

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 04-25

For the Purpose of approving and transmitting the budgets for the MERC Operating Fund and the MERC Pooled Capital Fund for fiscal year 2005-2006.

WHEREAS, Metro Code 6.01.050 provides that the Commission shall annually prepare and approve an annual budget which shall, to the maximum extent permitted by law, consist of one commission-wide series of appropriations; and

WHEREAS, the Budget Committee has reviewed the proposed budgets for the MERC Operating Fund and the MERC Pooled Capital Fund and recommends approval of the proposed budgets,

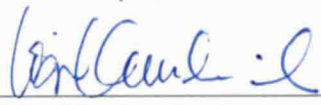
BE IT THEREFORE RESOLVED that the Metropolitan Exposition Recreation Commission approves and transmits to the Metro Council the following budgets attached as Exhibit A and B for the fiscal year beginning July 1, 2005 and ending June 30, 2006 for inclusion as part of the total Metro budget for this period: (1) MERC Operating Fund, and (2) MERC Pooled Capital Fund.

Passed by the Commission on December 15, 2004.




Chair

Approved as to Form:
Daniel B. Cooper, Metro Attorney

By: 

Lisa M. Umscheid
Senior Attorney



Secretary-Treasurer

Resolution No: 04-25 Exhibit A

PROPOSED BUDGET 2005-06 MERC OPERATING FUND

All Facilities

- Salaries
 - Increase 7-8% estimated PFP payments
 - Fringe benefit increases
 - Projected PERS increase of 4.7%, which is being assessed to cover investment losses
 - Health and welfare cap increase of 10% primarily due to increase in medical premiums
- Contingency is calculated at 4% of operating expenditures
- PERS Reserve is 6.65% of salaries designated in a contingency account pending the outcome of litigation

Oregon Convention Center

Resources

- Operating Revenues
 - 5% increase for catering rates
 - Utilities fees are increased by 5% due to increased costs
 - 10 less conventions are booked; associated expenditures are reduced
- Hotel/Motel Tax
 - 2.5% (CPI) annual increase based on 2003-04 actual receipts
 - \$300 thousand for the final year of VDI support

Expenditures

- Personal Services
 - 1.00 full-time audio/visual sales position is added, which generates corresponding revenues
- Materials and Services
 - Marketing contract is budgeted at the same amount as 2004-05. The current marketing contract ends 6/30/05
 - Reduction of event-related costs due to fewer booked conventions

Results

- Net decrease to fund balance is \$372 thousand
- Projected ending fund balance is \$4.2 million
- Ending fund balance includes the PERS reserve of \$979 thousand projected through 6/30/06

Requirements: Personal Services -- Full time employees (FTE) reflect a net decrease of 2.00 positions. Proposed changes are:

- OCC - Addition of 1.00 FTE Audio Visual Sales Coordinator, which is a revenue generating position.
- PCPA – Adjustment to the allocation of 1.00 FTE from the Operating Fund to the Pooled Capital Fund.
- EXPO – Will not fill 2.00 full-time positions that are currently vacant.

Personal services have been budgeted based on the current rate of pay plus an estimated 7–8% for Pay for Performance payments for eligible staff and 3% CPI for all other employees. The fringe rates include the projected PERS increase of 4.7%, which is being assessed to cover PERS investment losses. The Health and Welfare Cap is increased 10% primarily due to increase in medical premiums.

Contingencies: Contingencies are budgeted at 4% of operating expenditures. PERS reserve continues to be budgeted at 6.65% of salaries and designated in a contingency account pending the outcome of litigation.

Results:

- Net increase to fund balance is \$195 thousand.
- Projected ending fund balance is \$10.8 million.

MERC Pooled Capital Fund

In terms of capital, FY 2005-06 MERC Pooled Capital Budget represents a leaner project list. This is a direct result of available resources, designated for capital projects. Projects are funded by the operating fund, fund balance or some other source (donation, debt, transfer). For complete details see Exhibit B.

Results:

- Net decrease to fund balance is \$287 thousand.
- Projected ending fund balance is \$1.4 million.

Recommendation: Passage of the Proposed Budgets for the MERC Operating Fund and MERC Pooled Capital Fund for fiscal year 2005-2006.

Resolution No 04-25

Portland Center for the Performing Arts

Resources

- Operating Revenues
 - 2% increase in all base rental rates.
 - This increase primarily impacts resident companies.
 - Commercial shows typically pay a percentage of the gross.
 - Strong season with 10 weeks of the Broadway series
 - Concessions and catering anticipates a 34% increase over 2004-05 FY resulting from first full year of operation of the new Art Bar and Bistro; associated expenditures are increased.
 - Commissions include:
 - \$50 thousand annual revenue from the signing bonus
 - \$100 thousand estimated advertising allowance from Ticketmaster
- Hotel/Motel Tax
 - 2.5% (CPI) annual increase based on 2003-04 actual receipts
 - No VDI is assumed in this budget
- Government Contributions
 - City of Portland contractual support is \$337.8 thousand

Expenditures

- Personal Services
 - The operating fund reflects one less FTE, which is the net change in the allocation of staff between the Capital Project Fund and the Operating Fund. The allocation is based on the contractual government contribution from the City of Portland. The 2005-06 FY expects the total contribution of \$675.5 thousand or \$337.8 thousand to each fund.
- Materials and Services
 - 14% increase due to anticipated increases in utility rates and high consumption due to mega Broadway season

Results

- Net increase to fund balance is \$414 thousand
- Projected ending fund balance \$3.6 million
- Ending fund balance includes the PERS reserve of \$550.4 thousand projected through 6/30/06

Exposition Center

Resources

- Operating Revenues
 - EXPO is projecting flat revenue for the 2005-06 fiscal year
 - Rental rate structure for potential increases to be considered
 - Increase in exhibitor parking fees from \$6 to \$7 per day
 - "Other revenues" includes \$44 thousand the annual earned revenue from the TriMet Park & Ride lease

Expenditures

- Personal Services
 - Not hire two full-time positions currently vacant
- Materials and Services
 - Reduction of discretionary expenditures is offset by the increases in electric and natural gas utility costs
- Transfers and Debt Service
 - Net operating revenue fully funds \$1.2 million debt service
 - \$98 thousand transfer to the Capital Projects Fund

Results

- Net increase to fund balance is \$93.7 thousand
- Projected ending fund balance is \$2.7 million
- Ending fund balance includes:
 - Designated User Fees for Phase 3 construction, estimated to be \$ 644.5 thousand (includes estimated fees collected through 6/30/06)
 - PERS reserve of \$176.7 thousand projected through 6/30/06

MERC Administration

Resources

- Sponsorship Revenue
 - Annual amount recognized from the multi-year Pepsi contract
 - Front Row Marketing contract terminated in September 2004; no additional revenues or future expenditures are budgeted in 2005-06
- MERC Administration
 - Costs are prorated to the three facilities; \$1.36 million is allocated based on facility personal services

Expenditures

- Personal Services
 - Comprise 81% of the MERC Administration expenditure budget
 - 15% increase over 2004-05 budget due to increases in fringe and anticipated General Manager salary
- Materials and Services
 - Strategic plan consultant
 - Food and beverage auditor

Results

- Net increase to fund balance is \$59.7 thousand
- Projected ending fund balance \$186.6 thousand
- Ending fund balance includes the PERS reserve of \$133.6 thousand projected through 6/30/06

Metropolitan Exposition-Recreation Commission

MERC OPERATING FUND

Commission Meeting 11/17/2004

	<i>2003-04 Actual</i>	<i>2004-05 Adopted Budget</i>	<i>2005-06 Preliminary Budget</i>
Operating Revenues	26,953,141	25,266,522	27,338,164
Operating Expenditures	29,759,140	28,084,378	30,468,800
	-	-	-
Net Operating Rev(Exp)	(2,805,999)	(2,817,856)	(3,130,636)
	-	-	-
Non-Operating Resources	8,402,545	7,937,423	8,254,877
Non-Operating Requirements	4,811,787	5,018,886	4,929,024
	-	-	-
Net Non-Operating Rev(Exp)	3,590,758	2,918,537	3,325,853
	-	-	-
Net Increase (Decrease)	784,758	100,681	195,217
	-	-	-
Fund Balance, Beginning	9,771,540	10,556,299	10,552,328
	-	-	-
Fund Balance, End	<u>10,556,298</u>	<u>10,656,980</u>	<u>10,747,545</u>
	-	-	-
	-	-	-
Full Time Equivalents	153.05	152.05	150.05
Food & Beverage Margin	21%	20%	25%

