

MILWAUKEE ART MUSEUM

May 15, 2012

Ms. Marina Dimitrijevic, Chairwoman
Milwaukee County Board of Supervisors

Mr. Gerry Broderick, Chair of Parks, Energy and Environment
Milwaukee County Board of Supervisors
901 N. 9th Street, Room 203
Milwaukee, WI 53233

RE: Milwaukee Art Museum Response to the Milwaukee County Audit
and Concept for Organizational Restructuring
of the War Memorial Corporation and Milwaukee Art Museum

Dear Chairwoman Dimitrijevic and Supervisor Broderick,

Enclosed is the response from the Milwaukee Art Museum which was requested by the Supervisor Jursik/Mayo resolution of February 28, 2012. Our response addresses the issues outlined in the September 2011 Milwaukee County Audit of the War Memorial Corporation (WMC) and the Milwaukee Art Museum. Included in this document is the Executive Summary, Audit Response and supporting photographs.

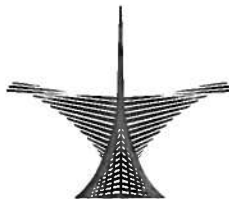
We are deeply grateful for your time and consideration of this matter.

Sincerely,

Raymond R. Krueger
President, Board of Trustees
Milwaukee Art Museum

Daniel T. Keegan
Director
Milwaukee Art Museum

Enclosures (3)



MILWAUKEE ART MUSEUM

Milwaukee Art Museum Response to the Milwaukee County Audit and Concept for Organizational Restructuring of the War Memorial Corporation and Milwaukee Art Museum

Executive Summary

The Milwaukee Art Museum has been asked by the Milwaukee County Board of Supervisors (Jursik/Mayo Resolution of February 28, 2012) to respond to the issues outlined in the September 2011 Milwaukee County Audit of the War Memorial Corporation (WMC) and Milwaukee Art Museum. The Jursik/Mayo resolution specifically requested that each board of the organizations comprising the WMC respond to the concerns addressed in the Audit and address the recommendations for resolving governance, mission, facility and financial support issues relevant to each organization.

Key Principles Held by the Museum:

1. The mission shared by the WMC and Art Museum to “Honor the Dead by Serving the Living” is a driving value behind this plan. The War Memorial monument is entitled to the same dignity and respect that all Veterans deserve and must be restored as the state’s most important War Memorial.
2. The Saarinen building and the Kahler addition must also be repaired and restored to eliminate the current risks and liabilities to the State’s most significant Art Museum, a museum of national and international stature and for the Art Museum to therefore manage the Saarinen and Kahler buildings.
3. Achieve the goals and objectives as charged in the County Audit to develop sustainability long term by restructuring and reinventing the WMC to an organization fully devoted to programs relevant to the War Memorial and Veterans with the burden of facilities management.

Reorganization Plan Components:

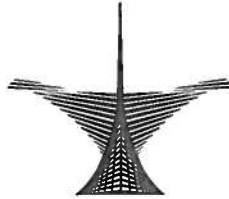
1. The WMC Board to be reorganized and a new War Memorial Board formed.
2. Transfer complete responsibility for facility management and maintaining the Saarinen building and Kahler addition to the Milwaukee Art Museum.
3. New WMC organization would control and program the public spaces of the War Memorial consistent with the mission of the Memorial to “Honor the Dead by Serving the Living.”
4. The Milwaukee Art Museum will provide in-kind support to the reorganized War Memorial Corporation.

Goals:

1. Heighten the ability of a reorganized WMC to focus on its core mission and provide Veterans’ programs consistent with the purpose of the War Memorial.
2. Provide the Milwaukee Art Museum with the authority and responsibility it needs to meet museum standards and reduce risk to the art.

3. Place the Saarinen building and Kahler addition on a path for restoration and enhancement for the next generations.
4. Present a vision for the future that includes financial sustainability.

The Milwaukee Art Museum's attached response to the Audit and Jursik/Mayo resolution includes an analysis of the current situation, guiding principles, and an overview of the convergent opportunities necessitating the proposed changes in organizational structure and facilities management. The Art Museum's plan represents an outline for a next generation solution to the charges put forth in the County Audit. The plan is also an affirmation of the importance of the Art Museum's relationship to the War Memorial and the Veterans' Board. The plan is a call to reorganize in order that the War Memorial as a monument, and the Veterans honored by this monument, may thrive for the next generation of service. But the plan is also one that allows the Art Museum to thrive as well with new responsibility for management of the Saarinen building and Kahler addition in order to eliminate the current risks and liabilities.



