

- **Event bookings and forecasted pickup drives budget**
  - Half as many events compared to pre-pandemic levels
  - Shorter booking windows make it challenging to forecast
- **Reliable and data-driven budgets**
  - Three-year historical data for future projections
  - Staffing calculators for variable hour labor forecasts
  - Informed by strategic partners' national analytics and forecasting capabilities
- **Strategic approaches to maximizing revenue and minimizing costs**
  - Implement dynamic pricing for a select number of shows.
  - Research a digital, app based, pay by phone or kiosk parking system.
  - Leverage our strategic partners' buying power.
  - Create new revenue lines.



# OCC FY26 Overview

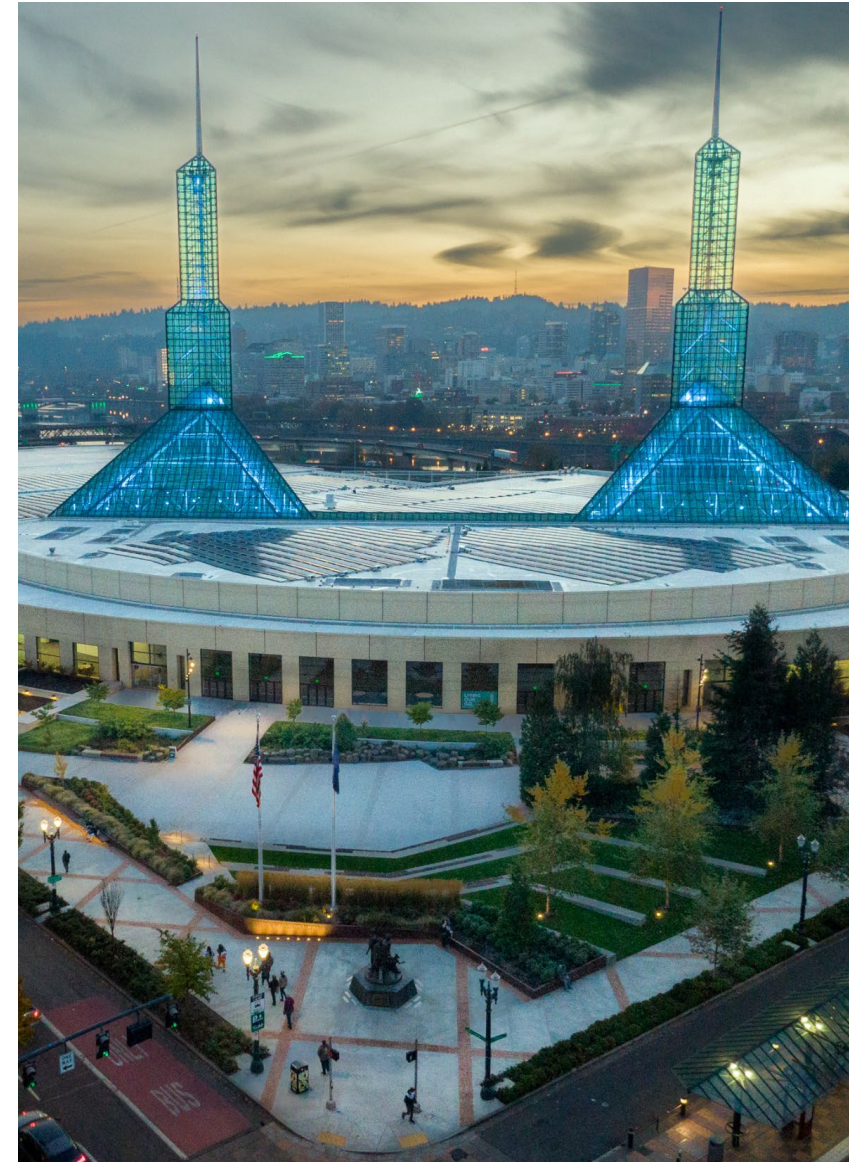
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## Risks

- Portland's Reputation
- FY26 – FY29 Pipeline
- Deferred CIP Maintenance
- Staffing Levels
- Service Failures

## Opportunities

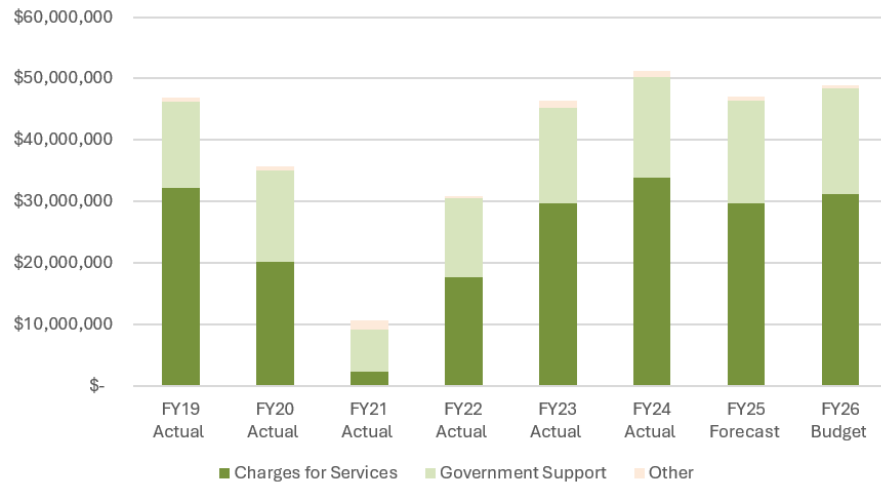
- New Lines of Service
- Dynamic Pricing
- Technology Advancements
- Streamlining Processes
- Staff Retention



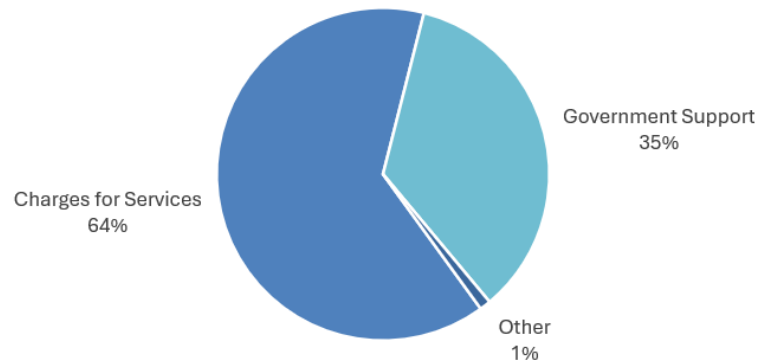
# Budget Detail FY26

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# OCC Proposed FY26 Budget



OCC Revenue



## Revenue

- Revenue Sources
  - 64% of revenue comes from Charges for Services
- 35% Government Support
  - Transient Lodging Tax
  - Visitor Facilities Trust Account

