

METROPOLITAN EXPOSITION-RECREATION COMMISSION

Resolution No. 96-13

Authorizing a Supplemental Budget Amendment to the FY 1995-96 Adopted Budget for the PCPA (Spectator Facilities Fund).

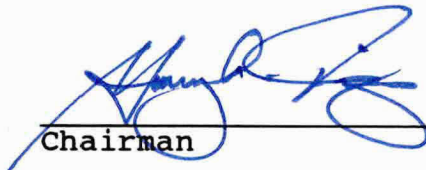
The Metropolitan Exposition-Recreation Commission finds that the following budget amendment is necessary:


	<u>Adopted Budget</u>	<u>Amendment</u>	<u>Revised Budget</u>
Total Resources	\$5,529,321	\$885,000	\$6,414,321
Personal Services	\$3,659,224	\$415,000	\$4,074,224
Mat'ls & Services	\$1,323,123	\$370,000	\$1,693,123

BE IT THEREFORE RESOLVED:

That the Metropolitan Exposition-Recreation Commission approves the above Supplemental Budget Amendment and submits it to the Metro Council.

Passed by the Commission on February 14, 1996.


Chairman


Secretary-Treasurer

Approved as to Form:
Daniel B. Cooper, General Counsel

By: 
Mark B. Williams
Senior Assistant Counsel

STAFF REPORT

Agenda/Item Issue: Approval of a supplemental budget amendment to the FY 95-96 budget for the PCPA.

Resolution No. 96-13

Date: February 14, 1996

Presented by: Heather Teed

BACKGROUND AND ANALYSIS:

As has been previously discussed with the Commission, the PCPA has experienced an increase in business during this fiscal year. This has translated into increased revenues as well as associated expenditures. In addition, this is the first year of the contract with Fine Host for Concession operations at the PCPA. The previous contract provided net revenues to PCPA, while the new contract provides for PCPA to receive gross revenues and pay the associated expenditures.

Based on a review of financial results to date for the first half of the fiscal year, along with projections for the remaining months, we have determined that a budget amendment is necessary.

Regarding the increased business, we project the following increases in revenues: Rent \$40,000; Reimbursements \$300,000; Concessions/Catering \$300,000; User Fees \$140,000; Box Office Admin. Fee \$60,000; and interest \$45,000. The increased interest revenue is a result of more ticketed events and the holding of those ticket sales monies. Associated with this increase in business, is an increase in Personal Services, for part-time staffing, of \$415,000 and Materials & Services, for costs such as contracted custodial services and various supplies, of \$90,000.

In regards to Concessions, we project that Concession/Catering revenues will increase \$300,000 over budget, and associated expenditures, budgeted in Materials & Services, will increase \$280,000. This increase in the Concessions line items is a result of two factors: 1) higher gross revenues than were projected based on past experience, as evidenced by higher per caps; and 2) a higher percentage of expenditures to revenues experienced than was budgeted.

Because there is not sufficient budget appropriation remaining in Contingency, it is necessary for us to recognize these additional revenues in order to appropriate the associated expenditures. A Supplemental Budget Amendment is required to do this. A Supplemental Budget Amendment requires not only the Metro Council's review and approval, but also the TSCC.

FISCAL IMPACT:

This Supplemental Budget Amendment recognizes total additional revenues of \$885,000 and additional expenditures of \$785,000, for a positive net cash flow of \$100,000. This positive net cash flow, combined with the budgeted net cash flow, results in a revised budgeted net cash flow of \$(151,365). This means that PCPA will use less of its Fund Balance than was originally anticipated.

Consistent with its general practice, PCPA will make expenditures only where necessary and warranted. If budgeted expenditures are not fully utilized, and revenues are greater than estimated, there is an opportunity to further improve net results for the year and to reduce the impact on Fund Balance.

RECOMMENDATION:

Staff recommends that the Commission approve the 1995-96 Supplemental Budget Amendment for PCPA and forward them to the Metro Council for their consideration and approval.

PCPA -- FY 1995-96 Proposed Supplemental Adjustments

02/08/96	Adopted Budget FY 95-96	Proposed Changes	Suppl- mental	Amended Budget FY 95-96	Projected Total fy 95-96
Operating Revenues:					
Rental	760,000	0	40,000	800,000	799,554
Reimbursements	1,944,321	0	300,000	2,244,321	2,242,585
Concessions/Catering	620,000	0	300,000	920,000	914,760
Merchandising	75,000	0	0	75,000	78,210
Parking	0	0	0	0	0
User's Fee	950,000	0	140,000	1,090,000	1,086,821
Sales Commissions	150,000	0	0	150,000	140,716
Electrical/Utilities	0	0	0	0	0
Admin Fee (Box Office)	0	0	60,000	60,000	108,760
Advertising Fees	0	0	0	0	1,000
Other	110,000	0	0	110,000	89,372
Total Operating Revenues	4,609,321	0	840,000	5,449,321	5,461,778
Other Resources:					
Hotel/Motel Tax	600,000	0	0	600,000	600,000
Government Assistance	250,000	0	0	250,000	250,000
Interest on Investments	70,000	0	45,000	115,000	123,890
Total Other Resources	920,000	0	45,000	965,000	973,890
Total Revenue/Resources	5,529,321	0	885,000	6,414,321	6,435,668
Requirements:					
Personal Services	3,659,224	45,000	415,000	4,119,224	4,070,662
Materials & Services	816,123	12,000	90,000	918,123	897,762
Concessions/Catering	495,000	0	280,000	775,000	765,083
Parking	0	0	0	0	0
Marketing Contract	0	0	0	0	0
Capital Spending	150,000	73,500	0	223,500	223,405
Metro Support Svcs/Ins.	351,748	0	0	351,748	351,748
MERC Administration	168,591	0	0	168,591	168,591
Contingency	140,000	(130,500)	0	9,500	0
Total Requirements	5,780,686	0	785,000	6,565,686	6,477,251
Net Cash Flow	(251,365)	0	100,000	(151,365)	(41,583)