



# City of Madison

City of Madison  
Madison, WI 53703  
www.cityofmadison.com

## Master

**File Number: 20225**

**File ID:** 20225

**File Type:** Resolution

**Status:** Unfinished  
Business

**Version:** 1

**Reference:**

**Controlling Body:** COMMON  
COUNCIL

**Lead Referral:** COMMON COUNCIL

**File Created Date :** 10/12/2010

**File Name:** Amending the 2010 Operating Budget to appropriate \$25,000 from the Contingent Reserve to Miscellaneous Appropriations to hire The North Group, Incorporated for \$22,500 to conduct the independent review of the proposed operating model ("Focus Model") for t

**Final Action:**

**Title:** AMENDED Amending the 2010 Operating Budget to appropriate \$25,000 from the Contingent Reserve to Miscellaneous Appropriations to hire The North Group, Incorporated for \$22,500 to conduct the independent review of the proposed operating model ("Focus Model") for the Overture Center and advise on performance standards and James Undercofler, Professor of Performing Arts and Arts Administration at Drexel University for \$2,500 to design recommendations for the private, non-profit board selection and composition.

### Notes:

**CC Agenda Date:** 11/09/2010

**Agenda Number:** 70.

**Sponsors:** Lauren Cnare, Shiva Bidar-Sielaff, Michael E. Verveer, Mark Clear, Larry Palm, Marsha A. Rummel, Joseph R. Clausius and Steve King

**Enactment Date:**

**Attachments:** 20225 Version 1.pdf

**Enactment Number:**

**Author:**

**Hearing Date:**

**Entered by:** lveldran@cityofmadison.com

**Published Date:**

### Approval History

Version	Date	Approver	Action
1	10/12/2010	Dean Brassler	Approve

### History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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1	Council Office	10/14/2010	RECOMMEND TO COUNCIL TO ADOPT UNDER SUSPENSION OF RULES 2.04, 2.05, 2.24, & 2.25 - MISC. ITEMS				
	<b>Action Text:</b>		This Resolution was RECOMMEND TO COUNCIL TO ADOPT UNDER SUSPENSION OF RULES 2.04, 2.05, 2.24, & 2.25 - MISC. ITEMS				
	<b>Notes:</b>		Business by the President & 15 VOTES REQUIRED				
1		10/19/2010					
1		10/19/2010					
1	COMMON COUNCIL	10/19/2010	Refer to a future Meeting to Adopt	COMMON COUNCIL	11/09/2010	10/19/2010	Fail
	<b>Action Text:</b>		A motion was made by Ald. Compton, seconded by Ald. Bruer, to Refer to a future Meeting to Adopt to the COMMON COUNCIL, due back on 11/9/2010. The motion FAILED by voice vote/other.				
	<b>Notes:</b>		Excused: 4 David J. Cieslewicz; Shiva Bidar-Sielaff; Julia S. Kerr and Michael Schumacher				
1	COMMON COUNCIL	10/19/2010	Adopt				Fail
	<b>Action Text:</b>		A motion was made by Ald. Solomon, seconded by Ald. Rhodes-Conway, to Adopt with the following Friendly Ammendments: Paragraph 1:Please assess public ownership of the facility with private management of the operations, including the uniqueness of the structure, the likelihood of success in terms of financial viability and community relations, and the current lack of community support, and propose critical tenets that must be included in a management agreement; Paragraph 3: Should the city explore other models? How do these models compare and what are their relative advantages and disadvantages?; Paragraph 4: (new paragraph): Should the city consider any long term requirements in Board membership of the non-profit operator to increase the likelihood of the long term success of Overture? The motion FAILED by the following vote:				
			Ayes: Clausius, Clear, Cnare, Eagon, King, Maniaci, Palm, Rhodes-Conway, Rummel, Sandborn, Schmidt, Skidmore, Solomon and Verveer.				
			Noes: Bruer, Compton and Pham-Remmele				
	<b>Notes:</b>		Excused: Bidar-Sielaff, Kerr and Schumacher. The motion FAILED by the following vote: Ayes: Clausius, Clear, Cnare, Eagon, King, Maniaci, Palm, Rhodes-Conway, Rummel, Sandborn, Schmidt, Skidmore, Solomon and Verveer. Noes: Bruer, Compton and Pham-Remmele Excused: Bidar-Sielaff, Kerr and Schumacher.				
			Excused: 4 David J. Cieslewicz; Shiva Bidar-Sielaff; Julia S. Kerr and Michael Schumacher				
1	COMMON COUNCIL	11/09/2010					

**Text of Legislative File 20225**

**Fiscal Note**

\$1,141,000 remains available in the 2010 Contingent Reserve. This appropriation would have no impact on the City’s eligibility under the State Expenditure Restraint Program.

