

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE : April 29, 2013

TO : Supervisor Dimitrijevic, Chairwoman, County Board of Supervisors

FROM : Scott Manske, Comptroller, Office of the Comptroller

SUBJECT : Marcus Center Orchestra Shell Repair

BACKGROUND

In April 2011, the 27,000 pound, Uihlein Hall acoustical curtain at the Marcus Center for the Performing Arts (the "Marcus Center") fell to the floor and incurred \$484,092 in damages to the shell and the floor. This was the second time the orchestra shell had fallen and incurred substantial damage.

The Marcus Center is covered by the County's property insurance policy. In 2002, the orchestra shell fell and the County filed an insurance property claim (claim) with its insurance company and received approval to repair the damage. The County filed a claim on the second occasion, but the claim was denied. The County legally challenged the denial of the claim, but the Court upheld the denial. Corporation Counsel assessed the decision by the Court and determined that it was best not to appeal the decision.

Because of the need to use the stage for its performance commitments, the Marcus Center made the repairs to the orchestra shell. Since the previous claim had been approved, the County thought that it would be able to reimburse the Marcus Center for the repairs. Once the insurance claim was denied, both parties had to address who was the responsible party for making and paying for the repairs. Per the lease between the Marcus Center and the County, the County is responsible for structural improvements and the Marcus Center is responsible for all other improvements.

Corporation Counsel reviewed the existing lease between Milwaukee County and the Marcus Center and determines that there was no clear delineation of responsibility for the improvement. Therefore, it was determined that administration would have to determine if the repair was a structural improvement (County's responsibility) or maintenance (Marcus Center responsibility). The two parties agreed that the County would pay for the improvement and a Memorandum of Understanding (MOU) would be drafted between the County and Marcus Center. The MOU would indicate that the Marcus Center would be responsible for all improvements/repairs, structural or maintenance, from the date of the approval of the attached resolution forward.

Approval of the attached resolution will authorize the payment of the bill for the repairs for an amount of \$484,092. The cost of the repair was included in the 2012 close.

RECOMMENDATION

The Office of the Comptroller recommends that the County Board of Supervisors approve the payment of \$484,092 to the Marcus Center for the repair of the Marcus Center Orchestra Shell for the Uihlien Hall. In addition, a Memorandum of Understanding will be drafted to delineate that the sole responsibility for the repair and/or maintenance of the Orchestra Shell belongs to the Marcus Center. The payment of the bill will be provided upon signing of the MOU by both parties.



Scott Manske
Comptroller

Attachments

pc: Chris Abele, County Executive
Supervisor Willie Johnson, Co-Chair, Committee on Finance, Audit and Personnel
Supervisor David Cullen, Co-Chair, Committee on Finance, Audit and Personnel
Don Tyler, Director, Department of Administrative Services
Amber Moreen, Chief of Staff, County Executive's Office
Raisa Koltun, County Executive's Office
Kelly Bablitch, Chief of Staff, County Board
Pamela Bryant, Capital Finance Manager
Stephen Cady, County Board Fiscal and Budget Analyst
Justin Rodriguez, Fiscal and Management Analyst
Paul Mathews, Marcus Center for the Performing Arts

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