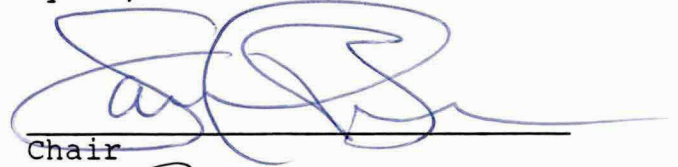


METROPOLITAN EXPOSITION-RECREATION COMMISSION

RESOLUTION NO. 215

BE IT RESOLVED that the Metropolitan Exposition-Recreation Commission submit to the Metro Council the attached supplemental budgets for the Oregon Convention Center, Portland Memorial Coliseum and the Performing Arts Construction Fund for the fiscal year beginning July 1, 1992, and ending June 30, 1993.

Passed by the Commission on February 10, 1993.



Chair



Secretary/Treasurer

APPROVED AS TO FORM:
Daniel B. Cooper, General Counsel

BY: 
Mark B. Williams
Senior Assistant Counsel

MERC STAFF REPORT

Agenda Item/Issue: Supplemental Budget Approval

Resolution No. 215

Date: January 13, 1993 Presented by: Jeffery A. Blosser

Background and Analysis: Last fiscal year MERC did not submit a supplemental budget to Metro Council relating to additional unbudgeted revenues and the over spending of expenses related to the increased revenues. MERC Commission Finance/Budget Committee and Staff explained to the METRO Finance Committee that much of the business came near the end of the fiscal year both at OCC and the Coliseum and related to Food and Beverage. This type of revenue is difficult to estimate at sporting events and conventions since both events had never been held at the OCC or the Coliseum. The deadline for submission to the METRO Council was missed because of timing and the recognition of such revenue and expenses was not know until approximately April.

Fiscal Impact: None

Discussion with Commission and METRO Finance Committee: Finance Budget committee of MERC and Staff discussed the issues with METRO Finance Committee as to a solution to this problem area. MERC staff advised the METRO Finance Committee that a thorough review of the first six months of this fiscal would be performed and projections of actual expenses and revenues would be determined. MERC would then submit its supplemented budget request to METRO in February for their approval.

Recommendation: Based on FY 1991-92 actuals and the first six months of business results for this fiscal year, staff has determined that events attendance will be better than originally projected for the Oregon Convention Center and the Memorial Coliseum. PCPA and Civic Stadium are coming in close to projected revenue and expense estimates and will not need supplemental budgets. Staff recommends the attached Supplemental Budgets for the Oregon Convention Center, the Memorial Coliseum and the Performing Arts Construction Fund be approved by the Commission and forwarded to METRO.

O R E G O N C O N V E N T I O N C E N T E R

FY 1992-93 Supplemental Budget

Adopted FY 1992-93 Budget

The Adopted FY 1992-93 Budget was based on actual results from FY 1990-91 and a few months of actual numbers in FY 1991-92. FY 1990-91, also, was the first year of operations and included almost \$1.0 million in revenues and expenses for the Grand Opening of the convention center so we really did not have very much historical information when we developed our FY 1992-93 Budget.

Supplemental (Revised) FY 1992-93 Budget

The Oregon Convention Center FY 1992-93 Revised Supplemental Budget is based on Actual FY 1991-92, the first six months of actual results for this fiscal year, and the fact that bookings, event days and attendance are doing much better than originally projected. The net result is a projected increase in Revenues/Resources of \$1,810,898 with an increase of \$785,012 in Requirements, resulting in a net change in cash position of a positive \$1,025,886 (See Schedule A attached).

The following changes are proposed for the Oregon Convention Center's Revised FY 1992-93 Budget:

A. Revenues/Resources (Schedule A):

1. Operating Revenues have been increased by \$1,481,498, due to the reasons mentioned above, with the biggest swing being in Concessions/Catering (up \$1,150,000) Parking (up \$41,110), and in Electrical/Utilities (up \$211,500).
2. Other Resources will increase by \$329,400, \$260,000 in Hotel/Motel Taxes and \$69,400 in Interest Income. The projected revenue from the Hotel/Motel Tax was based on prior year and the first two payments in this fiscal year. The increase in interest income was based on what the actual beginning fund balance was originally budgeted at, \$4,005,889, and what the actual carryover really is, \$6,469,663.

