

EASTERN OREGON TRADE AND EVENT CENTER

Fiscal Year 2016-17

ANNUAL BUDGET

BUDGET COMMITTEE MEMBERS

Byron Smith, Board Chairman
Dan Dorrان, Board Vice Chairman
Larry Givens, Board Secretary-Treasurer
Ed Brookshier, Authority Board
Don Miller, Authority Board
Vijay Patel, Authority Board
Kim Puzey, Authority Board

George Anderson, Citizen Member
Ginny Holthus, Citizen Member
Robert Pahl, Citizen Member
Nate Rivera, Citizen Member
Tom Spoo, Citizen Member

Amy Palmer, Budget Officer

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EASTERN OREGON TRADE & EVENT CENTER

City of Hermiston

Umatilla County

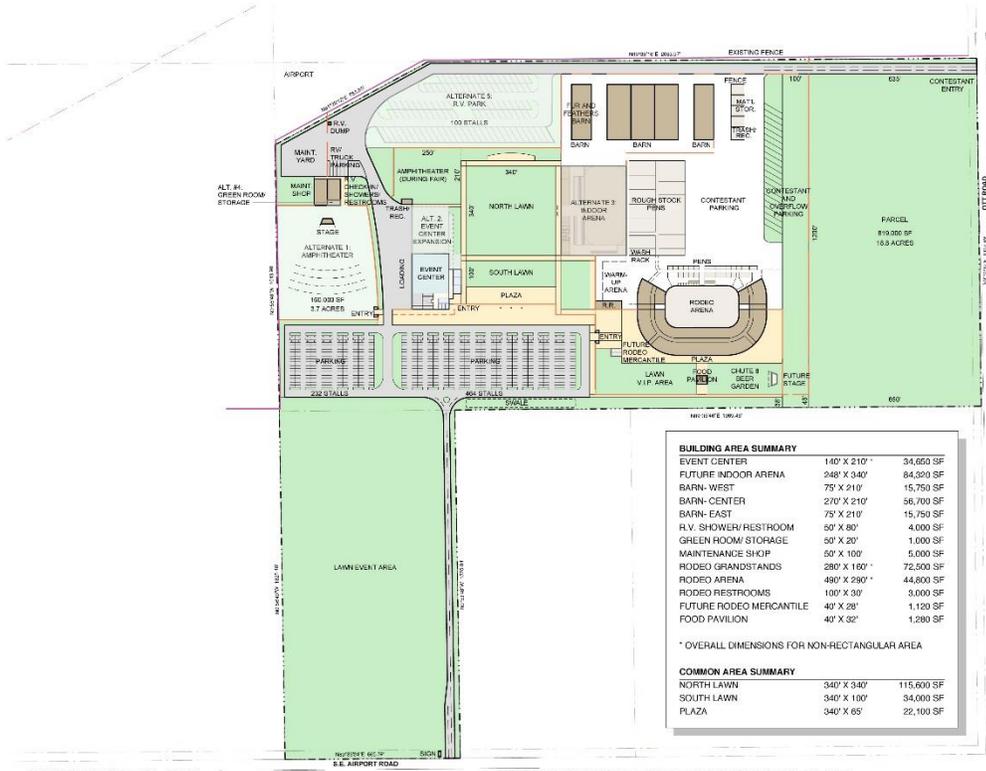
Appoints

Authority Board

Chairman Byron Smith
Vice Chairman Dan Dorran
Secretary-Treasurer Larry Givens
Ed Brookshier
Don Miller
Kim Puzey
Vijay Patel

Citizen Budget Committee Members

George Anderson
Ginny Holthus
Robert Pahl
Nate Rivera
Tom Spoo



BUILDING AREA SUMMARY

EVENT CENTER	140' X 210'	34,650 SF
FUTURE INDOOR ARENA	240' X 340'	84,000 SF
BARN - WEST	75' X 210'	15,750 SF
BARN - CENTER	270' X 210'	56,700 SF
BARN - EAST	75' X 210'	15,750 SF
R.V. SHOWER/RESTROOM	50' X 80'	4,000 SF
GREEN ROOM STORAGE	50' X 20'	1,000 SF
MAINTENANCE SHOP	50' X 100'	5,000 SF
RODEO GRANDSTANDS	280' X 160'	72,500 SF
RODEO ARENA	480' X 290'	44,800 SF
RODEO RESTROOMS	100' X 30'	3,000 SF
FUTURE RODEO MERCANTILE	40' X 28'	1,120 SF
FOOD PAVILION	40' X 32'	1,280 SF

