

METROPOLITAN EXPOSITION-RECREATION COMMISSION

RESOLUTION NO. 172

Approving the establishment of a Future Capital Fund Policy commencing with Fiscal Year 1992-93.

The Metropolitan Exposition-Recreation Commission finds:


1. That the Oregon Convention Center will have major capital improvements in the future;
2. That this policy will establish funding for long-range planning of projects that will be necessary to maintain the first-class quality and condition of the Oregon Convention Center;
3. That appropriation for this Capital Fund will be annual and recommended by the Metropolitan Exposition-Recreation Commission through the budget process;
4. That all procedures will be followed in the spending process on future projects as outlined in the attached policy statement.

BE IT THEREFORE RESOLVED that the Metropolitan Exposition-Recreation Commission approves the attached Future Capital Fund Policy for the Oregon Convention Center.

Passed by the Commission on May 13, 1992.



Chairman



Secretary-Treasurer

APPROVED AS TO FORM:



Metro General Counsel




OREGON
CONVENTION
CENTER

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

Agenda Item

May 7, 1992

MEMORANDUM

TO: Metropolitan Exposition-Recreation Commission
FROM: Jeffrey A. Blosser 
SUBJECT: OCC Future Capital Fund Policy

At the last MERC Meeting, there was some confusion as to how the funding for the OCC Future Capital Fund would be allocated and the sources of this *new* dedicated fund. Commissioner Carlsen moved that this amendment be made to the policy: "That any funds allocated as a result of the adoption of this policy statement come from the unappropriated restricted fund which presently exists from the proceeds of the sale of the bonds."

The resolution voted on by the Commission is confusing because the policy speaks about OCC's unappropriated balance (the beginning and ending fund balances for each budget year) as the source of funds, and the amendment addresses construction funds as the source. MERC can, from year to year, appropriate through its operation funds from the unappropriated balance in the course of establishing a fiscal year budget. Construction funds are already dedicated for use only at the Convention Center and are not under the control of MERC. Therefore, MERC cannot appropriate the use of these funds for any MERC-related issues. Metro is in control of *all* OCC construction funds.

Our attorney agrees that with these two factors in mind, the motion to amend the policy statement is ineffective because it purports the movement of monies from an account which MERC has no authority to control, and the policy statement refers to OCC unappropriated balance of operating funds.

Recommendation

Staff recommends approval of the original policy statement through the attached resolution. This policy statement does not affect any such policies to be established at any other facility.

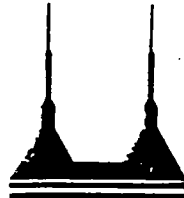
JAB/II

General Manager's Approval:


Lee Fehrenkamp

Metropolitan Exposition - Recreation Commission

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May 12, 1992

MEMORANDUM

TO: Metropolitan Exposition-Recreation Commission
Lee Fehrenkamp

FROM: Jeffrey A. Blosser *JAB*

SUBJECT: Projected Capital Projects for OCC

Listed below are capital projects developed by staff and also listed in the 1989 Consolidation financial work prepared by Public Financial Management, Inc. The study identified capital improvements for the Years 1991-2010.

▶ Carpet replacement (Scheduled replacement in Years 1996, 2002 and 2008.)	\$ 2,250,000
▶ FF&E items not secured in the construction project (1993 and 1994)	500,000
▶ Raised seating (movable, tiered seats)	1,000,000
▶ Property acquisition	250,000-300,000
▶ Storage facility	250,000
▶ Large, movable equipment replacement (tables, chairs, forklifts, trucks, etc.) (Years 1997, 1998, 1999 and in 2004, 2005, 2006)	900,000
▶ Additional elevator	300,000
▶ Chiller overhaul for DEQ reasons by 1995	180,000-200,000

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Projected Capital Projects for OCC
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▶ Years 2003 - 2008	1,900,000
• replace facia	
• add / replace tiered seating	
• painting	
• escalator / elevator replacement	
• parking lot and drive rehab	
• electrical, mechanical, plumbing	
Total funds needed for all projects through Year 2010	<u>\$ 7,600,000</u>

These are known projects and projected replacement years for certain items to keep the facility in first-class condition from the viewpoint of actual operation and maintenance. These costs do not cover any emergencies, DEQ or ADA-related issues, or any other situations which may occur from time to time in the future. It also relies upon a \$300,000 to \$350,000 per year contingency as well as a capital budget of between \$250,000 to \$350,000 per year for normal capital items and projects.

JAB/II

MERC POLICY STATEMENT

POLICY TITLE: Unappropriated (Restricted) Future Capital Fund

PURPOSE: To establish a fund for major capital improvements and/or projects for the Oregon Convention Center.

DEFINITIONS:

Unappropriated Balance: Funds are not available for use in that fiscal year. Must be appropriated in future fiscal years.

Contingency: Funds available for the fiscal year in which the contingency is budgeted. These funds can be used for all line item expenditures with the appropriate approval process.

POLICY STATEMENT: MERC hereby establishes the Unappropriated (Restricted) Capital Fund for the long-range planning of projects that will maintain the Oregon Convention Center in a first class condition as well as keep the facility highly competitive in order to maximize the marketing effort in the convention/trade show industry.

PROCEDURES:

- 1) The Future Capital Fund is to be used at the Oregon Convention Center only for the purposes of new construction (excluding expansion of the facility), renovation, major equipment retrofit, planning/consulting projects, DEQ and/or ADA future requirements and major purchases of facility fixtures, furniture and equipment.
- 2) The threshold dollar amount for these Future Capital Fund projects shall be for items costing or anticipating to cost more than \$200,000.
- 3) The approval process for allocation and spending of Future Capital Fund dollars shall be by Metropolitan Exposition-Recreation Commission in accordance with Metro-approved code and accounting policies and procedures.
- 4) The funds for appropriate projects will be provided in form during the budgeting process. Emergency-type items shall be addressed as provided in policy item number 3. Monies for the Future Capital Fund shall be allocated on an annual basis with a goal amount to be between \$350,000 to \$500,000. These funds shall remain in this special account and do not roll over into the Unappropriated Balance if not used. All interest generated by the Future Capital Fund shall be kept in the Fund.

MERC POLICY STATEMENT

Unappropriated (Restricted) Future Capital Fund

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- 5) The Capital Future Fund shall be established in Fiscal Year 1992-93 with a \$400,000 appropriation to be subtracted from the current Unappropriated Balance after all annual expenses have been properly deducted. The remaining funds in the unappropriated balance shall then represent the beginning balance for the next fiscal year and this procedure shall continue for each successive year with the amount of the annual deduction to be determined by MERC.