



City of Madison

City of Madison
Madison, WI 53703
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Meeting Minutes - Approved MONONA TERRACE COMMUNITY AND CONVENTION CENTER BOARD

Thursday, August 20, 2015

4:00 PM

One John Nolen Drive
Meeting Rooms NR

CALL TO ORDER / ROLL CALL

Present: 9 - Jane Richardson; Michael E. Verveer; M. Alice O'Connor; Mark J. Richardson; Judith F. Karofsky; Glenn R. Krieg; James Ring; Chet Gerlach and Thomas P. Solheim

Absent: 1 - Thomas J. Ziarnik

Excused: 4 - Ricardo A. Gonzalez; Susan Sabatke; Shelia Stubbs and Mark Clarke

APPROVAL OF MINUTES

A motion was made by J. Richardson, seconded by Ring, to Approve the Minutes. The motion passed by voice vote/other.

PUBLIC COMMENT

None

DISCLOSURES AND RECUSALS

Glenn Krieg and Judy Karofsky disclosed that they both have stock in Exact Sciences.

NEW BUSINESS

39701

GMCVB Second Quarter Report: Diane Morgenthaler, Executive Vice President and Rebecca Ramsey, Director of Sales

The GMCVB and MASC have generated \$553,224 in contract revenue for Monona Terrace putting them at 74.3% of their goal. Direct spending for the year is up to \$39M and is 66% of the goal for the year.

The GMCVB will be hosting their annual Familiarization (Fam) Tour in September. Monona Terrace will be one of their stops on the tour. Over the last couple years, these Fam Tours have generated several contracts for Monona Terrace.

PR goals are up to 86.7%, in part, due to an article in AARP listing Madison as one of the ten most livable cities. This article was picked up by Forbes, Time, and other high profile publications.

September will mark the 5 year anniversary of the Madison Area Sports

Commission.

At a recent presentation for the Common Council the GMCVB was questioned about their 2014 economic impact calculations. This offered an opportunity to set up a meeting with several city council members and a representative from Oxford Economics whose DMAI calculator was used to generate the economic calculations in question. The council members were able to ask questions and have them answered by the developer behind the DMAI calculator. The tool has become an industry standard and is being used widely throughout the country. The developer appreciated many of the council members' questions and explained that the calculator is being continuously refined with subsets for diverse markets and various tiers for cities, contributing to the accuracy of the calculations.

[39699](#)

Monona Catering Midyear Report: Patty Lemke, Vice President and General Manager

The first half of the year ended with (pre-audit) revenue 13% up from the same period in 2014. Long range projections are on track to finish 2015 approximately 1% above 2014.

Services for Q1-Q2:

• Hospitality (coffee breaks)	65,267 guests
• Meals (breakfast, lunch, dinner)	54,259 guests
• Receptions	31,526 guests
• Total Services (includes all misc.)	206,074 guests

The Lake Vista Café opened for the season on May 12, 2015. Weather conditions have been mostly good with brief periods of summer storms and warm temperatures. At the end of June, year-to-date sales were flat with 2014.

LVC year-to-date guest comment card averages are again exceptional with overall staff service satisfaction rated at 98.7% and overall food satisfaction rated at 97%.

During Q1-Q2 Monona Catering donated goods/services to: CASA; Wisconsin Public Television; MT Spring Bridal Show Booth; Art Fair Off the Square; MT Sales Blitz; and 2015 Menu Showcases for Wedding Clients.

In addition to the donations to local pantries/shelters of more than 2,400 pounds of useable food during Q1-Q2, Monona Catering diverted approximately 12,000 pounds of pre-consumer food waste to composting.

[39697](#)

Finance Committee Report: Alice O'Connor, Committee Chair

Monona Terrace will be submitting a budget that is flat as compared to 2015 along with a budget containing a 3% reduction per the Mayor's request. An anomaly in the 2016 operating budget numbers was identified early in the process due to a change in how the city is calculating payroll benefits. As the benefits are based on the current occupied positions and Monona Terrace has an unusual number of currently vacant positions, the benefit number calculated by the Finance Department is underestimated. The new calculation does not include those vacant positions in its totals; therefore, it appears that a \$200,000 reduction has been made for the 2016 salary and wages. This will be

corrected by the city finance office later this year, prior to the budget being published. To balance the expense side, projected revenues are conservative at \$4.6M.