B. Requirements (Schedule A-1 and A-2):

1. Personal Services increases by \$64,958 in the Supplemental Budget, \$42,914 in Full-Time Labor, \$5,797 in OT and \$16,247 in Fringes. These increased are directly related to the 4% COLA wage adjustment given to non-represented employees that was not included in the Adopted FY 1992-93 Budget.
2. Materials & Services increases a net of \$720,054, again, due to the increase in business, in the following areas:
 - a. Electricity - increases by \$20,000
 - b. Natural Gas - decreases by \$12,000 (the \$50,000 included

- in the adopted budget is too high)
- c. R&M Services - Bldg. - decreases by \$20,000 (the \$78,000 in the adopted budget is too high)
 - d. R&M Services - Eqpt. - increases by \$99,445 (original budgeted amount of \$50,555 was way under budget, actual for last year came in at \$132,080)
 - e. Land/Building Rental - add to budget \$41,200, this is for area being rented by OCC under the I-5 freeway ramp, from ODOT, for parking and truck marshalling area.
 - f. Concessions/Catering - increases by \$593,650 (however, revenues from food/beverage increases by \$1,150,000.

C. Summary:

The net change in cash position, due to this supplemental budget, is a positive swing of \$1,025,886. The adopted budget projected a negative change in cash position of \$700,133 vs. a positive change in cash position of \$325,753 in the supplemental budget request.

Metropolitan Exposition-Recreation Commission
Oregon Convention Center
Supplemental Budget - FY 1992-93

	FY 1992-93			
	Actual FY 1991-92	Adopted Budget	Revision	Proposed Budget
Operating Revenues:				
- Rental	942,644	1,134,150	0	1,134,150
- Reimbursements	191,811	181,112	28,888	210,000
- Concessions/Catering	3,334,376	2,500,000	1,150,000	3,650,000
- Merchandising	7,335	5,000	10,000	15,000
- Parking	497,041	483,890	41,110	525,000
- User's Fee	0	0	0	0
- Sales Commissions	27,232	25,000	5,000	30,000
- Electrical/Utilities	612,096	433,500	211,500	645,000
- Other	99,173	0	35,000	35,000
Operating Revenues	5,711,708	4,762,652	1,481,498	6,244,150
Other Resources				
- Hotel/Motel Revenue	3,555,380	3,300,000	260,000	3,560,000
- Tfr. from OCC Construction	302,585	0	0	0
- Interest On Investment	242,436	220,000	69,400	289,400
Total Resources	4,100,401	3,520,000	329,400	3,849,400
Total Revenue/Resources	9,812,109	8,282,652	1,810,898	10,093,550
Requirements:				
Personal Services	2,150,119	2,804,849	(64,958)	2,869,807
Materials & Services	1,218,472	1,316,553	(140,564)	1,457,117
Concessions/Catering	2,277,256	1,961,350	(593,650)	2,555,000
Parking	29,051	49,160	14,160	35,000
Marketing Contract	1,083,415	1,276,500	0	1,276,500
Capital Spending	120,238	303,487	0	303,487
Metro Support Svcs./Ins.	462,767	548,662	0	548,662
MERC Administration	229,665	245,309	0	245,309
Contingency	0	476,915	0	476,915
Total Requirements	7,570,983	8,982,785	(785,012)	9,767,797
Net Cash Flow	2,241,126	(700,133)	1,025,886	325,753
Beginning Fund Balance	4,228,537	4,005,889	2,463,774	6,469,663
**Ending Fund Balance	6,469,663	3,305,756	3,489,660	6,795,416
**Unappropriated (Unrestricted)		2,905,756	3,489,660	6,395,416
Unappropriated (Restricted)				
- Future Capital Projects		400,000	0	400,000
		3,305,756	3,489,660	6,795,416

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Convention Center - Budget Expenditures

