

**MILWAUKEE COUNTY FISCAL NOTE FORM****DATE:** 10/24/2023Original Fiscal Note Substitute Fiscal Note 

**SUBJECT:** From the Executive Zoo Director requesting authorization to advance \$9,248,410 in planned appropriations from 2025 to 2024 in order to create budget authority for capital project WZ0141 – Adventure Africa Rhinos.

**FISCAL EFFECT:**

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

*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		
	Revenue		
	Net Cost		
<b>Capital Improvement Budget</b>	Expenditure	\$9,248,410	\$0
	Revenue	\$9,248,410	\$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.

The resolution requests authorization to advance the \$9,248,410 planned 2025 appropriation related to capital project WZ0141-Adventure Africa Rhinos to 2024. Financing is anticipated to be provided from general obligation bonds or notes.

The 2024 Capital Budget (Capital Budget) for Adventure Africa – Rhino's appropriation of \$12,474,238 is financed with \$6,961,116 of property tax levy and a contribution from the Zoological Society of \$5,513,122. Within the Capital Budget's 2024-2028 5-Year Capital Improvement Plan, there is a planned (but not appropriated) amount of \$9,248,410 (in 2025) to be financed from General Obligation bonds. Assuming advancement of the \$9,248,410 appropriation from 2025 to 2024, the 2025 capital budget bonding cap will be reduced by \$9,248,410.

The County maintains a self-imposed annual bond limit as defined by File No. 03-263, representing a 3% increase over the prior year's adopted bonding. Based on the 2024 adopted bonding amount of \$47,193,777, the 3% bond increase results in a projected 2025 bonding limit of \$48,609,590. It is assumed that the 2025 recommended capital improvement budget will include a reduction of \$9,248,410 in the bonding cap.

Assuming approval of the advancement of the 2025 funding to 2024 for the Adventure Africa Rhinos project, the 2026 bond cap calculation is anticipated to include the \$9,248,410 as part of the 2025 base (\$48,609,590). As a result, the 2026 bonding cap is made whole.

<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.

Table 3 (2025 Bond Base Comparison for 2026 Bonding Cap Calculation)			
	W/O Rhino Bond Advanced	W/ Rhino Bond Advance	
Estimated 2025 Bond Amount	\$48,609,590	\$39,361,180	Estimated 2025 Bond Amount
Add-Back of WZ014101 Bond Advance from 2024	\$0	\$9,248,410	Add-Back of WZ014101 Bond Advance from 2024
<i>Estimated Bond Base used for 2026 Bonding Cap Calculation</i>	<b><i>\$48,609,590</i></b>	<b><i>\$48,609,590</i></b>	<i>Estimated Bond Base used for 2026 Bonding Cap Calculation</i>

Department/Prepared By Milwaukee County Zoo, Vera Westphal & Office of Strategy, Budget and Performance, Vince Masterson

Authorized Signature *vera westphal*

Did DAS-Fiscal Staff Review?  Yes  No

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