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Milwaukee Art Museum Response to the Milwaukee County Audit and Concept for Organizational Restructuring of the War Memorial Corporation and Milwaukee Art Museum

The Milwaukee Art Museum has been asked by the Milwaukee County Board of Supervisors (Jursik/Mayo Resolution of February 28, 2012) to respond to the issues outlined in the September 2011 Milwaukee County Audit of the War Memorial Corporation (WMC) and Milwaukee Art Museum. The Jursik/Mayo resolution specifically requested that each board of the organizations comprising the WMC respond to the concerns addressed in the Audit and address the recommendations for resolving governance, mission, facility and financial support issues relevant to each organization.

In particular, the Audit specified the following charges:

1. "Task the Milwaukee County War Memorial, Inc. and the Milwaukee Art Museum with collaborating to develop a long-range plan with a specific timetable to transition away from dependence on Milwaukee County financial support for War Memorial Center facility needs." (P60)
2. "The War Memorial Center governance structure is antiquated and, given the scarcity of public resources, struggles to achieve its dual mission of honoring veterans and promoting the arts." (p55) And "Frank discussion is needed to develop a unified vision for the War Memorial Center. That vision should ensure that the facility is properly restored and maintained in a manner that is consistent with, and will sustain, its original dual purpose of honoring veterans and promoting the arts." (pp57,58)
3. "Direct the Milwaukee County War Memorial, Inc. to work collaboratively with the Milwaukee Art Museum and the County Department of Transportation and Public Works to establish a firm prioritization of War Memorial Center repairs and authorize a specified amount of capital investment beginning in 2013 to restore the facility in good repair." (p59)

Given these mandates, the Milwaukee Art Museum collaborated with the WMC, to the extent allowed, to develop a plan. As stated in the Audit, the County recognizes that the Milwaukee Art Museum has grown beyond the County's capacity to maintain the national museum standards required, and has grown beyond the available capacity of the County to properly fund the upkeep of the Saarinen building and Kahler addition. According to the Audit, the County will likely be unable to support the WMC organizations for the long term.

We wish to state up front and unequivocally that adherence to the original purpose of building a War Memorial and Art Museum to "Honor the Dead by Serving the Living" is a driving value behind the Art

Museum's proposed plan. Our outline for a next generation solution is both an affirmation of the importance of the Museum's relationship to the War Memorial and a call to reorganize in order that the War Memorial as a monument, and the Veterans honored by this monument, may thrive for the next generation of service. But this is also a plan that allows for the Art Museum to thrive as well with new responsibility for management of the Saarinen building and Kahler addition in order to eliminate the current risks and liabilities.

Definitions. The Milwaukee Art Museum now comprises three buildings including the Saarinen building, the Kahler addition, and the Calatrava-designed Quadracci Pavilion. The Art Museum occupies more than 70% of the Saarinen building and Kahler addition owned by the County, has amassed a collection of 30,000 works of art displayed and stored in these buildings, and served 400,000 visitors over the past twelve months.

For the purposes of this document, the War Memorial is defined as the public spaces known as the Mason Street lobby, the newly refurbished North Entrance, and the Veterans' Courtyard of the Saarinen Building. In addition to these spaces, the Saarinen building comprises various rented offices spaces, meeting rooms and a Memorial Hall used by various for-profit, not-for-profit, and Veterans groups, and the Art Museum.

The War Memorial Corporation (WMC) is defined as the incorporated 501(c)(3) organization serving as the umbrella entity whose board comprises five constituent groups: The Veterans Board, the Milwaukee Art Museum, Marcus Center for Performing Arts, Villa Terrace and Charles Allis Museums, and the War Memorial Corporation.

Current situation. The Audit states that the Saarinen building and Kahler addition have deteriorated beyond the ability of the County to adequately provide funds for the restoration and maintenance of the buildings, and that any long-range strategy for sustainability must involve the Art Museum taking a greater role in solving the challenges (p60). The Audit identified, and subsequent engineering studies verified, the current conditions of the Saarinen building and the Kahler addition (the responsibility for which the WMC has had controlling authority since inception), necessitate an immediate action plan and shift in responsibilities. Simply put, the situation is at the tipping point necessitating change in order to reduce risk and liability to the art collection, the buildings, and the quality of the visitor experience within.

