

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 08-05

For the purpose of approving and transmitting a budget amendment 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, 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 2007-08 budgets for the MERC Operating Fund; and

BE IT THEREFORE RESOLVED, that the Metropolitan Exposition Recreation Commission approves a budget amendment to the MERC Fund as described in the attached Staff Report and 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.

Passed by the Commission on May 28, 2008

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

By: 
Nathan A. Schwartz Sykes,
Senior Attorney


Chair – Janice Marquis


Secretary-Treasurer – Don Trotter

MERC Staff Report

Agenda Item/Issue: For the purpose of approving and transmitting a budget amendment to the MERC Fund for fiscal year 2007-08.

Resolution No.: 08-05

Presented By: Cynthia Hill

Date: May 28, 2008

Background and Analysis: Resolution 08-05 would approve the proposed budget amendment for submission to the Metro Council.

Oregon Convention Center Food and Beverage Sales

The Oregon Convention Center is experiencing food and beverage sales greater than original estimates. The current revenue estimate is \$8.9 million, an increase of \$1.3 million over the adopted budget. April had the greatest variance with an original forecast of \$550 thousand and actual sales totaling \$1.1 million. The current estimated food and beverage cost is \$7.0 million, an increase of \$1.3 million over the adopted budget.

The current projected food and beverage margin for fiscal year 2007-08 is 21. percent, down 3.3 percent from the original budget estimate of 24.3 percent. The change in the margin is a result of the increased number of smaller events requiring more labor than convention business; cost of goods is up due to higher fuel prices, inflation and the transition to new catering prices.

Oregon budget law does not allow the recognition and direct appropriation of this revenue without the benefit of a supplemental budget. This action transfers \$1,300,722 from the General Contingency to materials and services to provide for the needed increase in food and beverage expense.

<i>MERC Operating Fund</i>	
<i>Revenues</i>	
Food and Beverage Sales	\$1,330,058
<i>Expenditures</i>	
Costs - Food and Beverage Services	\$1,300,722
<i>Net Increase to Fund Balance</i>	29,336
<i>Fund Balance</i>	
General Contingency	(\$1,300,722)
Ending Balance	\$1,330,058

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 08-05

**Exhibit A Resolution 08-05
2007-08 FY Budget Amendment
MERC Fund Summary**

	<u>Expo</u>	<u>OCC</u>	<u>PCPA</u>	<u>Headquarter Hotel</u>	<u>Admin</u>	<u>Total</u>
<u>2006-07 Adopted Budget</u>						
Adopted Budget Net	207,891	(442,480)	(53,700)	(400,000)	(71,459)	(759,748)
Ending Fund Balance	5,789,337	8,143,112	7,045,383	-	612,888	21,590,720
<u>Resolution 08-05 May 28, 2008</u>						
Increase OCC Food & Beverage Revenue		1,330,058				1,330,058
Increase OCC Food & Beverage Goods & Services		(1,300,722)				(1,300,722)
Total Amendments	-	29,336	-	-	-	29,336
Budget Net with Amendments	207,891	(413,144)	(53,700)	(400,000)	(71,459)	(730,412)
Budget Net Headquarter Hotel		(400,000)		400,000		-
Ending Fund Balance, with Amendments	5,997,228	7,329,968	6,991,683	-	541,429	20,860,308