Metropolitan Exposition-Recreation Commission

OREGON CONVENTION CENTER

Commission Meeting 11/17/2004

	<i>2003-04 Actual</i>	<i>2004-05 Adopted Budget</i>	<i>2005-06 Preliminary Budget</i>
Operating Revenues	15,243,757	12,978,547	13,964,669
Operating Expenditures	18,440,900	16,466,171	17,692,534
<i>Net Operating Rev(Exp)</i>	<u>(3,197,143)</u>	<u>(3,487,624)</u>	<u>(3,727,865)</u>
Non-Operating Resources	6,576,992	6,292,090	6,342,863
Non-Operating Requirements	2,786,911	2,919,848	2,987,440
<i>Net Non-Operating Rev(Exp)</i>	<u>3,790,081</u>	<u>3,372,242</u>	<u>3,355,423</u>
<i>Net Increase (Decrease)</i>	592,938	(115,382)	(372,442)
Fund Balance, Beginning	4,143,194	4,736,133	4,620,751
Fund Balance, End	<u><u>4,736,132</u></u>	<u><u>4,620,751</u></u>	<u><u>4,248,309</u></u>
Full Time Equivalents	102.62	102.62	103.62
Food & Beverage Margin	23%	22%	27%

Metropolitan Exposition-Recreation Commission
PORTLAND CENTER FOR PERFORMING ARTS
 Commission Meeting 11/17/2004

	<i>2003-04 Actual</i>	<i>2004-05 Adopted Budget</i>	<i>2005-06 Preliminary Budget</i>
Operating Revenues	5,885,539	5,946,394	7,232,269
Operating Expenditures	6,325,124	6,448,123	7,504,704
<i>Net Operating Rev(Exp)</i>	<u>(439,585)</u>	<u>(501,729)</u>	<u>(272,435)</u>
Non-Operating Resources	1,804,866	1,610,333	1,874,014
Non-Operating Requirements	1,033,807	1,117,583	1,187,413
<i>Net Non-Operating Rev(Exp)</i>	<u>771,059</u>	<u>492,750</u>	<u>686,601</u>
<i>Net Increase (Decrease)</i>	331,474	(8,979)	414,166
Fund Balance, Beginning	2,866,612	3,198,086	3,189,107
Fund Balance, End	<u><u>3,198,086</u></u>	<u><u>3,189,107</u></u>	<u><u>3,603,273</u></u>
Full Time Equivalent	25.59	23.59	22.59
Food & Beverage Margin	11%	16%	19%

Metropolitan Exposition-Recreation Commission

PORTLAND EXPOSITION CENTER

Commission Meeting 11/17/2004

	<i>2003-04 Actual</i>	<i>2004-05 Adopted Budget</i>	<i>2005-06 Preliminary Budget</i>
Operating Revenues	5,789,442	6,168,695	6,121,840
Operating Expenditures	3,919,908	3,955,335	3,945,067
<i>Net Operating Rev(Exp)</i>	<u>1,869,534</u>	<u>2,213,360</u>	<u>2,176,773</u>
Non-Operating Resources	17,390	35,000	35,000
Non-Operating Requirements	1,949,973	2,173,345	2,118,029
<i>Net Non-Operating Rev(Exp)</i>	<u>(1,932,583)</u>	<u>(2,138,345)</u>	<u>(2,083,029)</u>
<i>Net Increase (Decrease)</i>	(63,049)	75,015	93,744
Fund Balance, Beginning	2,602,491	2,539,442	2,615,582
Fund Balance, End	<u>2,539,442</u>	<u>2,614,457</u>	<u>2,709,326</u>
Full Time Equivalent	14.84	14.84	12.84
Food & Beverage Margin	18%	15%	23%

Metropolitan Exposition-Recreation Commission
MERC ADMINISTRATION
 Commission Meeting 11/17/2004

	<i>2003-04 Actual</i>	<i>2004-05 Adopted Budget</i>	<i>2004-05 Projected</i>	<i>2005-06 Preliminary Budget</i>
Operating Revenues	34,403	172,886	14,386	19,386
Operating Expenditures	1,073,208	1,214,749	1,165,026	1,326,495
<i>Net Operating Rev(Exp)</i>	<u>(1,038,805)</u>	<u>(1,041,863)</u>	<u>(1,150,640)</u>	<u>(1,307,109)</u>
Non-Operating Resources	3,297	-	3,000	3,000
Non-Operating Requirements	(958,904)	(1,191,890)	(1,191,890)	(1,363,858)
<i>Net Non-Operating Rev(Exp)</i>	<u>962,201</u>	<u>1,191,890</u>	<u>1,194,890</u>	<u>1,366,858</u>
<i>Net Increase (Decrease)</i>	(76,605)	150,027	44,250	59,749
Fund Balance, Beginning	159,243	82,638	82,638	126,888
Fund Balance, End	<u>82,638</u>	<u>232,665</u>	<u>126,888</u>	<u>186,637</u>
Full Time Equivalent	10.00	11.00	11.00	11.00

Metropolitan Exposition-Recreation Commission

MERC OPERATING FUND

Commission Meeting 11/17/2004

	2003-04 Actual	2004-05 Adopted Budget	2005-06 Preliminary Budget
Operating Revenues:			
Rental	4,999,721	5,164,983	5,256,335
Reimbursed Labor	2,255,634	2,648,509	2,654,043
Food Service Revenue	10,973,112	8,715,561	10,349,456
Merchandising	0	0	0
Utility Services	2,247,689	2,248,191	2,416,798
Parking	2,412,127	2,607,745	2,384,560
User Fee	1,355,617	1,341,500	1,512,000
Sales Commission	445,268	605,280	804,594
Retail Sales	112,452	85,000	76,500
Sponsorship Revenue	35,710	263,500	109,000
Other	648,861	256,721	379,746
Excise Tax*	1,466,950	1,329,532	1,395,132
Operating Revenues	26,953,141	25,266,522	27,338,164
Operating Expenditures:			
Personal Services	12,647,236	13,030,447	14,343,554
Materials and Services	5,363,371	5,214,282	5,502,340
Concessions/Catering	8,696,542	7,014,115	7,777,266
Parking	404,692	184,304	194,849
Contractual Pass-through Payment	357,000	382,454	392,015
Marketing Contract	2,290,299	2,258,776	2,258,776
Operating Expenditures	29,759,140	28,084,378	30,468,800
Net Operating Rev(Exp)	(2,805,999)	(2,817,856)	(3,130,636)
Non-Operating Resources:			
Hotel/Motel Taxes	6,536,216	6,368,209	6,866,709
VDI	1,000,000	250,000	300,000
VDI Pass-thru	357,000	382,454	392,015
Government Contributions	331,832	331,128	337,750
Donations/Bequests	26,950	0	0
Investment Earnings	51,970	69,503	167,168
Transfers	98,577	536,129	191,235
Non-Operating Resources	8,402,545	7,937,423	8,254,877
Non-Operating Requirements:			
MERC Administration	0	0	0
Metro Support Services	2,019,894	2,161,931	2,198,353
Excise Tax*	1,466,950	1,329,532	1,395,132
Debt Service	1,149,281	1,231,317	1,237,902
Transfers	175,662	296,106	97,637
Non-Operating Requirements	4,811,787	5,018,886	4,929,024
Net Non-Operating Rev(Exp)	3,590,758	2,918,537	3,325,853
Net Increase (Decrease)	784,758	100,681	195,217
Fund Balance, Beginning	9,771,540	10,556,299	10,552,328
Fund Balance, End	10,556,298	10,656,980	10,747,545
Components of Fund Balance:			
Contingency	0	1,155,854	1,218,752
Designated for Phase 3	214,773	429,546	644,546
2003-04 PERS Reserve	563,944	563,944	563,944
2004-05 PERS Reserve	0	665,416	665,416
2005-06 PERS Reserve	0	0	610,268
Unappropriated Fund Balance	9,777,581	7,842,220	7,044,619
Total Ending Fund Balance	10,556,298	10,656,980	10,747,545
Full Time Equivalents	153.05	152.05	150.05
Food & Beverage Margin	21%	20%	25%