Therefore, the Milwaukee Art Museum has accepted the charge put forth in the Audit to develop new strategies to implement the transition of the management of the Saarinen building and Kahler addition to the Art Museum. The following plan outlines strategies to implement the transition and address deferred maintenance costs.

The Art Museum plan is based on the following principles:

1. The War Memorial is a monument open to the entire community to experience and to reflect upon the sacrifice of Veterans and their families and therefore must be restored, preserved, and enhanced for generations to come. This monument is entitled to the same dignity and respect that all Veterans deserve.
2. The Saarinen building and the Kahler addition must be repaired and restored to reflect both the importance of the state's most significant art museum contained within and as a museum of national and international stature.

3. The only way to properly achieve the goals and objectives outlined as charged in the County Audit and to achieve sustainability long term is to reorganize and transition the WMC to an organization devoted to programs relevant to the War Memorial and Veterans, and for the Art Museum to manage the Saarinen and Kahler buildings.

Opportunities. There are several convergent factors necessitating these changes and offering great opportunity to put the organizations on a new path for the future. The original purpose of the War Memorial Corporation as established shortly after the construction of the War Memorial and Milwaukee Art Center (as it was then known) in 1957 was to provide oversight for fledgling organizations: a new War Memorial, a post-war Veterans board, and the Milwaukee Art Center. The Marcus Center for the Performing Arts and the Villa Terrace and Charles Allis Museums were eventually added into the fold of the WMC. These organizations form the War Memorial Corporation as it exists today.

Much has changed since that inception with the growth of the Art Museum, Marcus Center and Villa Terrace and Charles Allis Museums. The success of these organizations over recent years and their stabilization and growth are the best evidence of the success of the original WMC charter. Along with that success is the fact that the Art Museum, Marcus Center, and Villa Terrace and Charles Allis Museums have also outgrown the need for oversight. In fact, each of these organizations is making their plans for transitioning out of and becoming independent of the WMC while pledging commitment to continue to provide Veterans' programs.

The Art Museum supports the Marcus Center and Villa Terrace and Charles Allis Museums as they develop their respective plans for the future. We also endorse their need to gain independence from the WMC in order for each organization to better fulfill its core mission and prepare for the future.

Furthermore, the Milwaukee Art Museum intends to raise \$15 million in funds specifically for improvements to the Saarinen building and Kahler addition and the top deck known as Fitch Plaza. This investment in buildings the Museum does not own comes at a time when the serious deferred maintenance issues of the Saarinen building and Kahler addition outlined in the Audit must be addressed. The Art Museum's investment, along with deferred maintenance repairs, will save the County significant future expense. The details of the Museum's facilities improvement plan, engineering studies and conservative estimate of savings to the County have been submitted separately to the County as part of the capital improvement request process and represent a significant contribution on the part of the Museum to improve the conditions of the County-owned Saarinen building and Kahler addition. We believe the savings to the County could be in the \$2 - \$4 million range. The Art Museum's investment also calls for an important enhancement and enlargement of the War Memorial experience with changes to the Fitch Plaza roof of the Kahler building. This area currently is without program for Veterans or other memorial elements.

The Reorganization Plan:

1. **Transfer complete responsibility for managing and maintaining the Saarinen building and Kahler addition to the Milwaukee Art Museum.** The Art Museum currently occupies over 70% of the buildings. This will increase as the Museum moves into additional office space in the Saarinen building as it becomes available. The WMC or its successor entity and the Veterans will continue to have the space they need. As an accredited museum, the Art Museum has the obligation to maintain the facility and its indoor air environments to American Association of

Museum standards. As cited in the Audit, under current WMC management and due to lack of funds, this has not been achieved. The Saarinen building and Kahler addition, the art contained within and the quality of the visitor experience are at risk given the condition of the buildings. The Art Museum as a tenant and the County as owner of the buildings have substantial liability for the art. Yet the Art Museum currently has no control over the condition or environments of the Saarinen building and Kahler addition. The Art Museum is, however, fully responsible for the facility management and environment of the Calatrava addition, arguably, one of the most technologically sophisticated anywhere.

The Museum proposes a direct lease with the County for the management and control of the Saarinen building and Kahler addition. There should be no intermediary entities in the agreement. The Art Museum also proposes a financial partnership with the County to assume the responsibility for the maintenance, repair and upkeep of the War Memorial, and the Saarinen building and Kahler addition. However the Art Museum and the County must negotiate the terms of how the transition of responsibility will take place and sustainability achieved.

