

**RESPONSE TO
2014-2015 GRAND JURY REPORT
EDWARD-DEAN MUSEUM OF DECORATIVE ARTS**

Following is the response to the above referenced Grand Jury Report.

FINDING NO. 1:

Museum Board

The current staffing does not constitute a Museum Board as per the conditions in the 1964 Agreement. When EDA acquired operations in 1999, the Board of Supervisors (BOS) assigned the Museum Board responsibilities to the Community Services Division of EDA. This includes a Senior Development Specialist who manages the day-to-day functions of the museum and facilities, a three-quarter time curator, and three assistant positions, one of which is vacant. The Principal Development Specialist oversees the museum and all of the County libraries. Condition #2 of the 1964 Agreement states, in part:

A Museum Board shall be created by said Board of Supervisors to advise the Board of Supervisors on policies relating to the operation of the Center, to consist of qualified people, and to meet at least quarterly. A competent and qualified curator shall be employed and shall, under the County's usual governmental administrative procedures, be in charge of the Center at all times...

Note: The term, Center, refers to the name defined in Condition #1 of the 1964 Agreement which states, in part:

Said property shall be known as the Riverside County Art and Cultural Center, including as a part thereof improved grounds, buildings and museum personal property which shall continue to be known as the Edward-Dean Museum of Decorative Arts, hereinafter respectively called "Center" and "Museum"...

Response: Edward-Dean Museum of Decorative Arts partially agrees with this Finding

The Board of Supervisors currently acts as the Board of the Edward Dean Museum (EDM). In addition, the EDM has a collection committee that meets monthly to determine when artifacts need to be accessioned, de-accessioned and acquisitioned. This EDM committee is made up of the following:

- a. Assistant Director over the Museum
- b. Principal Development Specialist over the museum
- c. On-site manager (Senior Development Specialist)
- d. Museum Curator
- e. Museum's Program Coordinator
- f. Museum Assistant (Acting treasurer for the 'Friends of the Museum')

The Economic Development Agency reports directly to the Board of Supervisors and advises them on the museum's collection, exhibits, events, and day-to-day operations.

In response to the issue regarding the property name, the deed of gift is a matter of interpretation. The name of the museum has been branded as "The Edward-Dean Museum & Gardens" for marketing and publication opportunities.

RECOMMENDATION NO. 1:

Museum Board

The BOS shall appoint a Museum Board by November 1, 2015, consisting of qualified members who shall meet at least quarterly to advise the BOS consistent with the 1964 Agreement

Response: Edward-Dean Museum of Decorative Arts partially disagrees with this recommendation.

The Board of Supervisors will review whether it needs to appoint a "Museum Board" or whether the committee that is currently in place may serve as the Museum Board. The final determination of the formation, make up and bylaws, including meeting schedule are within the discretion of the Board of Supervisors.

FINDING NO. 2:

Pavilion Kitchen/Restrooms

The kitchen, adjacent to the Pavilion, has been condemned for over 10 years due to the presence of asbestos and mold. The kitchen is locked and unusable. However, restrooms attached to the building are still in use. The Riverside County 2008-006 Audit report recognized the need to renovate the Pavilion kitchen, and EDA's reply stated that corrective action was estimated to begin in July of 2011 and end June of 2012. As of the date of this report, no renovation has been initiated.

Response: Edward-Dean Museum of Decorative Arts partially agrees with this Finding.

While the County was aware of the need for repairs, those repairs have been delayed due to lack of funding. As was highly publicized, in 2008, the Great Recession adversely impacted the County, causing budget reductions, furloughs and other severe cuts. Thus, the County's ability to identify funding resources to embark on such a large project was greatly impacted. To add insult to injury, in 2011, Redevelopment was abolished which was another possible funding resource which ceased to exist.

RECOMMENDATION NO. 2:

Pavilion Kitchen/Restrooms

The EDA shall engage the services of a qualified contractor by November 1, 2015, to eradicate the asbestos and mold health hazards in the Pavilion kitchen and restrooms and to close the restrooms until repairs are completed.

