

**METROPOLITAN EXPOSITION RECREATION COMMISSION**

**Resolution No. 07-12**

**For the purpose of approving and transmitting budget amendments to the MERC Fund for fiscal year 2007-08.**

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 MERC Operating Fund and the MERC Pooled Capital Funds are now consolidated into one MERC Fund; and

WHEREAS, the Commission previously approved and transmitted to the Metro Council the fiscal year 2007-08 budgets for the MERC Fund; and

**BE IT THEREFORE RESOLVED** that the Metropolitan Exposition Recreation Commission approves and transmits to the Metro Council the following budget amendments attached as Exhibit A for the fiscal year beginning July 1, 2007 and ending June 30, 2008 for inclusion as part of the total Metro budget for this period: MERC Fund

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 amendments to the MERC Fund for fiscal year 2007-08.

**Resolution No.:** 07-12

**Presented By:** Cynthia Hill

**Date:** May 23, 2007

**Background and Analysis:** Our practice is to submit amendments to the MERC Commission for approval prior to forwarding them to Metro Council. These amendments were originally scheduled for the April Commission Meeting which was cancelled. All amendments were required by May 3rd for timely submission to the Tax Supervising & Conservation Commission (TSCC). The following amendments to the 2007-08 MERC Fund were approved at the May 3<sup>rd</sup> Metro Council meeting.

Resolution 07-12 would approve the attached budget amendments for inclusion as part of the Metro budget for 2007-08 fiscal year.

Exhibit A includes the following amendments:

- |   |             |
|---|-------------|
| 1) OCC - Increase Personal Services – Part-time Event Manager   | \$25,521    |
| 2) Administration – Carry over 2006-07 balance for Compensation Study and VDI Consultant for work performed in July and August. | \$20,000    |
| 3) OCC – Carry over 2006-07 balance for Headquarters Hotel Consultants  | \$150,000   |
| 4) Carry over capital projects scheduled for completion during the summer   | \$1,065,967 |
| 5) Move ½ of PERS Reserve to Contingency to preserve the Metro Council's Flexibility to use these funds in the future.          | \$1,277,579 |

**Fiscal Impact:**

Decrease Unappropriated Fund Balance \$25,521

**Recommendation:** Staff recommends that the Metropolitan Exposition-Recreation Commission adopt Resolution 07-12, for the purpose of approving and transmitting budget amendments to the MERC Fund for fiscal year 2007-08.

**Exhibit A**  
**2007-08 Proposed Budget**  
**Changes from 2-28-2007 Commission Meeting**

	<u>Expo</u>	<u>OCC</u>	<u>PCPA</u>	<u>Admin</u>	<u>Total</u>
<b>Resolution 07-04 Commission Meeting 2-28-2007</b>					
<b>Proposed Budget Fund Balance Inc (Dec)</b>	222,241	(345,269)	116,412	1,485	(5,131)
<b>Ending Fund Balance</b>	5,453,029	5,796,384	5,776,480	377,098	17,402,991
<b>Adjustments</b>					
<i>Resources</i>					
1) Increase MTOCA Transfer from General Fund (Carry over the 2006-07 funding for AV Control Room)		688,256			688,256
<i>Uses</i>					
2) Increase Personal Services - Part-time Event Manager		(25,521)			(25,521)
3) Increase Management Consulting					
a) Carry over the 2006-07 Headquarter Hotel Project		(150,000)			(150,000)
b) Carry over for Comp Study and VDI Consultant				(20,000)	(20,000)
4) Capital Projects Carry over		(931,020)	(82,000)	(52,947)	(1,065,967)
<b>Total Adjustments</b>	-	<b>(418,285)</b>	<b>(82,000)</b>	<b>(72,947)</b>	<b>(573,232)</b>
<b>Commission Meeting 05-23-2007</b>					
<b>Proposed Budget Fund Balance Inc (Dec)</b>	222,241	(763,554)	34,412	(71,462)	(578,363)
<b>Ending Fund Balance, with Adjustments</b>	5,453,029	5,378,099	5,694,480	304,151	16,829,759
<b>Revised Beginning Balance Estimate</b>					
Increase Beginning Fund Balance Operating		150,000		20,000	170,000
Increase Beginning Fund Balance Capital		377,711	82,000	52,947	512,658
<b>Revised Ending Fund Balance</b>	5,453,029	5,905,810	5,776,480	377,098	17,512,417
<b>Reclassify 1/2 PERS Reserve to Contingency</b>					
Contingency for PERS	118,641	660,060	404,576	94,302	1,277,579
Reserves PERS	(118,641)	(660,060)	(404,576)	(94,302)	(1,277,579)
<b>Net Change</b>	-	-	-	-	-
<b>F &amp; B Margin</b>	<b>29.9%</b>	<b>24.3%</b>	<b>6.5%</b>		<b>23.2%</b>
<b>Full Time Employees</b>	<b>13.30</b>	<b>107.30</b>	<b>43.40</b>		<b>164.00</b>

<b>Department</b>	<b>#</b>
MERC	1

## **AMENDMENT TO FY 2007-08 BUDGET**

**SPONSOR:** Jeff Blosser, Oregon Convention Center

**DRAFTER:** Cynthia Hill, MERC Administration

**DATE:** April 9, 2007

**PROPOSED AMENDMENT:** Adding OCC Part-Time Staff

Increase Part -Time Regular Salaries in Event Services at the Oregon Convention Center (OCC).

