

June 3, 2019 Meeting

ROOM TAX COMMISSION

AGENDA

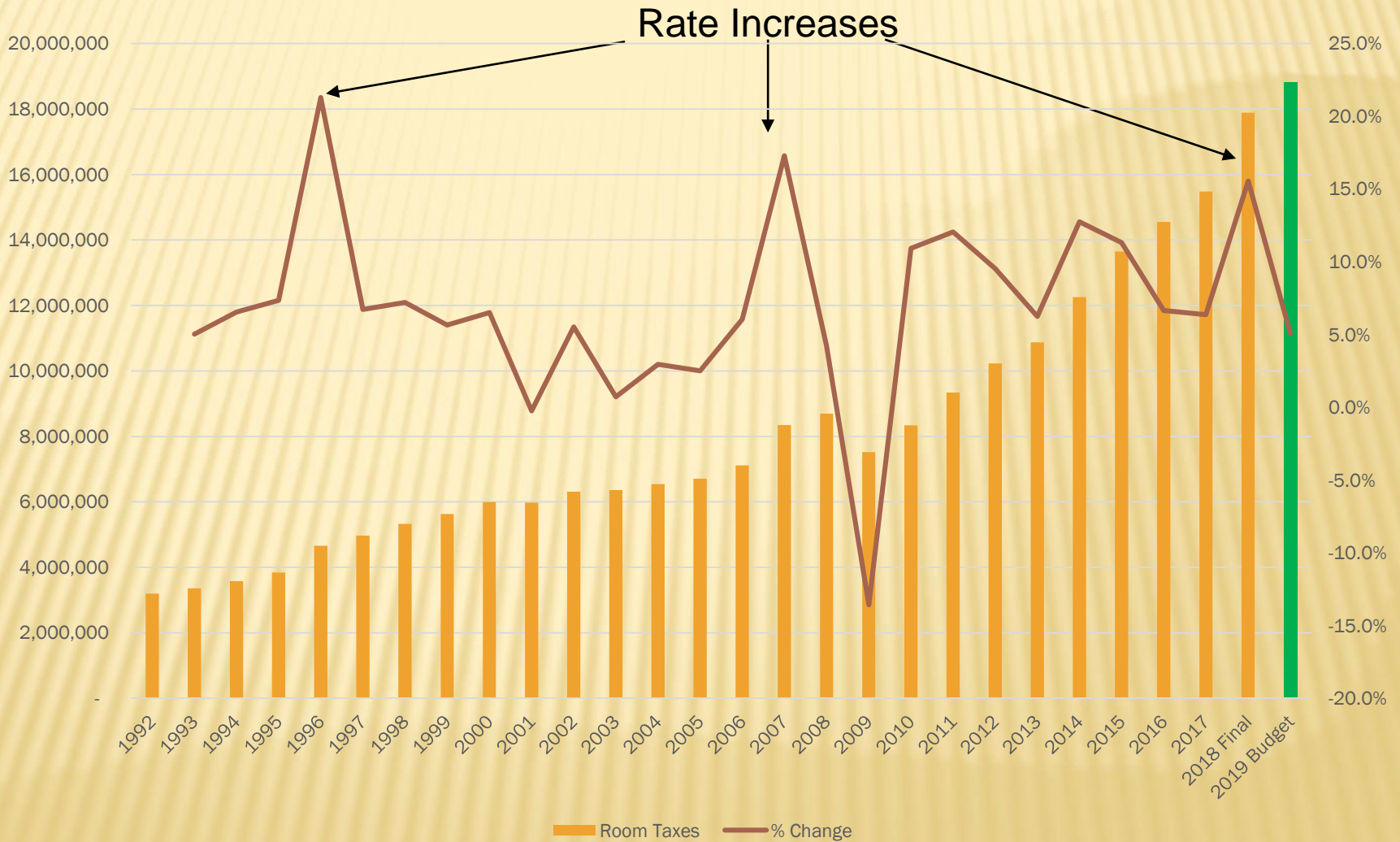
- ✖ 2019 First Quarter Room Tax Collections
- ✖ Room Tax Fund Condition
- ✖ Arts Commission Update
- ✖ 2020 Budget Preview and Schedule

2019 FIRST QUARTER ROOM TAX COLLECTIONS

ROOM TAX COLLECTIONS – Q1 2019

- ✖ 2019 Budget – \$18,800,133
 - + 5% over 2018 Final Collections of \$17,891,045
 - + 2018 invoices paid in 2019 – \$167,457
- ✖ 1st qtr = \$3,248,533 (up 2.7% over 2018 Q1)
 - + 1st quarter projection – \$18.4m to \$18.8m
 - + Adjusting for 2018 invoices – \$17.4m to \$18.0m
- ✖ 2nd quarter collections available in early August.

ROOM TAXES



ROOM TAX FUND CONDITION

2018 ROOM TAX FUND CONDITION

2018

- ✖ \$583,188 closing balance.
- ✖ Destination Madison payment below budget due to lower 2017 actual room taxes than estimated.
- ✖ Better 2017 ending balance than forecast.

2019

- ✖ Projected closing balance of \$340,000 vs. \$118,536 in budget
- ✖ Actual revenue collections will affect the balance.

ARTS COMMISSION UPDATE

2020 BUDGET PREVIEW AND SCHEDULE

2020 ROOM TAX BUDGET

- ✖ Slowing revenue growth
 - + 4.5% in 2018 adjusting for the rate increase.
 - + 2019 Q1 up 2.7%; 1.1% decline when adjusted.
- ✖ City General Fund facing large deficit.

2020 ROOM TAX BUDGET

- ✖ Destination Madison share of room taxes increases from 26% to 28%.
- ✖ Carryforward balance from 2018 to 2019 could be depleted if 2019 revenues fall short.

2020 ROOM TAX BUDGET

✕ Key future issues:

- + Subsidies and city tourism marketing
- + Building reserves for economic downturn
- + Planning for major Monona Terrace remodel in 2023-24.

2019 MEETING CALENDAR

- ✖ February 25, 2019 – Quarterly update
- ✖ June 3, 2019 – Quarterly update; preliminary 2020 budget outlook.
- ✖ August 2019 – Quarterly update; Initial 2020 Budget Meeting and Presentations
- ✖ Early September 2019 – 2020 Budget Decisions

ADJOURNMENT
