

Monona Terrace Comm Conv Ctr

Function: Public Facilities

Budget Overview

Agency Budget by Fund

	2018 Actual	2019 Adopted	2019 Actual	2020 Adopted	2021 C2C	2021 Request
Convention Center	16,636,757	14,693,934	15,411,295	15,297,347	14,315,282	12,632,745
TOTAL	\$ 16,636,757	\$ 14,693,934	\$ 15,411,295	\$ 15,297,347	\$ 14,315,282	\$ 12,632,745

Agency Budget by Service

	2018 Actual	2019 Adopted	2019 Actual	2020 Adopted	2021 C2C	2021 Request
Community Convention Center	16,636,757	14,693,934	15,411,295	15,297,347	14,315,282	12,632,745
TOTAL	\$ 16,636,757	\$ 14,693,934	\$ 15,411,295	\$ 15,297,347	\$ 14,315,282	\$ 12,632,745

Agency Budget by Major-Revenue

	2018 Actual	2019 Adopted	2019 Actuals	2020 Adopted	2021 C2C	2021 Request
Charges For Services	(10,734,559)	(10,534,506)	(10,160,966)	(10,484,275)	(7,362,725)	(8,484,170)
Investments & Other Contributions	(3)	(23,700)	(3)	(23,700)	(23,700)	(23,700)
Misc Revenue	(45,658)	(139,800)	(62,774)	(172,800)	(172,800)	(139,800)
Other Financing Source	(726,790)	(200,000)	(5,329)	(321,556)	(2,956,057)	(582,575)
Transfer In	(5,129,747)	(3,795,928)	(5,182,223)	(4,295,016)	(3,800,000)	(3,402,500)
TOTAL	(16,636,757)	(14,693,934)	(15,411,295)	(15,297,347)	(14,315,282)	(12,632,745)

Agency Budget by Major-Expenses

	2018 Actual	2019 Adopted	2019 Actuals	2020 Adopted	2021 C2C	2021 Request
Salaries	4,204,287	4,083,644	4,443,995	4,511,764	4,546,520	3,389,822
Benefits	1,384,825	1,223,208	1,734,301	1,318,295	1,319,456	1,319,456
Supplies	690,904	546,902	904,956	558,784	558,784	342,745
Purchased Services	7,906,251	8,037,932	7,040,133	8,023,082	7,023,082	6,713,282
Debt & Other Financing	1,900,244	386,494	532,318	386,494	386,494	386,494
Inter Depart Charges	212,046	415,754	417,390	498,928	480,946	480,946
Inter Depart Billing	-	-	-	-	-	-
Transfer Out	338,200	-	338,200	-	-	-
TOTAL	\$ 16,636,757	\$ 14,693,934	\$ 15,411,295	\$ 15,297,347	\$ 14,315,282	\$ 12,632,745

memo

To: Mayor Satya
From: Connie Thompson, Executive Director
Date: July 10, 2020
Subject: 2021 Operating Budget: Transmittal Memo

2021 Operating Request: Major Goals

Monona Terrace Community and Convention Center supports the Comprehensive Plan and three key elements of a Great City: Economy and Opportunity; Green and Resilient; and Culture and Character. We also support the elements of Effective Government and Health and Safety.

Our Core Mission is to:

1. Deliver an exceptional and inspirational customer experience
2. Optimize revenue sources and dollars
3. Pursue optimal operating efficiency and sustainability
4. Achieve service excellence
5. Serve our community by supporting diversity, equity and inclusion

COVID Response & Recovery

COVID-19 has had a devastating impact on our facility. For 2020, to date we have had 276 events canceled, with an estimated revenue loss of \$2,500,000. Additionally, our Gift Shop and Tours have experienced a dramatic loss in revenue and visitors to the building. Per industry leaders (HVS), we are anticipating business coming back to the convention center in 2021; slowly for the first 1/3 of the year, and then growing from there. We have had to drastically adjust our policies, procedures, practices, staffing and budget in response to Public Health orders and guidelines. In addition, COVID-19 has drastically impacted the room tax fund balance which reduced our funding to 49% of what had been appropriated to us for our 2020 operating and capital budget.

2021 Request & Equity

With our submitted budget for 2021, we are anticipating NOT filling the 10 open positions we currently have. This is an 18.3% reduction in permanent staff positions. The downside of not filling these positions is that it will lessen our opportunities to increase the diversity of our workforce. We look to continue to host events for all age groups, diverse groups, both paying events, and events free and open to the public.

2021 Request & Sustainability

Monona Terrace continues to work towards LEED-EB Platinum status, and is working on becoming GBAC STAR certified as a building, this process is similar to the in-depth LEED-EB certification process and will provide proof to potential customers that we are a safe building to hold their events in. We will also continue to improve our operating efficiencies in 2021.

