

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: July 16, 2019

To: Chairman Theodore Lipscomb, Sr., Milwaukee County Board
Supervisor Jason Haas, Chair, Committee on Parks, Energy and Environment

From: Jennifer L. Folliard, Director of Audits

Subject: Agreement between Milwaukee County and Friends of the Mitchell Park Domes

In December of 2018 we issued an audit *The Domes should evaluate its current admission practices, increase its monitoring of contracts and establish stronger controls, policies and procedures in order to position itself for success in the future.* We made 19 recommendations in the audit that we believed would help Milwaukee County improve operations and future revenue streams at the Domes.

One of the concerns raised in the audit was the need for Parks to clarify the Friends' agreement in certain areas and formally approve current practices that are contrary to the existing agreement. County Board File No. 19-598 seeks approval of a new agreement between the two parties.

At your request, we conducted a review of the proposed agreement to determine if it addressed the concerns and recommendations contained in our audit. Of our 19 recommendations, three are addressed by changes in the proposed agreement. They are noted below:

- **Recommendation #11 (d)** – “Determine whether or not Friends should be charged for County staffing at fundraising events.” Section 6.5e of the proposed agreement addresses this concern by requiring an agreement in writing of any reimbursement of County staff prior to an event.
- **Recommendation #13** – “Clarify the role of Friends in relation to County staff reporting.” Section 5d addresses this concern by noting that the Friends shall not supervise County employees.
- **Recommendation #14** – “Formally approve amendments to the agreement when provisions and conditions are changed.” The new agreement addresses this recommendation.

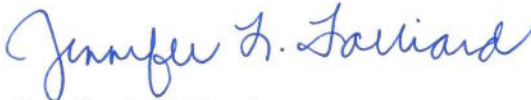
Some of the concerns we noted in the audit relate to the monitoring of the agreement between Parks and their Friends group. While we are pleased to see progress made via the execution of a new agreement, we continue to emphasize the need for monitoring by Parks of their agreements. The proposed agreement with Friends of the Domes continues some of the areas where we noted a lack of monitoring under the existing agreement. There continues to be a number of items included in the agreement that will require Parks to receive and monitor documentation from the Friends Group to ensure revenues are properly recorded. For example, 25% of admission fees from Friends events are required to be deposited into the County Compensation Fund. Verification of this revenue will require receipt and review of Friends' records.

We also suggest that Parks consider adding an ability for a shorter notice for termination

versus the one year as noted in the agreement. Should there be issues with contract compliance or other concerns, it would be helpful to have an ability to terminate the agreement in less than one year.

In addition, we noted the following changes from the former agreement to the proposed agreement which are below:

- 8% of Gift Shop revenue, which was previously paid to Parks from the Friends, is now retained by the Friends Group and Parks will pay all Gift Shop utilities.
- \$4 of every educational admission will be deposited into the County Compensation Fund to reflect the new provision of an educational program by the Friends. However, it is unclear whether the educational programming to be offered by the Friends is in replacement of the current educational programs offered by Parks or in addition.
- The County Compensation Fund continues to require joint approval for spending under the proposed agreement; it should be noted that we found in our audit that the current practice is for the Friends Group to inform Parks of expenses rather than execute the written letter of intent as required. The proposed agreement does reflect the current practice of the County Compensation Fund being a segregated bank account of the Friends rather than retained by the County as required in the prior agreement.
- The new agreement requires Parks to seek a waiver from Friends if it wishes to have third party vendors sell merchandise for special events.



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cc: Members, Committee on Parks, Energy and Environment
Guy Smith, Director, Department of Parks, Recreation and Culture
Kelsey Evans, Committee Coordinator, Office of the County Clerk
Emily Peterson, Research Analyst, Office of the Comptroller