Department	Fund	Line Items		
		Acct #	Account Title	Amount
MERC	555 MERC Fund	5025	Part-time employees	\$20,515
		5100	Fringe	4,308
		5190	PERS Bond Recovery	698
		5990	MERC Unappropriated Fund Balance	(\$25,521)
			<i>Total Requirements</i>	<i>\$0</i>

### **PROGRAM/STAFFING IMPACTS**

Due to the addition of the Account Executives in the Events Department and the need to re-distribute event assignments, it has become necessary to add additional part time staffing to perform support duties and event floor management to assist the current Event Managers with larger OCC events. This will also allow OCC Executive to assess potential future year support in this area.

### **ARGUMENTS IN FAVOR OF THE PROPOSED AMENDMENT**

Due to the variety of current and future client needs, the Events Department has been reorganized to include Event Managers who provide event management services for larger, complex events; and the Meeting Advantage Program, consisting of Account Executives who serve as one-stop shop for clients whose events need one point of contact (start to finish) for specialized event services.

### **OPTIONS FOR FUNDING THIS AMENDMENT**

MERC Unappropriated Fund Balance

<b>Department</b>	<b>#</b>
MERC	2

## AMENDMENT TO FY 2007-08 BUDGET

**SPONSOR:** Kathy Taylor, MERC Acting General Manager

**DRAFTER:** Cynthia Hill, MERC Budget Analyst

**DATE:** April 12, 2007

**PROPOSED AMENDMENT:** MERC Contract Carryover

Carry over appropriations for contracted professional consulting costs for the MERC compensation study (\$10,000) and the Visitor's Development Initiative (VDI) required review of the Oregon Convention Center financial operations and support costs (\$10,000).

Department	Fund	Line Items		
		Acct #	Account Title	Amount
<b><i>Resources</i></b>				
MERC	MERC Fund -- 555	3500	Beginning Fund Balance	\$20,000
<b><i>Requirements</i></b>				
MERC	MERC Fund -- 555	5240	Contracted Professional Services	\$20,000

**PROGRAM/STAFFING IMPACTS**

The final phase of the MERC Compensation Study and the VDI review projects will be complete during July and August. This amendment carries forward the funding to complete both projects.

**ARGUMENTS IN FAVOR OF THE PROPOSED AMENDMENT** *(not needed for technical amendments)*

N/A

**OPTIONS FOR FUNDING THIS AMENDMENT** *(not needed for technical amendments)*

N/A

<b>Department</b>	<b>#</b>
MERC	3

## AMENDMENT TO FY 2007-08 BUDGET

**SPONSOR:** Jeff Blosser, OCC Director

**DRAFTER:** Cynthia Hill, MERC Administration

**DATE:** April 13, 2007

**PROPOSED AMENDMENT:** Headquarters Hotel Study Carryover

\$250,000 was appropriated in 2006-07 for project management, communications support, consulting fees and other associated project costs for the study of the proposed Convention Center Hotel. It is anticipated \$150,000 of the project costs will carry over into FY 2007-08.

Department	Fund	Line Items		
		Acct #	Account Title	Amount
<b><i>Resources</i></b>				
MERC	MERC Fund – 555	3500	Beginning Fund Balance	\$150,000
<b><i>Requirements</i></b>				
MERC	MERC Fund – 555	5240	Contracted Professional Services	\$150,000

### **PROGRAM/STAFFING IMPACTS**

Carry over will fund contractual obligations associated with the Convention Center Hotel Project.

### **ARGUMENTS IN FAVOR OF THE PROPOSED AMENDMENT**

N/A

### **OPTIONS FOR FUNDING THIS AMENDMENT**

MERC Beginning Fund Balance

<b>Department</b>	<b>#</b>
MERC	4

## AMENDMENT TO FY 2007-08 BUDGET

**SPONSOR:** Kathy Taylor, Interim General Manager

**DRAFTER:** Cynthia Hill, MERC Administration

**DATE:** April 13, 2007

**PROPOSED AMENDMENT:**

This amendment provides appropriation for 2006-07 capital projects continuing into the 2007-08 FY. The project carry-over totals \$1,065,967. (see attached list of projects)

This amendment also carries over the balance of 2006-07 MTOCA transfer from the Metro General Fund. Transfers to MERC from the General Fund are made on a reimbursement basis once projects are approved by the Council by resolution. At this time, MERC does not expect to need this funding until early FY 2007-08.

