



Milwaukee County War Memorial Center

May 14, 2012

Chairwoman Marina Dimitrijevic
Milwaukee County Board of Supervisors

Supervisor Gerry Broderick, Chairman, Committee on Parks, Energy and
Environment, Milwaukee County Board of Supervisors

Dear Chairwoman Dimitrijevic and Supervisor Broderick:

Please find attached the War Memorial Center Board of Directors response to the Milwaukee County Department of Audit Report entitled "New Strategies are Needed to Revitalize the War Memorial and Fulfill its Dual Mission to Honor Veterans and Promote the Arts".

We trust this report incorporates the detail covering the issues of governance and mission, facility, and financial support. Each section is detailed with the Milwaukee County Department of Audit Report Recommendation, Historical Perspective, Facts, and the War Memorial Center Board of Directors Response and Recommendations.

The War Memorial, Art Museum, and Veterans collectively have seen 54 years of significant accomplishments. Enhancing the path for a successful future will require a joint effort of these three dedicated organizations and cannot be accomplished by one organization alone.

As gatekeepers to the future and guardians of the past, it is our obligation to preserve and maintain that which honors, recognizes, and thanks our servicemen and women who had courage, selflessness, and the revered love of liberty.

Kind Regards,

George J. Gaspar
President
War Memorial Center Board of Directors

Attachment

WAR MEMORIAL CENTER

Per Resolution 11-743, the following is the War Memorial Center Board of Directors response to the Milwaukee County Department of Audit Report entitled "New Strategies are Needed to Revitalize the War Memorial and Fulfill its Dual Mission to Honor Veterans and Promote the Arts". The War Memorial Center Board of Directors suggested resolution of the issues presented take into consideration ongoing efforts and implementation of new initiatives.

GOVERNANCE & MISSION

Milwaukee County Department of Audit Report Recommendation

- Challenge/Energize the War Memorial Center Board of Trustees.
 - Encourage the current movement to create a War Memorial Center Facilities Board. Efforts of this board should focus on developing mission-relevant tenants and public uses of the building rather than leasing space to entities for revenue-generating purposes only.
 - Promote additional veteran-related programming, including greater emphasis on the country's current wars in Afghanistan and Iraq.
 - Consider hiring a programming consultant or collaborating with MAM staff to identify new mission-related revenue streams.

Historical Perspective

- The Milwaukee County War Memorial Center began operations in September 1957 as a single multi-purpose building overlooking Lake Michigan and busy Milwaukee Harbor as well as the city itself. It is viewed as one of the most visible monuments honoring veterans in all of America.
- The timeless mission has remained constant: "To Honor the Dead by Serving the Living" through the principals of arts and peace. The War Memorial is Milwaukee County's living memorial, providing special significance for war veterans, active military, and their organizations. In combination, the War Memorial is a focal point for a variety of cultural activities – educational, artistic, and social.

Facts

- Wisconsin Statutes 45.058 created the Milwaukee County War Memorial, Inc. Memorial Board of Trustees (Corporate Board) in the early 1950s and calls for fifteen members of which eight are elected by the County Board. Four members are appointed from the County Board and four are residents of Milwaukee County. The seven remaining members include one member each from the operating board of the five entities under the Corporate Board umbrella and two non-county members elected by the Corporate Board.
- The Corporate Board meets quarterly with the purpose of each entity reporting on activity and financial matters. These meetings also provide an opportunity for the individual entities to share ideas and collaborate on programming.

- The Corporate Board is the parent organization. It delegates to the Board of Directors of each entity responsibility for the day-to-day operations and fiscal responsibility.
- The War Memorial Center Board of Directors was established in August 2011 to operate in the same manner as is evident in each of the other entity Boards.
- The Corporate Board promotes collaboration in veterans programming among the individual entities.

