

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 20-07

For the purpose of approving and transmitting to the Metro Council budget amendments to the Metropolitan Exposition Recreation Commission (MERC) Fund Budget for FY2020-21, and requesting amendment of the FY 2020-21 through FY 2024-25 Capital Improvement Plan (CIP).

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 2020-21 budget for the MERC Fund; and

WHEREAS, MERC staff request certain budget amendments to the Adopted Budget for fiscal year 2020-21 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, 2020 and ending June 30, 2021 for inclusion as part of the total Metro budget for this period and approves the requested changes to the CIP as described in the attached Staff Report.
2. MERC requests that the Metro COO present these amendments to the Adopted Budget and CIP to the Metro Council for ratification.

Passed by the Commission on October 7, 2020.

Karis Stoudemire - Phillips

 DocuSigned by: Chair

Approved as to Form:
Carrie MacLaren, Metro Attorney

Deidra Kryz-Rusoff

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 Secretary/Treasurer

DocuSigned by:
Nathan Sykes

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

MERC Staff Report

Agenda Item/Issue: For the purpose of approving and transmitting to the Metro Council a FY 2020-21 Budget and Capital Improvement Plan (CIP) amendment to the MERC Fund.

Resolution No: 20-07

Presented By: Rachael Lembo, MERC Finance Manager

Date: October 7, 2020

Background and Analysis:

The MERC venues have been closed to large public gatherings due to the COVID-19 pandemic since March 13, 2020. As presented at the September 3, 2020 joint session of MERC and the Metro Council, the venues face severe financial challenges until they're able to reopen for large events.

The FY20-21 adopted budget assumed we would have no events through September, and begin a slow reopening in the fall. At this point we know the reopening will be later than this fall. The proposed budget amendment assumes we will not be back at our normal level of business this fiscal year. The amendment sustains our current operations, which allow the venues to prepare for reopening and pursue alternative uses of our spaces. The amendment also reflects funding from the State of Oregon, City of Portland, and increased support from Metro. It does not assume additional layoffs, however four vacant positions will be permanently eliminated due to reorganizations caused by the closure.

Capital projects have been postponed at OCC and Expo. Portland's is completing multiple projects, including the Arlene Schnitzer Concert Hall acoustical project and Broadway and Park marquees, both of which received outside funding.

With this amendment each fund is projected to end the fiscal year with a positive fund balance. We will continue to monitor the public health guidelines, assess the venues' fiscal health, and share updated projections with the Commission throughout the year.

Fiscal Impact: This action will amend the FY 2020-21 Adopted Budgets and five-year Capital Improvement Plans as shown on Attachment 1.

Recommendation: Staff recommends the Metropolitan Exposition Recreation Commission adopt Resolution 20-07.

Oregon Convention Center

	Adopted FY20-21 Budget	Amended FY20-21 Budget	Variance
Operations			
Charges for Services	14,162,411	5,498,000	(8,664,411)
Local Government Shared Revenues	8,641,845	3,338,000	(5,303,845)
Contributions from Governments	-	-	-
Contributions from Private Sources	-	-	-
Grants	-	735,000	735,000
Interest Earnings	20,000	162,322	142,322
Miscellaneous Revenue	9,331	-	(9,331)
Transfers-R	1,179,375	3,296,669	2,117,294
Total Revenues	24,012,962	13,029,991	(10,982,971)
Personnel Services	9,926,416	4,340,153	(5,586,263)
Materials and Services	12,432,985	10,998,500	(1,434,485)
Transfers-E	4,554,722	4,377,113	(177,609)
Total Expenditures	26,914,123	19,715,766	(7,198,357)
Net Operations	(2,901,161)	(6,685,775)	(3,784,614)
Capital			
Total Revenues	76,910	-	(76,910)
Total Expenditures	606,367	-	(606,367)
Net Capital	(529,457)	-	529,457
Change in Fund Balance	(3,430,618)	(6,685,775)	(3,255,157)
Beginning Fund Balance	4,777,100	12,497,327	7,720,227
Ending Fund Balance	1,346,482	5,811,552	4,465,070

