

METROPOLITAN EXPOSITION-RECREATION COMMISSION

RESOLUTION NO. 209

Approving the billing procedure from the Portland / Oregon Visitors Association and the release of the requested \$193,085 as reflected in their approved budget.

The Metropolitan Exposition-Recreation Commission finds:


1. That the Portland / Oregon Visitors Association (POVA) has met with the Metro E-R Commission Finance and Budget Committee to discuss the creation of the requested billing system and procedures;
2. That the billing system and procedures submitted meet the requested criteria and process of the Metro E-R Commission; and
3. That there are sufficient funds budgeted in the OCC contingency to meet the agreed additional \$193,085 for completing the marketing aspects of the OCC contract between POVA and MERC.

BE IT THEREFORE RESOLVED that the Metropolitan Exposition-Recreation Commission approves the new POVA billing system and requests Metro Council to move from the Oregon Convention Center contingency fund the requested amount of \$193,085 to fulfill the POVA marketing plan as it relates to the Oregon Convention Center.

Passed by the Commission on November 18, 1992.



Chairman



Secretary/Treasurer

Approved As To Form:

Daniel B. Cooper, General Counsel

By:



Mark B. Williams
Senior Assistant Counsel

MERC STAFF REPORT

Agenda Item / Issue: PORTLAND / OREGON VISITORS ASSOCIATION CONTRACT

Resolution No. _____

Date: November 18, 1992 **Presented By:** Jeffrey A. Blosser

Background and Analysis: During the 1992-93 budget process, POVA identified its needs through their budget and submitted these amounts for consideration. The Metropolitan Exposition-Recreation Commission passed its Oregon Convention Center budget in April, and the Metropolitan Service District Council amended the Commission budget and put a contingency figure of \$320,000 for budget amount changes agreed to by POVA and MERC. Both POVA and MERC agreed to raise POVA's budget (Resolution No. 185, passed) to \$1,276,500, an increase of \$193,085, subject to the Commission's approval of a detailed report for requested funding of services by type. POVA has submitted, through the Budget Committee, a new billing system which meets the conditions specified by the resolution and MERC. (See attached memo from Carol Lentz.)

Fiscal Impact: The amount of \$193,085, currently in the approved 1992-93 MERC Budget. No additional impact.

Discussion with Commission Liaison and/or User Group(s): The MERC Budget and Finance Committee has held several meetings and discussions with POVA staff on this issue. The result is a new billing system which details expenditure items into a reimbursement for actual costs and hours spent on OCC marketing. POVA will go back to July 1, 1992 and re-bill MERC based on this new proposed plan, if approved.

Recommendation: The requested format is acceptable to the Metro E-R Commission as provided by POVA and should accurately reflect actual costs and hours as reflected in MERC Resolution No. 185. Staff recommends the approval of this new billing system as well as the authorization that the \$193,085 held in contingency be applied to the 1992-93 contract year.

Portland Oregon Visitors Association

M A R K E T I N G T O U R I S M & C O N V E N T I O N

November 9, 1992

Ben Middleton, CPA
1815 S. W. Marlow, Suite 210
Portland, Oregon 97225

Dear Ben:

Attached please find the "Proposed 1992-93 OCC Marketing Contract Billing Process and Budget Proposal".

Taking the concepts we had discussed last week, I have tried to lay out a way of converting the existing budget and billing process to a reimbursement for actual costs and hours spent on OCC Marketing.

If this proposed plan is acceptable, we (POVA) would propose to go back to July 1, 1992 and re-bill MERC based on the proposed plan. This would mean when we ask for our third quarter advance we would include the 1st and 2nd quarter billings based upon the new method.

I want to thank you for all your time and energy in coming to what seems to be a solution to a better way of tracking costs for the MERC Marketing contract. I look forward to discussing this with you.

