

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** 12/21/2023

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** The Zoo is requesting \$450,173 from Agency 194-1945 Appropriation for Contingencies (2023 Fiscal Year) and \$1,042,556 from Agency 194-1945 Appropriation for Contingencies (2024 Fiscal Year) to allocate additional funds for Capital Project WZ0185 Humboldt Penguin Exhibit Renovation

**FISCAL EFFECT:**

- No Direct County Fiscal Impact
  - Existing Staff Time Required
- Increase Operating Expenditures  
(If checked, check one of two boxes below)
  - Absorbed Within Agency's Budget
  - Not Absorbed Within Agency's Budget
- Decrease Operating Expenditures
- Increase Operating Revenues
- Decrease Operating Revenues
- Increase Capital Expenditures
- Decrease Capital Expenditures
- Increase Capital Revenues
- Decrease Capital Revenues
- 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.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	\$450,173	\$1,042,556
	Revenue		
	Net Cost	\$450,173	\$1,042,556
<b>Capital Improvement Budget</b>	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. <sup>1</sup> 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. The Zoo is requesting \$450,173 from Agency 194-1945 Appropriation for Contingencies (2023 Fiscal Year) and \$1,042,556 from Agency 194-1945 Appropriation for Contingencies (2024 Fiscal Year) to allocate additional funds for Capital Project WZ0185 Humboldt Penguin Exhibit Renovation
- B. Approval of the resolution will authorize the Office of the Comptroller and the Office of Strategy, Budget, and Performance to process an administrative transfer of \$450,173 from Agency 194-1945 Appropriation for Contingencies (2023 Fiscal Year) and an administrative transfer of \$1,042,556 from Agency 194-1945 Appropriation for Contingencies (2024 Fiscal Year) to Capital Project WZ018501 – Humboldt Penguin Exhibit Renovation.
- C. The Penguin Project will be delayed if additional funds of \$1,492,729 are not approved in the January County Board cycle. These delays have the following negative outcomes:
  1. Jeopardy of the State of Wisconsin Department of Administration Tourism Capital Grant Funds - The Project will be at risk of being completed within the allocated Performance Period. The estimated amount of \$420,000 would have to be refunded to the Grant Program.
  2. Additional cost burden of General Requirements and General Conditions - The

<sup>1</sup> 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.

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

Penguin and Rhino Projects would not fully overlap. The estimated increase in General Requirements and General Conditions is \$500,000.

- 3. Additional cost of temporary winter conditions - The start of Construction would be delayed. The result would require the Penguin Project to allocate additional funding for temporary winter conditions to ensure proper curing of concrete. This adds additional risk. The estimated increase in temporary winter conditions is \$250,000.
- 4. Additional escalation costs of Re-bidding - Due to the Milwaukee County Board calendar, the next potential Board Action is March 2024. If additional funding was authorized then, the Penguin Project could be required to rebid, as current bids are valid for 60 days. The projection of escalation would be 3.33% of Construction Costs. The estimated increase in escalation is \$145,000.

Delaying the approval for the contingency funds has a negative impact on the Project budget. If approval for the requested funds is delayed until the March County Board cycle, an amount of \$895,000 would be required in addition to the requested \$1,492,729 for a total of \$2,387,729. Any further delay past the March cycle would have a greater negative impact on the budget.

D. No assumptions were used.

Department/Prepared By Milwaukee County Zoo, Vera Westphal

Authorized Signature *vera westphal*

Did DAS-Fiscal Staff Review?  Yes  No

Did CDBP Review?<sup>2</sup>  Yes  No  Not Required