

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 09-07

For the purpose of approving and transmitting budget amendments to the MERC Fund for fiscal year 2009-10.

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 Commission previously approved and transmitted to the Metro Council the fiscal year 2009-10 budgets for the MERC Fund; and

WHEREAS, the Budget Committee has reviewed the proposed budget amendments and recommends approval of the proposed amendments.

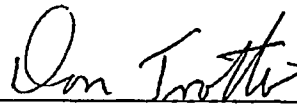
BE IT THEREFORE RESOLVED that the Metropolitan Exposition Recreation Commission approves and transmits to the Metro Council the following budget amendments, attached as Exhibit A, for the fiscal year beginning July 1, 2009 and ending June 30, 2010 to be included in the total Metro budget.

Passed by the Commission on May 27, 2009

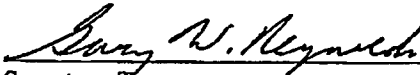
Approved as to Form:
Daniel B. Cooper, Metro Attorney

By: 

Nathan A. Schwartz Sykes
Senior Attorney



Chair



Secretary-Treasurer

MERC Staff Report

Agenda Item/Issue: For the purpose of approving and transmitting budget amendments to the MERC Fund for fiscal year 2009-10.

Resolution No.: 09-07

Presented By: Cynthia Hill

Date: May 27, 2009

Background and Analysis:

The MERC Budget was approved by Metro Council on April 30th and submitted to Tax Supervising and Conservation Commission (TSCC). Metro Council will adopt a final budget on June 25th. The MERC Budget Committee has reviewed the attached amendments and recommends approval and transmittal to Metro Council for inclusion in the 2009-10 Adopted Budget.

"Exhibit A" includes a MERC Fund Summary page and four budget amendment:

- Resident Company User Fee and Rent Reductions (337,622)
- Cultural Video Project Reduction (550,000)
- Keller Auditorium 100KW Generator Replacement 70,000
- Carry over projects:
 - Keller Auditorium Orchestra Pit Chairs Replacement 30,000
 - Oregon Convention Center remodel former Kinko's retail space 125,000
 - Portland Center for Performing Arts Sustainability Audit 17,500
 - Oregon Convention Center Headquarter Hotel 200,000

MERC Budget Committee has reviewed the attached amendments and recommends approval.

Fiscal Impact:

Net change to Ending Fund Balance is (\$710,122)

Net change to Beginning Fund Balance is \$372,500

Recommendation: Staff recommends that the Metropolitan Exposition-Recreation Commission approve Resolution No. 09-07 which approves and transmits to the Metro Council the following budget amendments attached as "Exhibit A" for fiscal year beginning July 1, 2009.

MERC Fund Summary
2009-10 FY Budget Amendment
May 27, 2009

	<u>Expo</u>	<u>OCC</u>	<u>PCPA</u>	<u>Headquarter Hotel</u>	<u>Admin</u>	<u>Total</u>
A. Approved Budget Resolution No. 09-01						
Beginning Balance	5,949,353	10,833,435	8,055,601	-	863,872	25,702,261
Approved Budget Net	<u>(356,202)</u>	<u>(763,369)</u>	<u>(50,619)</u>	-	-	<u>(1,170,190)</u>
Ending Fund Balance	<u>5,593,151</u>	<u>10,070,066</u>	<u>8,004,982</u>	-	<u>863,872</u>	<u>24,532,071</u>
Add back Carry-Over Projects						<u>372,500</u>
Revised Ending Fund Balance						<u>24,904,571</u>
<hr/>						
B. May 27, 2009 Budget Amendment						
Revenue:						
User Fee (decrease)			(326,290)			(326,290)
Theater Rent (decrease)			(11,332)			(11,332)
Friends of PCPA (Generator)			70,000			70,000
Cultural Video Project	-	-	(550,000)	-	-	(550,000)
Total Revenue	<u>-</u>	<u>-</u>	<u>(817,622)</u>	<u>-</u>	<u>-</u>	<u>(817,622)</u>
Expenditures:						
Capital Project Carry-Over						
Keller Orchestra Pit Chairs			30,000			30,000
Kinko's Remodel		125,000				125,000
Other Project Carry-Over						
Headquarter Hotel				200,000		200,000
Sustainability Audit			17,500			17,500
New Capital Projects						
Replace Generator Keller	-	-	70,000	-	-	70,000
Cultural Video Project (-1.00 FTE) *	-	-	(550,000)	-	-	(550,000)
Total Expenditures	<u>-</u>	<u>125,000</u>	<u>(432,500)</u>	<u>200,000</u>	<u>-</u>	<u>(107,500)</u>
Net Change to Fund Balance	<u>-</u>	<u>(125,000)</u>	<u>(385,122)</u>	<u>(200,000)</u>	<u>-</u>	<u>(710,122)</u>
<hr/>						
C. 2009-10 Amended Budget						
Approved Budget Net, with Amendments	<u>(356,202)</u>	<u>(888,369)</u>	<u>(435,741)</u>	<u>(200,000)</u>	<u>-</u>	<u>(1,880,312)</u>
Ending Fund Balance, with Amendments	<u>5,593,151</u>	<u>9,945,066</u>	<u>7,619,860</u>	<u>(200,000)</u>	<u>863,872</u>	<u>23,821,949</u>

