

METROPOLITAN EXPOSITION-RECREATION COMMISSION

RESOLUTION NO. 97

Approving a Supplemental Budget for FY 1990-91 for the Portland Center for the Performing Arts and the Oregon Convention Center.

The Commission finds:

1. That a Supplemental Budget for the Portland Center for the Performing Arts should be adopted by the Commission, and further submitted to the Metropolitan Service District and the City of Portland, that recognizes the additional Reimbursed Labor Revenues and the additional Wages and Benefits costs associated with Resolution No. 81, adopted by the Metropolitan Exposition-Recreation Commission on July 11, 1990, which approved an agreement with Local 28, Stagehands, Theatrical Stage Employees of the International Alliance of Theatrical Stage Employees and Moving Picture Operators of the United States and Canada, and the Commission.

Supplemental Budget is as follows:

|               |  |                  |
|---------------|--|------------------|
| RESOURCES:    | Account No. 372100 Reimbused Labor       | <u>\$270,756</u> |
| EXPENDITURES: | Account No. 511235 Temp. Part-Time Labor | \$225,630        |
|               | Account No. 512000 Benefits              | <u>45,126</u>    |
|               |  | <u>\$270,756</u> |

2. That a Supplemental Budget for the Oregon Convention Center should be adopted by the Commission, and further submitted to the Metropolitan Service District and the City of Portland, that recognizes the revenues and expenses associated with the Grand Opening;

a. That included this year's Convention Center budget was provision for Grand Opening festivities;

b. That, at the time the budgets were approved, it was too early to project what activities and events would be included in Grand Opening;

c. That the Commission did agree, during the budget process, that the Grand Opening festivities must reach all the people who may or may not realize they will benefit from the Convention Center, that the whole region needs to be targeted and it needs to be an event everyone can feel excited about;

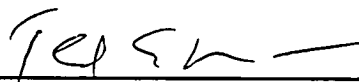
d. That the Commission also agreed that there should be attempts to get public and corporate support from the region, and to this end the Commission allocated \$209,000 in fiscal year 1990-91 budget, for a new Grand Opening investment;

e. That the net effect of this supplemental budget is an increase of \$21,970 to our Unappropriated Fund Balance as follows:

|               |  |                         |
|---------------|--|-------------------------|
| RESOURCES:    | Account No. 347100 Admissions/Ticket Sales | \$ 75,750               |
|               | Account No. 347220 Building Rental         | 474,421                 |
|               | Account No. 347311 Concessions/Catering    | 209,325                 |
|               | Account No. 347500 Merchandising           | 11,604                  |
|               | Account No. 347600 Utility Services        | 15,296                  |
|               | Account No. 347900 Misc. Revenue           | 14,500                  |
|               | Account No. 365110 Event Sponsorship       | <u>183,458</u>          |
|               | <b>TOTAL RESOURCES</b>                     | <b><u>\$984,354</u></b> |
| EXPENDITURES: | Account No. 511235 Part-Time Labor         | \$ 31,158               |
|               | Account No. 512000 Fringes                 | <u>7,790</u>            |
|               | <b>TOTAL PERSONAL SERVICES</b>             | <b>38,948</b>           |
|               | Account No. 524130 Misc. Prof. Services    | 740,113                 |
|               | Account No. 526690 Concessions/Catering    | <u>183,323</u>          |
|               | <b>INCREASE IN EXPENSES</b>                | <b>962,384</b>          |
|               | Account No. 599990 Unappropriated Balance  | <u>21,970</u>           |
|               | <b>TOTAL</b>                               | <b><u>\$984,354</u></b> |

BE IT THEREFORE RESOLVED that the Metropolitan Exposition-Recreation Commission submits to the Metro Council and the City of Portland Council the supplemental budgets for the Portland Center for the Performing Arts and the Oregon Convention Center for the fiscal year 1990-91.

Passed by the Commission on November 14, 1990.

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Secretary-Treasurer

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Metro General Counsel

M E M O R A N D U M

TO: Metropolitan Exposition-Recreation Commission

FROM: Dominic Buffetta

RE: FY 1990-91 SUPPLEMENTAL BUDGETS

BACKGROUND

A. Portland Center for the Performing Arts

On July 11, 1990, the Metro Exposition-Recreation Commission passed Resolution No. 81, which approved an agreement with Local 28 (Stagehands, Theatrical Stage Employees of the International Alliance of Theatrical Stage Employees and Moving Picture Operators of the United States and Canada [IATSE]), and the Commission.