# OCC Proposed FY26 Budget

## OREGON CONVENTION CENTER

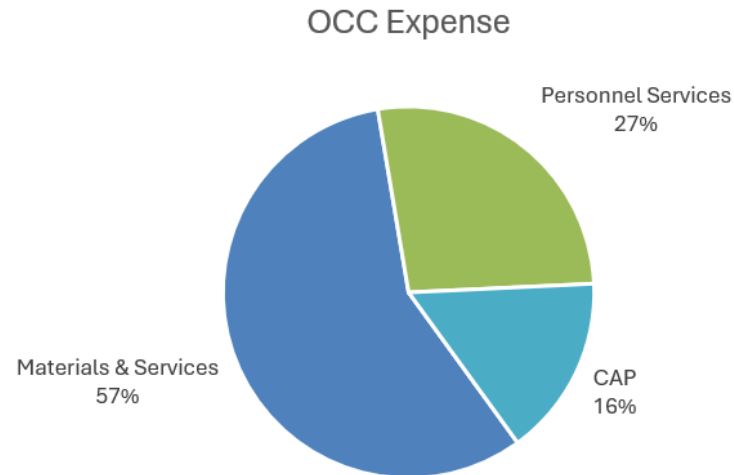
	Actuals	Actuals	BUDGET	BUDGET	YoY \$ Δ	YoY % Δ
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26		
Charges for Services	\$29,715,440	\$33,819,168	\$29,814,438	\$ 31,262,121	\$ 1,447,683	5%
Local Government	\$15,522,105	\$16,356,558	\$17,584,700	\$ 17,087,690	\$ (497,010)	-3%
<i>Lodging Excise Tax</i>	\$13,926,355	\$14,515,308	\$14,901,200	\$ 14,878,190	\$ (23,010)	0%
<i>VFTA</i>	\$ 1,595,750	\$ 1,841,250	\$ 2,683,500	\$ 2,209,500	\$ (474,000)	-18%
Interest Earnings	\$ 447,229	\$ 741,476	\$ 384,311	\$ 514,900	\$ 130,589	34%
Miscellaneous Revenue	\$ 661,512	\$ 358,892	\$ 13,500	\$ 9,000	\$ (4,500)	-33%
Transfers In	\$ -	\$ -	\$ -	\$ -		
<b>Total Operating Revenue</b>	<b>\$46,346,286</b>	<b>\$51,276,094</b>	<b>\$47,796,949</b>	<b>\$ 48,873,711</b>	<b>\$ 1,076,762</b>	<b>2%</b>

## Revenue

- Charges for Services:
  - Weaker sales pipeline = less events projected
  - Flat Year over Year
    - \$1.4M listed increase due to accounting change to F&B, not actual increase in net profit
  - Budgeted revenue based on more uncertain/unclosed events than prior budget years
- Government Funding:
  - Flat Year over Year
  - Zero Pooled Capital TLT budgeted vs ~\$1.2M budgeted in prior years

# OCC Proposed FY26 Budget

	Actuals	Actuals	BUDGET	BUDGET	YoY \$ Δ	YoY % Δ
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26		
Personnel Services	\$11,036,521	\$13,286,557	\$15,610,302	\$ 13,842,871	\$(1,767,431)	-11%
Materials & Services	\$25,961,288	\$30,212,243	\$26,960,268	\$ 29,491,673	\$ 2,531,405	9%
CAP Transfers Out	\$ 5,395,824	\$ 5,541,036	\$ 6,341,845	\$ 8,100,472	\$ 1,758,627	28%
<b>Total Operating Expenses</b>	<b>\$42,393,633</b>	<b>\$49,039,836</b>	<b>\$48,912,415</b>	<b>\$ 51,435,016</b>	<b>\$ 2,522,601</b>	<b>5%</b>



## Expenses

- Personnel:
  - PERS rate up 28% YoY
- Materials & Services:
  - Budgeted 3% increase for inflation
    - Remaining \$1.7M due to accounting change to F&B
- CAP:
  - Up 28% Year over Year

# OCC Proposed FY26 Budget

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## Material Changes to Base Budget

- Personnel Services - \$4M (23%) cut
- Materials & Services - \$1.9M (6%) cut

	Original Budget	Reduction	New Budget	YoY % Δ
Personnel Services	\$ 17,876,045	\$4,033,174	\$ 13,842,871	-23%
Materials & Services	\$ 31,391,493	\$1,899,820	\$ 29,491,673	-6%
Total	\$ 49,267,538	\$5,932,994	\$ 43,334,544	-12%



# OCC Proposed FY26 Budget

## Capital Improvement Plan

### CIP Summary Fiscal Year 2026

Department: OCC						
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Integrated Door Access Controls/Door Replacement	1,000,000	640,000	-	-	-	1,640,000
Food & Beverage: Design & Projects	575,000	-	-	-	-	575,000
Website Redesign & Drupal Platform	53,000	-	-	-	-	53,000
Holladay Lobby Exterior Door Threshold & Waterproofing	275,000	-	-	-	-	275,000
Kitchen Hot Water Piping	180,000	-	-	-	-	180,000
Facility Condition Assessment	700,000	-	-	-	-	700,000
EST 4 Fire Alarm System Upgrade	585,000	-	-	-	-	585,000
ADA Assessment and Improvements	-	150,000	250,000	250,000	-	650,000
Interior Loading Dock & Exhibit Hall Concrete Repair	-	100,000	250,000	-	-	350,000
Technology Office & MDF Space Renovation	-	350,000	-	-	-	350,000
Cooling System Upgrades Phase II	-	150,000	3,000,000	2,000,000	-	5,150,000
Autonomous Cleaning Equipment	-	152,000	152,000	160,000	150,000	614,000
ABC Meeting Room Renovation	-	-	-	200,000	300,000	500,000
45' Articulating Boom Lift Replacement	-	-	-	150,000	-	150,000
Vertical Transportation: Elevator Modernizations	-	-	-	175,000	350,000	525,000
Expansion Roof Replacement	-	-	-	200,000	2,500,000	2,700,000
Vertical Transportation: Escalator Modernizations	-	-	-	-	175,000	175,000
Boiler Plant Replacement	-	-	-	-	200,000	200,000
REOCCURRING: Security Camera Infrastructure Investment	-	-	-	240,000	-	240,000
ANNUAL: IT Infrastructure Investment	-	200,000	-	200,000	-	400,000
<b>TOTAL OCC - Convention Center Operating Fund</b>	<b>\$3,368,000</b>	<b>\$1,742,000</b>	<b>\$3,652,000</b>	<b>\$3,575,000</b>	<b>\$3,675,000</b>	<b>\$16,012,000</b>
Capital Revenue - Levy Reimbursement	575,000	-	-	-	-	575,000
<b>Net Spend to OCC</b>	<b>\$2,793,000</b>	<b>\$1,742,000</b>	<b>\$3,652,000</b>	<b>\$3,575,000</b>	<b>\$3,675,000</b>	<b>\$15,437,000</b>

- 20 projects, total of \$15.4 million (~\$3 million/year) over 5 years
- Seven projects occurring in FY26 with two projects already underway
- Prioritized projects, with focus on:
  - Safety
  - Infrastructure
  - Guest Experience
- Projects have been deferred and some removed from CIP