**Title**

AMENDED Amending the 2010 Operating Budget to appropriate \$25,000 from the Contingent Reserve to Miscellaneous Appropriations to hire The North Group, Incorporated for \$22,500 to conduct the independent review of the proposed operating model (“Focus Model”) for the Overture Center and advise on performance standards and James Undercofler, Professor of Performing Arts and Arts Administration at Drexel University for \$2,500 to design recommendations for the private, non-profit board selection and composition.

**Body**

WHEREAS, the Common Council on August 3, 2010 passed Substitute Resolution, File ID # 19058 authorizing the Mayor and City staff to negotiate with the Madison Cultural Arts District and to recommend a plan for the City's role in the long-term viability of the Overture Center and created an independent citizen group to review and analyze the future business plan of Overture to determine its financial feasibility; and,

WHEREAS, on October 8, 2010 the Overture Ad Hoc Committee made several recommendations; and,

WHEREAS, one recommendation from the Overture Ad Hoc Committee encouraged the City of Madison to hire an independent consultant to examine the financial assumptions in the proposed operating model ("Focus Model) to determine its accuracy and achievability; and,

WHEREAS, the Common Council believes that in order to do its due diligence an independent consultants should be hired to conduct additional review of the Overture Center proposed operating model ("Focus Model"); and,

WHEREAS, time constraints do not allow for a complete competitive Request For Proposal (RFP) process, necessitating a sole source contract;

NOW THEREFORE BE IT RESOLVED, that the Common Council amends the 2010 Operating Budget to appropriate \$25,000 from the Contingent Reserve to Miscellaneous Appropriations to hire The North Group, Incorporated for \$22,500 to conduct the independent review of the proposed operating model ("Focus Model") for the Overture Center and advise on performance standards and James Undercofler, Professor of Performing Arts and Arts Administration at Drexel University for \$2,500 to design recommendations for the private, non-profit board selection and composition.

NOW THEREFORE BE IT FURTHER RESOLVED,

**Overture Professional Review of AMS "Focus Model" Scope of Service**

The City of Madison is engaging a consultant to provide a professional review of the AMS Focus Model to assist the Common Council in better understanding the assumptions and conclusions presented in the Model report and documents.

The consultant will examine and provide responses to the following questions, using the AMS report, interviews with relevant stakeholders, employees, and community members, as well as other sources in its exploration. The consultant is encouraged to offer additional insights regarding "red flags" or "golden opportunities" that may result from adopting this model.

**Ownership and Staffing**

Please assess public ownership of the facility with private management of the operations, including the uniqueness of the structure, the likelihood of success in terms of financial viability and community relations, and the current lack of community supports, and propose critical tenets that must be included in a management agreement.

Additionally, recommend or comment on various staffing medels: all public (city) employees, all private (hired and managed by the not-for-profit manager), or a mix of public and private employees. Assume IATSE and AFSCME union participation remains in all scenarios.

Should the city explore other ownership/operating models (public/public and private/private)?

How do these models compare and what are their relative advantages and disadvantages?

Should the city consider any long term requirements in Board membership of the non-profit operator to increase the likelihood of the long term success of Overture?

### **Financial Projections**

Are the underlying assumptions realistic?

- \* Staffing - number/type of positions, salaries (comparable, necessary?)
- \* Can increased sales be achieved?
- \* Are the fund raising goals realistic to support the Overture and can they be met?
- \* Assess the pros and cons of fundraising capabilities of a public (city-owned and run) entity vs. a city-owned and private (not-for-profit fun) facility. Can they raise funds equally or which model is likely to be more successful?
- \* Are the assumptions of the model, financial and programmatic, sound and reasonable?

Are there any red flags that you suggest be further reviewed?

- \* Based on historical performance, should hte same team remain, even under a different structure?
- \* Are there any models or precedent for issuing an RFP or having an open competition of some sort to hire a non-profit management organization?
- \* Do the assumptions fit the size and type of community Madison is, considering the size of the facility?
- \* Would such a model make more sense for long term viability?

### **Artistic Assumptions**

Is the proposed mix of programs appropriate viable for this community? (e.g. Broadway and resident company mixed in with promoter driven and free community events?)

### **Deliverables:**

Council Briefing Nov. 4, 2010: preliminary report (estimated)  
Final report and availability for discussion Nov. 9, 2010 (estimated)