* OVERALL DIMENSIONS FOR NON-RECTANGULAR AREA

COMMON AREA SUMMARY

NORTH LAWN	340' X 340'	115,600 SF
SOUTH LAWN	340' X 100'	34,000 SF
PLAZA	340' X 65'	22,100 SF

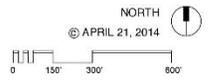
ALTERNATE SUMMARY

ALTERNATE 1	AMPHITHEATER
ALTERNATE 2	EVENT CENTER EXPANSION
ALTERNATE 3	INDOOR ARENA
ALTERNATE 4	GREEN ROOM
ALTERNATE 5	R.V. PARK

CONCEPT SITE PLAN N
SCALE: 1" = 300'

EASTERN OREGON TRADE AND EVENT CENTER

LRS PROJECT NO. 214001
Lrs ARCHITECTS





May 25, 2016

Dear Citizens and Members of the Budget Committee:

The proposed Eastern Oregon Trade and Event Center (EOTEC) Combined Funds Budget for the 2016-17 fiscal year is \$9,131,075. The EOTEC maintains two funds to account for the construction and operation of the Facility. The General Fund accounts for operating and marketing costs and the Construction Fund accounts for capital expenditures. The General Fund Proposed Budget is \$606,075 and the Facility Construction Fund Proposed Budget is \$8,525,000.

Marketing costs are tracked in the Marketing department in the General Fund. For 2016-17 the budget for marketing is \$64,610, including \$20,730 for Salary & Wages. Any moneys held by the EOTEC Authority that are not expected to be expended in the 2016-17 fiscal year are set aside in the Reserve for Future Expenditure within Non-Departmental. The Reserve for Future Expenditure for Marketing is \$350,785 and represents TPA revenues that are not expected to be needed within the upcoming year.

Fiscal year 2016-17 will mark the first full year of the Event Center operations, which held its open house on May 13, 2016 and first event, a well-attended Quinceanera, on May 21, 2016. The other components of the facility including the Barns and Rodeo Arena will be constructed this year. The County Fair and Rodeo are planned to be held on the EOTEC grounds in the summer of 2017.

FUNDING SOURCES

Funding sources during 2016-17 will be different as the EOTEC moves from the design and construction phase to a mix of operating the Event Center and constructing the remaining components of the facility. Primary funding sources for 2016-17 are presented below.

Operating Resources

1. Annual contributions of \$45,190 each from the City and the County to be used for operating costs.
2. Tourism Promotion Assessment (TPA) revenues to be used to market the EOTEC. The TPA is a flat rate charge for hotels, motels and RV parks. Hotels and motels are charged \$1 per night for each room rented and RV parks are charged 50 cents per night for each RV space rented out. The 2016-17 TPA estimate is \$117,730.
3. Event revenue of \$40,000.
4. Beginning cash of \$55,300 that is undesignated and \$297,665 that is reserved TPA revenues designated for marketing purposes.

Construction Resources

1. One million dollars in proceeds from Full Faith and Credit bonds the City will issue and make available to the EOTEC for construction costs. The City is assessing an additional TPA of \$1 per night for hotel and motel room rentals and an additional 50 cents per night for RV space rentals to be used for debt service on the bonds.
2. A grant from the State of Oregon in the amount of \$1.4 million that is being administered by the Port of Umatilla for additional construction costs.
3. \$525,000 from private parties and businesses to assist with construction costs.
4. Approximately one million dollars from a bridge loan to provide funding before all pledged contributions are received.
5. Beginning cash of \$4.6 million.

EXPENDITURES

Construction costs are estimated at \$8,525,000 or 93.4% of the overall budget. Information on the operating and marketing costs are presented below.

Operating

The 2016-17 budget includes \$10,140 for contribution towards an additional one-half (0.50) FTE the City of Hermiston is hiring to assist with finance and budgeting duties. The EOTEC's contribution reflects one-quarter (0.25) of an FTE. The budget also includes \$100,755 for the addition of one full-time Administrative Assistant (1.0 FTE) and two part-time janitorial/maintenance staff equating to 1.0 FTE. 2.25% increase in salary and wages for cost of living adjustment (COLA) was also included.

Marketing

The marketing budget includes 40% of the Business Development Manager's salary, \$15,600 for trade shows and other advertising costs, dues for various Chambers of Commerce and Event Associations and \$25,000 for promotional costs.