SCHEDULE A-1

	Actual FY 91-92	FY 1992-93		
		Adopted	Revision	Proposed
Full-Time	1,319,592	1,707,762	(42,914)	1,750,676
Part-Time	273,962	346,356	0	346,356
Overtime	53,018	49,203	(5,797)	55,000
Fringes	503,538	701,528	(16,247)	717,775
Total Personal Services:	2,150,110	2,804,849	(64,958)	2,869,807
Office Supplies	27,823	29,800	0	29,800
Operating Supplies	114,698	121,300	0	121,300
Small Tools	2,140	7,940	2,000	5,940
Fuels	0	3,500	0	3,500
Subscriptions	757	450	(500)	950
Dues	4,120	6,910	1,410	5,500
Gift Shop	1,723	0	0	0
Legal Services/Auditing	4,644	3,000	(2,000)	5,000
Advertising/Promotions	95,238	97,902	0	97,902
Misc Professional Services	364	7,500	7,000	500
Misc Services (Mktg Contract)	1,083,415	1,276,500	0	1,276,500
Misc Services (VIC)	0	5,000	0	5,000
Misc Services (MAC)	20,000	20,000	0	20,000
Misc Services	0	50,000	0	50,000
Electricity	375,279	375,000	(20,000)	395,000
Water & Sewer	42,830	47,500	0	47,500
Natural Gas	24,059	50,000	12,000	38,000
Garbage	21,790	25,000	0	25,000
R & M Services - Bldg	46,306	78,000	20,000	58,000
R & M Services - Equip	132,080	50,555	(99,445)	150,000
Equipment Rental	17,310	11,600	(9,000)	20,600
Building Rental	35,531	0	(41,200)	41,200
Advertising	310	0	0	0
Printing Services	59,138	74,400	0	74,400
Typesetting & Reprographics	4,119	10,200	0	10,200
Telephone	101,856	120,000	0	120,000
Postage	5,149	14,006	3,506	10,500
Delivery	479	0	0	0
Out-of Town Travel	19,325	41,590	12,965	28,625
Concessions/Catering Contract	2,277,256	1,961,350	(593,650)	2,555,000
Parking Contract	29,051	49,160	14,160	35,000
Purchased Labor	6,523	5,750	(1,750)	7,500
Training, Tuition, Conference	12,895	10,000	(5,000)	15,000
Uniforms & Cleaning	6,847	11,700	0	11,700
Pmts to other Agencies	3,100	0	0	0
Meetings	2,643	2,000	(2,000)	4,000
Miscellaneous	24,378	7,050	(25,950)	33,000
External Promotion	3,051	22,400	7,400	15,000
Bad Debt	1,976	0	0	0
Capital Lse Pmts/Office Equip	0	6,500	0	6,500
Total Materials & Services	4,608,203	4,603,563	(720,054)	5,323,617
Sub-Total Personal / M & S	6,758,313	7,408,412	(785,012)	8,193,424

	Actual FY 91-92	FY 1992-93		
		Adopted	Revision	Proposed
Capital Outlay	120,238	303,487	0	303,487
MERC Pool Distribution	229,665	245,309	0	245,309
METRO Supt. Svcs./Insur.	462,767	548,662	0	548,662
Contingency	0	476,915	0	476,915
Total Expenditures	7,570,983	8,982,785	(785,012)	9,767,797

M E M O R I A L C O L I S E U M C O M P L E X

FY 1992-93 Supplemental Budget

Adopted FY 1992-93 Budget

At the time the Memorial Coliseum FY 1992-93 Budget was developed it was assumed that construction on the new arena, entertainment, retail and commercial complex, on the Coliseum property, would start in July, 1992. This year's budget assumed a construction schedule as follows:

A. Exhibit Space:

1. The Convention Hall was scheduled for demolition in August, 1992.
2. The Assembly Hall was scheduled for demolition the following fiscal year, in August, 1993.
3. Exhibit Hall:
 - South half of the Exhibit Hall roof was scheduled to be reinforced in September and October, 1992.
 - North half of the Exhibit Hall roof was scheduled to be reinforced in November and December, 1992.

B. Parking:

1. We would have our full complement, about 2,000 spaces, available for only one month next year, July, 1992.
2. For the rest of Fiscal Year 1992-93, August 1, 1992 through June 30, 1993, we would have only the north parking lots available, which is 932 spaces.

C. Attendance:

- Assumed a drop in attendance of 20% for all events, except Trail Blazer games.

Supplemental (Revised) FY 1992-93 Budget

The revised budget figures for the Coliseum for FY 1992-93 reflects delays in the ground breaking of the new arena complex. The original schedule, as stated above, was the beginning of the fiscal year, and it now appears to be rescheduled for May, 1993.

The following changes are proposed for the Memorial Coliseum's Revised FY 1992-93 Budget due to the delay in the construction schedule of the new arena:

A. Revenues/Resources (Schedule B):

1. Operating Revenues have been increased by \$2,750,000.
 - The revised budget reflects the construction delay and also, increases in rental rates, a parking rate increase, concession price increases and a similar event calendar as in prior years.

