

June 27, 2017 Meeting

ROOM TAX COMMISSION

AGENDA

- ✘ Overture Contract Amendment Draft
- ✘ Long-Term Financial Outlook
- ✘ Health Dept. Staffing for Inspecting and Licensing Transient Tourism Establishments
- ✘ Host Compliance Implementation Timetable
- ✘ 2018 Budget Overview and Discussion

OVERTURE CONTRACT AMENDMENT

DRAFT AMENDMENT

- ✘ 1. The City of Madison will continue to appropriate funds for a grant to OCF in its annual budget process, and will continue to be the party entering into the Annual Operating Agreement with OCF.
- ✘
- ✘ 2. All funds to be appropriated for the OCF grant are to be room tax funds and are to be designated by the Room Tax Commission of the City of Madison. Since the City does not control this designation by the Room Tax Commission, the amount of the grant will not exceed the designation by the Room Tax Commission unless the City makes a separate appropriation for such purpose.
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- ✘ 3. OCF will continue to report to the Madison Arts Commission (MAC) as its primary contact at the City. Written reports, including the annual audit, should be shared with the Mayor's office, the Finance Department and the Room Tax Commission.

LONG-TERM FINANCIAL FORECAST

2018 TO 2023 FORECAST ASSUMPTIONS

- ✘ Revenues grow 5% to 7%; 2017 falls \$500,000 short of budget; average growth since 2009 has been 10%.
- ✘ Monona Terrace operating subsidy grows at 3%.
- ✘ Monona Terrace capital needs based on 2018 CIP, including \$4.6 million major renovation in 2023.
- ✘ Monona Terrace construction bond paid off in 2020.
- ✘ GMCVB share increases 2% annually from 24% in 2017 to 35% by 2023.
- ✘ Overture subsidy remains at \$1.9 million.
- ✘ Olbrich Gardens and Zoo subsidies of \$642,000 shifted to General Fund.

KEY EXPENDITURES

	MT Operating	MT Capital	GMCVB @ 5% Rev Growth	GMCVB @7% Rev Growth
2016 Actual	\$2,981,191	\$481,214	\$3,197,655	\$3,197,655
2017 Budget	3,127,788	475,000	3,714,680	3,714,680
2018	3,821,622	758,000	4,163,600	4,163,600
2019	3,936,271	890,000	4,681,960	4,767,360
2020	4,054,359	1,020,000	5,242,100	5,436,200
2021	4,175,990	885,000	5,847,040	6,176,320
2022	4,301,270	935,000	6,499,860	6,994,220
2023	4,430,308	4,625,000	7,009,250	7,683,700

FORECAST- RTC FUND BALANCE

Average Growth	5%	6%	7%
2018	-\$600,000	-\$500,000	-\$350,000
2019	-\$800,000	-\$600,000	-\$450,000
2020	-\$500,000	-\$250,000	\$0
2021	-\$200,000	+\$150,000	+\$500,000
2022	-\$377,000	\$0	+\$500,000
2023	-\$4,000,000	-\$3,500,000	-\$3,000,000

HEALTH DEPT STAFFING UPDATE

HOST COMPLIANCE IMPLEMENTATION

2018 BUDGET OVERVIEW AND DISCUSSION

2018 BUDGET PREVIEW

- ✘ Commission discussion process.
- ✘ Issues:
 - + Revenue projections
 - + General Fund interactions
 - + Scheduled growth in GMCVB Share
 - + Monona Terrace subsidy
 - + Other activities
- ✘ Timeline – due to Mayor for executive budget by August 2017.