Metropolitan Exposition-Recreation Commission

OREGON CONVENTION CENTER

Commission Meeting 11/17/2004

	2003-04 Actual	2004-05 Adopted Budget	2005-06 Preliminary Budget
Operating Revenues:			
Rental	2,572,150	2,688,811	2,581,935
Reimbursed Labor & Services	286,418	358,993	279,712
Food Service Revenue	7,879,398	5,700,000	6,680,339
Merchandising	-	-	-
Utility Services	1,970,879	1,984,191	2,140,698
Parking	973,572	1,031,000	924,500
User Fee	6,565	1,500	6,500
Sales Commission	60,648	75,200	59,764
Retail Sales	41,569	-	8,500
Sponsorship Revenue	-	95,000	94,000
Other	389,024	145,000	221,000
Excise Tax*	1,063,534	898,852	967,721
Operating Revenues	15,243,757	12,978,547	13,964,669
Operating Expenditures:			
Personal Services	6,756,278	6,874,627	7,624,007
Materials and Services	2,651,263	2,380,288	2,422,327
Concessions/Catering	6,066,451	4,464,026	4,875,409
Parking	332,582	106,000	120,000
Contractual Pass-through Payments	357,000	382,454	392,015
Marketing Contract	2,277,326	2,258,776	2,258,776
Operating Expenditures	18,440,900	16,466,171	17,692,534
Net Operating Rev(Exp)	(3,197,143)	(3,487,624)	(3,727,865)
Non-Operating Resources:			
Hotel/Motel Taxes	5,098,333	5,108,507	5,356,033
VDI	1,000,000	250,000	300,000
VDI Pass-thru	357,000	382,454	392,015
Government Contributions	11,204	-	-
Donations/Bequests	4,950	-	-
Investment Earnings	6,928	15,000	103,580
Transfers	98,577	536,129	191,235
Non-Operating Resources	6,576,992	6,292,090	6,342,863
Non-Operating Requirements:			
MERC Administration	498,792	605,308	754,782
Metro Support Services	1,096,270	1,214,129	1,242,169
Excise Tax*	1,063,534	898,852	967,721
Debt Service	20,539	22,809	22,768
Transfers	107,776	178,750	-
Non-Operating Requirements	2,786,911	2,919,848	2,987,440
Net Non-Operating Rev(Exp)	3,790,081	3,372,242	3,355,423
Net Increase (Decrease)	592,938	(115,382)	(372,442)
Fund Balance, Beginning	4,143,194	4,736,133	4,620,751
Fund Balance, End	<u>4,736,132</u>	<u>4,620,751</u>	<u>4,248,309</u>
Components of Fund Balance:			
Contingency	-	676,971	707,701
Designated for Phase 3	-	-	-
2003-04 PERS Reserve	302,288	302,288	302,288
2004-05 PERS Reserve	-	337,966	337,966
2005-06 PERS Reserve	-	-	338,735
Unappropriated Fund Balance	4,433,844	3,303,526	2,561,619
Total Ending Fund Balance	4,736,132	4,620,751	4,248,309
Full Time Equivalents	102.62	102.62	103.62
Food & Beverage Margin	23%	22%	27%

I Reclassification – no change to results

A. Adopted Beginning Fund Balance for 2004-05 adjusted to reflect actual June 30, 2004 balance.

B. Recalculated estimate for Hotel/Motel Tax(\$486,467)

C. Adjust MERC Allocation to include reduction in Sponsorship and set unappropriated balance to zero.(\$133,839)

Metropolitan Exposition-Recreation Commission
PORTLAND CENTER FOR PERFORMING ARTS
 Commission Meeting 11/17/2004

	2003-04 Actual	2004-05 Adopted Budget	2005-06 Preliminary Budget
Operating Revenues:			
Rental	1,152,838	1,096,172	1,294,400
Reimbursed Labor & Services	1,741,056	2,007,222	2,120,952
Food Service Revenue	1,217,943	1,096,000	1,674,117
Merchandising			
Utility Services	11,859	10,000	19,300
Parking			
User Fee	1,134,279	1,090,000	1,290,500
Sales Commission	335,313	486,000 D	689,000
Retail Sales	70,883	85,000	68,000
Sponsorship Revenue	12,500		
Other	208,868	76,000	76,000
Excise Tax*			
Operating Revenues	5,885,539	5,946,394	7,232,269
Operating Expenditures:			
Personal Services	3,885,948	3,949,998	4,302,610
Materials and Services	1,353,386	1,579,664	1,840,263
Concessions/Catering	1,085,790	918,461	1,361,831
Parking			
Contractual Pass-through Payments			
Marketing Contract			
Operating Expenditures	6,325,124	6,448,123	7,504,704
Net Operating Rev(Exp)	(439,585)	(501,729)	(272,435)
Non-Operating Resources:			
Hotel/Motel Taxes	1,437,883	1,259,702 C	1,510,676 C
VDI			
VDI Pass-thru			
Government Contributions	320,628	331,128	337,750
Donations/Bequests	22,000	-	-
Investment Earnings	24,355	19,503	25,588
Transfers			
Non-Operating Resources	1,804,866	1,610,333	1,874,014
Non-Operating Requirements:			
MERC Administration	326,132	404,824	473,322
Metro Support Services	707,675	712,759	714,091
Excise Tax*			
Debt Service			
Transfers			
Non-Operating Requirements	1,033,807	1,117,583	1,187,413
Net Non-Operating Rev(Exp)	771,059	492,750	686,601
Net Increase (Decrease)	331,474	(8,979)	414,166
Fund Balance, Beginning	2,866,612	3,198,086 A	3,189,107
Fund Balance, End	3,198,086	3,189,107 A	3,603,273
Components of Fund Balance:			
Contingency	-	266,914	300,188
Designated for Phase 3			
2003-04 PERS Reserve	174,137	174,137	174,137
2004-05 PERS Reserve		212,723	212,723
2005-06 PERS Reserve			163,506
Unappropriated Fund Balance	3,023,949	2,535,333	2,752,719
Total Ending Fund Balance	3,198,086	3,189,107 A	3,603,273
Full Time Equivalents	25.59	23.59	22.59
Food & Beverage Margin	11%	16%	19%

- A. Adopted Beginning Fund Balance for 2004-05 adjusted to reflect actual June 30, 2004 balance.
 B. Recalculated estimate for Hotel/Motel Tax additional \$36,846. (2004-05 understated by about \$214,000 – not adjusted)
 C. Adjust MERC Allocation to include reduction in Sponsorship and set unappropriated balance to zero.(\$56,353
 D. Ticketmaster commission understated by \$150K – not adjusted

