

June 14, 2021 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 February 17, 2021 meeting
3. Disclosures and Recusals
4. Financial Updates from Organizations Receiving Room Tax Commission Allocations
5. Room Tax Fund Condition and Projections
6. Federal American Rescue Plan Act Summary
7. Next Steps and Future Meetings
8. Adjournment

CitiArts, Destination Madison, Monona Terrace, Overture Center

FINANCIAL UPDATES FROM ORGANIZATIONS RECEIVING ROOM TAX COMMISSION ALLOCATIONS

ROOM TAX FUND CONDITION AND PROJECTIONS

2020 ROOM TAX FUND ACTUALS

	Amended Budget	Actual	Difference
Opening Balance	1.7	1.7	0.0
Revenues	9.5	5.9	-3.6
Expenditures	8.0	9.0	1.1
Transfer to General Fund	2.8	0.0	-2.8
	0.4	-1.4	-1.8
Reserved for Event Booking	-0.4	-0.4	0.0
	0.0	-1.8	-1.8

- ✗ No transfer to General Fund in 2020.
- ✗ Original budget amount transferred to Monona Terrace rather than amended amount. RTF deficit higher by \$1.4 million. Will be addressed in 2021 actions.

2021 ROOM TAX FUND PROJECTIONS

	Adopted Budget	Projection	Difference
Opening Balance	0.4	-1.8	-2.2
Revenues	13.4	9.0	-4.4
Expenditures	9.3	9.3	0.0
Transfer to General Fund	4.0	2.7	-1.3
	0.5	-4.8	-5.3
Reserved for Event Booking	-0.4	-0.4	0.0
	0.1	-5.2	-5.3

- ✗ \$1.1 million collected in Q1; \$9 million to \$10 million room tax collections forecast for 2021 based on national models.

2020 KEY BALANCES

✖ General Fund Unassigned Balance

- + Remained steady prior to reservation for fund balance applied in 2021 budget -- \$52.3m – 16.3% of 2021 budget; reservation reduces balance to \$44.3m – 13.8% of 2021 budget.
- + FED for Metro subsidy (\$8.6m)
- + Routes to Recovery (\$4.8m)

✖ Parking Utility

- + \$22m --\$10m below pre-pandemic estimates
- + Expenditures exceeded revenues by \$7.7m; usually have \$2.5m surplus

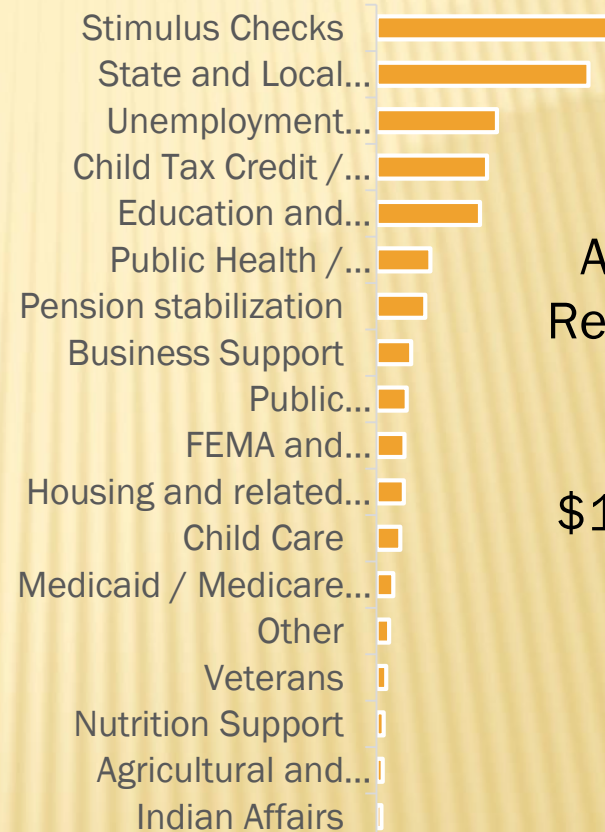
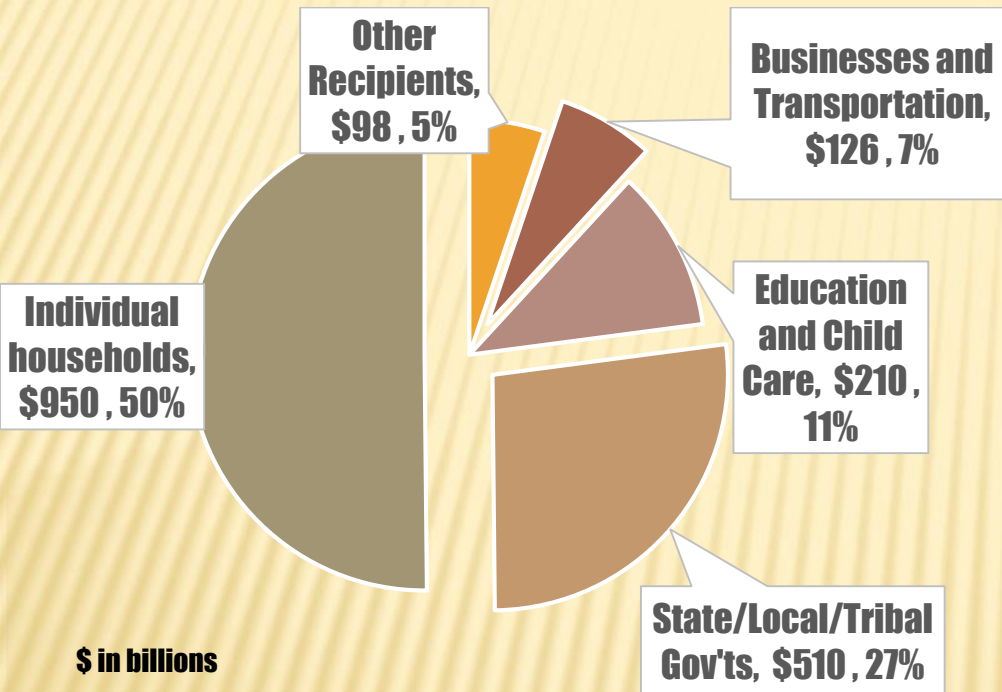
✖ Monona Terrace