Department	Fund	Line Items		
		Acct #	Account Title	Amount
<b><i>Resources</i></b>				
Non-Department	General Fund	3500	Beginning Balance	\$688,256
<b><i>Requirements</i></b>				
Non-Department	General Fund	5810	Transfer of Resources	\$688,256
<b><i>Resources</i></b>				
	MERC Fund	3500	Beginning Balance	377,711
		4970	Transfer of Resources	688,256
			<b>Total Resources</b>	<b>\$1,065,967</b>
<b><i>Requirements</i></b>				
	MERC Fund	5725	Buildings and Related	1,013,020
		5755	Office Furniture & Equipment	52,947
			<b>Total Requirements</b>	<b>\$1,065,967</b>

**PROGRAM/STAFFING IMPACTS**

None

**ARGUMENTS IN FAVOR OF THE PROPOSED AMENDMENT**

N/A

**OPTIONS FOR FUNDING THIS AMENDMENT**

MERC Beginning Fund Balance and Transfers

**Attachment to MERC 4  
MERC Capital Project Carry-over  
By Venue**

<u><i>Project</i></u>	<u><i>2006-07 Budget</i></u>	<u><i>Estimated Carry over Requirements</i></u>
<b><i>Oregon Convention Center</i></b>		
Replace Wall coverings in all meeting rooms	125,000	100,000
LEED Certification - Variable Frequency Drives	150,000	80,000
LEED Certification - Replace 198 Toilet/Urinals (auto flush)	125,000	62,764
Replace Equipment AV Control Room	1,042,521	539,081
Reclassify MTOCA to the AV Control Room Project	149,175	149,175
<b><i>Total Oregon Convention Center</i></b>	<b>1,591,696</b>	<b>931,020</b>
<b><i>Portland Center for Performing Arts</i></b>		
ASCH - Front House Lighting System Replacement	100,000	10,000
Keller Lobby Upgrades - Carpet	72,000	72,000
<b><i>Total Portland Center for Performing Arts</i></b>	<b>172,000</b>	<b>82,000</b>
<b><i>MERC Administration</i></b>		
Aramark National Vendor Rebate Project ( Technology and Equipment)	135,532	52,947
<b><i>Total MERC Administration</i></b>	<b>135,532</b>	<b>52,947</b>
<b>Total</b>	<b>1,899,228</b>	<b>1,065,967</b>



<b>Department</b>	<b>#</b>
GENERAL	2

## AMENDMENT TO FY 2007-08 BUDGET

**SPONSOR:** Michael Jordan, Chief Operating Officer

**DRAFTER:** Kathy Rutkowski, Budget Coordinator

**DATE:** April 6, 2007

**PROPOSED AMENDMENT:** Move ½ of PERS Reserve to Contingency

In response to Council direction received at the budget work session on April 10, 2007, this amendment would move the half of the PERS Reserve from the unappropriated fund balance to contingency. This action retains the flexibility to use these funds next year should the Council choose to do so. Leaving these funds in unappropriated balance would preclude the use of these funds for any reason during next fiscal year. To the extent the Council approves other uses of these funds the dollar amounts shown in this request will be amended.

DEPARTMENT	FUND(S)	LINE ITEMS		
		Acct #	Account Title	Amount
Non-Department	General Fund	5999	Contingency	\$2,796,057
	MERC Fund	5999	Contingency	\$1,277,579
	Metro Capital Fund	5999	Contingency	\$6,552
	Risk Management Fund	5999	Contingency	\$18,800
	Solid Waste Revenue Fund	5999	Contingency	\$774,832
			<b>Total Contingency</b>	<b>\$4,873,820</b>
Non-Department	General Fund	5990	Unappropriated Balance	(\$2,796,057)
	MERC Fund	5990	Unappropriated Balance	(\$1,277,579)
	Metro Capital Fund	5990	Unappropriated Balance	(\$6,552)
	Risk Management Fund	5990	Unappropriated Balance	(\$18,800)
	Solid Waste Revenue Fund	5990	Unappropriated Balance	(\$774,832)
			<b>Total Unappropriated Balance</b>	<b>(\$4,873,820)</b>

### PROGRAM/STAFFING IMPACTS

None

### ARGUMENTS IN FAVOR OF THE PROPOSED AMENDMENT *(not needed for technical amendments)*

The Council has engaged in a discussion of the appropriate level of reserve for a variety of uses. This discussion includes the future and possible use of the PERS Reserve. To preserve the Council's flexibility to use these funds in the future it is necessary, at a minimum, to move them from unappropriated balance to contingency.

In addition, budget law restricts amendments between approval of the budget scheduled for May 3, 2007 and adoption of the budget scheduled for June 21, 2007, to no more than 10 percent of the value of any fund's expenditures (defined as total personal services, materials & services, capital outlay and debt service). However, between the time of proposal of the budget and approval of the budget any change may be made. The dollar amounts included in this amendment are large enough to potentially violate the budget law restriction after approval of the budget. It is highly recommended that if Council wishes to pursue this action it be done prior to approval of the budget.

