

May 30, 2017 Meeting

ROOM TAX COMMISSION

AGENDA

- ✖ Room Tax Fund Condition Update
- ✖ Overture and Greater Madison Convention and Visitors Bureau Contracts
- ✖ Reconsideration of February 20th Meeting
Action on Use of Room Tax Commission Funds
for Yahara Music Library
- ✖ Health Dept. Regulatory Resources Discussion
 - Air BnB Contract and related Tourism
Rooming House Issues

AGENDA (CONTINUED)

- ✕ Host Compliance Contract Update
- ✕ Discussion of 2018 Budget Development Process and Next Meeting Date

ROOM TAX COLLECTIONS AND FORECAST

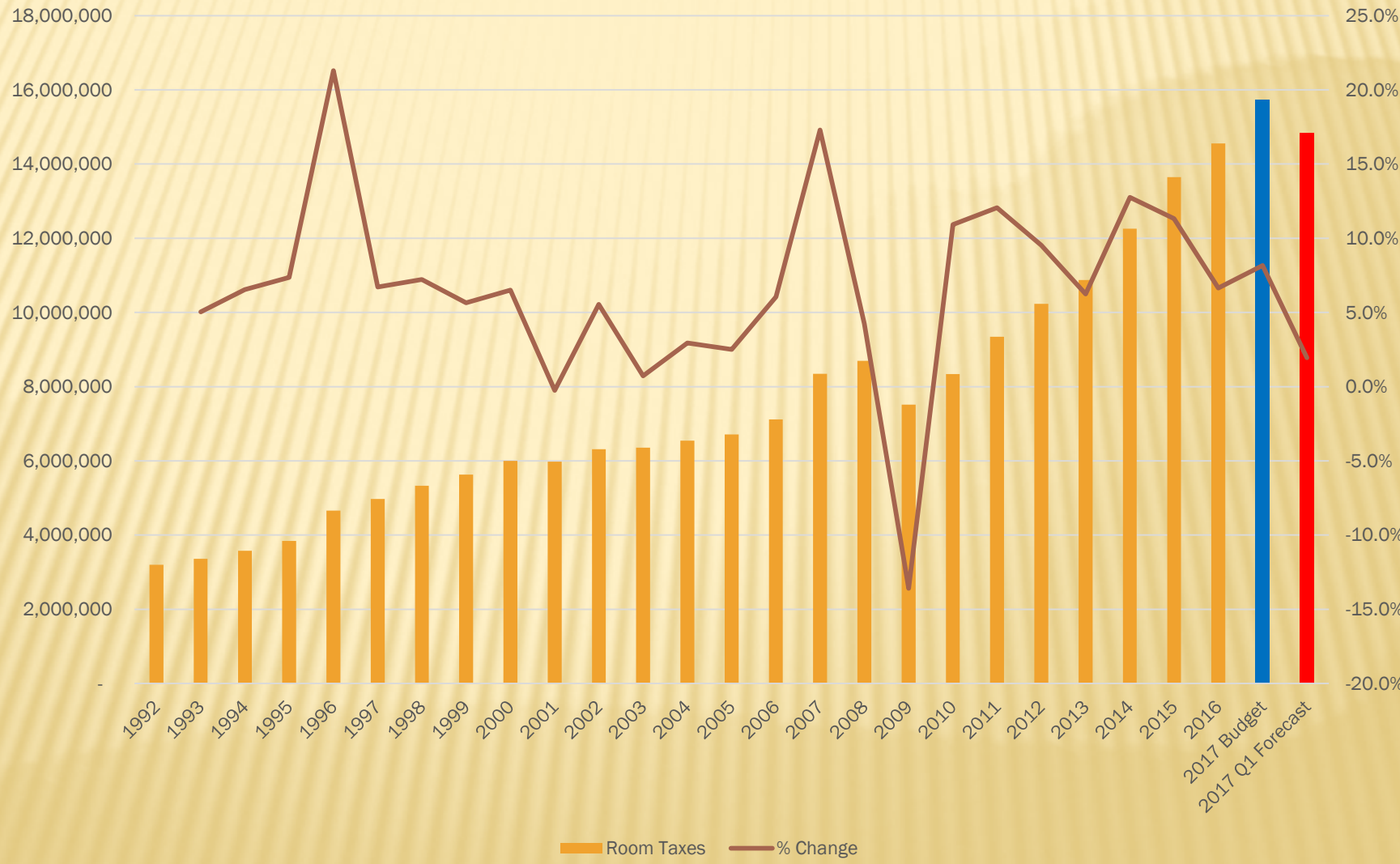
ROOM TAX COLLECTIONS – 2016 ACTUAL

- ✖ 2016 Budget -- \$15,144,500 (11% over 2015 actual)
- ✖ 2016 Final -- \$14,555,514 (6.7% over 2015 actual)

