

COUNTY EXECUTIVE'S 2011 BUDGET

DEPT: MILWAUKEE PUBLIC MUSEUM

UNIT NO. 9700
FUND: General - 0001

BUDGET SUMMARY			
	2009 Actual	2010 Budget	2011 Budget
Property Tax Levy Contribution to Milwaukee Public Museum	\$ 3,502,376	\$ 3,502,376	\$ 3,502,376

MISSION

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

Milwaukee County acquired the MPM from the City of Milwaukee in 1976. In its 125 years as a public institution, the Museum has grown to be one of the leading natural history museums in the nation, providing a valuable educational opportunity to visitors.

Based on the recommendations of a Blue Ribbon Task Force created in 1990 to study alternative funding of the Museum, County Board Resolution (File No. 91-775), adopted November 12, 1991, created a not-for-profit Museum Corporation with a Board of Directors providing management of the facility, effective March 31, 1992. In this arrangement, the County retains ownership of the collection, building and land while MPM provides operational management of the Museum.

In 1999, the County extended the term of the MPM Lease Agreement for an additional 33 months through December 31, 2004 (File No. 99-28(a)(a)) to facilitate the Museum Corporation's ability to sell long-term revenue bonds and to facilitate a capital campaign to raise charitable donations in support of the Museum Corporation's Butterfly Garden capital improvement project. This agreement remains in effect with a five-year renewal in perpetuity for 35 years, or until a new agreement is negotiated and signed.

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 Milwaukee County. 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, Milwaukee County agreed to provide a minimum of \$4.0 million in capital improvement funding over a 5-year period. In February 2008, the proceeds from the \$5.0 million challenge grant

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raised by MPM were used to pay off and extinguish the outstanding County guaranteed debt that was established in the 2005 loan package.

CAPITAL BUDGET HISTORY

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.

Budget Highlights

- County Board Resolution (File No. 07-260), adopted June 21, 2007, states that Milwaukee County's contribution to MPM remains at the 2010 funding level of \$3,502,376 per the approved Recovery Plan and Amendment 10 to the Lease and Management Agreement.

Capital Investments

The 2011 Capital Improvements Budget includes \$1,400,000 for the Milwaukee Public Museum infrastructure improvements that are part of a countywide infrastructure improvement program. See the Department of Transportation & Public Works – Facilities Division Budget for additional details.