

**COUNTY OF MILWAUKEE**

**INTER-OFFICE COMMUNICATION**

DATE: June 20, 2017

TO: Supervisor Theodore Lipscomb Sr., Chair, County Board of Supervisors

FROM: Charles Wikenhauser, Director, Milwaukee County Zoological Department  
Steven Kreklow, Director, Office of Performance, Strategy, & Budget (PSB) -  
Department of Administrative Services

SUBJECT: A resolution requesting authorization to advance the \$5,426,000 planned  
2018 appropriation for capital project WZ11901-Adventure Africa  
(Elephant Exhibit) to 2017

**REQUEST**

Authorization to advance the \$5,426,000 planned 2018 appropriation for capital project WZ11901-Adventure Africa (Elephant Exhibit) to 2017.

**BACKGROUND**

The County adopted resolution (16-463) authorizing the Milwaukee County (County) Zoo Director to enter into an Elephant Exhibit Construction Project agreement with the Zoological Society of Milwaukee.

The total project amount cited in the agreement is \$16,600,000, and is split 50/50 between the County and the Zoological Society of Milwaukee. The County's adopted capital improvement budgets (2015-2017) included appropriations of \$800,000 (planning and design), \$1,774,000 (site work and initial construction), and \$8,600,000 (construction) respectively.

The 2017 - 2022 Adopted Milwaukee County Capital Improvement Plan included planned appropriations of \$5,426,000 for the final construction phase. Per the agreement, 50% (or \$2,713,000) is to be financed by the County and 50% (or \$2,713,000) is to be financed by the Zoological Society of Milwaukee.

Milwaukee County cannot execute a commitment to a construction contract dollar amount without sufficient funds to cover that contract in the specified account. When the project scope narrative for this project was revised in early 2016 for the 2017 capital budget process, it was anticipated that the project would be phased a certain way with portions of the work bid separately and at different times. The financial commitment required to award contracts in 2017 for this phased approach would have only required contract commitments for the original requested \$8,600,000 for construction. Since that time, the project team has changed the bidding approach based on the local economic conditions, the local contracting environment and the construction management strategy. In order to award and construct the work in the most cost effective manner, the entire budget for the remaining construction will be required in 2017 to award the contract.

As a result, the planned 2018 funding appropriation is recommended for advancement (from 2017) in order for construction to proceed.

The County maintains a self-imposed annual bond limit as defined by County Board file number 03-263, representing a 3% increase over the prior year's adopted bonding. Based on the 2017 adopted bonding amount of \$41,147,918, the estimated 3% bond increase results in a projected 2018 bonding limit of \$42,382,356.

As stated previously, the planned \$5,426,000 (2018) capital budget appropriation is anticipated to be financed from general obligation bonds. Assuming advancement of the \$5,426,000 appropriation from 2018 to 2017, the 2018 recommended capital improvement budget will reduce the bonding cap by \$5,426,000.

The adjustment to the 2018 bond cap maintains the 3% bonding cap over a two-year period (2017-2018):

<b>Table 1 (Adjusted '18 Bonding Cap)</b>			
	<b>2017</b>	<b>2018</b>	
Adopted 2017 Bonding	\$ 41,147,918	\$42,382,356 (Estimated)	2018 Bond Cap
WZ11901 Advance from 2018	\$ 5,426,000	\$ (5,426,000)	WZ11901 Advance to 2017
	\$ 46,573,918	\$36,956,356	Adjusted (Estimated) 2018 Bond Cap
Total Bond Cap over 2 Yrs:	\$83,530,274		

<b>Table 2 (Non-Adjusted '18 Bonding Cap)</b>			
	<b>2017</b>	<b>2018</b>	
Adopted 2017 Bonding	\$ 41,147,918	\$42,382,356 (Estimated)	2018 Bond Cap
WZ11901 Advance from 2018	\$ -	\$ -	WZ11901 Advance to 2017
	\$ 41,147,918	\$42,382,356 (Estimated)	2018 Bond Cap
Total Bond Cap over 2 Yrs:	\$83,530,274		

Assuming approval of the advancement of the 2018 funding to 2017 for the Adventure Africa Project, the 2019 bonding cap calculation is anticipated to include the \$5,426,000 as part of the 2018 base (\$42,382,356).

**RECOMMENDATION**

It is recommended that the Milwaukee County Board of Supervisors authorize the Department of Administrative Services and the Office of the Comptroller to process an administrative appropriation transfer to create budget authority in the amount of \$5,426,000 for capital improvement project WZ11901-Adventure Africa (Elephant Exhibit).

  
 Charles Wikenhauser, Director  
 Milwaukee County Zoological Department

  
 Steven Kreklow, Director  
 Office of Performance, Strategy, & Budget - Department of Administrative Services