

BEFORE THE METRO COUNCIL

AMENDING FY 2007-08 BUDGET AND) ORDINANCE NO. 08-1189
APPROPRIATIONS, TRANSFERRING)
APPROPRIATIONS IN THE MERC FUND FOR) Introduced by Mike Jordan, Chief Operating
OREGON CONVENTION CENTER) Officer, with the concurrence of Council
OPERATIONS AND DECLARING AN) President Bragdon
EMERGENCY)

WHEREAS, the Metro Council has reviewed and considered the need to increase appropriations within the FY 2007-08 Budget; and

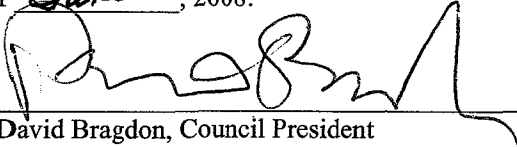
WHEREAS, the need for the increase of appropriation has been justified; and

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

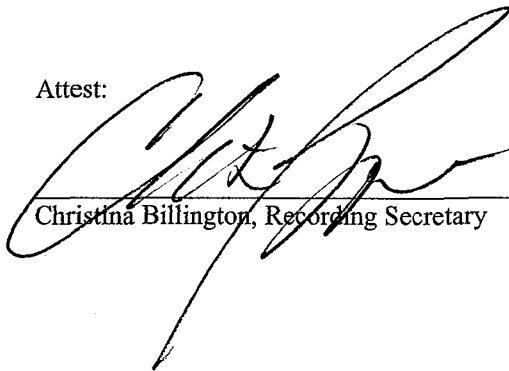
THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. That the FY 2007-08 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 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 26th day of June, 2008.


David Bragdon, Council President

Attest:


Christina Billington, Recording Secretary

Approved as to Form:

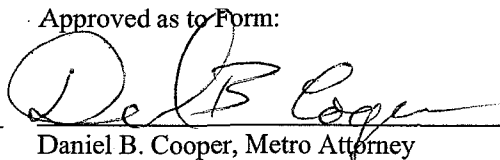

Daniel B. Cooper, Metro Attorney



Exhibit A
Ordinance No. 08-1189

ACCT	DESCRIPTION	Current		Amended	
		<u>Budget</u>	<u>Revision</u>	<u>Budget</u>	<u>Budget</u>
		FTE	Amount	FTE	Amount
Metro Exposition-Recreation Commission Fund					
MERC Fund					
<u>Resources</u>					
BEGBAL	<i>Beginning Fund Balance</i>				
	* MERC Admin		438,560	0	438,560
	* Expo Center		5,230,788	0	5,230,788
	* Oregon Convention Center		6,544,417	0	6,544,417
	* Portland Center for the Performing Arts		5,742,068	0	5,742,068
LGSHRE	<i>Local Gov't Share Revenues</i>				
4130	Hotel/Motel Tax		9,419,249	0	9,419,249
4142	Intergovernment Misc. Revenue		43,955	0	43,955
4145	Government Contributions		711,375	0	711,375
CHGSVC	<i>Charges for Service</i>				
4500	Admission Fees		1,482,000	0	1,482,000
4510	Rentals		6,746,280	0	6,746,280
4550	Food Service Revenue		11,097,449	1,330,058	12,427,507
4560	Retail Sales		24,000	0	24,000
4575	Advertising		59,000	0	59,000
4580	Utility Services		1,468,869	0	1,468,869
4590	Commissions		596,400	0	596,400
4620	Parking Fees		2,453,325	0	2,453,325
4645	Reimbursed Services		2,891,833	0	2,891,833
4647	Reimbursed Services - Contract		316,170	0	316,170
4650	Miscellaneous Charges for Svc		207,907	0	207,907
INTRST	<i>Interest Earnings</i>				
4700	Interest on Investments		664,336	0	664,336
DONAT	<i>Contributions from Private Sources</i>				
4750	Donations and Bequests		282,352	0	282,352
4760	Sponsorship Revenue		18,500	0	18,500
MISCRV	<i>Miscellaneous Revenue</i>				
4805	Financing Transaction		48,000	0	48,000
4890	Miscellaneous Revenue		33,530	0	33,530
4891	Refunds and Reimbursements		23,000	0	23,000
EQTREV	<i>Fund Equity Transfers</i>				
4970	Transfer of Resources				
	* from General Fund		1,357,976	0	1,357,976
TOTAL RESOURCES			\$57,901,339	\$1,330,058	\$59,231,397
Total Personal Services		186.00	\$16,829,051	0.00	\$0 186.00 \$16,829,051
<u>Materials & Services</u>					
GOODS	<i>Goods</i>				
5201	Office Supplies		209,397	0	209,397
5205	Operating Supplies		305,743	0	305,743
5210	Subscriptions and Dues		93,355	0	93,355
5214	Fuels and Lubricants		12,000	0	12,000
5215	Maintenance & Repairs Supplies		336,383	0	336,383
5225	Retail		12,000	0	12,000
SVCS	<i>Services</i>				
5240	Contracted Professional Svcs		928,768	0	928,768
5245	Marketing Expense		2,227,594	0	2,227,594
5247	POVA Pass-Through		397,959	0	397,959
5251	Utility Services		2,419,923	0	2,419,923
5255	Cleaning Services		700	0	700
5260	Maintenance & Repair Services		622,783	0	622,783
5265	Rentals		459,861	0	459,861
5280	Other Purchased Services		255,517	0	255,517
5281	Other Purchased Services - Reimb		380,288	0	380,288

