

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 13-10

For the purpose of approving and transmitting to the Metro Council budget amendments to the MERC Fund Approved Budget for fiscal year 2013-14, and requesting amendment of the Capital Improvement Plan FY 2013-14 (CIP).

WHEREAS, Metro Code 6.01.050 provides that the Metropolitan Exposition Recreation Commission (MERC) 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, MERC previously approved and transmitted to the Metro Council the fiscal year 2013-14 budget for the MERC Fund; and

WHEREAS, MERC staff request certain budget amendments to the approved budget for fiscal year 2013-14; and

WHEREAS, the budget amendment includes a change to the CIP that increases one project budget for FY 2013-14.

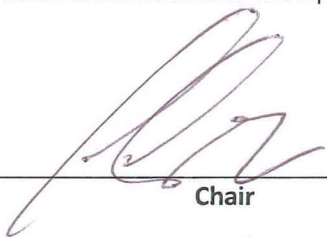
BE IT THEREFORE RESOLVED THAT,

1. MERC approves the budget amendments to the MERC Fund for the fiscal year beginning July 1, 2013 and ending June 30, 2014 for inclusion as part of the total Metro budget for this period and approves the requested changes to the CIP as described in the attached Staff Report and Exhibit A.
2. MERC requests that the Metro COO present these amendments to the Approved Budget to Metro Council for ratification.

Passed by the Commission on June 4, 2013.

Approved as to Form:
Alison Kean Campbell, Metro Attorney

By: 
Nathan A. Schwartz Sykes, Senior Attorney


Chair


Secretary/Treasurer

MERC Staff Report

Agenda Item/Issue: For the purpose of approving and transmitting to the Metro Council budget amendments to the MERC Fund Approved Budget for fiscal year 2013-14, and requesting amendment of the Capital Improvement Plan FY 2013-14 (CIP).

Resolution No.: 13-10

Presented By: Cynthia Hill

Date: June 4, 2013

Background and Analysis:

The MERC Budget was approved by Metro Council on May 2nd and submitted to Tax Supervising and Conservation Commission (TSCC). Metro Council will adopt a final budget on June 20th.

This resolution requests a technical amendment to the approved budget, attached as "Exhibit A".

1)	Increase Expo operating budget and adjust carry over for Expo and OCC non capital projects	\$196,262
2)	Capital project carry over all venues	581,005
3)	Increase the MERC Capital Project Management budget for professional services to support project management	50,000
4)	Carry over of Eastside Light Rail LID Assessment	2,431,000
5)	Reclassify a portion of the OCC Renewal & Replacement Reserve from an unappropriated reserve to an appropriated Reserve	2,584,922 <u>(2,584,922)</u> <u>-0-</u>
	Total Increased Expenditures	\$3,258,267

Fiscal Impact:

The carryover projects are funded from the increased ending fund balance in FY 2012-13 carrying forward into FY 2013-14 beginning balance. The requested increases to the Expo Center and MERC Capital Project Management Services are funded from savings generated from the COO global budget decisions. Savings was originally added to the Business Strategy Reserve. The reclassification of the Renewal & Replacement Reserve has no immediate impact; however it allows the Commission to access those funds through a future amendment during FY 2013-14.

Recommendation: Staff recommends that the Metropolitan Exposition-Recreation Commission adopt Resolution No. 13-10

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TECHNICAL AMENDMENT TO FY 2013-14 BUDGET

CENTER/SERVICE: MERC Operating Fund

DATE: May 28, 2013

PREPARED BY : Cynthia Hill

<i>Amendment to:</i>		<i>Purpose:</i>		<i>Status:</i>	
Proposed Budget	<input type="checkbox"/>	Operating	<input checked="" type="checkbox"/>	Ongoing	<input type="checkbox"/>
Approved Budget	<input checked="" type="checkbox"/>	Capital Project	<input type="checkbox"/>	One-time	<input checked="" type="checkbox"/>
		Renewal & Replacement	<input type="checkbox"/>		<input type="checkbox"/>

PROPOSED AMENDMENT: *Increase carry over for non capital projects and increase existing line items based on new information since the proposed budget was approved.*