In the past, prior to this fiscal year, some promoters (Oregon Symphony, Portland Opera) had been payrolling the stagehands labor for their shows and paying these employees directly. We were advised by our labor attorney that, even though the stagehands were paid by a show promoter, they are still considered Commission employees, as far as workers' compensation, unemployment, etc., are concerned. With this in mind, the contract was modified to clarify that MERC is considered the employer of all casual stagehand personnel at all times. This means that when clients, such as the Oregon Symphony, Oregon Ballet, Portland Opera Association, and other promoters, use stagehand personnel in our facilities, these personnel are under the direct control and responsibility of MERC, instead of individual organizations or promoters. This change is quite significant and permits MERC to exercise a degree of control over its facilities which was not available under past stagehands' labor agreements.

The effect is that in FY 1990-91, the Portland Center for the Performing Arts budget would have to be adjusted for the additional reimbursed labor revenues of \$270,756, which would be charged to the show promoters, and the additional wages and benefits for stagehands' payroll of \$270,756, which would be charged to PCPA. This increase in revenues and this like increase in labor and benefits, requires a supplemental budget change on PCPA's FY 1990-91 Budget. Supplemental budget adjustments would be as follows:

RESOURCES:

Acct. No. 372100 Reimbursed Labor \$270,756

EXPENDITURES:

Acct. No. 511235 Temp. Part-Time Labor \$225,630

Acct. No. 512000 Benefits 45,126

TOTAL \$270,756

B. Oregon Convention Center

Included in this year's Convention Center budget were provisions for the Grand Opening festivities for the Oregon Convention Center. At the time the budgets were approved, it was much too early to project what activities and events would be included in Grand Opening, or how much sponsorship, concessions/catering, etc., revenues we would generate and how much we would spend. The Commission did agree, during the budget process, that the Grand Opening festivities must reach all the people who may, or may not, realize they will benefit from the Convention Center, that the whole region needs to be targeted, and it needs to be an event everyone can feel excited about. The Commission agreed, also, that some of the funds for the Grand Opening would come from MERC, but there should also be attempts to get public and corporate support from the region. To this end, MERC allocated \$209,000 for a net Grand Opening investment in their FY 1990-91 Budget.

Schedules A-1, A-2, and A-3, attached, summarize Grand Opening revenues and expenses.

Because we budgeted a net investment (\$209,000), rather than revenues and expenses associated with Grand Opening, we will need to have a supplemental budget to properly reflect the \$984,354 generated in Resources, and the additional Expenditures of \$962,384 (\$1,171,384 less \$209,000 already in the budget), as follows. The net effect of this supplemental budget adjustment to our Unappropriated Fund Balance would be an increase of \$21,969 (Net Investment in Grand Opening per budget \$209,000; projected actual is \$187,031, net is \$21,969):

RESOURCES:

Acct. No. 347100 Admissions/Ticket Sales \$ 75,750

Acct. No. 347220 Building Rental 474,421

Acct. No. 347311 Concessions/Catering 209,325

Acct. No. 347500 Merchandising 11,604

Acct. No. 347600 Utility Services 15,296

Acct. No. 347900 Miscellaneous Revenues 14,500

Acct. No. 365110 Event Sponsorship 183,458

TOTAL \$984,354

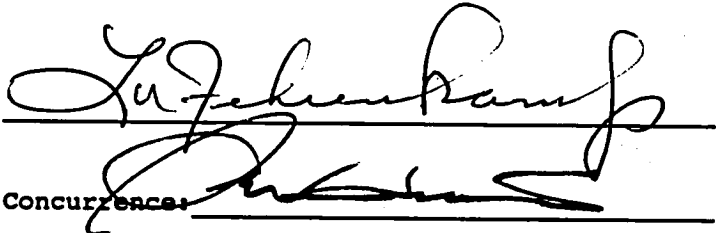
EXPENDITURES:

|                         |  |                  |
|-------------------------|--|------------------|
| Acct. No. 511235        | Part-Time (In-House Labor)<br>Security, Medical, Stagehands,<br>Admissions | \$ 31,158        |
| Acct. No. 512000        | Fringes  | <u>7,790</u>     |
| TOTAL PERSONAL SERVICES |  | 38,948           |
| Acct. No. 524130        | Misc. Professional Services  | 740,113          |
| Acct. No. 526690        | Concessions/Catering   | <u>183,323</u>   |
| SUB-TOTAL               |  | 962,384          |
| Acct. No. 599990        | Unappropriated Balance   | <u>21,970</u>    |
| TOTAL                   |  | <u>\$984,354</u> |

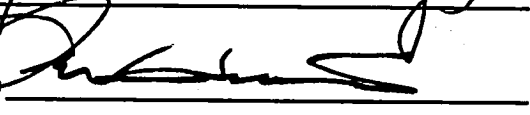
RECOMMENDATION

In order to recognize the receipts and expenditures associated with the IATSE (stagehands) labor contract and the Grand Opening, staff recommends the Commission approve Resolution No. 97, attached.

