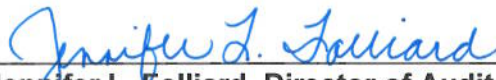


The Domes should evaluate its current admission practices, increase its monitoring of contracts and establish stronger controls, policies and procedures in order to position itself for success in the future.

December 2018

**Milwaukee County Office of the Comptroller
Audit Services Division**

**Scott B. Manske, CPA
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Office of the Comptroller
Audit Services Division

Milwaukee County

Jennifer Folliard, Director of Audits
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To the Honorable Chairman
of the Board of Supervisors
of the County of Milwaukee

December 14, 2018

We have completed an audit, *The Domes should evaluate its current admission practices, increase its monitoring of contracts and establish stronger controls, policies and procedures in order to position itself for success in the future.*

Responses from the Department of Parks, Recreation and Culture and the Friends of the Domes, Inc. are attached as **Exhibits 4 and 5**.

We greatly appreciated the cooperation extended by management and staff of the Department of Parks, Recreation and Culture and the Friends of the Domes, Inc. during the course of this audit.

Our report studied revenues and attendance data from the Domes and found that there are various areas that should be reviewed by Parks management to determine if revenues could be increased at the Domes. However, we found that the Domes is in need of a better system to segregate attendance data to provide management with the tools they need to make informed decisions at the Domes including to determine a benchmark for the ideal level of annual free admissions. We also found that Parks management needs increased oversight and contract monitoring for its agreements with both the Friends of the Domes, Inc. and Zilli Hospitality Group. In addition, the operations of the Domes would benefit from comprehensive written policies and procedures. We made 19 recommendations that we believe will help Milwaukee County improve operations and future revenue streams at the Domes.

Please refer this report to the Committee on Finance and Audit.

Jennifer L. Folliard
Director of Audits

JLF/mrp

Attachment

cc: Scott B. Manske, CPA, Milwaukee County Comptroller
Milwaukee County Board of Supervisors
Chris Abele, Milwaukee County Executive
Guy Smith, Director, Milwaukee County Parks, Recreation and Culture
Teig Whaley-Smith, Director, Milwaukee County Department of Administrative Services
Kelly Bablitch, Chief of Staff, Milwaukee County Board Staff
Steve Cady, Research & Policy Director, Office of the Comptroller
Janelle Jenson, Legislative Services Division Manager, Office of the Milwaukee County Clerk



The Domes should evaluate its current admission practices, increase its monitoring of contracts and establish stronger controls, policies and procedures in order to position itself for success in the future.

**ASD
HIGHLIGHTS**

Why We Did This Audit

The Milwaukee County Board of Supervisors, adopted a resolution requesting that the Director of Audits conduct an audit of the Department of Parks, Recreation and Culture’s operations, concessions, and event planning at the Mitchell Park Horticultural Conservatory Domes.

What We Recommended

ASD made 19 recommendations that, if implemented, will improve the future of the Domes. Parks management agreed to all of the concerns listed in our recommendations. Key recommendations include:

- *Implement the following recommendations regarding attendance practices including modifications to attendance tracking:*
 - *Create a system to ensure the POS system matches Advantage for revenues.*
 - *Evaluate data from the change in admission price for non-residents and the change from free admissions on Mondays to the First Thursday of every month.*
 - *Conduct a cost benefit of operating the Domes during Floral Show and Special events only.*
 - *Evaluate participation in various coupon programs.*
 - *Modify the Point of Sale system to track zip codes.*
 - *Evaluate free admission practices.*
- *Implement the following items for the Friends and Zilli’s agreements:*
 - *Immediately require entities to comply with relevant insurance requirements.*
 - *Clarify the role of Friends in relations to County staff reporting and reimbursement for County staff at Friends’ events.*
 - *Execute the required letter of intent prior to spending from the Milwaukee County Compensation Fund by Friends.*
 - *Formally approve contract amendments when provisions or conditions change.*
 - *Require submittal of all required documents.*
 - *Verify Zilli’s paid all applicable sales tax.*
 - *Investigate and recoup all funds owed to the County through errors in room rental and set up fees.*
- *Develop written policies and procedures for:*
 - *Event commission from Friends.*
 - *Sales tax issues.*
 - *Financial and revenue generating activities.*
 - *Care of plants and/or trees.*
 - *Survey procedures.*
 - *Record retention.*
 - *Attendance tracking.*

BACKGROUND

The Mitchell Park Horticultural Conservatory, commonly known as “the Domes,” is located in Mitchell Park on the west side of Milwaukee and is operated by the Milwaukee County Department of Parks, Recreation, and Culture (Parks). In 1967, construction of the current version of the Domes was completed. The Domes have three massive gardens under beehive-shaped glass which are each 140 feet in diameter at the base and 85 feet high offering 15,000 square feet of growing space for plant display. There are three unique themes in the Domes: the Tropical Dome, the Desert Dome and the Floral Show Dome.

The Domes, while operated by Milwaukee County, has two key partners in the operation of the facility: The Friends of the Domes, Inc. (Friends) which provides educational, cultural, recreation and scientific programs along with operating its membership program and Zilli’s who provides food and beverage catering services and is primary responsibility for booking of events at the Domes.

In February of 2016, Milwaukee County temporarily closed all three Domes amid safety concerns with falling concrete and debris working loose and falling from high portions of the structures.

OVERALL OBJECTIVE

The objective of the audit was to review the operations, concessions, and event planning at the Mitchell Park Horticultural Conservatory Domes. We did this by assessing the admission practices, monitoring compliance of contracts with external partners and reviewed policies and procedures at the Domes.

WHAT WE FOUND

- During 2014-2017 82.3% of all revenue at the Domes was from admission fees which limited the Domes ability to generate additional revenue without changes to admission policies and fees.
- Over the four year period we reviewed and according to the data provided by the Domes, admission revenue received during Floral Dome events averages 94.9% of all admission revenue.
- Total attendance for the Domes was 214,372 in 2014, 215,448 in 2015, 92,043 in 2016 and 180,367 in 2017. There were substantial periods of closure in 2016.
- Every person that enters the Domes is counted using the POS System and we found that over the four year period that we reviewed there were 73 unique categories of entry options.
- For every visitor to the Domes in 2014, 2015 and 2017, the Domes collected on average \$3.54 per visitor versus an adult admission price of \$7.00. As shown in the table below, of all visitors from 2014 through 2017, 42.3% visited the Domes for free.
- Increased oversight and contract monitoring efforts are needed by Parks to ensure the requirements of current agreements with Friends and Zilli’s are met.
- Domes operations would benefit from comprehensive written policies and procedures along with increased monitoring of sales tax issues including payments.



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The Domes should evaluate its current admission practices, increase its monitoring of contracts and establish strong controls, policies and procedures in order to position itself for success in the future.

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Summary

The Mitchell Park Horticultural Conservatory, commonly known as “the Domes,” is located in Mitchell Park on the west side of Milwaukee and is operated by the Milwaukee County Department of Parks, Recreation, and Culture (Parks). The Mitchell Park Horticultural Conservatory has been a landmark and visitor attraction within Milwaukee County since the first conservatory was built in 1898. That building was demolished in 1955 after it was determined to be unsafe and impractical to repair.

In 1967, construction of the current version of the Domes was completed. The Domes have three massive gardens under beehive-shaped glass which are each 140 feet in diameter at the base and 85 feet high offering 15,000 square feet of growing space for plant display. There are three unique themes in the Domes: the Tropical Dome, the Desert Dome and the Floral Show Dome.

In addition to the display domes, the Domes includes the Greenhouses and Annex which are approximately 65,000 square feet and also function as additional greenhouse and rental space.

The Domes, while operated by Milwaukee County, has two key partners in the operation of the facility. The Friends of the Domes, Inc. (Friends) provides educational, cultural, recreation and scientific programs along with operating its membership program. Grandview Management, Inc. d/b/a Zilli Hospitality Group (Zilli’s) holds a contract with Parks to provide food and beverage catering services and primary responsibility for booking of events at the Domes.

In February of 2016, Milwaukee County closed all three Domes amid safety concerns with falling concrete and debris working loose and falling from high portions of the structures. These same issues were addressed in 2013 and 2014. The Domes underwent temporary repairs in 2016 to its deteriorating structures and all three domes were reopened by December 2016.

The Milwaukee County Board of Supervisors adopted a resolution requesting that the Director of Audits conduct an audit of the Department of Parks, Recreation, and Culture’s operations, concessions, and event planning at the Mitchell Park Horticultural Conservatory Domes.

In order to make informed management decisions and possibly increase revenues the Domes must first improve tracking of revenues including revenue from attendance at events.

We compared the Domes to two out-of-state conservatories and one local garden to identify areas of weakness at the Domes that could possibly be reexamined to increase revenue. We found that for admission fees the Domes charges the lowest admission rate compared to the out-of-state conservatories. Compared to the out-of-state conservatories, the Phipps in Pittsburgh and the Lucile Halsell in San Antonio which is part of the San Antonio Botanical Gardens, the Domes have a broader free admission policy for the public and certain groups of people. While membership benefits are similar at the other facilities, membership revenue at the Domes is retained by the Friends while all membership fees at Phipps and the San Antonio Botanical Gardens are retained directly by their facilities.

The general admission fees for the Domes have remained consistent over 2014-2017. A slight admission increase occurred in the 2018 Adopted Budget of \$1.00 for non-residents with an additional anticipated revenue increase of \$52,500. The 2019 Budget did not change the admission fee from the 2018 rates. During 2014-2017 82.3% of all revenue at the Domes was from admission fees which limited the Domes ability to generate additional revenue without changes to admission policies and fees.

Admission revenue is tracked in-house for management decisions for Floral Show Dome Themed Shows and Special Events. The Domes Director indicated that the event reports are created for the purpose of tracking attendance and revenue in-house, which helps them decide whether an event was successful and worth staging again. Over the four year period we reviewed and according to the data provided by the Domes, admission revenue received during the Floral Show Dome events averages 94.9% of all admission revenue. In addition to the Floral Show Dome events, from 2014 - 2017, the Domes held 46 Special Events. The types of events consisted of outside individuals, organizations, and businesses that showcase various ethnic festivals and celebrations, exhibits, entertainment, displays, arts & crafts, fairs, and plant shows. However, a visitor who attends while both a Floral Show Dome event and a Special Event are simultaneously occurring is counted in both events' attendance numbers leading to double counting of attendance for the Floral Show Dome and Special Events. This results in the sum of the revenue attributed to these events exceeding actual annual attendance revenue recorded in Advantage. Therefore, a system to accurately track attendance to make informed management decisions is needed since the Domes indicated they use attendance at events to evaluate the success of the events and currently attendance at events is not segregated from simultaneous events.

Other revenue sources averaged only 17.3% of all revenues over the four year period we reviewed which limited the ability of the Domes to generate substantial additional revenue from these areas. Continued review for possible increases to revenue should occur.

Parks needs to review its attendance policies and establish a benchmark for free vs. paid admissions.

During our review of attendance data we found areas that require review for possible increase in revenues, however, the system for tracking attendance needs attention as data sets did not match. Total attendance for the Domes was 214,372 in 2014, 215,448 in 2015, 92,043 in 2016 and 180,367 in 2017. (The Domes had substantial closures in 2016 which impacted attendance.)

During 2014-2017 the Domes used the Fairway Point of Sale (POS) System to record visitors to the Domes. The Domes Director indicated that every person that enters the Domes is counted using the POS System, regardless if they pay admissions or not. This applies when visitors are attending evening special events, visiting to conduct an audit or just entering to use the restrooms which can have a substantial impact on visitor counts. The Domes averaged just over 203,000 visitors per year during the course of our review (excluding 2016 which had substantial closures). We noted that over the four year period of POS data that we reviewed there were 73 unique categories of entry options entered into the POS system.

Over the four year period free visitors average 42.3% of all visitors. This data suggests the Domes may be limited in its ability to generate additional revenue from admissions without increasing fees by eliminating or reducing those free options. We found that there is currently a number of options to enter the Domes for free based upon current attendance practices.

We suggest that Park management consider reviewing the following practices as a way to generate additional revenue:

- Children age five and under: Currently, children six-years old and older pay an admission fee at the Domes. A total of 69,645 children entered free in the past four years due to being under the age of six.
- Free admission to attend special evening entertainment events: A total of 3,754 Friends' members were allowed to enter the Music Under Glass special event free during 2014-2016. A total of 73,170 unspecified individuals were allowed free admissions under "other free admissions" over the past four years.
- Volunteer admission: Over a four year period, the Domes had 3,196 volunteers enter the Domes events free. The Domes indicated that volunteers provide a service to Domes' visitors and supplement the event experience and that the Domes cannot provide the staffing to replace the volunteers.

For every visitor to the Domes in 2014, 2015 and 2017, Milwaukee County collected on average \$3.54 per visitor versus an adult admission price of \$7.00.

Increased oversight and contract monitoring efforts are needed by Parks to ensure the requirements of current agreements with Friends of the Domes (Friends) and Zilli Hospitality Group (Zilli's) are met.

We reviewed and analyzed the Agreement with Friends to identify compliance issues with key contractual language and found numerous areas of non-fulfillment of contract requirements with the Friends' agreement. We also reviewed Parks contract monitoring of the agreement and noted that no documentation was requested or submitted during 2014 - 2017 pertaining to the agreement. We found the following areas to have issues of non-fulfillment of contract requirements in the agreement:

- No annual approval of benefits given to Friends' members is occurring by Parks
- No reimbursement for County staff is occurring when Friends' events occur outside of normal operating hours
- Based upon interviews with Domes staff, the Friends appear to, in certain circumstances, direct County staff beyond what is established in the agreement.
- Friends' members received free admission to paid Music Under Glass special events during 2014-2016
- Insurance policy of the Friends is not at required coverage levels, the County is not listed as insured and not all required policies are in place
- Annual mutual development of a fiscal plan

According to an interview with Friends, the following required items have not been requested to be submitted to Parks from Friends:

- Annual Fiscal reports
- Updated copies of articles, by laws and officers and directors
- Submission of proposed capital plans, construction documents, operating support, promotional plans, programs and activities and records of expenses incurred and funds received for joint events
- Written notification of donations
- Letters of intent for joint promotional events
- Annual audited financial statements
- Annual Friends' budgets
- Annual IRS Form 990

The agreement monitoring we reviewed was not well documented with the information required in the agreement. We also found that several key provisions were changed in practice after the agreement was signed without amending the agreement.

Although a system of approval was established in the agreement that expending of funds required approval from Parks and Friends, according to the Friends, they inform the Domes of planned expenses rather than execute the written letter of intent as required. Friends use their credit card to

expend funds, and they list the Milwaukee County Compensation Fund on their organization's Balance Sheet. According to the Domes management additional review is not viewed as necessary by Domes staff of the funds received and expended by the Friends.

We found that the commission amount from admission revenue at Friends' events transferred into the Milwaukee County Compensation Fund by Friends was miscalculated resulting in a loss of revenue to the Domes totaling \$3,764.

Section 4.5(b) of the contract requires that the Friends shall also reimburse the County for all costs associated with the staffing necessary to operate the building or site outside of normal operating hours for the event. Friends are not charged for any County costs associated with any of their special events held at the Domes which mainly includes the use of County employees and County facilities. According to records reviewed, in 2014 - 2017, Friends held approximately 21 events at the Domes, and no room rental fees or employee costs were charged.

The Domes Director indicated that the Friends have an Education Fund that supports much of what the Domes Educator does including improvements to the Education Center and underwriting educational displays (among other things). The classes are open to the public, not just the Friends' members. In past events, the Educator has served as the contact person, took registrations, answered questions, served as a volunteer, and trained volunteers on behalf of the Friends. Based upon interviews with Domes staff, the Friends appear to, in certain circumstances, direct County staff beyond what is established in the agreement.

A limited agreement coupled with a lack of submission of required documents calls for heightened monitoring of the Zilli's agreement.

We reviewed and analyzed the Agreement with Zilli's to identify compliance issues with key contractual language. The Agreement with Parks and Zilli's is very basic and does not require Zilli's to provide any documentation to verify a majority of the provisions, for example, Parks has no financial data to verify food and bar commissions nor is Zilli's required to submit proof of local licenses including liquor licenses. Parks staff indicated that they do not ask for proof of sales or audited financial statements from Zilli's, Parks takes their word that the sales are correct. Parks did not have on file the contractually required certificate of liability insurance.

On an annual basis, Zilli's submits to Parks a Commission and Room Rental Schedule itemizing the net food and bar sales, the eight percent commission paid to Parks for food and bar, room rental and

set up fees (payments, credits, refunds, etc.) with a check to cover the total amount due. No documentation is forwarded to Parks to verify the amounts charged for room rental and set up fees or the amounts refunded and the reasons why.

Parks lacked internal controls needed to oversee and manage room rental and set up fees collected by Zilli's, which resulted in errors and mistakes in 2016. Our review of payments found processing errors and mistakes that were not monitored by Parks. In 2016, during the closure of the Domes for safety reasons and to make repairs, many clients decided to cancel their events scheduled in the venue. Efforts were made to relocate clients to other facilities but a large number of cancellations occurred. At some point during the term of this Agreement, Zilli's took the responsibility for processing and collecting room rental and set up fees on behalf of Milwaukee County. Our review of the 2016 refunds and credits issued clearly showed two separate systems operating simultaneously at the Domes, one by the Parks Department and one by Zilli's. Parks issued 33 room rental refunds totaling \$51,243. Zilli's issued credits against the room rental fees and in some cases without a clear reason stated, but in all cases without written authorization from Parks.

Domes operations would benefit from comprehensive written policies and procedures along with increased monitoring of sales tax issues including payments.

During our review we requested a copy of the Policies and Procedures for the Domes. The Domes management stated, that the Domes do not have a policy and procedures manual for operating the day-to-day activities because of constant changes over the past ten years, only a typewritten manual for the overall Parks system was available.

