

February 21, 2022 Meeting

ROOM TAX COMMISSION

AGENDA – VIRTUAL MEETING

Equity Statement on all BCC agendas – “Consider: Who benefits? Who is burdened? Who does not have a voice at the table? How can policymakers mitigate unintended consequences?”

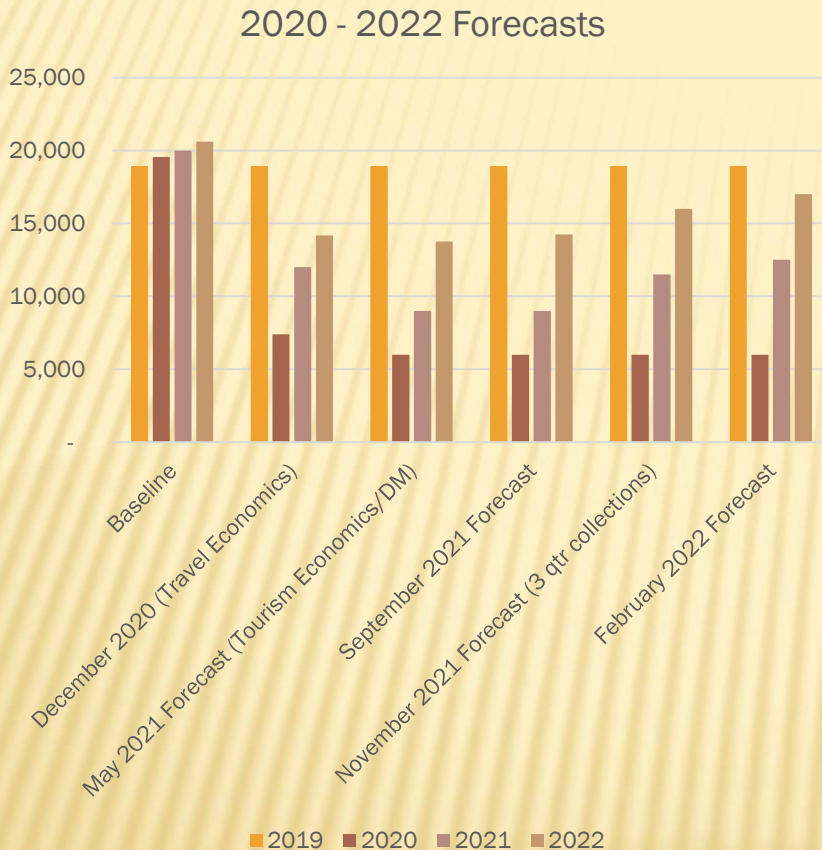
This meeting is being recorded

1. Call to Order/Virtual Meeting Instructions/Roll Call
2. Approval of Minutes from September 22, 2021 meeting
3. Public Comment
4. Disclosures and Recusals
5. Update on 2021 and 2022 Room Tax Fund Condition and Collections
6. Planning for 2023 Budget
7. 2022 Meeting Schedule and Format
8. Commission Issues and Discussion
9. Adjournment

Room Tax Commission

UPDATE ON 2021 ROOM TAX FUND CONDITION AND 2022 ROOM TAX FORECAST

2021 BETTER THAN PREVIOUSLY FORECAST; SETS HIGHER BASE FOR 2022



- ✗ 4th quarter collections up 326% from 2020; Y-over-Y up 109%
- ✗ 2021 Actual -- \$12.3m vs. \$9m in June (used for 2021 transfers to RTF)
- ✗ 2022 forecast -- \$17m to \$17.7m vs. \$14.25m in August (used for 2022 allocations)

IMPLICATIONS FOR 2022 – *GOOD NEWS!*

- ✘ Room tax collections could be 20% higher than amounts used to set allocations in 2022.
- ✘ No need for \$2.4 million transfer from TID 25 surplus to RTF (2021 YE Appropriation Res authorized transfer to General Fund if not needed in RTF).
- ✘ No room tax revenues were transferred to the General Fund in 2021 – a \$3.7 million benefit to the RTF based on 2021 collections. 2020 to 2022 GF help to RTF – ***over \$6 million.***
- ✘ Ending balance for 2021 may have a \$1.2 million surplus (reflects no transfer from the TID 25 surplus to the RTF).
- ✘ Ending balance for 2022 could reach \$3 million (includes 2021 ending balance); 30% transfer to General Fund will increase from \$4.2 million to \$5 million.