Metropolitan Exposition-Recreation Commission

PORTLAND EXPOSITION CENTER

Commission Meeting 11/17/2004

	2003-04 Actual	2004-05 Adopted Budget	2005-06 Preliminary Budget
Operating Revenues:			
Rental	1,274,733	1,380,000	1,380,000
Reimbursed Labor & Services	228,160	282,294	253,379
Food Service Revenue	1,875,771	1,919,561	1,995,000
Merchandising			
Utility Services	264,951	254,000	256,800
Parking	1,438,555	1,576,745	1,460,060
User Fee	214,773	250,000 B	215,000
Sales Commission	42,073	40,000	51,750
Retail Sales			
Sponsorship Revenue			
Other	47,320	35,721	82,746
Excise Tax*	403,106	430,374 I	427,105 I
Operating Revenues	5,789,442	6,168,695	6,121,840
Operating Expenditures:			
Personal Services	1,183,009	1,278,644	1,347,352
Materials and Services	1,112,318	966,759	982,840
Concessions/Catering	1,544,301	1,631,628	1,540,026
Parking	72,110	78,304	74,849
Contractual Pass-through Payments			
Marketing Contract	8,170		
Operating Expenditures	3,919,908	3,955,335	3,945,067
Net Operating Rev(Exp)	1,869,534	2,213,360	2,176,773
Non-Operating Resources:			
Hotel/Motel Taxes			
VDI			
VDI Pass-thru			
Government Contributions			
Donations/Bequests			
Investment Earnings	17,390	35,000	35,000
Transfers			
Non-Operating Resources	17,390	35,000	35,000
Non-Operating Requirements:			
MERC Administration	134,290	182,064	136,060 C
Metro Support Services	215,949	235,043	242,093
Excise Tax*	403,106	430,374 I	427,105 I
Debt Service	1,128,742	1,208,508	1,215,134
Transfers	67,886	117,356	97,637
Non-Operating Requirements	1,949,973	2,173,345	2,118,029
Net Non-Operating Rev(Exp)	(1,932,583)	(2,138,345)	(2,083,029)
Net Increase (Decrease)	(63,049)	75,015	93,744
Fund Balance, Beginning	2,602,491	2,539,442 A	2,615,582
Fund Balance, End	2,539,442	2,614,457 A	2,709,326
Components of Fund Balance:			
Contingency	-	165,089	157,803 I
Designated for Phase 3 (User Fees)	214,773 I	429,546 I	644,546 I
2003-04 PERS Reserve	52,592	52,592	52,592
2004-05 PERS Reserve		66,895	66,895
2005-06 PERS Reserve			57,209
Unappropriated Fund Balance	2,272,077 I	1,900,335 I	1,730,281 I
Total Ending Fund Balance	2,539,442	2,614,457 A	2,709,326
Full Time Equivalents	14.84	14.84	12.84
Food & Beverage Margin	18%	15%	23%

I Reclassification – no change to results

A. Adopted Beginning Fund Balance for 2004-05 adjusted to reflect actual June 30, 2004 balance.

B. The User Fee for 2004-05 overstated by \$40K – not adjusted

C. Adjust MERC Allocation to include reduction in Sponsorship and set unappropriated balance to zero. (\$51,466)

Metropolitan Exposition-Recreation Commission

MERC ADMINISTRATION

Commission Meeting 11/17/2004

	2003-04 Actual	2004-05 Adopted Budget	2004-05 Projected	2005-06 Preliminary Budget
Operating Revenues:				
Rental				
Reimbursed Labor & Services				
Food Service Revenue				
Merchandising				
Utility Services				
Parking				
User Fee				
Sales Commission	7,234	4,080	4,080	4,080
Retail Sales				
Sponsorship Revenue	23,210	168,500	10,000 B	15,000 B
Other	3,649			
Excise Tax*	310	306 I	306 I	306 I
Operating Revenues	34,403	172,886	14,386	19,386
Operating Expenditures:				
Personal Services	822,001	927,178	912,455	1,069,585
Materials and Services	246,404	287,571	252,571 B	256,910 B
Concessions/Catering				
Parking				
Contractual Pass-through Payments				
Marketing Contract	4,803			
Operating Expenditures	1,073,208	1,214,749	1,165,026	1,326,495
Net Operating Rev(Exp)	(1,038,805)	(1,041,863)	(1,150,640)	(1,307,109)
Non-Operating Resources:				
Hotel/Motel Taxes				
VDI				
VDI Pass-thru				
Government Contributions				
Donations/Bequests				
Investment Earnings	3,297	0	3,000	3,000
Transfers				
Non-Operating Resources	3,297	-	3,000	3,000
Non-Operating Requirements:				
MERC Administration	(959,214)	(1,192,196)	(1,192,196)	(1,364,164) C
Metro Support Services				
Excise Tax*	310	306 I	306 I	306 I
Debt Service				
Transfers				
Non-Operating Requirements	(958,904)	(1,191,890)	(1,191,890)	(1,363,858)
Net Non-Operating Rev(Exp)	962,201	1,191,890	1,194,890	1,366,858
Net Increase (Decrease)	(76,605)	150,027	44,250	59,749
Fund Balance, Beginning	159,243	82,638 A	82,638	126,888
Fund Balance, End	82,638	232,665 A	126,888	186,637
Components of Fund Balance:				
Contingency		46,880	46,601	53,060
Designated for Phase 3				
2003-04 PERS Reserve	34,927	34,927	34,927	34,927
2004-05 PERS Reserve		47,832	47,832	47,832
2005-06 PERS Reserve				50,818
Unappropriated Fund Balance	47,711	103,026	(2,472)	0
Total Ending Fund Balance	82,638	232,665 A	126,888	186,637
Full Time Equivalents	10.00	11.00	11.00	11.00

I Reclassification -- no change to results

A. Adopted Beginning Fund Balance for 2004-05 adjusted to reflect actual June 30, 2004 balance.

B. Remove Sponsorship revenue and expense for 2004-05 (\$5K) and 2005-06 (\$90K).

C. Adjust MERC Allocation to include reduction in Sponsorship revenue and expense and set unappropriated balance to zero

Resolution No: 04-25 Exhibit B

PROPOSED BUDGET FOR 2005-06 MERC POOLED CAPITAL FUND

The Proposed Pooled Capital Fund budget and the Five Year Capital Plan were presented to the Budget Committee on November 29, 2004.

2005-06 Proposed Budget Pooled Capital Fund

- Summary of the consolidated and individual facility budgets (attached)
- Detail of the consolidated and individual facility budgets (attached)

Oregon Convention Center

Resources

- Beginning fund balance
- \$636 thousand incoming transfer from METRO Tourism Opportunity and Competiveness Account

Expenditures

- Personal Services
 - Cost of construction management staff is allocated to each facility based on construction plans.
- Projects over \$50 thousand
 - Lobby Signage and Way-finding Kiosks
 - Replace Audio Visual Equipment
 - Replace Garbage Compactors.
- Transfers Out
 - Annual transfer to EXPO for repayment of intra-fund loan for LEED certification projects. \$850 thousand to be repaid over five years at 3.5 % interest.

Portland Center For Performing Arts

Resources

- Beginning fund balance
- Donations/Bequests. Donations are held and invested by the Oregon Community Foundation. \$1.5 million is designated for improvements at the Keller Auditorium. Additional funds are available for the New Theater Building. Projects in the New Theater Building must be pre-approved by the Friends of PCPA. Other donations may be available for designated projects.
- Government Contributions of \$337.5 thousand provide funding for personal services. The 2005-06 contractual contribution from the City of Portland totals \$675.5 thousand with the remaining \$337.5 thousand budgeted in the PCPA Operating Fund.

Expenditures

- Personal Services
 - Cost of construction management staff is allocated to each facility based on construction plans.
 - 3.95 FTEs are allocated from the PCPA operating fund. These positions are funded by the City of Portland contractual government contribution.
- Projects over \$50 thousand
 - ASCH - Carpet replacement
 - ASCH - Main Street Project
 - NTB – Newmark Stage Floor Replacement
 - NTB - Winningstad Seating Risers

Portland Exposition Center

Resources

- Beginning fund balance
- Incoming transfer from EXPO Operating Fund of \$97.6 thousand
- Transfers In/Out:
 - \$850 thousand loan to OCC to be repaid over five years at 3.5 % interest.
 - \$186.9 thousand received from OCC for repayment of intra-fund loan.

Expenditures

- Personal Services
 - Cost of construction management staff is allocated to each facility based on construction plans.
- Projects over \$50 thousand
 - Parking Lot removal and replacement.

MERC Administration

Resources

- Beginning fund balance

Expenditures

- Projects over \$50 thousand
 - No planned projects at this time.