# OCC Proposed FY26 Budget

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## OREGON CONVENTION CENTER

	Actuals	Actuals	FORECAST	BUDGET
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Beginning Fund Balance	\$ 20,280,838	\$ 22,934,553	\$ 21,163,323	\$ 16,477,227
Revenue	\$ 46,346,286	\$ 51,276,094	\$ 47,004,414	\$ 48,873,711
Expenses	\$ 42,393,633	\$ 49,039,836	\$ 47,109,510	\$ 51,435,016
Operating Loss/Gain	\$ 3,952,653	\$ 2,236,258	\$ (105,096)	\$ (2,561,305)
Net Capital Outlay	\$ (1,298,938)	\$ (4,007,488)	\$ (4,581,000)	\$ (3,049,250)
Ending Fund Balance	\$ 22,934,553	\$ 21,163,323	\$ 16,477,227	\$ 10,866,672

## Ending Balances

- Operating Loss - \$2.6M
- Capital Outlay - \$3M
- Ending Fund Balance - \$10.9M



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# Q & A





# Portland's Proposed Budget FY26



# P'5 FY26 Overview

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- Director's Overview
  - Current State
  - Operating Environment
  - Budget Approach & Goals
  - Risks & Opportunities
- Proposed Budget FY26
  - Revenue
  - Expenses
  - Material Changes to Base Budget
  - Capital Improvement Plan
  - Ending Balances



# P'5 FY26 Overview

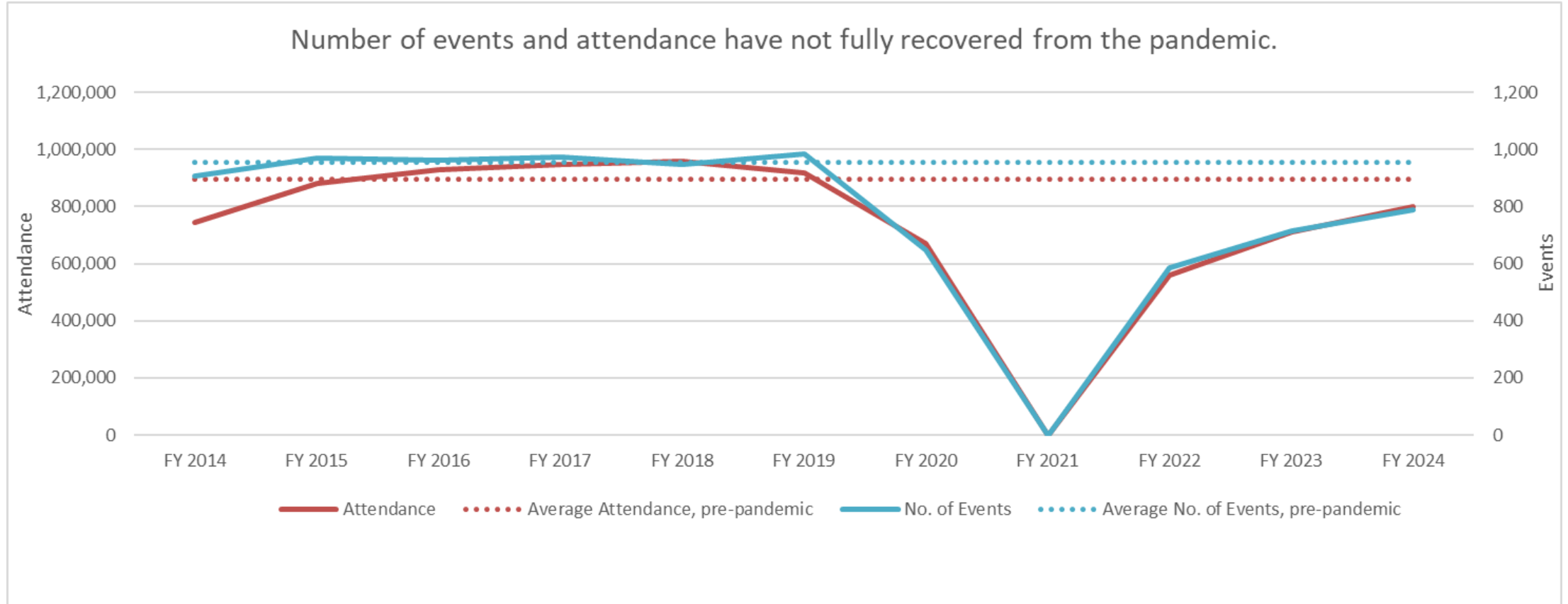
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## Current State

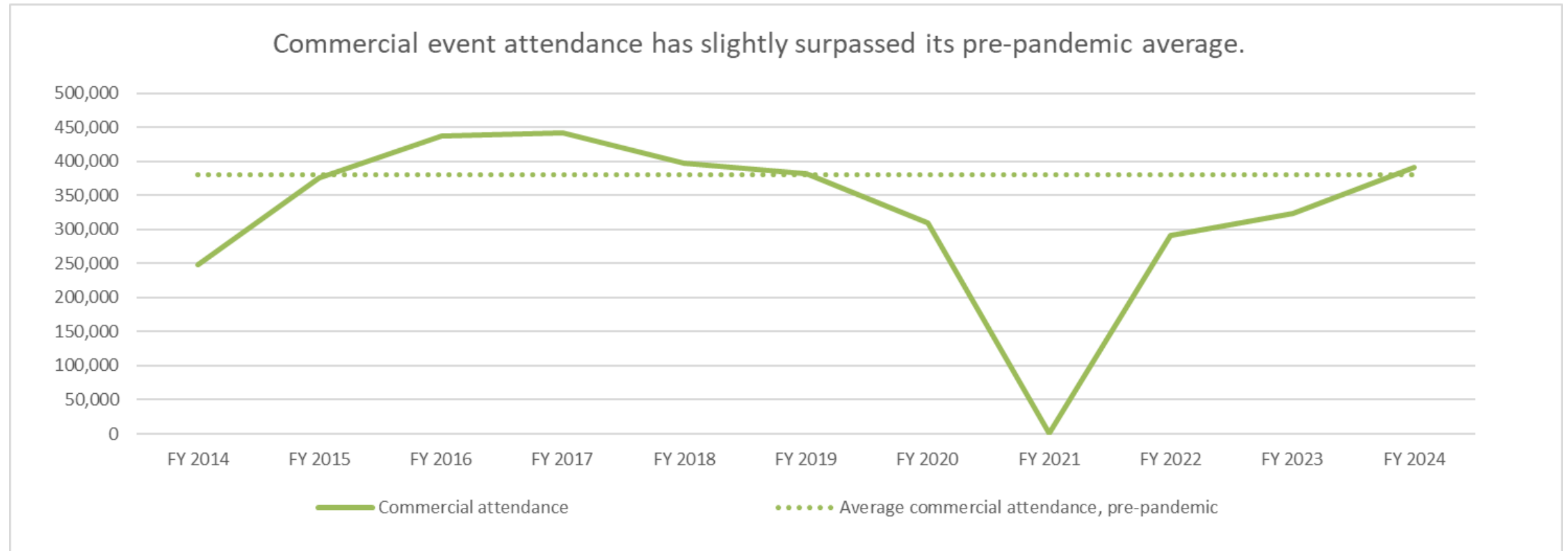
- Attendance has not returned to pre-pandemic levels.
- Opportunities for high-revenue commercial shows are limited due to heavy calendar use by resident companies.
- Revenue is not keeping up with expenses, requiring budget reductions in FY25-26.



