

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING THE FY) RESOLUTION NO. 95-2124
1994-95 SUPPLEMENTAL BUDGET AND)
TRANSMITTING THE APPROVED BUDGET) Introduced by Mike Burton
TO THE TAX SUPERVISING AND) Executive Officer
CONSERVATION COMMISSION)

WHEREAS, A Supplemental Budget is necessary as provided in ORS 294.480(1)(a) due to "an occurrence or condition which had not been ascertained at the time of the preparation of the budget for the current year which requires a change in financial planning;" and


WHEREAS, The Metro Council has reviewed the Proposed Supplemental Budget and held a public hearing on the Proposed Budget and considered overall issues affecting the FY 1994-95 Supplemental Budget; and

WHEREAS, Pursuant to Oregon budget law, the FY 1994-95 Supplemental Budget must be transmitted to the Tax Supervising and Conservation Commission for public hearing and review; now, therefore,

BE IT RESOLVED;

1. That the Proposed FY 1994-95 Supplemental Budget, which is on file at the Metro offices, is hereby approved.
2. That the Executive Officer is hereby direct to submit the Approved FY 1994-95 Supplemental Budget to the Tax Supervising and Conservation Commission for public hearing and review.

ADOPTED by the Metro Council this 20 day of April, 1995.



J. Ruth McFarland, Presiding Officer

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 95-2124 APPROVING THE FY 1994-95 SUPPLEMENTAL BUDGET AND TRANSMITTING THE APPROVED BUDGET TO THE TAX SUPERVISING AND CONSERVATION COMMISSION, AND ORDINANCE NO. 95-596 AMENDING THE FY 1994-95 BUDGET AND APPROPRIATIONS SCHEDULE FOR THE PURPOSE OF ADOPTING THE FY 1994-95 SUPPLEMENTAL BUDGET; AND DECLARING AN EMERGENCY

Date: April 4, 1995

Presented by: Pat LaCrosse
Heather Teed

FACTUAL BACKGROUND AND ANALYSIS

A supplemental budget is necessary due to unforeseen circumstances that require changes in our financial planning. These Council actions are presented toward adopting a supplemental budget for FY 1994-95. Ordinance No. 95-596 revises the FY 1994-95 budget and appropriations schedule to recognize additional operating revenues and requirements resulting from the addition of a five week Broadway series and the mega-hit "Miss Saigon", to reflect the redirection of \$600,000 in Hotel/Motel tax from the Oregon Convention Center to the Performing Arts Center per the agreement with Multnomah County, and to recognize the actual audited beginning fund balances for the Spectator Facilities Fund and the Oregon Convention Center Operating Fund. This Ordinance is presented for consideration at this time but is not intended to be adopted until after the Tax Supervising and Conservation Commission (TSCC) conducts a public hearing. TSCC review is required under Oregon Budget Law because total appropriations are being increased greater than ten percent of the value of a fund's adopted expenditures. Resolution No. 95-2124 approves the Supplemental Budget and transmits the approved budget to the TSCC. Specific changes to the budget under this proposal are explained below.

Broadway Series and "Miss Saigon"

FY 1994-95 performances at the Civic Auditorium include a five week Broadway Series promoted by Dan Bean Presents, and four weeks of performances of Miss Saigon. The contract for Miss Saigon was not signed until September, 1994. In addition, the actual dates and necessary requirements for the Broadway Series were not known until after the adoption of the FY 1994-95 budget. As a result of these events, the Performing Arts Center budget will realize approximately \$769,000 of additional revenues, and incur approximately \$675,600 of additional expenditures. The vast majority of additional expenditures is due to increased stagehand, admissions and security labor needed for the nine weeks of added performances. Specific event labor is reimbursed by the promoter with 25 percent added to cover employee payroll taxes and overhead. In addition to the personal services costs, there are increases in utilities, supplies, and purchased labor (primarily custodial assistance) due to the increase in events, and an enhancement of the phone system

to provide better service, specifically voice mail. These events are expected to provide a net positive cash flow of \$93,400.

Redirection of Hotel/Motel Tax Proceeds to the Performing Arts Center

In the Spring, 1994, the Metropolitan Exposition-Recreation Commission entered into negotiations with Multnomah County to redirect a portion of the Hotel/Motel tax dedicated to the operations of the Oregon Convention Center to the operations of the Performing Arts Center. Negotiations continued through May and June, 1994, with final approval by Multnomah County on June 16, 1994. This action reflects the decrease of \$600,000 in Hotel/Motel tax in the Oregon Convention Center Operating Fund and an increase in Hotel/Motel tax resources in the Spectator Facilities Fund. No additional appropriation authority is requested and changes in requirements will be reflected in each fund's respective ending balance. While this action is technically not required under Oregon Budget Law, it represents a significant change in the funding structure of both facilities and is requested to provide a more accurate portrayal of the financial resources of the facilities.

Recognition of Actual Fund Balance

The actual audited fund balances of both the Spectator Facilities Fund and the Oregon Convention Center Operating Fund were in excess of the estimates provided in the Adopted budget. This action requests the recognition of \$437,462 of additional fund balance in the Spectator Facilities Fund and \$1,216,327 of additional fund balance in the Oregon Convention Center Operating Fund. No additional appropriation is requested with this action. The additional resources will be reflected in each fund's respective ending balance. This action is also not required by law, however, is requested to provide a more accurate portrayal of the financial picture of the facilities.

SUMMARY OF BUDGET IMPACT

Specific line item changes and appropriation modifications are provided in Exhibits A and B to this Ordinance. The following is a summary of the changes requested in the Supplemental Budget for FY 1994-95.

	Spectator Facilities Fund	Oregon Convention Center Operating Fund
Resources:		
▪ Beginning Fund Balance	\$437,462	\$1,216,327
▪ Hotel/Motel Tax	600,000	(600,000)
▪ User Fees	135,000	0
▪ Interest Earned	15,000	0
▪ Reimbursed Labor	619,000	0
Total Resources	\$1,806,462	\$616,327

	Spectator Facilities Fund	Oregon Convention Center Operating Fund
Requirements:		
▪ Personal Services	\$551,200	\$0
▪ Materials & Services	112,400	0
▪ Capital Outlay	12,000	0
▪ Ending Unappropriated Balance	1,130,862	616,327
Total Requirements	\$1,806,462	\$616,327

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 95-2124 approving the Supplemental Budget and transmitting the Approved Supplemental Budget to the Tax Supervising and Conservation Commission. In addition, following TSCC review and certification, the Executive Officer recommends adoption of Ordinance No. 95-596, adopting the FY 1994-95 Supplemental Budget, recognizing the increases in operating revenues and requirements for the Broadway Series and Miss Saigon, the re-direction of Hotel/Motel tax to the Performing Arts Center, and the actual beginning fund balances for the Spectator Facilities Fund and the Oregon Convention Center Operating Fund.