FUND CONDITION SUMMARY – 2019 TO 2022

| | 2019 | 2020 Adopted | 2020 Amended | 2020 Actual | 2021 Projected | 2021 Prelim Final | 2022 Budget Motion | 2022 Projected |
|------------------------------|------------|--------------|--------------|-------------|----------------|-------------------|--------------------|----------------|
| Revenues | 18,929,841 | 19,552,138 | 9,464,921 | 5,862,255 | 9,000,000 | 12,259,985 | 14,250,000 | 17,000,000 |
| Monona Terrace | 5,184,540 | 5,461,289 | 3,653,568 | 5,045,935 | 3,839,685 | 3,839,685 | 4,100,000 | 4,100,000 |
| Olbrich and Zoo | 642,352 | 642,352 | - | - | - | | | |
| Overture | 2,000,000 | 2,095,000 | 1,200,000 | 1,200,000 | 1,500,000 | 1,500,000 | 1,600,000 | 1,600,000 |
| Destination Madison | 4,989,009 | 5,264,037 | 2,950,000 | 2,655,643 | 3,750,000 | 3,750,000 | 3,900,000 | 3,900,000 |
| Event Booking Assistance | 140,953 | 200,000 | 50,000 | 45,559 | 150,000 | 150,000 | 200,000 | 200,000 |
| City Tourism | 174,895 | 237,500 | 102,500 | 80,250 | 158,000 | 100,790 | 145,000 | 145,000 |
| Other | 33,800 | 34,552 | - | - | 45,000 | 36,096 | 45,000 | 45,000 |
| General Fund Share | 5,671,290 | 5,865,642 | 2,839,476 | - | 2,700,000 | 3,677,996 | 4,275,000 | 5,100,000 |
| Total Expenditures | 18,836,839 | 19,800,372 | 10,795,544 | 9,027,387 | 12,142,685 | 13,054,567 | 14,265,000 | 15,090,000 |
| Ending Balance | 355,432 | 163,365 | 14,729 | (1,797,591) | (5,023,094) | (2,478,269) | 59,661 | 2,942,351 |
| Transfer from TID 25 Surplus | | | | | 2,400,000 | - | | |
| No Transfer to General Fund | | | | | 2,700,000 | 3,677,996 | | |
| Revised Ending Balance | | | | | 76,906 | 1,199,727 | | |

PLANNING FOR 2023 BUDGET

LOOKING AHEAD

- ✘ 2023 preliminary revenue forecast -- \$19 million
 - + \$2 million higher than 2022 current forecast
- ✘ Financial and Program Goals
 - + Re-investing in tourism-related programs
 - + Maintaining reserves – there really is a “rainy day”
- ✘ 2022 Actual Collections
 - + May
 - + August
 - + November
 - + February 2023
- ✘ City Budget Process
 - + 2023 Executive Capital Budget introduced September 6
 - + 2023 Executive Operating Budget introduced October 11th
 - + 2023 Budget adopted in November 2022

ROOM TAX COMMISSION

2022 MEETING SCHEDULE AND FORMAT

2022 MEETING SCHEDULE

- ✖ February (virtual)
 - + Review 2021 actuals and 2022 forecast
- ✖ May/June (virtual?)
 - + Review 2022 Q1 actual collections and updates to 2022 forecast
- ✖ August / September (in-person?)
 - + Meeting 1 – Presentations on 2023 allocations; Q2 actual collections
 - + Meeting 2 – Adopt 2023 allocations
- ✖ December (if needed)
 - + Review 2021 and 2022 forecasts
 - + Meeting schedule for 2022

ROOM TAX COMMISSION

COMMISSION ISSUES AND DISCUSSION

February 21, 2022 Room Tax Commission Meeting

ADJOURNMENT
