

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 07-11

For the purpose of approving and transmitting a budget amendment to the MERC Operating and Capital Fund for fiscal year 2006-07.

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, Metro Code 6.01.050(d) further provides that once the Commission's budget has been adopted by the Metro Council, any changes in the adopted appropriations must be ratified in advance by the Metro Council; and

WHEREAS, the Commission previously approved and transmitted to the Metro Council the fiscal year 2006-07 budgets for the MERC Operating Fund; and

BE IT THEREFORE RESOLVED, that the Metropolitan Exposition Recreation Commission approves and transmits to the Metro Council a budget amendment to the MERC Operating and Capital Funds, as described in the attached Staff Report and Exhibit A, for the fiscal year beginning July 1, 2006 and ending June 30, 2007 for inclusion as part of the total Metro budget for this period.

Passed by the Commission on May 23, 2007.

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

By: 
Nathan A. Schwartz Sykes,
Senior Attorney


Chair – George Forbes


Secretary-Treasurer – Janice Marquis

MERC Staff Report

Agenda Item/Issue: For the purpose of approving and transmitting a budget amendment to the MERC Operating and Capital Fund for fiscal year 2006-07.

Resolution No.: 07-11

Presented By: Cynthia Hill

Date: May 23, 2007

Background and Analysis: Resolution 07-11 would approve the proposed budget amendment for submission to the Metro Council by a duly adopted resolution at a regular public meeting of the Commission.

This action requests amended appropriation authority for the following purposes:

Oregon Convention Center Food & Beverage Sales

The Oregon Convention Center is experiencing food and beverage sales greater than estimated in the adopted budget. Revenue is currently estimated at \$8.1 million, an increase of \$777,000 over the budget. With increased sales, there is an increase in the cost of goods sold estimated at \$600,000. The projected food and beverage margin for fiscal year 2006-07 is 23 percent. Oregon budget law does not allow the recognition and direct appropriation of this revenue without benefit of a supplemental budget. This action requests the transfer of \$600,000 from the MERC Operating Fund contingency to provide for the necessary increase of food and beverage expenditures, however, increased revenue will more than offset the request.

<i>MERC Operating Fund</i>	
<i>Revenues</i>	
Food & Beverage Sales	\$777,000
<i>Expenditures</i>	
Food & Beverage Services	\$600,000
Contingency	(\$600,000)
Ending Balance	\$777,000

MERC Pooled Capital Projects

The Oregon Convention Center (OCC) and the Portland Center for Performing Arts (PCPA) employees will complete a portion of the labor required on two capital projects. Using existing staff is a cost savings to the overall projects. OCC staff will work on AV Control Room Project and at PCPA staff will work on the Arlene Schnitzer Concert Hall Front House Lighting System Replacement. This action requests the transfer of \$60,000 from capital outlay to personal services in the MERC Pooled Capital Fund to pay for the staff costs associated with these employees.

<i>MERC Pooled Capital Fund</i>	
<i>Expenditures</i>	
Part-time staff	\$46,000
Fringe Benefits	\$12,450
Fringe PERS Bond Recovery	\$1,550
Capital Outlay	(\$60,000)

Fiscal Impact:

This action will transfer \$600,000 from contingency in the MERC Operating and Capital Fund to provide for increased food and beverage services at the Oregon Convention Center. However, additional revenue will be received over budget estimates that will more than offset the transfer. There is anticipated to be a positive cash flow to the ending balance of approximately \$177,000. In the MERC Pooled Capital Fund in-house labor will be used to complete two capital projects at a cost savings to the facilities. This action transfers appropriation authority from capital outlay to personal services to cover the staff costs.

Recommendation: Staff recommends that the Metropolitan Exposition Recreation Commission adopt Resolution 07-11

Exhibit A Resolution 07-11 2006-07 FY Budget Amendment

	<u>Expo</u>	<u>OCC</u>	<u>PCPA</u>	<u>Admin</u>	<u>Operating</u>
<u>2006-07 Adopted Budget as of January 24, 2007</u>					
Amended Budget Net	525,506	(1,611,465)	(447,160)	(122,734)	(1,655,853)
Ending Fund Balance	5,327,230	5,731,051	5,810,883	266,344	17,135,508
<u>2006-07 Amendments May 23, 2007</u>					
Resources:					
Increase Food & Beverage Revenue		777,000			777,000
					-
Requirements:					
Increase Food & Beverage Cost of Goods Sold		(600,000)			(600,000)
Increase Capital Fund Personal Services		(51,392)	(8,608)		(60,000)
Decrease Capital Fund Capital Outlay Buildings		51,392	8,608		60,000
Total Amendments	-	177,000	-	-	177,000
Budget Net, with Amendments	525,506	(1,434,465)	(447,160)	(122,734)	(1,478,853)
Ending Fund Balance, with Amendments	5,327,230	5,908,051	5,810,883	266,344	17,312,508