

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 6/20/18

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Amendment to Lease & Management Agreement between Milwaukee Public Museum Inc. and Milwaukee County

FISCAL EFFECT:

- | | |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact
<input type="checkbox"/> Existing Staff Time Required
<input checked="" type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input checked="" type="checkbox"/> Absorbed Within Agency's Budget
<input type="checkbox"/> Not Absorbed Within Agency's Budget
<input type="checkbox"/> Decrease Operating Expenditures
<input type="checkbox"/> Increase Operating Revenues
<input type="checkbox"/> Decrease Operating Revenues | <input 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		150,000
	Revenue		
	Net Cost		150,000
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

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. Milwaukee County and Milwaukee Public Museum, Inc. (MPM) have an effective Lease and Management Agreement executed on August 5, 2013 through December 31, 2022 with successive extensions to 2042. An amendment is requested to:

- Align unrestricted endowment asset requirements between Milwaukee Public Museum's bank and the terms of the agreement with Milwaukee County
- Expand definitions of uses for required fundraising totals to include funds raised toward a new facility
- Extend deadlines for MPM to achieve fundraising totals.

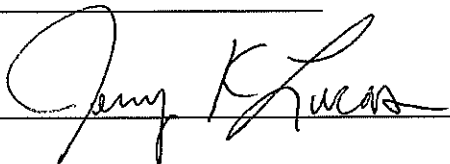
B. No additional direct costs are anticipated for the current budget year

C. The 2018 adopted budget includes an appropriation for Milwaukee Public Museum of \$3,500,000. Under the current agreement, the minimum required appropriation from Milwaukee County for 2019 is \$3,350,000. This amendment increases the minimum contribution to \$3,500,000 in 2019 & 2020, resulting in an increased commitment by Milwaukee County of \$150,000 in 2019 and \$300,000 in 2020. If MPM achieves outlined fundraising goals by December 31, 2020, contributions remain at \$3,500,000 through 2022. If the goals are not achieved, Milwaukee County contributions revert back to the original schedule in 2021.

D. This analysis assumes that MPM has not achieved the \$5 million dollar fundraising goal outlined in the executed Lease and Management Agreement from 2013.

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.

Department/Prepared By Office of Performance, Strategy & Budget, Jeremy Lucas

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No
Did CBDP Review?² Yes No Not Required

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

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