

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE FY) ORDINANCE NO. 07-1140
2006-07 BUDGET AND APPROPRIATIONS)
SCHEDULE AMENDING THE MERC) Introduced by Mike Jordan, Chief Operating
OPERATING FUND AND DECLARING AN) Officer, with the concurrence of Council
EMERGENCY) President Bragdon
)

WHEREAS, the Metro Council has reviewed and considered the need to increase appropriations within the FY 2006-07 Budget; and

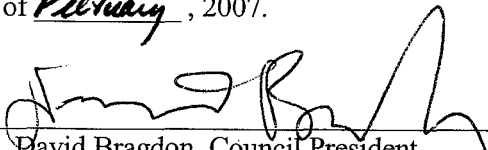
WHEREAS, the need for the increase of appropriation has been justified; and

WHEREAS, adequate funds exist for other identified needs; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

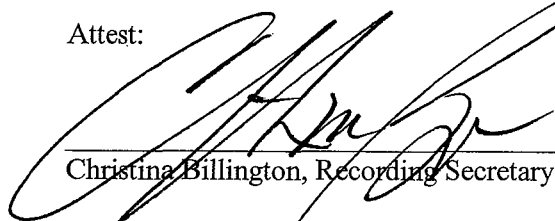
1. That the FY 2006-07 Budget and Schedule of Appropriations are hereby amended as shown in the column entitled "Revision" of Exhibits A and B to this Ordinance for the purpose of amending the MERC Operating Fund.
2. This Ordinance being necessary for the immediate preservation of the public health, safety or welfare of the Metro area in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.

ADOPTED by the Metro Council this 9th day of February, 2007.



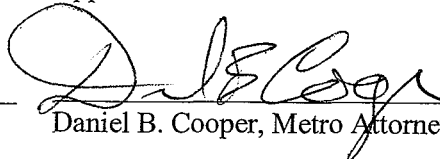
David Bragdon, Council President

Attest:



Christina Billington, Recording Secretary

Approved as to Form:



Daniel B. Cooper, Metro Attorney

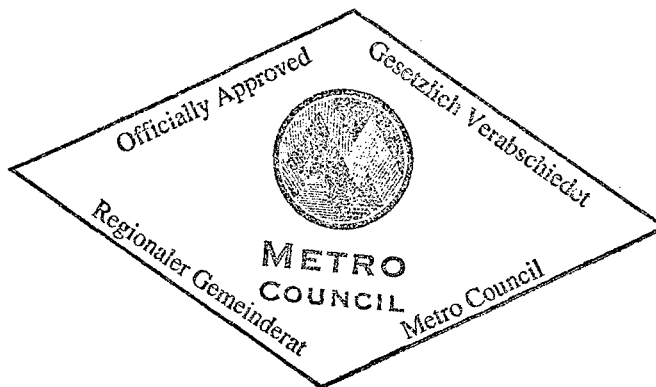


Exhibit A
Ordinance No. 07-1140

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
MERC Operating Fund							
Total MERC Operating Fund							
Total Personal Services		161.00	\$15,441,793	0.00	\$0	161.00	\$15,441,793
<u>Materials & Services</u>							
<i>GOODS Goods</i>							
5201	Office Supplies		201,911		0		201,911
5205	Operating Supplies		317,001		0		317,001
5210	Subscriptions and Dues		25,902		0		25,902
5214	Fuels and Lubricants		10,350		0		10,350
5215	Maintenance & Repairs Supplies		131,700		0		131,700
5225	Retail		12,000		0		12,000
<i>SVCS Services</i>							
5240	Contracted Professional Svcs		528,412		250,000		778,412
5245	Marketing Expense		2,024,375		0		2,024,375
5247	POVA Pass-Through		385,239		0		385,239
5251	Utility Services		2,299,479		0		2,299,479
5255	Cleaning Services		16,950		0		16,950
5260	Maintenance & Repair Services		517,970		0		517,970
5265	Rentals		489,634		0		489,634
5280	Other Purchased Services		350,722		0		350,722
5281	Other Purchased Services - Reimb		262,794		0		262,794
5291	Food and Beverage Services		8,422,996		0		8,422,996
5292	Parking Services		205,011		0		205,011
<i>IGEXP Intergov't Expenditures</i>							
5300	Payments to Other Agencies		88,872		0		88,872
5310	Taxes (Non-Payroll)		7,000		0		7,000
<i>OTHEXP Other Expenditures</i>							
5450	Travel		85,513		0		85,513
5455	Staff Development		80,264		0		80,264
5480	Fee Reimbursements		40,300		0		40,300
5490	Miscellaneous Expenditures		132,022		0		132,022
Total Materials & Services			\$16,636,417		\$250,000		\$16,886,417
Total Debt Service			\$18,899		\$0		\$18,899
Total Capital Outlay			\$40,000		\$0		\$40,000
Total Interfund Transfers			\$6,088,876	0.00	\$0		\$6,088,876
<u>Contingency and Ending Balance</u>							
<i>CONT Contingency</i>							
5999	Contingency						
	* General Contingency		1,109,037		(250,000)		859,037
<i>UNAPP Unappropriated Fund Balance</i>							
	* Restricted Fund Balance (User Fees)		840,445		0		840,445
	* Ending Balance		9,064,312		0		9,064,312
Total Contingency and Ending Balance			\$11,013,794		(\$250,000)		\$10,763,794
TOTAL REQUIREMENTS		161.00	\$49,239,779	0.00	\$0	161.00	\$49,239,779

Exhibit B
Ordinance No. 07-1140
FY 2006-07 SCHEDULE OF APPROPRIATIONS

	<u>Current</u> <u>Appropriation</u>	<u>Revision</u>	<u>Amended</u> <u>Appropriation</u>
MERC OPERATING FUND			
Operating Expenses (PS & M&S)	\$32,078,210	\$250,000	\$32,328,210
Debt Service	18,899	0	18,899
Capital Outlay	40,000	0	40,000
Interfund Transfers	6,088,876	0	6,088,876
Contingency	1,109,037	(250,000)	859,037
Unappropriated Balance	9,904,757	0	9,904,757
Total Fund Requirements	\$49,239,779	\$0	\$49,239,779

All other appropriations remain as previously adopted

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 07-1140, FOR THE PURPOSE OF AMENDING THE FY 2006-07 BUDGET AND APPROPRIATIONS SCHEDULE FOR AMENDING THE MERC OPERATING FUND AND DECLARING AN EMERGENCY

Date: January 18, 2007

Prepared by: Cynthia Hill
Presented by: Jeff Blosser

BACKGROUND

This amendment is to increase The Oregon Convention Center Materials and Services budget for project management, communication support, consulting fees, and associated project costs for the proposed Convention Center Hotel. Expert analysis and professional management will be necessary for the MERC Commission and Metro Council to determine appropriate further action for this project. First, in order to identify a firm price for the hotel construction, a project manager will be needed to negotiate with the development team on behalf of Metro/ MERC. Second, communication with the local community, the business community, the hospitality industry and convention stakeholders will need to take place so to determine the level of public support and/or concern about this project. Finally, Metro Council and MERC Commission, as well as bond Counsel, will need a comprehensive feasibility report on all aspects of the funding for the Headquarters Hotel including reserves accounts, hotel pro-formas, interest rates, market analysis and room rates to appropriately analyze the project. Relevant market information will include competitive analysis of other hotels, historical trends, a review of the impact of the new hotel on market demand, and how the market has withstood past economic downturns.

ANALYSIS/INFORMATION

- 1. Known Opposition:** None known.
- 2. Legal Antecedents:** ORS 294.450 provides for transfers of appropriations within a fund, including transfers from contingency, if such transfers are authorized by official resolution or ordinance of the governing body for the local jurisdiction.
- 3. Anticipated Effects:** These studies are critical for the Metro Council and MERC to make final decisions on the feasibility of the Headquarters Hotel.
- 4. Budget Impacts:** This action moves \$250,000 from the MERC Operating Fund contingency to Operating Expenditures for the action listed above.