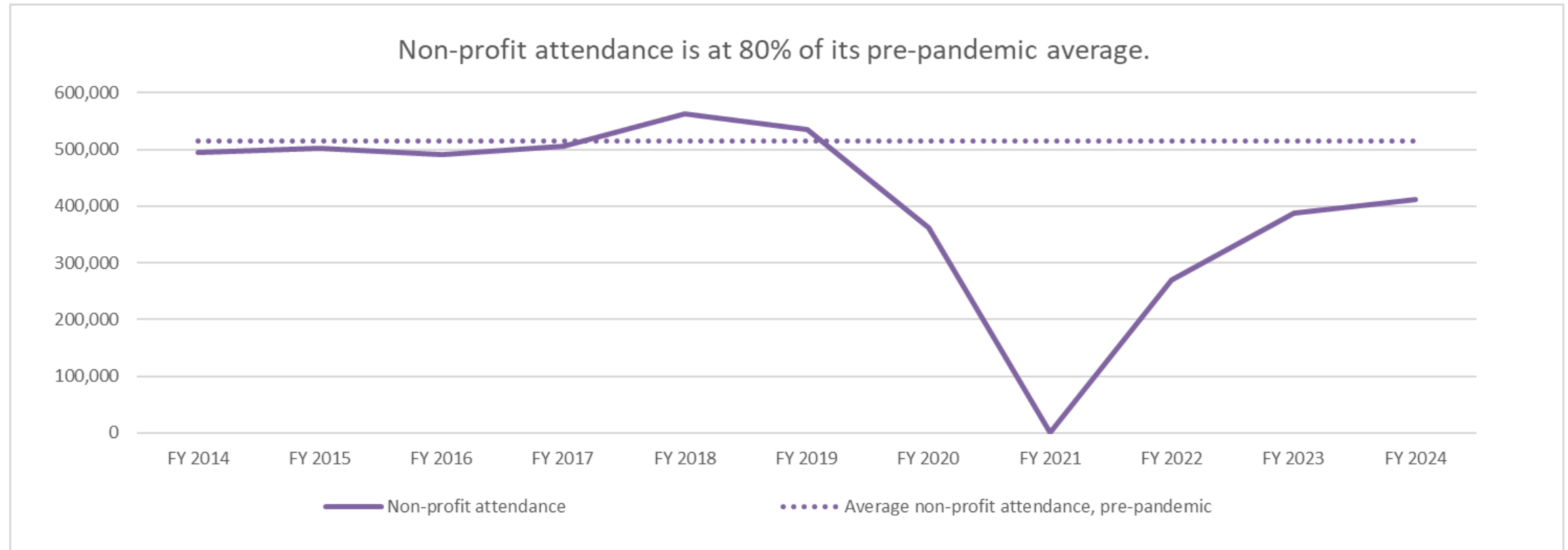
# P'5 Attendance



# P'5 Attendance



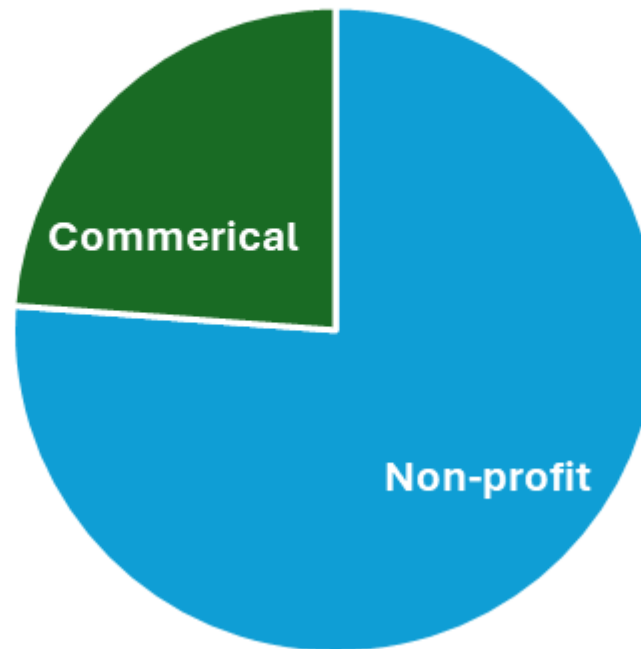
# P'5 Attendance



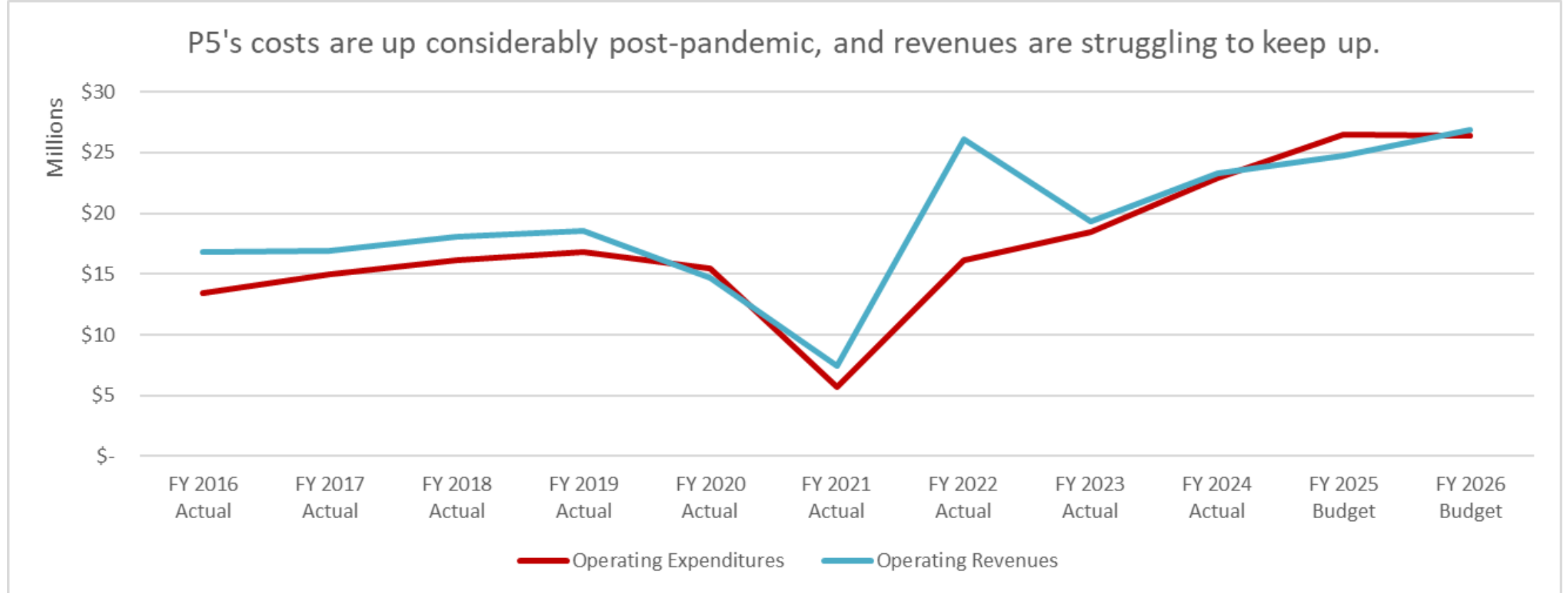
# P'5 Building Usage

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Non-profit events accounted for over 75% of use days in FY23-24.



