



City of Madison

City of Madison
Madison, WI 53703
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Meeting Minutes - Approved MONONA TERRACE COMMUNITY AND CONVENTION CENTER BOARD

Thursday, January 15, 2009

4:30 PM

One John Nolen Drive - Hall of Fame

CALL TO ORDER / ROLL CALL

Present: 8 -

Mark M. Opitz; Thomas J. Ziarnik; Judy Sidran; Warren E. Onken; Mona Adams Winston; Glenn R. Krieg; M. Alice O'Connor and Wayne Bigelow

Excused: 6 -

Ann E. Kovich; Sheridan A. Glen; Jeffrey B. Bartell; Henry S. Lufler, Jr.; William DiCarlo and Anne Katz

APPROVAL OF MINUTES

A motion was made by Sidran, seconded by O'Connor, to Approve the Minutes. The motion passed by voice vote/other.

PUBLIC COMMENT

There were no citizens present who wished to address the Board.

REPORTS

1. [13103](#) 2010 Base Room Rental Fees / 2010 Guest Price List for Equipment & Services - Bill Zeinemann, Director of Marketing and Events

The Finance Committee met on January 15, 2009 prior to the Board meeting to discuss the 2010 Base Room Rental Fees and 2010 Guest Price List for Equipment and Services. The Committee feels the approach to crafting these price lists was conservative and cautious, and recommended the Board's approval. Mr. Bigelow made a motion, seconded by Ms. Winston, to approve the 2010 rates as presented. The motion was approved by voice vote/other.
2. [12201](#) Hotel Feasibility Study Update - Jim Hess, Director

The Committee met on January 13, 2009 to review the draft Executive Summary of the Hotel Study that was prepared by the consultant firm, Hunden Strategic Partners. The Committee voted to accept the report subject to the inclusion of comments captured at the meeting. Upon receipt of the final version, the report will be approved by Monona Terrace staff, and submitted to the Common Council for acceptance.

The report may be referred back to Monona Terrace as well as the Board of Estimates and the Economic Development Commission.

Recommendations about the downtown hotel and other highlights from the report included:

- Optimum size is 400 rooms.
- Adjacency to Monona Terrace and the Hilton is key, preferably within 1,200 feet (the distance that most people feel comfortable and safe as a distance to walk).
- Branded hotels such as Hyatt, Westin, Intercontinental, etc. that have national booking systems.
- A survey of 300 meeting planners was conducted, and 80% of them said they would bring their groups to Madison / Monona Terrace if there was an adequate supply of hotel room blocks.
- Following construction of the Hilton, business increased at Monona Terrace.
- The Greater Madison Convention and Visitors Bureau estimates \$50,500,000 of economic impact has been lost because of the lack of hotel rooms. Approximately \$30,000,000 of that amount occurred in the last three years, indicating the rate of lost business is increasing.
- If a new hotel is not built, Madison will fall further behind the competition, and the monies invested in Monona Terrace would show a smaller return to the community.

Tom Ziarnik stated that occupancy would decline by 8-10% in other downtown hotels if the new hotel is built, and requested additional detail. Hunden Strategic Partners agreed to flesh out that information.

3. [12829](#)

Accepting the Final Report of the Transient and Occupancy Tax Study Committee dated October 2008. - Jim Hess, Director

A motion was made by Onken, seconded by Bigelow, to Return to Lead with the Recommendation for Approval to the BOARD OF ESTIMATES. The motion passed by the following vote:

Excused: 6 -

Ann E. Kovich; Sheridan A. Glen; Jeffrey B. Bartell; Henry S. Lufler, Jr.; William DiCarlo and Anne Katz

Ayes: 8 -

Mark M. Opitz; Thomas J. Ziarnik; Judy Sidran; Warren E. Onken; Mona Adams Winston; Glenn R. Krieg; M. Alice O'Connor and Wayne Bigelow

4. [13106](#)

Finance Committee Update - Henry Lufler, Chair

Eight of nine additional contracts were signed with Monona Terrace

clients by the end of 2008 because of additional monies made available by Monona Terrace for event assistance to reduce room rent expenses. Room rental revenues from these contracts total \$224,022, with estimated direct spending totals of \$5,074,600. Staff will keep track of these types of situations, and use Event Assistance Fund monies again in the future due to a good return on the investment.

5. [11555](#) Finance Report - Kathi Hurtgen, Finance Director

Revenues were 16% over budget in November due to 61 events that were held versus the 56 budgeted. That total includes an exceptionally elegant wedding with higher than normal revenues. Expenses were +7% which is a timing issue involving end-of-year purchases. Year-to-date surplus funds are estimated to be \$217,000.

6. [13172](#) Monona Catering Update - Patty Lemke, General Manager

Monona Catering enjoyed a record-setting year in 2008, however forecasted revenue amounts for 2009 are down by comparison due to the uncertain economy. Clients are being cautious, and more short-term bookings are occurring. Cost of goods stabilized somewhat, and Monona Catering is fortunate to have several long-time employees who bring additional solidarity to the organization.

A new cash register system has been activated which will also be installed on the rooftop in the spring, and provide excellent building-wide customer service.

Several Monona Catering projects are planned for 2009 including:

- Commuter choice program for employees
- Lake Vista Cafe opening (soft opening in May followed by a Grand Opening two weeks later)
- Development of 2010 menu packet
- Review of SOP for Catering Operations
- Revised staff orientation and training programs
- Employee Handbook update
- Negotiation of new contract with union employees

7. [13111](#) Director's Report - Jim Hess, Director

There were no questions on the Board Report.

Lake Vista Cafe: The penalty clause of the contract was exercised because the project is so far behind schedule. The contractor appealed the \$60,000 amount to the Board of Public Works who awarded the

contract, and the amount was lessened to \$20,000. It was a good compromise that covered Monona Terrace costs, prevented a lawsuit, and assured completion of the project.

City of Madison Bumping Process: Monona Terrace took creative steps to absorb four employees who were laid off from the Overture Center: a Clerk Typist (unfrozen position), a cleaner (half-time, unfrozen position), an A/V trainee and an Operations worker. It was a win-win situation, as the Mayor wanted to stop the bumping process as soon as possible, Monona Terrace got four quality employees, and ended up with only one position being bumped (third shift Operations Worker).

Managers Strategic Planning Retreat: The retreat was held at the Overture Center in December. The retreat consisted primarily of updating Monona Terrace strategic planning, and teambuilding.

Team Development Day: This function will be held on January 26. Planned activities include:

- strategic plan updates
- employee satisfaction survey
- Community Relations Department will be showcased, and members of that department will lead some activities

Other updates included:

- Congratulations to the GMCVB for achieving their 2008 revenue goal for the second year in a row with totals of \$753,955 in rent revenues, and \$1.5 million in total revenue for Monona Terrace.
- The Event Assistance Fund has been increased by \$100,000, an amount that will assist the GMCVB secure additional future business through reduced room rentals.
- The Monona Terrace Sales Team was congratulated for exceeding 2008 revenue goals, achieving a level of 112%.

8. [11557](#)

Announcements from the Chair - Mona Adams Winston, Acting Chair

- Martin Luther King Day activities will be held all over the city, including two at Monona Terrace.
- The King Coalition will hold an Inauguration Watch Party at Monona Terrace on January 20, and a standing-room-only crowd is expected. The community has been invited to bring a brown-bag lunch, and cake and coffee will be provided.

ADJOURNMENT

A motion was made by Bigelow, seconded by Opitz, to Adjourn . The motion passed by voice vote/other.