Portland'5 Centers for the Arts

	Adopted FY20-21 Budget	Amended FY20-21 Budget	Variance
Operations			
Charges for Services	11,745,935	2,852,779	(8,893,156)
Local Government Shared Revenues	1,103,602	402,000	(701,602)
Contributions from Governments	981,313	2,581,313	1,600,000
Contributions from Private Sources	153,450	-	(153,450)
Grants	-	735,000	735,000
Interest Earnings	50,663	78,623	27,960
Miscellaneous Revenue	33,673	40,756	7,083
Transfers-R	573,387	1,636,310	1,062,923
Total Revenues	14,642,023	8,326,781	(6,315,242)
Personnel Services	8,453,607	2,349,913	(6,103,694)
Materials and Services	6,301,870	4,989,000	(1,312,870)
Transfers-E	2,223,027	1,981,820	(241,207)
Total Expenditures	16,978,504	9,320,733	(7,657,771)
Net Operations	(2,336,481)	(993,952)	1,342,529
Capital			
Total Revenues	4,515,353	4,390,353	(125,000)
Total Expenditures	5,705,127	8,566,127	2,861,000
Net Capital	(1,189,774)	(4,175,774)	(2,986,000)
Change in Fund Balance	(3,526,255)	(5,169,726)	(1,643,471)
Beginning Fund Balance	3,543,637	5,974,275	2,430,638
Ending Fund Balance	17,382	804,549	787,167

Portland Expo Center

	Adopted FY20-21 Budget	Amended FY20-21 Budget	Variance
Operations			
Charges for Services	4,160,595	1,878,572	(2,282,023)
Local Government Shared Revenues	147,344	115,000	(32,344)
Contributions from Governments	-	-	-
Contributions from Private Sources	-	-	-
Grants	-	145,000	145,000
Interest Earnings	10,000	28,500	18,500
Miscellaneous Revenue	22,446	-	(22,446)
Transfers-R	225,446	483,068	257,622
Total Revenues	4,565,831	2,650,140	(1,915,691)
Personnel Services	1,647,337	517,357	(1,129,980)
Materials and Services	2,573,332	2,840,000	266,668
Transfers-E	1,767,960	1,795,653	27,693
Total Expenditures	5,988,629	5,153,010	(835,619)
Net Operations	(1,422,798)	(2,502,870)	(1,080,072)
Capital			
Total Revenues	8,308	-	(8,308)
Total Expenditures	730,177	11,000	(719,177)
Net Capital	(721,869)	(11,000)	710,869
Change in Fund Balance	(2,144,667)	(2,513,870)	(369,203)
Beginning Fund Balance	2,263,472	3,104,485	841,013
Ending Fund Balance	118,805	590,615	471,810

MERC Admin

	Adopted FY20-21 Budget	Amended FY20-21 Budget	Variance
Operations			
Interest Earnings	30,000	18,000	(12,000)
Transfers-R	979,421	304,238	(675,183)
Total Revenues	1,009,421	322,238	(687,183)
Personnel Services	800,069	512,253	(287,816)
Materials and Services	387,150	359,083	(28,067)
Transfers-E	647,362	147,362	(500,000)
Total Expenditures	1,834,581	1,018,698	(815,883)
Net Operations	(825,160)	(696,460)	128,700
Change in Fund Balance	(825,160)	(696,460)	128,700
Beginning Fund Balance	5,799,151	2,846,857	(2,952,294)
Ending Fund Balance	4,973,991	2,150,397	(2,823,594)