# P'5 Structural budget challenge



# P'5 FY26 Overview

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## Operating Environment

- Maintain and strengthen essential operations and core services.
- Address financial challenges with targeted expense reductions and revenue increases that are sustainable to our clients.
- Reallocate resources to sustain key programs and services.
- Focus on critical infrastructure projects that prioritize safety and event continuity.



# P'5 FY26 Overview

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## Budget Approach & Goals

- **Reasonable and accurate budgets**
  - All budget lines received extensive review and consideration.
  - Contingencies in both revenue and expense lines were analyzed and reduced.
  - Implemented new methodology for developing billable labor/service charges, which accounts for 70% of client sourced revenue.
- **Estimated event calendar drives budget**
  - 14 weeks of Broadway (11 in FY25)
  - Fewer concerts based on current year activity
  - No Oregon Children's Theatre (previously ~150 performances)

# P'5 FY26 Overview

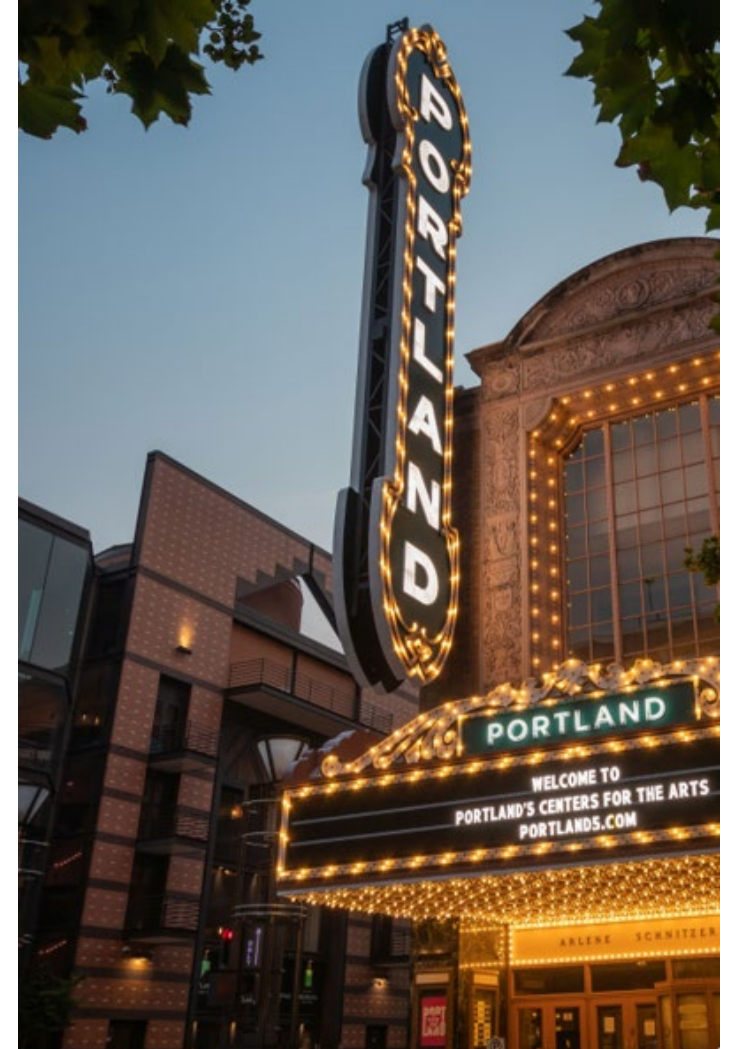
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## Risks

- Potential criticism due to reduced services and programs.
- Staff morale impacted by layoffs, leadership transitions, and uncertainty of City/Metro IGA and Keller Auditorium.
- Rate increases are hard on local arts groups who are also financially struggling.
- Deferred maintenance increases future capital needs.

## Opportunities

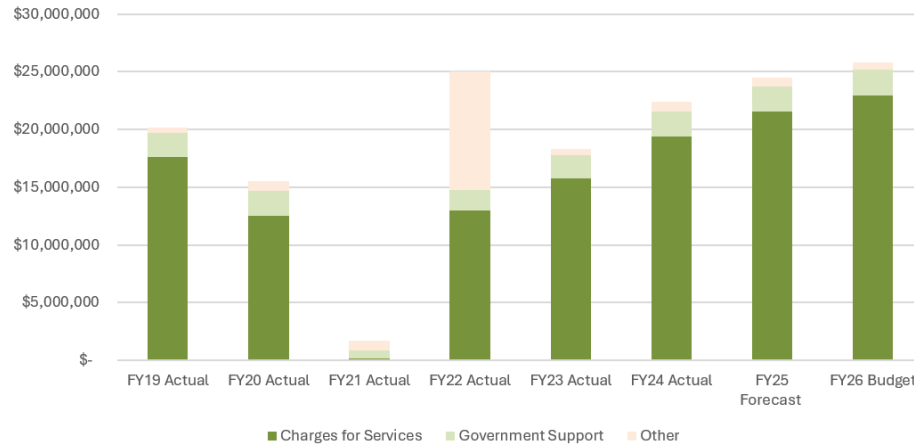
- Focus on efficient operations.
- Rate development considered fully loaded costs to ensure rates cover costs.
- Challenges of City/Metro IGA being discussed at Venue Workgroup.