### OPTIONS FOR FUNDING THIS AMENDMENT *(not needed for technical amendments)*

N/A. Funding is set aside in reserves and has been carried forward from prior fiscal years.

**Metropolitan Exposition-Recreation Commission**  
**MERC Budget Statement**  
**All Departments**

	Prior Year	Current Year	Next Year Budget	Change	% Change
	Actual	Budget			
	June-06	June-07	June-08		
<b>Operating</b>					
Revenue	15,482,886	15,481,570	16,385,239	903,669	5.8%
Revenue - Food and Beverage	10,794,713	10,711,809	11,097,449	385,640	3.6%
Costs - Food and Beverage	(8,496,031)	(8,462,996)	(8,525,795)	(62,799)	0.7%
Personal Services	(13,924,389)	(15,441,792)	(16,697,663)	(1,255,871)	8.1%
Goods & Services	(5,288,473)	(6,051,307)	(6,847,643)	(796,336)	13.2%
Marketing	(2,440,900)	(2,409,614)	(2,623,553)	(213,939)	8.9%
	<b>(3,872,193)</b>	<b>(6,172,330)</b>	<b>(7,211,966)</b>	<b>(1,039,636)</b>	<b>16.8%</b>
<b>Non Operating</b>					
Transient, Lodging Tax	8,769,877	8,794,328	9,419,249	624,921	7.1%
Government Support City of Portland	-	687,200	711,375	24,175	3.5%
Non-Operating Revenue	1,152,184	370,554	628,116	257,562	69.5%
Non-Operating Expense	-	(2,500)	(2,500)	-	0.0%
	<b>9,922,061</b>	<b>9,849,582</b>	<b>10,756,240</b>	<b>906,658</b>	<b>9.2%</b>
<b>Support and Risk Management</b>					
MERC Administration	-	-	-	-	n/a
Metro Support Services	(2,074,728)	(2,364,217)	(1,693,465)	670,752	-28.4%
Metro Risk Management	-	-	(627,565)	(627,565)	n/a
	<b>(2,074,728)</b>	<b>(2,364,217)</b>	<b>(2,321,030)</b>	<b>43,187</b>	<b>-1.8%</b>
<b>Net Increase (Decrease)</b>	<b>3,975,139</b>	<b>1,313,035</b>	<b>1,223,244</b>	<b>(89,791)</b>	<b>-6.8%</b>
<b>Transfers</b>					
Intrafund Transfers	-	-	(555,848)	(555,848)	n/a
Transfers to	(664,816)	(423,903)	-	423,903	-100.0%
Transfers from	192,943	-	-	-	n/a
Debt Service	(1,234,579)	(871,699)	(1,208,283)	(336,584)	38.6%
<b>Net Transfers</b>	<b>(1,706,452)</b>	<b>(1,295,602)</b>	<b>(1,764,131)</b>	<b>(468,529)</b>	<b>36.2%</b>
<b>Net Operations</b>	<b>2,268,687</b>	<b>17,433</b>	<b>(540,887)</b>	<b>(558,320)</b>	<b>-3202.7%</b>
<b>Capital</b>					
Capital Outlay	(1,995,807)	(3,187,860)	(2,297,402)	890,458	-27.9%
Personal Services	(561,466)	(222,306)	-	222,306	-100.0%
Goods & Services	(48,315)	(86,490)	-	86,490	-100.0%
Non-Operating Revenue	581,545	75,003	346,102	271,099	361.5%
Non-Operating Expense	-	-	-	-	n/a
Intrafund Transfers	-	-	555,848	555,848	n/a
Transfers to	-	-	-	-	n/a
Transfers from	595,408	1,748,367	1,357,976	(390,391)	-22.3%
<b>Net Capital</b>	<b>(1,428,634)</b>	<b>(1,673,286)</b>	<b>(37,476)</b>	<b>1,635,810</b>	<b>-97.8%</b>
<b>Fund Balance Inc (Dec)</b>	<b>840,053</b>	<b>(1,655,853)</b>	<b>(578,363)</b>	<b>1,077,490</b>	<b>-65.1%</b>
<b>Food and Beverage Gross Margin</b>	<b>21.3%</b>	<b>21.0%</b>	<b>23.2%</b>	<b>2.2%</b>	
<b>Full Time Employees</b>	<b>156.00</b>	<b>163.00</b>	<b>168.00</b>	<b>5.00</b>	<b>3.1%</b>
<b>Fund Balance</b>					
Beginning Fund Balance	17,951,308	18,791,361	18,090,780	(700,581)	-3.7%
Fund Balance Inc (Dec)	840,053	(1,655,853)	(578,363)	1,077,490	-65.1%
<b>Ending Fund Balance</b>	<b>18,791,361</b>	<b>17,135,508</b>	<b>17,512,417</b>	<b>376,909</b>	<b>2.2%</b>
Unrestricted Fund Balance	16,506,976	11,784,155	11,621,698	(162,457)	-1.4%
Contingency	-	1,999,236	2,068,393	69,157	3.5%
Contingency for Renewal & Replacement	-	-	295,000	295,000	n/a
Contingency for PERS	-	-	1,277,579	1,277,579	n/a
Designated for Phase 3	409,547	840,445	972,162	131,717	15.7%
Reserves PERS (restricted)	1,874,838	2,511,672	1,277,585	(1,234,087)	-49.1%
<b>Ending Fund Balance</b>	<b>18,791,361</b>	<b>17,135,508</b>	<b>17,512,417</b>	<b>376,909</b>	<b>2.2%</b>

