

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 16-16

For the purpose of approving and transmitting to the Metro Council budget amendments to the Metropolitan Exposition Recreation Commission (MERC) Fund Adopted Budget for Fiscal Year (FY) 2016-17, and requesting amendment of the Capital Improvement Plan (CIP) FY 2016-17.

WHEREAS, Metro Code 6.01.050 provides that 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 FY 2016-17 budget for the MERC Fund; and

WHEREAS, MERC staff request certain budget amendments to the FY 2016-17 Approved Budget for the reasons described in the attached Staff Report.

BE IT THEREFORE RESOLVED THAT,

1. MERC approves the budget amendments to the MERC Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017 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 1, 2016.



Chair

Approved as to Form:
Alison R. Kean, Metro Attorney



Secretary/Treasurer Vice Chair

By: 

Nathan A. S. Sykes, Deputy Metro Attorney

MERC Staff Report

Agenda Item/Issue: For the purpose of approving and transmitting to the Metro Council budget amendments to the Metropolitan Exposition Recreation Commission (MERC) Fund Adopted Budget for Fiscal Year (FY) 2016-17, and requesting amendment of the Capital Improvement Plan (CIP) FY 2016-17.

Resolution No: 16-16

Presented By: Ben Rowe

Date: June 1, 2016

Background and Analysis:

As is common at the end of most fiscal years, there are some projects budgeted for completion in FY 2016 that remain in progress.

Six dynamics inform why the venue's accomplished only 30% of their intended \$9.1 million FY 2015-16 Capital Program budget and are requesting to carryover the remaining 70% or \$6.0 million of unspent budget from FY 2015-16 to FY 2016-17. They are (in no particular order):

- 1) Metro's Construction Project Management Office (cPMO) supporting the MERC venue projects experienced staff turnovers which caused some delays.
- 2) The design review and permitting process with the City of Portland caused some delays.
- 3) Several atypical projects, where a single vendor provides a combination of design, software, equipment and installation services, triggered the creation of new procurement templates to appropriately work through the public procurement process for these types of projects, caused delays.
- 4) Several projects with information technology components were delayed due to lack of available Metro Information Services Department staff resources.
- 5) The complex public process associated with a few projects caused delays, for example, the OCC Plaza Project was delayed while waiting for confirmation the Headquarters Hotel was moving forward.
- 6) Additionally, several lighting projects were delayed due to rapidly emerging LED technology.

The attached Exhibit A lists the projects, by venue, and their line item amounts in detail. In order to facilitate the continuity of these projects, OCC, Portland's, and Expo request approval of this amendment to carry over the budget items as listed in the exhibit. This action will amend the FY 2016-17 Approved Budget (prior to adoption) adding the line item amounts as shown.

Fiscal Impact:

This action will amend the FY 2016-17 Approved Budget (prior to Metro Council adoption) adding the line items amounts listed in Exhibit A to the budget MERC approved for FY 2016-17.

Recommendation:

Staff recommends that the Metropolitan Exposition Recreation Commission adopt Resolution 16-16.

OCC

OCC is expected to spend 18% of its total FY 2015-16 Capital Program budget. There are three major groups of projects proposed for carryover due to the reasons mentioned in the staff report. 1) The MLK Plaza Project (\$1,050,000) was delayed while waiting for confirmation the OCC Hotel was moving forward. 2) OCC proposes to split this unspent budget and carryover \$600,000 to fund the Plaza Project and \$450,000 to add funds to the Parking Management System Project in FY 2016-17. 3) OCC's lighting projects (\$396,900) were delayed due to rapidly emerging LED technology and the availability of preferred products.

For the Commission's information, OCC will propose a budget amendment in October 2016 to add \$750,000 to the Tower Lighting portion of the project. The scope of this portion of the project includes lighting design and replacing fixtures in both the towers on the North end and the Skylight on the South end of the building. The project will reduce the number of fixtures, increase lumens (brightness), reduce total Watts used, and introduce colored lamps, and computerized controls.

Fund:	550 – Oregon Convention Center
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<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>							
Undesignated Fund Balance	340000	550	55100	55990	0000		\$2,957,451
Total Resources							\$2,957,451

<i>Requirements:</i>							
Materials & Services							
OCC Master Plan	524070	550	55300	55910	0000	88170	223,560
Food & Beverage Projects							
Cucina Rosa Remodel	572000	550	55999	55950	0000	85101	331,779
Portable Kiosks	574000	550	55999	55950	0000	85102	50,000
Lighting Projects							
Tower Lighting	572000	550	55999	55950	0000	8R052	123,900
Oregon Bllrm Lighting	572000	550	55999	55950	0000	8R080	115,000
Portland Bllrm Lighting	572000	550	55999	55950	0000	8R053	112,000
Loading Dock Lighting	572000	550	55999	55950	0000	8R081	46,000
Maintenance Projects							
Parking Management Sys	574000	550	55999	55950	0000	8R115	1,000,000
MLK/OBR Holladay Plaza	572000	550	55999	55950	0000	8R082	600,000
Integrated Door Access	572000	550	55999	55950	0000	8N025	302,712
Information Technology							
VOIP Implementation	572000	550	55999	55950	0000	65701C	52,500
Total Requirements							\$2,957,451

Portland’5

Portland’5 is expected to spend 32% of its total FY 2015-16 Capital Program budget. There are four major groups of projects proposed for carryover due to the various reasons mentioned in the staff report. 1) The Food and Beverage remodel projects (\$348,000) are delayed due to cPMO and Aramark staff capacity. 2) The lighting projects (\$315,635) delays are due to rapidly emerging LED technologies. 3) The Keller Roof Replacement Project (\$473,793) was always planned to straddle both FY 2015-16 and FY 2016-17 to take advantage of the summer weather. The total Keller Roof Replacement Project (\$1.6 million) is currently in process and will be completed by the end of the summer. 4) The Stage Doors project (\$241,719) are campus-wide improvements including updates to office areas, box offices, stage doors, backstage, and other related areas. This project is on-going as Portland’5 booking schedule and staffing priorities permit work to be completed.

