

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 09-19

For the purpose of approving and transmitting a budget amendment 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, 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 2009-10 budgets for the MERC Fund; and


BE IT THEREFORE RESOLVED, that the Metropolitan Exposition Recreation Commission approves a budget amendment to the MERC Fund as described in Exhibit A and the attached Staff Report for the fiscal year beginning July 1, 2009 and ending June 30, 2010 for inclusion as part of the total Metro budget for this period.

Passed by the Commission on November 4, 2009

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

By: 
Nathan A. Schwartz Sykes,
Senior Attorney


Chair


Secretary-Treasurer

**Exhibit A
Resolution 09-19**

ACCT	DESCRIPTION	Current		Revision		Amended	
		FTE	Amount	FTE	Amount	FTE	Amount
Metro Exposition Recreation Commission Fund							
MERC Fund							
<u>Resources</u>							
BEGBAL	Beginning Fund Balance						
	* Prior year ending balance		25,702,261		0		25,702,261
	* Oregon Convention Center		325,000		0		325,000
	* Portland Center for the Performing Arts		47,500		0		47,500
GRANTS	Grants						
4125	Local Grants - Indirect		0		216,925		216,925
LGSHRE	Local Gov't Share Revenues						
4130	Hotel/Motel Tax		10,930,634		0		10,930,634
4142	Intergovernment Misc. Revenue		43,955		0		43,955
4145	Government Contributions		760,926		0		760,926
CHGSVC	Charges for Service						
4500	Admission Fees		1,439,332		0		1,439,332
4510	Rentals		7,201,549		0		7,201,549
4550	Food Service Revenue		12,123,799		0		12,123,799
4560	Retail Sales		22,000		0		22,000
4575	Advertising		25,500		0		25,500
4580	Utility Services		1,516,818		0		1,516,818
4590	Commissions		682,300		0		682,300
4620	Parking Fees		2,603,350		0		2,603,350
4645	Reimbursed Services		3,152,282		0		3,152,282
4647	Reimbursed Services - Contract		460,747		0		460,747
4650	Miscellaneous Charges for Svc		289,880		0		289,880
INTRST	Interest Earnings						
4700	Interest on Investments		586,518		0		586,518
DONAT	Contributions from Private Sources						
4750	Donations and Bequests		307,000		0		307,000
4755	Capital Donations and Bequests		1,250,000		0		1,250,000
4760	Sponsorship Revenue		365,500		0		365,500
MISCRV	Miscellaneous Revenue						
4805	Financing Transaction		81,126		0		81,126
4890	Miscellaneous Revenue		36,100		25,000		61,100
4891	Refunds and Reimbursements		5,000		0		5,000
EQTREV	Fund Equity Transfers						
4970	Transfer of Resources						
	* from General Fund		692,490		0		692,490
TOTAL RESOURCES			\$70,651,567		\$241,925		\$70,893,492
Total Personal Services		194.00	\$18,534,604	0.00	\$0	194.00	\$18,534,604
<u>Materials & Services</u>							
GOODS	Goods						
5201	Office Supplies		223,555		0		223,555
5205	Operating Supplies		297,086		0		297,086
5210	Subscriptions and Dues		90,896		0		90,896
5214	Fuels and Lubricants		17,970		0		17,970
5215	Maintenance & Repairs Supplies		584,175		0		584,175
5225	Retail		9,000		0		9,000
SVCS	Services						
5240	Contracted Professional Svcs		1,273,843		260,000		1,533,843
5245	Marketing Expense		2,619,362		0		2,619,362
5247	POVA Pass-Through		412,681		0		412,681
5251	Utility Services		2,584,520		0		2,584,520