War Memorial Center Board of Directors Response and Recommendations

- The War Memorial Center Board of Directors believes there is important value in the Corporate Board in the role as a clearing house for ideas among members.
- The War Memorial Center Board of Directors encourages veteran participation on all Corporate entity boards as a constant reminder to serve the original mission of the Corporation.
- In August 2011, War Memorial Center Board of Directors held its first organizational meeting and has been very active since with the purpose of providing oversight and direction in matters pertaining to the overall operation of the War Memorial and to advocate for the long term sustainability of the War Memorial and its mission "To Honor the Dead by Serving the Living" through the principals of arts and peace. The Board is comprised of veterans and experienced business professionals and most have had previous ties to the War Memorial.
- The War Memorial Center Board of Directors is increasing its collaboration with other veterans related organizations to increase programming that assists returning servicemen and women in areas such as employment opportunities, available benefits, and counseling.

FACILITY

Milwaukee County Department of Audit Report Recommendation

- 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 repair items and authorize a specified amount of capital investment beginning in 2013 to restore the facility to good repair.
 - This strategy could involve a collaboration with MAM and veterans' groups to establish a capital campaign to 'Restore the Memorial' with a specified ratio of matching public funds for private funds raised.
 - This strategy could include obtaining a commitment on the part of MAM to assume financial responsibility for various War Memorial Center repair items identified in Exhibit 2.

Historical Perspective

- In 1957 when the War Memorial began operations under the auspices of Milwaukee County, the Milwaukee Art Center occupied the first floor with office and gallery space. In 1962, renovations were made at the basement level to add additional gallery space. In 1975, the Kahler addition was constructed and in 2001 the Art Museum Calatrava addition was completed.

- In 1999, the third and fourth floors of the War Memorial were remodeled with private and public dollars.
- In 2011, a new much enhanced north entrance was constructed with a combination of County and private dollars.
- The War Memorial Center is responsible for all building maintenance, including all mechanical systems, of the above stated space with the exception of the Art Museum Calatrava addition.
- The War Memorial Center is responsible for submitting a yearly operating budget and yearly capital improvement request including a 5-year plan to Milwaukee County.

Facts

- War Memorial and Kahler addition capital improvement needs have been deferred by Milwaukee County.
- The Art Museum has indicated they are in need of approximately 6,000 square feet of additional office space.

War Memorial Center Board of Directors Response and Recommendations

- The War Memorial and Art Museum individually commissioned building condition reports. These individual reports generally agree on the needs and priorities of the War Memorial and Kahler addition. The War Memorial collaborated with the Art Museum in recently submitting these individual reports as a comprehensive capital improvements list of needs to the Department of Public Works, Architects and Engineers Division (DPW/A&E).
- The War Memorial Center Board of Directors recommends the County develop a 3-4 year plan where all of the projects listed in the above referenced reports be addressed. Because of environmental and life safety issues the War Memorial Center Board of Directors recommends that the Kahler HVAC system and War Memorial glass exterior stairway be designated a priority for replacement in 2013.
- The War Memorial Center Board of Directors is committed to good stewardship and responsible oversight for the operation of the War Memorial facility and all mechanical systems.
- The War Memorial Center Board of Directors is committed to a renewed effort to work more closely with its main tenant, the Art Museum, ongoing through the joint vision committee and staff managements.
- The War Memorial Center Board of Directors remains committed to the facility management of the War Memorial and Kahler addition. The Art Museum has stated they would prefer to control the space they occupy and the War Memorial Center Board of Directors agrees that the Art Museum should control their space.
- The War Memorial Center Board of Directors recommends forming a joint building committee comprised of representatives from the War Memorial, Art Museum, Veterans Board of Directors, and DPW/A&E with the purpose of addressing and prioritizing capital needs.
- A solution to the Art Museum's office space need is to expand their existing office space west by developing the space underneath the Mason Street bridge.

FINANCIAL SUPPORT

Milwaukee County Department of Audit Report Recommendation

- 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.
 - This plan could consider a more collaborative role between WMI and MAM staff in day-to-day management of the War Memorial Center. This could include shared services, collaborative programming, and potentially, gradual consolidation of some staff positions. For instance, WMI employs five full-time and one part-time staff for facilities/maintenance, including a facility engineer. MAM employs three full time staff for facilities, including a facility engineer. Marketing and events planning are additional areas of potential consolidation.
 - Any long-range plan should include establishing strict assurances in the form of contractual obligations to provide programming, space, staff and budget resources to honor veterans.

