

COUNTY EXECUTIVE'S 2013 BUDGET

DEPT: MILWAUKEE PUBLIC MUSEUM

UNIT NO. 9700

FUND: General - 0001

OPERATING AUTHORITY & PURPOSE

Pursuant to Wisconsin Statute 59.56(2), Milwaukee County (County) may acquire, own, operate and maintain a public museum in the County and appropriate money for such purposes. As a museum of human and natural history, it provides a dynamic and stimulating environment for learning. The Museum interprets the world's cultural and natural heritage through collections, research, education and exhibits. It holds its collections as a public trust and is dedicated to their preservation for the enrichment of present and future generations.

BUDGET SUMMARY			
	2011 Actual	2012 Budget	2013 Budget
Property Tax Levy Contribution to Milwaukee Public Museum	\$ 3,502,376	\$ 3,502,376	\$ 3,502,376

MISSION

The mission of MPM is to educate, explore, discover and preserve the world and its people. The Milwaukee Public Museum (MPM) is an educational and research institution that focuses on the natural sciences, anthropology and history. Beginning in 2007, MPM opened a planetarium and included astronomy in its program offering.

MPM preserves and cares for its collections in the public trust. Through its research and collections, the Museum seeks knowledge and understanding of global change and diversity from geological, biological, cultural and historical perspectives. MPM interprets these themes to diverse audiences through its exhibits, programs and publications.

MPM's mission is best accomplished through the coordinated use of its public exhibits, research capabilities, collections and educational programs.

OPERATING HISTORY

In 2005, MPM required a loan to remain solvent because of severe cash flow problems resulting from overly aggressive expansion, financial mismanagement and lax Museum Board oversight. The County guaranteed the repayment of up to a \$6 million loan package on June 30, 2005 in order for MPM to be eligible for working capital resources from JPMorgan Chase and Marshall & Ilsley Banks, the "Lenders." In January 2007, a Museum Recovery Committee was formed, including all major MPM stakeholders, to determine and recommend a comprehensive financial recovery plan to ensure the long-term financial viability of the museum. The recovery plan, approved by the County Board, included major donor commitments including a \$5 million matching challenge grant, lender concessions and debt restructuring, MPM fund raising commitments and operating efficiencies, and a 10-year funding commitment to MPM from the County at the annual amount of \$3,502,376. The commitments and actions of each of the stakeholders resulted in a substantial multi-million dollar package of financial improvements for the museum. As part of the recovery plan, the County agreed to provide a minimum of \$4.0 million in capital improvement funding over a 5-year period. The County's 5-year, \$4.0 million capital improvement funding obligation was completed in 2012. In February 2008, the proceeds from the \$5.0 million challenge grant raised by MPM were used to pay off and extinguish the outstanding County guaranteed debt that was established in the 2005 loan package.

As part of the 2007 financial restructuring of the museum under the recovery plan, the outstanding bonds were extinguished in October, 2007 and replaced with a 10-year note between MPM and JPMorgan Chase and Marshall & Ilsley Banks.

COUNTY EXECUTIVE'S 2013 BUDGET

DEPT: MILWAUKEE PUBLIC MUSEUM

UNIT NO. 9700

FUND: General - 0001

BUDGET HIGHLIGHTS

- For 2013, the County's contribution to MPM remains at \$3,502,376.¹

¹ In 2013, the County and MPM will re-establish the existing Lease and Management Agreement (LMA) in accordance with existing LMA terms and conditions. It is anticipated that a mutually beneficial LMA will be negotiated no later than the 1st QTR of 2013.

The 2013 County contribution is based on the funding level per the approved Recovery Plan and Amendment 10 to the LMA. This amount is based on the funding agreement as stipulated in the amended Lease and Management Agreement, which states that annual funding is fixed for a 10-year period beginning January 1, 2008.