General Manager's Concurrence:



Budget Committee Commissioner Concurrence:



jlt

## Grand Opening - Summary

|   | Budget           | Projected        | Variance        |
|---|------------------|------------------|-----------------|
| <b>Revenues</b>   |                  |                  |                 |
| <b>Sponsorships:</b>  |                  |                  |                 |
| Fundraising Dinner/Founders' Luncheon<br>(U.S. West Communications)                                       | 30,000           | 30,000           | 0               |
| Artists' Event (Key Bank)   | 5,000            | 5,000            | 0               |
| Construction Workers Barbecue<br>(ZGF & Hoffman/Marmalejo)  | 12,000           | 12,000           | 0               |
| Street Dance<br>(Safeway/Coca-Cola/Bluebell)  | 25,000           | 25,000           | 0               |
| Service Industry Reception (Blitz-Weinhard)   | 5,500            | 5,500            | 0               |
| Visitor Industry Reception/Dinner<br>(Sundown Sound & Hollywood Lights)                                   | 5,000            | 5,000            | 0               |
| Fine Host Catering  | 50,000           | 50,000           | 0               |
| Beer Gardens (Coast Distrib./Miller Beer)   | 0                | 6,008            | 6,008           |
| Patron Tables/Points of Interest  | 60,000           | 44,950           | (15,050)        |
| <b>Sub Total</b>  | <b>192,500</b>   | <b>183,458</b>   | <b>(9,042)</b>  |
| <b>Other:</b>   |                  |                  |                 |
| Trade Show (Gross)  | 440,000          | 474,421          | 34,421          |
| Concessions/Catering (Gross)  | 210,900          | 209,325          | (1,575)         |
| Novelties Net   | 15,000           | 11,604           | (3,396)         |
| Ticket Sales - Industry/Gala  | 160,000          | 75,750           | (84,250)        |
| Electrical/Phone  | 15,000           | 15,296           | 296             |
| Hospitality Room (City Center Parking<br>Port of Ptld./Greyhound Expo/POVA/<br>M&M Prod./Update Mgmt/OCC) | 0                | 14,500           | 14,500          |
| <b>Sub Total</b>  | <b>840,900</b>   | <b>800,896</b>   | <b>(40,004)</b> |
| <b>Total Revenues</b>   | <b>1,033,400</b> | <b>984,354</b>   | <b>(49,046)</b> |
| <b>Less:</b>  |                  |                  |                 |
| - Grand Opening Events Expenses<br>(NW Strategies) (Schedule A-2)   | 639,059          | 563,710          | 75,349          |
| - NW Strategies Fee/Out Of Pocket   | 86,800           | 86,800           | 0               |
| - Trade Show Expenses (Schedule A-3)  | 312,138          | 334,652          | (22,514)        |
| - Concessions/Catering Expenses   | 185,900          | 183,323          | 2,577           |
| - Hospitality Room  | 0                | 2,899            | (2,899)         |
| <b>Total Expenses</b>   | <b>1,223,897</b> | <b>1,171,384</b> | <b>52,513</b>   |
| <b>Net Grand Opening Investment</b>   | <b>(190,497)</b> | <b>(187,031)</b> | <b>3,466</b>    |