Sincerely,



Carol J. Lentz
Interim Executive Director

encl.

cc: Mike Smith

PROPOSED 1992-93 OCC MARKETING CONTRACT BILLING PROCESS
AND BUDGET PROPOSAL

The following is a new process of billing and tracking for the OCC Marketing Contract. The basic parameters are as follows:

HOURLY BILLING RATES:

Hourly billing rates will be established for each position as outlined in the original contract document. Those positions are:

Direct Sales:

Executive Director, Director of Sales, Sales Managers, Secretaries, Data Manager, Records & Research, Accountant, and Sales Manager (Washington DC).

Marketing:

Public Relations Manager

Convention Services:

Services Manager, Senior Account Manager, Account Manager, Housing/Stats Supervisor, and Housing Assistant

The hourly rates are established based upon the position's actual annual salary plus 30 percent fringe benefits divided by 2080 hours (40 hrs per week). An additional 25 percent was added to cover the cost of office space, telephone, office supplies, insurance, etc. In the case of sales managers and secretarial staff, we took the exact rates for each position and averaged them to come to one rate for sales managers and one rate for clerical support. The additional 25 percent will not be charged for the Washington DC Sales Manager because actual office costs are charged directly to the OCC contract.

The following are the hourly rates as discussed above:

<u>Position</u>	<u>Hourly Rate</u>
Executive Director	\$ 85.00
Director of Sales	40.50
Sales Managers	35.00
Washington DC Sales Manager	37.60
Secretaries	16.50
Records & Research	13.50
Accountant	25.00
Public Relations Manager	25.00
Convention Services Manager	31.00
Senior Account Manager	28.00
Account Manager/Housing Assistant	14.00
Housing/Stats Supervisor	22.00

BILLING PROCESS:

All hours worked by staff on OCC projects will be recorded and billed at the aforementioned rates for activities occurring under the following categories:

Sales Activities:

- National Tradeshows
- Executive Buyer Trips
- Promotional Blitz
- Site Visits
- Bid Preparation & Presentation
- Sales Trips (out-of-town)
- Telephone Solicitations
- General Correspondence
- Client Management, File Creation/Processing
- Lead Distribution, OCC Space Book & Data Research
- Sales Trips (local)
- Local Meetings/Industry Functions
- Accounting & Data Processing
- MERC Contract Administration

Advertising:

- Trade Publication Story Placement
- Advertising/Promotion Planning Activities
- General Story Placement
- OCC Media Relations

Convention Services:

- OCC Promotion Trips (out-bound)
- Pre-convention Arrangement Meetings
- Housing Services
- Registration
- Lead Services

(some of the categories listed under Sales may be used when appropriate.)

ACTUAL QUARTERLY BILLINGS:

POVA will continue to invoice MERC quarterly for reimbursement of actual expenses incurred for materials and services. In the past, personnel has been billed based upon a negotiated percentage of salary. Under this new system personnel will be billed based on actual hours worked by project or activity at the rate listed, up to a maximum of \$790,572. The \$790,572 amount is the original amount negotiated for salaries, benefits and overhead. POVA would no longer bill for a percentage of salary, fringe benefits or overhead.

The following is a breakdown of the OCC Marketing Budget by projects and activities. This is an approximation. This will be the first time of actually billing MERC in this manner. There may be variances from project to project when actual billings are made. The following total costs will not be exceeded:

PROFESSIONAL SERVICES	\$ 790,572
MATERIAL & SERVICES	<u>486,403</u>
TOTAL CONTRACT	\$ 1,276,975

1992-93 BUDGET APPROXIMATION BASED ON NEW BILLING SYSTEM

	<u>Professional Services</u>	<u>Materials & Services</u>	<u>Total</u>
SALES ACTIVITIES:			
National Tradeshows	\$ 34,134	56,756	90,890
Executive Buyer Trips	60,480	22,500	82,980
Promotional Blitz	20,700	15,000	35,700
Site Visits	18,765	10,000	28,765
Bid Preparation & Presen.	33,488	15,000	48,488
Sales Trips (Out-of-town)	15,216	15,000	30,216
Telephone Solicitation	85,135	-	85,135
General Correspondence	92,603	-	92,603
Client Mngt/File			
Creation/Processing	21,517	-	21,517
Lead Dist., OCC Book & Data Research	7,719	14,850	22,569
Sales Trips (local)	7,089	-	7,089
Local Mtgs/Industry Func.	46,131	-	46,131
Accounting & Data Proc.	27,138	-	27,138
MERC Contract Admin.	47,341	-	47,341
Washington DC Office	<u>78,236</u>	<u>52,500</u>	<u>130,736</u>
Total Sales Activities	595,692	201,606	797,298
ADVERTISING:			
Direct Mail	-	60,000	60,000
Collateral	-	19,212	19,212
Ad Production	10,975	30,000	40,975
Ad Place. - Natl. Trade	-	124,500	124,500
Ad Place. - Assoc. Dir.	-	<u>6,625</u>	<u>6,625</u>
Total Advertising	10,975	240,337	251,312
PUBLIC RELATIONS:			
OCC Media Relations	16,103	10,000	26,103
OCC General Story Placem.	<u>13,176</u>	<u>4,225</u>	<u>17,401</u>
Total Public Relations	29,279	14,225	43,504
CONVENTION SERVICES:			
OCC Promo (out-bound)	19,330	10,200	29,530
Pre-Conv. Arrang. Mtgs	50,257	7,410	57,667
Housing Services	77,307	11,125	88,432
Local Promo	<u>7,732</u>	<u>1,500</u>	<u>9,232</u>
Total Convention Ser.	<u>154,626</u>	<u>30,235</u>	<u>184,861</u>
TOTAL OCC MARKETING	\$ 790,572	486,403	1,276,975



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

DATE: June 18, 1992

TO: Metro Council
Executive Officer

FROM: Paulette Allen, Clerk of the Council *PA*

RE: METROPOLITAN EXPOSITION-RECREATION COMMISSION (MERC)
RESOLUTION NO. 185

POVA

In compliance with Section 6.01.080 of the Metro Code, I am informing you that I received a signed copy of the resolution listed below on June 17, 1992.

No. 185 Amending the Portland/Oregon Visitor's Association's budget amount in the Oregon Convention Center's FY 1992-93 Budget, subject to certain conditions

Please note my other memo dated June 17 acknowledged receipt of Resolution Nos. 183, 184, 186 and 187. This memo acknowledges receipt of Resolution No. 185 only. Also please note my previous memo incorrectly stated the ten-day timeline would expire May 26, 1992. The correct date is June 26, 1992.

Per Metro Code Section 6.01.080(b) the Executive Officer, or three Councilors acting jointly, have ten (10) days from the resolution filing date in the Council Department to file a request for Council review of these resolutions. Such requests must be received by 5:00 p.m., Monday, June 29, 1992.

Attachment: Resolution No. 185

c: Don Carlson	Casey Short	Robert Freedman
Paula Paris	Neil Saling	Pam Erickson
Rich Wiley	Dan Cooper	
	Jennifer Sims	



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METROPOLITAN EXPOSITION-RECREATION COMMISSION .'

RESOLUTION NO. 185

Amending the Portland Oregon Visitors Association's budget amount in the Oregon Convention Center's FY 1992-93 Budget, subject to certain conditions.

The Metropolitan Exposition-Commission finds:

1. That the Commission passed the FY 1992-93 Convention Center Budget on April 8, 1992.
2. That the contract with the Portland Oregon Visitors Association is an integral part of the Oregon Convention Center marketing on a national basis.
3. That there exists a contract between the Metropolitan Exposition-Recreation Commission and the Portland Oregon Visitors Association for such promotion and advertising services.
4. That the Metropolitan Service District Council amended the Commission budget and put into contingency of the MERC Convention Center Budget \$320,000 for any budget amount changes agreed to by the two contracting entities.
5. That the two entities have agreed to raise POVA's budget to \$1,276,500. The \$1,276,500 approved is subject to the Commission's approval of a detailed request for funds by type of services to be provided. POVA is to provide an amount they are to paid for each of these specific services.