# Budget Detail FY26

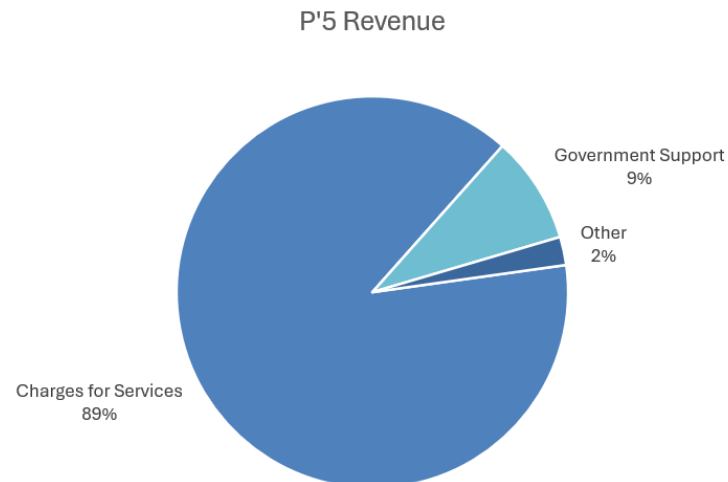
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# P'5 Proposed FY26 Budget



## Revenue

- Revenue Sources
  - 89% of revenue comes from Charges for Services – from clients, patrons and P5 Presents
- 9% Government Support
  - Transient Lodging Tax
  - Visitor Facilities Trust Account



# P'5 Proposed FY26 Budget

## PORTLAND'S

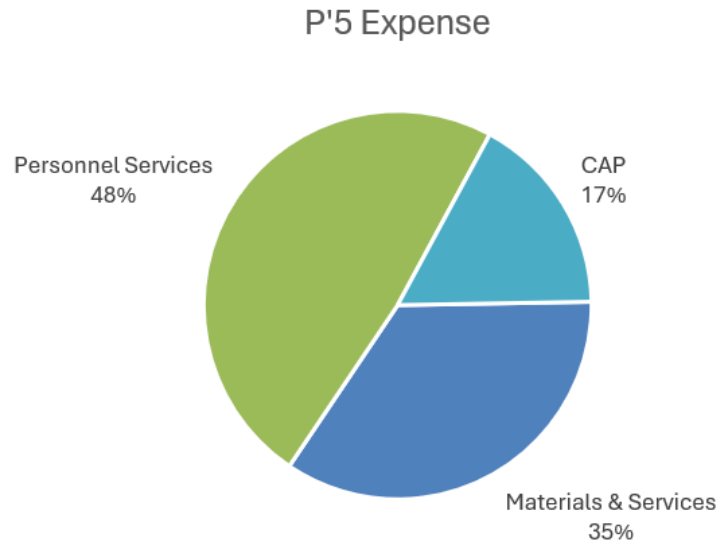
	Actuals	Actuals	BUDGET	BUDGET	YoY \$ Δ	YoY % Δ
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26		
Charges for Services	\$15,787,928	\$19,350,964	\$20,885,673	\$ 22,912,626	\$ 2,026,953	10%
Local Government	\$ 2,007,179	\$ 2,155,995	\$ 2,287,971	\$ 2,287,971	\$ -	0%
<i>Lodging Excise Tax</i>	\$ 1,513,179	\$ 1,585,995	\$ 1,603,971	\$ 1,603,971	\$ -	0%
<i>VFTA</i>	\$ 494,000	\$ 570,000	\$ 684,000	\$ 684,000	\$ -	0%
City of Portland Contributions	\$ 1,053,584	\$ 1,119,400	\$ 1,125,135	\$ 1,196,060	\$ 70,925	6%
Interest Earnings	\$ 468,637	\$ 846,239	\$ 292,149	\$ 291,050	\$ (1,099)	0%
Miscellaneous Revenue	\$ 63,205	\$ 51,854	\$ 152,580	\$ 274,950	\$ 122,370	80%
Transfers In	\$ -	\$ -	\$ 125,000	\$ 35,000	\$ (90,000)	-72%
<b>Total Operating Revenue</b>	<b>\$19,380,533</b>	<b>\$23,524,452</b>	<b>\$24,868,508</b>	<b>\$ 26,997,657</b>	<b>\$ 2,129,149</b>	<b>9%</b>

## Revenue

- Charges for Services
  - Up 10% (\$2M) YoY
  - 14 weeks of Broadway FY26 vs 11 weeks in FY25
- Government Funds
  - TLT and VFTA Flat YoY
  - City of Portland up 6% with CPI

# P'5 Proposed FY26 Budget

	Actuals	Actuals	BUDGET	BUDGET	YoY \$	YoY %
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Δ	Δ
Personnel Services	\$ 9,371,678	\$ 11,642,056	\$ 13,655,676	\$ 12,865,601	\$ (790,075)	-6%
Materials & Services	\$ 6,577,829	\$ 7,947,121	\$ 9,318,418	\$ 9,217,555	\$ (100,863)	-1%
CAP Transfers Out	\$ 2,487,855	\$ 3,353,963	\$ 3,625,450	\$ 4,467,425	\$ 841,975	23%
<b>Total Operating Expenses</b>	<b>\$18,437,362</b>	<b>\$22,943,140</b>	<b>\$26,599,544</b>	<b>\$ 26,550,581</b>	<b>\$ (48,963)</b>	<b>0%</b>



## Expenses

- Personnel is largest portion of P'5 Expenses (48%)
- Materials & Services:
  - Budgeted Flat Year over Year
- CAP:
  - Up 23% Year over Year



# P'5 Proposed FY26 Budget

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## Material Changes to Base Budget

- Personnel Services - \$2M (14%) cut
- Materials & Services - \$187k (2%) cut

	Original Budget	Reduction	New Budget	YoY % Δ
Personnel Services	\$ 14,908,939	\$(2,043,338)	\$ 12,865,601	-14%
Materials & Services	\$ 9,401,841	\$ (187,037)	\$ 9,214,804	-2%
Total	\$ 24,310,780	\$(2,230,375)	\$ 22,080,405	-9%

# P'5 Proposed FY26 Budget

## Capital Improvement Plan

### CIP Summary Fiscal Year 2026

Department: P5						
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
P5 ASCH Roof Replacement	600,000	-	-	-	-	600,000
P5 - F&B Renewal and Replacement	400,000	-	-	270,000	230,000	900,000
Keller FOH Elevators Upgrade	350,000	250,000	-	-	-	600,000
P5 Website - Drupal upgrade	250,000	-	-	-	-	250,000
ASCH Rigging Upgrade	250,000	-	-	-	-	250,000
ASCH gas boiler replacements	40,000	460,000	-	-	-	500,000
AHH Freight Elevator	-	30,000	410,000	-	-	440,000
AHH Elect switchgear replacement scoping	-	-	100,000	-	-	100,000
ASCH Elect switchgear replace scoping	-	-	100,000	-	-	100,000
ASCH Fire alarm system update	-	-	-	450,000	-	450,000
ASCH Main lobby concession rebuild	-	-	-	270,000	230,000	500,000
ASCH replace iron drain pipe	-	-	-	125,000	125,000	250,000
Keller replace iron drain pipe	-	-	-	100,000	100,000	200,000
<b>TOTAL - PORTLAND'S CENTERS FOR THE ARTS FUND</b>	<b>\$1,890,000</b>	<b>\$740,000</b>	<b>\$610,000</b>	<b>\$1,215,000</b>	<b>\$685,000</b>	<b>\$5,140,000</b>
Capital Revenue - Levy Reimbursement	400,000			270,000	230,000	900,000
<b>Net Spend to P5</b>	<b>\$1,490,000</b>	<b>\$740,000</b>	<b>\$610,000</b>	<b>\$945,000</b>	<b>\$455,000</b>	<b>\$4,240,000</b>