|  | Budget<br>At<br>9/25/90 | Actual<br>Expenses<br>9/25/90 | Actual<br>Expenses<br>10/10/90 | Variance | Catering<br>Revenue |
|--|-------------------------|-------------------------------|--------------------------------|----------|---------------------|
| Volunteer Orientation<br>and Training            | 4,600                   | 2,950                         | 5,141                          | (2,191)  | 1,924               |
| Service Industry Reception                       | 7,500                   | 4,700                         | 3,881                          | 819      | 1,151               |
| Construction Workers Barbecue                    | 10,875                  | 14,100                        | 15,921                         | (1,821)  | 9,319               |
| Artist's Event                                   | 14,700                  | 10,375                        | 15,074                         | (4,699)  | 2,750               |
| Public Dedication/Founders Luncheon              | 9,250                   | 5,150                         | 6,328                          | (1,178)  | 2,973               |
| Media Tours                                      | 3,700                   | 3,000                         | 2,844                          | 156      | 60                  |
| Visitor Industry Reception/Dinner                | 109,970                 | 68,970                        | 75,364                         | (6,394)  | 30,297              |
| Grand Opening & Weekend                          | 50,000                  | 50,000                        | 65,408                         | (15,408) | 0                   |
| Gala Dinner                                      | 138,230                 | 92,500                        | 90,012                         | 2,488    | 32,432              |
| Street Dance/Tower Lighting                      | 115,034                 | 114,000                       | 122,805                        | (8,805)  | 1,706               |
| Neighborhood Event                               | 6,000                   | 3,500                         | 267                            | 3,233    | 267                 |
| Sister City Event                                | 1,200                   | 500                           | 860                            | (360)    | 30                  |
| Collateral                                       | 40,000                  | 45,000                        | 40,779                         | 4,221    |                     |
| Signage  | 15,000                  | 15,000                        | 10,528                         | 4,472    |                     |
| Advertising/Promotion                            | 60,000                  | 70,000                        | 66,605                         | 3,395    |                     |
| Postage  | 3,000                   | 3,000                         | 0                              | 3,000    |                     |
| Security   | 15,000                  | 12,000                        | 11,557                         | 443      |                     |
| Transportation                                   | 15,000                  | 5,000                         | 3,508                          | 1,492    |                     |
| *Contingency                                     | 20,000                  | 20,000                        | 13,823                         | 6,177    | 9,997               |
| VIP Hospitality/VIP Suite/U.S. West/Safeway Tent |                         |                               |                                |          | 3,947               |
| Catering Retail                                  |                         |                               |                                |          | 5,333               |
|  | 639,059                 | 539,745                       | 550,703                        | (10,958) | 102,186             |
| Stagehands - Street Dance/Tower Lighting         | 0                       | 0                             | 13,007                         |          |                     |
| Total  | 639,059                 | 539,745                       | 563,710                        | (10,958) | 102,186             |

\*Includes \$9,996.64 for Fine Hose for management payroll

## Trade Show

|                                    | Budget  | Projected | Variance                      |
|------------------------------------|---------|-----------|-------------------------------|
| *Rental - Exhibit Space            | 440,000 | 474,421   | 34,421                        |
| Net Revenues                       | 440,000 | 474,421   | 34,421                        |
| Staff                              | 76,500  | 76,318    | 182                           |
| Office Space                       | 7,000   | 6,974     | 26                            |
| Equipment Purchase                 | 4,500   | 3,863     | 637                           |
| Computer & Printer                 | 1,500   | 1,367     | 134                           |
| Payroll Taxes                      | 7,650   | 9,197     | (1,547)                       |
| Sales Bonus                        | 6,000   | 8,205     | (2,205)                       |
| Travel/Staff Expense               | 4,000   | 2,692     | 1,308                         |
| Printing/Copies                    | 6,500   | 13,267    | (6,767)*Reprint Grand Opening |
| Office Supplies                    | 2,000   | 2,295     | (295) Brochures               |
| Exhibitor Badges                   | 400     | 312       | 88                            |
| Decorator                          | 20,000  | 20,208    | (208)                         |
| Interior Signage                   | 2,000   | 1,449     | 551                           |
| Exhibitor Hospitality              | 1,500   | 0         | 1,500                         |
| Phone                              | 3,800   | 3,696     | 104                           |
| Postage                            | 5,000   | 4,162     | 838                           |
| Advertising/Promotion              | 12,000  | 13,371    | (1,371)                       |
| Equipment Rental                   | 0       | 1,332     | (1,332)                       |
| (1) Sub Total                      | 160,350 | 168,710   | (8,360)                       |
| Special Decor                      | 10,000  | 3,200     | 6,800                         |
| Exhibitors Breakfast               | 2,400   | 2,601     | (201)                         |
| (2) Sub Total                      | 12,400  | 5,801     | 6,599                         |
| Total (1) & (2)                    | 172,750 | 174,511   | (1,761)                       |
| OCC Payroll - Security/Medical     | 4,368   | 3,566     | 802                           |
| OCC Payroll - Admissions           | 0       | 10,818    | (10,818)                      |
| Coast To Coast (admission workers) | 0       | 1,696     | (1,696)                       |
| Audio/Visual                       | 1,500   | 0         | 1,500                         |
| Electrical                         | 12,000  | 5,800     | 6,200                         |
| Nurse                              | 720     | 0         | 720                           |
| Trash                              | 800     | 1,050     | (250)                         |
| (3) Sub Total                      | 19,388  | 22,930    | (3,542)                       |
| Total (1), (2) & (3)               | 192,138 | 197,441   | (5,303)                       |
| *Mgm't. Fee (50% over \$200,000)   | 120,000 | 137,211   | (17,211)                      |
| Total Expenses                     | 312,138 | 334,652   | (22,513)                      |
| Net                                | 127,862 | 139,769   | 11,908                        |