2. Other Resources, the \$875,000 Loan From Blazers, has been eliminated.
 - Due to the construction delay, the Coliseum's will show a positive cash flow for the fiscal year and will not need to borrow any money from the Trail Blazer's, as provided in the "Operating Agreement", in order to balance the Coliseum budget.

B. Requirements (Schedule B-1):

1. Personal Services increases by \$330,125 in the following areas:
 - a. Full-Time Labor increases by \$12,634 due mainly to the 4% salary adjustment to non-represented employees that was not included in the adopted budget..
 - b. Part-Time Labor increases by \$22,610, again, due to the 4% salary adjustment to non-represented employees.
 - c. Included in the revised budget is \$263,144 for the potential payout of vacation and personal leave and unemployment benefit liabilities due to the Coliseum's transfer to the Oregon Arena Corporation on July 1, 1993, under line item "Exposure Related To Transition to OAC".
 - d. Fringes increases by \$31,737 due to the above increases in labor.
2. Materials & Services increases by \$1,352,459, again, due basically to the delay in construction, in the following areas:
 - a. Travel - decreases by \$10,000 for related travel assigned to the former general manager.
 - b. Concessions/Catering - increases by \$1,147,871 (however, food/beverage revenue increases by \$1,625,000)
 - c. Parking - increases by \$184,119 (however, parking revenue increases by \$650,000)
 - d. Advertising/Promotions - decreases by \$60,000 (this amount was allocated to informing the public, and patrons, of construction day-to-day changes; working with the OAC, the contractors; and the City to coordinate construction schedule with arena event schedule, etc.)
 - e. Purchased Labor - increases by \$61,394
 - f. Other - Utilities, etc. increases by \$29,075

C. Summary:

The net change in cash position, due to the delay in construction, is a positive \$232,416, plus eliminating the need for the loan from the Trail Blazers:

1. Net Cash Flow, per attached Schedule B	\$ 232,416
2. Loan From Trail Blazers (not needed)	875,000

3. Positive Variance	\$ 1,107,416
	=====

	FY 1992-93			
	Actual FY 1991-92	Adopted Budget	Revision	Proposed Budget
Operating Revenues:				
- Rental	1,250,205	900,000	200,000	1,100,000
- Reimbursements	836,591	600,000	100,000	700,000
- Concessions/Catering	6,410,607	4,575,000	1,625,000	6,200,000
- Merchandising	377,302	425,000	(75,000)	350,000
- Parking	1,489,610	700,000	650,000	1,350,000
- User's Fee	1,436,195	1,200,000	100,000	1,300,000
- Sales Commissions	135,581	90,000	60,000	150,000
- Electrical Contract	30,924	30,000	10,000	40,000
- Other	138,695	70,000	80,000	150,000
Operating Revenues	12,105,710	8,590,000	2,750,000	11,340,000
Other Resources				
- Per Blazer Contract	0	875,000	(875,000)	0
- Interest On Investment	248,263	85,000	40,000	125,000
Total Resources	248,263	960,000	(835,000)	125,000
Total Revenue/Resources	12,353,973	9,550,000	1,915,000	11,465,000
Requirements:				
Personal Services	3,465,946	3,021,191	(330,125)	3,351,316
Materials & Services	1,732,524	1,683,499	(20,469)	1,703,968
Concessions/Catering	4,676,186	3,506,000	(1,147,871)	4,653,871
Parking	413,157	190,316	(184,119)	374,435
Capital Spending	186,499	60,700	0	60,700
Metro Support Svcs./Ins.	396,312	446,765	0	446,765
MERC Administration	260,189	283,648	0	283,648
Contingency	0	357,881	0	357,881
Total Requirements	11,130,813	9,550,000	(1,682,584)	11,232,584
Net Cash Flow	1,223,160	0	232,416	232,416
Beginning Fund Balance	0	0	0	0
Ending Fund Balance	0	0	232,416	232,416

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Memorial Coliseum
1992-93 Supplemental Budget

