

BEFORE THE METRO COUNCIL

AMENDING THE FY 2011-12 BUDGET AND
APPROPRIATIONS SCHEDULE AND
AMENDING THE FY 2011-12 THROUGH FY
2015-16 CAPITAL IMPROVEMENT PLAN

) ORDINANCE NO. 12-1279
)
) Introduced by Martha Bennett, Chief
) Operating Officer, with the concurrence of
) Council President Tom Hughes
)

WHEREAS, the Metro Council has reviewed and considered the need to increase appropriations within the FY 2011-12 Budget; and

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

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

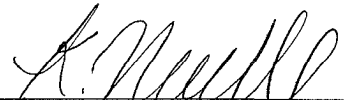
THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. That the FY 2011-12 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 acknowledging new food and beverage revenue, transferring appropriations from contingency to operating expenses in the MERC Fund and transferring appropriations from the General Fund to provide for a capital project increase in the General Asset Management Fund.
2. That the FY 2011-12 through FY 2015-16 Capital Improvement Plan is hereby amended accordingly and a new project added.
3. 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 21 day of



Attest:


Kelsey Newell, Recording Secretary

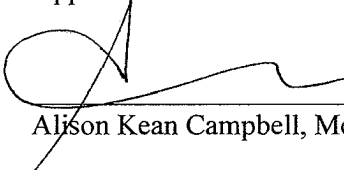

Alison Kean Campbell, Metro Attorney

Exhibit A
Ordinance No. 12-1279

ACCT	DESCRIPTION	Current		Revision		Amended	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
Council Office							
<u>Personal Services</u>							
SALWGE	Salaries & Wages						
5000	Elected Official Salaries						
	Council President	1.00	114,468	-	0	1.00	114,468
	Councilor	6.00	228,936	-	0	6.00	228,936
5010	Reg Employees-Full Time-Exempt						
	Chief Operating Officer	1.00	179,466	-	0	1.00	179,466
	Council Policy Analyst	4.00	219,364	-	0	4.00	219,364
	Director	1.00	123,771	-	(29,385)	1.00	94,386
	Deputy Chief Operating Officer	1.00	160,322	-	0	1.00	160,322
	Policy Advisor I	3.38	350,371	-	0	3.38	350,371
	Policy Advisor II	2.00	272,198	-	0	2.00	272,198
	Program Analyst II	4.00	218,881	-	0	4.00	218,881
	Program Analyst IV	2.00	141,106	-	0	2.00	141,106
5030	Temporary Employees		137,300		0		137,300
5080	Overtime		5,000		0		5,000
5089	Salary Adjustments				0		
	Merit/COLA Adjustment (non-rep)		16,018		0		16,018
FRINGE	Fringe Benefits						
5100	Fringe Benefits						
	Base Fringe (variable & fixed)		841,001		(6,742)		834,259
Total Personal Services		25.38	\$3,008,202	0.00	(\$36,127)	25.38	\$2,972,075
Total Materials & Services			\$890,783		\$0		\$890,783
TOTAL REQUIREMENTS		25.38	\$3,898,985	0.00	(\$36,127)	25.38	\$3,862,858