- 13 projects, total of \$4.7 million (~\$1 million/year)
- Only the highest priority projects, with focus on:
  - Patron and employee safety
  - Event continuity
- Not reflective of true need of capital investment
- Additional funding is needed to address deferred maintenance

# P'5 Proposed FY26 Budget

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## PORTLAND'5

	Actuals	Actuals	FORECAST	BUDGET
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
<b>Beginning Fund Balance</b>	<b>\$ 14,672,560</b>	<b>\$ 14,274,665</b>	<b>\$ 9,666,946</b>	<b>\$ 4,482,117</b>
Revenue	\$ 19,380,533	\$ 23,524,452	\$ 25,672,613	\$ 26,997,657
Expenses	\$ 18,437,362	\$ 22,943,140	\$ 25,164,181	\$ 26,550,581
<b>Operating Loss/Gain</b>	<b>\$ 943,171</b>	<b>\$ 581,313</b>	<b>\$ 508,432</b>	<b>\$ 447,076</b>
Net Capital Outlay	\$ (1,341,066)	\$ (5,189,032)	\$ (5,693,260)	\$ (1,490,000)
<b>Ending Fund Balance</b>	<b>\$ 14,274,665</b>	<b>\$ 9,666,946</b>	<b>\$ 4,482,117</b>	<b>\$ 3,439,193</b>

## Ending Balances

- Operating Gain - \$447k
- Capital Outlay - \$1.5M
- Ending Fund Balance - \$3.4M



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# Q & A





# Expo Proposed Budget FY26

# Expo FY26 Overview

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- Director's Overview
  - Operating Environment
  - Budget Approach & Goals
  - Risks & Opportunities
- Proposed Budget FY26
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# Expo FY26 Overview

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## Current State

- Traditional book of business flat or contracting somewhat in size / scope.
- Infrastructure not yet in place for sport events outside of flat floor opportunities
- FY26 – Non-Cirque year – returning Summer of 2026 (FY27)
- New business development has seen positive progress
- Deferred maintenance repairs made, but some systems are simply reaching end of life
- Positive progress made with initiatives for pre-sale ticketing/parking.

# Expo FY26 Overview

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## Operating Environment

- Labor cost increases across all venues.
- VFTA/TLT Pooled Capital project flat or diminished returns.
- Revenues / book of business projections for FY26 appear flat
- Debt Service completed – prior forecasts assumed a stronger VFTA/TLT and fund path.
- FY25 relatively strong leading through Q3, and within a Cirque year.
- Low ending fund balance and growing deferred maintenance listings
- Expo Future planning balanced with uncertainty for base business – (sales environment)

# Expo FY26 Overview

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## Budget Approach & Goals

- Department Managers reviewed book of business for the year and adjusted rates to reflect projections.
- Following initial work and capital review, team and Finance Manager reviewed for cuts.
- Reached initial goal of balanced budget through equity review and difficult decisions including Security.
- Secondary cuts at the direction fo the GMVV due to diminished revenue projections, unknown funding support and rising labor / deferred maintenance costs
- Presented series of cut rounds including Venue collaboration methods to meet additional goals.

# Expo FY26 Overview

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## Risks

- Expo Future Timeline
- Deferred Capital
- Fund Balance

## Opportunities

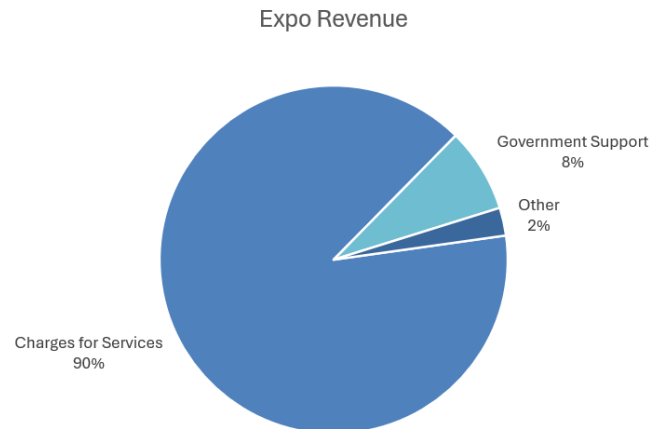
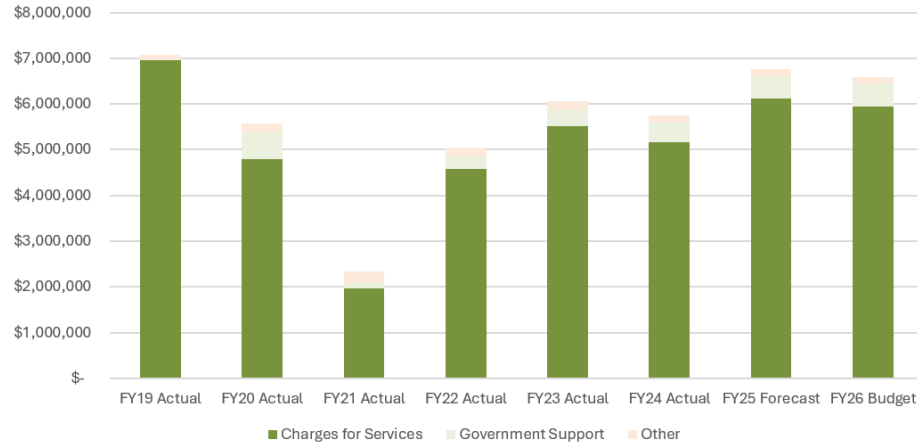
- Sports Pivot
- Dynamic Rates
- Venue partnerships



# Budget Detail FY26

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# Expo Proposed FY26 Budget



## Revenue

- Revenue Sources
  - 90% of revenue comes from Charges for Services
  - 8% Government Support
    - Transient Lodging Tax
    - Visitor Facilities Trust Account

# Expo Proposed FY26 Budget

## EXPO

	Actuals	Actuals	BUDGET	BUDGET	YoY \$ Δ	YoY % Δ
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26		
Charges for Services	\$ 5,513,292	\$ 5,155,242	\$ 6,240,905	\$ 5,934,690	\$ (306,215)	-5%
Local Government	\$ 373,750	\$ 431,250	\$ 517,500	\$ 517,500	\$ -	0%
<i>Lodging Excise Tax</i>						
<i>VFTA</i>	\$ 373,750	\$ 431,250	\$ 517,500	\$ 517,500	\$ -	0%
Interest Earnings	\$ 66,987	\$ 99,418	\$ 75,000	\$ 50,000	\$ (25,000)	-33%
Miscellaneous Revenue	\$ 97,622	\$ 68,223	\$ 82,500	\$ 91,500	\$ 9,000	11%
Transfers In	\$ 480,000	\$ -	\$ 400,000	\$ 30,000	\$ (370,000)	-93%
<b>Total Operating Revenue</b>	<b>\$ 6,531,651</b>	<b>\$ 5,754,133</b>	<b>\$ 7,315,905</b>	<b>\$ 6,623,690</b>	<b>\$ (692,215)</b>	<b>-9%</b>