Confusion on the staff responsible for monitoring Agreements/Contracts for both Friends and Zilli's exists despite a 2006 Audit identifying issues with Parks managing lease contracts. We had discussions with Parks staff and received conflicting answers of who was responsible for which areas of the contract to be monitored. We found through our conversations with various Parks staff that some believe the Director of the Domes who is on site is responsible for the monitoring and enforcement of the contracts, other staff believe that centralized contract monitoring is occurring for all Parks contracts within Parks Administration and some believe it is a blended responsibility between the Domes and Parks Administration.

The Domes needs better, documented procedures to ensure applicable sales taxes are collected and remitted to the State of Wisconsin.

The Domes, which is located in the City of Milwaukee, is required to pay sales tax to the State of Wisconsin where applicable. During our review of revenue, we noticed several practices with sales tax at the Domes that did not comply with the State Department of Revenue Sales Tax requirements including the following:

- From 2014 - 2017, we analyzed Zilli's Domes Commission and Room Rental Schedules and discovered that room rentals and set up fees were collected without sales tax.
- We found that Parks is covering the cost of sales tax, where applicable, instead of charging the customer Sales Tax. At times, the wrong tax rates were used and at least two music events did not collect any taxes.
- Our analysis showed that in 2014 - 2016, the Domes charged regular admission rates for entertainment events rather than a rate that was the regular admission rate plus the applicable sales tax rate of 5.6%. For example, the regular base fee for an adult visitor to the Domes was \$7.00 without tax, and the full amount is counted as revenue to Parks. However, an adult visitor attending a taxable entertainment event, such as Music Under Glass, was charged the same \$7.00 fee resulting in the Domes revenue being reduced to \$6.61 per adult since Parks must pay the State sales tax at a rate of 5.6%.

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Background

The Mitchell Park Horticultural Conservatory, commonly known as “the Domes”, is located in Mitchell Park on the west side of Milwaukee and is operated by the Milwaukee County Department of Parks, Recreation, and Culture (Parks). The Mitchell Park Horticultural Conservatory has been a landmark and visitor attraction within Milwaukee County since the first conservatory was built in 1898. That building was demolished in 1955 after it was determined to be unsafe and impractical to repair.

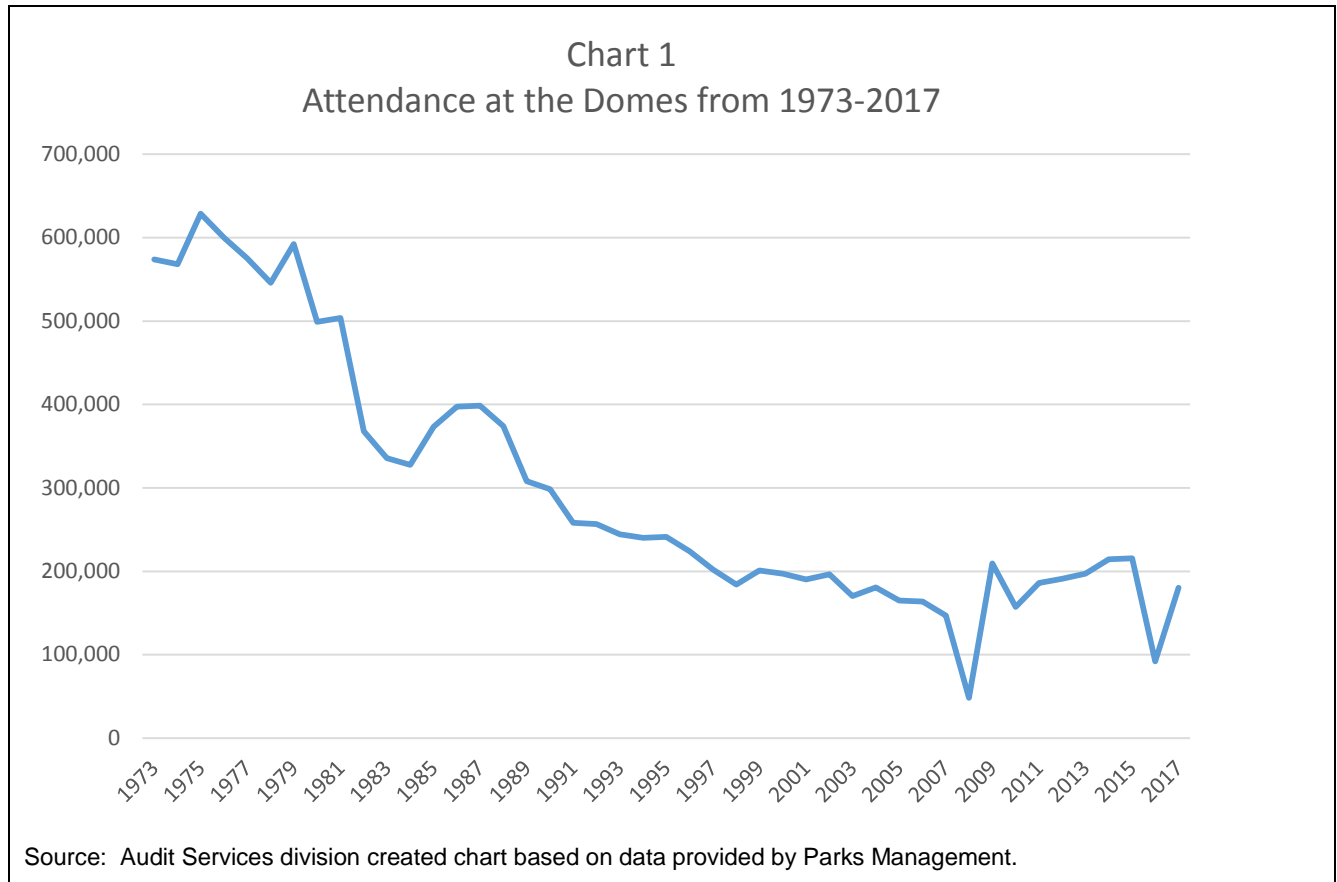
In 1967, construction of the current version of the Domes was completed at a 1967 cost of approximately \$4,500,000. The Domes, with three unique areas of display, were initially designed by Donald Grieb, a local architect, who won a design competition in the 1950s. Construction began in 1959 with the Floral Show Dome completed first in 1964 and dedicated in the fall of 1965 by First Lady Mrs. Lyndon Johnson. The Tropical Dome was completed in 1966 and the Desert Dome in 1967.

The Domes have three massive gardens under beehive-shaped glass which are each 140 feet in diameter at the base and 85 feet high offering 15,000 square feet of growing space for plant display. In 2017, the National Trust for Historic Preservation officially classified the Domes as a “national treasure.” The Domes are open 365 days a year. Operating hours are Monday – Friday 9 a.m. to 5 p.m. Saturdays, Sundays and holidays operating hours are 9 a.m. to 4 p.m.



Source: Aerial photo of the Domes and Greenhouse is from a HGA, Inc. and ConsultEcon, Inc. report to the Domes Task force.

Chart 1 displays the annual attendance at the Domes from 1973 – 2017 based on data provided from Domes management.



The mission of the **Domes** is:

To provide the residents of Milwaukee County and all visitors a horticultural showcase featuring five changing floral shows per year; examples of tropical and arid flora displayed as natural as possible; education opportunities; cultural programs; horticultural information and the protection of certain rare and endangered species.

According to the Domes mission, visitors to the Domes will see three unique gardens which are described as follows:

The **Desert (Arid) Dome** is a desert oasis that invites visitors to come to the deserts of Africa, Madagascar, South America, and North America, where one of the world's finest collections of cacti, succulents (plants that can store water), shrubs, and arid-land bulbs grow.



Source: Desert Dome picture taken by the Milwaukee County Audit Services Division

The **Tropical Dome** is a tropical rainforest or jungle where visitors will encounter over 1,200 species of tropical plants as well as tropical birds.



Source: Tropical Dome picture taken by the Milwaukee County Audit Services Division

The **Floral Show Dome** is the most versatile of all the domes, exhibiting over 150 different floral displays since it opened in December 1964. Each year the Floral Show Dome transforms to reveal the following five unique shows: a Train Show, a Spring Show, a Summer Show, a Fall Show, and a Holiday Show. Each seasonal display, with its own distinct climate and plants, lasts from six to fourteen weeks. This is also a popular dome for wedding rentals.



Source: Floral Show Dome picture taken by the Milwaukee County Audit Services Division

Greenhouses and Greenhouse Annex

From the 1960s until 2014, Milwaukee County had ten greenhouses located on West Watertown Plank Road in Wauwatosa which is approximately seven miles from the Domes. By 2004, six of the greenhouses continued to be used to grow plants for the Domes and other Milwaukee County Parks, while the remaining four were recommended to be officially closed as they had fallen in disrepair due to deferred maintenance.

In 2012, due to the reconstruction of the Zoo Interchange, which encompassed the land where the former greenhouses were located, an agreement was reached with the County and the Wisconsin Department of Transportation (WisDOT) for WisDOT to purchase the land for about \$1,100,000. In the agreement, WisDOT agreed to replace the old greenhouses on Watertown Plank Road by building new greenhouses in Mitchell Park, adjacent to the Domes on 2.9 acres of land. These buildings opened in 2014.

Construction of the new greenhouse buildings totaled \$13,952,000 and total approximately 65,000 square feet and include:

- Five growing greenhouses
- A propagation greenhouse
- A head-house
- Horticultural offices
- Flex house
- Laboratory
- A greenhouse annex for rentals and special events

In addition to providing plants for the Domes, the greenhouses also supply the horticultural needs of the Boerner Botanical Garden Center and various other park sites.

The **Greenhouse mission** is:

The Milwaukee County Greenhouse is a production greenhouse that supports the Conservatory by growing crops for yearly seasonal (5) Show Dome displays, housing plant collections and providing a backup inventory of both arid/desert and tropical plant collections. The greenhouse also provides bedding plants for Boerner Botanical Gardens and stores tropical plant inventory as well over the winter season.

The Greenhouse Annex is structurally a greenhouse but also functions as additional rental space for special events, including most notably the Winter Farmers Market held on Saturdays. It has been described as a jewel by Parks management that complements the Domes with its one-of-a-kind setting as a glass house under the stars giving the illusion of being outdoors.



Source: Greenhouse Annex picture taken by the Milwaukee County Audit Services Division

Summary of combined revenue and expenses for the Domes and Greenhouse

The Domes are managed by the Milwaukee County Parks Department and since the Domes does not currently generate enough revenue to fully offset its cost it receives an annual tax levy contribution from Milwaukee County. Operating expenses for the Domes and Greenhouse were \$1,723,000 in 2017. These expenses were partially offset by revenue generated by the Domes in 2017 of \$873,000 which resulted in a tax levy contribution from Milwaukee County of \$850,000.

During 2014-2017 the average annual property tax contribution was about \$871,000. Revenues in 2016 were substantially affected by periods of closure at the Domes which are detailed below.

Table 1 summarizes the total revenue, expenses, and property tax contribution for the Domes and Greenhouse over the past four years.

	<u>2014</u>	<u>2015</u>	<u>2016**</u>	<u>2017</u>	<u>Avg. w/ 2016</u>	<u>Avg. w/o 2016</u>
Expenses	\$2,424,303	\$1,857,600	\$1,769,015	\$1,732,913	\$1,945,958	\$2,004,939
<u>Park Service Fees</u>	<u>(\$554,660)</u>	<u>(\$472,648)</u>	<u>(\$298,232)</u>	<u>(\$9,947)</u>	<u>(\$333,872)</u>	<u>(\$345,752)</u>
Total Adj. Expenses*	\$1,869,643	\$1,384,952	\$1,470,783	\$1,722,967	\$1,612,086	\$1,659,187
Revenues	\$741,686	\$1,016,087	\$334,610	\$873,262	\$741,411	\$877,011
Property Tax	\$1,127,957	\$368,864	\$1,136,172	\$849,705	\$870,674	\$782,175
Rev. as a % of Exp.	39.7%	73.4%	22.8%	50.7%	46.0%	52.9%
* 2014–2017 expenditures were adjusted to make the years comparable, Park service division fees were centralized in 2017.						
** 2016 contained substantial periods of closure of the Domes which impacted attendance and revenues.						
Source: Audit created table from data from the Advantage Financial System records submitted by the Milwaukee County Parks.						

According to the Domes Director county staffing at the Domes includes seasonal and part-time staff and 11 full-time positions as listed below:

- One Director
- One Horticultural Manager
- Six Horticulturists
- One Office Assistant
- One Park Artist
- One Interpretive Educator

Key Partners in Support of the Domes

The Domes, while operated by Milwaukee County, has two key partners in the operation of the facility. The Friends of the Domes, Inc. (Friends) provides educational, cultural, recreation and scientific programs along with operating its membership program. Grandview Management, Inc. d/b/a Zilli Hospitality Group (Zilli's) holds a contract with Parks to provide food and beverage catering services and primary responsibility for booking of events at the Domes. These two partners are discussed in Section three of this report.

Domes Structural Issues

In February of 2016, Milwaukee County closed all three Domes amid safety concerns with falling concrete and debris working loose and falling from high portions of the structures. These same issues were addressed in 2013 and 2014. The Domes underwent temporary repairs in 2016 to its deteriorating structures and all three domes were reopened by December 2016. An independent

engineering firm was contracted by the County to conduct various inspections, assessments, and to manage the community engagement process as detailed in a report titled the “2016 Update on Costs and Options for the Domes” which was issued on November 10, 2016. Table 2 below shows the number of closure days by dome.

<u>Dome</u>	<u>Days Closed in 2016</u>
Tropical	231
Desert	275
Floral Show	84

Source: Audit Services Division created table based on data provided by the Parks Department.

The safety issues experienced were not new to the Domes which had extensive studies that were conducted of the Domes prior to 2016 due to its age and the unique configurations of its beehive shaped gardens. These studies found deteriorating structures within the Domes. We created a timeline covering 2015 - 2018 to show various repairs, inspections, and assessments conducted by the County which totaled \$1,527,500 and are detailed in Exhibit 2.

Milwaukee County Task Force on the Mitchell Park Conservatory (The Domes)

Following the closure of the Domes in February of 2016 the Milwaukee County Board of Supervisors created the Mitchell Park Conservatory (the Domes) Task Force on March 17, 2016. The Task Force consists of eleven members including two County Board Supervisors. The statement of purpose for the Task Force is:

“The Conservatory Task Force through a community engagement process will evaluate long-term options for the future status of the Mitchell Park Horticultural Conservatory (aka the “Domes”) and associated uses, activities, costs, and benefits and will recommend a course of action to the Milwaukee County Executive and County Board. This process will include a broad range of opinions from individuals and groups, as well as expert analyses of conditions, constraints, and opportunities. A three-phase work program will be established to achieve this goal that includes exploring a wide range of possible options, choosing a direction, and developing a comprehensive, long-term plan.”

In August of 2017, the Milwaukee County Department of Administrative Services and the Domes Task Force requested proposals for professional consulting services to help develop a vision for the future of the Domes. At the Domes Task Force meetings on October 10, 2017, and November 14, 2017 the independent consultant presented reports titled, “Mitchell Park Horticultural Conservatory, Future

Path, and Feasibility Study” at the Domes Task Force meetings. The reports included an overview of the current Domes operations including strengths, weaknesses, opportunities and threats; Friends of the Domes operations; and market research including benchmark data and trends in other botanical gardens. In summary, the consultant states:

- There are large markets available to support increased visitation and revenue generation at the Domes.
- The current physical plant is limited in its ability to maximize programs and revenue opportunities.
- There is a range of program and facility improvements that can be made to increase the operational sustainability of the Domes.

Throughout 2018, the Task Force has met to review options for the Domes including seeking public input on the future path and funding. The 2019 Adopted Budget included a provision for the creation of a new task force to evaluate the possibility of collocating the Milwaukee Public Museum and the Domes at Mitchell Park. The report from the task force is due to the Milwaukee County Parks, Energy and Environment Committee and the Finance and Audit Committee for the March 2019 committee cycle.

Audit Approach

The Milwaukee County Board of Supervisors adopted a resolution requesting that the Director of Audits conduct an audit of the Department of Parks, Recreation, and Culture’s operations, concessions, and event planning at the Mitchell Park Horticultural Conservatory Domes.

The Audit Scope section provides a detailed description of the procedures used in the course of conducting this audit (See Exhibit 1). To address the concerns expressed in the authorizing resolution, we focused our review on the Domes operations, revenue streams including revenue generated through an agreement with the Friends of the Domes (Friends) and an exclusive catering agreement with Zilli Hospitality Group (Zilli’s). We also made operating comparisons with two out-of-state conservatories and one local garden, the Milwaukee County Parks Boerner Botanical Garden.

Section 1: In order to make informed management decisions and possibly increase revenues the Domes must first improve tracking of revenues including revenue from attendance at events.

While the Domes attendance is on par with two out-of-state conservatories and one local botanical garden, comparison of attendance practices highlights areas where changes could be warranted.

From 2014 - 2017, the Domes and Greenhouse Annex generated approximately \$2,966,000 in revenue. Expenses, on the other hand, were close to \$6,448,000 during the same time period after adjusting for the centralization of Park Service Division fees. Since the Domes is not a self-funded entity, the Domes has a continuous need to evaluate current and potential revenue sources to increase revenue. We compared the Domes to two out-of-state conservatories and one local garden to determine if the Domes key functions were in-line.

The Domes had the second highest attendance levels averaging 203,396 for 2014, 2015 and 2017 but charged a lower admission rate than the two out-of-state conservatories.

We compared the Domes' to Phipps Conservatory in Pittsburg, Lucile Halsell Conservatory in San Antonio and Boerner Botanical Garden from the Milwaukee County Parks' system. Table 3 below displays key aspects of the four facilities.