* Cultural Video Project included increase of existing .75 FTE position to 1.00 FTE.

<i>For FP Use Only</i>	
Org Unit	#

AMENDMENT TO FY 2009-10 BUDGET

CENTER/SERVICE: Metropolitan Exposition Recreation Commission

DATE: 5/27/2009

DRAFTED BY : Cynthia Hill

Type of Amendment:	Amendment to:	Purpose:
Technical <input checked="" type="checkbox"/>	Proposed Budget <input type="checkbox"/>	Operating <input checked="" type="checkbox"/>
Substantive <input type="checkbox"/>	Approved Budget <input checked="" type="checkbox"/>	Capital Project <input type="checkbox"/>
		Renewal & Replacement <input type="checkbox"/>

PROPOSED AMENDMENT: Resident Company User Fee and Rent Reduction

PCPA's resident Companies are facing economic challenges as a result of the economic downturn. The Portland Center for Performing Arts (PCPA) is recommending a reduction to the user fee rate and rental rates charged to Resident Companies.

- 1) A reduced user fee rate charged to three resident companies, Oregon Symphony, Portland Opera and Oregon Ballet Theatre effective July 1, 2009. The user fee rate would gradually increase over the next three years.
- 2) Rental rates for Resident Companies and Non-Profit companies would not increase for two years, and then resume 3% increases in subsequent years.

Org Unit	Fund	Line Items		
		Acct #	Account Title	Amount
<i>Resources</i>	MERC Fund 555	4500	Admission & User Fees	(\$326,290)
		4510	Rental	(11,332)
			Total Resources	(337,622)
<i>Requirements</i>	MERC Fund 555	5990	Unappropriated Fund Balance	(337,622)

PROGRAM/STAFFING IMPACTS:

PCPA has a mandated mission to support resident companies. It currently has adequate reserves to provide this support. PCPA anticipates business will remain strong during this period and it will have adequate funds to cover a forecasted decline in Transient Lodging Tax.

ARGUMENTS IN FAVOR OF THE PROPOSED AMENDMENT

[Not needed for technical amendments.]

OPTIONS FOR FUNDING THIS AMENDMENT

[Not needed for technical amendments.]

For FP Use Only	
Org Unit	#

AMENDMENT TO FY 2009-10 BUDGET

CENTER/SERVICE: Metropolitan Exposition Recreation Commission

DATE: 5/27/2009

DRAFTED BY : Cynthia Hill

Type of Amendment:	Amendment to:	Purpose:
Technical <input checked="" type="checkbox"/>	Proposed Budget <input type="checkbox"/>	Operating <input checked="" type="checkbox"/>
Substantive <input type="checkbox"/>	Approved Budget <input checked="" type="checkbox"/>	Capital Project <input checked="" type="checkbox"/>
		Renewal & Replacement <input type="checkbox"/>

PROPOSED AMENDMENT: Cultural Video Project Reduction

The Portland Center for Performing Arts (PCPA) has postponed the grant application process for the Cultural Video Project. Current economic conditions and the impact of the economy on many non-profit arts organizations, has forced a re-evaluation of the timing of this project until the economy improves and funding for arts is restored.

