



MONONA TERRACE COMMUNITY AND CONVENTION CENTER

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DATE: August 12, 2022
TO: Monona Terrace Executive & Finance Committees
FROM: Connie Thompson, Executive Director
SUBJECT: 2023 Operating Budget

INTRODUCTION:

The Mayor's operating budget guidelines directed City enterprise agencies to submit a budget that is consistent with current agency revenue projections for 2023. We are budgeting 2023 building revenue at \$3,897,700, which is \$184,440 less than 2022. We increased our Operating expenses by \$412,270, from \$8,311,155 in 2022 to \$8,723,425 in 2023. On the revenue side the reduction is primarily due to 4 less conferences and conventions being projected at this time. The increase on the expense side is due to the hiring of positions that were kept open in 2022 for salary savings, increases to wages and benefits, and rising costs of purchased services and supplies. The breakdown of our expense increases is:

1. Payroll - \$283,559
2. Purchased Supplies - \$31,040
3. Purchased Services - \$73,250
4. Inter-D/Other – 24,421

The City Finance Department informed us the Room Tax Fund contribution for 2023's Operating Expenses is anticipated to be \$4,825,725, which allows Monona Terrace to submit a balanced budget.

Budget submissions were due at the City Finance Office on July 22 this year. We provided our requested budget to the Finance Office; with the understanding there may be changes, based on the Board's final approval on August 18, 2022. This is consistent with what we have done in past years.

THE BUDGET:

2023 Revenue Projections

Based on the future business levels we are seeing, Monona Terrace 2023 sales are projected to be slightly lower than the 2022 budgeted amount. Event revenue is

projected to be \$191,400 lower than our 2022 adopted budget, and Miscellaneous revenue is increased by \$7,000, for a total building revenue reduction of \$184,400. Total 2023 building revenue is projected to be \$3,897,700.

2023 Expenditure Request

Details of the proposed budget are provided in the following pages, but here is a brief summary of some of the expense budget highlights:

- The overall expense budget is projected to be \$412,270 higher than the adopted 2022 budget.
- Supplies and services are projected to be \$104,290 more than the adopted 2022 budget.
- Payroll is expected to increase by \$283,559. The Associate Director position, which has been vacant for the past 3 years, will be filled in 2023. There are increases to wages and benefits. 3.5 positions will continue to be held open for 2023 salary savings.
- PILOT, Inter-departmental Charges and WRS Debt Service payments increased by \$24,421.

SUMMARY:

2023 is shaping up to be moderately better than 2022 as we continue on the path to full recovery. In past pre-pandemic years we have booked short term local and state events after the budget period that have had solid positive impacts on our budget. We are ready for the opportunity to do the same for 2023 as conditions allow. We remain hopeful that 2023 proves to be another year in which we make progress towards pre-pandemic levels of business.

We look forward to discussing this budget request at the Finance Committee meeting on Thursday, August 18 at 3:00 pm.