ROOM TAX COLLECTIONS – 2017

- ✖ 2017 Budget -- \$15,744,615
 - + 8% over 2016 Preliminary Final
- ✖ 2017 First Quarter -- \$2,655,204
 - + 1.4% less than 2016 Q1
 - + Need 10% growth for remainder of year to meet budget; projections for new properties reduce that to 5.8%; 2016 3 quarters v 2015 3 quarters was 7.6%
 - + Based on 5 year trends and new properties, collections could be short of budget by \$900,000.

ROOM TAXES



NEXT STEPS

- ✖ Room Tax revenues split 70% to Room Tax Commission; 30% to City General Fund.
- ✖ Assuming \$500,000 shortfall:
 - + \$350,000 to Room Tax Commission
 - + \$150,000 to General Fund
- ✖ Anecdotal reports are that the 2nd quarter is much stronger than 1st. 2nd quarter data will be available in August.

Overview and Discussion

OVERTURE AND GMCVB CONTRACTS

Yahara Music Library

RECONSIDERATION OF FEBRUARY 20TH ACTION

MADISON MUSIC CITY

- ✖ \$5,000 allocated to Revelry Music Festival
- ✖ Revelry Music Festival is not taking place in 2017
- ✖ Room Tax Commission voted on February 20, 2017, to transfer \$5,000 to Yahara Music Library.
- ✖ A Commission member voting in the affirmative has requested a reconsideration vote.

REGULATORY ENFORCEMENT RESOURCES

HOST COMPLIANCE CONTRACT UPDATE

Room Tax Commission Budget Development

2018 BUDGET AND LONG-TERM FORECAST

2018 TO 2023 FORECAST ASSUMPTIONS

- ✖ Revenues grow 5% to 7%; 2017 falls \$500,000 short of budget; average growth since 2009 has been 10%.
- ✖ Monona Terrace operating subsidy grows at 3%.
- ✖ Monona Terrace capital needs based on 2018 CIP, including \$4.6 million major renovation in 2023.
- ✖ Monona Terrace construction bond paid off in 2020.
- ✖ GMCVB share increases 2% annually from 24% in 2017 to 35% by 2023.
- ✖ Overture subsidy remains at \$1.9 million.
- ✖ Olbrich Gardens and Zoo subsidies of \$642,000 shifted to General Fund.

KEY EXPENDITURES

	MT Operating	MT Capital	GMCVB @ 5% Rev Growth	GMCVB @7% Rev Growth
2016 Actual	\$2,981,191	\$481,214	\$3,197,655	\$3,197,655
2017 Budget	3,127,788	475,000	3,714,680	3,714,680
2018	3,821,622	758,000	4,163,600	4,163,600
2019	3,936,271	890,000	4,681,960	4,767,360
2020	4,054,359	1,020,000	5,242,100	5,436,200
2021	4,175,990	885,000	5,847,040	6,176,320
2022	4,301,270	935,000	6,499,860	6,994,220
2023	4,430,308	4,625,000	7,009,250	7,683,700

FORECAST- RTC FUND BALANCE

Average Growth	5%	6%	7%
2018	-\$600,000	-\$500,000	-\$350,000
2019	-\$800,000	-\$600,000	-\$450,000
2020	-\$500,000	-\$250,000	\$0
2021	-\$200,000	+\$150,000	+\$500,000
2022	-\$377,000	\$0	+\$500,000
2023	-\$4,000,000	-\$3,500,000	-\$3,000,000

2018 BUDGET PREVIEW

- ✕ Commission discussion process.
- ✕ Issues:
 - + Revenue projections
 - + General Fund interactions
 - + Scheduled growth in GMCVB Share
 - + Monona Terrace subsidy
 - + Other activities
- ✕ Timeline – due to Mayor for executive budget by August 2017.

NEXT MEETING AND ADJOURNMENT