The facilities were chosen due to the similar square footage to the Domes, however, it should be noted that the Lucile Halsell Conservatory is located on the grounds of the San Antonio Botanical Garden. Admission to San Antonio Gardens includes admission to the conservatory. Currently, Lucile is operated in a public/private partnership with the San Antonio Botanical Garden Society operating the facility. Phipps is owned by the City of Pittsburgh and privately managed by a non-profit organization. Boerner Botanical Gardens is operated seasonally.

**Table 3
The Domes compared to Two Conservatories and One Botanical Garden**

Entity	The Domes	Lucile Halsell Conservatory*	Phipps Conservatory	Boerner Botanical Gardens
Location	Milwaukee, WI	San Antonio, TX	Pittsburg, PA	Hales Corners, WI
Year Built	1964-1967	1988	1893	1939
Square Footage	46,000	40,000	43,500	40 acres, 13,000
Attendance-2015	232,000	150,000	250,000	104,000
2017 Admission Fees – General	\$7.00	\$12.00	\$17.95	\$6.50
2017 Admission Fees – Youth	\$5.00	\$9.00	\$11.95	\$4.50
	(ages 6-17)	(ages 3-13)	(ages 2-18)	(ages 6-17)
2017 Free Adm. Fees – Child	Under 6	Under 3	Under 2	Under 6
Free General Admission Days**	Every Monday (9 a.m. – noon)	1 Week in April	No Public Days	1st Tuesday of every month
Membership Admission	Free	Free	Free	Free
Staffing	10 (full-time)	39	435	7 (full-time)

*Admission to the Conservatory includes access to the San Antonio Botanical Gardens.

**As of 1/1/19 The Domes free admission changes to the first Thursday of every month for Milwaukee County residents.

Source: Audit Services Division created table based on data from Parks Management and websites.

We compared key functions of each conservatory and garden to identify areas at the Domes that could possibly be reexamined to increase revenue.

Admission Fees: The Domes charges the lowest admission rate compared to the out-of-state conservatories although its entrance fee is slightly higher than the rate charged at Boerner Botanical Gardens. During our review period of 2014-2017 the rates at the Domes were unchanged. In 2018 the rate increased by \$1.00 for non-residents. The 2019 Adopted Budget maintains the admission rates at the same level as 2018.

The Domes have a broader free admission policy compared to the out-of-state conservatories.

Free Admission Policy: Compared to the out-of-state conservatories, the Domes have a broader free admission policy for the public and certain groups of people. The following groups receive free admission during the course of our review:

- Friends of the Domes’ members
- Children age five and under
- Milwaukee County residents on Mondays from 9:00 a.m. to noon (as of 1/1/19 this changes to the first Thursday of every month)
- Volunteers
- Special event attendees

- Special event attendees at the Greenhouse Annex

According to our calculations from point of sale (POS) records during the period of our review from 2014-2017, 296,965 individuals were admitted to the Domes for free.

During 2014-2017 over 296,000 individuals were admitted to the Domes for free.

Membership Benefits: A benefit of a paid membership to the Friends is free admission to the Domes during regular business hours excluding holidays. In addition, the members' guests and family members may be allowed to enter free based on the membership package purchased. The Domes does not receive any membership revenue collected from the Friends as the revenue generated is retained by the Friends' general operating fund. The Phipps and Lucile Halsell Conservatories have similar membership perks. However, all membership fees at Phipps and Lucile Halsell are retained directly by their facilities.

Attendance: The Domes is competitive in the number of individuals who visit the conservatory, and of the four entities, the Domes ranked 2nd in attendance compared to Phipps, Lucile Halsell, and Boerner Botanical Garden.

During 2014-2017 82.3% of all revenue at the Domes was from admission fees which has limited the Domes ability to generate additional revenue without changes to admission policies and fees.

The vast majority, over 82.3%, of the Domes' annual revenue is from admissions.

We evaluated several revenue streams at the Domes to identify past practices, and potential opportunities to generate additional revenue. Although we did not address all revenue sources listed below, we did focus our evaluation on sources that have the potential to increase revenue with structured changes by the Domes. The Domes generates revenue through various activities at the Domes including:

- General admissions,
- Education Center for school and group tours,
- Special events/activities held during normal business hours,

- Commissions on food and beverages from Zilli's exclusive catering agreement,
- Room Rental and set up fees,
- Commissions from Friends' fundraising events and Gift Shop operations,
- Limited selection of snack food and beverages sold at the fee booth,
- Permit room rentals for events like Winter Farmers Market,
- Gift certificates/cards for golf and horticulture,
- Gifts & Donations, and
- Percentage of sales from a Pepsi vending machine and a Penny Press machine.

The revenue totals from the Parks Point of Sale system do not match the revenue totals in the County's financial system.

Parks utilizes a Point of Sale (POS) system to track attendance and revenues collected at the Domes. Revenues are then posted to Milwaukee County's Advantage Accounting (Advantage) system. We were provided the annual revenue reports for 2014 – 2017 from the POS system and compared the admission revenue totals to those posted in the Advantage system. We chose to use the data contained within the POS system due to the linkage it provided to attendance numbers. Table 4 below, shows there were minor discrepancies by year for the revenues except for 2016. Controls should be in place to ensure that all POS transactions are accurately reflected in Advantage.

**Table 4
Admission Revenue Total in Advantage vs POS System
for 2014–2017**

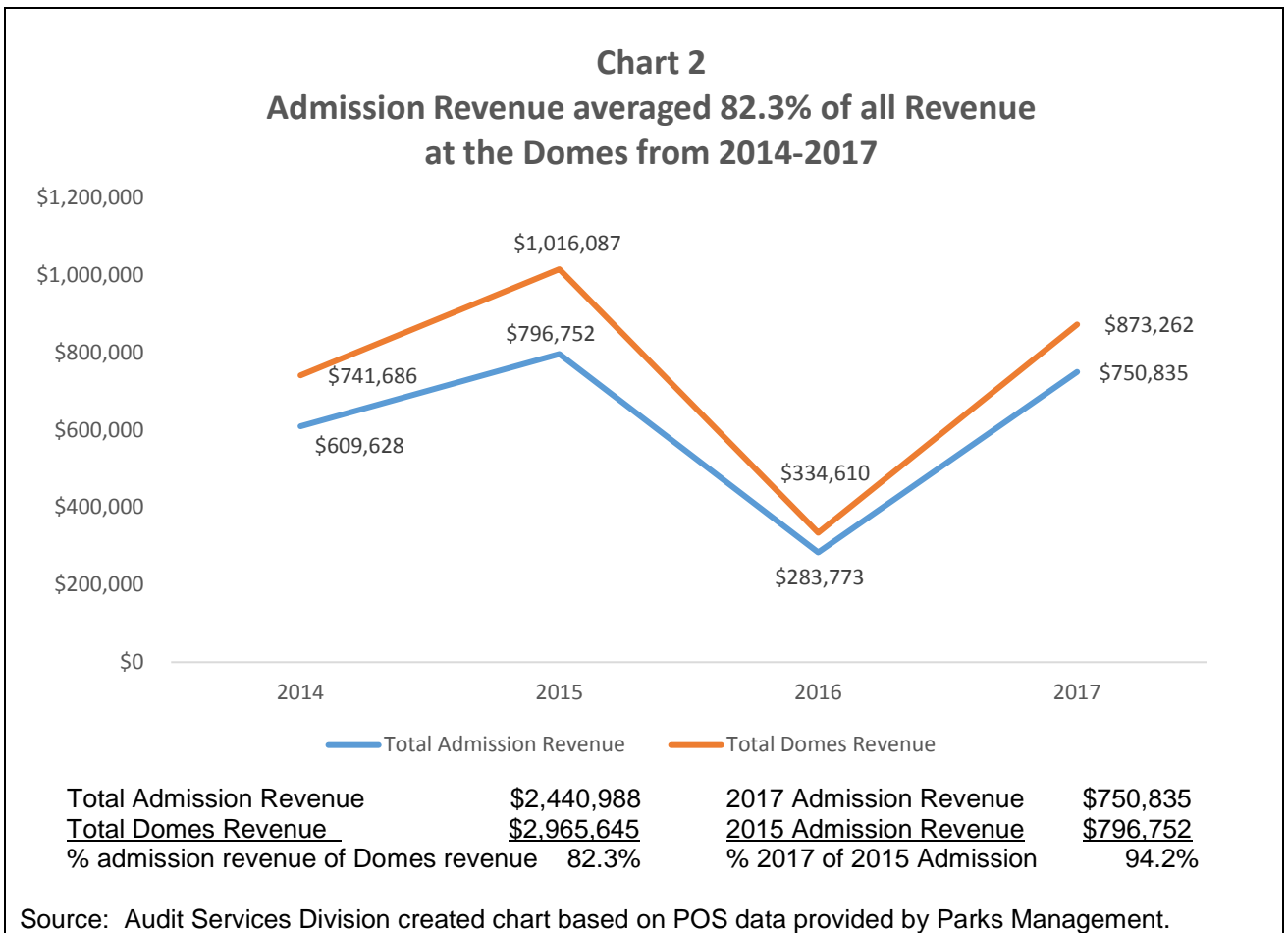
Revenue Source	2014	2015	2016	2017	2014–2017 Total
Advantage	\$609,800	\$797,459	\$294,071	\$750,749	\$2,452,079
POS System	<u>\$609,628</u>	<u>\$796,752</u>	<u>\$283,773</u>	<u>\$750,835</u>	<u>\$2,440,988</u>
Variance	\$172	\$707	\$10,298	(\$86)	\$11,091

Source: Audit Services Division created table based upon data provided by the Parks Department and from the Advantage (Milwaukee County's financial system).

In order to ensure that POS transactions are accurately reflected in Advantage, we recommend that Parks Management:

1. *Create a system for attendance revenue so the amounts from the POS system are in balance with the attendance revenues posted in the Advantage Financial System.*

From 2014-2017 admission revenue was the largest source of revenue generated at the Domes. Admission revenue totaled \$2,441,000 which represents 82.3 percent of total revenue averaged over the four-year period based on POS data. Chart 2 shows that admission revenue was a large portion of the total revenue generated at the Domes in the past four years. It also shows the substantial drop in revenue in 2016 as a result of dome closures, and how well the admission revenue recovered in 2017 to about 94.2 percent of the highest revenue generated in 2015.



Admission fees remained unchanged from 2014-2019 for County residents.

County Ordinance 47.32(a) states: “Any changes to admission charges at the Mitchell Park Conservatory shall be approved by the county board. Current fees will be published in the adopted county budget each year.” Parks management stated that the fee schedule is included with the annual budget that is submitted and is approved when the Board adopts the budget. Table 5 shows the fees in 2014 - 2018. The general admission fees for the Domes remained consistent over 2014-2017. A slight admission increase occurred in the 2018 Adopted Budget of \$1.00 for non-residents with an additional anticipated revenue increase of \$52,500. The 2019 Budget did not change the admission fee from the 2018 rates.

**Table 5
Individual Admission Fees for 2014–2018**

Admission Type	Resident		Non-Resident	
	2014–2017 Rate	2018 Rate	2014–2017 Rate	2018 Rate
Adult	\$7.00	\$7.00	\$7.00	\$8.00
Youth (6-17)	\$5.00	\$5.00	\$5.00	\$6.00
Student	\$5.00	\$5.00	\$5.00	\$6.00
Senior	\$5.00	\$5.00	\$7.00	\$8.00
Adult with Disability	\$5.00	\$5.00	\$5.00	\$6.00
Friends Member	Free	Free	Free	Free
Child (5 and Under)	Free	Free	Free	Free
Veteran*	Free	Free	Free	Free

*Veterans with a Purple Heart Pass qualify for free entry.

Source: Audit Services Division created table from Adopted Budget reports.

The picture below shows the entrance of the Domes with a poster of the standard admission rates for Milwaukee County residents and non-residents as of 2018.



Source: Domes Admission area picture taken by the Milwaukee County Audit Services Division.

To help evaluate the effectiveness of its admission pricing policies for non-residents, we recommend that Parks Management:

2. *Evaluate data from the 2018 change in admission price for non-residents to analyze its impact, if any, on attendance at the conclusion of 2018.*

In addition to the free attendance categories, the Domes also participates in a variety of discounted admission programs. Table 6 below, derived from data from the POS system, shows, the admission discounts received from the programs over the four year period of our review.

**Table 6
2014–2017 Discounts Received by Program**

<u>Program</u>	<u>Attendees</u>	<u>Discount Received</u>	<u>Discount Per Attendee</u>
Entertainment Card	1,997	\$14,884	\$7.45
AAA Discount	16,626	\$16,792	\$1.01
<u>Horticultural Coupon</u>	<u>1,685</u>	<u>\$11,476</u>	<u>\$6.81</u>
Total	20,308	\$43,153	\$2.12

Source: Audit Services Division created table based on POS reports provided by Parks Management.

To determine the value of participation in the discount programs, we recommend that Parks Management:

- Evaluate participation in various discount attendance programs such as AAA and the Entertainment Book prior to renewing participation in the programs.*

Admission revenue is tracked in-house for management decisions for Floral Show Dome Themed Shows and Special Events. However, attendance numbers are not isolated when events occur simultaneously leading to double counting of attendance for these events and the sum of the revenue attributed to these events exceeds actual annual attendance revenue recorded in Advantage. Therefore, a system to accurately track attendance to make informed management decisions is needed.

While the Domes indicate they use attendance at events to evaluate an event’s success, currently attendance at events are not isolated when events occur simultaneously.

According to Domes management the Domes has successfully used themed shows in the Floral Show Dome to increase revenue through increased attendance at the Domes. According to the Domes event calendars for 2014 - 2017, other Special Events are held at the same time as the events in the Floral Show Dome. Domes management states that they do not have a system or process in place to actually record visitors that come to visit the Domes verses those that attend Special Events, and that there was no way to separate them in the POS system. This results in all revenue received during a Floral Show Dome Show to be recorded as being generated by the themed show. While the Domes indicate they use attendance

at events to evaluate its success in-house, currently attendance at its events is not segregated from simultaneous events.

In addition, if a separate special event is also being held at the Domes at the same time, attendance revenue will be recorded for both activities on the in-house management reports which results both in inflated revenue amounts for Floral Show Dome events and Special Events and in total revenue for these events to exceed total admission revenue that is recorded in the County's Advantage system for the Domes annually. Table 7 below demonstrates this issue. The following two sections discuss both the Floral Show Dome events and other Special Events at the Dome.

**Table 7
Floral Show, Special Event and Total Admission Revenue at the Domes
2014–2017**

<u>Admission Category</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Total</u>
Floral Show Dome Admission Revenue	\$580,387	\$746,754	\$273,111	\$715,469	\$2,315,721
Special Event Dome Admission Revenue	\$86,317	\$166,573	\$46,620	\$79,181	\$ 378,691
Total Floral Show/Special Event Admission Revenue	\$666,704	\$913,327	\$319,731	\$794,650	\$2,694,412
Total Admission Revenue Reported in POS System	\$609,628	\$796,752	\$283,773	\$750,835	\$2,440,988
Revenue in Excess of Annual Reported	\$57,076	\$116,575	\$35,958	\$43,814	\$253,424
% of Floral/Spec Event Revenue in excess of Total Admission Revenue in POS system					10.4%

Source: Audit Services Division created table based on data provided by Parks Management.

The Domes hosts five Floral Show Dome events annually with shows lasting from six to fourteen weeks each.

Annually, on five occasions, the Floral Show Dome is transformed to display the Floral Show Dome events including Train, Spring, Summer, Fall and Holiday shows. Each show has a specific theme, generally categorized as historical, cultural or fantasy that is chosen at least a year in advance. Plants are selected specifically for a particular floral exhibit and grown at the Horticulture Division's Greenhouse Center. Once in place, shows lasts from six to fourteen weeks. The Floral Show Dome closes for about two weeks between shows to tear down and set up the next display, while the other domes remain

open during this period. The picture below depicts the train show at the Floral Show Dome.



Source: Train Show picture taken by the Milwaukee County Audit Services Division.

The Domes Director indicated that the event reports are created for the purpose of tracking attendance and revenue in-house, which helps them decide whether an event was successful and worth staging again. The revenue reported for each show is already included in total admission revenue. Table 8 shows the share of admission revenue attributed to each floral show excluding tear down and set-up.

Table 8
Admission Revenue received during Floral Show Dome Events
was 94.9% of Total Admission Revenue during 2014–2017
 (based on in-house tracking system)

Floral Show Dome Events	2014	2015	2016	2017	Total
Train Show	\$153,823	\$226,781	\$82,496	\$242,646	\$705,746
Spring Show	\$113,858	\$151,136	\$16,547	\$103,271	\$384,812
Summer Show	\$121,919	\$159,105	\$27,356	\$152,887	\$461,267
Fall (Mum) Show	\$65,609	\$71,883	\$40,329	\$66,356	\$244,177
Holiday Show	\$125,178	\$137,849	\$106,383	\$150,308	\$519,718
Totals from the Floral Show Domes Events	\$580,385	\$746,754	\$273,111	\$715,469	\$2,315,720
Total Domes Admission Revenue in POS system	\$609,628	\$796,752	\$283,773	\$750,835	\$2,440,988
Percent of Domes Total Admission Revenue	95.2%	93.7%	96.2%	95.3%	94.9%

Source: Audit Service Division created table based upon a Management Report provided by the Domes.

Over the four year period we reviewed and according to the data provided by the Domes, admission revenue received during the

Floral Show Dome events averages 94.9% of all admission revenue. The Floral Show Dome revenue may be duplicated in other Special Events reported by the Domes when held on the same day. As previously noted revenue would include any visitor to the Dome during the run of the Floral Show Dome event as the Domes does not label if visitors are there for the Floral Show Dome or the remainder of the Domes.

