

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 13-14

For the purpose of approving an amendment to the Sales Incentive Plan.

WHEREAS, the Metropolitan Exposition Recreation Commission (MERC) approves personnel policies that apply to the MERC venues; and

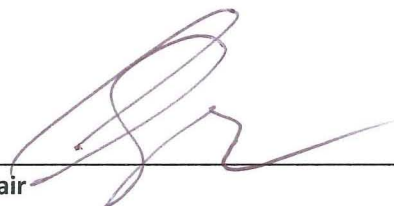
WHEREAS, MERC previously approved the Sales Incentive Plan applicable to Sales Managers at the Oregon Convention Center;

WHEREAS, MERC management request that the Sales Incentive Plan be amended so that Sales Managers receive any cost of living increases approved by MERC to their base salaries as this is fair and equitable;

WHEREAS, MERC staff recommend that MERC approve this amendment to the Sales Incentive Plan.

BE IT THEREFORE RESOLVED, that the Metropolitan Exposition Recreation Commission hereby approves the amendment to the Sales Incentive Plan as set forth in Exhibit A to this resolution.

Passed by the Commission on July 10, 2013.

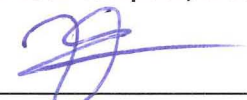


Chair



Secretary/Treasurer

Approved As to Form:
Alison Kean Campbell, Metro Attorney

By: 

Nathan A. Schwartz Sykes
Senior Attorney

MERC Staff Report

Agenda Item/Issue: For the Purpose of Approving an Amendment to the Sales Incentive Plan

Resolution No.: 13-14

Presented By: Teri Dresler

Date: July 10, 2013

Background and Analysis

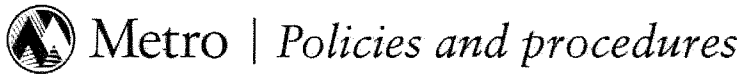
At the July 6, 2011 MERC meeting the Commission voted to approve a personnel policy providing for sales incentive bonuses for venue sales staff in lieu of annual salary increases. This program has proven to be a tremendous incentive program for the sales staff who have continued to increase their efforts, and results, generating new and additional business for the Oregon Convention Center. At this time the OCC is the only venue utilizing this incentive program.

July 1, 2013, the classification ranges of all MERC positions will be trended by cost of living for the first time in many years, and certainly for the first time since the sales incentive program has been in place. This action brought to light the need to evaluate the sales manager classification in regard to cost of living trending. It is clear that in order to maintain a competitive range for this position, a cost of living increase needs to be given to the individuals who are also receiving the sales incentive bonus, and that the range should be trended. Current policy language precludes the staff who participate in the incentive program from receiving any other increases.

The amendment to the existing policy provides for the cost of living action. It additionally defines specifically that those employees who participate in the sales incentive bonus program will not be eligible for merit increases should that program be reinstated.

Fiscal Impact: The budget impact in FY 2013 – 2014 is less than \$2000. In future years should a cost of living increase be appropriate, the amount necessary will be included in budget planning.

Recommendation: Staff recommends that the Metropolitan Exposition-Recreation Commission adopt Resolution 13-14 for the purpose of approving an amendment to the Sales Incentive Plan.



DRAFT

Subject Sales Incentive Plan
Approved by MERC Commission and/or Metro COO

POLICY or PROCEDURE

Sales Managers will participate in a sales incentive program. The incentive goals will be included in the annual budget and reviewed quarterly. If employees meet both individual and team goals, they will receive quarterly bonuses.

Applicable to

MERC venue Sales Managers.

Definitions

1. Sales incentive plan: pre-established goals and criteria identified by management and approved by the MERC Commission or Metro COO. The plan will identify goals that are measurable, increase revenues to the department utilizing the program, provide a reward that motivates employees, and offers immediate rewards.
2. Sales incentive bonus: is compensation in lieu of any merit pay program and is intended to reward program participants for meeting pre-established, quarterly, targeted goals to increase revenue. Employees participating in the plan are eligible for quarterly payments based on both individual and team objectives.
3. Sales incentive plan and program goals: the goals for the sales incentive programs are as follows:
 - a. To increase sales of facility rentals and other services when compared to the same quarter in previous years
 - b. To insure Metro's venues remain first class and operate as prestige facilities at the national/international level as measured by industry standards
 - c. To increase total economic impact to the region by increasing city-wide sales as measured in the annual economic impact study
 - d. To retain a strong sales team by compensating them according to standard industry practices
4. Sales incentive plan quarterly rating periods:
 - a. July 1-September 30
 - b. October 1-December 31
 - c. January 1-March 31
 - d. April 1-June 30

Guidelines

The intention of this program is to align sales teams with industry practices in order to provide consistency and achieve strong results. The incentive structure gives management immediate feedback on successful programs at both the group and individual level. This is

essential in market-driven industries like the hospitality industry. The bonus structure allows management to target current “need” periods with specific goals and incentives in order to increase bookings, revenues and facility utilization on an expanded basis.

Staff will receive rewards for generating immediate revenue as well as increasing bookings for successive years, specifically targeting an 18-24 month timeframe. Metrics for this will be meeting sales goals, feasibility of implementing across other departments, and staff feedback.

During the annual budget development process, financial compensation tied to this program will be incorporated and approved through the usual route. Metro Finance and Regulatory Services will affirm quarterly results and bonus payments (if any) following an audit of documentation submitted by the Director of Sales and the Facility Director will approve bonuses.

Procedures:

1. At the beginning of each fiscal year, management, in consultation with the MERC Commission or Metro COO, will determine overall sales incentive plan ratings and goals. These ratings will be metrics that are accessible from the EBMS database or another program participant’s financial systems.
2. Upon approval, management will inform sales teams of their goals. All members of the team will participate in the sales incentive plan in lieu of any merit pay program. Management will collect and evaluate data at the end of each ratings period to determine if the sales team both as a group and individually have met quarterly goals. An audit of this information will be conducted by accounting staff during their regular quarter end process.
3. Following this audit, authorization for incentive payments (if any) will be forwarded to Human Resources Department for payroll processing.
4. If, during the employment performance assessment process an employee receives an overall rating of Needs Development or Unsatisfactory, the employee will forfeit their eligibility to participate in the sales incentive plan until their performance improves.
5. The sales team will be eligible for salary increases if their salaries fall below the range of a new compensation plan or by a CPI trending of the overall compensation salary structure. The dollar amount budgeted for the sales incentive plan will be determined on an annual basis during the budget development process. Continuation of the plan and the budget must be approved as part of the regular budget process.

Responsibilities

Sales Team: Participants are expected to be familiar with the plan, goals, incentives, and the rating areas.

Director of Sales: In conjunction with Visitor Venues General Manager and other senior management, develop goals, budget, and rating areas. The Director of Sales is also responsible for communicating the annual plan to the sales team, managing the plan, and accountability for conducting a regular review of progress towards the goals with both the sales team staff and other senior management.

Finance and Regulatory Services: Review and audit quarterly results and approve transmission of the results to Human Resources for processing.

Facility Director: Oversee Director of Sales implementation and management of plan.
Monitor and communicate quarterly results of the incentive plan to the Visitor Venues
General Manager, MERC Commission, and other stakeholders.