Exhibit A
Ordinance No. 12-1279

ACCT	DESCRIPTION	Current		Revision		Amended	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
General Expenses							
<u>Interfund Transfers</u>							
INDTEX Interfund Reimbursements							
5800	Transfer for Indirect Costs						
	* to Risk Mgmt Fund-Liability		344,916		0		344,916
	* to Risk Mgmt Fund-Worker Comp		382,344		0		382,344
EQTCHC Fund Equity Transfers							
5810	Transfer of Resources						
	* to General Revenue Bond Fund-Zoo		404,408		0		404,408
	* to Gen'l Asset Mgmt Fund-General Acct		10,000		36,127		46,127
	* to Gen'l Revenue Bond Fund-Debt Serv Acct		1,500,920		0		1,500,920
	* to MERC Fund (Tourism Opp. & Compt. Account)		480,000		0		480,000
	* to Renewal & Replacement Fund-General R&R		647,978		0		647,978
	* to Renewal & Replacement Fund-IT Renewal & Replacemer		255,000		0		255,000
	* to General Asset Management Fund		197,915		0		197,915
	* to Renewal & Replacement Fund-Regional Center R&R		322,540		0		322,540
	* to Renewal & Replacement Fund-Parks R&R		323,000		0		323,000
	* to Solid Waste Revenue Fund		148,458		0		148,458
Total Interfund Transfers			\$5,017,479		\$36,127		\$5,053,606
<u>Contingency & Unappropriated Balance</u>							
CONT Contingency							
5999	Contingency						
	* Contingency		2,908,646		0		2,908,646
	* Opportunity Account		153,496		0		153,496
	* Reserved for Streetcar LID (RRSR)		500,000		0		500,000
UNAPP Unappropriated Fund Balance							
5990	Unappropriated Fund Balance						
	* Stabilization Reserve		2,419,836		0		2,419,836
	* PERS Reserve		6,250,016		0		6,250,016
	* Recovery Rate Stabilization reserve		1,396,943		0		1,396,943
	* Reserved for Community Investment Initiative		812,000		0		812,000
	* Reserved for Future Natural Areas Operations		204,460		0		204,460
	* Reserved for Local Gov't Grants (CET)		1,165,574		0		1,165,574
	* Reserved for Future Planning Needs		14,993		0		14,993
	* Reserve for Future Debt Service		2,526,028		0		2,526,028
Total Contingency & Unappropriated Balance			\$18,351,992		\$0		\$18,351,992
TOTAL REQUIREMENTS		455.81	\$109,567,194	0.00	\$0	455.81	\$109,567,194

Exhibit A
Ordinance No. 12-1279

ACCT	DESCRIPTION	Current		Revision		Amended	
		FTE	Amount	FTE	Amount	FTE	Amount
General Asset Management Fund							
General Asset Management Fund							
<u>Resources</u>							
BEGBAL	Beginning Fund Balance						
3500	* Prior year ending balance		6,689,948		0		6,689,948
GRANTS	Grants						
4110	State Grants-Direct		63,334		0		63,334
INTRST	Interest Earnings						
4700	Interest on Investments		33,298		0		33,298
DONAT	Contributions from Private Sources						
4750	Donations and Bequests		841,180		0		841,180
EQTREV	Fund Equity Transfers						
4970	Transfer of Resources						
	* from Solid Waste Revneue Fund		173,163		0		173,163
	* from General Fund (Regional Parks)		323,000		0		323,000
	* from General Fund-IT R&R		255,000		0		255,000
	* from General Fund-MRC R&R		322,540		0		322,540
	* from General Fund-Gen'l R&R		647,978		0		647,978
	* from MERC		10,824		0		10,824
	* from General Revenue Bond Fund		216,821		0		216,821
	* from General Fund		207,915		36,127		244,042
TOTAL RESOURCES			\$9,855,001		\$36,127		\$9,891,128
Total Materials & Services			\$1,005,061		\$0		\$1,005,061
<u>Capital Outlay</u>							
CAPNON	Capital Outlay (non-CIP Projects)						
5710	Improve-Oth thn Bldg		74,095		0		74,095
CAPCIP	Capital Outlay (CIP Projects)						
5710	Improve-Oth thn Bldg		1,267,709		0		1,267,709
5720	Buildings & Related		257,956		0		257,956
5730	Exhibits and Related		825,000		0		825,000
5740	Equipment & Vehicles		1,128,879		0		1,128,879
5745	Licensed Vehicles		564,276		0		564,276
5750	Office Furniture & Equip		650,833		36,127		686,960
5760	Railroad Equip & Facil		49,610		0		49,610
5790	Intangible Assets		120,000		0		120,000
Total Capital Outlay			\$4,938,358		\$36,127		\$4,974,485
<u>Contingency & Unappropriated Balance</u>							
CONT	Contingency						
5999	Contingency						
	* Contingency		3,911,582		0		3,911,582
Total Contingency & Unappropriated Balance			\$3,911,582		\$0		\$3,911,582
TOTAL REQUIREMENTS		-	\$9,855,001	-	\$36,127	-	\$9,891,128