According to Domes Management there is approximately a two week period between each show for tear down and set up for the new show in the Floral Show Dome. The remaining two domes are open to visitors during this time. With five shows in total that would equate to 10 weeks during the year where the Floral Show Dome is in transition or 19% of the year. The total admission revenue collected during that 19% period averaged about 5% of total admission revenue according to Domes revenue event reports.

In order to determine the impact on attendance and revenue with the transition periods for the Floral Show Domes, we recommend that Parks Management:

4. *Conduct an analysis of the cost benefit of operating the Domes during Floral Show and Special Events only.*

In addition to the Floral Show Dome events, from 2014 - 2017, the Domes held 46 Special Events. The types of events consisted of outside individuals, organizations, and businesses that showcase various ethnic festivals and celebrations, exhibits, entertainment, displays, arts & crafts, fairs, and plant shows. A sample of flyers are displayed on the left. Table 9 provides a list of the Domes events held in 2014 - 2017.



Table 9 2014 – 2017 Special Events Held at the Domes	
2014 – 10 Events	2016- 6 Events
*Rainforest Night *Milwaukee Bonsai Winter display *Green Living Festival *Irish Family Day *Dare to be Aware Fair *Gardens & Gears Steampunk Day *Orchid Show & Sale *Very Fairy Princess Day *Buy Local Gift Fair *Music under Glass	*Orchid Show & Sale *Music Under Glass *Tori Gate Festival & Ikebana Show *Poland Under Glass Festival *Chinese New Year’s Celebration *Cupcake Fest MKE
2015 – 17 Events	2017 – 13 Events
*Milwaukee Bonsai Winter display *Green Living Festival *Irish Family Day *Dare to be Aware Fair *Gardens & Gears Steampunk Day, *Orchid Show & Sale *Very Fairy Princess Day *Buy Local Holiday First Fair *Music under Glass *Jewelry at the Domes Gift Show *Tori Gate Festival & Ikebana Show *Turkey under Glass Festival *Collectible All-Scale Train Exhibit *Poland Under Glass Festival *Germany Under Glass Festival *Chinese New Year’s Celebration *Cupcake Fest MKE	*Gardens & Gears Steampunk Day *Orchid Show & Sale *Very Fairy Princess Day *Tori Gate Festival & Ikebana Show *Collectible All-Scale Train Show *Viva Las Vegas Night *Bizarre Bazaar *mARTch Madness *Local First Holiday Fair *Our Feathered Friends Event *Spring Equinox Celebration *Wisconsin Bat Festival *Milwaukee Bonsai Winter display
Source: Audit created table based on data provided by Parks management.	

The Domes’ management stated that Special Events are important aspects of the operations because every event is a fundraiser through increased admission revenue for the Domes. Management mentioned that Special Events are sponsored by Friends of the Domes (Friends) or from fundraising and do not require an expenditure from the County.



While many events are held during regular business hours, some special events are in the evenings like Bizarre Bazaar and Viva Las Vegas Night. Visitors that attend special events pay regular Domes rates unless otherwise stated. Domes management states that as with the Floral Show Dome events, the Domes only uses this information in-house to measure the success of each event and does not track if visitors are at the Domes for the Special event or to attend the Domes themselves.



Table 10 details the admission revenue attributed to these Special Events from Parks.

Table 10
Special Event Revenue was recorded as 15.5% of Total Admission Revenue During
2014–2017

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Total</u>
Total Special Events Revenue	\$86,317	\$166,573	\$46,620	\$79,181	\$378,691
Total Domes Admission Revenue	\$609,628	\$796,752	\$283,773	\$750,835	\$2,440,988
Percent of Domes Total Admission Revenue	14.2%	20.9%	16.4%	10.5%	15.5%
Total Events per Year	10	17	6	13	46

Source: Audit Service Division created table from Events and Holidays Attendance and Net Revenue Tracking provided by the Domes.



While there are substantial issues with appropriate recording of admission revenues which is addressed elsewhere in the report, an examination of the attendance at the Domes outside of Floral Show Dome and Special Events needs to be closely reviewed. As Table 7 (displayed earlier in this section) demonstrates, the admission revenue provided by the Domes for Floral Show Dome and Special Events when combined exceeds the annual admission revenue recorded for the Domes by an average of 10.4 percent.



In order to provide management with accurate attendance records for general admission, Floral Show Dome Events and Special Events, we recommend that Parks Management:

5. *Prior to the six month follow-up Audit report, implement policies and procedures that are capable of recording accurate attendance at Floral Show and Special Events and general Domes admission to ensure that attendance at Floral Show Dome and Special Events can be segregated to provide management with usable data to make decisions on the success of shows.*

Other Revenue Sources averaged only 17.3% of all revenues over the four year period we reviewed which limited the ability of the Domes to generate substantial additional revenue from these areas although continued review for possible increases to revenue should occur.

Parks management reported other revenue sources, excluding admission fees. Table 11 list the total other revenue collected at the Domes from 2014 - 2017 (excluding admissions).

Table 11
Summary of Other Revenues for the Domes

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Total</u>
Utility Resale & Reimburse	\$1,989	\$1,989	\$1,989	\$1,989	\$7,955
Building Space Rental – Zilli's	\$77,935	\$90,713	\$(1,593)	\$69,719	\$236,773
Golf Gift Certificates	\$3,939	\$4,500	\$8,116	\$4,454	\$21,009
Horticultural Gift Card	\$1,559	\$773	\$1,249	\$411	\$3,992
Restaurant Concession	\$6,306	\$25,111	\$6,359	\$11,377	\$49,153
Zilli's Food and Bev, Penny Press	\$29,003	\$26,411	\$18,201	\$18,806	\$92,421
Gifts and Donations	\$0	\$57,000	\$0	\$2,754	\$59,753
Cash Over/Short	(\$78)	(\$80)	(\$47)	(\$262)	(\$467)
Other Misc. Revenue ¹	\$11,234	\$12,213	\$6,264	\$13,266	\$42,977
Total Other Revenue Sources	\$131,887	\$218,630	\$40,538	\$122,514	\$513,564
Total Domes Revenue	\$741,687	\$1,016,087	\$334,610	\$873,262	\$2,965,646
Percentage of Total Revenue	17.8%	21.5%	12.1%	14.0%	17.3%

¹Other miscellaneous revenue including service fees including photo permits, gifts, souvenirs and novelties, other concession revenue and scrap sales.

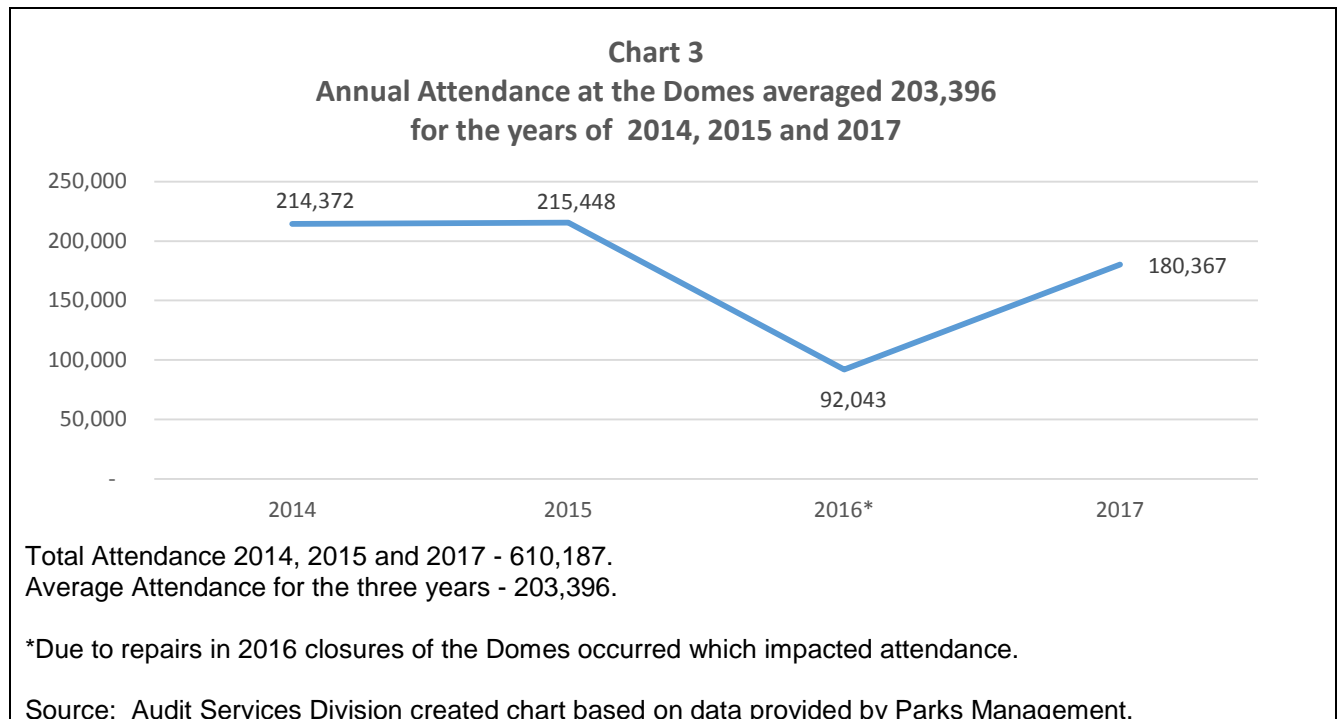
Source: Audit Services Division created table based on the Domes Summary of Actual Revenue derived from the Advantage system.

According to the revenue reported by Parks management, other revenue represented on average approximately 17.3 percent of the total revenue collected at the Domes over the four year period we reviewed. (Due to a discrepancy between data systems there is 0.4% of revenue that remains unallocated between other revenue and attendance revenue.)

Section 2: Parks needs to review its attendance practices and establish a benchmark for free vs. paid admissions.

During our review of attendance data we found areas that require review for possible increase in revenues, however, the system for tracking attendance needs attention as data sets did not match.

During 2014-2017 the Domes used the Fairway Point of Sale (POS) System to record visitors to the Domes. The Domes Director indicated that every person that enters the Domes is counted using the POS System, regardless if they pay admissions or not. As shown in Chart 3 the Domes averaged just over 203,000 visitors per year during the course of our review (excluding 2016 which had substantial closures). Attendees at the Winter Farmers Market are not included in attendance counts in this section.



The POS system records anyone who enters the Domes into the system.

Every visitor to the Domes is included in the daily count within the POS system for the Domes. This applies when visitors are attending evening special events, visiting to conduct an audit or just entering to use the restrooms. This can have a substantial impact on visitor counts, for example, during the Traveling Beer Garden event in 2015, 1,072 individuals were counted as visiting the Domes however, it was unknown how many were there for the restrooms versus an actual visit. The Traveling Beer Garden took place within Mitchell Park and not inside of the Domes. While the POS system counted 132,973 visitors to the Winter Farmers Market it was a segregated line in the POS system and the attendees are not included in the total attendance numbers in this section.

In 2014 - 2017, the following groups attended the Domes:

- Paid visitors included all individuals that paid any amount towards admission, Educational School groups, groups of 20 individuals or more and Music Under Glass entertainment events.
- Free visitors included veterans, children 5 and under, individuals that viewed the Floral Show Dome changes in 2016, Free Monday participants, Friends' members, reciprocal horticultural members, volunteers, Music Under Glass free attendees, American Idol attendees, various meeting participants, and Beer Garden attendees.

Domes employees stated that the only system the Domes used in 2014 - 2017 to track attendance was the Fairway Point of Sale (POS) System. Below are the types of methods used to generate the attendance data in the POS system.

Fairway POS Register Tracking: The POS registers provided a fairly accurate count of individuals that paid to enter the Domes, verified by the fees paid and reconciled by the Parks

Department. The system was also subject to human error because manual input to some categories was required, especially when visitors entered the Domes free to attend special events when no register was used.

The Domes used multiple methods to attempt to track admissions into the facilities with varying degrees of success.

POS Zip Code Tracking: Beginning in 2015, in an attempt to determine where visitors to the Domes live, the Domes collected zip codes from visitors by asking each visitor their zip code. There were numerous concerns with the data that was collected including:

- ❖ Since the POS system does not force the sales clerk to enter a zip code it must be manually entered.
- ❖ Only one zip code is able to be collected per transaction regardless of the number of visitors.
- ❖ According to Parks staff, zip code data is voluntary and not all visitors were willing to share their zip code.
- ❖ POS System was not set up to take international codes.

We received zip code data for 2016 and 2017 from the Domes. The total number of zip codes collected does not equal the total number of visitors in the POS system to the Domes because the information is voluntary. The list included 6,128 total zip codes in 2016 versus 92,043 visitors in the POS system. In 2017 it was 51,281 zip codes versus 180,367 visitors. There was no data available for 2014 and 2015.

We agreed with Parks that the attendance data by zip code was flawed and inaccurate due to the items listed above and to the lack of controls in place to keep out-of-state visitors from entering the facility under the zip code of a County resident.

Manual Hand Clickers: According to a Domes employee, hand clickers are only used to count attendees at special events when registers are not used. For example, this occurs mainly in the Annex when a rental rate has been paid by the organizer.

To count attendees, a volunteer from the Friend's group stands by the door with a hand clicker and each time someone enters, they click the clicker. At the end of the event, the clickers are given to a Domes employee who inputs the numbers into the POS register. Data from hand clickers are not verifiable.

It appears that the Fairway POS System was able to accurately track attendance when the individual visitors were paying to enter, and less accurate data occurred with the use of hand clickers and the recording of zip codes.

Attempts to use two separate systems to track attendees by zip code have encountered system problems which has resulted in unreliable and unusable data.

In January of 2018, the Domes started using the Vermont Systems' RecTrac, a recreation management software. In June of 2018 according to Parks management, the new system was working very well and was tracking attendance by quantity, zip code, residents, and non-residents. However, in October 2018, auditors were told that zip code tracking remains an issue at the Domes. The RecTrac POS System has the following issues:

- ❖ Requires manual input to track attendance by zip codes.
- ❖ The zip code field is not required to complete the transaction.
- ❖ There is no system prompting the user to enter the zip code.

The Domes ability to track attendance continues to be subject to human error and system limitations.

In order to better document the visitors to the Domes, we recommend that Parks Management:

6. *Due to problems with tracking zip codes attempt to modify the RecTrac system to track for non-resident visitors if they are from the Milwaukee Metro Area, the State of Wisconsin or Out of State.*
7. *Develop procedures to help staff identify where in the system to document and track free visitors versus paid visitors to accurately record data.*

There were 73 unique categories of entry options entered into the POS system during the four year period we reviewed.

While we have identified issues with some aspects of the prior software systems, we believe the overall attendance in the POS system provided us the most reliable data for our analysis. We reviewed the attendance data from the POS register reports to determine how many visitors entered the Domes for free versus paid admissions. We noted that over the four year period of POS data that we reviewed there were 73 unique categories of entry options entered into the POS system. We combined common attendance categories as shown in Table 12 on the next page.

Over the four year period free visitors average 42.3% of all visitors.

In the previous four years, free visitors exceeded the number of paid visitors in 2014 (see Chart 4) only, while on average during 2014-2017 42.3% of all visitors entered the Domes for free. 2014 had a large number of free visitors that were marked as “other”. This data suggests the Domes may be limited in its ability to generate additional revenue from admissions without increasing fees by eliminating or reducing those free options. We found that there is currently a number of options to enter the Domes for free based upon current policies.

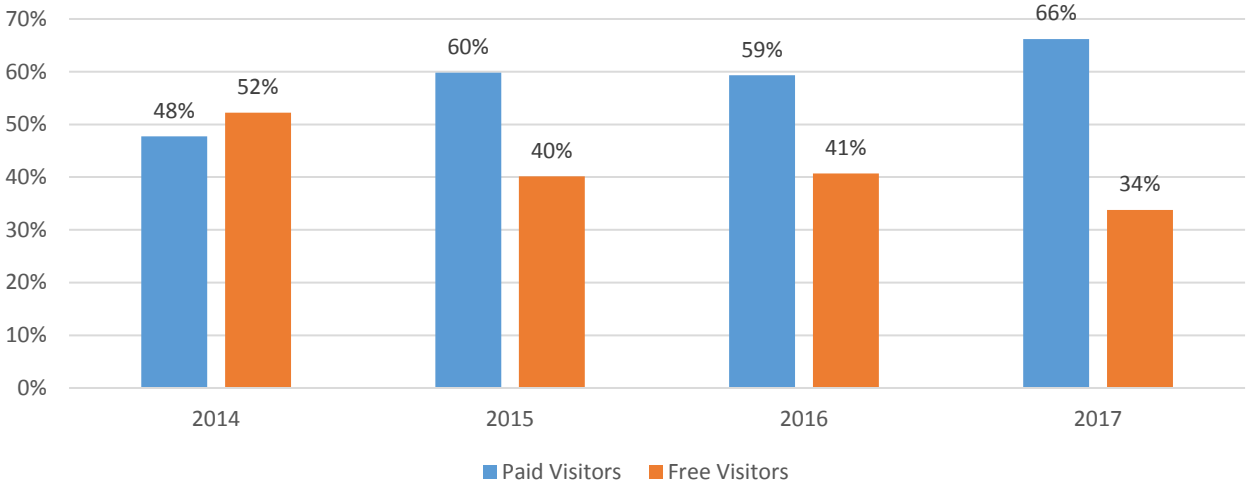
Table 12
2014-2017 Admissions by Common Categories

Admission Category	2014	2015	2016*	2017	TOTAL '14-'17	Average w/ 2016	Average w/o 2016
Paid Admission							
Adult	68,007	85,922	40,468	81,258	275,655	68,914	78,396
Youth	18,742	24,161	7,446	19,336	69,685	17,421	20,746
Senior	5,802	6,689	2,701	5,690	20,882	5,221	6,060
Disabled	2,392	2,533	652	2,085	7,662	1,916	2,337
Student	7,405	9,603	3,333	11,040	31,381	7,845	9,349
Total Paid	102,348	128,908	54,600	119,409	405,265	101,316	116,888
Free Admission							
Free Monday Adult	13,704	11,802	3,724	8,553	37,783	9,446	11,353
Free Monday Youth	8,705	8,080	1,758	5,764	24,307	6,077	7,516
Free Monday Senior	1,017	1,147	403	1,960	4,527	1,132	1,375
Free Monday Adult with Disability	409	744	306	635	2,094	524	596
Free Monday Student	172	397	138	282	989	247	284
Free Child 5 & Under	19,428	21,699	9,176	19,342	69,645	17,411	20,156
Free Teacher (Educational Tour)	287	311	40	218	856	214	272
Friend of the Domes (includes events)	9,784	11,478	8,803	17,202	47,267	11,817	12,821
Veteran	872	326	46	326	1,570	393	508
Other Free	47,402	20,483	4,442	843	73,170	18,293	22,909
Free Guest with Performer	277	428	116	2	823	206	236
Reciprocal Members	1,472	1,923	904	2,475	6,774	1,694	1,957
Urban Garage Sale	0	830	3,500	0	4,330	1,082	277
Volunteer	450	1,613	558	575	3,196	799	879
Rental Attendance	8,045	5,279	3,529	2,781	19,634	4,909	5,368
Total Free	112,024	86,540	37,443	60,958	296,965	74,241	86,507
Total Attendance	214,372	215,448	92,043	180,367	702,230	175,558	203,396
Percentage Paid of Total Attendance	47.7%	59.8%	59.3%	66.2%	57.7%	57.7%	57.5%
Percentage Free of Total Attendance	52.3%	40.2%	40.7%	33.8%	42.3%	42.3%	42.5%
Winter Farmers Market (not included above)	16,647	47,134	31,814	37,378	132,973	33,243	33,720

*Partial closure of Domes in 2016 affected attendance.

