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3 From the Executive Zoo Director of the Milwaukee County Zoo requesting \$450,173
4 from Agency 194-1945 Appropriation for Contingencies (2023 Fiscal Year) and
5 \$1,042,556 from Agency 194-1945 Appropriation for Contingencies (2024 Fiscal Year)
6 to allocate additional funds for Capital Project WZ018501 Humboldt Penguin Exhibit
7 Renovation, by recommending adoption of the following:

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9 **AN AMENDED RESOLUTION**

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11 WHEREAS, adopted File No. 22-335 authorized the Director, Milwaukee County
12 Zoo (Zoo), to accept the State of Wisconsin (the State) Department of Administration
13 (DOA) Tourism Capital Grant (the Grant), in the amount of \$3.5 million, to renovate the
14 Humboldt Penguin Exhibit (the Penguin Project); and

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16 WHEREAS, design for the Penguin Project began on February 2, 2023, using a
17 Construction Manager at Risk delivery method, and the strategy developed was to
18 competitively engage one Construction Manager for the Penguin Project and Adventure
19 Africa Phase 3 - Rhinos (Rhino Project), to overlap construction to minimize the cost
20 burden of General Requirements and General Conditions to Milwaukee County (the
21 County); and

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23 WHEREAS, in anticipation of increased costs for the Penguin Project, adopted
24 File No. 23-942 approved a \$250,000 fund transfer from Zoo funds to the Penguin
25 Project, for a total project cost of \$3,750,000, and the fund transfer was submitted prior
26 to knowing the cost of construction bids, but was done to keep the Penguin Project on
27 track; and

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29 WHEREAS, after preliminary review of the construction bids, the cost for the
30 Penguin Project is \$5,242,729, which is \$1,492,729 over the revised budget of
31 \$3,750,000; and

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33 WHEREAS, the cost overages can be explained by two contributing factors,
34 which are critical design errors caught in the late-stage design phase, and unfavorable
35 market conditions in specialized trade divisions; and

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37 **WHEREAS, the Office of Strategy, Budget and Performance and**
38 **Comptroller have determined 2023 surplus sales tax revenue is available which**
39 **could instead be used to fund the \$1,492,729 shortfall in the Penguin Project**
40 **which would avert the need to draw down the Appropriation for Contingencies so**
41 **early in the budget year; and**

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43 WHEREAS, the Penguin Project will be delayed if the stated additional funding is
44 not approved in the January 2024 meeting cycle of the Milwaukee County Board of
45 Supervisors (County Board), and these delays will have the following negative
46 outcomes:
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- 48 1. Jeopardy of the State DOA Grant Funds - The Penguin Project will be at risk
49 of not being completed within the allocated Performance Period. The
50 estimated amount of \$420,000 would have to be refunded to the Grant
51 program
52
- 53 2. Additional cost burden of General Requirements and General Conditions -
54 The Penguin and Rhino Projects would not fully overlap. The estimated
55 increase in General Requirements and General Conditions costs to the
56 Penguin Project budget is \$495,000
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- 58 3. Additional cost of temporary winter conditions - The start of construction
59 would be delayed. The result would require the Penguin Project to allocate
60 additional funding for temporary winter conditions to ensure proper curing of
61 concrete. This adds additional risk. The estimated increase in temporary
62 winter condition costs is \$255,000
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- 64 4. Additional escalation costs of re-bidding - Due to the County Board calendar,
65 the next potential County Board meeting is March 2024. If additional funding
66 was authorized then, the Penguin Project could be required to rebid, as
67 current bids are valid for 60 days. The projection of escalation would be 3.33
68 percent of construction costs. The estimated increase in escalation is
69 \$145,000
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71 ; and
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73 WHEREAS, the Committee on Finance, at its meeting of January 25, 2024,
74 recommended adoption of File No. 23-1065 as amended (vote 5-1); now, therefore,
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76 BE IT RESOLVED, the Milwaukee County Board of Supervisors hereby
77 authorizes and directs the Office of the Comptroller, and the Office of Strategy, Budget,
78 and Performance, to process an administrative appropriation transfer ~~of \$450,173 from~~
79 ~~Agency 194-1945 – Appropriation for Contingencies (2023 Fiscal Year), and an~~
80 ~~administrative transfer of \$1,042,556 from Agency 194-1945 – Appropriation for~~
81 ~~Contingencies (2024 Fiscal Year) to increase the 2023 budget in Agency 194-1996~~
82 ~~– Sales Tax Revenue, Account 40100, by \$1,492,729 and increase expenditure~~
83 ~~authority in~~ Capital Project WZ018501 – Humboldt Penguin Exhibit Renovation by
84 \$1,492,729.
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89 s:\committees\2024\january - february\finance january 25\resolutions\23-1065 AMENDED humboldt penguin
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