Exhibit A
Ordinance No. 12-1279

ACCT	DESCRIPTION	Current		Revision		Amended	
		FTE	Amount	FTE	Amount	FTE	Amount
Metro Exposition Recreation Commission Fund							
MERC Fund							
<u>Resources</u>							
BEGBAL	Beginning Fund Balance						
	* Undesignated		3,871,587		0		3,871,587
	* Renewal & Replacement Reserve		12,543,636		0		12,543,636
	* Transient Lodging Tax Capital Reserve		430,310		0		430,310
	* New Capital / Business Strategy Reserve		5,100,848				5,100,848
	* Aramark Contract Capital Investment Reserve		652,366		0		652,366
	* PERS Reserve		1,991,822		0		1,991,822
GRANTS	Grants						
4120	Local Grant - Direct		46,675		0		46,675
4130	Hotel/Motel Tax		11,155,335		0		11,155,335
GVCNTB	Contributions from Governments						
4145	Government Contributions		784,320		0		784,320
CHGSVC	Charges for Service						
4500	Admission Fees		1,880,177		0		1,880,177
4510	Rentals		7,468,683		0		7,468,683
4550	Food Service Revenue		12,090,548		2,323,903		14,414,451
4560	Retail Sales		7,000		0		7,000
4570	Merchandising		15,000		0		15,000
4575	Advertising		15,000		0		15,000
4580	Utility Services		1,578,500		0		1,578,500
4590	Commissions		1,123,500		0		1,123,500
4620	Parking Fees		3,107,371		0		3,107,371
4645	Reimbursed Services		2,645,172		0		2,645,172
4647	Reimbursed Services - Contract		527,989		0		527,989
4650	Miscellaneous Charges for Svc		370,050		0		370,050
INTRST	Interest Earnings						
4700	Interest on Investments		122,806		0		122,806
DONAT	Contributions from Private Sources						
4750	Donations and Bequests		450,000		0		450,000
4760	Sponsorship Revenue		160,000		0		160,000
MISCRV	Miscellaneous Revenue						
4170	Fine & Forfeitures		1,500		0		1,500
4805	Financing Transaction		93,664		0		93,664
4890	Miscellaneous Revenue		35,926		0		35,926
EQTREV	Fund Equity Transfers						
4970	Transfer of Resources						
	* from General Fund		480,000		0		480,000
	* from Risk Management Fund		114,822		0		114,822
TOTAL RESOURCES			\$68,864,607		\$2,323,903		\$71,188,510
Total Personal Services		185.85	\$17,791,493	-	\$0	185.85	\$17,791,493
<u>Materials & Services</u>							
GOODS	Goods						
5201	Office Supplies		198,065		0		198,065
5205	Operating Supplies		307,112		0		307,112
5210	Subscriptions and Dues		55,295		0		55,295
5214	Fuels and Lubricants		16,600		0		16,600
5215	Maintenance & Repairs Supplies		524,140		0		524,140
5225	Retail		11,000		0		11,000
SVCS	Services						
5240	Contracted Professional Svcs		805,309		0		805,309
5245	Marketing Expense		2,642,520		0		2,642,520
5246	Sponsorship Expenditures		41,000		0		41,000
5247	Visitor Development Marketing		425,397		0		425,397
5251	Utility Services		2,636,796		0		2,636,796