Source: Audit Service Division created table based on POS data provided by the Parks Department.

Chart 4
During 2014 - 2017
42.3% of all visitors entered the Domes for free



Total Free Admissions 2014-2017	296,965
Total Paid Admissions 2014-2017	405,265
<u>% Free Admission of Total Admissions 2014-2017</u>	<u>42.3%</u>

Source: Audit Services Division created chart based on POS data provided by Parks Management.

We suggest that Park management consider reviewing the following practices as a way to generate additional revenue:

Free Mondays: Currently, Milwaukee County residents may enter the Domes for free every Monday from 9:00 a.m. to Noon. A total of 69,700 residents, which equals 23.5% percent of all free visitors, visited free in the past four years during the Monday hours. There are a number of cultural institutions within Milwaukee County which offer free days to residents. Boerner Botanical Gardens offers free admission the first Tuesday of every month. The Betty Brinn Children’s Museum, Milwaukee Art Museum, and Milwaukee Public Museum have one free day per month, while the Milwaukee County Zoo has four or five days scheduled per year. The Lucile Halsell Conservatory offers 1 week in April for free admission while the Phipps Conservatory does not offer free public days. As of January 1,

2019 the resident free admission program for the Domes will change to be the first Thursday of every month rather than every Monday morning.

Children age five and under are admitted free to the Domes.

Children age five and under: Currently, children six-years old and older pay an admission fee at the Domes. A total of about 69,645 children entered free in the past four years due to being under the age of six. At other Milwaukee County venues, the age of children that are admitted free varies. For example, Betty Brinn Children’s Museum charges at one years old, Milwaukee Public Museum at five years old, and the Milwaukee County Zoo at three years old. Due to sponsorship from Kohl’s Corporation, the Milwaukee Art Museum offers free admission to children 12 and under. The Lucile Halsell Conservatory offers free admission to children under three while the Phipps Conservatory offers free admission to children under two.

Attendees at evening special entertainment events were allowed to enter free which is not allowed under the Friends’ agreement.

Free admission to attend special evening entertainment events: A total of 3,754 Friends’ members were allowed to enter the Music Under Glass special event free in 2014-2016. The Friends’ Agreement with Parks states, “Free general admission does not include admission to paid special events.” In addition, a total of 87 reciprocal horticultural members were allowed to enter special events free in the past four years. According to the American Horticultural Society (AHS), the reciprocal admissions program states, “A current membership card...entitles the visitor to special admissions privileges and/or discounts at many different types of gardens, etc.” and that “...some gardens have exclusions for special events, for visitors who live within 90 miles of the garden...” A total of 73,170 unspecified individuals were allowed free admissions under “other free admissions” over the past four years. The vast majority of the “other free admissions” were during 2014 and 2015 with unspecified visitors totaling 67,885, with the number dropping to a total of 5,285 in 2016 and 2017.

Attendance at special events in the Greenhouse Annex:

The Domes Director stated that every event is a fundraiser. She also indicated that originally, the Winter Farmers Market (WFM) was held in the lobby of the Domes. However, they started in the greenhouse and eventually moved to the Annex using a different entrance than visitors attending the Domes. The documentation from the POS System lists attendance for WFM as 132,973 individuals over the past four years.

Over a four year period, the Domes had 3,196 volunteers enter the Domes events free. The Domes indicated that volunteers provide a service to visitors and supplement the event experience and that the Domes cannot provide the staffing to replace the volunteers.

Volunteer admission: Over a four year period, the Domes had 3,196 volunteers enter the Domes events free. Of those, 3,117 were listed as “Volunteer Free Admission” in the POS System reports while 79 volunteers were identified as for the Music Under the Glass event. The Education Center uses five trained volunteers that help with teaching and Self-Guided tours. Friends’ management indicated that they have a database with a total of 149 volunteers. The Domes indicated that volunteers provide a service to visitors and supplement the event experience and that the Domes cannot provide the staffing to replace the volunteers. We suggest that the Domes carefully consider the number of volunteers that attend each event to make sure that volunteering is not a vehicle used to get into events free.

The impact upon the revenue from free admission to the Domes can be seen in Table 13 below. For every visitor to the Domes in 2014, 2015 and 2017, Milwaukee County collected on average \$3.54 per visitor versus an adult admission price of \$7.00.

**Table 13
Actual Revenue Collected Per Admission**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Avg. w/ 2016</u>	<u>Avg. w/o 2016</u>
Total Admission Revenue	\$609,628	\$796,752	\$283,773	\$750,835	\$610,247	\$719,072
Total Admission	214,372	215,448	92,043	180,367	175,558	203,396
Revenue per Admission	\$2.84	\$3.70	\$3.08	\$4.16	\$3.48	\$3.54

Source: Audit Services Division table based on data provided by Parks Department.

In order for the Domes to achieve increases in revenue, changes to free admission practices must be considered, therefore, we recommend that Parks Management:

8. *Evaluate the current practices at the Domes that allow visitors to routinely enter the facilities free, and consider implementation of the following recommendations:*
 - ❖ *Reduce the age of children admitted free to 3 and under and/or seek sponsorship to offset the cost of admitting children 5 and under such as the Kohl's program at the Milwaukee Art Museum.*
 - ❖ *Eliminate the past practice of allowing individuals to attend special evening entertainment events free.*
 - ❖ *Clarify the admission policies for volunteers from the Friends' group.*
9. *Verify if free admission from the Annex events are occurring and establish written policies and procedures on when this should be allowed.*
10. *Evaluate the impact, if any, on revenues and attendance at the end of 2019 on the change to free days for residents from every Monday morning to the first Thursday of the month.*

Section 3: Increased oversight and contract monitoring efforts are needed by Parks to ensure the requirements of current agreements with Friends of the Domes (Friends) and Zilli Hospitality Group (Zilli's) are met.

Friends assists with fundraising, operating the Gift Shop, volunteers, and manages the Milwaukee County Parks Compensation Fund.

On February 4, 2010, Parks and the Friends of the Domes, Inc. (Friends) entered into the current agreement for the purpose of assuring the continued success and growth of the Domes in the future. Friends is a Wisconsin non-profit corporation formed under Chapter 181 of Wisconsin Statutes on March 30, 1989, under the control of a board of directors. Friends' purpose is "...to carry on educational, cultural, recreational or scientific programs or activities for the benefit and support of the Domes located in Mitchell Park, Milwaukee County and maintained by Milwaukee County, or to engage in any other lawful activity within the purpose for which this corporation is organized under Chapter 181 Wisconsin." Friends' current agreement remains in effect until terminated upon one year written notice by either party or by mutual consent.

According to the Domes staff, Friends is a very involved group, and they are considered an asset. Friends assists with fundraising, operating the Gift Shop, volunteers, and manages the Milwaukee County Parks Compensation Fund. Table 14 summarizes financial data on Friends from their annual IRS 990 forms.

Table 14
Year End June 30th Annual Friends Expenses and Revenues
as Reported on the IRS 990 form

	<u>2014</u>	<u>2015</u>	<u>2016*</u>
Total Expenses	\$334,960	\$220,588	\$257,339
Income Type			
Membership Dues	\$75,142	\$54,980	\$70,058
Gifts and Donations	\$48,119	\$88,305	\$207,136
Gift Shop and other Sales	\$122,087	\$78,010	\$80,114
Other	<u>\$13,869</u>	<u>\$11,822</u>	<u>\$13,169</u>
Total Revenue	\$259,217	\$233,117	\$370,477

*The Friends operates on a fiscal year that ends in June. Milwaukee County operates on a calendar fiscal year. This may account for the lack of a drop in revenue in 2016 for the Friends versus the Domes due to the closures.

Source: Audit Services Division created tabled based on Friends' IRS 990

We found numerous areas of non-fulfillment of contract requirements with the Friends' agreement.

We reviewed and analyzed the Agreement with Friends to identify compliance issues with key contractual language. We also reviewed Parks contract monitoring of the agreement and noted that no documentation was requested or submitted during 2014 - 2017 pertaining to the agreement. We found the following areas to have issues of non-fulfillment of contract requirements in the agreement:

- No annual approval of benefits given to Friends' members is occurring by Parks
- No reimbursement for staffing is occurring for staffing to operate the facility outside of normal operating hours.
- Based upon interviews with Domes staff, the Friends appear to, in certain circumstances, direct County staff beyond what is established in the agreement.
- Friends' members received free admission to Music Under Glass paid special events
- Insurance policy of Friends is not at required coverage levels, the County is not listed as insured and not all required policies are in place
- Annual mutual development of a fiscal plan

According to an interview with Friends, the following required items have not been requested to be submitted to Parks from Friends:

- ❖ Annual Fiscal reports
- ❖ Updated copies of articles, by laws and officers and directors
- ❖ Submission of proposed capital plans, construction documents, operating support, promotional plans, programs and activities and records of expenses incurred and funds received for joint events
- ❖ Written notification of donations
- ❖ Letters of intent for joint promotional events
- ❖ Annual audited financial statements
- ❖ Annual Friends' budgets
- ❖ Annual IRS Form 990

The agreement monitoring we reviewed was not well documented with the information required in the agreement. We also found that several key provisions were changed in practice after the agreement was signed without amending the agreement.

To address significant areas of concern involving provisions of the contract between the Domes and Friends, we recommend that Parks Management:

11. *Develop the following controls to manage and oversee all provisions and conditions of the Agreement:*

- ❖ *Immediately require all necessary corrections to comply with the insurance requirements in the agreements.*
- ❖ *Establish policies and procedures for approval by Parks of annual benefits offered to members of the Friends.*
- ❖ *Require submittal of all required documents prior to the six month follow up audit report.*
- ❖ *Determine whether or not Friends should be charged for County staffing at fundraising events.*

There are areas where the practices between the Domes and Friends do not follow the guidelines established in the agreement. Required payments to the County are being retained within the Friends' checking accounts rather than being remitted to the County as required under the

agreement, and guidelines for spending of funds are not being followed.

The Parks' agreement is clear regarding the relationship between the Domes employees and Friends of the Domes employees. It states, "3(c) Any person who controls County funds, County employees or other County assets shall be a County employee. If Friends wishes to fund such a position, it will do so through the transfer of funds to the Milwaukee County Treasurer rather than direct payments to the employee."

The signed agreement contains several instructions for handling funds received that are to be expended on behalf of the Domes. Section 3(c) states that only County employees should control County funds. Under Section 4.1(d) the County agreed to establish and maintain a specially designated account with the County Treasurer to receive Friends' monetary donations. Under Section 4.3.2(g) Friends was to remit to the County eight percent (8%) of gross profit generated from Gift Shop Sales, and transfer the funds to the County, and under Section 4.5(b) twenty-five percent (25%) of funds generated by admission fees to Friends' events was to be deposited by the Friends into a specially designated account.

The Friends manage and maintain the County's funds generated from commissions sales and gift shop sales in the Friends' checking account. This agreement states the Friends will remit to the County the funds from the gift shop.

The Friends manage and maintain the County's funds generated from event attendance commission sales and gift shop sales in the Friends' checking account. This is in direct conflict with the language in section 4.32(g) which states the Friends will remit to the County the funds from the gift shop. According to a Friends' official, in the original contract all monies went directly to Parks and none was spent at the Domes. In 2010, in an email from a previous Parks Contract Services Officer to Friends, Friends was instructed to "from this point forward please deposit the gift shop revenue into a separate account, similar to the special event revenue."

Friends record the relevant commission and gift shop revenue into its Milwaukee County Compensation Fund, which is one of approximately eleven different funds managed and controlled by Friends, which are detailed in Exhibit 3.

Funds are expended out of the Milwaukee County Compensation Fund without the required letter of intent.

In Section 4.5(b) in addition to the required establishment of a specially designated account it also states, "No funds from this account may be expended prior to the Parties executing a letter of intent specifying how the funds are going to be spent." Although a system of approval was established in the agreement that expending of funds required approval from the Domes and Friends, according to the Friends, they inform the Domes of planned expenses rather than execute the written letter of intent as required. Friends use their credit card to expend funds, and they list the Milwaukee County Compensation Fund on their organization's Balance Sheet under Equity. According to the Domes management additional review is not viewed as necessary by Domes staff of the funds received and expended by the Friends.

The Friends' contract with Parks states, the transfer of funds to the County should be done semi-annually and is due within thirty (30) days of July 1 and December 31 of each year for Gift Shop Revenue. Admission revenue from events are due within sixty days of the event.

We found that the commission amount recorded into the Milwaukee County Compensation Fund by Friends was miscalculated from admission revenue at Friends' events, resulting in a loss of revenue to the Domes totaling \$3,764.

Friends miscalculated the required 25% commission to the Domes during 2014-2017 which resulted in an underpayment of \$3,764.

In the Friends' agreement with Parks, the Friends is to pay the Domes 25% commission from attendance at Friends' fundraising events. The commission is defined as total revenue generated from the admission fees less the Friends' costs associated with operating the event. The Friends host five main

fundraising events every year and collect admission during the off hours events.

Our review of the Friends' "Event Report," that lists all admission revenue and costs for the events by year, shows the commissions were miscalculated and did not equal 25 percent, as listed below in Table 15. The results were an underpayment in 2014 of \$621 due to a miscalculation, an underpayment of \$3,179 in 2015 due to revenue from two events not being included and an overpayment of \$36 in 2016 due to a miscalculation for a total underpayment of \$3,764.

<u>Year</u>	<u>Admission Revenue Less Costs</u>	<u>Commission Due at 25% rate</u>	<u>Milwaukee Compensation Fund Received</u>	<u>Variance</u>
2014	\$36,724	\$9,181	\$8,560	\$(621)
2015	\$31,051	\$7,763	\$4,584	\$(3,179)
<u>2016</u>	<u>\$17,882</u>	<u>\$4,470</u>	<u>\$4,506</u>	<u>\$36</u>
Total	\$85,657	\$21,414	\$17,650	\$(3,764)

Source: Audit Services Division table based on Friends' financial documents.

Due to the discrepancies found in event commissions and the guidelines in the agreement not being followed, we recommend that Parks Management:

12. *Domes should develop policies and procedures on the review of event commissions and establish required documentation of profits from the Friends. Prior to expenditures out of the Milwaukee County Compensation Fund, a letter of intent should be executed as required under the agreement.*

The Domes has not been reimbursed for staff time spent on special events for the Friends held at the Domes.

Section 4.5(b) of the contract requires that the Friends shall also reimburse the County for all costs associated with the staffing necessary to operate the building or site outside of normal operating hours for the event. Friends are not charged for any

County costs associated with any of their special events held at the Domes which mainly includes the use of County employees and County facilities. The Domes Director indicated with regards to fundraising events sponsored by Friends that the Domes do not charge the Friends a fee (for room rental) but they supply all the staff they need and get eight percent of the profit that goes in the fund managed and tracked by the Friends. Domes staff indicated that Friends' special events are mainly handled by the Domes Director for the administrative aspects, and the Domes Office Assistant handles the financial aspects. According to records reviewed, in 2014 - 2017, Friends held approximately 21 events at the Domes, and no room rental fees or employee costs were charged.

Friends and Conservatory Interpretive Educator: The Domes staff indicated that Friends are a very involved group and the Domes staff cannot do much without the Friends. The Friends have office space and are involved in the daily operations including mowing the grass and picking up paper outside. Domes employees assist the Friends with educational events and workshops without compensation to the County from the Friends.

The Domes education staff submits budget proposals to Friends to get access to donated funds, and bills the Friends to use the grant money. The Conservatory Interpretive Educator (Educator) stated that the Education Center could not operate without the support of the Friends since the group funds everything except the salary of the Educator. Friends and the Domes conduct educational training and activities in the Education Center, and in most cases, Friends' members attend free. The Educator serves as a facilitator, co-facilitator and contact person for Friends' educational classes, volunteer training, and workshops.

The Domes Director indicated that the Friends' have an Education Fund that supports much of what the Educator does including improvements to the Education Center and underwriting educational displays (among other things). The classes are open to the public, not just the Friends' members. In past events, the Educator has served as the contact person, took registrations, answered questions, served as a volunteer, and trained volunteers on behalf of the Friends. Based upon interviews with Domes staff, the Friends appear to, in certain circumstances, direct County staff beyond what is established in the agreement.