Five Year Capital Plan

The following information is included in the five year capital plan. (attached)

- For 2004-05:
 - Adopted Budget with project status
 - MTOCA Budget Amendment
 - Projected expenditures
- 2005-06 Proposed Budget with MTOCA
- Proposed Projects for 2006-07 through 2009-10

Metropolitan Exposition-Recreation Commission
POOLED CAPITAL – CONSOLIDATED
 Budget Committee Meeting 11/29/2004

	<i>2003-04 Actual</i>	<i>2004-05 Adopted Budget</i>	<i>2004-05 Projection</i>	<i>2005-06 Preliminary Budget</i>
Operating Revenues	-	88,000	288,000	-
Operating Expenditures	448,614	415,287	406,287	591,988
Net Operating Rev(Exp)	<u>(448,614)</u>	<u>(327,287)</u>	<u>(118,287)</u>	<u>(591,988)</u>
Non-Operating Resources	902,627	1,698,144	2,083,124	1,677,697
Non-Operating Requirements	-	354,000	354,000	-
Capital Outlay:				
Capital Outlay	1,422,777	3,142,350	3,397,803	1,372,845
Net Non-Operating Rev(Exp)	<u>(520,150)</u>	<u>(1,798,206)</u>	<u>(1,668,679)</u>	<u>304,852</u>
Net Increase (Decrease)	(968,764)	(2,125,493)	(1,786,966)	(287,136)
Fund Balance, Beginning	4,479,447	3,510,683 A.	3,510,683	1,723,717
Fund Balance, End	<u>3,510,683</u>	<u>1,385,190</u> A.	<u>1,723,717</u>	<u>1,436,581</u>
Full Time Equivalent	6.30	4.95	4.95	5.95

A. Adopted Beginning Fund Balance for 2004-05 adjusted to reflect actual June 30, 2004 balance.

Metropolitan Exposition-Recreation Commission
POOLED CAPITAL – OREGON CONVENTION CENTER
 Budget Committee Meeting 11/29/2004

	<i>2003-04 Actual</i>	<i>2004-05 Adopted Budget</i>	<i>2004-05 Projection</i>	<i>2005-06 Preliminary Budget</i>
Operating Revenues	-	88,000	238,000	-
Operating Expenditures	44,642	26,004	26,004	60,042 <i>B.</i>
Net Operating Rev(Exp)	<u>(44,642)</u>	<u>61,996</u>	<u>211,996</u>	<u>(60,042)</u>
Non-Operating Resources	158,807	573,018	1,724,082	456,845
Non-Operating Requirements	-	354,000	354,000	-
Capital Outlay:				
Capital Outlay	131,269	828,750	2,052,832	634,845
Net Non-Operating Rev(Exp)	<u>27,538</u>	<u>(609,732)</u>	<u>(682,750)</u>	<u>(178,000)</u>
Net Increase (Decrease)	(17,104)	(547,736)	(470,754)	(238,042)
Fund Balance, Beginning	868,406	851,302 <i>A.</i>	851,302	380,548
Fund Balance, End	<u>851,302</u>	<u>303,566</u> <i>A.</i>	<u>380,548</u>	<u>142,506</u>
Full Time Equivalents	0.55	0.30	0.30	0.30

A. Adopted Beginning Fund Balance for 2004-05 adjusted to reflect actual June 30, 2004 balance.

B. Includes Unemployment charges for 2005-06 from Expansion Project. Unemployment is self funded in the Risk Management Fund. 27,127 is reimbursement of 2003-04 actual expenses.

Metropolitan Exposition-Recreation Commission
POOLED CAPITAL – PORTLAND CENTER FOR THE PERFORMING ARTS
 Budget Committee Meeting 11/29/2004

	<i>2003-04 Actual</i>	<i>2004-05 Adopted Budget</i>	<i>2004-05 Projection</i>	<i>2005-06 Preliminary Budget</i>
Operating Revenues	-	-	-	-
Operating Expenditures	385,717	363,279	354,279	499,031
Net Operating Rev(Exp)	<u>(385,717)</u>	<u>(363,279)</u>	<u>(354,279)</u>	<u>(499,031)</u>
Non-Operating Resources	354,646	960,685	960,685	912,750
Non-Operating Requirements	-	-	-	-
Capital Outlay:				
Capital Outlay	935,637	1,463,600	1,220,046	673,000
Net Non-Operating Rev(Exp)	<u>(580,991)</u>	<u>(502,915)</u>	<u>(259,361)</u>	<u>239,750</u>
Net Increase (Decrease)	(966,708)	(866,194)	(613,640)	(259,281)
Fund Balance, Beginning	1,979,266	1,012,558 A.	1,012,558	398,918
Fund Balance, End	<u>1,012,558</u>	<u>146,364</u> A.	<u>398,918</u>	<u>139,637</u>
Full Time Equivalent	5.20	4.35	4.35	5.35

A. Adopted Beginning Fund Balance for 2004-05 adjusted to reflect actual June 30, 2004 balance.

Metropolitan Exposition-Recreation Commission
POOLED CAPITAL – PORTLAND EXPOSITION CENTER
 Budget Committee Meeting 11/29/2004

	2003-04 Actual	2004-05 Adopted Budget	2004-05 Projection	2005-06 Preliminary Budget
Operating Revenues	-	-	-	-
Operating Expenditures	17,868	26,004	26,004	32,915
Net Operating Rev(Exp)	<u>(17,868)</u>	<u>(26,004)</u>	<u>(26,004)</u>	<u>(32,915)</u>
Non-Operating Resources	389,174	164,441	(601,643)	307,477
Non-Operating Requirements	-	-	-	-
Capital Outlay:				
Capital Outlay	355,871	840,000	74,925	65,000
Net Non-Operating Rev(Exp)	<u>33,303</u>	<u>(675,559)</u>	<u>(676,568)</u>	<u>242,477</u>
Net Increase (Decrease)	15,435	(701,563)	(702,572)	209,562
Fund Balance, Beginning	1,606,236	1,621,671 A.	1,621,671	919,099
Fund Balance, End	<u>1,621,671</u>	<u>920,108</u> A.	<u>919,099</u>	<u>1,128,661</u>
Full Time Equivalents	0.55	0.30	0.30	0.30

A. Adopted Beginning Fund Balance for 2004-05 adjusted to reflect actual June 30, 2004 balance.

Metropolitan Exposition-Recreation Commission
POOLED CAPITAL – MERC ADMINISTRATION
 Budget Committee Meeting 12/08/2004

	<i>2003-04 Actual</i>	<i>2004-05 Adopted Budget</i>	<i>2004-05 Projection</i>	<i>2005-06 Preliminary Budget</i>
Operating Revenues	-	-	50,000	-
Operating Expenditures	387	-	-	-
Net Operating Rev(Exp)	<u>(387)</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Non-Operating Resources	-	-	-	625
Non-Operating Requirements	-	-	-	-
Capital Outlay:				
Capital Outlay	-	10,000	50,000	-
Net Non-Operating Rev(Exp)	<u>-</u>	<u>(10,000)</u>	<u>(50,000)</u>	<u>625</u>
Net Increase (Decrease)	(387)	(10,000)	-	625
Fund Balance, Beginning	25,539	25,152 A.	25,152	25,152
Fund Balance, End	<u>25,152</u>	<u>15,152</u> A.	<u>25,152</u>	<u>25,777</u>

Full Time Equivalent

A. Adopted Beginning Fund Balance for 2004-05 adjusted to reflect actual June 30, 2004 balance.

Metropolitan Exposition-Recreation Commission
POOLED CAPITAL – CONSOLIDATED
 Budget Committee Meeting 11/29/2004