Exhibit A
Ordinance No. 12-1279

ACCT	DESCRIPTION	Current		Revision		Amended	
		FTE	Amount	FTE	Amount	FTE	Amount
Metro Exposition Recreation Commission Fund							
MERC Fund							
5255	Cleaning Services		34,200		0		34,200
5260	Maintenance & Repair Services		1,199,660		0		1,199,660
5265	Rentals		735,125		0		735,125
5270	Insurance		23,700		0		23,700
5280	Other Purchased Services		387,575		0		387,575
5281	Other Purchased Services - Reimb		448,571		0		448,571
5291	Food and Beverage Services		9,627,618		2,745,639		12,373,257
5292	Parking Services		272,931		0		272,931
IGEXP	Intergov't Expenditures						
5300	Payments to Other Agencies		261,846		0		261,846
5310	Taxes (Non-Payroll)		17,000		0		17,000
OTHEXP	Other Expenditures						
5450	Travel		175,696		0		175,696
5455	Staff Development		116,514		0		116,514
5490	Miscellaneous Expenditures		3,500		0		3,500
Total Materials & Services			\$20,967,170		\$2,745,639		\$23,712,809
Total Capital Outlay			\$3,116,366		\$0		\$3,116,366
Total Interfund Transfers			\$6,162,880	-	\$0		\$6,162,880
<u>Contingency and Ending Balance</u>							
CONT	Contingency						
5999	Contingency						
	* General Contingency		2,279,221		(2,091,824)		187,397
	* New Capital/Business Strategy Reserve		4,802,541		(653,815)		4,148,726
UNAPP	Unappropriated Fund Balance						
5990	Unappropriated Fund Balance						
	* Stabilization Reserve		620,500		0		620,500
	* New Capital/Business Strategy Reserve		0		2,347,241		2,347,241
	* Ending Balance		546,241		(23,338)		522,903
	* Renewal & Replacement		12,578,195		0		12,578,195
Total Contingency and Ending Balance			\$20,826,698		(\$421,736)		\$20,404,962
TOTAL REQUIREMENTS		185.85	\$68,864,607	-	\$2,323,903	185.85	\$71,188,510

Exhibit B
Ordinance 12-1279
Schedule of Appropriations

	<u>Current</u> <u>Appropriation</u>	<u>Revision</u>	<u>Revised</u> <u>Appropriation</u>
GENERAL FUND			
Communications	2,513,202	0	2,513,202
Council Office	3,898,985	(36,127)	3,862,858
Finance & Regulatory Services	3,877,640	0	3,877,640
Human Resources	2,183,806	0	2,183,806
Information Services	3,626,474	0	3,626,474
Metro Auditor	686,452	0	686,452
Office of Metro Attorney	1,984,575	0	1,984,575
Oregon Zoo	28,541,635	0	28,541,635
Parks & Environmental Services	6,656,184	0	6,656,184
Planning and Development	16,561,877	0	16,561,877
Research Center	4,489,582	0	4,489,582
Sustainability Center	5,022,941	0	5,022,941
Former ORS 197.352 Claims & Judgments	100	0	100
Special Appropriations	4,566,055	0	4,566,055
Non-Departmental			
Debt Service	1,588,215	0	1,588,215
Interfund Transfers	5,017,479	36,127	5,053,606
Contingency	3,562,142	0	3,562,142
Unappropriated Balance	14,789,850	0	14,789,850
Total Fund Requirements	\$109,567,194	\$0	\$109,567,194
GENERAL ASSET MANAGEMENT FUND			
Asset Management Program	5,943,419	36,127	5,979,546
Non-Departmental			
Contingency	3,911,582	0	3,911,582
Total Fund Requirements	\$9,855,001	\$36,127	\$9,891,128
MERC FUND			
MERC	41,875,029	2,745,639	44,620,668
Non-Departmental			
Interfund Transfers	6,162,880	0	6,162,880
Contingency	7,081,762	(2,745,639)	4,336,123
Unappropriated Balance	13,744,936	2,323,903	16,068,839
Total Fund Requirements	\$68,864,607	\$2,323,903	\$71,188,510

All other appropriations remain as previously adopted

STAFF REPORT

FOR THE PURPOSE OF AMENDING THE FY 2011-12 BUDGET AND APPROPRIATIONS SCHEDULE AND AMENDING THE FY 2011-12 THROUGH FY 2015-16 CAPITAL IMPROVEMENT PLAN

Date: May 25, 2012

Prepared by: Kathy Rutkowski 503-797-1630
Ann Wawrukiewicz 503-797-1566

BACKGROUND

Following the third quarter financial review, several additional items have been identified that necessitate amendment of the budget. Each action is discussed separately below.