During 2014 - 2017, it appears that Parks and the Domes failed to monitor key provisions and conditions of the agreement, the Friends retained funds owed to Milwaukee County and the Friends failed to provide required documents.

In recognition of the current state of practices between the Domes and Friends, we recommend that Parks Management:

13. *Clarify the role of Friends in relation to County staff reporting.*
14. *Formally approve amendments to the agreement when provisions and conditions are changed.*

Zilli Hospitality Group

On September 14, 2008, Parks entered into a ten-year agreement with Zilli Hospitality Group (Zilli's) to be the exclusive official caterer of food & beverages at the Domes. Grandview Management, Inc. d/b/a Zilli Hospitality Group is a for-profit corporation. The Agreement states Zilli's will have primary responsibility for the booking of the event, including walk-through tours with the prospective clients. Zilli's will also work closely with County staff at the Domes to coordinate bookings, tours, and client meetings. The agreement initially expires December 2018.

A limited agreement coupled with a lack of submission of required documents calls for heightened monitoring of the Zilli's agreement.

We found Zilli's to be non-compliant to their agreement in a variety of areas.

We reviewed and analyzed the Agreement with Zilli's to identify compliance issues with key contractual language. The Agreement with Parks and Zilli's is very basic and does not require Zilli's to provide any documentation to verify a majority of the provisions; Parks currently has no financial data to verify food and bar commissions nor is Zilli's required to submit proof of local licenses including liquor licenses. Parks staff indicated that they do not ask for proof of sales or audited financial statements from Zilli's. Parks just take their word that the sales are correct. Parks did not have on file the contractually required certificate of liability insurance.

The Agreement with Zilli's does not authorize Zilli's to collect room rental and set up fees or to issue refunds and credits. However, the current Domes rental permit directs patrons to Zilli's for payments.

The Domes' Rental Permit directs renters to pay Zilli's directly; however, the agreement does not authorize Zilli's to collect fees on the Domes behalf.

In addition to performing the event bookings, tours, and client meetings, Zilli's collects room rental and set up fees. The 2008 Agreement does not authorize Zilli's to collect room rental and set up fees on the County's behalf including having checks payable to Zilli's. However, in the 2017 Domes Rental Permit, it states under Payment, Refund Policy, and Cancellations, "The payment is due in full in order to book the facility. Please inquire with Zilli's regarding its refund and cancellation policy. Returned (NSF) checks will be subject to a \$35.00 processing fee and may result in the cancellation of the contract." Zilli's Procedures and Guidelines state, "Zilli's holds the exclusive food and beverage/bar service contract at the Domes...Payments may be made in cash, check (payable to: Zilli Hospitality Group...), Visa, MasterCard or Discover." The rental permit is not in compliance with the language contained in the Zilli's agreement.

Zilli's submits to Parks annually a Commission and Room Rental Schedule itemizing the net food and bar sales, the eight percent commission paid to Parks for food and bar, room rental and set up fees (payments, credits, refunds, etc.) with a check to cover the total amount due. No documentation is forwarded to Parks to verify the amounts charged for room rental and set up fees or the amounts refunded and the reasons why.

Parks lacks internal controls needed to oversee and manage room rental and set up fees collected by Zilli's, which resulted in errors and mistakes in 2016. Our review of payments found processing errors and mistakes that were not monitored by Parks.

A lack of monitoring and reporting led to errors in credits and refunds by the County.

In 2016, during the closure of the Domes for safety reasons and to make repairs, many clients decided to cancel their events scheduled in the venue. Efforts were made to relocate clients to other facilities, but a large number of cancellations occurred. At some point during the term of this Agreement, Zilli's took the responsibility for processing and collecting room rental and set up fees on behalf of Milwaukee County.

The Milwaukee County Administrative Procedure, Section 7.05 provides that, "a uniform procedure for paying County obligations when there is no outside invoice or source document available," which is appropriate when funds are processed directly through the Milwaukee County accounts receivable system. Since these funds were processed through Zilli's, a third-party, and did not come directly from the clients to Parks, additional internal controls are needed to eliminate the possibility of errors occurring like overpayments, underpayments, duplicate payments, and payments that required several adjustments.

Our review of the 2016 refunds and credits issued clearly showed two separate systems operating simultaneously at the Domes, one by the Parks Department and one by Zilli's. Parks

issued 33 room rental refunds totaling \$51,243. Zilli's issued credits against the room rental fees and in some cases, without a clear reason stated, but in all cases without written authorization from Parks. In 2016, some of the errors we found are displayed in Table 16:

Table 16	
Refund Errors Found with Room Rentals at the Domes	
Issue	Total Amount
Parks over refunded due to Zilli's incorrect paperwork, in 3 cases there was no documentation that the issue was ever resolved.	\$1,350
Parks issued both full and partial refunds to clients whose events were still held totaling \$20,976. Zilli's provided reimbursement of \$650 which resulted in a net revenue loss of \$20,326 for Parks.	\$20,326
TOTAL	\$21,676
Source: Audit Services Division created table based on data provided by Parks Management.	

Greenhouse Annex

The Greenhouse Annex (Annex) at the Domes was completed in 2014 as a new rental venue however it was not equipped with air conditioning. According to the 2017 Greenhouse Annex Rental Permits, the venue was not rented out from May 1 through September 30 due to the uncomfortable conditions during the warmer summer months. The Annex was rentable during the cooler months, January through April and October through December. In addition to rentals, in November 2014 through April 2017, the Domes issued permits to rent the Domes and/or the Annex to a food center to operate the Winter Farmers Market for a combined total revenue of about \$34,000; and in 2015, a dance company rented the space for \$1,500, for revenue totaling \$35,500 in a four year period. Based on our review we believe potential for additional revenue exists, however, better controls need to be in place to ensure the County receives all owed revenue for events hosted at the Annex.

The proposed addition of air conditioning at the Greenhouse annex could provide additional rental revenue to the Domes.

We projected that had the Greenhouse Annex been equipped with air conditioning in 2016 and 2017 the County would have been positioned to generate additional rental income at the

Annex. As discussed below, a project was approved to install an HVAC System in the Greenhouse Annex.

Sales tax of \$445 was paid by Parks for utilities due to agreement provisions resulting in a loss of revenue to Parks of \$445 over a four year period.

The Parks' Agreement with Zilli's requires Parks to provide and pay for all existing utilities and to receive a payment from Zilli's of \$150 per month plus an additional \$25 per month after each five year anniversary. During the period of our review the utility reimbursement fee was \$175 per month or \$2,100 annually. The utility costs for electricity, gas, sewage and water for the Domes and Greenhouse was \$295,317 in 2017.

Contract language regarding payment of utility fees has resulted in a loss of revenue for Parks.

We reviewed Park's invoices to Zilli's for utility payments and found that Zilli's pays the contractually established amount for utility reimbursement. Parks then pays for the required sales tax on utilities out of the monthly fee received from Zilli's rather than collecting an additional payment. This results in a revenue loss to Parks equal to the sales tax payment of \$445 over the four year period we reviewed. A Parks administrator indicated that the agreement does not allow Parks to charge more than \$175, so they are unable to include the additional cost of sales tax. The Administrator also stated that sometime after the agreement was in force a sales tax audit revealed that the act of getting reimbursed for utility costs (excluding water) was subject to sales tax. Without a provision to increase the monthly rate, we (Parks) began deducting the value of the sales tax from the gross amount and reporting the net reimbursement as revenue. This sales tax practice has resulted in areas that need to be evaluated by Parks for correction:

- The County rather than Zilli's paid State sales tax on utilities at the Domes for the past four years.
- Parks experienced a loss of revenue over a four-year period totaling \$445 to cover the sales tax on behalf of Zilli's.

- According to Parks Finance administrator, the water (utility) should not be taxed. However, our review of invoices from January 2014 through December 2016 demonstrated that water was taxed.

Milwaukee County Parks' History with Grandview/Zilli's Hospitality Group.

Zilli's held two contracts with Parks facilities that had periods of closure while Zilli's was providing catering operations. The facilities are O'Donnell Park and the Domes. On April 11, 2016, Zilli's filed a notice of claim with Milwaukee County alleging they breached the Domes Agreement by failing to keep the buildings and equipment in a safe and clean condition. No lawsuit has yet been filed. On June 23, 2016, Zilli's filed a lawsuit (Case No. 16-CV-4676) against Milwaukee County alleging the County breached the O'Donnell Contracts by failing to keep the parking structure in a reasonably safe and serviceable condition, and by failing to provide parking for the year the parking structure was closed. Given that the County's settlement agreement with Zilli's was under negotiation during our fieldwork, we did not set up a meeting with company representatives. Due to pending litigation between Zilli's and Milwaukee County, we did not interview Zilli's.

Pursuant to County Board File No. 18-99, adopted on February 1, 2018, Parks is authorized to enter into a new agreement with Zilli's to allow Zilli's to continue operating at the Domes (including the Annex).

In September of 2018, County Board File No. 18-657 was adopted which modified a prior approved agreement with Zilli's regarding the funding structure to add air conditioning to the Greenhouse Annex.

Based upon the agreement with Zilli's that was in place during our review, we recommend that Parks Management,

15. *Develop the following controls to manage and oversee all provisions and conditions of the Agreement:*
 - ❖ *Immediately require Zilli to comply with the insurance requirements in the agreements.*
 - ❖ *Obtain proof that liquor licenses and all local licenses, and permits are current.*
 - ❖ *Require submittal of all required documents prior to the six month report on implementation of the audit recommendations.*
 - ❖ *Establish written policies and procedures to verify commission payments are received and accurate and deposited according to the terms in the agreement and take steps necessary to clarify and document the refund process.*
 - ❖ *Investigate and recoup all funds owed to the County through errors in room rental and set up fees, and overpayments made during 2016 when two processes for issuing credits and refunds was used.*

16. *Document amendments to the agreement when provisions and conditions are changed including language for the room rental permit, if needed.*

Section 4: Domes operations would benefit from comprehensive written policies and procedures along with increased monitoring of sales tax issues including payments.

A lack of written policies and procedures was found in a variety of areas at the Domes.

During our review we requested a copy of the Policies and Procedures for the Domes. The Domes management stated, that the Domes do not have a policy and procedures manual for operating the day-to-day activities because of constant changes over the past ten years. Only a typewritten manual for the overall Parks system was available. We examined the Domes operations and determined that more structure, including written policies and procedures, guidance, routine, and accountability, would greatly benefit the organization in the following areas:

Point of Sales Cash Register System: As discussed earlier, since about 2012, the Domes used the Fairway Point of Sales (POS) cash register system to collect admission fees and track attendance. Parks made all changes and updates to the system including changes to admission fees. The Domes staff created a Fee Booth Instruction Manual for all register activities from the start of the day to the end of the day. As of January 2018, Parks' contracted with Vermont Systems, Inc. to provide park recreation software and a RecTrac point of sale system. In October of 2018, a Domes employee indicated that the same issues regarding tracking attendance by zip codes that occurred in the previous system exists with the new RecTrac system.

The No Sale button was used 2,067 times, or an average of five times a day, in 2017 according to POS reports provided by Parks.

We noted during our review of POS data for attendance categories that the No Sale button was used over 1,000 times during 2014, 2015 and 2016. In 2017 the No Sale button was used 2,067 times. The No Sale button provides the cashier the ability to open the cash register when no sale is occurring. The

amount recorded in the Advantage system for Cash Over/Short in 2017 was \$262. In 2014 - 2016 the amount averaged \$68. According to Domes staff the No Sale button is used to provide change to visitors or when changing cashiers. Due to the minor nature of the account we did not review the matter further. Controls should be in place and documented on when it is appropriate to open a cash register with no transaction occurring.

Education Center: The Educational Center (Center) is a cultural and educational facility of the Milwaukee County Parks System located at the Domes that offers programs and tours for school groups from grades K5 - 12, colleges, scouts, adults, homeschoolers, all youth groups, and workshops. The Center is managed by the Parks Conservatory Interpretive Educator. The Floral Show Dome Themes include an educational component, which Domes management stated that they are one of the only conservatories in the country to do that.

While the Center's staff indicated that they created a practice for scheduling and processing tours there were no formal written policies and procedures. In addition, we found that proper record retention according to Milwaukee County Administrative Manual Section 3.02 was not followed. This resulted in:

A lack of written policies and procedures has led to incomplete or destroyed financial records and a lack of overall documentation.

- ❖ Financial records documenting payments by visitors were lost in 2014 and incomplete or destroyed in 2015 and 2016.
- ❖ In 2016, we found that three refunds for Education Center activities totaling \$562 were issued by Parks and only one refund for \$246 had supporting documentation that included a copy of the POS receipt and the client's check.
- ❖ In 2014, the POS system listed the Education Center admissions revenue at \$30,482, but no documents were available to support admission revenue transactions. A staff member was able to gather some documentation for 2015 and 2016, such as invoices, receipts, and emails to verify admission fees. However, she stated that the POS system

was the only reliable documented proof of payment because admissions and attendance numbers could change on the day of the educational event.

The Domes survey process used to render a 97 percent approval rating, contained unreliable data and used an internal process that lacked sound survey practices and guidelines.

During this audit, the Domes staff provided five annual surveys used to gather responses from visitors to the Domes. We found two questions from the surveys were placed on the excel spreadsheet to record the results, however, the actual surveys were discarded. Responses tracked did not address the approval rating of the Domes. For example:

- What did you like about your visit? Answers included, “different”, “today was free”, “restroom was clean”, and “how cheap it was.”
- What would you improve about your visit? Answers included, “having some coffee available,” “lobby is sad,” “why was it allowed to fall apart??” and “Where is the ponds?”

Attempts to gather data from visitors via surveys has not resulted in usable results due to flaws in survey construction and record retention.

We could not determine the accuracy of the answers reported on the spreadsheets because survey forms were discarded, and we were not able to determine the system or process of measure used to arrive at the 97 percent approval rating. In 2016, Parks had a household survey conducted by ETC Institute, a market research and survey company, and 84.4 percent of the households surveyed believed that Parks should provide formal gardens such as Boerner Botanical Gardens and the Domes.

Plant database: The Domes uses a computer database program called Filemaker Pro to track and record all plants including date purchased and date died. In an October 2015 audit of O'Donnell Park, we noted that File Maker Pro is an out-of-date technology, which is not supported by the County's Information Management Services Division. The plants and

trees have a value of about \$3,200,000 according to Domes management. With over 1,200 species of tropical plants alone, we believe that clear policies and procedures will benefit horticulturists to track, record the life cycle, and maintain the Domes expensive inventory of plants and trees.

Confusion on the staff responsible for monitoring Agreements/Contracts for both Friends and Zilli's exists despite a 2006 Audit identifying issues with Parks' managing lease contracts.

Parks failure to monitor contracts is not a new issue found by our office. In a 2006 audit titled "An Audit of Milwaukee County Parks Facilities Leases," we noted Parks issues with overseeing and managing lease agreements at three locations: O'Donnell Park, Lake Park, and Red Arrow Park. Our audit found the issues were due in part to contract management duties being shifted among a number of individuals, fragmented responsibilities of limited staff, and organizational turmoil in the Parks Department as a result of the termination of key managers in 2003. A month prior to the issuance of the audit, the former Parks Director, took steps to bolster the resources devoted to contract management by receiving approval from the County Board to create a Contract Administrator position to provide a focal point for accountability in addressing the concerns raised in the report.

Some Parks staff believe the Director of the Domes is responsible for the monitoring and enforcement of the contracts, other staff believe that centralized contract monitoring is occurring within Parks Administration and some believe it is a blended responsibility.

In the past five years (2014 - 2018), Parks upper management has had high turnovers, as follows: the Director of Parks, Chief of Operations, Chief of Planning & Development, Chief of Recreation & Business Services, Chief of Administration & External Affairs, and the Contract Manager position has been filled by three different individuals. A written and updated policy and procedure manual would have provided incoming staff with a roadmap of who was responsible for contract compliance.

During this audit, we had discussions with Parks staff and it was apparent that no specific person was responsible for monitoring the Domes contracts. We found through our conversations with various Parks staff that some believe the Director of the Domes who is on site is responsible for the monitoring and enforcement of the contracts, other staff believe that centralized contract monitoring is occurring for all Parks contracts within Parks Administration and some believe it is a blended responsibility.

The job description for the Contract and Project Manager position at Parks Administration includes language that this position is responsible for “managing and auditing contracts to ensure the DPRC is compensated and represented fairly.” However, the former Contract and Project Manager stated that there really was no contract management being done with the reason stated that the (Zilli's) contract isn't up for renewal until 2018.

In an interview with the former Parks Director and another administrator they indicated that the site managers were responsible for enforcing and managing the contracts while the contract manager was responsible for interpreting the contract terms and provisions and reviewing annual reports whenever necessary. Recently, the Contract and Project Manager position was changed to be the Contract Manager. The listed job duties for the Contract Manager are to provide contract and fiscal monitoring and auditing to “develop and maintain contract databases; monitor and report on agreement terms and fiscal impacts as related to Park's annual budget; lead audit evaluations to ensure compliance; provide agreement monitoring reports and term summaries; and ensure compliance.” This new position was filled near the conclusion of the audit.

Issues with the calculation and payment of Wisconsin sales tax continues to be an issue at the Domes.

The Domes needs better, documented procedures to ensure applicable sales taxes are collected and remitted to the State of Wisconsin.

The Domes, which is located in the City of Milwaukee, is required to pay sales tax to the State of Wisconsin where applicable. Wisconsin Department of Revenue Sales and Use Tax imposed on Total Sales is currently 5.0%. Within Milwaukee County, there is an additional 0.6% County tax which increases the sales tax rate to 5.6%. The City of Milwaukee created a Local Exposition District (Expo Tax) which imposes an additional tax for food and beverage at a rate of 0.5%, for a total possible rate of 6.1%. Table 17 displays the applicable tax rates.