Fund: 554 – Portland’5 Centers for the Arts

<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>							
Undesignated Fund Balance	340000	554	58100	55990	0000		\$2,076,885
Total Resources							\$2,076,885

<i>Requirements:</i>							
Food & Beverage Projects							
Grab & Go Portables	574000	554	58999	55950	0000	85103	168,000
Keller North Concessions	572000	554	58999	55950	0000	85103	150,000
Keller Balcony Concessions	572000	554	58999	55950	0000	85103	30,000
Lighting Projects							
Keller LED Conversion	572000	554	58999	55950	0000	8R094	110,635
Newmark Dimming Conversion	572000	554	58999	55950	0000	8R144	130,000
Newmark LED Cyclorama Lights	572000	554	58999	55950	0000	8R143	75,000
Maintenance Projects							
Keller Roof Replacement	572000	554	58999	55950	0000	8R098	473,793
AHH, ASCH, Keller Stage Doors	572000	554	58999	55950	0000	8R101	241,719
AHH Backstage Elevator	572000	554	58999	55950	0000	8R121	235,000
ASCH Cooling Tower, Piping D&E	572000	554	58999	55950	0000	8R120	50,000
Keller Acoustical Treatment	572000	554	58999	55950	0000	8R091	50,000
AHH, ASCH, Keller Re-Key	572000	554	58999	55950	0000	8R123	44,784
Elevators Design & Scoping	572000	554	58999	55950	0000	8R100	15,767
Information Technology							
VOIP Implementation	572000	554	58999	55950	0000	65701C	72,600
Equipment							
Newmark Stage Floor	574000	554	58999	55950	0000	8R122	100,000
Newmark Main Speakers	574000	554	58999	55950	0000	8R128	100,000
Keller, ASCH Soft Goods	574000	554	58999	55950	0000	8R131	29,587
Total Requirements							\$2,076,885

Administrative CIP Change:							
Nwmrk, Winni Lighting Overhaul	572000	554	58999	55950	0000	8R153	80,000
The project above was intended to be budgeted in the following existing projects in FY 2016-17, No change in budget amount							
Newmark Lighting Overhaul	572000	554	58999	55950	0000	8R089	40,000
Winnigstad Lighting Overhaul	572000	554	58999	55950	0000	8R090	40,000

Expo

Expo is expected to spend 15% of its total FY 2015-16 Capital Program budget. The following items are requested to be carried over to FY 2016-17.

The most significant carryover request in Expo's Capital Program is the Hall D Roof Replacement Project. This project was always planned to straddle both FY 2015-16 and FY 2016-17 to take advantage of the summer weather. The project is currently in process. The project is slightly delayed because time and consideration was taken to evaluate structural enhancements necessary to install a solar array on the new roof. The project will move forward as originally planned for now, and if a solar installation is deemed financially feasible, both Hall D & E roof structure reinforcements will take place in the next 2 years.

The second most significant carryover request is the grouping of information technology projects (\$278,200). These projects all share the prerequisite for Expo's network infrastructure to be refurbished before any one of them can proceed. Several MERC projects with information technology components were delayed due to lack of available Metro Information Services department staff resources. A major component of refurbishing Expo's network infrastructure will be completed in July 2016, paving the way for these projects to proceed. MERC Admin, the cPMO, and the IS department are working through several options to resolve IS project management resource capacity issues.

Fund: 556 – Portland Expo Center

<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>							
Undesignated Fund Balance	340000	556	56100	55990	0000		\$1,039,940
Total Resources							\$1,039,940
<i>Requirements:</i>							
Materials & Services							
Halls A,B,C, Assessment	524070	556	56100	55910	0000	88166	\$33,000
Expo Hall Truss Repair	526100	556	56300	53000	0000	87M007	27,300
Marketing & Comm. Plan	524050	556	56100	55910	0000	88165	15,000
Portable Concession Kiosks	529161	556	56800	55910	0000	85107	15,000
Maintenance Projects							
Hall D Roof Replacement	572000	556	56999	55950	0000	85136	429,500
Connector Glass Door	572000	556	56999	55950	0000	85106	100,000
HVAC Refurbishment	572000	556	56999	55950	0000	8R137	35,000
Hall D Carpet & Paint	572000	556	56999	55950	0000	8R042	25,065
Parking Lot Asphalt	571000	556	56999	55950	0000	8R040	17,415
Stormwater Wall	572000	556	56999	55950	0000	8R032	14,460
Information Technology							
Electronic Signage & Landscaping	574000	556	56999	55950	0000	8N011	110,000
Security Cameras	574000	556	56999	55950	0000	8R112	98,000
VOIP Implementation	575000	556	56999	55950	0000	65701C	37,200
WiFi Upgrade	575000	556	56999	55950	0000	8R139	25,000
Ticketing Hardware	575000	556	56999	55950	0000	8R113	8,000
Equipment							
Audio Visual Equipment	574000	556	56999	55950	0000	8N020	50,000
Total Requirements							\$1,039,940