**Metropolitan Exposition-Recreation Commission**  
**MERC Budget Statement**  
**Portland Exposition Center**

	Current Year			Change	% Change
	Prior Year Actual June-06	Budget June-07	Next Year Budget June-08		
<b>Operating</b>					
Revenue	3,484,471	3,689,885	3,744,448	54,563	1.5%
Revenue - Food and Beverage	1,984,586	2,054,000	2,131,842	77,842	3.8%
Costs - Food and Beverage	(1,385,327)	(1,551,200)	(1,494,419)	56,781	-3.7%
Personal Services	(1,320,980)	(1,406,787)	(1,470,092)	(63,305)	4.5%
Goods & Services	(1,047,957)	(1,081,670)	(1,178,537)	(96,867)	9.0%
	<b>1,714,795</b>	<b>1,704,228</b>	<b>1,733,242</b>	<b>29,014</b>	<b>1.7%</b>
<b>Non Operating</b>					
Non-Operating Revenue	112,761	100,000	148,200	48,200	48.2%
Non-Operating Expense	-	-	-	-	n/a
	<b>112,761</b>	<b>100,000</b>	<b>148,200</b>	<b>48,200</b>	<b>48.2%</b>
<b>Support and Risk Management</b>					
MERC Administration	(146,128)	(200,380)	(236,228)	(35,848)	17.9%
Metro Support Services	(213,265)	(241,004)	(169,347)	71,657	-29.7%
Metro Risk Management	-	-	(77,445)	(77,445)	n/a
	<b>(359,393)</b>	<b>(441,384)</b>	<b>(483,020)</b>	<b>(41,636)</b>	<b>9.4%</b>
<b>Net Increase (Decrease)</b>	<b>1,468,162</b>	<b>1,362,844</b>	<b>1,398,422</b>	<b>35,578</b>	<b>2.6%</b>
<b>Transfers</b>					
Intrafund Transfers	-	-	(70,000)	(70,000)	n/a
Transfers to	(249,410)	(99,903)	-	99,903	-100.0%
Transfers from	-	-	-	-	n/a
Debt Service	(1,215,134)	(852,800)	(1,189,931)	(337,131)	39.5%
<b>Net Transfers</b>	<b>(1,464,544)</b>	<b>(952,703)</b>	<b>(1,259,931)</b>	<b>(307,228)</b>	<b>32.2%</b>
<b>Net Operations</b>	<b>3,618</b>	<b>410,141</b>	<b>138,491</b>	<b>(271,650)</b>	<b>-66.2%</b>
<b>Capital</b>					
Capital Outlay	(54,337)	(65,000)	(50,000)	15,000	-23.1%
Personal Services	(29,684)	(33,284)	-	33,284	-100.0%
Goods & Services	(33,315)	(16,490)	-	16,490	-100.0%
Non-Operating Revenue	60,128	50,236	63,750	13,514	26.9%
Non-Operating Expense	-	-	-	-	n/a
Intrafund Transfers	-	80,000	70,000	(10,000)	-12.5%
Transfers to	-	-	-	-	n/a
Transfers from	134,300	99,903	-	(99,903)	-100.0%
<b>Net Capital</b>	<b>77,092</b>	<b>115,365</b>	<b>83,750</b>	<b>(31,615)</b>	<b>-27.4%</b>
<b>Fund Balance Inc (Dec)</b>	<b>80,710</b>	<b>525,506</b>	<b>222,241</b>	<b>(303,265)</b>	<b>-57.7%</b>
<b>Food and Beverage Gross Margin</b>					
	30.2%	24.5%	29.9%	5.4%	
<b>Full Time Employees</b>	<b>13.14</b>	<b>13.60</b>	<b>13.30</b>	<b>(0.30)</b>	<b>-2.2%</b>
<b>Fund Balance</b>					
Beginning Fund Balance	4,721,014	4,801,724	5,230,788	429,064	8.9%
Fund Balance Inc (Dec)	80,710	525,506	222,241	(303,265)	-57.7%
<b>Ending Fund Balance</b>	<b>4,801,724</b>	<b>5,327,230</b>	<b>5,453,029</b>	<b>125,799</b>	<b>2.4%</b>
Unrestricted Fund Balance	4,215,996	3,794,086	3,773,585	(20,501)	-0.5%
Contingency	-	461,586	450,000	(11,586)	-2.5%
Contingency for Renewal & Replacement	-	-	20,000	20,000	n/a
Contingency for PERS	-	-	118,641	-	-
Designated for Phase 3	409,547	840,445	972,162	131,717	15.7%
Reserves PERS (restricted)	176,182	231,113	118,641	(112,472)	-48.7%
<b>Ending Fund Balance</b>	<b>4,801,724</b>	<b>5,327,230</b>	<b>5,453,029</b>	<b>125,799</b>	<b>2.4%</b>

