

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: March 21, 2025

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: From the Office of Corporation Counsel requesting approval of a resolution authorizing Milwaukee County to enter into a Settlement Agreement and Mutual Release with Grandview Management, Inc. d/b/a Zilli Hospitality Group (“ZHG”) to resolve certain disputes concerning the respective duties and responsibilities of the parties under the 2013 Boerner Catering and Facility Management Services Agreement, as amended by the May 2, 2019 First Amendment (“Boerner Agreement”). Pursuant to the settlement, ZHG will pay Milwaukee County the sum of \$82,072.00, and the parties will enter into a Second Amendment to the Boerner Agreement granting ZHG an option to extend the term of the Boerner Agreement by an additional three years.

FISCAL EFFECT:

- | | |
|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact <input type="checkbox"/> Existing Staff Time Required <input checked="" type="checkbox"/> Increase Operating Expenditures (If checked, check one of two boxes below) <input checked="" type="checkbox"/> Absorbed Within Agency’s Budget <input type="checkbox"/> Not Absorbed Within Agency’s Budget <input type="checkbox"/> Decrease Operating Expenditures <input checked="" type="checkbox"/> Increase Operating Revenues <input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures <input type="checkbox"/> Decrease Capital Expenditures <input type="checkbox"/> Increase Capital Revenues <input type="checkbox"/> Decrease Capital Revenues <input type="checkbox"/> Use of contingent funds |
|---|--|

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

| | Expenditure or Revenue Category | Current Year | Subsequent Year |
|-----------------------------------|---------------------------------|--------------|-----------------|
| Operating Budget | Expenditure | \$0 | \$0 |
| | Revenue | \$82,072.00 | \$0 |
| | Net Cost | \$-82,072.00 | \$0 |
| Capital Improvement Budget | Expenditure | \$0 | \$0 |
| | Revenue | \$0 | \$0 |
| | Net Cost | \$0 | \$0 |

DESCRIPTION OF FISCAL EFFECT

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

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. ¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.
- A. Authorizing the County to enter into this settlement will resolve ongoing disputes between ZHG and Milwaukee County related to the Boerner Agreement including disagreements over payment of commissions and expenses for the period of the global COVID-19 pandemic. Should the Board of Supervisors authorize the settlement, ZHG will make a one-time, lump sum payment of \$82,072.00 to the County this budget year. In addition, the Boerner Agreement will be amended granting ZHG an additional three-year option to renew the Boerner Agreement, subject to all other terms and conditions of such agreement.
- B. The County will receive a one-time, lump sum payment of \$82,072.00 this budget year from ZHG, a private entity. The additional 3-year term renewal option impacts the years 2032, 2033, and 2034. Currently, the County is paid approximately \$250,000 per year for various commissions pursuant to the Boerner Agreement.
- C. The County will receive \$82,072.00 in the current budget year.
- D. None.

Department/Prepared By: James G. Davies, Assistant Corporation Counsel

Authorized Signature: /s/ JAMES G. DAVIES

Did DAS-Fiscal Staff Review? Yes No

Did CDBP Review?² Yes No Not Required

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

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