Strengthening the relationship with the War Memorial monument and the Veterans is of highest priority in order to improve the War Memorial as a destination. **The agreement between the Art Museum and the County will provide for the in perpetuity existence of the War Memorial in the Saarinen building and provide for space for various Veterans groups to co-exist with the Art Museum in offices and meeting rooms.**

- 2. The War Memorial Corporation Board should be reorganized and a new War Memorial Board formed.** Given the stated intent of several constituent organizations, the WMC should reorganize or form a new board of trustees charged with the governance and fiduciary responsibilities appropriate to an organization with a new mission and purpose without its current facility management role. This new board could have significant representation by Veterans' organizations as well as community and corporate leaders with the experience and capacity to develop and sustain the War Memorial.

As a monument, the War Memorial is a place to experience and appreciate the sacrifices made by those who served in the Armed Forces and their families. It should also welcome visitors for generations to come to the beauty and location on the lake and the Memorial as a place to move forward in hope and optimism while celebrating this nation's hard won freedom.

- 3. Space allocation.** The reorganized WMC or a new War Memorial board and Veterans' organizations will continue to have adequate space in the Saarinen building for offices and meetings and to utilize the public spaces of the Memorial as they see fit. The reorganized WMC or the new War Memorial Board working with the Veterans should control and program the public spaces of the War Memorial consistent with the mission of the Memorial to "Honor the Dead by Serving the Living." Such programs would not be for the Art Museum to determine. Rather it is for a new War Memorial entity to assume that responsibility.
- 4. The Milwaukee Art Museum will provide in-kind support to the reorganized War Memorial Corporation or a new War Memorial board.** The Art Museum will work with the WMC board and its staff during the transition to provide assistance with grant writing, programs and curatorial support for exhibitions and related programs. The Museum's expertise in

presentation, exhibitions, fundraising, and visitor services is a valuable asset we will gladly share with a reorganized WMC or new Memorial board and staff.


Conclusion. The County Audit identifies the need for transition to a new model for sustainability in light of the changes and challenges ahead for the County. The Milwaukee Art Museum believes that even if the County were not facing these challenges, there would still be need for change given the evolution of the current constituent organizations, their growth and success, and the need for new strategies that better address their visions and plans. The condition of the Saarinen building and Kahler addition, related risks and liabilities, Museum accreditation requirements, and overall heightened standards of practice necessitate change as well. The reality is the constituent organizations have outgrown the current organizational model. This is a sign of the success of the War Memorial Corporation, not its failure. To continue beyond the useful life of the current organizational structure and building management agreement, and to fail to address the significant repair issues before us will lead to additional and very costly solutions. When enacted, this plan will: 1) heighten the ability of a reorganized WMC or new War Memorial board to focus on its core mission and provide Veterans' support and programs consistent with the purpose of the War Memorial 2) provide the Milwaukee Art Museum with the authority and responsibility it needs to meet museum standards and reduce risk to the art and its visitors 3) place the Saarinen building and Kahler addition on a path for restoration and enhancement for the next generations 4) present a vision for the future that includes financial sustainability.

The Art Museum recognizes that the proposed changes will require further discussion, financial details, and new agreements with the County to implement an effective and lasting new model for sustainability. The Board of Trustees of the Milwaukee Art Museum looks forward to beginning the process.

Respectfully submitted May 15, 2012 on behalf of the Board of trustees:



Raymond R. Krueger
President, Board of Trustees
Milwaukee Art Museum



Daniel T. Keegan
Director
Milwaukee Art Museum



1. Drip Pans in Gallery
Ceilings/Saarinen & Kahler
Buildings

2. Water Entry at South Doorway
Head of Kahler Addition





3. Floor Buckling in Bradley Galleries/Kahler Addition Top Deck
View of Renovated Fitch Plaza – Veteran's Memorial Facing East



4. Deteriorated Concrete Below
Exterior Stairs/Saarinen Building



5. Memorial Courtyard/Saarinen
Building



6. Concrete Slabs at Memorial Court/Saarinen Building

7. East Window; Damaged and Deteriorated Facade





8. Before Renovation/East
Façade/Kahler Addition



9. Top Deck View of Renovated
Fitch Plaza & Expanded
Veteran's Memorial



10. Renovated Fitch Plaza & Expanded Veteran's Memorial



11. Southeast View