**Metropolitan Exposition-Recreation Commission**  
**MERC Budget Statement**  
**Oregon Convention Center**

	Current Year			Change	% Change
	Prior Year Actual June-06	Budget June-07	Next Year Budget June-08		
<b>Operating</b>					
Revenue	6,090,056	6,515,452	6,935,446	419,994	6.4%
Revenue - Food and Beverage	7,216,868	7,337,010	7,586,100	249,090	3.4%
Costs - Food and Beverage	(5,745,565)	(5,652,758)	(5,741,227)	(88,469)	1.6%
Personal Services	(7,278,532)	(7,709,459)	(8,005,908)	(296,449)	3.8%
Goods & Services	(2,523,220)	(2,953,594)	(3,419,603)	(466,009)	15.8%
Marketing POVA	(2,440,900)	(2,409,614)	(2,623,553)	(213,939)	8.9%
	<b>(4,681,293)</b>	<b>(4,872,963)</b>	<b>(5,268,745)</b>	<b>(395,782)</b>	<b>8.1%</b>
<b>Non Operating</b>					
Transient, Lodging Tax	7,305,273	6,919,112	7,431,156	512,044	7.4%
Non-Operating Revenue	173,245	150,000	212,500	62,500	41.7%
Non-Operating Expense	-	-	-	-	n/a
	<b>7,478,517</b>	<b>7,069,112</b>	<b>7,643,656</b>	<b>574,544</b>	<b>8.1%</b>
<b>Support and Risk Management</b>					
MERC Administration	(810,154)	(1,102,090)	(1,299,255)	(197,165)	17.9%
Metro Support Services	(1,210,108)	(1,370,392)	(931,405)	438,987	-32.0%
Metro Risk Management	-	-	(357,489)	(357,489)	n/a
	<b>(2,020,262)</b>	<b>(2,472,482)</b>	<b>(2,588,149)</b>	<b>(115,667)</b>	<b>4.7%</b>
<b>Net Increase (Decrease)</b>	<b>776,963</b>	<b>(276,333)</b>	<b>(213,238)</b>	<b>63,095</b>	<b>-22.8%</b>
<b>Transfers</b>					
Intrafund Transfers	-	-	(514,200)	(514,200)	n/a
Transfers to	(298,585)	(324,000)	-	324,000	-100.0%
Transfers from	192,943	-	-	-	n/a
Debt Service	(19,445)	(18,899)	(18,352)	547	-2.9%
<b>Net Transfers</b>	<b>(125,087)</b>	<b>(342,899)</b>	<b>(532,552)</b>	<b>(189,653)</b>	<b>55.3%</b>
<b>Net Operations</b>	<b>651,875</b>	<b>(619,232)</b>	<b>(745,790)</b>	<b>(126,558)</b>	<b>20.4%</b>
<b>Capital</b>					
Capital Outlay	(587,397)	(2,540,128)	(1,889,940)	650,188	-25.6%
Personal Services	(56,811)	(33,694)	-	33,694	-100.0%
Goods & Services	-	-	-	-	n/a
Non-Operating Revenue	135,895	13,125	-	(13,125)	-100.0%
Non-Operating Expense	-	-	-	-	n/a
Intrafund Transfers	-	(80,000)	514,200	594,200	-742.8%
Transfers to	-	-	-	-	n/a
Transfers from	-	1,648,464	1,357,976	(290,488)	-17.6%
<b>Net Capital</b>	<b>(508,313)</b>	<b>(992,233)</b>	<b>(17,764)</b>	<b>974,469</b>	<b>-98.2%</b>
<b>Fund Balance Inc (Dec)</b>	<b>143,563</b>	<b>(1,611,465)</b>	<b>(763,554)</b>	<b>847,911</b>	<b>-52.6%</b>
<b>Food and Beverage Gross Margin</b>					
	<b>20.4%</b>	<b>23.0%</b>	<b>24.3%</b>	<b>1.4%</b>	
<b>Full Time Employees</b>					
	<b>103.92</b>	<b>103.60</b>	<b>107.30</b>	<b>3.70</b>	<b>3.6%</b>
<b>Fund Balance</b>					
Beginning Fund Balance	7,198,953	7,342,516	6,669,364	(673,152)	-9.2%
Fund Balance Inc (Dec)	143,563	(1,611,465)	(763,554)	847,911	-52.6%
<b>Ending Fund Balance</b>	<b>7,342,516</b>	<b>5,731,051</b>	<b>5,905,810</b>	<b>174,759</b>	<b>3.0%</b>
<b>Unrestricted Fund Balance</b>					
	6,371,404	3,494,849	3,272,049	(222,800)	-6.4%
Contingency	-	907,017	1,088,641	181,624	20.0%
Contingency for Renewal & Replacement	-	-	225,000	225,000	n/a
Contingency for PERS	-	-	660,060	-	-
Reserves PERS (restricted)	971,112	1,329,185	660,060	(669,125)	-50.3%
<b>Ending Fund Balance</b>	<b>7,342,516</b>	<b>5,731,051</b>	<b>5,905,810</b>	<b>174,759</b>	<b>3.0%</b>