Expo Center

Amount

- 1) The Expo budget is very lean and was balanced in March by making reductions in all departments. After the budget was balanced the COO made global decisions that created a savings to the Expo budget of \$22,674. This amendment requests three additions to the budget using \$15,000 of the \$22,674.
 - a) Increase Taxes (non payroll) for potential rate increase from the Multnomah County Drainage District \$5,000
 - b) Increase Services Temporary Help based on new contract for event custodial services 5,000
 - c) Increase Credit Card Expense as actual costs in the current year are trending higher than the proposed budget forecasted. 5,000
- 2) Reduce carry over estimate for the Halls A, B and C project included in the approved budget (\$10,000)
- 3) Increase carry over estimate for the Expo marketing project included in the approved budget \$16,262
- 4) Request carry over from utility budget savings to cover truss repair in Hall B based on a current repair estimate from the Multnomah County bridge repair of \$33,000. \$35,000

Oregon Convention Center

- 5) Carry over balance in the Metro Tourism Opportunity and Competiveness Account – contracted professional services including outside legal and other professional services. \$140,000

Total \$196,262

BUDGET DETAIL:

Fund:	MERC Fund						
<i>Line Item Title</i>	<i>Account</i>	<i>Fund</i>	<i>Dept</i>	<i>Prog</i>	<i>Class</i>	<i>Proj</i>	<i>Amount</i>
<i>Resources:</i>							
Beginning Fund Balance – Expo	900000	556	56100	55990			\$41,262
Beginning Fund Balance – OCC	900000	555	55100	55990			140,000
<i>Total Resources</i>							\$181,262
<i>Requirements:</i>							
Taxes (non payroll)	531000	556	56100	55000			\$5,000
Services – Temporary Help	528300	556	56300	53000			5,000
Credit Card Expense	528210	556	56100	55000			5,000
Services Building	526010	556	56300	53800			35,000
Contracted Professional Services – legal	524020	550	55950	55000			90,000
Contracted Professional Services	524070	556	56100	55910		88165	16,262
Contracted Professional Services	524070	556	56100	55910		88166	-10,000
Contracted Professional Services	524070	550	55950	55000			50,000
<i>Subtotal Materials & Services</i>							196,262
Business Strategy Reserve - Expo							(15,000)
<i>Total Requirements</i>							\$181,262

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TECHNICAL AMENDMENT TO FY 2013-14 BUDGET

CENTER/SERVICE: MERC Capital Projects

DATE: May 31, 2013

PREPARED BY : Cynthia Hill

<i>Amendment to:</i>		<i>Purpose:</i>		<i>Status:</i>	
Proposed Budget	<input type="checkbox"/>	Operating	<input type="checkbox"/>	Ongoing	<input type="checkbox"/>
Approved Budget	<input checked="" type="checkbox"/>	Capital Project	<input checked="" type="checkbox"/>	One-time	<input checked="" type="checkbox"/>
		Renewal & Replacement	<input checked="" type="checkbox"/>		<input type="checkbox"/>

PROPOSED AMENDMENT: *Carry over capital projects and increase the OCC roof replacement project.*

- A) Six of the seven capital projects listed below will not be complete by June 30th. This amendment is requesting to carry over these projects into FY 2013-14.
- B) The FY 2013-14 approved budget for the OCC roof replacement project includes \$1,000,000 for construction and \$80,000 for consultant work associated with the construction. A Request for Bids (RFB) was issued to replace the roof on the Oregon Ballroom and the loading dock on the original building. Three bids were received and the costs are close to the approved construction budget of \$1,000,000. A project of this size requires some contingency funds be available. It is likely that additional insulation removal will be required, but the extent of that work is not known. This request will add an additional \$100,000 to the budget for this project from the OCC renewal & replacement reserve. The additional \$100,000 would be available to fund change orders if unanticipated work is required. This amendment also amends the Capital Improvement Plan.

<u>EXPO Center</u>		
1)	Electronic Reader Board (TLT Pooled Capital)	\$40,000
2)	Audio Visual Sign Towers (TLT Pooled Capital)	30,000
Subtotal Expo Center		\$70,000
<u>Oregon Convention Center</u>		
3)	Dragon Café Concession Upgrades (Aramark Capital Investment)	78,000
4)	CCTV Replacement (R & R)	248,005
5)	Roof Replacement Project (R & R) increase budget for unanticipated work if required	100,000
Subtotal OCC		\$426,005
<u>Portland Center for Performing Arts</u>		
6)	Keller Orchestra Pit Handrails (R & R)	35,000
7)	Keller Carpet Stairwells (R & R)	50,000
Subtotal PCPA		\$85,000
Total		\$581,005