<u>Taxing Authority</u>	<u>Amount</u>	<u>Cumulative Tax</u>	<u>Limitations on Applicability</u>
State of Wisconsin	5.0%	5.0%	As defined by Wisconsin Dept. of Revenue
Milwaukee County	0.6%	5.6%	Applies within Milwaukee County only
City of Milwaukee	0.5%	6.1%	Applies within the City of Milwaukee on Food and Beverage only

Source: Audit Services Division created table based on data from State of Wisconsin Department of Revenue.

The Wisconsin Department of Revenue Sales and Use Tax, publication 201 and Fact Sheet 2107 states, “rentals of multipurpose facilities may be subject to Wisconsin sales and use tax if the multipurpose facility is used for an amusement, athletic, entertainment, or recreational purpose.” The Domes is required to pay taxes for the following events:

- Concerts, except when rented to an organization that is exempt from taxes or the facility is rented for resale.
- Parties (e.g., Christmas Party, Anniversary Party, Birthday Party, and Graduation Party) except when rented to an organization that is exempt from taxes or the facility is rented for resale.
- Reunions/Dances.

- Wedding Ceremony with Dance/Reception, and wedding with Dinner and Dance/Reception.
- Food and Beverages sold at the Domes.
- Photography Permits.

Except for food and beverage sales, the applicable sales tax rate for the Domes is 5.6%.

According to the Office of the Comptroller, the Parks and Zoo report sales tax collection amounts to Central Accounting monthly, which is then used to file monthly sales tax reports with the State of Wisconsin. A State Audit of sales tax was issued on Milwaukee County for the years 2005 - 2010 and found issues with sales tax for the Departments of Parks, Sheriff, and Zoo. The State Audit mentioned, "the additional sales tax was due primarily to sales of utilities and rentals of multipurpose facilities used for amusement, athletic, entertainment, or recreational purposes on which tax was not charged and a valid exemption certificate was not maintained."

During our review of revenue, we noticed several practices with sales tax at the Domes that did not comply with the State Department of Revenue Sales Tax requirements.

The agreement between Parks and Zilli Hospitality Group (Zilli's) concerning room rentals contains language that states that Zilli's would have primary responsibility for the booking of the events and will operate as an independent contractor responsible for all applicable taxes, including sales tax and withholding tax.

From 2014 - 2017, we analyzed Zilli's's Domes Commission and Room Rental Schedules and discovered that room rentals and set up fees were collected without sales tax. According to the schedules, Zilli's collected fees totaling \$226,753 over a four year period for the room rentals. At a sales tax rate of 5.6%, Milwaukee County owed the State of Wisconsin \$12,698 for

sales tax. In follow-up discussions with Parks staff, they could not provide any documentation that applicable sales taxes on taxable room rentals and set up fees were collected by Zilli's or paid to the State on Milwaukee County's behalf. A representative from Zilli's indicated that they collect all sales taxes on all rentals as they are part of the invoices and Zilli's sends a payment for the taxes in to the state. However, according to a Parks' Finance administrator, Parks have reviewed their internal sources and are unable to verify if Zilli's is collecting sales tax where applicable. Parks indicated that Zilli's does not provide information that identifies if a transaction is taxable to Parks, so Parks cannot determine the amount of sales tax owed, nor whether or not a payment has been made on behalf of Milwaukee County by Zilli's to the State. We received Zilli's invoices submitted to the Domes to issue refunds for weddings scheduled in 2016 as a result of Domes' closures and did not see any that reported receipt of sales tax.

We found that Parks is covering the cost of sales tax, where applicable, instead of charging the customer Sales Tax. At times, the wrong tax rates were used and at least two music events did not collect any taxes.

The Wisconsin Legislature: Tax 11.32, (4) Sales Tax Collected from Customers, (a) Section 77.585 (7), Stats., allows when sales tax is collected from customers who are notified of the fee including the sales tax, the amount of the tax collected is not included in the base to which the tax applies. The notification may be by any one of the following methods:

1. Providing the customer a receipt which separately itemizes the tax or states "Prices Include Sales Tax."
2. Conspicuously posting the bracket system card, form S-213 or S-218, issued by the department.
3. Conspicuously posting a sign which states "Prices Include Sales Tax."

Our analysis showed that in 2014 - 2016, the Domes charged regular admission rates for entertainment events rather than a rate that was the regular admission rate plus the applicable sales tax rate of 5.6%. For example, the regular base fee for an adult visitor to the Domes was \$7.00 without tax, and the full amount is counted as revenue to Parks. However, an adult visitor attending a taxable entertainment event, such as Music Under Glass, was charged the same \$7.00 fee resulting in the Domes revenue being reduced to \$6.61 per adult since Parks must pay the State sales tax at a rate of 5.6%.

In 2014 - 2016, the Domes admission revenue for entertainment events totaled \$65,829, however, a payment of State sales tax of \$3,686 was required using sales tax rates of 5.6 percent. The total entertainment revenue for 2014 - 2016 should have totaled \$69,515 rather than \$65,829 with sales tax collected from visitors totaling \$3,686 at a tax rate of 5.6 percent.

However, in 2017, two entertainment music events, Bizarre Bazaar with admission fees of \$2,429 and Viva Las Vegas Night of \$2,053 did not have any sales tax collected or subtracted. Sales tax at 5.6% for both events totaled \$251. Payment to the State did not occur.

Parks management stated that the sales tax is calculated the same system-wide.

The Audit Services Division believes that the Domes would greatly benefit from comprehensive written policies and procedures needed to provide structure, consistency, and accountability to the daily operations especially as it relates to financial and revenue generating activities.

We recommend that Parks Management:

17. *Develop comprehensive written policies and procedures to provide structure, consistency, and accountability to the total operations at the Domes especially as it relates to:*
 - ❖ *Financial and revenue generating activities.*
 - ❖ *Tracking, recording the life cycle of plants and trees and document proper care to over 1,200 species of plants and/or trees.*
 - ❖ *Sales tax issues.*
 - ❖ *Survey procedures.*
 - ❖ *Record retention.*
18. *Verify that Zilli's paid all applicable sales tax. If not, ensure that Zilli's remits a payment to the State of Wisconsin as soon as possible.*
19. *Clearly identify Parks staff responsible for managing contract compliance including their areas of compliance. Train staff on what is expected in the verification process.*

Audit Scope

The objectives of this audit were to conduct an audit of the Department of Parks, Recreation, and Culture's operations, concessions, and event planning at the Mitchell Park Horticultural Conservatory Domes for the purpose of exploring best practices for potential new revenue sources and to maximize the operational and functionality potential of the facility now and into the future.

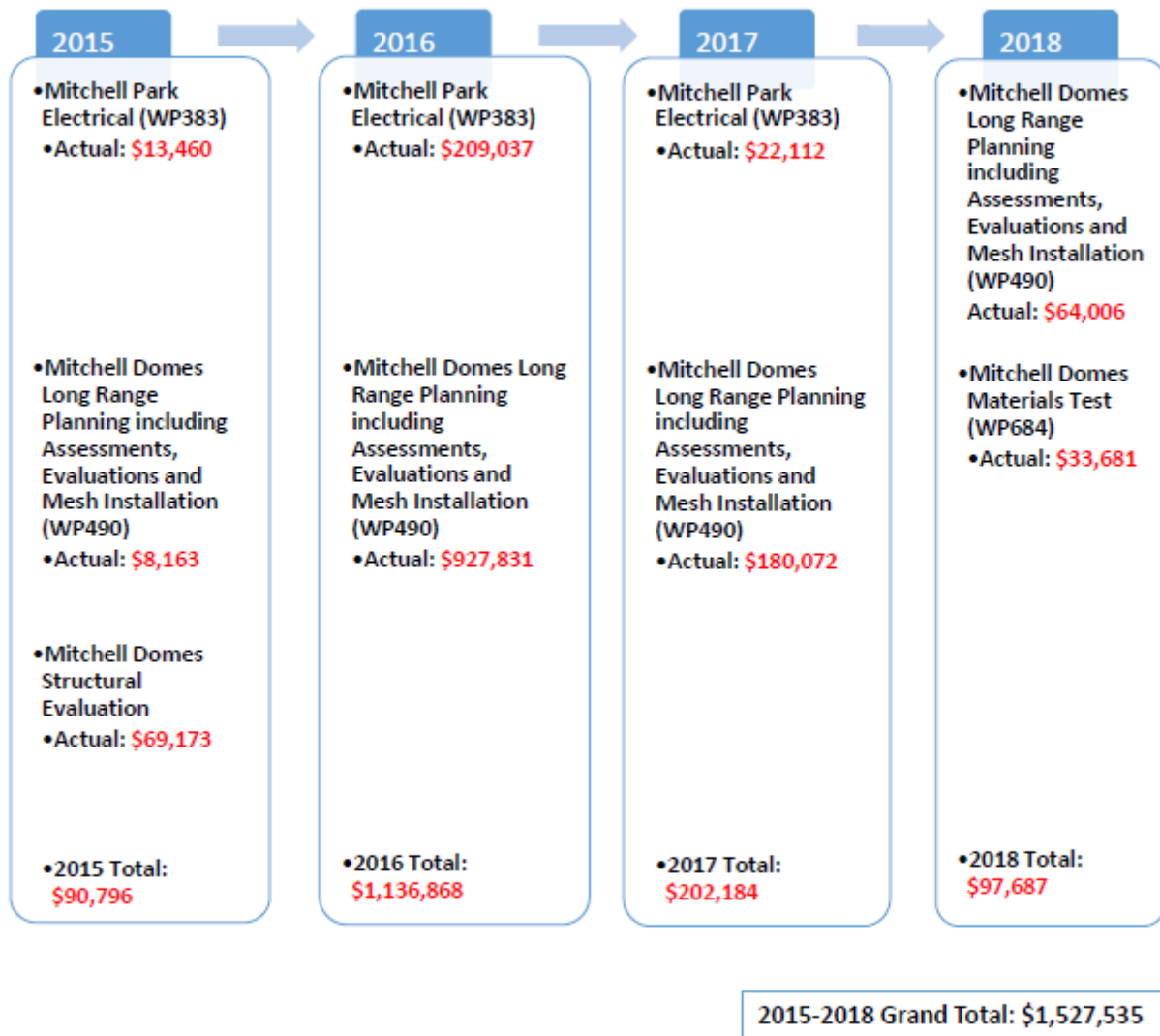
We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We limited our review to the areas specified in this Scope Section. During the course of the audit, we:

- Reviewed relevant regulations, policies and administrative procedures, budgets, resolutions, and County Board and Committee minutes, and County Legislative Information Center pertaining to the Milwaukee County Task Force;
- Conducted internet research on the background of the Mitchell Park Horticultural Conservatory (the Domes) including various federal, state and local laws, etc.;
- Reviewed two agreements administered by the Department of Parks, Recreation, and Culture (Parks) to determine both the County's and Friends and Caterer's responsibilities under the agreements to test compliance on selected provisions of each agreement;
- Verified the accuracy of calculations of monthly commissions paid on the basis of gross and net sales, from special events, gift shop sales, and food and beverage sales, including a review of accounting documents and entries in the County's financial system to test that payments were made and accurately processed;
- Verified the accuracy of calculations on Parks' room rental and set up fees, utility reimbursements, sales tax, including refunds and credits issued in 2016;
- Interviewed and corresponded with Parks employees, individuals from other County Departments, and Friends' representatives;
- Analyzed and compared revenue pertaining to the Fairway Point of Sale System vs. Advantage revenue to verify accuracy;
- Conducted desk comparisons of the Mitchell Park Horticultural Conservatory (Domes) with a local garden, and two out-of-state conservatories;
- Obtained photos of the Mitchell Park Horticultural Conservatory (Domes) while on tour to become oriented with the facility layout;
- Analyzed existing revenue sources to develop ideas for Parks to increase its profits through projected revenue opportunities at the Domes;

- Analysis of financial documents for Friends' group including IRS 990, equity funds, balance sheets, profit and loss statements; and
- Analyzed attendance.

Timeline of Domes Projects 2015-2018



Source: Milwaukee County Financial Data Download – CAPFIN

Listing of Friends' Fund Accounts

Friends' Funds

General Operating Fund – This fund is used towards the day-to-day operation of the Friends of The Domes (Friends) organization. It includes: Designated and Undesignated Donations, Membership Dues, Membership Benefits and Activities and Staff and Facility Support. This fund includes both Budgeted and/or Non-Budgeted dollars and will be distributed only by a motion of the Friends Board of Directors that have met a quorum of representation of Board Members. Due to foreseen and unforeseen cash flow expenditures the Operating Base should not fall below \$50,000.00.

Advertising Fund – This fund represents monies collected or the transfer of funds from the General Operation Fund by the motion of the Board of Directors. These funds are to be used for the marketing and advertising of the Domes and events and/or activities to the general public. These funds are distributed by the motion of the Friends Board of Directors that represents a quorum of representation of Board Members. \$1,000.00 rule.

Animal Adoption Fund – This fund represents either outside donations and/or transfer of funds from the General Operation Fund by the motion of the Board of Directors. This fund is to foster necessary items for the various animals or creatures found either in the domes or in the static displays within The Domes. For example bird feed. These funds are distributed by the motion of the Friends Board of Directors that represents a quorum of representation of Board Members. Donor rule and \$1,000.00 rule.

Capital Improvement Fund – This Fund represents both outside donated or the transfer of funds from the General Operation Fund. This Fund is to foster the expansion of the facility and improve the general area surrounding the Mitchell Park Domes. This Fund is to be used for the sole purpose of major improvements in or surrounding the Mitchell Park Domes. These funds that represent both outside donations contributed to this fund and/or any allocated funds are to be distributed by the motion of the Friends Board of Directors that represents a quorum of representation of Board Members. Donor rule.

Collection Enhancement Fund – This fund represents outside donations received or the transfer of funds from the General Operating Fund by the motion of the Board of Directors. The balance of this fund is used for the purchase of plant material to enhance the permanent collection. For example orchids. Disbursements are made by the motion of the Friends Board of Directors that represents a quorum of representation of Board Members. Donor and \$1,000.00 rule.

Education Fund – This fund supports the activities in the Education Center including improvements to the center and underwriting educational displays.

Endowment Fund – This fund represents outside donations or transfer of funds from the General Operating Fund by the motion of the Board of Directors. The Interested Earned will be used for the long-term support and fulfillment of the Friends Mission Statement. A motion of the Friends Board of Directors that represent a quorum or representation of Board Members must approve the use of these Endowments. Donor rule.

Environmental Education Fund – This fund represents donations received or the transferred of funds from the General Operating Fund by the motion of the Board of directors for the exclusive use of this fund for the various educational and environmental programs of the Domes. For example presentations for school groups. Disbursements are made by the motion of the Friends Board of Directors that represents a quorum of representation of Board Members. Donor rule and \$1,000.00 rule.

Facility Enhancement Fund – This fund represents outside donations or transfer of funds from the General Operation Fund. Disbursements are made by the motion of the Board of Directors to acquire movable or fixed items for the enhancement of the Mitchell Park Domes facility. For example interpretative signage, permanent or semi-permanent furniture or fixtures to be used by the general public. Disbursements or monies that are set aside as designated for this Fund are made by a motion of the Friends Board of Directors that represent a quorum of representation of Board Members. Donor rule and \$1,000.00 rule.

Show Dome Sponsorship Fund - This fund represents both outside donations received and allocated funds from the General Operation Fund. This fund is to be used towards the changing floral exhibits' inside of the Show Dome. These funds are distributed by the motion of the Friends Board of Directors that represents a quorum of representation of Board Members. Donor rule and \$1,000.00 rule.

Milwaukee County Parks Compensation Fund – Commissions from Friends events of 25% and Gift Shop sales of 8%.

Sign Project Fund - This fund represents both outside donations and allocated funds from the General Operation Fund. This fund is to be used for the expense of erecting and maintenance of an outdoor electronic advertising sign for the Mitchell Park Domes. These funds are distributed by the motion of the Friends Board of Directors that represents a quorum of representation of Board Members. Donor rule.

Rule Definitions:

- 1) *Donor rule: Donations can be made specifically to this fund. The Friends of the Domes will encourage donations to these funds.*
- 2) *\$1,000.00 rule: This is the maximum amount that can be spent at the discretion of the Director of the Domes or the Friends of the Domes President without presenting it to the Friends of the Domes Board for approval.*

Source: Friends Fund Definitions and Expenditures at Domes provided by the Friends in April of 2017.

Memo



Milwaukee County Parks

9480 Watertown Plank Rd. Wauwatosa, WI 53226

(414) 257-PARK

December 12, 2018

TO: Jennifer L. Folliard, Director of Audits

FROM: Guy Smith, Executive Director of Parks

Subject: **Audit of “the Domes” – Parks Response**

Below are the responses to the Audit Services Division’s nineteen recommendations for the Mitchell Park Horticultural Conservatory (“the Domes”).

These following items are addressed in our responses; how the recommendation in the report will be implemented, who shall be responsible for seeing that implementation is carried out, when the implementation will be completed, and alternate solutions to the concerns noted in the report if the recommendations are not to be implemented.

Should you have questions or concerns, please contact me.

- 1) *Create a system for attendance revenue so the amounts from the POS system are in balance with the attendance revenues posted in the Advantage Financial System.*

The POS system handles day-to-day admissions transactions at the Mitchell Park Horticultural Conservatory. While these revenues are accurate to the individual transactions that take place to gain access to the facility, they do not currently account for subsequent accounting changes that need to be made to revenues. Subsequent changes that need to be made are done so by Parks Accounting, including the reconciliation of bounced checks, overdraft fees, unexpected refunds, etc. The true revenue numbers for the facility are so noted in the Advantage Financial System, as any changes to initial revenues do not reflect back to the POS system. Alternatively, instead of implementing this recommendation, Parks Accounting could annually provide data to indicate additional changes to the reported POS revenues.

