

02074

# 24

Overture Center Refinancing  
Statement of Scott Herrick to the Madison Common Council  
October 18, 2005

I offer my own views, as an individual, representing no client or organization. What's more, I claim no expertise, nor have I followed this problem with more than a mere citizen's attentiveness. I regret that I cannot speak in person at your meeting this evening.

The city faces very limited options, with very limited information. I believe that the city should do what is often best under those circumstances: nothing.

I have had many views on the Overture project, but have never expressed any of them publicly that I can recall. I certainly don't have detailed answers to technical questions. This is one of those many difficult matters I am usually content to leave gratefully to you elected officials. Candidly, one of the reasons that I come forward now is that the current cycle of controversy reminds me of my good friend Gene Parks, who is no longer here to rant and simultaneously to laugh. I don't mean that Gene would necessarily take the same stance that I do; I just mean that some of us who are not part of the obvious interested crowd really ought to step forward from time to time, so that's what I'm doing.

I believe the mayor is half right: the city should not endorse and speculate on the proposed refinance. City services over the next decade - - that is, the marginal availability of operating funds - - should not be tied to the stock market. That would be running government *too much* like a business. Good people lose money every day by taking reasonable risks; some of them even go out of business.

On the other hand, I don't believe that the city can make a proper decision to acquire the Overture Center in the time and with the information which appear to be available, in part because there is insufficient time for either adequate review of the long-range income and expense projections, or for modeling an appropriate portfolio, or confirming the appropriateness of the existing one.

In short, don't take it over, and don't backstop the bonds. This stance may risk the "endowment," but so be it; better the endowment than the city budget. There simply is not enough time to make the intelligent, informed decisions that should underlie positive action.

To paraphrase Yogi Berra: we have come to a fork in the road; don't take it.

Scott Herrick  
16 N. Carroll #500  
Madison

cc mayor, clerk