Org Unit	Fund	Line Items		
		Acct #	Account Title	Amount
<i>Resources</i>	MERC Fund 555	4125	Local Grants Indirect	(\$550,000)
<i>Requirements</i>	MERC Fund 555	5015	Regular Employee Full time Non Exempt	(37,062)
		5025	Regular Part time Non Exempt	28,909
		5089	Salary Adjustments	(2,224)
		5100	Fringe	(15,896)
		5130	PERS Bond Recovery	(794)
		5725	Building & Related	(522,188)
		5990	PERS Reserve	(745)
			Total Requirements	(550,000)

PROGRAM/STAFFING IMPACTS:

The project consisted of capital outlay and the increase of a current part-time Marketing & Promotions Coordinator to a 1.00 FTE Video & Marketing Coordinator. This reduction will decrease 1.00 full time position to the original .75 FTE, Regular Part Time Non Exempt. MERC only includes full time, benefit eligible employees in the budget.

ARGUMENTS IN FAVOR OF THE PROPOSED AMENDMENT

[Not needed for technical amendments.]

OPTIONS FOR FUNDING THIS AMENDMENT

[Not needed for technical amendments.]

For FP Use Only	
Org Unit	#

AMENDMENT TO FY 2009-10 BUDGET

CENTER/SERVICE: Metropolitan Exposition Recreation Commission

DATE: 5/27/2009

DRAFTED BY : Cynthia Hill

Type of Amendment:	Amendment to:	Purpose:
Technical <input checked="" type="checkbox"/>	Proposed Budget <input type="checkbox"/>	Operating <input type="checkbox"/>
Substantive <input type="checkbox"/>	Approved Budget <input checked="" type="checkbox"/>	Capital Project <input type="checkbox"/>
		Renewal & Replacement <input checked="" type="checkbox"/>

PROPOSED AMENDMENT: Keller Auditorium 100 KW Generator Replacement Project

PCPA - Keller Auditorium back-up generator critical failure:

Because of the age of the generator (35+ years) and the code requirements it was determined that repair was not an option. Final replacement cost will be approximately 70K and include the following scope of work.

The scope of work includes purchase and installation of new 100kw 120/208 volt 3 phase diesel generator with automatic transfer switch, new battery charger, block heater, fuel pump, piping, circuits, wiring and an emergency light. Due to building code requirements a new exhaust fan and ducting will also be installed. The amended budget of 70k includes all installation, construction, permitting, inspections and proper demolition and removal of existing generator and tank.

Org Unit	Fund	Line Items		
		Acct #	Account Title	Amount
<i>Resources</i>	MERC Fund 555	4750	Donations & Bequests	\$70,000
<i>Requirements</i>	MERC Fund 555	5720	Buildings & Related	\$70,000

PROGRAM/STAFFING IMPACTS:

ARGUMENTS IN FAVOR OF THE PROPOSED AMENDMENT

[Not needed for technical amendments.]

OPTIONS FOR FUNDING THIS AMENDMENT

Donation from the Friends of the Portland Center for Performing Arts

<i>For FP Use Only</i>	
Org Unit	#

AMENDMENT TO FY 2009-10 BUDGET

CENTER/SERVICE: Metropolitan Exposition Recreation Commission

DATE: 5/27/2009

DRAFTED BY : Cynthia Hill

Type of Amendment:	Amendment to:	Purpose:
Technical <input checked="" type="checkbox"/>	Proposed Budget <input type="checkbox"/>	Operating <input checked="" type="checkbox"/>
Substantive <input type="checkbox"/>	Approved Budget <input checked="" type="checkbox"/>	Capital Project <input checked="" type="checkbox"/>
		Renewal & Replacement <input checked="" type="checkbox"/>

PROPOSED AMENDMENT: Carry over projects

Four projects budgeted in 2008-09 fiscal year will not be complete by June 30, 2008. This amendment requests carry over for the following projects:

- o Keller Auditorium Orchestra Pit Chairs Replacement 30,000
- o Oregon Convention Center remodel former Kinko's retail space 125,000
- o Portland Center for Performing Arts Sustainability Audit 17,500
- o Oregon Convention Center Headquarter Hotel 200,000

Org Unit	Fund	Line Items		
		Acct #	Account Title	Amount
<i>Resources</i>	MERC Fund 555	BEGBAL	Beginning Fund Balance	\$372,500
<i>Requirements</i>	MERC Fund 555	5240	Contracted Professional Services	217,500
		5720	Buildings & Related	125,000
		5740	Equipment & Vehicles	30,000
			Total Requirements	\$372,500

PROGRAM/STAFFING IMPACTS:

Projects will be complete in 2009-10 fiscal year.

ARGUMENTS IN FAVOR OF THE PROPOSED AMENDMENT

[Not needed for technical amendments.]

OPTIONS FOR FUNDING THIS AMENDMENT

[Not needed for technical amendments.]