

2008-09 Spending Plan	Agency Name: Olympic Regional Development Authority
	Agency Head: Ted Blazer

INTRODUCTION

The New York State Olympic Regional Development Authority (ORDA) welcomes the opportunity to work closely with the New York State Division of the Budget (DOB) in developing a Financial Plan for the future based on achieving savings while at the same time maximizing revenues. ORDA has already met with key managers and directors to discuss ways of providing savings not only in FY 08-09, but beyond. Priority reductions are listed in the template below.

ORDA has secured multiple World Championships, World Cup and International events in 08-09. These events bring acclaim to the region, provide extensive media coverage both in print and electronically, provide economic impact to the region and affirm Lake Placid's position in the World of Winter Sports. Continual recruitment of key international events creates the opportunity for ORDA to bid on large, higher profile, multi-sport events in the future. The economy of the region depends upon ORDA's unique ability to secure and manage these events and activities.

ORDA must continue to provide these activities while at the same time create ways to minimize costs and maximize benefits.

Staffing Plan:

ORDA is currently assessing the entire staff and structure of the organization from both personal service and non-personal service perspectives. As always, we are carefully scrutinizing the scope of venue and departmental operations, event management, expansion initiatives, contractual obligations and tourism requirements - especially as they relate to ORDA's legislative mandate. Further, we are evaluating start-up and shut-down times in relation to revenue generation and operational costs. As the vast majority of our operations staff is seasonal, start-up and shut-down of operations will dictate hire and lay-off dates and thus personnel costs.

ORDA is also examining the feasibility of position attrition and/or consolidation of administrative responsibilities due to impending retirements and/or resignations. Each department and venue is currently evaluating their entire staff to see where savings may be achieved moving beyond FY 08-09.

NPS Spending:

ORDA has an established policy for the approval of non-personal spending. The levels of management approval are below those of many other agencies. However, for a period of time to include FY 08-09 all purchases over \$1,000 will require the prior approval of the CEO or specified designee.

Implementation of Priorities:

ORDA has many current obligations from an operational and capital standpoint. Several capital projects are underway that are designed to create additional revenue for the organization and region as well as to provide additional media exposure thereby increasing visitation. They are as follows:

- Construction of additional ski trails and ski lift at Gore Mountain (expect to be 25% complete in 08-09). Project commenced FY 07-08. Project funded through Empire State Development Corporation (ESD) grant.
- Construction of additional ski trails and ski lift at Whiteface Mountain (expected to be 25% complete in 08-09). Project commenced FY 08-09.
- Construction of Conference Center in Lake Placid. Bids for construction are due May 23, 2008. Current levels of funding are provided through ESD grant, New York Power Authority (NYPA) and a private source. Bids will dictate whether construction can commence. Increases have occurred in commodities and materials since the estimates were developed 4 years ago.
- Construction of sports facilities to support World Championships and United States Olympic Committee initiatives at the Olympic Sports Complex and Olympic Jumping Complex. These projects will be completed by utilizing varied financial sources from NYS Tax Check-off fund, Olympic License Plate sales, United States Olympic Committee (USOC) grants, and internal funds.
- Safety net installation at the Olympic Center to conform to insurance company requirements. This project is funded internally as no other source is available; however, safety and insurance required the installation.

While several of ORDA capital projects are underfunded due to increases beyond our control and/or require debt payment, they are geared at increasing visitation at the venues thereby increasing revenues.

Attendant Risks:

The proposed reductions provide a certain level of risk. Listed below in section A2 are employee positions that ORDA has identified to eliminate or alter. Demands due to increased visitation may require additional review in the future from a marketing perspective.

Other Saving Opportunities:

ORDA is evaluating current programs and offerings to make sure that they provide either positive revenue streams or provide amenity extras that lend to sales stability or increases in ticket sales and program admissions.

Monthly Reporting:

ORDA will continue to provide managers and departments as well as DOB with monthly profit and loss statements.

A. Overview of Proposed Plan

A.1 Overall Approach

Reduce operational spending at ORDA by \$300,000 from \$8.6 million to \$8.3 million by reviewing personal and non-personal service categories and projections made for FY08-09. Finance Director

and Human Resource Director assisted in process along with input from Departments and Venues. Categories of savings were explored based on operational needs of the organization and deferment of certain items.

