

9-20-18 FINANCE AND AUDIT COMMITTEE APPROPRIATION TRANSFERS
 B UNALLOCATED CONTINGENCY FUND

Action Required

Finance and Audit Committee
 County Board (2/3 Vote)

WHEREAS, your committee has received from the Department of Administration, Fiscal Affairs, the following department requests for transfer to the 2018 appropriations from the allocated contingency fund and finds that the best interests of Milwaukee County will be served by allowance of such transfers;

THEREFORE, BE IT RESOLVED, that the Director, Department of Administration, is hereby authorized to make the following transfers in the 2018 appropriations from the unallocated contingency fund:

1)	<u>From</u>	<u>To</u>
<u>WZ11901 – Adventure Africa – Elephant #</u>		
4932 – Other Private Funding Rev.	\$130,702	
8501 Bldg/ Structures New (CAP)		\$261,405
<u>1945 – County Wide Non Departmental</u>		
8901 – Appropriation for Contingencies	\$130,703	

Existing Project, + Included in 5-Year Plan, * New Project

The Zoo Director and the Director of Architecture, Engineering & Environmental Services Section of the Department of Administrative Services (AE&ES) are requesting an appropriation transfer (transfer) \$261,405 to establish budget authority for additional costs for capital project WZ11901 Adventure Africa-Elephant. Funding is requested of \$130,703 from the County's Contingency Fund and \$130,702 as a contribution from the Zoological Society.

Errors and omissions in the amount of \$261,405 were found and need to be rectified to complete the elephant barn prior to October 15, 2018 for the following reasons: 1) the Zoo was granted an extension to comply with the AZA Elephant Management and Care Standards until October 15, 2018; 2) the elephant barn needs to be completed no later than October so elephant zookeepers can learn and understand the complex mechanical operations of the building prior to moving the Zoo's two elephants in the building; 3) Zookeepers will need time to acclimate the elephants to the building and the surroundings so the exhibit can open to the public in spring of 2019; and 4) the 2019 Zoo Budget Request includes an admission fee increase due to opening the elephant exhibit in spring.

Risk Management and Corporation Counsel are pursuing reimbursement from the design consultant and contractors for these errors and omissions. Two independent peer reviews have found errors and omissions to documents and construction work.

Resolution File No. 16-463 authorized the Zoo Director to sign an agreement with the Zoological Society of Milwaukee for the Elephant Exhibit Construction Project. The agreement states “the Society shall reimburse the County for fifty percent (50%) of the County’s appropriations, up to a maximum aggregate

reimbursement of \$8,300,000. The County shall pay \$8,300,000 of the total cost of the Project. Upon written approval by the County and Society, any cost overruns with regard to the Project shall be mutually agreed upon and the cost shared equally by the County and the Society". Per the agreement, the Society will reimburse the County 50% of the overage costs from the design and construction errors and omissions.

Reimbursements from the responsible parties will be deposited back into the Contingency Fund and the Society will also be reimbursed for their share of the overage costs.

This fund transfer has no tax levy impact.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE AUGUST 17, 2018