

METROPOLITAN EXPOSITION-RECREATION COMMISSION
Resolution No. 97-09

Authorizing a budget amendment to the FY 1996-97 Adopted Budget for the Spectator Facilities - PCPA Fund related to an anticipated over-expenditure of Materials and Services expenditures.

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

	<u>Adopted Budget</u>	<u>Amendment</u>	<u>Revised Budget</u>
Personal Services	\$4,756,573	(\$ 80,000)	\$4,676,573
Materials & Services	\$1,725,623	\$ 80,000	\$1,805,623

BE IT THEREFORE RESOLVED that the Metropolitan Exposition-Recreation Commission here-by approves the above budget amendment and submits it to the Metro Council under the Metro Code provisions applicable to FY 1996-97.

Passed by the Commission on March 22, 1997.



Chair



Secretary-Treasurer

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

By: 
Kathleen Pool, Assistant Counsel

MERC STAFF REPORT

Agenda Item/Issue: Approval of amendment to the FY 1996-97 budget for the PCPA (Spectator Facilities Fund).

Resolution No. 97-09

Date: March 14, 1997

Presented by: Norman Kraft

Background and Analysis: This \$80,000 budget amendment is anticipated to be necessary to prevent an over-expenditure of Material & Services appropriations by year-end. There is the expectation that Concessions expenditures will exceed its line-item appropriation thereby causing an over-expenditure of Material & Services for the following reasons:

1. The revenue and expenditure forecast for the FY 1996-97 budget was prepared in October and November of 1995. The new contract concessionaire had just begun operation in July of 1995; thus their revenue and expenditure projections were based on available historical gross sales information rather than from their actual operational experience.
2. Due to a combination of a new operator and their capital investment for improvements to the various buildings, we have seen the per capita sales rise to some degree for various events and or promoters. Although FY 1995-96 was a banner year, the PCPA is experiencing a 10% decline in attendance this fiscal year, we are experiencing only a 5% decline in concessions sales. It is our estimate that gross concessions sales will exceed budget by approximately \$40,000 and that increase equates to an approximate additional cost of \$36,000 in Concessions expenditures that was not budgeted..
3. In addition to the points above, there have been unanticipated increases in payroll costs because of the increase in the minimum wage effective January 1, 1997 and other operational costs.

Based on the stated factors it is necessary to move \$80,000 from Personal Services to Material and Services to prevent an over-expenditure.

Fiscal Impact: The movement of \$80,000 of Personal Services appropriation to Material and Services has no impact on total appropriations and will have a small impact on the bottom line cash flow. It is necessary to move this appropriation to avoid an over-expenditure of budget, which is a violation of Oregon Budget Law.

	Balance <u>Prior to Change</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Adjusted</u>
<u>Expenditures</u>				
Personal Services-	4,756,573	0	(80,000)	4,676,573
Wages-Reimb.-PT	2,236,666	0	(60,000)	2,176,666
Fringe Benefits	904,723	0	(20,000)	884,723
Material & Services -	1,725,623	0	80,000	1,805,623
Concessions	600,975	0	80,000	680,975

Recommendation: Staff recommends that the Commission approve the revised and amended FY 1996-1997 Budget for the PCPA.