

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 21-07

For the purpose of approving and transmitting to the Metro Council budget amendments to the Metropolitan Exposition Recreation Commission (MERC) Fund Budget for FY2021-22.

WHEREAS, Metro Code 6.01.050 provides that MERC 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, MERC previously approved and transmitted to the Metro Council the fiscal year 2021-22 budget for the MERC Fund; and

WHEREAS, MERC staff request certain budget amendments to the Amended Budget for fiscal year 2021-22 for the reasons described in the attached Staff Report.

BE IT THEREFORE RESOLVED THAT,

1. MERC approves the budget amendments to the MERC Fund for the fiscal year beginning July 1, 2021 and ending June 30, 2022 for inclusion as part of the total Metro budget for this period as described in the attached Staff Report.
2. MERC requests that the Metro COO present these amendments to the amended budget to the Metro Council for approval.

Passed by the Commission on November 3, 2021.

DocuSigned by:
John Erickson
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Vice Chair

Approved as to Form:

Carrie MacLaren, Metro Attorney

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Deidra Kryz-Rusoff
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Secretary/Treasurer

By: *Nathan Sykes*
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Nathan A. S. Sykes, Deputy Metro Attorney

MERC Staff Report

Agenda Item/Issue: For the purpose of approving and transmitting to the Metro Council an amendment to the FY 2021-22 MERC Fund budget. The proposed amendment is specific to 1) the Portland 5' capital improvement plan and funding and 2) the conversion of variable hour event custodians to positioned employment with Metro.

Resolution No: 21-07

Presented By: Katie Shifley, MERC Finance Manager

Date: November 3, 2021

Background and Analysis:

1) Portland 5' Capital Improvement Plan

The FY 2020-21 MERC Fund budget included \$8.29 million in Portland 5' capital spending across five projects. As is common for large capital projects, actual spending on a subset of these projects will span fiscal years into FY 2021-22. An amendment to the FY 2021-22 budget is required to true-up appropriation levels across fiscal years to match planned spending. These projects include the Keller Cafe, Broadway and Park Marquees, and the Schnitzer Acoustical Enhancement project.

In addition, an increase to the project budget for the Schnitzer Sewer Line project is required. Per Capital Asset Management staff, the City of Portland is performing major sewer line work that will require the installation of a tank and pump in the sub-basement of the Schnitzer to re-route the sewer line to intercept the City's system. The current estimate for FY 2021-22 project spending is \$1 million. A request for City resources to support the project is planned for the spring of FY 2021-22, given the City's instigation of the project and shared responsibility for building capital needs.

The chart below shows the FY 2021-22 budget and related actual spending, as well as the proposed increase to the FY 2021-22 capital spending to complete these projects.

Project	FY 2020-21			FY 2021-22		
	Budget	Actual	Difference	Budget	Change Request	Amended Total
P5 Keller Cafe	\$ 225,000	\$ 60,102	\$(164,898)	\$ -	\$ 150,000	\$ 150,000
Schnitzer Acoustical Enhancements	\$6,235,000	\$5,294,938	\$(940,062)	\$ 300,000	\$ 700,000	\$ 1,000,000
P5 ASCH Broadway and Park Marquees	\$1,250,000	\$ 668,938	\$(581,062)	\$ -	\$ 60,000	\$ 60,000
ASCH sewer line replacement	\$ -	\$ -	\$ -	\$ 350,000	\$ 650,000	\$ 1,000,000

FY 2020-21 capital ending fund balance was \$2.16 million (unaudited). Only a portion of that amount - \$300,000 - was originally budgeted in FY 2021-22 as beginning fund balance, given the heightened uncertainty around venue financial needs during the prior year. This amendment would recognize an additional \$1.56 million in beginning fund balance in FY 2021-22, offset with capital project expenses noted above.

Fiscal Impact: This action will amend the FY 2021-22 Amended Budget for P'5 by increasing capital expenditures by \$1.56 million across four capital projects. Resources will be increased by \$1.56 million, recognizing available fund balance from the prior year.

Recommendation: Staff recommends the Metropolitan Exposition Recreation Commission adopt Resolution 21-07.

2) Conversion of Variable Hour Event Custodians to Full Time Employment

The proposed amendment is specifically establish 8.0 additional full time equivalent Event Custodian positions in Portland 5'.

P'5 is beginning its re-opening process, and as part of that work the approach to budgeting for Event Custodian work is being re-examined. Event custodians are lower-wage employees (\$17.69/hour under existing labor agreement) that were previously budgeted as variable hour employees. Under the previous CBA with IUOE-701-1, 8 event custodians were guaranteed a 32 hour work week.

As part of reopening, P'5 is interested in providing these near-full time employees with the stability and assurances of full time positioned employment with Metro. Upon rehiring, P'5's intent is to establish the near-full time event custodians in full time budgeted positions.

This amendment will establish 8.0 FTE event custodians, and reduce equivalent staff time previously accounted for as variable hour staffing. P'5 will continue to hire variable hour event custodians on a demand basis, in addition to these 8.0 FTE.

No additional appropriation is needed, as event custodian hours are currently budgeted as variable hour staffing.

Fiscal Impact: The fiscal impact is considered minimal, as the P'5 budget is already inclusive of planned spending for variable hour event custodians. For the event custodians previously working 32-hour guaranteed schedules, health and welfare and PERS expenses were included in the annual budget. Additional costs for PERS pick-up and vacation accrual are considered manageable.

Recommendation: Staff recommends the Metropolitan Exposition Recreation Commission adopt Resolution 21-07.