Response: Edward-Dean Museum of Decorative Arts partially agrees with this recommendation.

Currently EDA is in the beginning stages of renovation of the EDM site and has selected an architect to draft plans for a new kitchen, restroom and pavilion improvements.

FINDING NO. 3:

Pavilion

The Pavilion area needs cleaning and repair. The roof is dirty and the entire area needs paint and stucco work. There are cracks in the sidewalk which present serious trip hazards (see attached photos).

The 1964 Agreement Condition #9 states:

The County of Riverside shall at its own expense provide for the maintenance and operation of the property, all repairs and all refurbishing.

Response: Edward-Dean Museum of Decorative Arts partially agrees with this Finding.

While the County was aware of the need for repairs, those repairs have been delayed due to lack of funding. As was highly publicized, in 2008, the Great Recession adversely impacted the County, causing budget reductions, furloughs and other severe cuts. Thus, the County's ability to identify funding resources to embark on such a large project was greatly impacted. To add insult to injury, in 2011, Redevelopment was abolished which was another possible funding resource which ceased to exist.

RECOMMENDATION NO. 3:

Pavilion

EDA shall, by November 1, 2015, clean or replace the pavilion roof, repair the stucco and cracked sidewalks, eliminate safety hazards, and paint to improve the appearance.

Response: Edward-Dean Museum of Decorative Arts partially agrees with this Recommendation.

Currently EDA is in the beginning stages of renovation of the EDM site and has selected an architect to draft plans for a new kitchen, restroom and pavilion improvements.

FINDING NO. 4:

Real Property

The property includes approximately 10 acres of unused land which currently has a few trees, some of which are dead (see Attachment #1).

There is an area utilized for the accumulation of trash, miscellaneous debris, dead vegetation, and a dumpster.

The 1964 Agreement Condition #12 states, in part:

The County of Riverside shall have the right to use the portions of the real property not now improved with the Museum or its grounds for park and recreational purposes and related uses, or for agricultural purposes, either by its own activities or through appropriate leases to third persons or agencies...

Response: Edward-Dean Museum of Decorative Arts wholly disagrees with this Finding.

The County is not mandated but has the right to use the portion of real property. The undeveloped land is currently being used for over flow parking during large events and weddings. In the past years, the County has utilized portions of the undeveloped land to fulfill the mission of providing related uses for the Edward Dean Museum and Decorative Arts. These include the construction of the Kay Cenicerros Building, additional landscape of the Rose and Legacy Gardens, and more recently, the completion of the outdoor Wedding arena.

RECOMMENDATION NO. 4:

Real Property

EDA shall remove debris, dead trees, and vegetation. The trash shall be moved to a location not visible from the activity areas by November 1, 2015. The vacant land could then be developed for a park, recreation, garden, or agricultural use.

Response: Edward-Dean Museum of Decorative Arts wholly disagrees with this recommendation.

The County provides ongoing maintenance at the EDM. With available funding the agency could move forward with a Master Plan of the entire 16 acre site.

FINDING NO. 5:

Rental Price Structure

The Riverside County Auditor's report 2008-006 states that the rental rate of \$2,500 for a Saturday event was found to be competitive. Since then, the fee has increased to \$4,200 which is no longer competitive. The rental rate for day use of the facility includes the dining/reception hall or pavilion, as well as the gazebo, the pond or Legacy Garden. In addition, other services must be added, such as catering. Other venues include the use of the facility with the catering fee. There is no price structure for use of the reception hall only, nor is there flexibility in the system to allow for partial days or multiple events on the same day.

Response: Edward-Dean Museum of Decorative Arts wholly disagrees with this Finding.

The grand jury reflected in this section that the 2008 report stated the rental rate was found to be competitive at the \$2,500 rate. In 2011, however, a Revenue to Expense Analysis was created where it was found that the \$2,500 per event revenue was not sufficient to cover the expenses related to performing the wedding events. In addition, a market study was prepared in which the EDM was found to be much lower than all wedding event venues in the local area. The Edward Dean's rates were adjusted to better compete with local venues and to increase revenues to offset expenses. At this time reducing rates would not be competitive and would be non-profitable for the Museum. The rates and fees the Museum currently has for weddings are still UNDER industry standards. Recently, staff visited three local venues within a 5 mile radius of the Museum and at \$4,250 peak season prices, is still almost \$8,000 under their rates. (Please see Attachment A to this response).

