

Monona Terrace Comm Conv Ctr**Function: Public Facilities***Budget Overview*

Agency Budget by Fund

	2019 Actual	2020 Adopted	2020 Actual	2021 Adopted	2022 C2C	2022 Request
Convention Center	15,411,295	15,297,347	8,767,961	12,693,037	12,454,191	13,285,424
TOTAL	\$ 15,411,295	\$ 15,297,347	\$ 8,767,961	\$ 12,693,037	\$ 12,454,191	\$ 13,285,424

Agency Budget by Service

	2019 Actual	2020 Adopted	2020 Actual	2021 Adopted	2022 C2C	2022 Request
Community Convention Center	15,411,295	15,297,347	8,767,961	12,693,037	12,454,191	13,285,424
TOTAL	\$ 15,411,295	\$ 15,297,347	\$ 8,767,961	\$ 12,693,037	\$ 12,454,191	\$ 13,285,424

Agency Budget by Major-Revenue

	2019 Actual	2020 Adopted	2020 Actual	2021 Adopted	2022 C2C	2022 Request
Intergov Revenues	-	-	(420,997)	-	-	-
Charges For Services	(10,160,966)	(10,484,275)	(2,252,481)	(8,835,170)	(8,335,170)	(8,918,600)
Investments & Other Contributions	(3)	(23,700)	(1)	(23,700)	(23,700)	(23,700)
Misc Revenue	(62,774)	(172,800)	(102,508)	(139,800)	(139,800)	(139,800)
Other Financing Source	(5,329)	(321,556)	(754,011)	(135,065)	(247,196)	(494,999)
Transfer In	(5,182,223)	(4,295,016)	(5,237,963)	(3,559,302)	(3,708,325)	(3,708,325)
TOTAL	\$(15,411,295)	\$(15,297,347)	\$(8,767,961)	\$(12,693,037)	\$(12,454,191)	\$(13,285,424)

Agency Budget by Major-Expenses

	2019 Actual	2020 Adopted	2020 Actual	2021 Adopted	2022 C2C	2022 Request
Salaries	4,443,995	4,511,764	3,518,510	3,361,042	3,638,253	3,812,945
Benefits	1,734,301	1,318,295	1,596,202	1,372,314	1,315,061	1,315,061
Supplies	904,956	558,784	318,496	342,745	342,745	418,019
Purchased Services	7,040,133	8,023,082	2,458,605	6,713,282	6,257,082	6,838,349
Debt & Other Financing	532,318	386,494	40,691	-	-	-
Inter Depart Charges	417,390	498,928	497,256	514,231	511,627	511,627
Transfer Out	338,200	-	338,200	389,423	389,423	389,423
TOTAL	\$ 15,411,295	\$ 15,297,347	\$ 8,767,961	\$ 12,693,037	\$ 12,454,191	\$ 13,285,424

To: Dave Schmiedicke, Finance Director
From: Connie Thompson, Executive Director
Date: July 8, 2021
Subject: 2022 Operating Budget Transmittal Memo

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 Recovery

The COVID-19 pandemic had a significant impact on our facility. For 2021, we are projecting approximately \$2,000,000 less in building revenue than our original budget that was adopted in late 2020. Additionally, our Gift Shop and Tours have experienced a dramatic loss in revenue and visitors to the building. Based on projections made by one of the industry's leading consulting firms (HVS), we are anticipating business continuing to come back to the convention center in 2022. Our Conventions and Conferences, which are two of our larger revenue earning event types, are projected to be 6 events less in 2022 than our 2021 adopted numbers, which results in less event revenue than in pre-pandemic times. In addition, COVID-19 has drastically impacted the room tax fund balance; as a result, we are keeping several permanent positions open for 2022, and continue to look for ways to decrease operating expenses, while maintaining the appearance and high customer service level of the building.

2022 Request & Equity

With our submitted budget for 2022, we are anticipating NOT filling 5 of the open positions we currently have. This is a 9.1% 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.

2022 Request & Sustainability

Monona Terrace continues to work towards LEED-EB Platinum status, and has also become GBAC STAR certified in our bio-hazard cleaning protocols as a building. This process was similar to the in-depth LEED-EB certification process and provides proof to potential customers that we are a safe building to hold their events in. We will also continue to look for ways to improve our waste stream management in 2022.

Major Changes in 2022 Operating Request

As more events return to Monona Terrace, the need to be appropriately staffed to provide for customers is more important than ever. In 2021, we budgeted to hold open nearly 10 permanent positions; for the 2022 budget, we have planned to fill half of those positions. Additionally, services and supplies also are increasing, due to the building being open full-time again, and utilities will be coming in closer to 2019 levels. Our Inter-departmental charges and PILOT remain close to 2021 budgeted amounts.

Summary of Reductions

With the amount of reductions we budgeted for the 2021 cycle, our 2022 requested budget is an incremental step in bringing us back to pre-pandemic levels.

ENTERPRISE AGENCIES should talk about any major budgetary changes resulting from projected revenue loss in 2022 and if the projected revenue loss is being addressed through rate changes explain the proposed changes here.