A.2 Achievement of Savings on a Recurring Basis

The projected savings will look to be recurring in nature based on future operational growth and needs. The following savings are listed below.

- Eliminate vacant senior management positions
- Redirect of Department Manager at Gore Mountain
- Redirect of Marketing Director position – (retiring employee)
- Elimination of World Cup Snowboard Event
- Decreased expenses for World Championship events

Construction of the proposed Conference Center will provide additional revenue as well as a more efficient facility.

A.3 Protecting Key Priorities

The ORDA projected budget for 08-09 including the reduction measures will provide a continuation of programs and activities. It is imperative that programming continue at current or increased levels in order to provide economic stimulation to the region thereby sustaining ancillary businesses.

A.4 Treatment of New Initiatives

New initiatives will all carry the requirement of a proforma to establish the financial feasibility of any given project. Required operations due to certain grants and outside agreements will require sensitive scrutiny.

B. Summary of General Fund Financial Impacts

GENERAL FUND -- SAVINGS SUMMARY			
	Required Reduction	2008-09 Savings	2009-10 Savings
Local Assistance	N/A	0	0
Personal Service	168,000	168,000	173,153
Non-personal Service	137,000	137,000	143,100
Total State Operations	305,000	305,000	316,253
Capital	0	0	0
TOTAL			

GENERAL FUND -- YEAR-TO-YEAR CHANGE, AFTER SAVINGS

	2007-08 Actual	Revised Projection	Percent Change
Local Assistance	N/A		
Personal Service	6,226,000	6,057,000	(.5%)
Non-personal Service	2,000,000	2,253,000	12.5%
Total State Operations	8,226,000	8,310,000	1%
Capital	150,000	5,350,000	3500%
TOTAL	8,376,000	13,660,000	61.3%

C. Identification of Proposed General Fund Actions

	2008-09 Cash	2009-10 Cash	2010-11 Cash
GENERAL FUND			
Local Assistance	N/A		
State Operations			
1 Eliminate vacant senior management positions	123,000	126,803	130,598
2 Hire lower level position for marketing at Gore Mt.	20,000	20,600	21,218
3 Hire lower level position for marketing at Lake Placid	25,000	25,750	26,522
4 Decrease expenses for World Championship events	15,000	15,000	15,000
5 Eliminate World Cup Snowboard event	122,000	128,100	134,505
Capital N/A			

G. Monthly Projections: All Funds Workforce; General Fund State Operations/Local/Capital

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
Subtotal PS	1,550,000	1,550,000	1,550,000	0	1,100,000	307,000	0	0	0	0	0	0	6,057,000
NPS	1,700,000	75,000	75,000	0	403,000	0	0	0	0	0	0	0	2,253,000
Total Disbursements -- State Ops	3,250,000	1,625,000	1,625,000	0	1,503,000	307,000	0	0	0	0	0	0	8,310,000
C. Local Assistance	N/A												
D. Capital Projects													
Gore Mt. Ski Bowl	100,000	0	1,000,000	800,000	1,000,000	1,200,000	1,350,000	0	0	0	0	0	5,450,000
Total Disbursements - Capital	100,000	0	1,000,000	800,000	1,000,000	1,200,000	1,350,000	0	0	0	0	0	5,450,000

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I. Management of Risks Inherent in the Plan

Management of Risks previously discussed.

J. Additional Savings Opportunities for 2008-09

ORDA is interested in working with the New York State Energy and Research Development Authority and New York Power Authority to find additional areas in its operations for further energy savings.

A reduction from dependency on diesel fuel sources is achieved by the installation of energy efficient air compressors used for snowmaking manufacturing processes at Whiteface and Gore Mountains. Annual rental of large diesel compressors will be eliminated saving thousands of gallons of fuel.

The construction of the new Conference Center will provide energy enhancements not seen in the prior facility as well as provide additional revenue sources.

Additional Savings for 08-09 are currently being evaluated as a part of ORDA's ongoing operational procedures.