



# City of Madison

City of Madison  
Madison, WI 53703  
www.cityofmadison.com

## Meeting Minutes - Approved MONONA TERRACE COMMUNITY AND CONVENTION CENTER BOARD

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Thursday, August 15, 2013

4:00 PM

One John Nolen Drive  
Hall of Fame Room

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### CALL TO ORDER / ROLL CALL

**Present:** 9 -

Michael E. Verveer; M. Alice O'Connor; Mark J. Richardson; Ricardo A. Gonzalez; Susan Sabatke; Dianne Hesselbein; Thomas J. Ziarnik; James Ring and Chet Gerlach

**Excused:** 2 -

Jane Richardson and Mark Clarke

### APPROVAL OF MINUTES

A motion was made by Gerlach, seconded by Hesselbein, to Approve the Minutes. The motion passed by voice vote/other.

### PUBLIC COMMENT

Please Note – the following comments were submitted in writing at the end of the meeting after the agenda item had passed without registrants/comments. “As a person who spends a lot of time outside and notices the damages caused by the traffic, I recommend that a de-stabalizing [sic] plan of renovation for the restroom not be done. You could better save the building by thinking equity and renting cheaper to charity org, such as to help the homeless.”

### DISCLOSURES AND RECUSALS

Karofsky disclosed that she is currently tweeting for Historic Madison, Inc. @HistoricMadWI.

### NEW BUSINESS

1. [31175](#) GMCVB 2013 Second Quarter Report: Diane Morgenthaler, Vice President of Marketing & Strategic Planning and Rebecca Ramsey, Director of Sales  
  
The GMCVB contract revenue totals \$293,520 year-to-date. This is 40.2% of the goal for 2013. Room nights year-to-date total 21,486. This is only 21.9% of goal for 2013, which is down from last year. Pending contracts total \$136,962 with 5,115 room nights. Hotel occupancy has increased 4% over 2012 for the first half of the year and Average Daily Rates continue to rise.  
  
The GMCVB, through a marketing partner, will be bringing a group of 18 meeting planners to Madison to show them what the city has to offer. They will be having dinner at Monona Terrace and receive a tour of the building.

A letter of support for the Monona Terrace Capital Budget is being drafted by the GMCVB and will be presented to the Common Council next week.

3. [31177](#)

Monona Catering First and Second Quarter Report: Patty Lemke, General Manager

Revenue for Q1-Q2: First half of the year sales were up 3.85% up from the same period in 2012. Long range projections are on track to finish 2013 approximately 1.6% ahead of 2012 at around \$6.7 million in sales.

Services for Q1-Q2:

Hospitality (coffee breaks) - 62,166 guests

Meals (breakfast, lunch, dinner) - 55,072 guests

Receptions - 28,930 guests

Total Services (includes all misc.) - 195,826 guests

Lake Vista Café: The Lake Vista Café opened for the season on May 13, 2013. At the end of July, year-to-date sales were essentially even with 2012. LVC year-to-date guest comment card averages have been exceptional with overall staff service satisfaction rated at 98% and overall food satisfaction rated at 96%.

Marketing and Donations: During Q1-Q2 Monona Catering donated goods/services to: UW Habitat for Humanity Souper Bowl; Downtown Rotary Club; Wisconsin Public Television; Madison Community Foundation; Art Fair Off the Square; Mad City Bridal Expo-MT Booth; MT Sales Blitz; MT/MC Team Development Day; 2013 Menu Showcases for Wedding Clients; and MT Docent Training.

In addition to the donations to local pantries/shelters of more than 3,300 pounds of useable food during Q1-Q2, Monona Catering diverted approximately 28,500 pounds of pre-consumer food waste to composting, which resulted in a total reduction to our waste stream of approximately 16 tons.

4. [31178](#)

Finance Committee Report: Tom Solheim, Committee Member

A motion was made by Ziarnik, seconded by Gonzalez, to Approve the Operating Budget. The motion passed by voice vote/other.

The Operating Budget submitted for 2014 will be a flat budget. Extraordinary items included in the budget were the use of reserves to cover operating revenue losses due to closing in January for the renovation, the creation of a new marketing position and off-site storage costs.