It has been discussed previously with the Finance Office that Monona Terrace would need assistance from the City for 2022, and the estimated amount of assistance identified was \$500,000. Due to building revenues not reaching pre-pandemic levels yet in 2022, and with an increase in expenses due to hiring some of our previously held open positions, along with the increase in supplies and services due to the building being back open full-time, that assistance will be greatly appreciated and needed. We will continue to work towards increasing building revenue, and finding ways to reduce expenses through operational efficiencies. We must not lose sight of the fact that our customers can “vote with their feet” and use a different facility if we do not deliver excellent customer service and a well maintained facility.

Optional Supplemental Request

Summarize your supplemental request if applicable. A request should only be submitted if agencies identify a critical need.

c.c. Deputy Mayors

Budget & Program Evaluation Staff

Include anyone else from your Department/Division that may be attending the briefing.

2022 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. The goal of this service is to host hundreds of events annually and function as an economic catalyst for downtown Madison, the City of Madison, Dane County, and the State of Wisconsin.

Part 1: Base Budget Proposal

BUDGET INFORMATION

	2019 Actual	2020 Adopted	2020 Actual	2021 Adopted	2022 C2C	2022 Request
<i>Budget by Fund</i>						
General-Net	\$0	\$0	\$0	\$0	\$0	\$0
Other-Expenditures	\$15,411,295	\$15,297,347	\$8,767,961	\$12,693,037	\$12,454,191	\$13,285,424
<i>Total</i>	<i>\$15,411,295</i>	<i>\$15,297,347</i>	<i>\$8,767,961</i>	<i>\$12,693,037</i>	<i>\$12,454,191</i>	<i>\$13,285,424</i>
<i>Budget by Major</i>						
Revenue	\$0	\$0	\$0	\$0	\$0	
Personnel	\$6,178,297	\$5,830,059	\$5,114,712	\$4,733,356	\$4,953,314	\$5,128,006
Non-Personnel	\$8,815,608	\$8,968,360	\$3,155,993	\$7,445,450	\$6,989,250	\$7,645,791
Agency Billings	\$417,390	\$498,928	\$497,256	\$514,231	\$511,627	\$511,627
<i>Total</i>	<i>\$15,411,295</i>	<i>\$15,297,347</i>	<i>\$8,767,961</i>	<i>\$12,693,037</i>	<i>\$12,454,191</i>	<i>\$13,285,424</i>
FTEs		54.75		54.75	54.75	54.75

PRIORITY

Citywide Element Economy and Opportunity

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.

Insert item

SERVICE BUDGET CHANGES

Service Impact

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

increase of \$831,233, due to hiring previou...

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

Events are returning to the convention center, so hiring many of the positions we held open in the 2021 adopted budget will be critical to the services we are able to provide to guests, visitors, and clients of Monona Terrace. Additionally, with the building back to being open full-time, there's an expected increase in services and supplies needed to maintain the appearance of the building, and the level of customer service that has come to be expected of our world-class facility.

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		\$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"/>	\$30,100	Overtime for snow removal emergency calls, coverage for staff on sick leave/vacation, etc.
Premium Pay	<input type="text"/>	\$28,974	Premiums for night differential, holiday pay, Sunday premiums
Hourly	<input type="text"/>	\$482,350	Hourly employees in our Gift Shop, Operations, Audio/Visual, and Tourism departments.
Total		\$541,424	

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 increased from our 2021 submission, but are still lower than pre-pandemic levels.

What is the justification behind the increased funding?

Business returning to the building; hiring some of the 10 positions that were held open in the 2021 budget cycle; and the overall need for additional staffing as events increase as compared to 2020 and 2021 levels.

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"/>

Insert item

Explain the assumptions behind the change to budgeted revenue.

We are projecting a slight increase in event revenue at Monona Terrace for 2022, compared to our adopted 2021 budget. However, we are still projecting to be less than pre-pandemic (2019).

What is the justification behind the proposed change?

At present, we are projecting 547 events in the building, which is slightly less than 2021 adopted budget number of events. The increase is that the event averages will be better than the averages we used for the 2021 budget, due to the pandemic.

Non-Personnel

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

Fund	Major	Amount	Description
<input type="text"/>	<input type="text"/>	\$200,341	Purchased Supplies and Services

Insert item

Explain the assumptions behind the requested funding.

As more events return to the building, there will be an increase in utilities and supplies needed to provide the exceptional level of customer service which we strive for.

What is the justification behind the increased funding?

Monona Terrace is a world-class building, and the level of customer satisfaction is predicated on the building looking in great shape, and the level of customer service that we provide to clients, guests, and visitors to the building.

Part 2: Racial Equity and Social Justice

We are continuing our efforts to articulate and prioritize racial equity and social justice in the City's budget and operations. Please respond to the following questions and incorporate these responses into your budget narrative to ensure racial equity is included in decision-making.