	2003-04 Actual	2004-05 Adopted Budget	2004-05 Projection	2005-06 Preliminary Budget
Operating Revenues:				
Sponsorship Revenue	-	88,000	88,000	-
Other - Energy Rebate LEED - BETC	-	-	200,000	-
Operating Revenues	-	88,000	288,000	-
Operating Expenditures:				
Personal Services	447,437	405,287	406,287	591,988
Materials and Services	1,177	10,000	-	-
Operating Expenditures	448,614	415,287	406,287	591,988
Net Operating Rev(Exp)	(448,614)	(327,287)	(118,287)	(591,988)
Non-Operating Resources:				
Government Contributions	641,916	321,484	321,484	337,750
Donations/Bequests	34,018	627,775	627,775	575,000
Investment Earnings	51,031	67,779	67,779	31,102
from Convention Center Expansion	-	385,000	275,496	-
from METRO – MTOCA	-	-	504,000	636,208
from MERC Operating – OCC	107,776	178,750	178,750	-
from MERC Operating – PCPA	-	-	-	-
from MERC Operating – EXPO	67,886	117,356	107,840	97,637
OCC/EXPO-Loan Repayment	-	-	-	-
OCC/EXPO-LEED Loan	-	-	-	-
Transfers	175,662	681,106	1,066,086	733,845
Non-Operating Resources	902,627	1,698,144	2,083,124	1,677,697
Non-Operating Requirements:				
Debt Service	-	-	-	-
to MERC Operating Fund	-	354,000	354,000	-
Transfers	-	354,000	354,000	-
Non-Operating Requirements	-	354,000	354,000	-
Capital Outlay:				
Capital Outlay	1,422,777	3,142,350	3,397,803	1,372,845
Net Non-Operating Rev(Exp)	(520,150)	(1,798,206)	(1,668,679)	304,852
Net Increase (Decrease)	(968,764)	(2,125,493)	(1,786,966)	(287,136)
Fund Balance, Beginning	4,479,447	3,510,683 A.	3,510,683	1,723,717
Fund Balance, End	3,510,683	1,385,190 A.	1,723,717	1,436,581
Components of Fund Balance:				
Contingency	-	500,000	500,000	162,285
2003-04 PERS Reserve	15,232	15,232	15,232	15,232
2004-05 PERS Reserve	-	16,377	16,377	16,377
2005-06 PERS Reserve	-	-	-	25,315
Unappropriated Fund Balance	3,495,451	853,581	1,192,108	1,217,373
Total Ending Fund Balance	3,510,683	1,385,190 A.	1,723,717	1,436,581
Full Time Equivalents	6.30	4.95	4.95	5.95

A. Adopted Beginning Fund Balance for 2004-05 adjusted to reflect actual June 30, 2004 balance.

Metropolitan Exposition-Recreation Commission
POOLED CAPITAL – OREGON CONVENTION CENTER
 Budget Committee Meeting 11/29/2004

	2003-04 Actual	2004-05 Adopted Budget	2004-05 Projection	2005-06 Preliminary Budget
Operating Revenues:				
Sponsorship Revenue		88,000	88,000	
Other - Energy Rebate LEED - BETC			150,000	
Operating Revenues	-	88,000	238,000	-
Operating Expenditures:				
Personal Services	44,642	26,004	26,004	60,042 B.
Materials and Services				
Operating Expenditures	44,642	26,004	26,004	60,042
Net Operating Rev(Exp)	<u>(44,642)</u>	<u>61,996</u>	<u>211,996</u>	<u>(60,042)</u>
Non-Operating Resources:				
Government Contributions				
Donations/Bequests				
Investment Earnings	51,031	9,268	9,268	7,500
from Convention Center Expansion		385,000	275,496	
from METRO – MTOCA			504,000	636,208
from MERC Operating – OCC	107,776	178,750	178,750	
from MERC Operating – PCPA				
from MERC Operating – EXPO				
OCC/EXPO-Loan Repayment			(93,432)	(186,863)
OCC/EXPO-LEED Loan			850,000	
Transfers	107,776	563,750	1,714,814	449,345
Non-Operating Resources	<u>158,807</u>	<u>573,018</u>	<u>1,724,082</u>	<u>456,845</u>
Non-Operating Requirements:				
Debt Service				
to MERC Operating Fund		354,000	354,000	
Transfers	-	354,000	354,000	-
Non-Operating Requirements	-	354,000	354,000	-
Capital Outlay:				
Capital Outlay	131,269	828,750	2,052,832	634,845
Net Non-Operating Rev(Exp)	<u>27,538</u>	<u>(609,732)</u>	<u>(682,750)</u>	<u>(178,000)</u>
Net Increase (Decrease)	(17,104)	(547,736)	(470,754)	(238,042)
Fund Balance, Beginning	868,406	851,302 A.	851,302	380,548
Fund Balance, End	<u>851,302</u>	<u>303,566</u> A.	<u>380,548</u>	<u>142,506</u>
Components of Fund Balance:				
Contingency				63,485
2003-04 PERS Reserve	2,208	2,208	2,208	2,208
2004-05 PERS Reserve		1,352	1,352	1,352
2005-06 PERS Reserve				1,477
Unappropriated Fund Balance	849,094	300,006	376,988	73,985
Total Ending Fund Balance	<u>851,302</u>	<u>303,566</u> A.	<u>380,548</u>	<u>142,506</u>
Full Time Equivalents	0.55	0.30	0.30	0.30

A. Adopted Beginning Fund Balance for 2004-05 adjusted to reflect actual June 30, 2004 balance.

B. Includes Unemployment charges for 2005-06 from Expansion Project. Unemployment is self funded in the Risk Management Fund. 27,127 is reimbursement of 2003-04 actual expenses.

Metropolitan Exposition-Recreation Commission
POOLED CAPITAL – PORTLAND CENTER FOR THE PERFORMING ARTS
 Budget Committee Meeting 11/29/2004

	2003-04 Actual	2004-05 Adopted Budget	2004-05 Projection	2005-06 Preliminary Budget
Operating Revenues:				
Sponsorship Revenue				
Other - Energy Rebate LEED - BETC				
Operating Revenues	-	-	-	-
Operating Expenditures:				
Personal Services	385,513	353,279	354,279	499,031
Materials and Services	204	10,000		
Operating Expenditures	385,717	363,279	354,279	499,031
Net Operating Rev(Exp)	<u>(385,717)</u>	<u>(363,279)</u>	<u>(354,279)</u>	<u>(499,031)</u>
Non-Operating Resources:				
Government Contributions	320,628	321,484	321,484	337,750
Donations/Bequests	34,018	627,775	627,775	575,000
Investment Earnings		11,426	11,426	
from Convention Center Expansion				
from METRO – MTOCA				
from MERC Operating – OCC				
from MERC Operating – PCPA				
from MERC Operating – EXPO				
OCC/EXPO-Loan Repayment				
OCC/EXPO-LEED Loan				
Transfers	-	-	-	-
Non-Operating Resources	<u>354,646</u>	<u>960,685</u>	<u>960,685</u>	<u>912,750</u>
Non-Operating Requirements:				
Debt Service to MERC Operating Fund				
Transfers	-	-	-	-
Non-Operating Requirements	-	-	-	-
Capital Outlay:				
Capital Outlay	935,637	1,463,600	1,220,046	673,000
Net Non-Operating Rev(Exp)	<u>(580,991)</u>	<u>(502,915)</u>	<u>(259,361)</u>	<u>239,750</u>
Net Increase (Decrease)	(966,708)	(866,194)	(613,640)	(259,281)
Fund Balance, Beginning	1,979,266	1,012,558 A.	1,012,558	398,918
Fund Balance, End	<u>1,012,558</u>	<u>146,364</u> A.	<u>398,918</u>	<u>139,637</u>
Components of Fund Balance:				
Contingency		250,000	250,000	67,300
2003-04 PERS Reserve	12,239	12,239	12,239	12,239
2004-05 PERS Reserve		13,673	13,673	13,673
2005-06 PERS Reserve				22,361
Unappropriated Fund Balance	1,000,319	(129,548)	123,006	24,064
Total Ending Fund Balance	<u>1,012,558</u>	<u>146,364</u> A.	<u>398,918</u>	<u>139,637</u>
Full Time Equivalent	5.20	4.35	4.35	5.35

A. Adopted Beginning Fund Balance for 2004-05 adjusted to reflect actual June 30, 2004 balance.

Metropolitan Exposition-Recreation Commission
POOLED CAPITAL – PORTLAND EXPOSITION CENTER
 Budget Committee Meeting 11/29/2004