Sincerely,



Amy Palmer, CPA
Budget Officer
Eastern Oregon Trade and Event Center

BUDGET PROCESS

The EOTEC Authority was created March 19, 2012 by an intergovernmental agreement between the City of Hermiston and Umatilla County, Oregon to establish, acquire, construct, own, manage and operate a facility to be known as the Eastern Oregon Trade and Event Center. The Authority is governed by a seven member Board of Directors. As required by ORS 190.010(5) the Authority is appointed by, responsible to, and acts on behalf of Umatilla County and the City of Hermiston.

Most local governments in Oregon must prepare and adopt an annual budget. Budget provisions are determined by Oregon's Local Budget Law. The law requires citizen involvement in the preparation of the budget, public disclosure of the budget before its final adoption, and establishes standard procedures for preparing, presenting, and administering the budget. Although the Authority is exempt from the Budget Law, it has chosen to follow its requirements in the interest of transparency promoting citizen awareness of this aspect of its finances.

The budget committee in Oregon is made up of the EOTEC Authority Board and citizen budget committee members.

The law sets out the following specific procedures: 1) Appoint budget officer; 2) Prepare a proposed budget; 3) Publish notices of budget committee meeting; 4) Hold budget committee meetings; 5) Committee approves proposed budget; 6) Publish budget summary and notice of budget hearing; 7) Hold a budget hearing; 8) Enact resolutions or ordinances to adopt budget and make appropriations, and 9) File budget.

Following is the Eastern Oregon Trade and Event Center's budget calendar for fiscal year 2016-17:

06/10/2016	Hold first budget committee meeting
06/24/2016	Hold budget hearing
06/24/2016	Authority board action of resolutions or ordinances to adopt budget and make appropriations
07/15/2016	File budget with county assessor and county clerk

During the fiscal year, circumstances may require expenses to be paid that were not budgeted or the Eastern Oregon Trade and Event Center may receive revenue it did not plan for in its budget. A supplemental budget is required to pay additional expenses and spend the extra revenue. The supplemental budget must be adopted and appropriated before any additional money can be spent.

Adopting a budget will not involve the budget committee. After publishing a notice of the regular meeting at which the supplemental budget will be adopted, the governing body may adopt the supplemental budget by resolution if the expenditures are less than 10 percent of the annual budget fund being adjusted. If the expenditures are more, the governing body must publish the supplemental budget notice and hold a special hearing.

NOTE: This is the same budget process that is used to adopt the City of Hermiston's budget.

CONSOLIDATED REVENUES AND EXPENDITURES

REVENUES (by fund)

	06-30-2014 Received	06-30-2015 Received	06-30-2016 Budget	2016-17 Proposed	2016-17 Approved	2016-17 Adopted
General Fund	4,129,088	5,712,298	3,585,000	606,075	612,275	612,275
Facility Construction Fund	-	2,445,878	8,392,885	8,525,000	8,525,000	8,525,000
TOTAL	4,129,088	8,158,176	11,977,885	9,131,075	9,137,275	9,137,275

EXPENDITURES (by fund)

	06-30-2014 Received	06-30-2015 Received	06-30-2016 Budget	2016-17 Proposed	2016-17 Approved	2016-17 Adopted
General Fund	67,926	3,024,207	3,585,000	606,075	612,275	612,275
Facility Construction Fund	270,837	2,418,146	8,392,885	8,525,000	8,525,000	8,525,000
TOTAL	338,763	5,442,353	11,977,885	9,131,075	9,137,275	9,137,275

CONSOLIDATED REVENUES AND EXPENDITURES

RESOURCES (by character)

	06-30-2014 Received	06-30-2015 Received	06-30-2016 Budget	2016-17 Proposed	2016-17 Approved	2016-17 Adopted
FROM OTHER AGENCIES	966,000	2,495,878	5,341,000	3,015,380	3,015,380	3,015,380
NON-REVENUE RECEIPTS	-	-	-	1,000,000	1,000,000	1,000,000
SERVICE CHARGES	103,660	115,559	105,000	157,730	163,930	163,930
MISCELLANEOUS REVENUES	8,611	12,862	5,000	5,000	5,000	5,000
TRANSFERS IN	-	2,445,878	3,101,885	-	-	-
CASH FORWARD	3,050,817	3,088,000	3,425,000	4,952,965	4,952,965	4,952,965
TOTAL	4,129,088	8,158,176	11,977,885	9,131,075	9,137,275	9,137,275

EXPENDITURES (by character)

