

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 17-14

For the purpose of approving and transmitting to the Metro Council budget amendments to the Metropolitan Exposition Recreation Commission (MERC) Fund Approved Budget for fiscal year 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 fiscal year 2016-17 budget for the MERC Fund; and

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

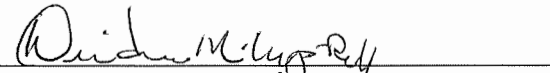
BE IT THEREFORE RESOLVED THAT,

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 Adopted Budget to the Metro Council for ratification.

Passed by the Commission on May 3, 2017.


Chair

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


Secretary/Treasurer

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 a FY 2016-17 Budget and Capital Improvement Plan (CIP) amendment to the MERC Fund.

Resolution No: 17-14

Presented By: Ben Rowe

Date: May 3, 2017

Background and Analysis: Throughout the year, the MERC capital program confronts many project challenges, which sometimes require changes to the original project scope. The four capital project budget scope changes presented below are complementary to each other. The Orchestra Shell and Loft Blocks project in the Schnitzer Concert Hall has changed scope due to an opportunity discovered during project planning to accomplish the same objectives of the project through technology instead of a more expensive major capital investment into the structure. Because of this opportunity, the budget for this project will not be expended this fiscal year. Conversely, the Building Re-key project encountered significant issues with broken and unusable door lock mechanisms at the Schnitzer (built in 1927) that had to be repaired and replaced to complete the project which drove the project costs 57% (\$54,149) over budget.

Because the Keller Auditorium requires extensive capital investment, some projects planned in the Keller are placed on hold or only the design for the project is completed until a capital investment strategy is further developed. The Keller Auditorium LED Lighting Conversion project is one where only the planning and design will be completed in fiscal year 2017. Because of this, the budget for this project will not be expended this fiscal year. Conversely, the City of Portland design review of the Schnitzer Backstage Door Replacement project was returned with more required changes, which increased the cost.

Portland’s proposes the following 4 amendments to their capital projects to accommodate the unforeseen cost overruns on the Building Re-key project and the Schnitzer Backstage Door design requirements. The proposed amendments do not increase Portland’s capital budget but instead decreases the Orchestra Shell and Keller LED Lighting Conversion projects budgets and increases the Building Re-key and Schnitzer Backstage Door projects by the same amounts for a net zero effect.

Portland’s Centers for the Arts

Fund:	554 – Portland’s Centers for the Arts
--------------	--

Line Item	Project #	Original Budget	Amended Budget	Amendment	Amended Budget
ACSH Orchestra Shell Rigging	8R092	150,000	118,850	(54,149)	64,701
AHH/ASCH/Keller Building Re-Key & Key Control Software	8R123	94,784	94,784	54,149	148,933
Keller Auditorium LED Lighting Conversion	8R094	110,635	110,635	(20,000)	90,635
ASCH Backstage Entry Door Replacement	8R157	30,000	65,000	20,000	85,000
Total Requirements:			\$389,269	\$0	\$389,269

1. 8R092 – ACSH Orchestra Shell Rigging – (\$118,850) - The strategic direction of this project changed mid-planning. We wish to reduce this budget by \$54,149 and increase the following project by the same amount.
2. 8R123 – AHH/ASCH/Keller Building Re-Key & Key Control Software – (\$94,784) – the Building Re-key project encountered significant issues with broken and unusable door lock mechanisms at the Schnitzer (built in 1927) that had to be repaired and replaced to complete the project which drove the project costs 57% (\$54,149) over budget.
3. 8R094 - Keller Auditorium LED Lighting Conversion – (110,635) – The full execution of this project is being delayed until a full capital investment and funding strategy is developed for Keller.
4. 8R157 – ASCH Backstage Entry Door Replacement – (\$65,000) – The City of Portland Design review process has again issued requirements increasing the costs of this project another estimated \$20,000.

Fiscal Impact: This action will amend the FY 2016-17 Adopted Budget subtracting and adding the amounts listed above among the appropriate capital project line items.

Recommendation: Staff recommends the Metropolitan Exposition Recreation Commission adopt Resolution 17-14.