	<i>2003-04 Actual</i>	<i>2004-05 Adopted Budget</i>	<i>2004-05 Projection</i>	<i>2005-06 Preliminary Budget</i>
Operating Revenues:				
Sponsorship Revenue				
Other - Energy Rebate LEED - BETC				
Operating Revenues	-	-	-	-
Operating Expenditures:				
Personal Services	17,282	26,004	26,004	32,915
Materials and Services	586			
Operating Expenditures	17,868	26,004	26,004	32,915
Net Operating Rev(Exp)	<u>(17,868)</u>	<u>(26,004)</u>	<u>(26,004)</u>	<u>(32,915)</u>
Non-Operating Resources:				
Government Contributions	321,288			
Donations/Bequests				
Investment Earnings		47,085	47,085	22,977
from Convention Center Expansion				
from METRO – MTOCA				
from MERC Operating – OCC				
from MERC Operating – PCPA				
from MERC Operating – EXPO	67,886	117,356	107,840	97,637
OCC/EXPO-Loan Repayment			93,432	186,863
OCC/EXPO-LEED Loan			(850,000)	
Transfers	67,886	117,356	(648,728)	284,500
Non-Operating Resources	<u>389,174</u>	<u>164,441</u>	<u>(601,643)</u>	<u>307,477</u>
Non-Operating Requirements:				
Debt Service				
to MERC Operating Fund				
Transfers	-	-	-	-
Non-Operating Requirements	-	-	-	-
Capital Outlay:				
Capital Outlay	355,871	840,000	74,925	65,000
Net Non-Operating Rev(Exp)	<u>33,303</u>	<u>(675,559)</u>	<u>(676,568)</u>	<u>242,477</u>
Net Increase (Decrease)	15,435	(701,563)	(702,572)	209,562
Fund Balance, Beginning	1,606,236	1,621,671 A.	1,621,671	919,099
Fund Balance, End	<u>1,621,671</u>	<u>920,108</u> A.	<u>919,099</u>	<u>1,128,661</u>
Components of Fund Balance:				
Contingency		250,000	250,000	6,500
2003-04 PERS Reserve	785	785	785	785
2004-05 PERS Reserve		1,352	1,352	1,352
2005-06 PERS Reserve				1,477
Unappropriated Fund Balance	1,620,886	667,971	666,962	1,118,547
Total Ending Fund Balance	<u>1,621,671</u>	<u>920,108</u> A.	<u>919,099</u>	<u>1,128,661</u>
Full Time Equivalents	0.55	0.30	0.30	0.30

A. Adopted Beginning Fund Balance for 2004-05 adjusted to reflect actual June 30, 2004 balance.

Metropolitan Exposition-Recreation Commission
POOLED CAPITAL -- MERC ADMINISTRATION
 Budget Committee Meeting 12/08/2004

	2003-04 Actual	2004-05 Adopted Budget	2004-05 Projection	2005-06 Preliminary Budget
Operating Revenues:				
Sponsorship Revenue				
Other-Aramark			50,000	
Operating Revenues	-	-	50,000	-
Operating Expenditures:				
Personal Services				
Materials and Services	387			
Operating Expenditures	387	-	-	-
Net Operating Rev(Exp)	<u>(387)</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Non-Operating Resources:				
Government Contributions				
Donations/Bequests				
Investment Earnings				625
from Convention Center Expansion				
from METRO -- MTOCA				
from MERC Operating -- OCC				
from MERC Operating -- PCPA				
from MERC Operating -- EXPO				
OCC/EXPO-Loan Repayment				
OCC/EXPO-LEED Loan				
Transfers	-	-	-	-
Non-Operating Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>625</u>
Non-Operating Requirements:				
Debt Service				
to MERC Operating Fund				
Transfers				
Non-Operating Requirements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay:				
Capital Outlay	-	10,000	50,000	-
Net Non-Operating Rev(Exp)	<u>-</u>	<u>(10,000)</u>	<u>(50,000)</u>	<u>625</u>
Net Increase (Decrease)	(387)	(10,000)	-	625
Fund Balance, Beginning	25,539	25,152 A.	25,152	25,152
Fund Balance, End	<u>25,152</u>	<u>15,152</u> A.	<u>25,152</u>	<u>25,777</u>
Components of Fund Balance:				
Contingency				25,000
2003-04 PERS Reserve				
2004-05 PERS Reserve				
2005-06 PERS Reserve				
Unappropriated Fund Balance	25,152	15,152	25,152	777
Total Ending Fund Balance	<u>25,152</u>	<u>15,152</u> A.	<u>25,152</u>	<u>25,777</u>

Full Time Equivalent

A. Adopted Beginning Fund Balance for 2004-05 adjusted to reflect actual June 30, 2004 balance.

**FIVE-YEAR CAPITAL PLAN
MERC POOLED CAPITAL FUND**

Priority	Description	Project Status	Adopted Budget 2004-05	LEED Certification Amendment	Projected 2004-05	2005-06	2006-02	2007-08	2008-09	2009-10
Oregon Convention Center										
3	2 Power Carts for Operations					13,500				
2	Boiler Stack Dampers					12,000				
3	Canvas Tent	complete			60,000					
3	Clarity Video Display	complete	266,750		266,750					
3	Construct OPS Office & additional Meeting Space	unfunded						1,000,000		
1	Construction of Headquarter Hotel connection	unfunded						900,000		
4	Cover the plaza on MLK and Holladay with glass	unfunded								5,000,000
1	Event Management Software	in process			55,000					
1	Fire Suppression System-Kitchen					10,000				
3	OCIP Insurance Reserve for OCC Expansion	in process	450,000		200,000					
2	Replace 6' Round Tables						100,000			
2	Replace 8' and 6' Tables in Inventory							125,000		
1	Replace AV Head End Room in current facility	unfunded							1,250,000	
2	Replace Brick Seater in the MLK Plaza	complete	10,000							
1	Replace Exhaust Duct in Kitchen	Dec. 2004	15,000		15,000					
2	Replace Garbage Compactors					150,000				
1	Replace Glass in Exterior Canopies in MLK & Holladay						65,000			
1	Replace Kitchen Hot Water Heater	complete	32,000		23,690					
2	Replace Sound Proofing in Oregon Ballroom	Dec. 2004	55,000		36,392					
2	Replace Wall coverings in all meeting rooms						125,000			
2	Resurface Exhibit Hall Moveable Partitions							150,000		
3	Rework Oregon Ballroom Capabilities	unfunded							1,500,000	
2004-05 Metro Tourism and Competiveness Fund Projects (MTOCA)										
MTOCA	LEED Certification (see Note below)				654,000					
MTOCA	LEED Certification - Chiller controls	pending			28,000					
MTOCA	LEED Certification - Chiller room ventilation/noise abatement	pending			60,000					
MTOCA	LEED Certification - Contingency 10%	pending			125,000					
MTOCA	LEED Certification - Replace 198 Toilet/Urinals (auto flush)	pending			125,000					
MTOCA	LEED Certification - Replace 250 ton chiller	pending			130,000					
MTOCA	LEED Certification - Replace light sensors	pending			10,000					
MTOCA	LEED Certification - Replace three 800 ton chiller units	pending			870,000					
MTOCA	LEED Certification - ZGF Consulting	in process			30,000					
2005-06 Future MTOCA Projects subject to Approval Process:										
MTOCA	Future MTOCA projects -- to be determined					189,345				
MTOCA	Chrome Doors-Disabled Units Replacement					35,000				
MTOCA	Replace & Upgrade the Cooling Tower #3					40,000				
MTOCA	Replace AV Equipment					95,000	350,000			
MTOCA	Replace Marble Thres-holds in King/Holladay Lobbies					15,000				
MTOCA	Lobby Signage and Way Finding Kiosks	in process			18,000	75,000				
Total Oregon Convention Center			828,750	654,000	2,052,832	634,845	640,000	2,175,000	2,750,000	5,000,000

Note: LEED Certification funding includes MTOCA transfer from Metro \$504,000 and energy rebate \$150,000. (\$504,000 + \$150,000 = \$654,000)

Additional resources from Expo Intra-fund loan \$850,000 Loan. (\$654,000 + \$850,000 = \$1,504,000) Intra-fund loan to be paid back over five years at 3.5% interest