**Metropolitan Exposition-Recreation Commission**  
**MERC Budget Statement**  
**Portland Center for the Performing Arts**

	Current Year			Change	% Change
	Prior Year Actual June-06	Budget June-07	Next Year Budget June-08		
<b>Operating</b>					
Revenue	5,864,203	5,239,963	5,671,845	431,882	8.2%
Revenue - Food and Beverage	1,593,259	1,320,799	1,379,507	58,708	4.4%
Costs - Food and Beverage	(1,365,140)	(1,259,038)	(1,290,149)	(31,111)	2.5%
Personal Services	(4,367,758)	(4,916,493)	(5,304,483)	(387,990)	7.9%
Goods & Services	(1,409,699)	(1,509,980)	(1,762,901)	(252,921)	16.7%
	<b>314,864</b>	<b>(1,124,749)</b>	<b>(1,306,181)</b>	<b>(181,432)</b>	<b>16.1%</b>
<b>Non Operating</b>					
Transient, Lodging Tax	1,464,604	1,875,216	1,988,093	112,877	6.0%
Government Support City of Portland	-	687,200	711,375	24,175	3.5%
Non-Operating Revenue	882,922	117,441	259,416	141,975	120.9%
Non-Operating Expense	-	(2,500)	(2,500)	-	0.0%
	<b>2,347,526</b>	<b>2,677,357</b>	<b>2,956,384</b>	<b>279,027</b>	<b>10.4%</b>
<b>Support and Risk Management</b>					
MERC Administration	(508,559)	(701,329)	(826,799)	(125,470)	17.9%
Metro Support Services	(651,355)	(752,821)	(592,713)	160,108	-21.3%
Metro Risk Management	-	-	(192,631)	(192,631)	n/a
	<b>(1,159,914)</b>	<b>(1,454,150)</b>	<b>(1,612,143)</b>	<b>(157,993)</b>	<b>10.9%</b>
<b>Net Increase (Decrease)</b>	<b>1,502,476</b>	<b>98,458</b>	<b>38,060</b>	<b>(60,398)</b>	<b>-61.3%</b>
<b>Transfers</b>					
Intrafund Transfers	-	-	28,352	28,352	n/a
Transfers to	(43,690)	-	-	-	n/a
Transfers from	-	-	-	-	n/a
<b>Net Transfers</b>	<b>(43,690)</b>	<b>-</b>	<b>28,352</b>	<b>28,352</b>	<b>n/a</b>
<b>Net Operations</b>	<b>1,458,786</b>	<b>98,458</b>	<b>66,412</b>	<b>(32,046)</b>	<b>-32.5%</b>
<b>Capital</b>					
Capital Outlay	(1,001,346)	(331,540)	(286,000)	45,540	-13.7%
Personal Services	(473,462)	(155,328)	-	155,328	-100.0%
Goods & Services	(15,000)	(70,000)	-	70,000	-100.0%
Non-Operating Revenue	385,667	11,250	282,352	271,102	2409.8%
Non-Operating Expense	-	-	-	-	n/a
Intrafund Transfers	-	-	(28,352)	(28,352)	n/a
Transfers to	-	-	-	-	n/a
Transfers from	-	-	-	-	n/a
<b>Net Capital</b>	<b>(1,104,140)</b>	<b>(545,618)</b>	<b>(32,000)</b>	<b>513,618</b>	<b>-94.1%</b>
<b>Fund Balance Inc (Dec)</b>	<b>354,646</b>	<b>(447,160)</b>	<b>34,412</b>	<b>481,572</b>	<b>-107.7%</b>
<b>Food and Beverage Gross Margin</b>					
	<b>14.3%</b>	<b>4.7%</b>	<b>6.5%</b>	<b>1.8%</b>	
<b>Full Time Employees</b>					
	<b>27.94</b>	<b>29.80</b>	<b>43.40</b>	<b>13.60</b>	<b>45.6%</b>
<b>Fund Balance</b>					
Beginning Fund Balance	5,903,397	6,258,043	5,742,068	(515,975)	-8.2%
Fund Balance Inc (Dec)	354,646	(447,160)	34,412	481,572	-107.7%
<b>Ending Fund Balance</b>	<b>6,258,043</b>	<b>5,810,883</b>	<b>5,776,480</b>	<b>(34,403)</b>	<b>-0.6%</b>
Unrestricted Fund Balance	5,651,789	4,491,767	4,482,926	(8,841)	-0.2%
Contingency	-	557,520	434,401	(123,119)	-22.1%
Contingency for Renewal & Replacement	-	-	50,000	50,000	n/a
Contingency for PERS	-	-	404,576	-	-
Reserves PERS (restricted)	606,254	761,596	404,577	(357,019)	-46.9%
<b>Ending Fund Balance</b>	<b>6,258,043</b>	<b>5,810,883</b>	<b>5,776,480</b>	<b>(34,403)</b>	<b>-0.6%</b>

