

September 11, 2020 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 July 7, 2020 meeting
3. Disclosures and Recusals
4. Briefings from Major Recipients of Room Tax Commission Allocations
 - + Destination Madison, Overture, Monona Terrace, CitiArts
5. Overview of 2020 Room Tax Revenues and 2021 Forecast of Room Tax Revenues and Expenditures
6. Update on City Budget for 2020 and 2021
7. Discussion of 2021 Room Tax Commission Allocations
8. Adjournment

BRIEFINGS

PRESENTATION – DESTINATION MADISON

PRESENTATION – OVERTURE

PRESENTATION – MONONA TERRACE

PRESENTATION - CITIARTS

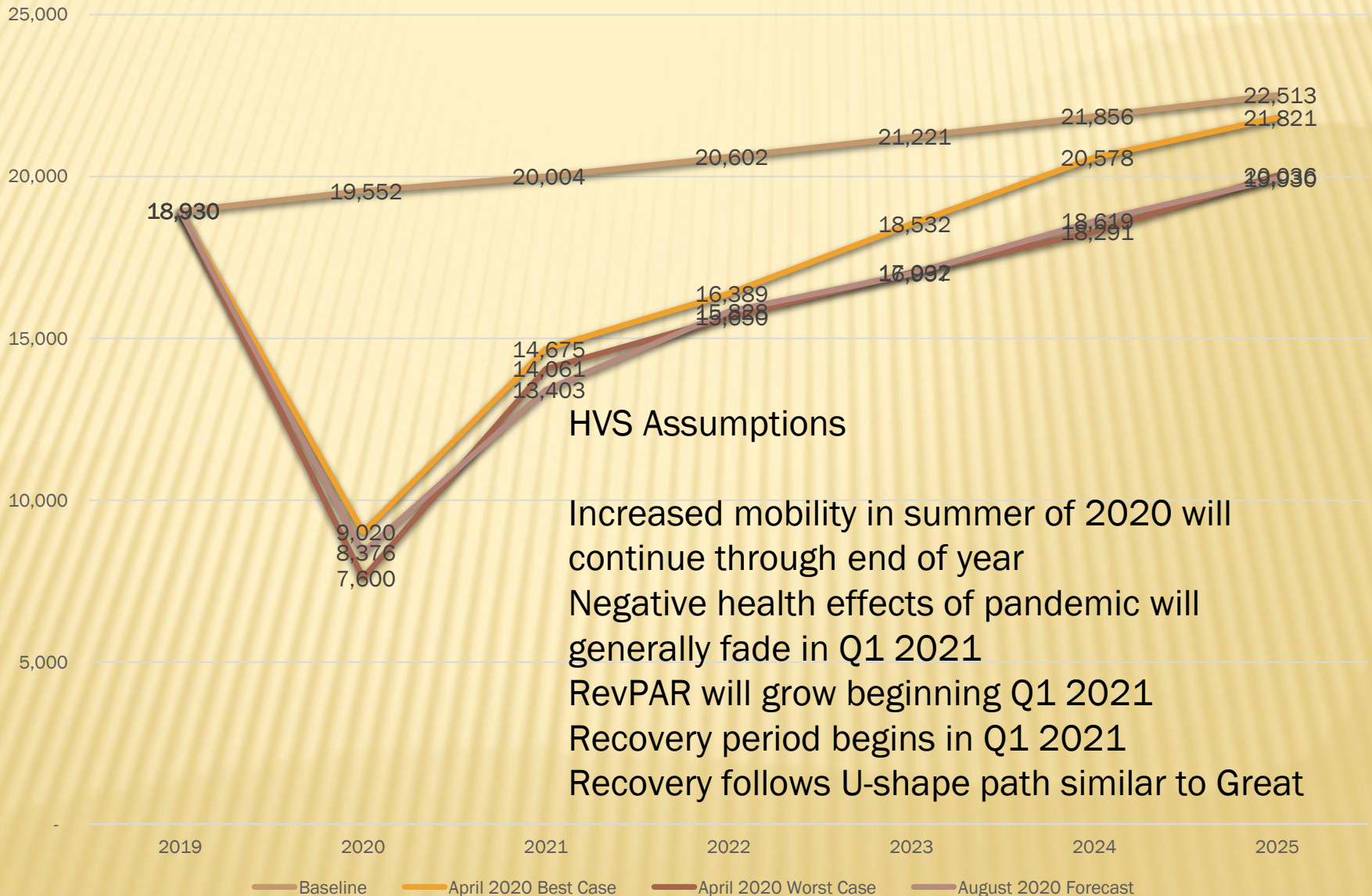
2020 ROOM TAX REVENUES

2021 ROOM TAX FORECAST

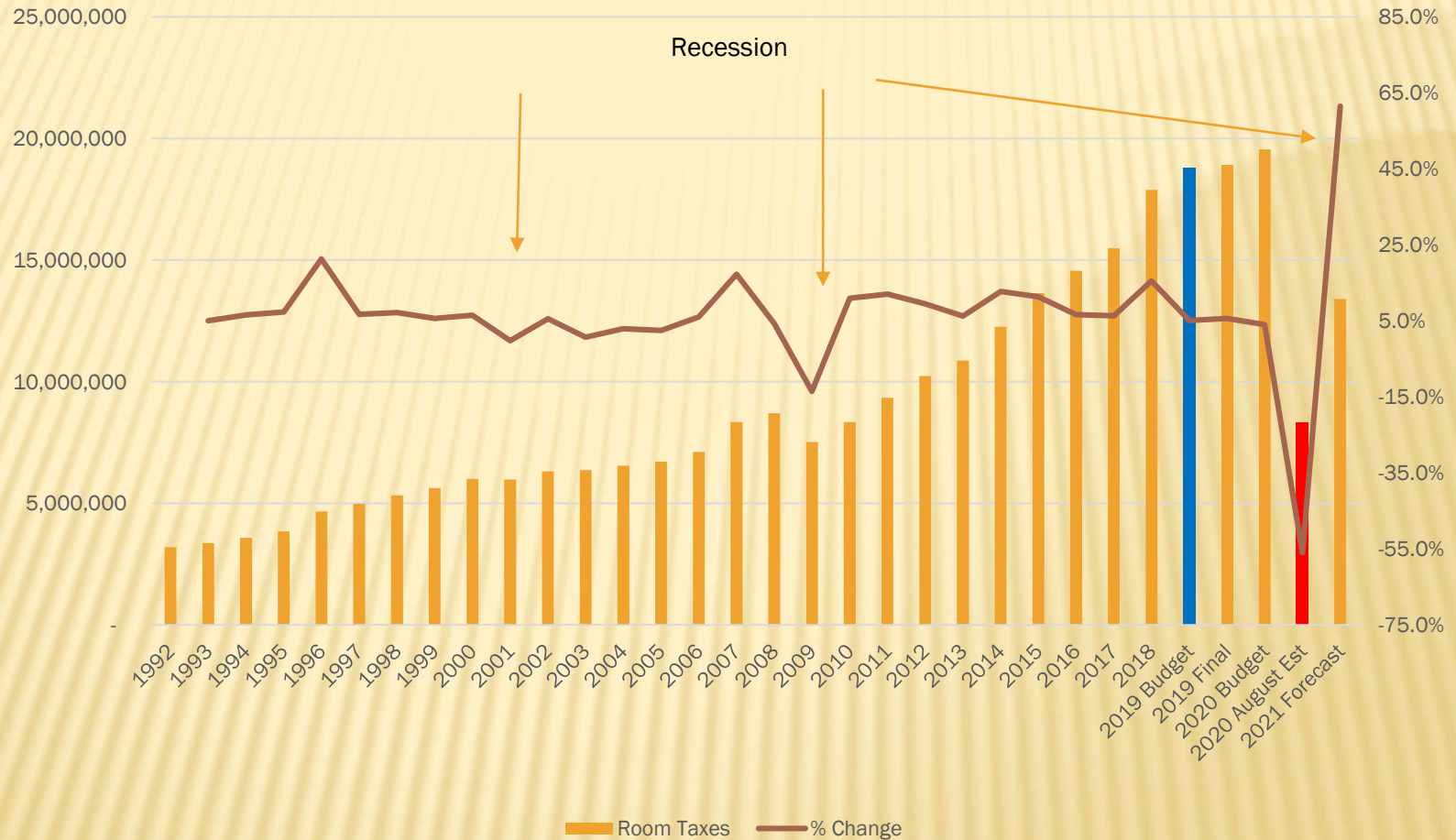
Recovery expected to take 5 Years

Room Tax Forecast – 2019 to 2025

HVS Model



Room Taxes – 1992 to 2021 (Forecast)



