

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 07-18

For the purpose of approving and transmitting a budget amendment to the MERC Operating 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 a budget amendment to the MERC Operating Fund that was submitted to the Metro Council, 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 June 27, 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 Fund for fiscal year 2006-07.

Resolution No.: 07-18

Presented By: Cynthia Hill

Date: June 27, 2007

Background and Analysis: Resolution 07-18 would approve the proposed budget amendment that was submitted to the Metro Council.

This action ratifies adoption of resolution to amend appropriation authority for the following purpose:

Oregon Convention Center Food & Beverage Sales

The Oregon Convention Center is experiencing food & beverage sales greater than previously estimated. Revenue is currently estimated at \$8.6 million, an increase of \$750 thousand over current budget. May sales came in \$240 thousand higher than forecasted as a result of the O'Reilly Rails Conference. June has two major events, the Tektronix Conference, which increased food and beverage services by \$500 thousand, and the Univeralist Unitarian Conference. With increased sales, there is an increase in the cost of goods sold estimated at \$500 thousand. The projected food and beverage margin for fiscal year 2006-07 is 23 percent. This request anticipates a net positive increase to fund balance of almost \$250 thousand.

Oregon budget law does not allow the recognition and direct appropriation of this revenue without the benefit of a supplemental budget. This action transfers \$500 thousand of unneeded appropriation authority from the budgeted PERS Reserve Transfer to materials and services to provide for the needed increase in food and beverage expense. The FY 2006-07 budget assumed that Metro might make an additional contribution of the reserve to PERS during the fiscal year.

<i>MERC Operating Fund</i>	
<i>Revenues</i>	
Food & Beverage Sales	\$748,000
<i>Expenditures</i>	
Costs - Food & Beverage Services	\$500,000
PERS Reserve Transfer	(\$500,000)
Ending Balance	\$248,000

Fiscal Impact: This action increases material and services at the Oregon Convention Center for increased food and beverage services. The increase in expenditures will be more than offset by revenue generated.

Recommendation: Staff recommends that the Metropolitan Exposition Recreation Commission adopt Resolution 07-18.

Exhibit A Resolution 07-18 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	(1,434,465)	(447,160)	(122,734)	(1,478,853)
Ending Fund Balance	5,327,230	5,908,051	5,810,883	266,344	17,312,508
<u>2006-07 Amendments May 23, 2007</u>					
Resources:					
Increase Food & Beverage Revenue		748,892			748,892
					-
Requirements:					
Increase Food & Beverage Cost of Goods Sold		(500,000)			(500,000)
					-
Total Amendments	-	248,892	-	-	248,892
Budget Net, with Amendments	525,506	(1,185,573)	(447,160)	(122,734)	(1,229,961)
Ending Fund Balance, with Amendments	5,327,230	6,156,943	5,810,883	266,344	17,561,400
PERS Reserve Balance	225,904	1,316,978	710,151	194,923	2,447,956
Decrease PERS Reserve		500,000			500,000
Amended PERS Reserve	225,904	816,978	710,151	194,923	1,947,956