The Mayor has also requested a contingency budget with a 3% cut. To meet this requirement the contingency budget will remove two items from the initial budget request. The first is a new position of a Digital Media and Graphic Designer to assist with web and print marketing activities. The other item to be removed from the budget would be offsite storage which is desperately needed for rooftop furniture, seasonal equipment, excess furniture and other items that are rarely used. Finally, additional Monona Terrace reserve fund usage would be required.

The Finance Committee approved the Operating Budget.

The bids received on Monona Terrace's Public Works Projects are less costly than estimated. Rather than reduce the budget request, Monona Terrace would like to use that savings on energy savings projects that are slowly being implemented. These energy saving projects will immediately start to pay dividends by reducing the overall energy usage and operating expenses in the building. The expected pay back on these projects is less than five years. The finance committee agreed that this would be a wise use of the unexpected savings and that the budget request should remain as it is accompanied by the explanation above.

Monona Catering has several projects that they would like to see done during the renovation. They offered to contribute \$75,000 to cover these projects with the provision that Monona Terrace extends the catering contract 3 more years. The finance committee approved this agreement.

Finally, the Committee discussed the City's consideration of using the reserve to finance the renovation, currently with a balance of \$1.4 million. The reserve fund would then begin to be replenished when the first Monona Terrace bond retires in October of 2014. This will mean that there will be nothing in the reserve fund for 10 months time.

The Finance Committee expressed concern about the restoring of the reserve. They requested that, should the City opt to use this option, a certainty of replacement be received by the Board.

Monona Terrace staff has discussed this concern with City Finance and the Finance Director said that this does not pose a problem. As one of the two construction bonds retire in 2014, the city can designate the funds used to pay for those bonds to be redirected to the Monona Terrace Reserve Fund. Payments will continue for a period of approximately two years until the fund is completely restored and a note would be added to the budgets in 2014 and 2015 to guarantee certainty.

5. [29468](#)

2014 Renovation Update: Gregg McManners, Director  
A. Letter of Support

At a recent City Council Meeting, there were many questions related to the renovation costs and whether or not the renovation is necessary. The Board was versed on the current renovation funding status and the concerns that were registered. As Monona Terrace's mission is to be a first-class facility and the board directly supports this mission, a letter of support to the council was generated. The letter reflects a single voice of the Board of Directors regarding the management and maintenance of the facility. Several board members commented that it was their belief that sending this letter to the Common Council was the right direction to take and that it was an appropriate and respectful response to the Council's concerns.

The board feels that they are well informed about the renovation and the public works projects involved. The questions raised by the Council were reasonable and demonstrated that the projects and their associated costs required some explanation. It is the goal of Monona Terrace Staff and Board to provide that

clarification so that the Council Members can make informed decisions.

A motion was made by O'Connor, seconded by Gerlach to approve the letter of support. The motion passed.

This letter will be sent to all City Alders along with the 2012 annual report.

6. [30576](#) Booking Pace Update: Gregg McManners, Director

The booking pace has stayed on track and revenue is projected to come in at 6% over budget for the year. Food and beverage revenue for September is projected to be \$100,000 over 2012. Bookings are still coming in for 2013 and wedding business is up by 30% due to an aggressive marketing campaign.

7. [24060](#) Finance Report: Kathi Hurtgen, Associate Director - Finance and Operations

June had 70 events of a budgeted 68 creating a 7% increase in revenue. Expenses were up 5% and the month ended with revenue \$1,000 over expenditures. This brought year-to-date revenue to \$12,000 under expenditures.

July only had 42 of a budgeted 46 events. One of these events American Cheese Society (ACS) expenses are reflected in July, but the revenues will not be seen until August. This creates an overage in expenses of 6%, while revenue comes in 8% under. Total revenue for the month is \$63,000 under expenditure. Year-to-date it is \$75,000 under expenditure. ACS revenue in August will more than make up the difference for July.

8. [28249](#) Director's Report: Gregg McManners, Director

Business has picked up in 2013 and is looking good for the year. Planning for the upcoming renovation is nearly done. Continuing efforts to educate and answer the questions of Common Council members are being made. A 4-page report summarizing the planning, funding and execution of the renovation will be submitted to the Board of Public Works for consideration at their upcoming meeting.

9. [26335](#) Announcements from the Chair: Judy Karofsky, Secretary

There were no announcements.

## ADJOURNMENT

A motion was made by Gerlach, seconded by O'Connor, to Adjourn. The motion passed by voice vote/other.