- 2) *Evaluate data from the 2018 change in admission price for non-residents to analyze its impact, if any, on attendance at the conclusion of 2018.*

In the first quarter of 2019, the Conservatory Director will review attendance figures for 2018 compared to past years to determine the impact of the changes to non-resident admission rates on attendance.

- 3) *Evaluate participation in various discount attendance programs such as AAA and the Entertainment Book prior to renewing participation in the programs.*

By the end of the second quarter of 2019, the Conservatory Director along with Parks Marketing will review participation in discounted admissions programs and determine future participation in said programs if they are advantageous to the facility in regards to exposure and revenue.

- 4) *Conduct an analysis of the cost benefit of operating the Domes during the Floral Show and Special Events only.*

Cost to enter the facility is not tied specifically to any one part of the facility. Admission rates allow access to all three Domes when they are open for access. Five times a year when the Show Dome exhibit is being changed, the other two Domes are fully accessible to visitors. Costs at the facility would essentially remain the same regardless of whether or not we collect admissions during periods of changing the Show Dome exhibits, due to fixed costs to care and maintain for the plant collection and utility costs which would largely remain unchanged. Mitchell Park Horticultural Conservatory will continue to collect admission during these five times a year to at least bring in some revenue rather than none.

- 5) *Prior to the six-month follow-up Audit report, implement policies and procedures that are capable of recording accurate attendance at Floral Show and Special Events and general Domes admission to ensure that attendance at Floral Show Dome and Special Events can be segregated to provide management with usable data to make decisions on the success of the shows.*

The Conservatory Director will coordinate with the Parks Point of Sale (POS) Specialist to edit the admissions tracking capabilities within the POS system over the course of 2019. The individual domes, including the Show Dome, do not have separate admissions tracking capabilities. Attendance is currently tracked during regular

admission hours facility wide as visitors are paying for admission and access to the entire facility, not to special events or just the Show Dome. Based on these attendance numbers, we are able to determine if general attendance was up or down and observe if the current floral show in the Show Dome was a success based on these numbers. Special Events outside of general admission hours can be tracked separately through the POS system.

- 6) *Due to problems with tracking zip codes attempt to modify the RecTrac system to track for non-resident visitors if they are from the Milwaukee Metro Area, the State of Wisconsin or Out of State.*

We currently collect ZIP Code data from as many visitors as we are able to and would seek to continue gathering as much of this visitor data as is reasonably practical. The POS system allows for collection of ZIP Codes only. Similar to what other businesses gather in terms of ZIP Codes or phone numbers, collection of data from customers is completely voluntary. Furthermore, collection of ZIP Code data from every visitor would undoubtedly result in long lines at admission – especially during busy times or popular events. If collecting ZIP Codes from large groups remains impractical, admissions staff will verbally ask for additional data and create a manual record.

- 7) *Develop procedures to help staff identify where in the system to document and track free visitors versus paid visitors to accurately record data.*

The Conservatory Director will identify visitor data (paid versus unpaid) that can be more accurately tracked and in what manner through the POS system and will work with the Parks POS Specialist to implement these tracking categories in the first quarter of 2019.

- 8) *Evaluate the current practices at the Domes that allow visitors to routinely enter the facilities free, and consider implementation of the following recommendations: reduce the age of children admitted free to 3 and under and/or seek sponsorship to offset the cost of admission children 5 and under such as the Kohl's program at the Milwaukee Art Museum; Eliminate the past practice of allowing individuals to attend special evening entertainment events for free; Clarify the admission policies for volunteers from the Friend's group.*

The Conservatory Director will evaluate the admission practices and recommend to Parks Management any changes prior to submission of the recommended 2020 Parks Department Budget. Additionally, the Conservatory Director will evaluate the practice of allowing free event admissions and reciprocal admissions and make recommendations to Parks Management.

- 9) *Verify if free admission from the Annex events are occurring and establish written policies and procedures on when this should be allowed.*

The Conservatory Director will verify any events that are permitted to take place in both the Domes and Annex portions of the facility and prior to the end of the second quarter of 2019, will develop procedures on when this is permissible.

- 10) *Evaluate the impact, if any, on revenues and attendance at the end of 2019 on the change to free days for residents from every Monday morning to the first Thursday of the month.*

The Conservatory Director will evaluate revenues and attendance in regard to the change in free days for residents at the conclusion of 2019.

- 11) *Develop the following controls to manage and oversee all provisions and conditions of the Agreement: Immediately require all necessary corrections to comply with the insurance requirements in the agreements; Establish policies and procedures for approval by Parks of annual benefits offered to members of the Friends; Require submittal of all required documents prior to the six month follow up audit report; Determine whether or not Friends should be charged for County staffing at fundraising events.*

With input and review from Parks Management and the Conservatory Director, the Parks Contracts Manager will request documents as appropriate and establish agreeable terms for Friends memberships, submittal of all required documents and outline if and when the Friends should be charged for County staffing by the end of the second quarter of 2019.

- 12) *Domes should develop policies and procedures on the review of event commissions and establish required documentation of profits from the Friends. Prior to expenditures out of the Milwaukee County Compensation Fund, a letter of intent should be executed as required under the agreement.*

The Parks Contracts Manager, along with Parks Management and the Conservatory Director will work together to establish procedures outlining event commissions and transfer/expense of funds by the end of the second quarter of 2019.

- 13) *Clarify the role of Friends in relation to County staff reporting.*

The Conservatory Director, in conjunction with the Parks Contracts Manager, will clarify the role of Friends in relation to County staff reporting within the first half of 2019.

- 14) *Formally approve amendments to the agreement when provisions and conditions are changed.*

The Parks Contracts Manager will work with Parks Management, the Conservatory Director and the Friends in regard to developing any necessary amendments to the agreement within the first half of 2019 and will have them formally approved through the appropriate processes.

- 15) *Develop the following controls to manage and oversee all provisions and conditions of the Agreement: Immediately require Zilli to comply with the insurance requirements in the agreements; Obtain proof that liquor licenses and all local licenses, and permits are current; Require submittal of all required documents prior to the six month report on implementation of the audit recommendations; Establish written policies and procedures to verify commission payments are received and accurate and deposited according to the terms in the agreement and take steps necessary to clarify and document the refund process.*

With input and review from Parks Management, Parks Finance Manager and the Conservatory Director, the Parks Contracts Manager will request and require said documents as appropriate by the end of the second quarter of 2019. Written policies and procedures will be developed by the Finance Manager, Parks Management and Parks Contracts Manager to help verify commission payments are collected and deposited accordingly as per the agreement, as well as to detail the refund process for rentals by the end of the second quarter of 2019.

- 16) *Document amendments to the agreement when provisions and conditions are changed including language for the room rental permit, if needed.*

Terms of the agreements between Milwaukee County and Zilli's are currently being renegotiated, as approved by the County Board of Supervisors in File Nos. 18-99 and 18-657 on February 1 and September 20, 2018. The Parks Contracts Manager will work with Parks Management, the Conservatory Director, Corporation Counsel, and Zilli's in regard to developing any necessary amendments to the agreement within the first half of 2019 and will have them formally approved through the appropriate processes.

- 17) *Develop comprehensive written policies and procedures to provide structure, consistency, and accountability to the total operations at the Domes especially as it relates to: Financial and revenue generating activities; Tracking, recording the life cycle of plants and trees and document proper care to over 1,200 species of plants and/or trees; Sales tax issues; Survey procedures; Record retention.*

The Conservatory Director, Contracts Manager, Finance Manager and Parks Management will collaborate to develop documentation to clarify these items by the end of 2019. Care and maintenance of plant specimens is indicated in on-site plant manuals and Horticultural publications.

- 18) *Verify that Zilli's paid all applicable sales tax. If not, ensure that Zilli's remits a payment to the State of Wisconsin as soon as possible.*

Communications from Zilli's indicate that they have paid all appropriate sales tax to the state. The Parks Contracts Manager and/or the Parks Finance Manager will request submission of documentation in the first quarter of 2019 for confirmation.

- 19) *Clearly identify Parks staff responsible for managing contract compliance including their areas of compliance. Train staff on what is expected in the verification process.*

Parks Management and the Parks Contracts Manager will look to define staff responsibilities and oversight in regard to all areas of contract compliance by the end of the second quarter of 2019.



December 11, 2018

To the Milwaukee County Office of the Comptroller, Audit Services Division

The Friends of the Domes, Inc. (Friends) has reviewed the Milwaukee County audit of the Mitchell Park Horticultural Conservatory (Domes) operations. We are providing the following response regarding items in the audit that affect our organization. These are high-level responses to key audit points that we were able to put together within the short response period provided by the auditors.

The Friends organization does consider ourselves a key partner. Our sole purpose is to support the Domes. We fully cooperated during the audit process by providing all the information the Milwaukee County Auditors requested.

The audit lists the Phipps Conservatory and Botanical Gardens in Pittsburgh Pennsylvania and the Lucile Halsell Conservatory at the San Antonio Botanical Garden in San Antonio Texas as comparable conservatories based on facility square footage alone. The Friends does not consider these as comparable since their governance models, among other things, do not match the Domes.

Attendance figures were provided for the floral shows. The five floral shows produced each year is what keeps visitors coming back to the Domes. It is extremely difficult to compare year over year for a variety of reasons. For example, the length of the winter model train show varies every year due to the spring show being timed to Easter. Weather is also a major factor regarding weekend attendance. It is critical to keep the floral show changes in place to encourage repeat visitors.

The audit lists Music Under Glass as a special event and questions why Friends members received free admission. The Domes never closed on the days Music Under Glass occurred. It was considered extended hours and the regular admission rates applied. It was determined each year by Parks that Friends members could use their benefit of free admission. The Friends members generated additional revenue through beverage and food purchases. The Friends also provided financial support for Music Under Glass from 2014 – 2017 in the amount of \$9,000 (and more prior to the audit period).

Free volunteer admission is discussed in the audit. The point made in the audit that the Domes should consider the number of volunteers at each event to ensure volunteering is not being used as a vehicle to get into events free is well taken. Not all volunteers are from the Friends organization. For our part, our volunteers work during the time they are there and should not be seen as getting “free admission” but rather as providing substantial benefit to the Domes for what would otherwise need to be a paid worker, taking away from the bottom line. The value provided by volunteers are at the heart of making the Domes function and should not be underestimated. We will continue to monitor to make sure volunteers are not volunteering for the wrong reasons, but to date, that has not been an issue with our volunteers.

The audit discusses the lack of monitoring of the contract between the Parks and Friends. We do not dispute the findings. We provided all the requested information to the Milwaukee County Auditors. If we need to provide the same information to Parks we need to know who in the Parks Department we should direct that information to. As cited in the audit, the frequent changeover of Parks staff has been an ongoing issue for all involved.

The Auditors determined that the allocation from the 21 Friends events to the Milwaukee County Parks Compensation Fund was short by \$3,764. They are viewing this as a loss. The auditors did not speak with our auditor (who works with us through the year and provides an annual audit of our accounts), who disagrees that anything is due and owing. In any event, the money would still have been spent on the Domes. All Friends profit stays at the Domes. From 2014 – 2017 the Friends spent \$322,793 on projects at the Domes. The project to replace all the doors into each dome and upgrade them to be handicapped accessible alone cost \$109,860.

The Friends have been limited by Parks as to the number of events we have been able to hold at the Domes. These events are major revenue generators and typically bring Milwaukee County residents to the Domes that normally would not come to the Domes. By increasing the number of events we are permitted to hold, additional funding could be provided to the Domes from the Friends.

For the special events at the Domes that are run by the Friends, the rental fee has been waived along with the reimbursement of Parks staff that are needed to work the event by Parks. If Parks chooses to charge the Friends, we will need to increase the admission price to the events. Increased special event admission fees will exclude many of the Milwaukee County residents that these events currently attract. This would also lower the net profit of the events which means less money going back into the Domes.

The Friends does not direct any of the Domes staff regarding their work. The Auditors received the impression from the Domes staff that the Friends give them directions. This is a misunderstanding. Friends works directly with Domes staff in relation to providing funding and planning, but we do not provide direction to any Domes staff.

The audit noted that the Friends insurance coverage is not at the level specified in the contract. Prior to receiving this audit report the Friends was already reviewing the insurance coverage to make sure we are complying. This item is already being addressed.

The audit focuses on revenue. The Friends recommends that the Domes income and expense be tracked separately to determine how much Milwaukee County is subsidizing the operation of the conservatory. By reviewing the profit and loss it can be determined at what level admission fees need to be to fully support the Domes. A clear profit and loss statement will also be beneficial to determining the future business model of the Domes.

Exhibit 3 of the audit is a listing of the Friends of the Domes fund definitions. Attached is the most current fund definitions as approved by the Finance Committee of the Friends of the Domes at their June 5, 2018 meeting for your reference.

In closing the Friends will work with Parks Administration to resolve all audit recommendations that involve the Friends of the Domes, Inc.

Respectfully,

Friends of the Domes Board of Directors

FOD Fund Definitions

(as approved by the Finance Committee of the Friends of the Domes at the June 5, 2018 meeting)

Funding: The following are the various Funds that the Friends of the Domes (FOD) have available at the date of this document. The purpose of each Fund is described, and the party(s) noted who is responsible for managing the Fund for its stated purpose and for advocating/obtaining funding for the Fund's purpose. Each Fund below is authorized by and funded by a motion of the FOD Board of Directors that has met a quorum of representation of Board Members, regardless of who is noted below as managing each Fund.

Expenditures from Funds: Monies are released from each Fund based on the type and magnitude of the expense, subject to approval by the appropriate person as listed in the Expenditure Policy.

Donor rule: Donations can be made specifically to funds where "Donor Rule" is noted. The Friends of the Domes will encourage donations be made to these funds.

General Operating Fund [Managed by FOD] –

This Fund is used towards the day-to-day operation of the Friends of The Domes (FOD) organization. It includes: designated and undesignated donations, membership dues, membership benefits and activities and staff & facility support. This Fund includes both budgeted and/or unbudgeted monies and will be funded only by motion of the Board of Directors. Due to foreseen and unforeseen cash flow expenditures, it is recommended that the operating base not fall below \$50,000.00.

Advertising Fund [Managed by FOD] –

This Fund represents both monies collected and/or the transfer of funds from the General Operating Fund by motion of the Board of Directors. This Fund is to be used for the marketing and advertising of the Domes and events and/or activities to the general public.

Animal Adoption Fund [Managed by FOD] –

This Fund represents both monies from outside donations and/or the transfer of funds from the General Operating Fund by motion of the Board of Directors. This Fund is to be used to foster necessary items for the various animals or creatures found either in the Domes or in the static displays within the Domes, such as specialty foods and supplements, veterinary care and acquisition of new animals.

Donor rule.

Capital Improvement Fund [Managed by FOD] –

This Fund represents both monies from outside donations and/or the transfer of funds from the General Operating Fund by motion of the Board of Directors. This Fund is to be used to foster the expansion of the facility and for major improvements in or surrounding The Mitchell Park Domes.

Donor rule.

Collection Enhancement Fund [Managed by FOD] –

This Fund represents both monies from outside donations and/or the transfer of funds from the General Operating Fund by motion of the Board of Directors. This Fund is used for the purchase of plant material to enhance the permanent collection, such as orchids, as well as plant-related items such as soil, labels, transportation and pots.

Donor rule.

FOD Fund Definitions

(as approved by the Finance Committee of the Friends of the Domes at the June 5, 2018 meeting)

Endowment Fund [Managed by FOD] –

This Fund represents both monies from outside donations and/or the transfer of funds from the General Operating Fund by motion of the Board of Directors. The Interest Earned will be used for the long-term support and fulfillment of the FOD Mission Statement. Monies can only be removed or transferred out of this fund based upon the restrictions or conditions agreed to by the donor and the FOD.

Donor rule.

Environmental Education Fund [Managed by FOD] –

This Fund represents both monies from outside donations and/or the transfer of funds from the General Operating Fund by motion of the Board of Directors. This Fund is used exclusively for the various educational and environmental programs of the Domes, such as presentations for school groups, the educator position, and supplies and equipment for the educational program.

Donor rule.

Facility Enhancement Fund [Managed by FOD] –

This Fund represents both monies from outside donations and/or the transfer of funds from the General Operating Fund by motion of the Board of Directors. This Fund is used to acquire movable or fixed items for the enhancement of The Mitchell Park Domes facility, such as interpretative signage, or permanent/semi-permanent furniture or fixtures to be used by the general public.

Donor rule.

Milwaukee County Parks Fund [Managed by FOD and Domes Director/Parks Director] –

This Fund represents the contracted percent of net proceeds generated from the operations of the FOD. This includes both the FOD operations (25% of FOD net proceeds) and the Gift Shop (8%) accounted for separately. This Fund is to be used towards joint projects between the FOD and the Parks Director, or his designee the Domes Director.

Paver Fund [Managed by FOD] (This is a subset of the Collection Enhancement Fund) This Fund represents both monies from outside donations and/or the transfer of funds from the General Operating Fund by motion of the Board of Directors. This Fund is used to acquire and install pavers inside the Show Dome.

Donor rule.

Show Dome Sponsorship Fund [Managed by Domes Director, with FOD approval above the defined limit] –

This Fund represents both monies from outside donations and/or the transfer of funds from the General Operating Fund by motion of the Board of Directors. This Fund is to be used towards the changing floral exhibits inside of the Show Dome or other related Show Dome improvements.

Donor rule.

Sign Project Fund [Managed by FOD] –

This Fund represents both monies from outside donations and/or the transfer of funds from the General Operating Fund by motion of the Board of Directors. This Fund is to be used towards erecting and maintaining an outdoor advertising sign on the Mitchell Park site for advertising for The Mitchell Park Domes.

Donor rule.