Historical Perspective / Facts

- The War Memorial's operations are funded with a combination of Milwaukee County tax levy and revenues generated by the War Memorial.
- Per lease agreement with Milwaukee County, the War Memorial, and the Art Museum, the Art Museum occupies office and gallery space at no charge within the War Memorial and Kahler addition and receives considerable free building services and repairs, including utilities, on an ongoing basis.
- Because the Art Museum needs additional office space, they currently rent two offices that are not included in the lease with Milwaukee County. The Art Museum also pays the War Memorial for employee parking at a reduced rate.
- Prior to the Art Museum Calatrava addition, the War Memorial operated and collected fees for the only onsite campus parking located on the south side for general parking and Art Museum visitors. This valuable parking area was eliminated to allow the Art Museum to construct the Calatrava. As part of Art Museum Calatrava Addition, the Art Museum built its own parking garage that holds 97 spaces for which it operates and collects fees for its own operations. The Art Museum directs its overflow parking to O'Donnell Park.
- The War Memorial has absorbed the increased building and utility costs associated with the entire campus including the Art Museum. Since 2006, utilities alone have increased \$270,000, 58%.
- Milwaukee County tax levy contribution to the War Memorial was flat lined from 2007 through 2011 and most notably reduced by 15% representing \$188,000 in 2012.
- The War Memorial Center Board of Directors had intended to increase 2012 parking rates. This increase had to be delayed due to the reduced parking rates being offered at nearby O'Donnell Park Parking garage.

- Cuts in tax levy and rising costs of operation (especially utilities) without financial support from the Art Museum has made it necessary to take advantage of all leasing revenue generating space.

War Memorial Center Board of Directors Response and Recommendations

- The War Memorial Center Board of Directors proposes a 5 year tax levy agreement at the 2011 level. This commitment by Milwaukee County will stabilize the War Memorial financial situation giving the War Memorial Center Board of Directors sufficient time to establish a long term funding plan.
- The War Memorial Center Board of Directors recommends that the War Memorial and Art Museum staffs continue to look for efficiencies in use of outside contractors and internal services.
- The War Memorial Center Board of Directors recommends the Art Museum be required to pay the War Memorial for allocated expenses for services and utilities for all space occupied.
- The War Memorial policy for leasing available office space is to first offer the space to mission related organizations at fair market price. Revenue generation will remain key.
- The War Memorial will consider adjusting rental and parking rates consistent with nearby competition. Increasing parking rates with other nearby County parking facilities available is not currently possible, contrary to some beliefs.
- The War Memorial Center Board of Directors recommends Art Museum overflow parking be directed to the War Memorial north parking lot.

Emphasis Perspective

Through the War Memorial, Milwaukee County has historically fulfilled a patriotic and moral responsibility to honor the dead by serving the living through the principals of arts and peace. The War Memorial has been a good steward of the War Memorial campus on behalf of Milwaukee County, our veterans, and the Art Museum. The quality of life in Milwaukee County is enriched by the success of the individual efforts of the War Memorial and Art Museum. We understand the financial difficulties that face Milwaukee County and are committed to working with all stakeholders to ensure that our individual yet joint missions can be accomplished. Enjoyment of the arts is most possible in the free and open society for which veterans have sacrificed and our Armed Forces preserves. We must ensure that these sacrifices are not forgotten.

The War Memorial, Art Museum, and Veterans collectively have seen 54 years of significant accomplishments. Enhancing the path for a successful future will require a joint effort of these three dedicated organizations and cannot be accomplished by one organization alone.

As gatekeepers to the future and guardians of the past, it is our obligation to preserve and maintain that which honors, recognizes, and thanks our servicemen and women who had courage, selflessness, and the revered love of liberty.