BE IT THEREFORE RESOLVED that the Commission has agreed to raise Portland Oregon Visitor Association's budget to \$1,276,500, and that this amount is subject to the Commission's approval of a detailed request for funds by type of services to be provided, and the amount to be paid for each specific service.

Passed by the Commission on June 10, 1992.


Chairman


Secretary/Treasurer

APPROVED AS TO FORM:


Metro Senior Assistant Counsel

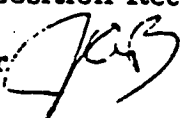


OREGON
CONVENTION
CENTER

777 N.E. Martin Luther King Jr. Blvd.
P.O. Box 12210, Portland, Oregon 97212
(503) 235-7575

June 4, 1992

MEMORANDUM

TO: Metropolitan Exposition-Recreation Commission
FROM: Jeffrey A. Blosser 
SUBJECT: Proposed POVA Budget Adjustment

The 1992-93 Metro-adopted Budget for MERC provided up to \$320,000 in contingency to allow the MERC Commission and POVA Board to work out final 1992-93 Budget amounts. MERC staff and Commissioners have met several times with POVA Board and staff to discuss this issue and to resolve the programmatic discrepancies.

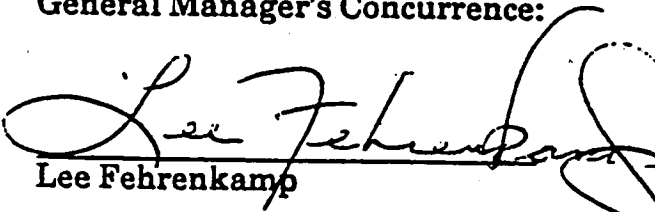
Attached is a recommended budget addition along with the pertinent areas and necessary POVA expenditures for the 1992-93 Budget. This new amount of \$183,500 maintains our current advertising package, allows for the entrance into the Chicago market (medical and professional associations) and enhances the convention services portion of POVA. Also recommended \$10,000 for research to help POVA determine target markets, user reactions and perceptions of the Portland Metro area. This combines for \$193,085 in additional funding, for a total MERC contribution of \$1,276,500.

The program and amounts have been approved by POVA and now await MERC resolution.

Recommendation: Staff recommends that the additional funds (\$193,085) as outlined on the attached be approved by the Commission for the 1992-93 fiscal year.

JAB/II
Attachment

General Manager's Concurrence:


Lee Fehrenkamp

FY 1992-93 TOTAL BUDGET REPLACEMENTS

<u>CONVENTION SALES</u>	<u>POVA</u>	<u>MERC</u>
A. <u>Materials & Services</u>		
• Reduced Trade Show Booth Enhancement		2,500
• Eliminated Chicago Sales Blitz (new market area)	5,000	15,000
• Eliminated April '93 Executive Buyers Trip (need to keep)	2,500	7,500
	<u>7,500</u>	<u>25,000</u>
 B. <u>Washington, D.C. Sales Office</u>		
• Reduced Travel, Entertainment & Promo Budget		3,000
		<u>3,000</u>
 C. <u>Marketing (Advertising & Promotion)</u>		
• Reduced Collateral Budget		13,000
• Reduced Ad Production Budget		10,000
• Eliminated Ad Placement in ASAE Association Management		36,000
• Reduced Ad Placement in GWSAE Executive Update		14,000
• Reduced Ad Placement in CSAE Forum		13,500
• Eliminated Ad Placement in Black Convention		14,000
• Reduced Ad Placement in PCMA Convene		9,500
• Eliminated Ad Placement in GWSAE Membership Directory		6,000
• Market Research		10,000
		<u>126,000</u>
 <u>Convention Services</u>		
• Eliminated Senior Account Manager Position	11,800	35,400
• Reduced Pre-Convention Arrangement Meeting's Budget	2,240	4,160
	<u>14,040</u>	<u>39,560</u>
	<u>21,500</u>	<u>193,560</u> <small>085</small>
 <u>Overhead</u>		
• Previous Year's Budget (1991-92)		<u>1,083,000</u> <small>415</small>
TOTAL		<u>\$1,276,500</u>