Exhibit A
Ordinance No. 08-1189

ACCT	DESCRIPTION	Current		Amended	
		FTE	Amount	FTE	Amount
Metro Exposition-Recreation Commission Fund					
MERC Fund					
5291	Food and Beverage Services		8,441,920	1,300,722	9,742,642
5292	Parking Services		317,439	0	317,439
IGEXP	<i>Intergov't Expenditures</i>				
5300	Payments to Other Agencies		182,757	0	182,757
5310	Taxes (Non-Payroll)		11,000	0	11,000
OTHEXP	<i>Other Expenditures</i>				
5450	Travel		141,050	0	141,050
5455	Staff Development		134,554	0	134,554
5490	Miscellaneous Expenditures		8,500	0	8,500
Total Materials & Services			\$17,899,491	\$1,300,722	\$19,200,213
Total Capital Outlay			\$2,447,402	\$0	\$2,447,402
Total Debt Service			\$18,352	\$0	\$18,352
Total Interfund Transfers			\$3,510,962	0.00	\$0
Contingency and Ending Balance					
CONT	<i>Contingency</i>				
5999	Contingency				
	* General Contingency		1,887,005	(1,300,722)	586,283
	* Renewal and Replacement		295,000	0	295,000
	* Prior Year PERS Reserve		1,277,579	0	1,277,579
UNAPP	<i>Unappropriated Fund Balance</i>				
5990	Unappropriated Fund Balance				
	* Restricted Fund Balance (User Fees)		972,162	0	972,162
	* Ending Balance		11,486,755	1,330,058	12,816,813
	* Prior Year PERS Reserve		1,277,580	0	1,277,580
Total Contingency and Ending Balance			\$17,196,081	\$29,336	\$17,225,417
TOTAL REQUIREMENTS		186.00	\$57,901,339	0.00	\$1,330,058
		186.00			\$59,231,397

Exhibit B
Ordinance 08-1189
Schedule of Appropriations

MERC FUND	<u>Current Appropriation</u>	<u>Revision</u>	<u>Revised Appropriation</u>
MERC	37,175,944	1,300,722	38,476,666
Non-Departmental			
Debt Service	18,352	0	18,352
Interfund Transfers	3,510,962	0	3,510,962
Contingency	3,459,584	(1,300,722)	2,158,862
Unappropriated Balance	13,736,497	1,330,058	15,066,555
Total Fund Requirements	\$57,901,339	\$1,330,058	\$59,231,397

All Other Appropriations Remain as Previously Adopted

STAFF REPORT

IN CONSIDERATION OF ORDINANCE #08-1189, AMENDING FY 2007-08 BUDGET AND APPROPRIATIONS, TRANSFERRING APPROPRIATIONS IN THE MERC FUND FOR OREGON CONVENTION CENTER OPERATIONS AND DECLARING AN EMERGENCY

Date: May 20, 2008

Prepared by: Cynthia Hill

BACKGROUND

This action, forwarded from the Metropolitan Exposition Recreation Commission via their Resolution Number 08-05, requests amended appropriation authority for the following purpose:

Oregon Convention Center Food and Beverage Sales

The Oregon Convention Center is experiencing food and beverage sales greater than original estimates; the current revenue estimate is \$8.9 million, an increase of \$1,330,058 over the adopted budget.

The current estimated annual food and beverage cost is \$7.0 million, an increase of \$1.3 million over the adopted budget, primarily as a result of increased sales, although cost of goods is also up due to higher fuel prices, inflation and the transition to new catering prices.

