

COUNCIL CONVENTION CENTER COMMITTEE MINUTES
April 7, 1988
4:00 p.m.
Convention Center Project Office

ATTENDING: Councilors Cooper, Knowles and Waker.

STAFF: Tuck Wilson, Kim Duncan, Neil McFarlane and Sandy Bradley.

GUESTS: Lee Fehrenkamp, Mitzi Scott, Ted Runstein, Dominic Buffetta.

The meeting convened at 4:25 p.m. The meeting was held without a quorum. No formal actions were taken.

Agenda Item 1. MERC Budget. Lee Fehrenkamp, general manager, Exposition-Recreation Commission, and under contract as manager of MERC, reviewed the MERC proposed budget with the Committee. Mr. Fehrenkamp stated that this budget had been approved by the MERC commission at their meeting Tuesday, April 5.

Mr. Fehrenkamp summarized the major budgeting categories and briefly explained the contents of each:

Personnel -- A new event manager is requested to be added to the convention center marketing team during the 88-89 fiscal year. The event manager is a position that will work closely with meeting planners who have booked the convention center facility. The event manager will be the principle staff contact for the organizations after booking and is critical both to the technical success of the meeting and to providing operational information to the convention center sales staff.

M&S -- The travel budget is for the sales trips for the marketing staff and for two trips for each MERC commissioner to visit convention centers around the nation.

Training -- training funds anticipate training on a recommended new computer system.

Computers -- a new computer system is recommended by MERC. This new system will link all the regional facilities together and will provide national links to enable efficient convention scheduling. Costs for the computer system are split among several line items.

Intergovernmental Agreement -- Mr. Fehrenkamp explained that MERC recommended that certain E-R staff

positions be allocated on a percentage of time basis to duties for MERC. Those services would be compensated for by an intergovernmental agreement similar to the existing intergovernmental agreement for the services of Mr. Fehrenkamp and Mr. Buffetta. Mr. Fehrenkamp explained that the E-R Commission plans to hire four new employees to compensate for the time of other E-R employees being spent on MERC business.

Committee discussion followed this presentation.

Councilor Knowles asked for clarification of the computer system purchases. Mr. Fehrenkamp responded that the computer system included purchase of software and language software. He indicated that the full system cost is approximately \$300,000; he proposes to phase into it with this initial program commencing in FY 88-89.

Councilor Cooper asked why MERC could not use the existing Metro computer system. Mr. Fehrenkamp agreed at the direction of the committee to evaluate the compatibility of the necessary MERC program with the existing Metro resources. He stated that the system is currently in place in a number of other convention facilities including Orlando, San Jose, San Diego, Seattle, Calgary, and Atlanta.

Councilor Waker indicated that it might be necessary to have a budget note with regard to the computer system and its ultimate cost.

Councilor Knowles asked whether it was premature to hire an event manager in this next year. Mr. Fehrenkamp responded that while ten conventions had been booked for this space, about forty-five other events are close to being scheduled. These events include local trade shows. All events -- conventions and trade shows -- require the services of an event manager as a principle contact point for the exhibiting organization. Councilor Cooper indicated that he too questioned the timing of the hire. Charles Ahlers, GPCVA executive director, emphasized the critical importance of the event manager position.

Mr. Ahlers further discussed the GPCVA recommendation that a Washington D.C. sales office be established. Mr. Ahlers explained that approximately 60% of the total convention business is managed through Washington D.C. offices and that all major convention centers had a local D.C. office.

Councilor Cooper requested Mr. Ahlers to make a full presentation of his budget that included a discussion of his D.C. office request.

Councilor Knowles asked why both GPCVA and MERC needed to attend the same convention and sales events. Mr. Ahlers responded that most shows require several people to staff the show booths and to allow other staff to set up local meetings in the area. He further stressed the critical importance of

the personal contact and rapport necessary to book space. Councilor Knowles asked for clarification of the difference between the functions being performed through GPCVA in terms of convention sales and those being formed by the MERC/ERC convention center sales staff.

Councilor Cooper asked how many staff persons normally attend a sales event. He stated that public travel budgets are always scrutinized.

Ted Runstein, chairman, MERC/ERC, spoke with the commission about the general objectives of the MERC budget. He stated that MERC had given clear direction to ERC staff to get the convention center off to a smooth start and to make all potential users happy with the facility.

Mr. Runstein discussed the current ERC concerns about managing the new Portland Center for the Performing Arts and the drop in concert bookings at the coliseum. He stated that those budget drains argued for employee cuts at the ERC; however, because the convention center was coming on line, it was necessary to keep staffing levels up. Therefore, he thought it important that a special facilities manager be hired at the ER Commission to compensate for time being spent by Mr. Fehrenkamp on MERC. Mr. Runstein also explained that existing ER operations staff work with the convention center architects in planning interior space requirements.

Councilor Waker asked if the long-term goal is to have MERC managing all regional facilities, then why should ERC versus MERC staff manage the facilities. He suggested that, in fact, there might even be two pay checks -- MERC/ERC -- for the employees.

Councilor Knowles asked for a written update on the five-year plan at the next budget presentation and questioned if MERC would be able to have a plan ready by the required June date. Mr. Knowles asked who was performing what functions regarding five-year plan presentation and asked if there is a budget for the five-year plan presentation.

Mr. Knowles further asked whether the FY 88-89 MERC budget reflected the direction of the five-year plan or whether it had been developed ahead of the five-year plan. Mr. Fehrenkamp responded that the budget was developed without the benefit of the five-year plan's direction.

Agenda Item 2. Convention Center Project Budget. As time for adjournment approached, the convention center project budget was not reviewed in total by the committee. Instead, the handout materials were briefly explained by Mr. Wilson. Councilor Waker indicated his concern about various contingencies in the budget.

Councilor Knowles stated that major policy questions for the CCP budget are:

- 1) The amount of transfer to the general fund; and
- 2) Use of interest earned from the bonds.

The committee talked about its ability to meet the project budget goals through the system of additions and deducts built into the bid document itself.

Councilor Waker stated that he hoped the Metro Council would get to make some good choices regarding the building's alternates instead of just being forced to make cuts to meet budget goals. In response to a question by Councilor Cooper, Tuck Wilson stated that the project was laying excellent groundwork with regard to potential contractor claims. Mr. Wilson also said he had anticipated approximately \$1.5 million in bond interest earnings should that income not be used by the capital project it could be transferred to another fund.

Councilor Knowles asked at what point the convention center committee planned to make recommendations to the budget committee. Councilor Cooper responded that at the meeting scheduled for April 12, the committee would attempt to produce a resolution with regard to the project budget.

The meeting adjourned at approximately 5:45 p.m.

Respectively Submitted,



Kim Duncan