RECOMMENDED ACTION

Recommend adoption of Ordinance No. 07-1140. [MERC Commission approved the budget amendment as shown in Attachment 1, MERC Resolution 07-02.](#)

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 07-02

For the purpose of approving and transmitting a budget amendment to the MERC Operating Fund for fiscal year 2006-07.

WHEREAS, Metro Code 6.01.050 provides that the Commission shall annually prepare and approve an annual budget which shall, to the maximum extent permitted by law, consist of one commission-wide series of appropriations; and

WHEREAS, Metro Code 6.01.050(d) further provides that once the Commission's budget has been adopted by the Metro Council, any changes in the adopted appropriations must be ratified in advance by the Metro Council; and

WHEREAS, the Commission previously approved and transmitted to the Metro Council the fiscal year 2006-07 budgets for the MERC Operating Fund; and

BE IT THEREFORE RESOLVED that the Metropolitan Exposition Recreation Commission approves and transmits to the Metro Council the following budget amendment attached as Exhibit A for the fiscal year beginning July 1, 2006 and ending June 30, 2007 for inclusion as part of the total Metro budget for this period: amendment to the MERC Operating Fund.

Passed by the Commission on January 24, 2007.

Approved as to Form:
Daniel B. Cooper, Metro Attorney

Chair – George Forbes

By: _____
Nathan A. Schwartz Sykes,
Senior Attorney

Secretary-Treasurer – Janice Marquis

MERC Staff Report

Agenda Item/Issue: For the purpose of approving and transmitting a budget amendment to the MERC Operating Fund for fiscal year 2006-07.

Resolution No.: 07-02

Presented By: Kathy Taylor

Date: January 24, 2007

Background and Analysis: Resolution 07-02 would approve the proposed budget amendment for submission to the Metro Council by a duly adopted resolution at a regular public meeting of the Commission.

1) **MERC Operating Fund:**

This amendment is to increase The Oregon Convention Center Materials and Services budget for project management, communication support, consulting fees, and associated project costs for the proposed Convention Center Hotel. Expert analysis and professional management will be necessary for the MERC Commission and Metro Council to determine appropriate further action for this project. First, in order to identify a firm price for the hotel construction, a project manager will be needed to negotiate with the development team on behalf of Metro/ MERC. Second, communication with the local community, the business community, the hospitality industry and convention stakeholders will need to take place so to determine the level of public support and/or concern about this project. Finally, Metro Council and MERC Commission, as well as bond Counsel, will need a comprehensive feasibility report on all aspects of the funding for the Headquarters Hotel including reserves accounts, hotel pro-formas, interest rates, market analysis and room rates to appropriately analyze the project. Relevant market information will include competitive analysis of other hotels, historical trends, a review of the impact of the new hotel on market demand, and how the market has withstood past economic downturns.

Operating Fund Financial Summary

Requirements

Contracted Professional Services \$250,000

Total Requirements **MERC Operating Fund** **\$250,000**

General Contingency **MERC Operating Fund** **(\$250,000)**

Fiscal Impact: The proposed amendments contemplate:

- Operating Fund decrease to the General Contingency (\$250,000)

Recommendation: Staff recommends that the Metropolitan Exposition Recreation Commission adopt Resolution 07-02, For the purpose of approving and transmitting a budget amendment to the MERC Operating Fund for fiscal year 2006-07.

Exhibit A Resolution 07-02 2006-07 FY Budget Amendment MERC Operating Fund Summary

	<u>Expo</u>	<u>OCC</u>	<u>PCPA</u>	<u>Admin</u>	<u>Operating</u>
<u>2006-07 Adopted Budget</u>					
Adopted Budget Net	410,141	(369,232)	98,458	128,066	267,433
Ending Fund Balance	3,512,684	5,323,017	4,369,382	253,523	13,458,606
 <u>2006-07 Amendments:</u>					
Increase Material and Services for Headquarter Hotel Consulting		(250,000)			(250,000)
Total Amendments	-	(250,000)	-	*	(250,000)
Budget Net, with Amendments	410,141	(619,232)	98,458	128,066	17,433
Ending Fund Balance, with Amendments	3,512,684	5,073,017	4,369,382	253,523	13,208,606