

Meeting Minutes

Meeting details:

Meeting: Metropolitan Exposition Recreation Commission Meeting
Date: March 5, 2025
Time: 12:30pm - 2:30 pm
Place: Oregon Convention, Ballroom 204 | Zoom

Commissioners present:

Chair Karis Stoudamire-Phillips, Damien Hall, Deidra-Krys-Rusoff, Chris Oxley, Dañel Malán-González, Deanna Palm and David Penilton

Commissioners excused:

None

Call to Order and Roll Call

Chair Stoudamire-Phillips called the meeting to order at 12:32pm

Public Communication

- Chair Stoudamire-Phillips opened the meeting to members of the public wanting to testify on agenda and non-agenda items

Commission / Council Liaison Communication

- Commissioner Malán-González recently spoke at the Space to Grow event and congratulated OCC on a successful program.
- Commissioner Krys-Rusoff shared she recently attended the Auto, Golf, and Seafood Shows and praised venues staff on the successful events.
- Councilor Gerritt Rosenthal noted the Lunar New Year event at the Keller was well attended and the zoo had a strong weekend celebrating the new baby elephant. Supportive Housing Services continues its complicated and important work.

General Manager Communications

Craig Stroud welcomed Rachael Lembo as the new interim Executive Director of Portland's Centers for the Arts. Today MERC will receive the FY26 budget presentation and vote on the resolution to move it forward to COO Madrigal to incorporate into her proposed budget to Metro Council. The venues are scheduled to present to Council on April 22nd. MERC and Council will hold a joint workshop on public-private partnerships on April 3.

Consent Agenda

- **Consideration of the February 5, 2025, MERC Meeting Minutes**
This item was approved.

Attachment: [MERC meeting minutes](#)

COO Communications

Marissa Madrigal gave some context on the broader budget environment at Metro, sharing that the venues and many other departments are facing budget deficits in the coming year. The overall trends show revenues not keeping up with costs. It was requested that each department submit a balanced proposal, and that the Central Service departments submit reduction scenarios to help holistically address the deficits.

FY25-26 Proposed Budget Presentation

Ashley Sloan, MERC Finance Manager

Attachments: [FY26 MERC Budget Presentation](#)

- Commissioner Krys-Rusoff introduced the presentation, reviewed the format, and thanked venues staff for their work
- Sloan gave an overview of venue budget context touching on transient lodging tax, government support, expenses outpacing revenue, and inflationary pressure
- Cindy Wallace, Executive Director of the Oregon Convention Center gave an FY26 overview for OCC including their current state, operating environment, risks, and opportunities
- Rachael Lembo, Executive Director of Portland's gave an FY26 overview for P5 including their current state, attendance, building usage, operating environment risks and opportunities
- Matthew Rotchford, Executive Director Expo Center gave an FY26 overview for Expo including their current state, operating environment, risks, and opportunities
- Commissioner Krys-Rusoff spoke to the 33 FTE reductions and noted the positions are not being eliminated due to performance but because of the economic cycle we are in. All our hearts go out to the people we know will suffer because of these decisions.
- Commissioner Penilton acknowledged the difficult work and highlighted potential deeper challenges around federal cuts, declining TLT trends, and our current fund balance.
- Commissioner Malán-González asked if there are any other deferments that can be made prior to FTE cuts citing the \$600,000 for the Keller elevator as an example. Lembo acknowledged the difficult decision to add a Keller capital project to the list but explained that the Keller is the venue that currently brings in the most revenue and we cannot afford to have an elevator go down. The risk is too high to not address it with some type of capital investment. It also doesn't help address our operational sustainability.
- Commissioner Palm stated MERC's responsibility is to look at what is sustainable for the venues, and we can't have revenue at 7% and expenses at 17% for any length of time. MERC needs to spend time working on solutions with ongoing conversations outside of budget season.
- Commissioner Oxley agreed with Palm and noted MERC's focus should be on long term strategies. He asked why 2030 was a target number and was it informed by Travel Portland? Stroud responded the figure came from the Visitor Development Fund and they believe that is when we will get back to "2019" dollars. It was noted those are vastly discounted against the value of the dollar.
- Commissioner Oxley asked for clarification on Expo reserves. Stroud responded 2 months is the required amount of reserves which Expo did not have. Metro will be taking action in the

current FY to transfer money into Expo's fund balance to ensure solvency. In addition, we've put forth into the proposed budget \$400,000 of additional general fund money into the fund balance. If approved, together with the actions in the proposed budget will get us to roughly \$900,000.

- Commissioner Oxley asked about the reserve balance for P5. Sloan responded we are forecasting 3.4M and we'd like it to be at 4.4M. Sloan confirmed OCC is at 10.9M and we require 8.8M.
- Commissioner Oxley highlighted that the 17% staffing cuts at P5 needs to be brought into current city IGA conversations.
- Commissioner Penilton shared concerns on whether the proposed cuts are sufficient to get us to where we need to be. Stroud acknowledged the concern and uncertainty and noted the assumptions around the operating environment are being challenged at this point. We have worked to stabilize and are focused on more aggressive approach. Penilton stated we need to consider what our model should be, and from a revenue perspective we must have some other options. It's not sustainable the way it is now.
- Chair Stoudamire-Phillips echoed Oxley's concern that the city is not aware of the financial details at P5. She also highlighted Lembo's point of balancing the schedules of nonprofit and commercial shows at P5 to maximize revenue. She shared her interest in finding out if other cities are having similar experiences and losses in convention business.
- Commissioner Hall highlighted the footprint and impact our venues have and how do we start having difficult conversations now.
- Commissioner Kryz-Rusoff asked COO Madrigal about the PERS expense increase and stated that we can not make up that kind of revenue in a year. What kind of discussion are being held at the state level? This has to be addressed. Madrigal acknowledged this is something that is impacting all of Metro and every public institution. She noted her understanding is the PERS accounts have not seen the returns that were expected, and the charges have gone up and they will go up next year and this is something we will have to factor in. We individually don't control this, but this is a conversation we need to have as a community as it's having an impact on every corner of our state.
- Commissioner Kryz-Rusoff asked given these cuts, how comfortable do you feel that you will be able to meet the revenue expectations that you've set? Wallace responded her team are excellent forecasters and she is confident of the revenue goals for FY26 but highlighted if we do not make changes, we will be in the same situation next year. Lembo shared they have a decent idea of the schedule for next year and the events are there. What feels uncertain is on the national level. Rotchford shared his confidence in his sales team and highlighted the difficulties in transition.
- COO Madrigal highlighted the word reset and stated the need to reset across Metro. The ability for an organization to survive into the future will depend on adaptability and agility. This is the energy our teams are bringing to their work.

Action Agenda

- Resolution No. 25-04, For the purpose of approving the Metropolitan Exposition Recreation Commission ("MERC") Fiscal Year (FY) 2025-26 Proposed Budget

Attachments: [MERC Resolution 25-04](#)

Chair Stoudamire-Phillips called for a vote on Resolution No. 25-04.

A motion was made by Commissioner Hall, seconded by Commissioner Malán-González, that Resolution 25-04 be adopted. The motion passed by the following vote:

Aye: 7 Stoudamire-Phillips, Hall, Krys-Rusoff, Oxley, Malán-González, Palm and Penilton

Adjourn

There being no further business, Chair Stoudamire Phillips adjourned the meeting at 1:57 p.m.

Executive Session: under ORS 192.660(2)(d) to conduct deliberations with persons designated by the governing body to conduct labor relations

- *Minutes submitted by Amy Nelson*