RECOMMENDATION NO. 5:

Rental Price Structure

EDA shall return the rental rate to the \$2,500 base price to be competitive with similar facilities. EDA shall provide options for rental of limited parts of the facility and offer other time options. EDA shall offer alternate packages.

Response: Edward-Dean Museum of Decorative Arts wholly disagrees with this recommendation.

The grand jury has not provided any support to align with their recommendations or other area venues to suggest \$2,500 would be profitable. Moreover, the Museum is actively looking for new ways to generate more revenue such as new wedding packages to include catering. As a government entity the EDM must follow County procurement procedures.

FINDING NO. 6:

Lack of Adequate Marketing

The EDMDA has been inadequately marketed. In the past two years, the 18-20 rental events per year have proven inadequate to make the Center financially self-sufficient.

There are very few EDMDA events that would attract residents from the Coachella Valley who live less than an hour away. Other western Riverside County communities are 30 to 45 minutes away, within easy driving time, but are not adequately targeted in its present marketing.

Response: Edward-Dean Museum of Decorative Arts partially agrees with this Finding.

With its limited funding, the EDM capitalizes on ‘grassroot’ marketing, social media and community involvement to market the Museum. The staff currently attends various mixers, community events and local businesses pertinent to weddings to distribute flyers about the museum. Advertising through radio, TV and magazines exceed the current marketing budget for the Museum.

The grand jury stated, “There are very few EDMDA events that would attract residents from the Coachella Valley who live less than an hour away. Other western Riverside County communities are 30 to 45 minutes away. Within easy driving time, but are not adequately targeted in its present marketing.”

The Edward-Dean has had several positive write-ups in the Press-Enterprise that highlight the museum’s exhibitions and various events. The Museum has created several new events to include: Murder Mystery dinner theater, Dickens at the Dean, and a Car Show. These various events draw in attendees from all over. The car show in particular had a car club from Coachella Valley that asked the Museum to make the event an annual occurrence. The Murder Mystery series sold out both times in March and the Museum is doing two more in July and possibly one in August. The grand jury’s statements have no facts to support their “findings”.

RECOMMENDATION NO. 6:

Lack of Adequate Marketing

EDA shall increase marketing efforts to caterers, wedding planners, bridal shops, meeting coordinators, party planners, and appropriate organizations. This would attract customers for weddings and other events such as business seminars and retreats, to utilize the facility on other days. Advertise through radio, television, regional magazines, sororities, and social media.

To better advertise the value of the museum, EDA shall promote it to colleges, universities, and cultural clubs. Other opportunities for promotion include an on-line video mini-tour of the museum to attract visitors. Another on-line video would provide a visual tour of the grounds and facilities for potential renters.

Response: Edward-Dean Museum of Decorative Arts partially disagrees with this recommendation.

The grand jury has no basis for this recommendation and pre-supposes that there are currently sufficient funds available its vision of how the EDM should be operated. EDA staff does a good job of marketing the EDM within its financial and staffing limits.

FINDING NO. 7:

Appraisals

Obtaining appraisals is the financial obligation of EDA. Appraisals are not conducted on a regular basis. They were completed in 1980, 2008, and 2015. Friends of the Museum paid Skinner Brothers Inc. to conduct the last two appraisals. The County cannot adequately insure the museum contents if it does not have current value. It was recommended in the Riverside County Auditor-Controller's 2013-012 Audit that appraisals of the museum contents be completed every five years.

Response: Edward-Dean Museum of Decorative Arts wholly disagrees with this Finding.