Because of the change in Room Tax Legislation, Monona Terrace will be submitting all future capital and operating budgets to a newly created Room Tax Commission (RTC) for approval. Therefore, it is important for Monona Terrace to submit a 2016 budget that is as close to actual as possible. The concern is that if there is a large gap in the budget request for 2016 as compared to 2017 and on, the new RTC may question its legitimacy.

A motion was made by Solheim, seconded by Verveer, to Approve the operation budget. The motion passed by voice vote/other.

39703

Quarterly External Environmental Issues Updates: Gregg McManners, Director

Room Tax Law Change

This change to State law appears to compel the city to create an RTC to monitor and approve the spending of Room Tax funds. The commission will be made up of 6 people all appointed by the mayor with the requirement that one member is a hotelier. The positions will be one year terms with the option of renewal. The specifics of the law have yet to be written and final language may end up being interpreted differently by the Department of Revenue.

The intent is to have RTC's expenditure approval process run in parallel with the city budget process next year to ensure a smooth and seamless transition.

JDS Project Update

A critical Board of Estimates meeting will be taking place on August 24. This meeting marks the deadline of when an agreement must be in place for the JDS project between the city and the developer partnered with Exact Sciences. George Austin will be releasing the report on August 21. There will be a provision in this agreement for the city to buy back the area allotted for the hotel if the developer doesn't meet minimum standards. An operator for the hotel will not be determined until late this year. As a result of securing Exact Sciences as a major tenant of this development, it appears to have significant Common Council support.

39706

Booking Pace Update: Bill Zeinemann, Associate Director - Marketing and Event Services

The booking pace is on track for the year. Event revenue is down by 1% but after a very busy August the figure should be back on budget. Banquets are ahead with 217 of a budgeted 212, while meetings are at 200 of a budgeted 205. As of the end of July, the booking pace for future events is 20% ahead of last year at this time.

It's a little too early to tell about 2016, however convention numbers are on budget and conferences are only 4 down from budget. Banquets should be up in 2016 hitting pre-recession levels.

39706

Finance Report: Kathi Hurtgen, Associate Director - Finance and Operations

June had only 58 of a budgeted 61 events, so revenues were down by 4%. Operating expenses were up by 5%. The month ended with total revenue \$49,000 under expenditures. Notably, on the expense side, this was the month that the first steam bill came due after the State's recent price hike. It's also the month that bulk parking passes were purchased.

July had 39 of a budgeted 44 events and revenue was down by 15%. Expenses were down 1%. There was a sizable amount spent on AV equipment, however it will be paid back through the rental of said equipment to clients. The total revenue for July was under expenditures by \$25,000.

Year-to-date, operating revenue is down 1% and expenses are over by 3%. Total revenue is under expenditures by \$128,000. Outstanding expenses include \$70,000 in retirement benefits payouts, a large increase in unbudgeted steam expenses and several capital projects are currently residing in the operations budget, which ultimately will be adjusted.

39707

Directors Report: Gregg McManners, Director

Board Report

There were no questions regarding the report; however McManners listed the number of projects and challenges staff has completed and overcome this year:

1. 9 new hires, two of them were for positions in management and one was for a lead worker
2. The implementation of MUNIS software
3. Applications for LEED and the Forward Award completed and submitted
4. Sculpture Art procurement and installation
5. Several capital project undertakings

Wisconsin Forward Award Application

The Forward Award Application was submitted several weeks ago and staff has been notified that there will be on-site inspection in October. Monona Terrace is the only convention center to apply for the Forward Award. This award recognizes organizations for their performance excellence.

LEED Recertification

The LEED recertification application has been submitted. There have been many environmentally friendly upgrades in the building since it was awarded Silver Level Certification. This time the Gold Level Certification is anticipated.

39709

Announcements from the Chair: Glenn Krieg, Chair

September's board meeting will include a closed session to discuss renewal of the contract for the Executive Director of Monona Terrace.

ADJOURNMENT

A motion was made by Gerlach, seconded by Verveer, to Adjourn. The motion passed by voice vote/other.