

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE : July 22, 2019

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 2019 (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, 2019, revenues are estimated to be \$443,910 short of the year-to-date revenue goal of \$5,431,788 and 80,735 visitors behind the year-to-date attendance goal of 622,380. The variance in both attendance and revenues is due to poor weather conditions including cooler temperatures in April with snow in late April delaying the opening of amenities and negatively impacting spring break weeks and 18 days of rain in May and 15 days of rain in 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 % Variance Compared to Budget
Akron Zoo	Akron, Ohio	Down 6%
Brookfield Zoo	Chicago, Illinois	Down 15%
Indianapolis Zoo	Indianapolis, Indiana	Down 15%
Kansas City Zoo	Kansas City, Kansas	Down 5%
Milwaukee County Zoo	Milwaukee, Wisconsin	Down 13%
Sedgwick County Zoo	Wichita, Kansas	Down 10.6%

Summerfest has also reported a six percent decline in attendance over 2018 and it was the lowest attendance in 26 years.

On a positive note attendance and revenues are up 28,530 visitors (6%) and \$160,711 in revenues over last year's June year-to-date numbers. The Zoo's concessionaire SSA (Service Systems Associates) per capita spending is up \$.29 from \$4.84 to \$5.13 which is a positive impact on revenues and reflects the success of the \$3M in improvements SSA has made to concessions and retail facilities at the Zoo. Even with the reduction in attendance, Zoo commissions from SSA through June 30 are \$53,319 more than 2018.

To offset the projected deficit, expenditure savings are projected at \$443,910 for a zero-net deficit. The savings are in salary and wages, utilities (natural gas, sewer and water), and in miscellaneous accounts.

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 \$11.9 M are budgeted for the months of July through December. To meet these goals, the Zoo has over 215 Group Sales events scheduled between July 1 and December 31, 23 special events such as the two remaining Sunset Zoofaris, World Elephant Day, four-day a la Carte, Senior Celebration, Family Farm Weekend, free days 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
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