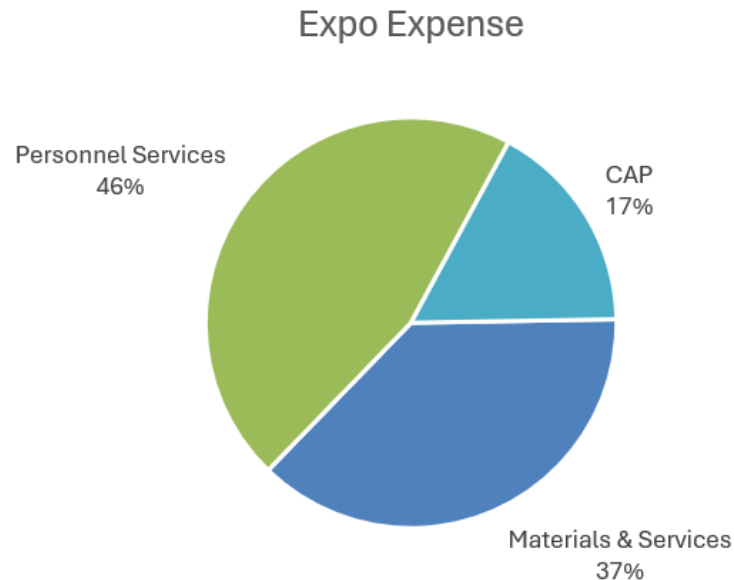
## Revenue

- **Charges for Services:**
  - Non-Cirque year -> lower Charges for Services
  - Parking Rate change from \$13 to \$14 increased budget by \$133k
  - Surcharges for extra waste and security increased budget by \$153k
- **Government Funds:**
  - Flat Year over Year
  - Zero Pooled Capital TLT budgeted vs ~\$220k budgeted in prior years



# Expo Proposed FY26 Budget

	Actuals	Actuals	BUDGET	BUDGET	YoY \$ Δ	YoY % Δ
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26		
Personnel Services	\$ 1,847,708	\$ 2,236,885	\$ 3,266,646	\$ 2,808,506	\$ (458,140)	-14%
Materials & Services	\$ 2,189,200	\$ 2,364,829	\$ 2,717,276	\$ 2,308,957	\$ (408,319)	-15%
CAP & Debt Service Transfers	\$ 1,866,679	\$ 1,906,222	\$ 1,966,569	\$ 1,035,894	\$ (930,675)	-47%
<b>Total Operating Expenses</b>	<b>\$ 5,903,587</b>	<b>\$ 6,507,936</b>	<b>\$ 7,950,491</b>	<b>\$ 6,153,357</b>	<b>\$ (1,797,134)</b>	<b>-23%</b>



## Expenses

- Personnel:
  - Majority of expense is Personnel
- Materials & Services:
  - Budget minimized in all departments possible
  - Security Team hours lowered in Q1 and Q2 to save \$70k
- CAP and Debt Service Transfers:
  - Up 9% Year over Year
  - Debt Service finished -> lowered by \$1M

# Expo Proposed FY26 Budget

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## Material Changes to Base Budget

- Personnel Services - \$2.8M (21%) cut
- Materials & Services - \$70k (3%) cut

	Original Budget	Reduction	New Budget	YoY % Δ
Personnel Services	\$ 3,541,387	\$ (732,936)	\$ 2,808,451	-21%
Materials & Services	\$ 2,379,037	\$ (70,080)	\$ 2,308,957	-3%
Total	\$ 5,920,424	\$ (803,016)	\$ 5,117,408	-14%

# Expo Proposed FY26 Budget

## Capital Improvement Plan

### CIP Summary Fiscal Year 2026

Department: EXPO						
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Expo - F&B Facility Renewal and Replacement	478,537	-	-	-	-	478,537
Metro Outfalls Decommissioning	10,000	280,000	-	-	-	290,000
Expo - Hall E HVAC	-	650,000	650,000	650,000	800,000	2,750,000
Office Consolidation - Ops, Parking and Levy	-	150,000	-	-	-	150,000
Expo - Rolling Stock	-	110,000	85,000	-	-	195,000
Facility Security Improvements	-	100,000	200,000	-	-	300,000
Facility Asphalt Replacement / Repair	-	95,000	105,000	115,000	125,000	440,000
ADA Facility Study	-	25,000	50,000	-	-	75,000
Expo - Lower Parking Lot: Lighting	-	-	275,000	200,000	-	475,000
Electrical Generator Enhancement	-	-	100,000	-	-	100,000
Expo - Hall C Roof Recoat	-	-	-	575,000	500,000	1,075,000
Expo Electrical Review	-	-	-	-	100,000	100,000
Expo Hall E Flat Roof	-	-	-	-	100,000	100,000
Expo - Roof Repair - Hall C Recoat (TLT Pooled)	-	-	-	-	-	-
<b>TOTAL EXPO - EXPO FUND</b>	<b>\$488,537</b>	<b>\$1,410,000</b>	<b>\$1,465,000</b>	<b>\$1,540,000</b>	<b>\$1,625,000</b>	<b>\$6,528,537</b>
Capital Revenue - Levy Reimbursement	478,537					478,537
Capital Revenue - General Fund	10,000	280,000				290,000
<b>Net Spend to Expo</b>	<b>\$0</b>	<b>\$1,130,000</b>	<b>\$1,465,000</b>	<b>\$1,540,000</b>	<b>\$1,625,000</b>	<b>\$5,760,000</b>

- 14 projects, total of \$5.8 million (~\$1.5 million/year)
- Minimal projects in FY26 in accordance with budget constrictions
- Two projects occurring in FY26 with one project already underway
- Prioritized projects, with focus on:
  - Safety
  - Infrastructure

# Expo Proposed FY26 Budget

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## EXPO

	Actuals	Actuals	FORECAST	BUDGET
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
<b>Beginning Fund Balance</b>	\$ 2,145,976	\$ 3,303,754	\$ 1,976,855	\$ 50,568
Revenue	\$ 6,531,651	\$ 5,754,133	\$ 7,163,097	\$ 6,623,690
Expenses	\$ 5,903,587	\$ 6,507,936	\$ 7,438,284	\$ 6,153,357
<b>Operating Loss/Gain</b>	\$ 628,064	\$ (753,803)	\$ (275,187)	\$ 470,333
Net Capital Outlay	\$ 529,714	\$ (573,096)	\$ (1,651,100)	\$ -
<b>Ending Fund Balance</b>	\$ 3,303,754	\$ 1,976,855	\$ 50,568	\$ 520,901

## Ending Balances

- Operating Gain - \$470k
- Capital Outlay Net - \$0
- Ending Fund Balance - \$521k



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# Q & A



# Budget Timeline

Date	Meeting/Action
November 2024	Departments Create Budgets
December 2024	MERC Commission Meeting – Budget Retreat
January 2025	Budget Submitted Budget Committee Meeting – Capital
February 2025	Budget Committee Meeting - Operations
March 2025	MERC Commission Meeting – Budget Presentation
April 2025	Proposed Budget to Metro Council
May 2025	Council Approve Budget