The County of Riverside has always insured the Museum's collection through the County's Risk Management Division. The value of artifacts does not change in a matter of 5-7 years. The last appraisal for the Museum was completed in September of 2014. Industry standards for museums are for appraisals to be performed every 10 years and sometimes one time only with a curator doing inventory thereafter. The Museum Manager contacted two local museums and the Riverside Metropolitan Museum stated, "Artifact values do not change that drastically within 5 years. The cost for an appraisal is so high it is not necessary to conduct one that often." The Museum Manager also contacted the San Bernardino County Museum and they have never done an "official appraisal", as they have on-site curators and specialists that specialize in each department of artifacts that know the value of their collection.

RECOMMENDATION NO. 7:

Appraisals

EDA shall be responsible for obtaining appraisals, which shall be completed every five years.

Response: Edward-Dean Museum of Decorative Arts wholly disagrees with this recommendation.

Based on the foregoing response, the grand jury is incorrect to suggest the Museum should pay for an appraisal every 5 years. Furthermore, they should not dictate that the county pays for the appraisal if the 'Friends of the Museum' have historically assisted the Museum financially, as the appraisal cost poses a hardship on the Museum and the County. The cost for a full appraisal is approximately \$35,000.

FINDING NO. 8:

Security

There are cameras inside the museum with a DVR, but no outside cameras on the grounds to provide early detection of intruders or monitor activity that would be used as evidence. This will assist the County in refuting liability claims and protecting against loss of property.

Response: Edward-Dean Museum of Decorative Arts wholly disagrees with this Finding.

There is adequate security at all times at the Museum. Additional security is always provided during events. The current system in place alerts an employee and local police if an intruder is in the Museum.

RECOMMENDATION NO. 8:

Security

EDA shall immediately upgrade the surveillance system to include multiple cameras on the grounds to be recorded on the DVR system. EDA shall establish an internet connection to enable the cameras to be monitored in the office and at remote locations. Early warning alarms shall alert management and police.

Response: Edward-Dean Museum of Decorative Arts wholly disagrees with this recommendation.

There is adequate security at all times at the Museum. Additional security is always provided during events. The current system in place alerts an employee and local police if an intruder is in the Museum.

FINDING NO. 9:

Museum Inventory

Inventory of the museum is being tracked by Past Perfect Museum Software which depends on accurate entry and upkeep of information, pictures, and other data. There is no cross-check system in place to verify the Past Perfect data.

Response: Edward-Dean Museum of Decorative Arts wholly disagrees with this Finding.

Inventory is done continuously by the on-site Curator. The back up to the Past Perfect program are the hard files that are in the Curator's office. Also, the Finance Division of the Economic Development Agency has a copy of the Museum's inventory secured in a safe in Riverside.

RECOMMENDATION NO. 9:

Museum Inventory

Physical inventory of museum contents including basement and storage areas shall be taken quarterly and shall be verified against the Past Perfect software information.

Response: Edward-Dean Museum of Decorative Arts wholly disagrees with this recommendation.

The County has sufficient procedures and safeguards for the EDM inventory.

FINDING NO. 10:

Backup Records

No backup records are stored off-premises. As of January 2015 the only current inventory record is maintained on the museum property.

Response: Edward-Dean Museum of Decorative Arts wholly disagrees with this Finding

The Finance Division of the Economic Development Agency maintains a copy of the Museum's appraisal in Riverside.

RECOMMENDATION NO. 10:

Backup Records

Since the inventory is managed by Past Perfect, a copy of the data shall be sent to EDA and Risk Management monthly as a backup to the computer in the museum office.

Response: Edward-Dean Museum of Decorative Arts wholly disagrees with this recommendation.

The County has sufficient procedures in place to insure that copies of the inventory are stored off-site.

FINDING NO. 11:

Venue Management

Crestmore Manor is another wedding venue located in Riverside County and owned by the County. This venue, which has a full schedule with more competitive rates, is operated by the Parks Department.

Response: Edward-Dean Museum of Decorative Arts wholly disagrees with this Finding.

Crestmore Manner is not a comparison to the Edward-Dean Museum, as there is no museum located on the Parks property. The venue is also located in another region of Riverside County.

RECOMMENDATION NO. 11:

Venue Management

Transfer management of the non-museum activity and rentals to the Parks Department. Keep the museum under EDA management in conjunction with the BOS appointed Museum Board.

