COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE   :   July 25, 2018

TO   :   County Executive Chris Abele
Milwaukee County Board Chairman Theodore Lipscomb Sr.
James Schmitt, Chair, Committee on Finance and Audit
Teig Whaley-Smith, Director, Department of Administrative Services

FROM   :   Charles Wikenhauser, Director, Zoological Department

SUBJECT :   Notification of a Revenue Deficit for 2018 (For Information Only)

Issue
Milwaukee County Ordinance 56.02 requires department administrators to submit a report to the County Executive, Finance and Audit Committee and the Department of Administrative Services when potential revenue deficits of $75,000 or more are identified.

Background
As of June 30, 2018, revenues are estimated to be $756,624 short of the year-to-date revenue goal of $5,200,859 and 79,330 visitors behind the year-to-date attendance goal of 592,445. The variance in both attendance and revenue is due to snow in late April delaying the opening of amenities and negatively impacting spring break weeks and rain and hot and humid weather in May and June. Without a strong June, the Zoo was unable to make up the difference and is now projecting a deficit. The Zoo is not alone in attendance challenges due to poor weather. Below is a table showing the poor weather impact on attendance at other Midwest zoos.

Midwest Zoos Attendance Thru June 30		
Zoo	**Location**	**Attendance**
Brookfield Zoo	Chicago, Illinois	Down 18% to budget and 21% from 2017
Columbus Zoo	Columbus, Ohio	Down 11.7% to budget
Indianapolis Zoo	Indianapolis, Indiana	Down 19% from 2017
Kansas City Zoo	Kansas City, Kansas	Down 13.1% to budget and 10.5% from 2017
Milwaukee County Zoo	Milwaukee, Wisconsin	Down 13.4% to budget and 6.8% from 2017
Sedgwick County Zoo	Wichita, Kansas	Down 15%
Toledo Zoo	Toledo, Ohio	Down 18% from last year

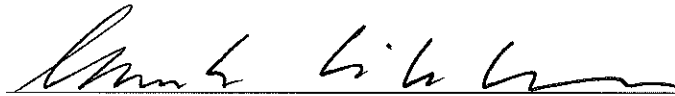To offset the projected deficit, expenditure savings are projected at $519,025 for a net deficit of $237,598. The majority of savings comes from freezing repair and maintenance and equipment accounts and only allowing emergency repairs and savings in salaries and wages. The Zoo has absorbed over $454,087 in County-wide budget cuts since 2016, which makes it more and more difficult to fully offset potential revenue shortages.

Corrective Action Plan
Every attempt will be made to save on expenditures while still allowing the Zoo to fully operate to maximize revenues. Revenues in the amount of $11.6 M are budgeted for the months of July through December. To meet these goals, the Zoo has over 181 Group Sales events scheduled to date, 23 special events such as the two remaining Sunset Zoofaris, World Elephant Day, four-day a la Carte, Senior Celebration, Family Farm Weekend, free day in October, November and December, two-day Boo at the Zoo, two-day Halloween Spooktacular and six days of Breakfast/Lunch with Santa along with regular Zoo attendance. If additional revenue shortages occur, the Zoo will attempt to identify additional savings and continue to aggressively gain additional visitors by using social media, advertising dollars and additional group sale rentals.

Recommendation
This is an informational report required by Section 56.02 of the Milwaukee County Ordinances and requires no action.

Charles Wikenhauser
Director, Zoological Department

pc: Raisa Koltun, Chief of Staff, County Executive
      Scott Manske. Comptroller
      Supv. Jason Haas, Chair, Parks, Energy and Environmental Committee
      Supv. Sheldon Wasserman, Vice-Chair, Parks, Energy and Environmental Committee
      Supv. Willie Johnson Jr., Vice-Chair, Finance and Audit Committee
      Kelly Bablitch, Chief of Staff, County Board of Supervisors
      Joseph Lamers, Director of Performance, Strategy & Budget, DAS
      Steve Cady, Research and Policy Director, Comptroller's Office
      Erica Hayden, Research Analyst, Comptroller's Office
      Shanin Brown Finance and Audit Committee Coordinator
      Kesley Evans, Parks, Energy and Environment Committee Coordinator
      Jeremy Lucas, Budget and Management Analyst, DAS
      Vera Westphal, Deputy Zoo Director (Administration/Finance/Operations)