

METROPLOITAN EXPOSITION RECREATION COMMISSION
Resolution 97-18

Authorizing a budget amendment to the FY 1996-97 Amended Budget for the Expo Center (regional Parks and Expo Fund) related to anticipated over-expenditure of Capital Outlay expenditures.

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

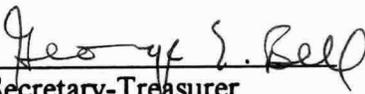
	<u>Amended Budget</u>	<u>Amendment</u>	<u>Revised Budget</u>
Capital Outlay	12,283,690	94,411	12,378,101
Contingency	94,411	(94,411)	0

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 applicable to FY 1996-97.

Passed by the Commission on April 9, 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 Expo Center (Regional Parks and Expo Fund).

Resolution No. 97-18

Date: April 4, 1997

Presented by: Norman Kraft

Background and Analysis: This \$94,411 budget amendment is anticipated to be necessary to prevent an over-expenditure of Capital Outlay appropriations by year-end. The new building construction project is near completion but final costs will not be fully known for another month. The original project budget of \$13,500,000 did not include much money for furniture, fixtures and equipment (FF& E.). Thus the provision for the additional \$500,000 loan from OCC, however staff has concluded that necessary FF&E. can be funded within the existing appropriations of the Expo Center. This accommodation is achieved by the utilization of the following:

- Recognize the appropriation savings of \$95,000 from the project for this fiscal year which is shown below through an analysis of the funding plan:

<u>Original Funding Plan</u>		<u>Revised Funding Plan</u>	
Intel Loan	\$ 2,500,000	Intel Loan	\$ 2,500,000
OCC Fund Balance	\$ 9,000,000	OCC Fund Balance	\$ 9,000,000
Expo Fund Balance	\$ 1,500,000	Expo Fund Balance	\$ 1,500,000
OCC Loan	\$ 500,000	Add'l Expo Funds	\$ 285,000
		Interest Earned on funds	\$ 215,000
	<u>\$13,500,000</u>		<u>\$ 13,500,000</u>
		Estimated Total Costs	<u>\$(13,405,000)</u>
		Available Appropriations	\$ 95,000

- Presently the non-project capital outlay budget is \$210,500 of which \$72,126 has not been either spent or encumbered. However most of the expended or encumbered amounts are part of the FF&E and are not just operational items.
- There are sufficient items from the potential list of operation and or FF&E list that can be put on hold until the new fiscal year such as a \$50,000 roof repair to the South Hall, a \$40,000 Manlift, \$10,000 for a Bailer and or a \$4,000 Kronos time keeping system.

Moving remaining Contingency funds of \$94,411 will provide for the immediate capital needs both from an operational and the FF&E needs of the new building per the following:

Potential Operation Capital	\$ 161,975
Potential FF&E	\$ 293,900
Potential Capital Outlay	\$ 455,875
Less: Budgeted Appropriations	\$(210,500)
Less: Remaining Project Budget	\$(95,000)
Less: Contingency Transfer	\$(94,411)
Amount to be put on hold	\$ 55,964

MERC STAF REPORT

Resolution 97-18

Page 2

Fiscal Impact: The movement of \$94,411 in Contingency appropriations to Capital Outlay has no impact on the total appropriations. The utilization of project appropriation savings, re-appraisal of current operation needs and the application of Contingency negates the need to borrow. Thus by avoiding further borrowing the Expo Center can concentrate on the payoff of the Intel loan. It is necessary to move this appropriation to avoid an over-expenditure of budget, which is a violation of Oregon Budget Law.

	<u>Balance</u> <u>Prior to Change</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Adjusted</u>
<u>Expenditures</u>				
Capital Outlay:	12,283,690	94,411	0	12,378,101
Equipment	49,500	94,411	0	143,911
Contingency:	94,411	0	(94,411)	0

Recommendation: Staff recommends that the Commission approve the revised and amended FY 1996-1997 Budget for the Expo Center (Regional Parks and Expo fund).