BUDGET DETAIL:

Fund:	MERC Fund						
<i>Line Item Title</i>	<i>Account</i>	<i>Fund</i>	<i>Dept</i>	<i>Prog</i>	<i>Class</i>	<i>Proj</i>	<i>Amount</i>
Resources:							
Beginning Fund Balance - Expo	900000	556	56100	55990			\$70,000
Beginning Fund Balance - OCC	900000	550	55100	55990			326,005
Beginning Fund Balance - PCPA	900000	554	58100	55990			85,000
<i>Total Resources</i>							\$481,005
Requirements:							
Equipment	574000	556	56999	55950			\$40,000
Equipment	574000	556	56999	55950			30,000
Building & Related	572000	550	55999	55950			78,000
Equipment	574000	550	55999	55950			248,005
Building & Related	572000	550	55999	55950			100,000
Building & Related	572000	554	58999	55950			35,000
Building & Related	572000	554	58999	55950			50,000
<i>Total Capital</i>							\$581,005
Unappropriated Renewal & Replacement Reserve	805200	550	55100	55990			(100,000)
<i>Total Requirements</i>							\$481,005

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TECHNICAL AMENDMENT TO FY 2013-14 BUDGET

CENTER/SERVICE: MERC Administration – Capital Construction Management

DATE: May 28, 2013

PREPARED BY : Cynthia Hill

<i>Amendment to:</i>		<i>Purpose:</i>		<i>Status:</i>	
Proposed Budget	<input type="checkbox"/>	Operating	<input checked="" type="checkbox"/>	Ongoing	<input type="checkbox"/>
Approved Budget	<input checked="" type="checkbox"/>	Capital Project	<input type="checkbox"/>	One-time	<input checked="" type="checkbox"/>
		Renewal & Replacement	<input type="checkbox"/>		<input type="checkbox"/>

PROPOSED AMENDMENT: *Increase MERC Administration Capital Project Management Support.*

Due to the number of capital projects budget in the FY 2013-14 budget there is a need for additional project management support. This amendment requests \$50,000 for contracted professional services to support MERC Capital projects on an as needed basis.

Project management in the venues is generally provided by one individual, Josh Lipscomb, who works in the Metro Construction Project Management Office (cPMO). This amendment would allow the cPMO Manager to access contracted project management services when a project is in need of either additional project management resources or specialized expertise. Other resources outside of this amendment could be accessed as well, including other Metro project managers, procurement staff or similar, on an as needed basis.

The contracted project management services would be procured through an existing on-call contract with a professional project management company. This group has already assisted with projects throughout Metro including the MRC, Parks, and Visitor Venues, specifically the aviary project at the Zoo.

The addition of these services will help ensure projects have the resources needed to be completed. The additional services for FY 13-14 would be a one-time use of funds for project management in that specific fiscal year. For FY 14-15, a longer term funding solution for project management will be explored. That discussion is expected to start in the fall.

BUDGET DETAIL:

Fund:	MERC Fund						
<i>Line Item Title</i>	<i>Account</i>	<i>Fund</i>	<i>Dept</i>	<i>Prog</i>	<i>Class</i>	<i>Proj</i>	<i>Amount</i>
Resources:							
Intra-Fund Clearing Transfer (Expo)	499300	556	59600	55940			(\$5,000)
Intra-Fund Clearing Transfer (OCC)	499300	550	59500	55940			(\$28,000)
Intra-Fund Clearing Transfer (PCPA)	499300	554	59800	55940			(\$17,000)
Intra-Fund Clearing Transfer (MERC Administration)	499300	558	59000	55940			\$50,000
<i>Total Resources</i>							\$0
Requirements:							
Contracted Professional Services	524070	558	55060	55000			\$50,000
New Capital/Business Strategy Reserve (Expo)	701003	556	56100	55990			(\$5,000)
New Capital/Business Strategy Reserve (OCC)	701003	550	55100	55990			(\$28,000)
New Capital/Business Strategy Reserve (PCPA)	701003	554	58100	55990			(\$17,000)
<i>Total Requirements</i>							\$0

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TECHNICAL AMENDMENT TO FY 2013-14 BUDGET

