

## MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: August 5, 2016

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Authorization to Execute an Agreement with the Plastination Company Incorporated for an Animal Body World Exhibit.

**FISCAL EFFECT:**

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| <input checked="" type="checkbox"/> No Direct County Fiscal Impact<br><input type="checkbox"/> Existing Staff Time Required<br><input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below)<br><input type="checkbox"/> Absorbed Within Agency's Budget<br><input type="checkbox"/> Not Absorbed Within Agency's Budget<br><input type="checkbox"/> Decrease Operating Expenditures<br><input type="checkbox"/> Increase Operating Revenues<br><input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures<br><input type="checkbox"/> Decrease Capital Expenditures<br><input type="checkbox"/> Increase Capital Revenues<br><input type="checkbox"/> Decrease Capital Revenues<br><input type="checkbox"/> Use of contingent funds |
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*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	Expenditure or Revenue Category	Current Year	Subsequent Year
<b>Operating Budget</b>	Expenditure	\$0	\$\$594,587
	Revenue	\$0	\$740,468
	Net Cost	\$0	\$(145,881)
<b>Capital Improvement Budget</b>	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.<sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. The Zoo Director is requesting the authority to enter into an agreement with Plastination Company Incorporated for an Animal Body Worlds exhibit at the Milwaukee County Zoo (MCZ) from May 4, 2017 to September 4, 2017. The exhibit contract rental totals \$400,000 with an additional \$50,000 for delivery and set-up fees. The Zoo and Plastination will also share the revenue from sales of Body Worlds merchandise. The vendor will receive 70% of the merchandise after sales tax and credit card fees.

B. The MCZ will pay a deposit of \$100,000 in 2016 with the remaining \$350,000 of the contract to be paid in 2017 including delivery and set-up fees. The agreement also allows the Zoo to sell exhibit branded merchandise and retain 30% of net revenues after sales tax and credit card fees. Total operating cost for the exhibit is \$594,587 with projected revenues of \$740,478 for a tax levy savings of \$145,881.

C. The 2016 Budget includes \$100,000 for the exhibit deposit to reserve the exhibit for 2017. The MCZ's 2017 Budget Request includes \$594,587 for the total cost of operating the exhibit and contains \$740,468 in revenues for a tax levy savings of \$145,881. General admission fees will be \$10 and \$8 for adults and children, respectively.

D. N/A

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<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

<sup>2</sup> Community Business Development Partners' review is required on all professional service and public work construction contracts.

Department/Prepared By Vera Westphal, Deputy Zoo Director (Administration/Finance)

Authorized Signature 

Did DAS-Fiscal Staff Review?  Yes  No

Did CBDP Review?<sup>2</sup>  Yes  No  Not Required