

**METROPOLITAN EXPOSITION-RECREATION COMMISSION**  
**Resolution No. 97-11**



Authorizing a budget amendment to the FY 1996-97 Adopted Budget for the MERC Administration Fund related to an anticipated over-expenditure of Capital Outlay expenditures.

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

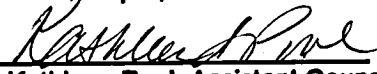
	<u>Adopted Budget</u>	<u>Amendment</u>	<u>Revised Budget</u>
Materials & Services	\$ 156,591	\$(23,500)	\$ 133,091
Capital Outlay	\$ 34,800	\$ 23,500	\$ 58,300

**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.

  
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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 MERC Administration.

### **Resolution No. 97-11**

Date: March 14, 1997

Presented by: Norman Kraft

**Background and Analysis:** This \$23,500 budget amendment is anticipated to be necessary to prevent an over-expenditure of Capital Outlay appropriations by year-end. The total costs of the Computer Upgrade Project have not been posted yet but MERC Administration has exceeded their appropriations in Capital Outlay. The over-expenditure was due to the following:

- Software costs for the project were budgeted as part of Material & Services appropriations, however once the project began there was a decision to capitalize the costs. Thereby creating a need to move the appropriations to where the costs have been recorded.
- There was approximately \$7,200 in a one time fee to upgrade the support costs for the Alpha hardware to a three year maintenance agreement that was not anticipated when the budget for the project was assembled. This one time fee replaces annual support costs of approximately \$27,000 for three years.
- The original proposal called for a PC with a 16 Bit memory capacity and the PC that was accepted had a 32 Bit capacity. This additional memory capability plus additional expenses for network cards, printer cards and cables accounted for approximately \$3,000 in additional costs.
- Another primary cost factor was in additional hardware costs that were not anticipated as part of the MERC Administration network costs. This equipment included such items as repeaters and modems.
- There is also approximately \$3,000 built into this transfer to allow for additional unforeseen costs before this project is completed.

The appropriation transfers will come from two line-items within Materials & Services, \$7,300 from Computer Software and \$16,200 from Maintenance & Repair Services - Equipment. The reason for choosing these two line-items are contained in the above issues causing the over-expenditure.

**Fiscal Impact:** The movement of \$23,500 of Material and Services appropriations to Capital Outlay has no impact on total appropriations. It is necessary to move this appropriation to avoid an over-expenditure of budget, which is a violation of Oregon Budget Law.

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	<u>Balance Prior to Change</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Adjusted</u>
<u>Expenditures</u>				
<b>Material &amp; Services:</b>	<b>156,591</b>	<b>0</b>	<b>(23,500)</b>	<b>133,091</b>
Computer Software:	7,300	0	( 7,300)	0
Maint.&Repair-Srvcs	43,600	0	(16,200)	27,400
 <b>Capital Outlay</b>	 <b>34,800</b>	 <b>0</b>	 <b>23,500</b>	 <b>58,300</b>
Office F & F	34,800	0	23,500	58,300

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