	06-30-2014 Received	06-30-2015 Received	06-30-2016 Budget	2016-17 Proposed	2016-17 Approved	2016-17 Adopted
PERSONNEL SERVICES	-	17,567	63,175	61,955	107,255	107,255
MATERIALS & SERVICES	67,926	34,456	165,950	193,335	154,235	154,235
CAPITAL OUTLAY	270,837	2,418,146	8,412,885	8,525,000	8,525,000	8,525,000
TRANSFERS OUT	-	2,972,185	3,101,885	-	-	-
RESERVE FOR FUTURE EXPENDITURE	-	-	233,990	350,785	350,785	350,785
CONTINGENCY	-	-	-	-	-	-
TOTAL	338,763	5,442,353	11,977,885	9,131,075	9,137,275	9,137,275

GENERAL FUND

RESOURCES

	06-30-2014 Received	06-30-2015 Received	06-30-2016 Budget	2016-17 Proposed	2016-17 Approved	2016-17 Adopted
CONTRIBUTION FROM CITY	50,000	25,000	25,000	45,190	45,190	45,190
CONTRIBUTION FROM COUNTY	475,000	25,000	25,000	45,190	45,190	45,190
GRANTS	441,000	2,445,878	-	-	-	-
FROM OTHER AGENCIES	966,000	2,495,878	50,000	90,380	90,380	90,380
TOURISM PROMOTION ASSESSMENT	103,660	115,559	105,000	117,730	117,730	117,730
EVENT REVENUE	-	-	-	40,000	46,200	46,200
SERVICE CHARGES	103,660	115,559	105,000	157,730	163,930	163,930
INTEREST ON INVESTMENTS	8,611	12,862	5,000	5,000	5,000	5,000
MISC REVENUES	8,611	12,862	5,000	5,000	5,000	5,000
CASH FORWARD - UNDESIGNATED	16,938	50,000	1,086,000	50,000	50,000	50,000
CASH FORWARD - MKT TPA ACCT	153,306	150,000	269,000	297,665	297,665	297,665
CASH FORWARD - LGIP	2,880,573	2,888,000	2,070,000	5,300	5,300	5,300
CASH FORWARD	3,050,817	3,088,000	3,425,000	352,965	352,965	352,965
TOTAL	4,129,088	5,712,298	3,585,000	606,075	612,275	612,275

CONSOLIDATED GENERAL FUND EXPENDITURES SUMMARY

EXPENDITURES (by department)

	06-30-2014 Expended	06-30-2015 Expended	06-30-2016 Budget	2016-17 Proposed	2016-17 Approved	2016-17 Adopted
OPERATIONS	67,926	52,022	149,655	190,680	196,880	196,880
MARKETING	-	-	99,470	64,610	64,610	64,610
NON-DEPARTMENTAL	-	2,972,185	3,335,875	350,785	350,785	350,785
TOTAL	67,926	3,024,207	3,585,000	606,075	612,275	612,275

EXPENDITURES (by character)

	06-30-2014 Expended	06-30-2015 Expended	06-30-2016 Budget	2016-17 Proposed	2016-17 Approved	2016-17 Adopted
PERSONNEL SERVICES	-	17,567	63,175	61,955	107,255	107,255
MATERIALS & SERVICES	67,926	34,456	165,950	193,335	154,235	154,235
CAPITAL OUTLAY	-	-	20,000	-	-	-
TRANSFERS OUT	-	2,972,185	3,101,885	-	-	-
RESERVE FOR FUTURE EXPENDITURE	-	-	233,990	350,785	350,785	350,785
TOTAL	67,926	3,024,207	3,585,000	606,075	612,275	612,275