Major Changes in 2021 Operating Request

With an anticipated \$900,000 reduction in Room Tax funding from the 2020 adopted budget, that puts instant pressure on our Managers ability to reduce expenses, and a laser focus to identifying event and miscellaneous revenues. Due to the COVID-19 pandemic, our anticipated revenues are approximately \$1,150,000 less than what was submitted for our 2020 budget. Additionally, due to lack of revenue generation in 2020, our Operating Reserves will be depleted by the end of this year. Our healthy Operating Reserve balance of \$1.9 million was a previous source of financial back-up in past budgets. For the 2021 Operating Budget request, we have reduced spending by \$1,664,602, in the process of developing our budget. Currently, we are at a deficit of \$582,575. One last point, starting in 2019 due to an accounting change, our inter-departmental charges have increased by \$250,000 over previous years budgets. In a normal revenue year this would not be a problem. However, with little revenue being generated and receiving just 49% of our appropriated operating budget for 2020, this makes it difficult to reduce expenses enough to be covered by projected revenues. As it stands compared to our 2020 adopted budget this 2021 proposed budget is a 17.9% reduction in expenses. The 2020 adopted budget expenses was \$9,297,347. Our 2021 requested budget as of now is \$7,632,745.

Summary of Reductions

The 2021 budget request for Monona Terrace has been one of the most difficult processes we have had to engage in. So many items in our budget are based on assumptions, from staffing needs, to purchased supplies, to our event revenue. If the pandemic continues to rage on into 2021, that will have a direct impact on the number of events we host, the revenue generated by those events, the number of visitors we are able to have in the building, and the miscellaneous revenue we are able to generate. One potential budget fix underway is an effort in progress by our industry asking that government-owned public assembly venues be allowed to participate in the Paycheck Protection Program (PPP). The Senate is currently discussing this for inclusion in the next COVID-19 package. A forgivable loan to pay for wages and utilities would be a great help to our 2020 operating budget. In addition, after researching past budget deficits within city departments, I have found two recent examples. Both Golf Services (2019, up to \$1.5M) and the Water

Utility (2017/2018, \$6M deficit) received assistance from the general fund in the form of subsidies/loans to provide short-term fixes to their financial problems. Given that this is the first time in our 23-year history that we are projecting an operating deficit, we would appreciate consideration for short term financial assistance from the city if needed.

c.c. Deputy Mayors
Budget & Program Evaluation Staff

2021 Operating Budget Service Budget Proposal

IDENTIFYING INFORMATION

SELECT YOUR AGENCY:

Monona Terrace

SELECT YOUR AGENCY'S SERVICE:

Community Convention Center

SERVICE NUMBER:

801

SERVICE DESCRIPTION:

This service is responsible for operating the Monona Terrace Community and Convention Center. Specific activities provided by this service include maintenance, sales and marketing, and event services.

Part 1: Base Budget Proposal

BUDGET INFORMATION

	2018 Actual	2019 Adopted	2019 Actual	2020 Adopted	2021 C2C	2021 Request
<i>Budget by Fund</i>						
General-Net	\$0	\$0	\$0	\$0	\$0	\$0
Other-Expenditures	\$16,636,757	\$14,693,934	\$15,411,295	\$15,297,347	\$14,315,282	\$12,632,745
<i>Total</i>	<i>\$16,636,757</i>	<i>\$14,693,934</i>	<i>\$15,411,295</i>	<i>\$15,297,347</i>	<i>\$14,315,282</i>	<i>\$12,632,745</i>
<i>Budget by Major</i>						
Revenue						
Personnel	\$5,589,112	\$5,306,852	\$6,178,297	\$5,830,059	\$5,865,976	\$4,709,278
Non-Personnel	\$10,835,599	\$8,971,328	\$8,815,608	\$8,968,360	\$7,968,360	\$7,442,521
Agency Billings	\$212,046	\$415,754	\$417,390	\$498,928	\$480,946	\$480,946
<i>Total</i>	<i>\$16,636,757</i>	<i>\$14,693,934</i>	<i>\$15,411,295</i>	<i>\$15,297,347</i>	<i>\$14,315,282</i>	<i>\$12,632,745</i>
FTEs		54.25		54.75	54.75	54.75

PRIORITY

Citywide Element

Describe how this service advances the Citywide Element:

Monona Terrace generates revenue by hosting local, regional, national, and international events. Additionally, the economic impact from those events helps Madison hotels, restaurants, shops, transportation, etc. We also host approximately 150 Community events each year, ranging from Yoga, Meditation, childrens events, free concerts and more.

ACTIVITIES PERFORMED BY THIS SERVICE

Activity	% of Effort	Description
Hosting events for clients - local, regional, national and international.	90	Event Coordinators, Audio/Visual technicians, Operations staff, Sales & Marketing, and Community Relations staff all take part in making each individual event as successful as they can.