MERC Food and Beverage

The MERC venues are experiencing food and beverage sales greater than original estimates. The current revenue forecast is \$14.4 million, an increase of \$2.3 million over the adopted budget. The current projected food and beverage cost is \$12.4 million with a margin of 13.6 percent, down 6.2 percent from the original budget estimate of 19.8 percent.

Oregon Convention Center (OCC)

OCC food and beverage revenue forecast is \$10.1 million, an increase over the adopted budget of \$1.9 million. Food and beverage cost forecast is \$8.8 million, an increase of \$2.2 million. The projected margin is 12.5 percent with net revenue of \$1.3 million. This represents a decrease of 6.3 percent from the adopted budget margin of 18.8 percent. This variance is due to an aggressive budget, reduced high margin convention business, increased wages and benefit costs.

Portland Center for Performing Arts (PCPA)

PCPA food and beverage revenue forecast is \$2.1 million, an increase over the adopted budget of \$421,000. Food and beverage cost forecast is \$1.7 million, an increase of \$259,000. The projected margin is 19.4 percent with net revenue of \$410,692. This represents an increase of 4.7 percent over the adopted budget margin of 14.7 percent. The increased sales are driven by the Broadway series and the increased points of sale in the theaters.

Portland Exposition Center (Expo)

Expo food and beverage revenue forecast is \$2.2 million, a decrease of \$23,000 from the adopted budget. Food and beverage cost forecast is \$1.9 million, an increase of \$289,000. The projected margin is 13.3 percent with net revenue of \$292,000. This represents a decrease of 14 percent from the adopted budget margin of 27.3 percent. This variance is a combination of an aggressive revenue forecast in the original budget and increased costs due to the Cirque event.

Oregon budget law does not allow the recognition and direct appropriation of this additional revenue without the benefit of a supplemental budget. This action transfers \$2,745,639 from contingency to materials and services to provide for the needed increase in food and beverage expense. It also acknowledges the receipt of \$2,323,903 in additional revenue but places the additional revenue in New Capital/Business Strategy Reserve (unappropriated).

Council Chamber Audio System Upgrade

During FY 2011-12, the audio system in the Council Chamber was upgraded. The existing equipment was outdated, subject to interference and did not comply with Federal Communications Commission regulations. The chamber system was also out of compliance with Americans with Disabilities Act requirements for the hearing impaired. The initial budget was \$60,000, but several additional project components were needed to meet Council requirements, resulting in final costs of \$96,127. Current year underspending of \$36,127 from position vacancies in the Council Office will be transferred to the General Asset Management Fund to cover the additional cost.

Front Plaza Planter project (CIP Amendment only)

The Front Plaza Planter restoration project will provide for an extended life cycle and reduce maintenance costs. The project includes relining and waterproofing five plaza planters; existing materials will be removed. The project will provide new drainage systems, lightweight planting media and improved irrigation. New materials will reflect the recently adopted planting theme of the entry plaza plantings. The original budget for this project was \$90,000 and bids came back at \$126,000, necessitating the amendment to the CIP. Sufficient appropriation exists to fund the additional cost; no budget action is needed.

ANALYSIS/INFORMATION

1. **Known Opposition:** None known.
2. **Legal Antecedents:** ORS 294.450(1) 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. ORS 294.450(3) provides for transfers of appropriations or of appropriations and a like amount of budget resources between funds of the municipal corporation when authorized by an official resolution or ordinance of the governing body.
3. **Anticipated Effects:** This action provides for changes in operations as described above; recognizing additional food and beverage sales and expenses at MERC Venues and providing for an upgrade to the Council Chamber audio system.
4. **Budget Impacts:** This action has the following impact on the FY 2011-12 budget:
 - Acknowledges \$2.3 million in additional food and beverage sales at various MERC Venues.
 - Transfers \$2.7 million from MERC contingency to fund additional food and beverage expenses.
 - Transfers approximately \$36,000 in Council Office underspending due to vacancies to the General Asset Management Fund to pay for additional costs associated with Council Chamber audio system upgrade.
 - Amends the Capital Improvement Plan to reflect actual bid for the Front Plaza Planter project.

RECOMMENDED ACTION

The Chief Operating Officer recommends adoption of this Ordinance.