GENERAL FUND OPERATIONS DETAILED EXPENDITURES

	06-30-2014	06-30-2015	06-30-2016	2016-17	2016-17	2016-17
	Expended	Expended	Budget	Proposed	Approved	Adopted
SALARIES & WAGES	-	17,567	42,905	41,225	86,525	86,525
PERSONNEL SERVICES	-	17,567	42,905	41,225	86,525	86,525
TEMPORARY LABOR	-	-	6,000	-	55,455	55,455
AUDIT & ACCOUNTING	6,730	5,820	7,000	7,000	7,200	7,200
OTHER PROFESSIONAL SERVICES	-	4,741	-	-	-	-
FACILITIES MAINTENANCE	-	-	9,000	-	-	-
JANITORIAL SUPPLIES	-	-	-	700	1,200	1,200
GROUNDS MAINTENANCE	-	-	9,000	-	-	-
BANK FEES	964	507	500	890	890	890
BOND	487	487	750	750	750	750
TRAVEL & TRAINING	-	-	2,000	2,000	2,000	2,000
PUBLIC NOTICES	247	391	1,000	-	-	-
ADVERTISING	1,345	2,282	-	-	-	-
INSURANCE	1,615	500	15,000	9,000	9,000	9,000
TELEPHONE	903	1,068	1,500	2,880	2,880	2,880
MARKETING	48,463	10,508	-	-	-	-
WEBSITE	-	186	500	-	-	-
DUES	120	275	1,500	-	-	-
MISCELLANEOUS CONTRACTUAL	-	1,110	5,500	100,755	5,500	5,500
LICENSES & PERMITS	-	250	-	-	-	-
OFFICE SUPPLIES	6,449	2,910	2,500	1,820	1,820	1,820
MAINT/REPAIR SUPPLIES	-	-	-	5,000	5,000	5,000
COMPUTER REPAIR/SUPPLIES	-	-	-	3,000	3,000	3,000
EQUIPMENT - MINOR	603	-	10,000	660	660	660
UTILITIES	-	3,421	15,000	15,000	15,000	15,000
MATERIALS & SERVICES	67,926	34,456	86,750	149,455	110,355	110,355
OFFICE EQUIPMENT	-	-	20,000	-	-	-
CAPITAL OUTLAY	-	-	20,000	-	-	-
OPERATIONS TOTAL	67,926	52,022	149,655	190,680	196,880	196,880

GENERAL FUND MARKETING DETAILED EXPENDITURES

	06-30-2014	06-30-2015	06-30-2016	2016-17	2016-17	2016-17
	Expended	Expended	Budget	Proposed	Approved	Adopted
SALARY & WAGES	-	-	20,270	20,730	20,730	20,730
PERSONNEL SERVICES	-	-	20,270	20,730	20,730	20,730
ADVERTISING & PUBLICATIONS	-	-	75,000	15,600	15,600	15,600
WEBSITE	-	-	500	1,175	1,175	1,175
DUES	-	-	3,700	2,105	2,105	2,105
PROMOTIONS	-	-	-	25,000	25,000	25,000
MATERIALS & SERVICES	-	-	79,200	43,880	43,880	43,880
MARKETING TOTAL	-	-	99,470	64,610	64,610	64,610

NON-DEPARTMENT DETAILED EXPENDITURES

	06-30-2014 Expended	06-30-2015 Expended	06-30-2016 Budget	2016-17 Proposed	2016-17 Approved	2016-17 Adopted
TRANSFER TO CONST FUND	-	2,972,185	3,101,885	-	-	-
TRANSFERS OUT	-	2,972,185	3,101,885	-	-	-
RESERVE FOR FUTURE EXP-MARKETING	-	-	233,990	350,785	350,785	350,785
RESERVE FOR FUTURE EXP-GENERAL	-	-	-	-	-	-
RESERVE FOR FUTURE EXPENDITURE	-	-	233,990	350,785	350,785	350,785
NON-DEPARTMENTAL TOTAL	-	2,972,185	3,335,875	350,785	350,785	350,785

FACILITY CONSTRUCTION FUND

RESOURCES

	06-30-2014 Received	06-30-2015 Received	06-30-2016 Budget	2016-17 Proposed	2016-17 Approved	2016-17 Adopted
FEDERAL HUD GRANT	-	-	441,000	-	-	-
CONTRIBUTION FROM COUNTY	-	-	450,000	-	-	-
CONTRIBUTION FROM CITY	-	-	-	1,000,000	1,000,000	1,000,000
GRANTS	-	-	4,400,000	1,400,000	1,400,000	1,400,000
CAPITAL DONATIONS	-	-	-	525,000	525,000	525,000
FROM OTHER AGENCIES	-	-	5,291,000	2,925,000	2,925,000	2,925,000
PROCEEDS FROM LOAN	-	-	-	1,000,000	1,000,000	1,000,000
NON-REVENUE RECEIPTS	-	-	-	1,000,000	1,000,000	1,000,000
TRANS FROM GENERAL FUND	-	2,445,878	3,101,885	-	-	-
TRANSFERS IN	-	2,445,878	3,101,885	-	-	-
CASH FORWARD	-	-	-	4,600,000	4,600,000	4,600,000
CASH FORWARD	-	-	-	4,600,000	4,600,000	4,600,000
TOTAL	-	2,445,878	8,392,885	8,525,000	8,525,000	8,525,000