SERVICE BUDGET CHANGES

Service Impact

What is the proposed change to the service's budget from cost to continue to agency request?

reduction of \$2,664,602 from 2020 adopte...

What are the service level impacts of the proposed funding changes?

2021 Operating Budget: Agency Reuquests

COVID-19 has had a significant impact in the Convention Center's ability to host events, visitors, tourists, and other guests. It has also impacted the estimated Room Tax subsidy that Monona Terrace typically receives to aid in the operations of the building; the estimated amount is \$900,000 less than the adopted amount in the 2020 budget. Staff has presented \$1,664,602 in reductions to payroll, services, supplies, and inter-departmental charges for 2021.

Personnel-Permanent Positions

Are you proposing an allocation change to the FTEs for this service?

Type	Fund	Amount	Description
Perm Wages	<input type="text"/>	<input type="text"/>	<input type="text"/>
Benefits	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total		<input type="text" value="\$0"/>	

Explain the assumptions behind the allocation change.

What is the justification behind the allocation change?

Personnel-Other Personnel Spending

Are you requesting additional personnel spending for non-annualized pay?

Type	Fund	Amount	Description
Overtime	<input type="text"/>	<input type="text" value="\$18,000"/>	Overtime for snow removal emergency calls, coverage for staff on sick leave/vacation, etc.
Premium Pay	<input type="text"/>	<input type="text" value="\$28,974"/>	Premiums for night differential, holiday pay, Sunday premiums
Hourly	<input type="text"/>	<input type="text" value="\$375,500"/>	Hourly employees in our Gift Shop, Operations, Audio/Visual, and Tourism departments.
Total		<input type="text" value="\$422,474"/>	

Explain the assumptions behind the requested funding.

Monona Terrace operates 3 shifts, so premium pay is necessary for those employees working 10p-6a; Overtime may be needed if staff need to come in for emergency purposes, or to cover sick call/vacation leave for other employees. Hourly wages have been drastically cut due to the pandemic, but additional hourly staff have been used in our Gift Shop, A/V department, Operations, and Tourism.

What is the justification behind the increased funding?

Hourly budget has been decreased by \$424,749, due to COVID-19 pandemic, and the slow return to "normal" business.

Revenue

Are you proposing a change to the service's budgeted revenue?

Are you proposing an increase or a decrease to the budgeted revenue?

Fund	Major	Amount	Description
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Explain the assumptions behind the change to budgeted revenue.

COVID-19 has caused events to cancel, or reschedule, due to capacity limitations. The assumption is that the first 1/3 of 2021 will be a little slower than normal, but May - December will start to get back to pre-pandemic conditions.

What is the justification behind the proposed change?

Non-Personnel

Are you requesting additional non-personnel funding for this service?

Fund	Major	Amount	Description
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Explain the assumptions behind the requested funding.

What is the justification behind the increased funding?

Part 2: Proposed Budget Reduction

What is 5% of the agency's net budget?

What is the proposed reduction to this service's budget?

Explain how you would change the activities and the level of service as a result of implementing the funding decrease to this service. List changes by service activity identified above. Add a separate line for each reduction.

Activity	\$Amount	Description
	<input type="text"/>	<input type="text"/>
Total	\$0	

Explain the changes by major expenditure category that your agency would implement as a result of the funding decrease to this service.

Name	\$ Amount	Description
Personnel	\$1,120,781	This is cuts to the hourly budget, overtime, and NOT filling currently open permanent positions for the entire 2021 budget year.
Non-Personnel	\$525,839	Cuts to services and supplies, due to reduced building revenue and Room Tax subsidy, courtesy of the COVID-19 pandemic.
Agency Billings	\$17,982	Decrease in Insurance, increase in Worker Compensation result in slight decrease in agency billings.
Total	\$1,664,602	

Is the City mandated to perform the activities of this service? If so, explain the mandate and mandated service level. If not, are there other local organizations also involved in performing these activities.

Has this reduction been proposed in prior years?

Does the proposed reduction result in eliminating permanent positions?

If yes, what is the decrease in FTEs:

Does the proposed reduction impact other agencies (i.e. Fleet Services)?

If yes, which agencies:

Describe why the proposed reduction was chosen.

Reductions were done in response to reduced building revenues and the decrease in anticipated Room Tax funding.

Explain the impacts of the proposed reduction on the end user of the service. How can impacts of this reduction be mitigated?

2021 Operating Budget: Agency Requests

Not filling the currently open permanent positions eases the payroll expense, but certainly hinders our ability to schedule departments properly. Diminished hourly budgets means less flexibility and less staff that can help with room set-up/tear-down, and as the building gets back to normal, that could present issues with the level of customer service we are accustomed to providing for our clients, guests, and visitors.

v. 06-01-20