2020 ROOM TAX REVENUES

July 7 Forecast -- \$9.5 million

August 2020 (1st and 2nd Quarter Collections)

- + \$3.5 million*
- + 37% of July 7th forecast*
- + Typical share of collections – 43% to 47%*
- + Historical Model – \$7.3m to \$8.1m*
- + HVS Forecast -- \$8.4 m*

Change from July – down at least \$1.1 million for 2020

Impact -- \$1.2 million deficit compared to July 7 amended 2020 budget; \$750,000 – RTC and \$350,000 General Fund .

Next Steps – RTC allocations set; Overture paid; Destination Madison receives monthly payments. General Fund may have to step in at year-end.

2021 FORECAST

- ✖ HVS – 60% increase in 2021 over 2020
- ✖ 2020 -- \$8.3 million
- ✖ 2021 -- \$13.4 million
- ✖ General Allocation
 - + 30% to General Fund -- \$4 million
 - + 2020 Allocations -- \$7 million
 - + Net for 2021 Allocations above 2020:
 - ✖ \$2.4 million
 - ✖ 34% above 2020

CITY BUDGET OUTLOOK – 2020 AND 2021

CITY BUDGET OUTLOOK – 2020

✖ 2020 2nd Quarter Projections

+ General Fund -- \$12.3 million deficit

- ✖ CARES Act Transit Funding -- \$8m
- ✖ State Routes to Recovery -- \$4m
- ✖ FEMA Reimbursement -- \$0.5m

+ Other Funds -- \$14.2 million deficit in 3 areas

- ✖ Parking – fund balance; position redeployment; Workshare
- ✖ Monona Terrace – fund balance; position redeployment; Workshare
- ✖ Metro Transit – CARES Act Transit Funding

+ General Fund absorbing cost of reallocated staff, Olbrich and Zoo subsidies, and year-end deficit in RTF.

CITY BUDGET OUTLOOK – 2021

- ✖ General Fund -- \$20 million deficit
 - + \$5m in revenues, including \$2m in room taxes.
 - + Cost to continue, including Police and Fire wage increases and Olbrich and Zoo subsidies.
 - + Agencies directed to develop 5% reduction plans
- ✖ Other Funds
 - + Parking will continue to utilize fund balance
 - + Metro Transit will continue to utilize CARES Act Transit funding

DISCUSSION OF 2021 ALLOCATIONS

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	2019	2020 Adopted	2020 Amended	2020 Projected	2021 Prelim/Requests
Revenues	18,929,841	19,552,138	9,464,921	8,376,455	13,402,327
Monona Terrace	5,184,540	5,461,289	2,669,783	2,669,783	3,800,000
Olbrich and Zoo	642,352	642,352	-	-	-
Overture	2,000,000	2,095,000	1,200,000	1,200,000	1,200,000
Destination Madison	4,989,009	5,264,037	2,950,000	2,950,000	3,800,000
Event Booking Assistance	140,953	200,000	50,000	50,000	150,000
Optimization Study					50,000
City Tourism	174,895	237,500	102,500	102,500	158,250
Other	33,800	34,552	-	-	30,000
General Fund Share	5,671,290	5,865,642	2,839,476	2,512,936	4,020,698
Total Expenditures	18,836,839	19,800,372	9,811,759	9,485,219	13,208,948
Ending Balance	355,432	119,873	14,729	(738,588)	200,970

Monona Terrace redirected RTF reserves for capital projects to 2020 operations.
 Monona Terrace allocation reflects \$180,000 GO-Room Tax borrowing.
 City Tourism includes \$105,000 for CitiArts and \$18,000 for Sister Cities.
 Overture amount is preliminary prior to RTC discussions.