**FIVE-YEAR CAPITAL PLAN
MERC POOLED CAPITAL FUND**

<i>Priority</i>	<i>Description</i>	<i>Project Status</i>	<i>Adopted Budget 2004-05</i>	<i>LEED Certification Amendment</i>	<i>Projected 2004-05</i>	<i>2005-06</i>	<i>2006-07</i>	<i>2007-08</i>	<i>2008-09</i>	<i>2009-10</i>
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(180)

Portland Center for the Performing Arts

2	All Theaters - Marley Dance Floor					17,000				
1	All Theatres - Event Management Software	in process			35,000					
2	All Theatres - Lighting Controls Interface, Ports, Processors	pending			45,000					
1	ASCH - Boiler Replacement	in process			80,000					
1	ASCH - Carpet Replacement	in process	300,000		20,000	280,000				
2	ASCH - Dressing Tower Elevator						100,000			
2	ASCH - Fore Stage Lift Replacement								80,000	
4	ASCH - Main Street Project	deferred-unfunded	400,000			75,000	425,000			
2	ASCH - Mid - Stage Traveler Replacement					10,000				
2	ASCH - Rebuild 9' Piano	deferred	10,000			10,000				
2	ASCH - Replace Dressing Room/Lounge Furniture	deferred	6,000			6,000				
2	ASCH - Seating Area Draperies	canceled	30,000							
2	ASCH - Washer & Dryer	canceled	5,000							
2	ASCH - West Entry Remodel	pending	180,000		200,000					
1	Keller - ADA Restroom Backstage					5,000				
2	Keller - Auditorium - Lobbies Upgrade	in process	40,000		45,525					
1	Keller - Backflow Preventers	pending			15,000					
2	Keller - Chiller	in process			200,000					
2	Keller - Dressing Room Furniture	deferred	25,000			10,000				
2	Keller - HVAC Controls	in process			108,381					
1	Keller - Ladders	in process			35,000	40,000				
2	Keller - Loft Blocks	in process			10,000					
1	Keller - Phase III Plumbing	pending			13,000					
1	Keller - Pit Lift System	canceled	100,000							
2	Keller - Portico Upgrades	in process	95,000		102,244					
2	Keller - Rebuild 7' Piano	pending	10,000		10,000					
2	Keller - Rebuild 9' Piano	pending	10,000		10,000					
2	NTB - Brunish Hall Floor and Carpet	pending	35,000		35,000					
2	NTB - Newmark Sound Amplifiers Replacement	deferred	20,000			20,000				
2	NTB - Newmark Stage Floor Replacement					100,000				
2	NTB - Newmark Stage Masking Replacement	deferred	28,800				28,800			
1	NTB - Newmark Stage Safety Switches	pending			10,000					
2	NTB - Rebuild 7' Steinway Piano	pending	9,000		9,000					
3	NTB - Restaurant and Bar	in process			207,045					
2	NTB - Roof Repair	deferred	10,000							
2	NTB - Winningstad - Seating Risers	deferred	100,000			100,000				
2	NTB - Winningstad Sound Board & Amplifiers	pending	15,000		15,000					
2	NTB - Winningstad Stage Masking Replacement	deferred	22,800					22,800		
2	NTB - Winningstad Winch	complete	12,000		14,851					
Total Portland Center for the Performing Arts			1,463,600		1,220,046	673,000	553,800	22,800	80,000	

**FIVE-YEAR CAPITAL PLAN
MERC POOLED CAPITAL FUND**

<i>Priority</i>	<i>Description</i>	<i>Project Status</i>	<i>Adopted Budget 2004-05</i>	<i>LEED Certification Amendment</i>	<i>Projected 2004-05</i>	<i>2005-06</i>	<i>2006-07</i>	<i>2007-08</i>	<i>2008-09</i>	<i>2009-10</i>
Exposition Center										
1	Event Management Software	in process			10,000					
2	Parking Lot Removal and Replacement	complete	50,000		38,145	50,000	50,000	50,000	50,000	50,000
2	Hall E and Hall D Exterior Painting	complete	25,000		11,780					
2	Hall E Carpet Replacement								30,000	
2	Hall E Exhaust Fans	pending	15,000		15,000	15,000	15,000			
2	In-House Electrical System	canceled	750,000							
Total Portland Exposition Center			840,000		74,925	65,000	65,000	50,000	80,000	50,000

MERC Administration										
1	Additional Server	deferred	10,000							
1	Event Management Software (see Note below)	in process			50,000					
Total MERC Administration			10,000		50,000					

Note: Aramark contributed \$50,000 for Event Management Software. Balance of project is listed above for each facilities using the same formula as MERC Admin allocation.

Total MERC Pooled Capital Fund					3,397,803	1,372,845	1,258,800	2,247,800	2,910,000	5,050,000
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2004-05 Amended Budget & Projection

<i>Facility</i>	<i>Adopted Budget</i>	<i>LEED Certification Amendment</i>	<i>Total Amended Budget</i>	<i>Projected</i>	<i>Difference under (over)</i>
Oregon Convention Center	828,750	654,000	1,482,750	2,052,832	(570,082)
Portland Center for the Performing Arts	1,463,600		1,463,600	1,220,046	243,554
Exposition Center	840,000		840,000	74,925	765,075
MERC Administration	10,000		10,000	50,000	(40,000)
Total MERC Pooled Capital Fund	3,142,350	654,000	3,796,350	3,397,803	398,547

MERC STAFF REPORT

Agenda Item: Approving and transmitting the MERC Operating Fund and the MERC Pooled Capital Fund budgets for the Fiscal Year 2005-2006.

Resolution No. 04-25

Date: December 15, 2003

Presented by: Kathleen A. Taylor, Director
of Administration/Finance Officer

Description of Resolution: Resolution 04-25 would approve the attached proposed budgets for submission to the Metro Council by a duly adopted resolution at a regular public meeting of the Commission.

Background: Operationally, MERC is organized into several departments, the Oregon Convention Center, Portland Exposition Center, Portland Center for the Performing Arts, and MERC Administration. The operations of these departments are budgeted in the MERC Operating Fund. Exhibit A "Proposed Budget 2005-06 for MERC Operating Fund" includes the operating budgets for each department and the budget of the MERC Operating Fund. The MERC Operating Fund is the official accounting entity containing the operating resources and requirements of the departments managed by MERC.

MERC also manages its capital needs in the MERC Pooled Capital Fund. The MERC Pooled Capital Fund is organized into the same departments as the operating fund. Exhibit B "Proposed Budget 2005-06 for MERC Pooled Capital Fund" includes the capital budgets for each department and the capital budget of the MERC Pooled Capital Fund. The MERC Pooled Capital Fund is the official accounting entity containing capital resources and requirements of the departments managed by MERC.

Discussion and Analysis: The Budget Committee, consisting of Commissioners Forbes, Trotter, and Castillo, reviewed the facilities and capital budgets in detail. Based on current economic conditions, MERC's Strategic Plan and presentation by the facilities, staff developed the proposed MERC budget (see Exhibit A and B). The proposed budgets are forwarded to the full Commission for consideration, comment and passage.

The Budget Committee will be apprised and convened, if required, to review any information that may materially impact and may amend this budget anytime prior to Metro FY 2005-06 Budget Adoption. The Budget Committee will recommend changes to the Commission for approval.

Financial Impact: The proposed budget contemplates a slightly better than break-even MERC-wide budget.

MERC Operating Fund

Resources: Proposed operating revenues are 8% greater than 2004-05 Adopted budget. This is a result of projected increases in Food and Beverage revenues and Sales Commissions, off-set by a flat or slight decline in parking revenues and the termination of the Front Row Marketing agreement, intended to generate sponsorship revenue.

Hotel/Motel Lodging Tax is budgeted with a 2.5% (CPI) annual increase based on 2003-04 actual receipts. The final year of VDI support for the Oregon Convention Center is included in the amount of \$300 thousand. No VDI is anticipated for the Performing Arts Center.

Incoming transfers include an estimated transfer from Metro to OCC operating fund to limit Metro support services costs to the amount agreed upon in the Visitor Development Initiative.