Exhibit A
Resolution 09-19

ACCT	DESCRIPTION	Current		Revision		Amended	
		FTE	Amount	FTE	Amount	FTE	Amount
Metro Exposition Recreation Commission Fund							
MERC Fund							
5255	Cleaning Services		33,260		0		33,260
5260	Maintenance & Repair Services		836,943		0		836,943
5265	Rentals		591,388		0		591,388
5270	Insurance		28,060		0		28,060
5280	Other Purchased Services		420,448		0		420,448
5281	Other Purchased Services - Reimb		390,913		0		390,913
5291	Food and Beverage Services		9,431,528		0		9,431,528
5292	Parking Services		292,357		0		292,357
<i>IGEXP Intergov't Expenditures</i>							
5300	Payments to Other Agencies		235,379		306,564		541,943
5310	Taxes (Non-Payroll)		11,500		0		11,500
5320	Government Assessments		0		0		0
<i>OTHEXP Other Expenditures</i>							
5450	Travel		164,625		0		164,625
5455	Staff Development		221,665		0		221,665
5490	Miscellaneous Expenditures		5,500		0		5,500
Total Materials & Services			\$20,776,654		\$566,564		\$21,343,218
Capital Outlay							
<i>CAPCIP Capital Outlay (CIP Projects)</i>							
5710	Improve-Oth thn Bldg		75,000		0		75,000
5720	Buildings & Related		3,123,490		(18,075)		3,105,415
5740	Equipment & Vehicles		56,000		0		56,000
5750	Office Furniture & Equip		170,000		0		170,000
Total Capital Outlay			\$3,424,490		(\$18,075)		\$3,406,415
Debt Service							
<i>LOAN Loan Payments</i>							
5610	Loan Payments-Principal		10,280		135,000		145,280
5615	Loan Payments-Interest		6,978		0		6,978
Total Debt Service			\$17,258		\$135,000		\$152,258
Total Interfund Transfers			\$3,704,857	0.00	\$0		\$3,704,857
Contingency and Ending Balance							
<i>CONT Contingency</i>							
5999	Contingency						
	* General Contingency		2,009,197		(683,489)		1,325,708
	* Renewal and Replacement		970,000		0		970,000
	* Prior Year PERS Reserve		1,486,398		0		1,486,398
	* Reimbursable HQH Contingency		3,700,000		0		3,700,000
	* Contingency for Capital (TL TAX)		640,310		0		640,310
<i>UNAPP Unappropriated Fund Balance</i>							
5990	Unappropriated Fund Balance						
	* Restricted Fund Balance (User Fees)		1,339,841		0		1,339,841
	* Ending Balance		12,148,391		241,925		12,390,316
	* Renewal & Replacement		815,000		0		815,000
	* Current Year PERS Reserve		375,187		0		375,187
	* Prior Year PERS Reserve		709,380		0		709,380
Total Contingency and Ending Balance			\$24,193,704		(\$441,564)		\$23,752,140
TOTAL REQUIREMENTS		194.00	\$70,651,567	0.00	\$241,925	194.00	\$70,893,492

Exhibit B
 Resolution 09-~~16~~¹⁹
 Schedule of Appropriations

	<u>Current</u> <u>Appropriation</u>	<u>Revision</u>	<u>Revised</u> <u>Appropriation</u>
MERC FUND			
MERC	42,735,748	548,489	43,284,237
Non-Departmental			
Debt Service	17,258	135,000	152,258
Interfund Transfers	3,704,857	0	3,704,857
Contingency	8,805,905	(683,489)	8,122,416
Unappropriated Balance	15,387,799	241,925	15,629,724
Total Fund Requirements	\$70,651,567	\$241,925	\$70,893,492

MERC Staff Report

Agenda Item/Issue

Resolution No: 09-19

Presented By: Cynthia Hill

Date: November 4, 2009

Background and Analysis: Resolution 09-19 approves the proposed budget amendment for submission to the Metro Council.

This resolution requests a modification to the FY 2009-10 MERC budget for four items as described below.

1. In FY 2008-09 MERC received a \$225,000 contribution from the City of Portland for Architectural and Urban Design for the Arlene Schnitzer Concert Hall (ASCH) Renovation and Main Street Project. About \$216,925 will carry forward to FY 2009-10 for this project. An additional \$43,075 will be reallocated from the unspent ASCH Rigging capital project, which is delayed until FY 2010-11, and funded from the Friends of the PCPA donation. This action requests an increase of \$260,000 in professional services to provide for continuation of the project.
2. MERC is required to pay a Local Improvement District (LID) assessment made by the City of Portland on the PCPA for the Portland Mall Revitalization project. The total assessment is \$310,025. MERC is responsible for \$306,564 and the First Congregational Church is responsible for \$3,461 of the assessment because of their ownership of 1126 SW Park St. Although financing options are available through the City of Portland, the most cost effective alternative is to make payment in full when due. This action requests the transfer of \$306,564 from the MERC contingency to pay the assessment.
3. In 2002, the Oregon Convention Center was required to pay a Local Improvement District (LID) assessment to the City of Portland for the Steel Bridge improvements. MERC chose to finance this payment over a 20 year period. The loan carries an interest rate of 5.32 percent. Under the current market conditions it is most cost effective to pay off this loan in full. Retiring this debt now will save approximately \$50,000 in future interest payments over the remaining life of the loan. This action requests the transfer of \$135,000 from the MERC contingency to retire this debt. The original amount of the LID was \$205,588 issued in January 2002.
4. During the Oregon Convention Expansion project an insurance reserve account was funded for potential outstanding workers' compensation claims. This account will be closed and the final balance of \$25,000 will be released to the Oregon Convention Center. These funds are required to be used for capital projects. MERC is reinvesting this revenue in the renovation of a portion of the Oregon Convention food service facility known as the Stir Lounge. The request, although initially funded from contingency, will be offset by a declaration of \$25,000 in miscellaneous revenue. The Adopted Budget included \$275,000 for the Stir Project.

Budget Impacts: This ordinance authorizes a net reduction in contingency of \$683,489 to make payment to the City of Portland, retire an outstanding loan and continue projects at PCPA and the Oregon Convention Center. Additional revenue of \$241,925 will be recognized or received to offset the contingency reduction.

Recommendation: Staff recommends that the Metropolitan Exposition Recreation Commission adopt Resolution 09-19.