

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 11/13/2024

Original Fiscal Note

SUBJECT: From the Economic Development Director, Department of Administrative Services requesting authorization to negotiate and enter into agreements with Charles Allis and Villa Terrace Museums, Inc., for the disposition of the Charles Allis Art Museum and Collection and Friends of Villa Terrace Decorative Arts Museum, Ltd. for the disposition of the Villa Terrace Decorative Arts Museum and Collection

FISCAL EFFECT:

- | | |
|---|---|
| <input type="checkbox"/> No Direct County Fiscal Impact
<input type="checkbox"/> Existing Staff Time Required
<input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input type="checkbox"/> Absorbed within Agency's Budget
<input type="checkbox"/> Not Absorbed within Agency's Budget
<input checked="" type="checkbox"/> Decrease Operating Expenditures
<input type="checkbox"/> Increase Operating Revenues
<input type="checkbox"/> Decrease Operating Revenues | <input checked="" 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	\$0	\$0
	Net Cost	\$0	\$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. This resolution requests authorization to negotiate and enter into agreements with Charles Allis and Villa Terrace Museums, Inc., for the disposition of the Charles Allis Art Museum and Collection and Friends of Villa Terrace Decorative Arts Museum, Ltd. for the disposition of the Villa Terrace Decorative Arts Museum and Collection thus reducing and then eliminating the operational and capital support the County provides to these two institutions.

B. No changes in the 2024 budget. The 2025 budget has \$225,108 appropriated for the museums. This amount will be split equally between FOVT and CAVT and will be provided to the organizations at the beginning of 2025 once the leases and contribution agreements are in place. The following are the budget impacts in 2026, 2027, and 2028:

	Operating Funds		Capital Funds	
	CAVT	FOVT	CAVT	FOVT
2026	\$185,000	\$40,000	\$250,000	\$400,000
2027	\$165,000	\$40,000	\$250,000	\$400,000
2028	\$150,000	\$40,000	0	\$400,000
TOTALS	\$500,000	\$120,000	\$500,000	\$1,200,000

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.

Operating funds are reduced in 2027 and 2028 and then eliminated completely. Capital funds are increased in 2026, 2027, and 2028, and then eliminated completely as the transfer of the properties to each entity and the County's negotiated capital contributions will be complete.

- C. Operating funds are reduced in 2027 by \$20,000 and in 2028 by another \$15,000, and then eliminated completely in future years. A requested increase in capital funding of \$1.7 million is requested over three years to address immediate needs at the two museums dealing with health and safety, integrity of the buildings, water infiltration, safety of the art collections, and ADA Accessibility. After this contribution in capital, the County will no longer be responsible for the buildings and over \$18 million in capital needs over the next eighteen years.
- D. No interpretations or assumptions were utilized.

Prepared by: Erica Goblet, Project Manager, DAS - Economic Development

Authorized Signature: Celia Benton

Did DAS-Fiscal Staff Review?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	
Did CBDP Review? ²	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/> Not Required