SCHEDULE B-1

	FY 91-92 Actual	FY 1992-93		
		Adopted	Revision	Proposed
Full-Time (Salaries)				
Full-Time (Wages)				
Sub Total	1,393,222	1,189,483	(12,634)	1,202,117
Part-Time	1,349,459	1,105,770	(22,610)	1,128,380
Overtime	31,824	24,575	0	24,575
Exposure Re OAC Transition	0	0	(263,144)	263,144
Fringes	691,441	701,363	(31,737)	733,100
Total Personal Services	3,465,946	3,021,191	(330,125)	3,351,316
Office Supplies	53,408	25,000	(10,000)	35,000
Operating Supplies	117,834	116,425	(3,575)	120,000
Small Tools	4,070	7,090	0	7,090
Subscriptions	2,920	2,602	0	2,602
Dues	6,295	4,185	0	4,185
Audit Services	4,644	0	0	0
Legal Services	325	25,000	0	25,000
Advertising/Promotions	65,135	190,525	60,000	130,525
Misc Professional Services	67,980	23,762	0	23,762
Electricity	235,317	248,000	(4,000)	252,000
Water & Sewer	106,850	115,000	0	115,000
Heating Oil	5,441	0	0	0
Natural Gas	56,677	63,000	0	63,000
Garbage	39,733	45,000	0	45,000
M & R Services - Bldg	75,372	97,050	0	97,050
M & R Services - Equip	97,812	37,880	0	37,880
Equipment Rental	52,465	39,400	0	39,400
Printing Services	38,029	27,300	0	27,300
Typesetting & Reprographics	18	6,000	0	6,000
Telephone	54,135	45,500	(9,500)	55,000
Postage	29,968	35,000	(2,000)	37,000
Out-Of-Travel	24,485	25,000	10,000	15,000
Local Travel	0	1,500	0	1,500
Concessions/Catering	4,676,168	3,506,000	(1,147,871)	4,653,871
Parking	413,157	190,316	(184,119)	374,435
Purchased Labor	473,296	428,606	(61,394)	490,000
Training, Tuition, Conference	25,304	18,900	0	18,900
Uniforms & Cleaning	49,700	41,750	0	41,750
Pmts to Other Agencies	2,931	2,500	0	2,500
Miscellaneous	33,234	10,774	0	10,774
External Promotion	9,156	750	0	750
Total Materials & Services	6,821,859	5,379,815	(1,352,459)	6,732,274
Sub-Total Personal / M & S	10,287,805	8,401,006	(1,682,584)	10,083,590
Capital	186,499	60,700	0	60,700
Metro Support Svcs./Ins.	260,189	283,648	0	283,648
MERC Administration	396,320	446,765	0	446,765
Contingency	0	357,881	0	357,881
Total Requirements	11,130,813	9,550,000	(1,682,584)	11,232,584

P E R F O R M I N G A R T S C E N T E R

C O N S T R U C T I O N F U N D

FY 1992-93 Supplemental Budget Request

Background

FY 1991-92 was the last fiscal year that the Metro ERC did a budget on the Performing Arts Center Construction Fund. At the end of that fiscal year the fund balance in this account was budgeted at zero; however, the actual balance in the construction fund at June 30, 1992 was \$17,784.86. Following is a summary of the activity in this fund for FY 1991-92:

Beginning Fund Balance, 7/1/91	\$ 54,215
Interest Income	3,152

Total Revenues/Resources	\$ 57,367
Less: Capital Spending	39,582

Ending Fund Balance, 6/30/92	\$ 17,785
	=====

In FY 1991-92 we ordered \$8,004 worth of chairs that were due to arrive last fiscal year, but were delayed and were received in FY 1992-93. Since we did not prepared a budget for this fund for this fiscal year, the chairs were charged against PCPA's operating fund, capital outlay, in this fiscal year. Also, we have \$10,000 in ADA construction that we thought we would be able to do in last fiscal year, that instead will be done in this fiscal year.

In accord with City ordinance, this fund, created largely by private donations, is dedicated to the improvement of the new theater building, which houses the Winningstad and Intermediate theaters. And, as stated in the Consolidation Agreement, Page 12, Item G., the beginning balance of the Performing Arts Center Construction Fund shall be deposited into a separate account maintained by Metro ERC and shall be used for capital appropriations to complete PCPA construction in a manner consistent with the original architecture and aesthetics of the PCPA and with the pledges giving rise to the Fund.

Supplemental Budget

In order to recognize the \$17,784.86 Beginning Fund Balance in the Arts Construction Fund, and the reclassifying of the money spent against the PCPA operating fund to the Arts Construction Fund, and to complete the ADA construction that was scheduled for FY 1991-92, the Commission needs to do a Supplemental Budget for FY 1992-93, as follows:

Beginning Fund Balance, 7/1/92	\$ 17,785
Interest Income	1,215

Total Revenues/Resources	19,000
Less: Capital Outlay	19,000

Ending Fund Balance, 6/30/93	\$ 0
	=====