EXPENDITURES

	06-30-2014 Expended	06-30-2015 Expended	06-30-2016 Budget	2016-17 Proposed	2016-17 Approved	2016-17 Adopted
LAND IMPROVEMENT (WELLS)	6,578	-	100,000	-	-	-
CONST - ARCHITECT/ENGINEER	61,558	17,578	276,000	-	-	-
CONST - BUILDINGS	202,701	2,400,568	8,016,885	8,525,000	8,525,000	8,525,000
EQUIPMENT	-	-	-	-	-	-
CAPITAL OUTLAY	270,837	2,418,146	8,392,885	8,525,000	8,525,000	8,525,000
TOTAL	270,837	2,418,146	8,392,885	8,525,000	8,525,000	8,525,000

GLOSSARY OF TERMS

Adopted Budget. Financial plan that forms the basis for appropriations. Adopted by the governing body.

Appropriation. Authorization for spending a specific amount of money for a specific purpose during a fiscal year. It is based on the adopted budget, including supplemental budgets, if any. It is presented in a resolution or ordinance adopted by the governing body.

Budget. Written report showing the local government's comprehensive financial plan for one fiscal year. It must include a balanced statement of actual revenues and expenditures during each of the last two years, and estimated revenues and expenditures for the current and upcoming year.

Budget Committee. Fiscal planning board of a local government, consisting of the governing body plus an equal number of legal voters appointed from the district.

Budget Message. Written explanation of the budget and the local government's financial priorities. It is prepared and presented by the executive officer or chairperson of the governing body.

Budget Officer. Person appointed by the governing body to assemble budget material and information and to physically prepare the proposed budget.

Capital Outlay. Items which generally have a useful life of one or more years, such as machinery, land, furniture, equipment or buildings.

Commodities. Supplies purchased for direct use, such as paper products, gasoline, equipment parts and cleaning supplies.

Contractual Services. Services provided by outside sources, such as architects, janitorial and printing.

Debt Service Fund. A fund established to account for payment of general long-term debt principal and interest.

Enterprise Fund. A fund established to account for operations that are financed and operated in a manner similar to private business enterprises. They are usually self-supporting. Examples of enterprise funds are those for water and wastewater utilities.

Expenditures. Total amount incurred if accounts are kept on an accrual basis; total amount paid if accounts are kept on a cash basis.

Fiscal Year. A 12-month period to which the annual operating budget applies. At the end of the period, a government determines its financial position and the results of its operations. It is July 1 through June 30 for local governments.

Full-Time Equivalent Position (FTE). A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example a summer parks worker working for four months, or 690 hours, would be equivalent to .3 of a full-time position.

Fund. A division in a budget segregating independent fiscal and accounting requirements. An entity within a government's financial plan designated to carry on specific activities or to reach certain objectives.

Goal. A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless; that is, it is not concerned with a specific achievement in a given time period.

Long-Term. A period of time ten years or more.

Materials & Services. The goods and direct services purchased for direct consumption in the annual operation of the budget.

Operating Funds. Resources derived from recurring revenue sources used to finance ongoing expenditures and pay-as-you-go capital projects.

Ordinance. A formal legislative enactment by the governing board of a municipality.

ORS. Oregon Revised Statutes.

Permanent Rate Limit. The maximum rate of ad valorem property taxes that a local government can impose. Taxes generated from the permanent rate limit can be used for any purpose. No action of the local government can increase a permanent rate limit.

Personal Services. Salaries, health and accident insurance premiums, social security and retirement contributions, for example.

Proposed Budget. Financial and operating plan prepared by the budget officer, submitted to the public and budget committee for review.

Resolution. A formal order of a governing body; lower legal status than an ordinance.

Resources. Estimated beginning funds on hand plus anticipated receipts.

Short-Term. A period of time less than ten years.

Supplemental Budget. A financial plan prepared to meet unexpected needs or to spend revenues not anticipated when the regular budget was adopted. It cannot be used to authorize a tax.

Transfers. Also known as inter-fund transfers, the amounts distributed from one fund to finance activities in another fund. Shown as an expenditure in the originating fund and a revenue in the receiving fund.

Unappropriated Ending Fund Balance. Amount set aside in the budget to be used as a cash carryover to the next year's budget. It provides the local government with cash until tax money is received from the county treasurer in November. This amount cannot be transferred by resolution or used through a supplemental budget, unless necessitated by a qualifying emergency.

User Charges. The payment of a fee for direct receipt of a public service by the party benefiting from the service.