1. Describe how Black, Indigenous, and People of Color (BIPOC), people living with lower incomes, and people who are otherwise marginalized (because of gender, age, home language, etc.) would be affected by the proposed budget or budget change(s)? Please consider the following to answer this question:

Monona Terrace hosts a variety of community events that are free to the public and serve diverse audiences; these events include Moon Over Monona Terrace, Lakeside Kids!, Terrace Town, and Dane Dances!. Adequate support of Monona Terrace allows us to continue to provide these events for free. Additionally, our building is an economic catalyst for Madison, Dane County, and the State of Wisconsin; our budget enables us to work towards that. Our 2022 budget also hires several positions that were held open in 2021, which will allow us to work towards increasing our workforce diversity .

a. Describe who directly benefits, who indirectly benefits, and who does not benefit from the proposed budget or budget change from 2021. Are there any opportunities in this budget to address gaps, remove barriers, or more equitably distribute services?

Properly funding Monona Terrace will benefit marginalized populations through funding of free community events.

b. What information or data do you have about how this service is accessed by or affects BIPOC populations, people living with lower incomes, and people who are otherwise marginalized (because of disability, age, gender, etc.)? Have you asked for their perspectives directly and, if so, how have you incorporated their feedback?

We survey all attendees of our community events programming, and have worked to diversify our program offerings to be more inclusive and representative of BIPOC populations. We have formed some key partnerships with other community organizations and City departments, such as the Urban Community Arts Network and the Department of Civil Rights to ensure that our programming is more reflective and inclusive. Our Lakeside Kids! series includes a diverse lineup of performances from hip hop to Native American music and dance that is a direct result of those relationships and feedback.

Dane Dances concerts are our largest event series that appeals to BIPOC populations. Monona Terrace's Community Events Manager serves on the Dane Dances board, to get direct feedback from the organizers and provide support. This feedback is used to fine tune the event and make it more inclusive and enjoyable for all.

c. List any community partners and other City agencies who are affected by, care about, or already working on issues related to this service. Have you asked for their perspectives directly and, if so, how have you incorporated their feedback?

Our Board of Directors has established a Diversity, Equity, and Inclusion sub-committee to recruit diverse Board member replacements.

d. Does the proposed budget, or budget change from 2021, potentially harm specific populations or communities? Consider that not changing a budget item might also be considered an "action" and could affect populations differently.

No

e. How will you continue to communicate with your stakeholders (from 1b and 1c above) in this process?

Monona Terrace distributes a yearly Annual Report where we communicate the highlights of the previous year. Throughout the year, we share news about our free community event programming opportunities and other events on social media, in press releases, and through e-mail with key community partners.

2. Is the proposed budget or budget change related to a recommendation from any of the City's teams or initiatives that connect community need

with opportunities to advance racial equity, inclusion, and social justice (e.g., NRTs, RESJI, LCET, MAC, WIC, Equitable Workforce Plans)?

Yes No

If so, please identify the respective group and recommendation.

Part 3: Proposed Budget Reduction

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

\$664,271

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

\$0

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="checkbox"/> Insert item		
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		This is cuts to the hourly budget, overtime, and NOT filling currently open permanent positions for the entire 2021 budget year.
Non-Personnel		Cuts to services and supplies, due to reduced building revenue and Room Tax subsidy, courtesy of the COVID-19 pandemic.
Agency Billings		Decrease in Insurance, increase in Worker Compensation result in slight decrease in agency billings.
Total	\$0	

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?

Yes

Does the proposed reduction result in eliminating permanent positions?

No

If yes, what is the decrease in FTEs:

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

No

If yes, which agencies:

Describe why the proposed reduction was chosen.

Monona Terrace's Operating Budget was dramatically cut in 2021, in response to COVID-19, the large reduction in events, and the unprecedented reduction in Room Tax funding. 2022's budget request is increased, as more events are being booked, more staff are needed, and the building gets back to being open to the public.

Explain the impacts of the proposed reduction on the end user of the service. Summarize these impacts in the context of the questions asked in Part 2 of this form. How can impacts of this reduction be mitigated?

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.

Section 4: Optional Supplemental Request

NOTE: Agencies may submit one supplemental request in their 2022 budget request. Please include the request in the most relevant service. If multiple supplemental requests are submitted, agencies will be required to choose one to be presented for consideration for the Executive Budget.

Requests should only be submitted if agencies identify a critical need. Agencies should first consider reallocating base resources within and among services before proposing budget increases. Agencies should not include Town of Madison requests in this section.

What is the proposed funding increase? Explain how you would change the activities and the level of service as a result of implementing the funding increase to this service. List changes by service activity identified above.

Activity	\$Amount	Description

Insert item

Total	0	
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Explain the changes by major expenditure category that your agency would implement as a result of the funding increase to this service.

Name	\$Amount	Description
Personnel		
Non-Personnel		
Agency Billings		
Total	0	

How will this increase be funded (e.g., General Fund, Library Fund, Capital Fund, Enterprise Fund, Grant Fund, etc.)? Please list the most applicable funding source(s). Follow up with your budget analyst if you are uncertain.

What are the implications of this service increase over the next five years? Identify if this increase is ongoing and if additional increases to funding or personnel would be needed to support this increase.

Does the proposed increase affect workload for any administrative or internal service agencies (e.g., IT, Finance, HR, Fleet)?

If yes, which agencies?

Describe why the proposed increase is critical.