CIP Summary Fiscal Year 2021

Department: OCC						
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
CONVENTION CENTER OPERATING FUND						
Tower/Crown Glazing	-	1,430,000	-	-	-	1,430,000
CCTV Security Camera System Server upgrades	-	100,000	-	-	-	100,000
Future Renovation Planning	-	500,000	-	-	-	500,000
Glass Tower Structural Reinforcement	-	175,000	-	-	-	175,000
I5 Parking Lot Repair/Sealing	-	130,000	-	-	-	130,000
Waterproofing: Miscellaneous	-	90,000	450,000	-	-	540,000
ABC Meeting Room Renovation	-	-	1,200,000	8,000,000	-	9,200,000
Vertical Transportation: Elevator Modernizations	-	-	350,000	350,000	350,000	1,050,000
Security Console/Entrance area Renovation	-	-	230,000	1,400,000	-	1,630,000
OCC - AV Audio System Upgrade	-	-	100,000	750,000	-	850,000
Facility Security Capital Assessment	-	-	100,000	-	-	100,000
Waterproofing: SW Exterior & Egress Doors	-	-	-	400,000	-	400,000
OCC Cooling System phase II	-	-	-	40,000	4,000,000	4,040,000
Vertical Transportation: Escalator Modernizations	-	-	-	-	100,000	100,000
OCC - Boiler Replacement	-	-	-	-	100,000	100,000
Exhibit Hall Lighting Retrofit	-	-	-	-	90,000	90,000
TOTAL OCC - CONVENTION CENTER OPERATING FUND	\$0	\$2,425,000	\$2,430,000	\$10,940,000	\$4,640,000	\$20,435,000

CIP Summary Fiscal Year 2021

Department: P5

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
PORTLAND'S CENTERS FOR THE ARTS FUND						
Schnitzer Acoustical Enhancements	6,235,000	-	-	-	-	6,235,000
P5 ASCH Broadway and Park Marquees	1,250,000	-	-	-	-	1,250,000
P5 AHH Roof	290,000	-	-	-	-	290,000
KA Chiller	290,000	-	-	-	-	290,000
Keller Café	225,000	-	-	-	-	225,000
P5 KA New PA	-	-	-	1,500,000	-	1,500,000
ASCH Sound Reinforcement System	-	-	-	1,400,000	-	1,400,000
TOTAL - PORTLAND'S CENTERS FOR THE ARTS FUND	\$8,290,000	\$0	\$0	\$2,900,000	\$0	\$11,190,000

CIP Summary Fiscal Year 2021

Department: EXPO						
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
EXPO FUND						
Expo - Exhibit Hall Lighting	-	200,000	-	-	-	200,000
Expo - Lighting Control review and install - Halls ABCDE	-	161,000	-	-	-	161,000
Expo Hall E Flat Roof	-	-	150,000	-	-	150,000
Expo - Lower Parking Lot: Lighting	-	475,000	-	-	-	475,000
Hall C Structural Repairs	-	200,000	200,000	-	-	400,000
Expo - Lower Parking Lot: Grading	-	150,000	300,000	-	-	450,000
Expo - Main Entry Improvements	-	185,000	-	-	-	185,000
Expo - Facility Wide Overhead Door improvements	-	125,000	100,000	-	-	225,000
Plaza Security Enhancements	-	50,000	100,000	-	-	150,000
Expo - Hall D&E HVAC	-	-	150,000	150,000	160,000	460,000
Expo - F&B Facility Renewal and Replacement	-	-	150,000	150,000	-	300,000
A/B/C Electrical Review	-	-	125,000	-	-	125,000
Reseal Hall D/E Flooring	-	-	-	400,000	400,000	800,000
Expo - Halls D&E Interior Improvements	-	-	-	250,000	-	250,000
Expo - UP2 North Walkway Cover	-	-	-	200,000	300,000	500,000
Expo - Hall C Roof Recoat	-	-	-	150,000	-	150,000
Campus Master Plan	-	-	-	20,000	100,000	120,000
Sustainability - Stormwater	-	-	-	-	250,000	250,000
Electrical Generator Enhancement	-	-	-	-	250,000	250,000
TOTAL EXPO - EXPO FUND	\$0	\$1,546,000	\$1,275,000	\$1,320,000	\$1,460,000	\$5,601,000