- + \$1.5m – down \$2m during 2020

2021 KEY PROJECTIONS

- ✖ General Fund – \$4.8m deficit plus \$8.0m budgeted fund balance applied; \$40m fund balance / 11.7% of 2022 budget
- ✖ Parking Utility – \$7.8m shortfall; \$14m fund balance
- ✖ Monona Terrace – \$3.7m shortfall; \$2.1m cash deficit

FEDERAL AMERICAN RESCUE PLAN ACT SUMMARY



**American
Rescue Plan
Act**

\$1.9 trillion

FEDERAL RECOVERY AWARDS

Funding Source	Program Area	Award
CARES Act -- \$44.7 million	Housing-related	\$8.8 million
	Transit	\$24.5 million
	Health-related	\$6.1 million
	General Government / COVID Costs	\$5.3 million
CAA -- \$23 million	Housing-related	\$7.8 million
	Transit	\$15.0 million
ARPA -- at least \$80 million	Local Government Aid	\$47 million
	Transit	\$30 million

ARPA STATE/LOCAL AID – QUICK REVIEW

\$362 billion nationally (\$2.5 billion to state; \$107 million to Dane County)

- ✗ \$47.2 million to Madison
 - + \$23.6 million already received
 - + \$23.6 million in May 2022
 - + Can be obligated through 2024 and expended through 2026

Allowable Uses

- ✗ Public health response costs
- ✗ Addressing negative economic impacts in the community
- ✗ Premium pay to essential workers
- ✗ Government services (up to amount of revenue loss)
- ✗ Water, sewer, broadband infrastructure

Mayor introducing resolution to allocate ARPA funding

- ✗ Community investments
- ✗ Maintaining government services
- ✗ More information/discussion at June 21st Finance Committee meeting

NEXT STEPS AND FUTURE MEETINGS

NEXT STEPS

- ✘ ARPA Local Government Aid strategy resolution for Council deliberation / adoption on July 6th.
- ✘ 2021 2nd Quarter Projections in August
- ✘ 2022 Executive Capital Budget introduced August 31st
- ✘ Room Tax Commission 2021 budget review / 2022 budget allocations in August/early September
- ✘ 2022 Executive Operating Budget introduced October 5th
- ✘ 2022 Budget adopted in November 2021

June 14, 2021 Room Tax Commission Meeting

ADJOURNMENT