Oregon budget law does not allow the recognition and direct appropriation of this revenue without the benefit of a supplemental budget. This action transfers \$1,300,722 from the General Contingency to materials and services to provide for the needed increase in food and beverage expense, an amount more than offset by increased revenue. Revenue in this action is shown as an increase in ending unappropriated fund balance.

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:** This action provides appropriation authority necessary for MERC to meet its service demands.
- 4. Budget Impacts:** This action transfers \$1,300,722 from contingency in the MERC Fund to provide for increased food and beverage services at the Oregon Convention Center. Additional revenue received over budget estimates will more than offset the transfer; positive cash flow to the ending balance is projected at \$29,336.

RECOMMENDED ACTION

The Chief Operating Officer recommends adoption of this Ordinance.

Attachments:

MERC Resolution 08-05 and MERC Staff Report

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 08-05

For the purpose of approving and transmitting a budget amendment to the MERC Fund for fiscal year 2007-08.

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 2007-08 budgets for the MERC Operating Fund; and

BE IT THEREFORE RESOLVED, that the Metropolitan Exposition Recreation Commission approves a budget amendment to the MERC Fund as described in the attached Staff Report and Exhibit A, for the fiscal year beginning July 1, 2007 and ending June 30, 2008 for inclusion as part of the total Metro budget for this period.

Passed by the Commission on May 28, 2008

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

Chair – Janice Marquis

By: _____
Nathan A. Schwartz Sykes,
Senior Attorney

Secretary-Treasurer – Don Trotter

MERC Staff Report

Agenda Item/Issue: For the purpose of approving and transmitting a budget amendment to the MERC Fund for fiscal year 2007-08.

Resolution No.: 08-05

Presented By: Cynthia Hill

Date: May 28, 2008

Background and Analysis: Resolution 08-05 would approve the proposed budget amendment for submission to the Metro Council.

Oregon Convention Center Food and Beverage Sales

The Oregon Convention Center is experiencing food and beverage sales greater than original estimates. The current revenue estimate is \$8.9 million, an increase of \$1.3 million over the adopted budget. April had the greatest variance with an original forecast of \$550 thousand and actual sales totaling \$1.1 million. The current estimated food and beverage cost is \$7.0 million, an increase of \$1.3 million over the adopted budget.

The current projected food and beverage margin for fiscal year 2007-08 is 21. percent, down 3.3 percent from the original budget estimate of 24.3 percent. The change in the margin is a result of the increased number of smaller events requiring more labor than convention business; cost of goods is up due to higher fuel prices, inflation and the transition to new catering prices.

Oregon budget law does not allow the recognition and direct appropriation of this revenue without the benefit of a supplemental budget. This action transfers \$1,300,722 from the General Contingency to materials and services to provide for the needed increase in food and beverage expense.

<i>MERC Operating Fund</i>	
<i>Revenues</i>	
Food and Beverage Sales	\$1,330,058
<i>Expenditures</i>	
Costs - Food and Beverage Services	\$1,300,722
<i>Net Increase to Fund Balance</i>	
	29,336
<i>Fund Balance</i>	
General Contingency	(\$1,300,722)
Ending Balance	\$1,330,058

Fiscal Impact: This action increases material and services at the Oregon Convention Center for increased food and beverage services. The increase in expenditures will be more than offset by revenue generated.

Recommendation: Staff recommends that the Metropolitan Exposition Recreation Commission adopt Resolution 08-05

**Exhibit A Resolution 08-05
2007-08 FY Budget Amendment
MERC Fund Summary**

	<u>Expo</u>	<u>OCC</u>	<u>PCPA</u>	<u>Headquarter Hotel</u>	<u>Admin</u>	<u>Total</u>
<u>2006-07 Adopted Budget</u>						
Adopted Budget Net	207,891	(442,480)	(53,700)	(400,000)	(71,459)	(759,748)
Ending Fund Balance	5,789,337	8,143,112	7,045,383	-	612,888	21,590,720
<u>Resolution 08-05 May 28, 2008</u>						
Increase OCC Food & Beverage Revenue		1,330,058				1,330,058
Increase OCC Food & Beverage Goods & Services		(1,300,722)				(1,300,722)
Total Amendments	-	29,336	-	-	-	29,336
Budget Net with Amendments	207,891	(413,144)	(53,700)	(400,000)	(71,459)	(730,412)
Budget Net Headquarter Hotel		(400,000)		400,000		-
Ending Fund Balance, with Amendments	5,997,228	7,329,968	6,991,683	-	541,429	20,860,308