

**COUNTY OF MILWAUKEE**  
Inter-Office Communication

Date: 7/11/2022

To: County Executive David Crowley  
Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors  
Liz Sumner, Finance Committee Chairwoman  
Scott Manske, Comptroller  
Aaron Hertzberg, Director, Department of Administrative Services

From: Amos Morris, Executive Zoo Director

Subject: From the Executive Zoo Director, providing an informational report regarding a potential net deficit for 2022

File Type: Informational Report

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**POLICY**

Milwaukee County Ordinance 56.02 states that any department shall submit a written report to the County Executive, the Committee on Finance of the County Board, the Office of the Comptroller and the Department of Administrative Services whenever the department has reason to know or believe that a net deficit of at least one hundred thousand dollars (\$100,000) will occur or is projected to occur.

Wisconsin State Statutes:	
Milwaukee County Code of General Ordinances:	56.02
Specific Adopted Budget:	
Specific Adopted Budget Amendment:	
Specific Adopted Capital Project:	

**BACKGROUND**

Through May 31, revenues are behind budget by (\$116,399) and (51,952) in visitors. Revenue projections through the end of year show a potential deficit of (\$900,904). Zoo revenues are categorized into seven areas and below shows those categories along with the budget and year-end projections.

<b>2022 Zoo Revenues</b>			
<b>Revenue Category</b>	<b>2022 Budget</b>	<b>2022 Projections</b>	<b>Variance</b>
General Visit Revenues	\$ 10,521,064	\$ 10,533,724	\$ 12,659
Events	\$ 2,346,019	\$ 2,326,640	\$ (19,379)
Group Sales	\$ 2,047,142	\$ 1,207,491	\$ (839,651)
Society	\$ 3,426,413	\$ 3,419,277	\$ (7,136)
Sponsorships	\$ 450,000	\$ 396,177	\$ (53,823)
Exclusivity Donations	\$ 160,000	\$ 160,000	\$ -
Misc.	\$ 453,450	\$ 459,876	\$ 6,426
<b>Total</b>	<b>\$ 19,404,089</b>	<b>\$ 18,503,185</b>	<b>\$ (900,904)</b>

General Visit Revenues include daily and on-line admissions and school field trips, parking fees, rides, special exhibit, experiences, and commissions from revenue share partners. School field trips were on the watch list in March but have improved to the point that they may exceed budget. Carousel rides and other amenities are projected to exceed budget. The Zoo's new Virtual Reality Gorilla Trek just opened and the reaction from the public has been positive.

The category of Events shows a slight deficit of (\$19,379) which is due to reworking the Samson Stomp Walk and Run to adhere to the safety protocols stemming from the pandemic. Participants were grateful that the event still occurred even in the redesigned fashion.

The Group Sales category includes building rentals, picnics, Zoo-wide rentals, birthday parties etc. This area continues to see negative impacts from the pandemic. Five rentals have been cancelled, totaling over \$143,000 due to COVID concerns and/or COVID restrictions or lack thereof. Capacity limits went from 50% in January, to 75% in February and 100% in March. The mask mandate has changed throughout the year based on the positive rate in the community. Some of the Zoo's regular clients, including some large companies, have opted to delay their private events for another year. The lingering effect of the pandemic has made a substantial impact on booking weddings and larger corporate events, as they are often booked one or more years in advance. Recovering these booking will take time. The Zoo anticipated in the 2022 budget that the Zoofari Conference Center would again be a rental facility, but because of pandemic concerns, Children's Court continued to operate the building. The building was not turned back to the Zoo until April of 2022. The Zoo was unable to generate, on average, \$7,500 per month or \$30,000. Although the building is now available for rentals, clients have already chosen other rental locations, and it will take time to bring clients back, as clients book events a year or more in advance. On a positive note, it is estimated that Group Sales will generate \$1,207,491 in revenues, which is \$204,740 more than 2021. The Group Sales Team is aggressively pursuing additional revenue opportunities.

**CORRECTIVE ACTION PLAN**

To offset the potential revenue shortfall, management has identified \$900,904 in savings for a zero net deficit. A savings in personnel costs total \$557,889 which includes holding some positions vacant or hiring delays and limiting the use of overtime. Expenditures in services and commodities accounts are projected to surplus by \$90,400. This amount would have been higher, but the Zoo is projecting a net utility deficit of \$63,430. The remaining savings is coming from \$248,191 in major maintenance and a small surplus of \$4,424 in direct service crosscharge accounts. Inflationary cost increases such as gasoline, animal food etc. may reduce some of these savings, but management is looking closely at every purchase for the potential of savings to help offset cost increases that are out of our control.

Weather conditions and actual weather forecasts are an important factor in Zoo attendance and can affect the projections in either a positive or negative way. The Zoo has a full schedule of events for the remainder of the year and with good weather conditions and forecasts, we would anticipate positive outcomes. The Zoo's popular four-day a la Carte food and entertainment event is back in August, after a two-year break due to COVID restrictions. The Zoo's Boo at the Zoo event will return to an in-person event in October. In addition, the 25-night Wild Lights event will begin its second year, in early December. We are adding additional lights, displays and activities and anticipate better attendance this year with the hope of becoming a family tradition around the holidays.

The Marketing and Communications team continues to use their marketing avenues, including advertising, public relations, promotions, and social platforms to encourage attendance and position the Zoo as a family destination and a top choice at which to spend leisure dollars. According to the U.S. Travel Association's latest report on summer travel trends, leisure travel is expected to be off the charts this summer surpassing 2021 and approaching pre-pandemic levels. However, hurdles to a full leisure travel recovery remain. Financial concerns, rising costs, and workforce and staffing issues are impacting the travel experience, travelers' behaviors, and decision-making this season.

**VIRTUAL MEETING INVITES**

Amos Morris, Executive Zoo Director at [Amos.Morris@milwaukeecountywi.gov](mailto:Amos.Morris@milwaukeecountywi.gov); Vera Westphal, Deputy Zoo Director at [Vera.Westphal@milwaukeecountywi.gov](mailto:Vera.Westphal@milwaukeecountywi.gov); Chris Fifarek, Business Analytics/Accounting Manager at [Christopher.Fifarek@milwaukeecountywi.gov](mailto:Christopher.Fifarek@milwaukeecountywi.gov)

**PREPARED BY:**

Vera Westphal, Deputy Zoo Director (Administration/Finance/Operations)

**APPROVED BY:**

Amos Morris, Executive Zoo Director

*Amos D Morris, Jr.*

cc: Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors  
Janelle M. Jensen, Legislative Services Division Manager, Office of the County Clerk  
Joe Lamers, Director of Budget & Management, Office of Strategy, Budget & Performance  
Anthony Rux, Budget & Management Analyst, Office of Strategy, Budget & Performance  
Stephen Cady, Research & Policy Director, Comptroller's Office  
CJ Pahl, Budget and Management Coordinator, Comptroller's Office  
Vera Westphal, Deputy Zoo Director  
Gary Lunsford, Director of Animal Management & Health, Milwaukee County Zoo  
Laura Pedriani, Director of Marketing & Communications, Milwaukee County Zoo  
Matthew Haseman, Director of Grounds, Maintenance & EVS, Milwaukee County Zoo  
Andrew Stockel, Director of Operations, Milwaukee County Zoo