CENTER/SERVICE: Oregon Convention Center and Finance & Regulatory Services

DATE: May 28, 2013

PREPARED BY : Kathy Rutkowski

<i>Amendment to:</i>		<i>Purpose:</i>		<i>Status:</i>	
Proposed Budget	<input type="checkbox"/>	Operating	<input checked="" type="checkbox"/>	Ongoing	<input type="checkbox"/>
Approved Budget	<input checked="" type="checkbox"/>	Capital Project	<input type="checkbox"/>	One-time	<input checked="" type="checkbox"/>
		Renewal & Replacement	<input type="checkbox"/>		

PROPOSED AMENDMENT: *Carryover of Eastside Streetcar LID Assessment*

The FY 2012-13 budget provides for payment of the Eastside Streetcar local improvement district assessment levied by the City of Portland on the Oregon Convention Center. The OCC assessment is approximately \$2.2 million and is to be paid from an interfund loan from the General Fund repaid by OCC over a ten year period. We have been notified by the City of Portland that the invoices for the assessment will not be issued until next fiscal year. This action requests the carryover and re-budgeting of all actions approved in the current year to next year to allow for payment of the assessments when received in late July or early August 2013. MERC will carry over the funding received in FY 2012-13 for the anticipated first year repayment and make two years of payments in FY 2013-14.

BUDGET DETAIL:

Fund: MERC Fund – Oregon Convention Center

Line Item Title	Account	Fund	Dept	Prog	Class	Proj	Amount
<i>Resources:</i>							
Beginning Fund Balance	340000	550	59500	55900			\$231,000
Interfund loan – Principal	496000	550	59500	55970	8010		\$2,200,000
<i>Total Resources</i>							\$2,431,000
<i>Requirements:</i>							
Government Assessments	532000	550	55100	55000			\$2,200,000
Interfund Loan - Principal	586000	550	59500	55970	8010		\$220,000
Interfund Loan - Interest	586500	550	59500	55970	8010		\$31,000
<i>Total Requirements</i>							\$2,431,000

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Org Unit	#

TECHNICAL AMENDMENT TO FY 2013-14 BUDGET

CENTER/SERVICE: MERC - Oregon Convention Center

DATE: May 28, 2013

PREPARED BY : Cynthia Hill

<i>Amendment to:</i>		<i>Purpose:</i>		<i>Status:</i>	
Proposed Budget	<input type="checkbox"/>	Operating	<input checked="" type="checkbox"/>	Ongoing	<input type="checkbox"/>
Approved Budget	<input checked="" type="checkbox"/>	Capital Project	<input type="checkbox"/>	One-time	<input checked="" type="checkbox"/>
		Renewal & Replacement	<input type="checkbox"/>		<input type="checkbox"/>

PROPOSED AMENDMENT: *Reclassify \$2,584,922 from a unappropriated to an appropriated renewal & replacement reserve.*

The Oregon Convention Center (OCC) currently has \$5,227,779 in the unappropriated Renewal & Replacement Reserve and \$1,415,078 available in the appropriated Business Strategy Reserve. This amendment will reclassify \$2,584,922 of the Renewal & Replacement Reserve to an appropriated Renewal & Replacement Contingency. The combination of the Business Strategy Reserve and the Renewal & Replacement Contingency will create \$4,000,000 in appropriated reserves available in the FY 2013-14 budget. This amount would be available through a future budget amendment to be approved by the MERC Commission and Metro Council for contribution to the construction cost of the Oregon Convention Center Hotel. OCC is experiencing a better than expected current year with increased revenues generated from five additional conventions scheduled since budget adoption and a large catering event in June. New revenue combined with salary savings from three key positions vacant during the current fiscal year will contribute to a greater than expected ending fund balance. Any additional funds available at year end would replenish the renewal and replacement reserve until the \$2,584,922 is repaid plus the annual contribution of \$875,000 when due. The next annual contribution will be in FY 2014-15 as the FY 2013-14 contributions are included in the current balance of \$5,227,779.

BUDGET DETAIL:

Fund: MERC Fund

Line Item Title	Account	Fund	Dept	Prog	Class	Proj	Amount
<i>Resources:</i>							
<i>Total Resources</i>							\$0
<i>Requirements:</i>							
Unappropriated Renewal and Replacement Reserve	805200	550	55100	55990			(\$2,584,922)
Appropriated Renewal & Replacement Contengency	706000	550	55100	55990			\$2,584,922
<i>Total Requirements</i>							\$0

