



MONONA TERRACE COMMUNITY AND CONVENTION CENTER

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DATE: August 11, 2015
TO: Monona Terrace Executive & Finance Committees
FROM: Gregg McManners, Executive Director
SUBJECT: 2016 Operating Budget

INTRODUCTION:

The Mayor's operating budget guidelines directed City agencies to submit a budget that is flat compared to their approved Operating Budget in 2015. The City Finance Office established our 2016 subsidy level at \$3,190,538. In addition, the Mayor has asked for proposed items for a 3% reduction from the 2015 budget in case it becomes necessary for him to request agencies cut their budgets.

In order to meet the Mayor's 3% reduction request, Monona Terrace proposes eliminating \$109,608 of convention specific promotional advertising expense allocated to the GMCVB annually. Budget submissions were due at the Comptroller's Office by 4:30pm on Monday, August 3, 2015. We provided our tentative numbers to the Finance Office; with the understanding there may be changes, based on the Board's final approval on August 20, 2015. This is consistent with what we have done in past years.

THE BUDGET:

2015 Revenue Projections

Monona Terrace 2016 sales are projected to increase compared to the 2015 budget. However, overall sales remain relatively flat year over year. With renovations completed in early 2014, a full 12 month calendar is booked for 2015. Based on the current business booked, and history of sales over the past four years, we are projecting 2016 Event Revenue to be \$4,250,200 versus the 2015 Event Revenue Budget of \$4,216,375. This is a 1% increase over the 2015 projected revenues. Total 2016 revenue is projected to be \$4,612,258.

The projection of year-end Event Revenue for 2015 is to finish at approximately \$4,187,183. Total 2015 revenue is projected to be \$4,541,304.

2016 Expenditure Request

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

- Managers were directed to submit a flat department budget.
- PILOT, Inter Departmental Charges and WRS Debt Service payments increased by \$29,666 over 2015.
- Supplemental requests of \$135,745 include the modified steam capital improvement fixed rate structure, a maintenance contract and back up service for the chillers, and anticipated changes in linen costs.

Following is a brief explanation of each of the attachments to this memo:

Revenue and Expense Report

This attachment provides the 2008-2014 Year-end Actuals, 2015 Budget Projection and 2016 Budget.

SUMMARY:

2016 promises to be a year of challenges and potential growth. More larger conventions and fewer conferences will help indicate the true economic impact of Monona Terrace to the community. Revenues remain flat with projected 2015 year-end estimates.

Additionally, we want to submit a budget as close to accurate as possible. Any reductions in our request including supplemental requests will be scrutinized more completely in 2017 as we move to approval by Commission. Reductions in 2016 will only make it more troublesome as we forward our 2017 budget to a new oversight committee. We look forward to discussing this budget request at the Finance Committee meeting on Wednesday, August 12, 2014 at 3:15 pm.

Revenue and Expense Projections Summary

	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Adopted	2016 Budget-Flat	2016 w/ supple
Conventions	1,560,226	1,301,391	1,383,934	1,647,410	1,731,545	1,761,226	1,697,137	1,532,000	1,831,000	1,831,000
Conferences	669,191	518,675	549,654	475,705	524,493	562,204	408,506	676,500	349,000	349,000
Banquets	1,126,138	852,318	947,497	860,521	831,579	1,048,184	1,031,569	942,800	972,000	972,000
Meetings	699,494	657,556	723,978	652,135	706,766	697,917	651,201	786,800	769,600	769,600
Consumer Shows	116,853	127,764	175,841	147,443	127,768	176,057	151,180	143,400	151,000	151,000
Entertainment	65,404	54,649	64,400	63,624	47,505	53,141	91,617	48,450	73,750	73,750
Community Events	106,849	85,798	67,818	73,657	95,806	112,711	102,350	86,200	103,700	103,700
Community Mtgs.	832	1,354	739	587	703	606	236	225	150	150
Event Revenue	4,344,987	3,599,505	3,913,861	3,921,082	4,066,165	4,412,046	4,133,796	4,216,375	4,250,200	4,250,200
Ancillary	272,325	284,813	247,940	242,620	233,089	230,701	221,000	255,418	262,058	262,058
Applied Reserves							250,000	100,000	100,000	100,000
Total Revenue	4,617,312	3,884,318	4,161,801	4,163,702	4,299,254	4,642,747	4,604,796	4,571,793	4,612,258	4,612,258
Salaries & Wages	4,505,648	4,349,632	4,515,584	4,432,323	4,409,576	4,601,350	4,822,000	4,830,148	4,612,665	4,612,665 *
Operating Expenses										
Purch Svcs	1,936,544	1,748,990	1,803,478	1,771,253	1,735,265	1,917,792	1,844,000	1,918,094	1,961,718	2,097,463 **
Supplies	577,101	411,960	417,255	473,387	461,994	463,857	483,000	470,471	480,524	480,524
Inter-D	114,564	114,684	120,872	107,122	146,096	159,610	183,000	163,704	191,176	191,176
PILOT/Other	326,147	340,264	362,503	343,747	352,459	376,729	331,000	379,914	382,108	382,108
Capital Assets	48,162	7,745	-	-	29,473	2,000	2,000	38,860	38,860	38,860
Total Expenses	7,508,166	6,973,275	7,219,692	7,127,832	7,134,863	7,519,338	7,665,000	7,762,331	7,667,051	7,802,796
Net Operating Expense	(2,890,854)	(3,088,957)	(3,057,891)	(2,964,130)	(2,835,609)	(2,876,591)	(3,060,204)	(3,190,538)	(3,054,793)	(3,190,538)
Transient Occupancy Tax	2,966,911	3,027,158	3,027,000	3,042,395	2,820,759	3,000,525	3,101,155	3,190,538	3,190,538	3,190,538
Net Operating Budget	\$76,057	(\$61,799)	(30,891)	78,265	(14,850)	123,934	40,951	-	135,745	-
							Less Supple.		135,745	

*2016 Salaries and Wages show vacant positions with no benefits assigned at present

** Includes \$135,745 in supplemental requests as if approved