**Metropolitan Exposition-Recreation Commission**  
**MERC Budget Statement**  
**MERC Administration**

	Current Year			Change	% Change
	Prior Year Actual June-06	Budget June-07	Next Year Budget June-08		
<b>Operating</b>					
Revenue	44,156	36,270	33,500	(2,770)	-7.6%
Personal Services	(957,119)	(1,409,053)	(1,917,180)	(508,127)	36.1%
Goods & Services	(307,597)	(506,063)	(486,602)	19,461	-3.8%
	<b>(1,220,560)</b>	<b>(1,878,846)</b>	<b>(2,370,282)</b>	<b>(491,436)</b>	<b>26.2%</b>
<b>Non Operating</b>					
Non-Operating Revenue	(16,743)	3,113	8,000	4,887	157.0%
Non-Operating Expense	-	-	-	-	n/a
	<b>(16,743)</b>	<b>3,113</b>	<b>8,000</b>	<b>4,887</b>	<b>157.0%</b>
<b>Support and Risk Management</b>					
MERC Administration	1,464,841	2,003,799	2,362,282	358,483	17.9%
Metro Risk Management	-	-	-	-	n/a
	<b>1,464,841</b>	<b>2,003,799</b>	<b>2,362,282</b>	<b>358,483</b>	<b>17.9%</b>
<b>Net Increase (Decrease)</b>	<b>227,538</b>	<b>128,066</b>	<b>-</b>	<b>(128,066)</b>	<b>-100.0%</b>
<b>Transfers</b>					
Intrafund Transfers	-	-	-	-	n/a
Transfers to	(73,131)	-	-	-	n/a
Transfers from	-	-	-	-	n/a
<b>Net Transfers</b>	<b>(73,131)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
<b>Net Operations</b>	<b>154,407</b>	<b>128,066</b>	<b>-</b>	<b>(128,066)</b>	<b>-100.0%</b>
<b>Capital</b>					
Capital Outlay	(352,727)	(251,192)	(71,462)	179,730	-71.6%
Personal Services	(1,510)	-	-	-	n/a
Goods & Services	-	-	-	-	n/a
Non-Operating Revenue	(145)	392	-	(392)	-100.0%
Non-Operating Expense	-	-	-	-	n/a
Intrafund Transfers	-	-	-	-	n/a
Transfers to	-	-	-	-	n/a
Transfers from	461,108	-	-	-	n/a
<b>Net Capital</b>	<b>106,727</b>	<b>(250,800)</b>	<b>(71,462)</b>	<b>179,338</b>	<b>-71.5%</b>
<b>Fund Balance Inc (Dec)</b>	<b>261,134</b>	<b>(122,734)</b>	<b>(71,462)</b>	<b>51,272</b>	<b>-41.8%</b>
<b>Full Time Employees</b>					
	<b>11.00</b>	<b>16.00</b>	<b>19.00</b>	<b>3.00</b>	<b>18.8%</b>
<b>Fund Balance</b>					
Beginning Fund Balance	127,944	389,078	448,560	59,482	15.3%
Fund Balance Inc (Dec)	261,134	(122,734)	(71,462)	51,272	-41.8%
<b>Ending Fund Balance</b>	<b>389,078</b>	<b>266,344</b>	<b>377,098</b>	<b>110,754</b>	<b>41.6%</b>
Unrestricted Fund Balance	267,788	3,453	93,138	89,685	2597.3%
Contingency	-	73,113	95,351	22,238	30.4%
Contingency for Renewal & Replacement	-	-	-	-	n/a
Contingency for PERS	-	-	94,302	-	n/a
Designated for Phase 3	-	-	-	-	n/a
Reserves PERS (restricted)	121,290	189,778	94,307	(95,471)	-50.3%
<b>Ending Fund Balance</b>	<b>389,078</b>	<b>266,344</b>	<b>377,098</b>	<b>110,754</b>	<b>41.6%</b>