Response: Edward-Dean Museum of Decorative Arts wholly disagrees with this recommendation.

The current staff at the Edward-Dean Museum has built strong relationships within the community and has worked hard at building a positive rapport for the Museum. To bring in an outside agency that competes, not compliments, the mission of the Edward Dean Museum and Decorative Arts, will adversely impact the Museum's financial stability. The current staff is well rounded about the Museum, weddings and other events. In addition, the Museum currently has educational programs and school tours that depend on the cultural center.

FINDING NO. 12:

Accreditation

Museum Accreditation was withdrawn in 1997 by American Association of Museums. In their letter to EDMDA dated August 4, 1997, the following deficiencies and areas of concern are noted:

1. Governing body's (County of Riverside Board of Supervisors) lack of understanding of its public trust responsibilities to the museum.
2. Lack of institutional planning related to the museum's mission.

3. Unresolved organizational structure.
4. Casual adherence to professional practices regarding collections care, storage, and conservation.
5. Lack of financial resources to sustain the museum.
6. Lack of authority for the day-to-day operations given to the director.

Response: Edward-Dean Museum of Decorative Arts partially agrees with this Finding.

The accreditation was lost in 1997 which was prior to the Economic Development Agency taking over in 1999. Most of the issues in that report have been resolved.

RECOMMENDATION NO. 12:

Accreditation

EDMDA shall contact American Association of Museums, Director of Accreditation and Museum Standards, in Washington D.C. to determine what action is necessary to regain accreditation.

Response: Edward-Dean Museum of Decorative Arts partially agrees with this Finding.

While the cost to establish accreditation is beyond the EDM financial budget, it remains the goal to become accredited again. EDM staff will contact the American Association of Museums, Director of Accreditation and Museum Standards in Washington D.C. to determine what actions need to be taken to regain accreditation.

FINDING NO. 13:

Finances

EDMDA has a projected expense budget for fiscal year 2014-2015 of \$338,000 and a projected income of only \$262,000 (with \$104,651 of that coming from EDA to subsidize the operation). EDMDA revenue is derived from museum admissions, facility rentals, special grants, a few special events that provide income from parking and admission fees, commissions from gift shop consignment sales, and support from Friends of the Museum. The result is a \$76,000 deficit.

Response: Edward-Dean Museum of Decorative Arts partially agrees with Finding.

With the continued decrease in the general fund contribution over the years, the museum has continuously pursued additional grant opportunities and revenue generating activities to further the mission of the museum and decorative arts. The Friends of the Edward Dean Museum

continue to provide some financial support to the EDM as appropriate by sponsoring special programming and events

RECOMMENDATION NO. 13:

Finances

To ensure viability and resolve potential deficits, the County Auditor-Controller shall do a comprehensive cost analysis of the operation of the EDMDA.

Response: Edward-Dean Museum of Decorative Arts wholly disagrees with this recommendation.

The EDM operates on a very lean budget. A comprehensive cost analysis by the County Auditor-Controller is unnecessary and will not solve the issue of lack of funding for the EDM. The EDM continues to seek funding opportunities.

FINDING NO. 14:

Strategic Plan

EDMDA does not have a current strategic plan in place. The Grand Jury has been advised by EDMDA that "they are working on a plan."

A Strategic Plan consists of a mission statement, an assessment of current state of business, a competitive landscape analysis, a plan of allocating time and financial resources, a plan on how the business will go about achieving goals, and a strategy for attracting customers. A strategic plan has a five-year timeline with yearly updates and goals.

Response: Edward-Dean Museum of Decorative Arts partially agrees with this Finding

EDA is currently working on a Strategic Plan.

RECOMMENDATION NO. 14:

Strategic Plan

EDA, in conjunction with EDMDA, shall develop a strategic plan by December 15, 2015, to review and revise annually.

Response: Edward-Dean Museum of Decorative Arts partially agrees with the recommendation.

EDA is currently working on a strategic business plan, and will work with appropriate stakeholders in accomplishing this goal in a timely manner.