

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 12-08

For the purpose of approving and transmitting to the Metro Council budget amendments to the MERC Fund Approved Budget for fiscal year 2012-13, and requesting amendment of the Five Year Capital Improvement Plan FY 2012-13 through FY 2016-17 (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 2012-13 budget for the MERC Fund; and

WHEREAS, MERC staff request certain budget amendments to the approved budget for fiscal year 2012-2013; and

WHEREAS, the budget amendments include changes to the CIP that eliminate three existing projects and add two new projects.

BE IT THEREFORE RESOLVED THAT,

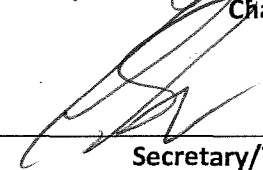
1. MERC approves the budget amendments to the MERC Fund for the fiscal year beginning July 1, 2012 and ending June 30, 2013 for inclusion as part of the total Metro budget for this period and approves the requested changes to the CIP as described in the attached Staff Report and Exhibit A.
2. MERC requests that the Metro COO present the budget and CIP amendments to the Metro Council for ratification.

Passed by the Commission on June 6, 2012.

Approved as to Form:
Alison Kean Campbell, Metro Attorney



Chair



Secretary/Treasurer

By: 

Nathan A. Schwartz Sykes, Senior Attorney

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 2012-13, and requesting amendment of the Five Year Capital Improvement Plan FY 2012-13 through FY 2016-17 (CIP)

Resolution No.: 12-08

Presented By: Cynthia Hill

Date: June 6, 2012

Background and Analysis:

The MERC Budget was approved by Metro Council on May 3rd and submitted to Tax Supervising and Conservation Commission (TSCC). Metro Council will adopt a final budget on June 21st.

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

1) Operating projects carry over \$135,000

2) Capital project carry over \$837,077

The capital project carry over includes a request to amend the CIP. The balance of the Aramark capital investment dollars designated for food and beverage projects is \$425,000. Food and beverage projects were re-evaluated and it was determined the following projects were the highest priority.

- a) The walk-in coolers and freezer in the main kitchen present a challenge requiring immediate attention because the refrigerant required for the original condensing units is no longer compliant. The coolers are in need of new doors and door seals and are inefficient by today's standards.
- b) A few of the original concession stands are in need of cosmetic upgrades to help drive concession revenue, which is a high priority.

New projects:

- OCC - Main kitchen walk-in coolers and freezer \$250,000
 - OCC - Concession upgrades 175,000
- Total \$425,000

Projects eliminated until sufficient funds are available:

- OCC - Replacement of Catering China (\$212,000)
 - OCC - Skyview Terrace Tasting Kitchen (100,000)
 - OCC - Balance available Kitchen Remodel (113,000)
- Total (\$425,000)

- 3) Budget reductions (\$25,028)
 Increases to the budget resulting from final COO decisions were funded from the Business Strategy Reserve until specific reductions could be identified. The \$25,028 in reductions will reimburse the Business Strategy Reserve and maintain the balanced budget previously approved by the Commission. The PCPA budget was able to absorb the increases without the use of fund balance.
- Oregon Convention Center (\$21,520)
 - Portland Expo Center (3,508)
- 4) Reclassify \$200,000 from the Administration Renewal & Replacement Reserve to a Renewal & Replacement Contingency. This will appropriate and make available funds through a future budget and CIP amendment when Information Services identifies specific projects and estimated costs.
- 5) OCC Plaza Free Concert Series \$24,100
 Recognize target sponsorship revenue of \$24,100 and the cost to provide entertainment (\$13,700), rental of stage sound equipment and canopy (\$6,400), and other purchased services for alcohol monitoring (\$4,000).

Fiscal Impact:

- Increase beginning fund balance \$972,077
- Increase expenditures for project carryover 972,077
- Reduce expenditures (\$25,028)
- Increases New Capital/Strategic Reserve \$25,028
- Reclassifies \$200,000 from Renewal & Replacement Reserve to an appropriated contingency for Renewal & Replacement
- Increases revenue and expenditures Plaza Concert Series \$24,100

Recommendation: Staff recommends that the Metropolitan Exposition-Recreation Commission adopt Resolution No. 12-08.

Exhibit A

For FP Use Only	
Org Unit	#

TECHNICAL AMENDMENT TO FY 2012-13 BUDGET

CENTER/SERVICE: MERC Visitor Venues

DATE: May 2, 2012

DRAFTED 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 checked="" type="checkbox"/>	One-time <input checked="" type="checkbox"/>
	Renewal & Replacement <input checked="" type="checkbox"/>	

Note: If the purpose of the amendment is for a capital or renewal and replacement project please attach a revised 5-year CIP sheet

PROPOSED AMENDMENT:

Org Unit	Fund	Line Items		Amount
		Acct #	Account Title	
Resources	MERC Fund (555)			
		3400	Unrestricted Beginning Fund Balance	\$477,077
		3400	Transient Lodging Tax Capital Reserve	70,000
		3400	Aramark Contract Capital Investment Reserve	425,000
		4760	Sponsorship Revenue	24,100
			Total Resources	\$996,177
Requirements	MERC Fund (555)			
		5240	Contracted Professional Services	\$135,000
		5240	Contracted Professional Services	(25,028)
		5265	Rentals	6,400
		5280	Purchased Services	17,700
		8710	Improvement Other than Building	70,000
		5720	Improvement of Building	720,883
		5740	Equipment & Vehicles	46,194
			Subtotal Requirements	\$971,149
Reserves				
		5990	Renewal and Replacement Reserve	(\$200,000)
		5999	Renewal & Replacement Contingency	200,000
		5999	New Capital/Business Strategy Reserve	25,028
			Subtotal Reserve	\$25,028
			Total Requirements	\$996,177

Exhibit A

PROGRAM/STAFFING IMPACTS:

	<u>Description</u>	<u>Amount</u>
<u>Operating Project Carryover</u>		
1)	PCPA Website Re - Design Website redesign can not start until the branding exercise, has been completed. The rebranding project is looking at the PCPA name and logo with an expected completion date in late May or early June.	\$35,000
2)	Expo Center Marketing and Communication Plan Implementation Marketing and Communication Plan calls for date-specific roll-out of advertising and media buys into FY13. Phase one (1) of on-site signage, and related improvements completed or scheduled within FY12. Phase two (2) review, analysis and execution of on-site improvements to occur following the load-out of Cirque du Soleil. To include, but not limited to; additional parking and directional signage, window clings and overhead door location markers. The balance of advertising and media buys as planned in the communication plan will be placed.	\$100,000
Total Operating Projects Carryover		\$135,000
<u>Capital Project Carryover</u>		
3)	Expo Wi-Fi Project Wi-Fi RFP respondent review is complete with one viable respondent. Analysis by Metro IT and OCC/Expo Telecommunications specialists is not complete.	\$25,000
4)	Expo Hall E Lobby and Meeting Room E101-2 Carpet Design of Hall E Lobby space uses and integration of new Expo logo colors and identity branding is complete. The actual timing to install the carpet in Hall E Lobby and meeting room E101-2 is scheduled to coincide with the new food and beverage concession area proposed in the same lobby space in the FY 12-13 capital plan.	\$44,500
5)	OCC Electrical Sub metering Bids came back higher than anticipated. Negotiating with low bidder to reduce project scope and investigate potential use of different type of sub meter for project.	\$191,383
6)	OCC Recycling Containers in Exhibit Halls Waiting to make a final determination on graphics for the recycling containers to ensure graphics for compostable items are correct at time of purchase and meet changes in local composting facility requirements.	\$46,194
7)	OCC Food & Beverage Concession Upgrades (New Project) A few of the original concession stands are in need of cosmetic upgrades to help drive concession revenue, which is a high priority.	\$175,000
8)	OCC Food & Beverage - Main kitchen walk-in coolers and freezer (New Project) The walk-in coolers and freezer in the main kitchen present a challenge requiring immediate attention because the refrigerant required for the original condensing units is no longer compliant. The coolers are in need of new doors and door seals and are inefficient by today's standards.	\$250,000
9)	OCC Process Loop Process loop pipe replacement to coincide with kitchen cooler refrigeration upgrade project described above.	\$35,000

Exhibit A

10)	OCC Plaza Issues	This project is addressing the concrete and brick issues currently affecting the OCC north plaza. The brick for this project will not be delivered until mid July.	\$70,000
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	Total Capital Projects Carryover		\$837,077
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	Total carry over projects funded from increased beginning fund balance		\$972,077
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Budget reductions to balance budget

11)	OCC Operations	Reduce contracted professional services \$21,520, offsetting the increase resulting from Metro COO decisions occurring after Commission approval of the recommended budget.	(\$21,520)
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12)	Expo Operations	Reduce contracted professional services \$3,508, offsetting the increase resulting from Metro COO decisions occurring after Commission approval of the recommended budget.	(\$3,508)
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	Total Budget Reductions		(\$25,028)
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New Revenue and Expenditures

13)	OCC Plaza Free Concert Series	Recognize target sponsorship revenue of \$24,100 and the cost to provide entertainment (\$13,700), rental of stage sound equipment and canopy (\$6,400), and other purchased Services for alcohol monitoring (\$4,000).	24,100
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	Net Change to Expenditure Requirements		\$971,149
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Changes to the Reserve Accounts

15)	Business Strategy Reserve	The budget balancing reductions at OCC and Expo Center (items #11 and #12 above) is off set by an increase to the Business Strategy Reserve.	\$25,028
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16)	Information Services	Reclassify \$200,000 of Renewal and Replacement reserve to renewal & replacement contingency. Current assessment of software licensing and server replacements is underway. When assessment is complete a budget and CIP amendment will be submitted for Commission approval.	0
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	Total changes to reserve accounts		\$25,028
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	Total Requirements		\$996,177
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