



# City of Madison

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

## Meeting Minutes - Approved COMMON COUNCIL ORGANIZATIONAL COMMITTEE

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Thursday, November 18, 2010

4:30 PM

215 Martin Luther King, Jr. Blvd.  
Room 260 (Madison Municipal Building)

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### **\*\*SPECIAL MEETING\*\***

#### **CALL TO ORDER / ROLL CALL**

**Present:** 6 -

Mark Clear; Bryon A. Eagon; Shiva Bidar-Sielaff; Marsha A. Rummel; Ald. Chris Schmidt and Michael Schumacher

**Excused:** 2 -

Lauren Cnare and Tim Bruer

**Others Present:** Ald. Bridget Maniaci, Ald. Mike Verveer, Ald. Steve King, Ald. Brian Solomon, Ald. Satya Rhodes-Conway, Ald. Julia Kerr, Ald. Judy Compton, Ald. Joe Clausius, Karl van Lith (City Organizational Development & Training), City Attorney Michael May, City Comptroller Dean Brasser, HR Director Brad Wirtz, Assistant City Attorney Anne Zellhoefer, Mayor's Chief of Staff Janet Piraino, Andrew Statz (Fiscal Efficiency Auditor), Brad Clark (Madison City Channel Manager), Bonnie Lincicum, Jay Young, Anne Connor, Rosemary Lee, Tom Carto (Overture Center Director), John Neis, Stan Woodward, Amanda Larson, Roger Buffett, Susan Crofton, Lori Kief, Joe Sensenbrenner, Paul Soglin, Deirdre Garton, Tom Campbell, Jeff Porter, Kathleen Rideout, Shiela Sims, Dode Lowe, Fred Mohs, Brenda Konkel, Dean Mosiman (WSJ) and Kristin Czubkowski (TCT).

Ald. Mark Clear, Chair, called the meeting to order at 4:36 p.m.

#### **DISCLOSURES AND RECUSALS**

There were no disclosures or recusals.

#### **PUBLIC COMMENT**

There was no public comment. All comments were on Agenda Item #3 (Legislative File No. 20248)

**REFERRAL FROM COMMON COUNCIL**

**Ald. Lauren Cnare arrived at 4:57 p.m. Ald. Tim Bruer arrived at 5:18 p.m.**

**Present:** 8 -

Mark Clear; Lauren Cnare; Bryon A. Eagon; Shiva Bidar-Sielaff; Marsha A. Rummel; Ald. Chris Schmidt; Michael Schumacher and Tim Bruer

**Ald. Shiva Bidar-Sielaff left at 6:45 p.m. Ald. Bryon Eagon left at 7:52 p.m.**

**Present:** 6 -

Mark Clear; Lauren Cnare; Marsha A. Rummel; Ald. Chris Schmidt; Michael Schumacher and Tim Bruer

**Excused:** 2 -

Bryon A. Eagon and Shiva Bidar-Sielaff

**20248**

Accepting a deed from Overture Development Corporation for the Overture Center located at 201 State Street; authorizing the Mayor and City Clerk to execute a Lease and Operating Agreement with 201 State Foundation, Inc., or its successor; authorizing the formation of a condominium at the Overture Center; and authorizing the Mayor and City Clerk to execute such other documents that may be deemed necessary by the City Attorney to implement the transaction

**Sponsors:** David J. Cieslewicz, Mark Clear, Lauren Cnare and Michael E. Verveer

**Attachments:** [11/4/10 City-201 State Foundation Term Sheet](#)  
[Budget Impacts - 2010 Overture Agreement.pdf](#)  
[Overture Capital Outlays and Debt Service 110510.pdf](#)  
[11/4/10 CC Discussion: Overture Center Visioning Statements](#)  
[11/9/10 CCOC Registrants: 20248](#)  
[Registration Forms 11-9-2010.pdf](#)  
[Alternate Resolution Overture Center 11/18/10](#)  
[11/18/10 CCOC Registrants: 20248](#)  
[Council Statements at 11/18/10 CCOC Meeting](#)  
[Common Council Amendments to 20248](#)  
[Updated Common Council Amendments to 20248](#)  
[Registration Forms 11-30-2010.pdf](#)  
[Registration Forms\(2\) 11-30-2010.pdf](#)  
[11/29/10 MPMLegal Memo On Amendments to Alternate](#)  
[Expanded 12/7/10 Overture Resolution Version 4](#)  
[Original Resolution](#)  
[Alternate Resolution](#)  
[Compare Document Version 5 v Version 4](#)  
[DRAFT SUBSTITUTE ALTERNATE \(Version 4\)](#)  
[DRAFT SUBSTITUTE ALTERNATE \(Version 5\)](#)  
[Budget Impacts - 2010 Overture Agreement\(Versio5\).pdf](#)  
[SUBSTITUTE ALTERNATE \(Version 3\).pdf](#)  
[Registration Forms 12-14-2010.pdf](#)

**Bonnie Lincicum spoke in support. Overture provides a community ticketing voucher program that provides low-income families with opportunities to attend Overture events.**

Jay Young spoke in opposition. Concerned with what the alternate resolution will do to employees (disenfranchise) and user groups (higher costs).

Anne Connor spoke in support. She is the owner of Driftless Studio on State Street. Overture Center has a positive and direct impact on her business.

Rosemary Lee spoke neither in support or opposition. She supports the arts as a patron. She found flaws in the entire process: appointment of chair to Overture Ad Hoc Committee, treatment of employees.

Tom Carto spoke in support. Reviewed Prof. Underclofer's report and agreed with his observations in Chapter 1. He was looking forward to solution for Overture's success.

John Neis spoke in opposition (Local 60 representative). Local 60 remains opposed to the privatization of Overture Center.

Stan Woodward spoke in support (Lussier Community Education Center). He has had several opportunities to interact with the Overture Center. He asked the city to use caution when dealing with Overture Center employees for the best outcome. He supported the Overture community ticketing voucher program that brings children to the center that otherwise could not attend.

Amanda Larson spoke in support (Boys and Girls Club of Dane County). She supported the Overture community ticketing voucher program and the Kids in the Rotunda events because it was cost-efficient for them and a wonderful opportunity for the kids.

The following individuals registered as available to answer questions:

Joe Sensenbrenner  
Lori Kief, Opposed (Local 60)  
Susan Crofton (Overture Center staff)  
Paul Soglin, Supported with amendments  
Deirdre Garton

The following individuals registered and did not wish to speak:

Tom Campbell, Opposed (Local 60)  
Jeff Porter, Opposed  
Kathleen Rideout, Opposed  
Sheila Sims (Opposed)

Ald. Bridget Maniaci asked Joe Sensenbrenner if he supported the proposed alternate resolution. Mr. Sensenbrenner stated that there hadn't been much on the record about people's reaction to the alternate but he understood they were comfortable with this approach. He noted that the proposal seemed straight-forward.

Ald. Marsha Rummel asked Mr. Sensenbrenner what the future of MCAD would be in this model.

Mr. Sensenbrenner indicated that MCAD and 201 State Foundation have a meeting scheduled on Tuesday to discuss what that new entity would be if this proposal was approved.

Ald. Marsha Rummel asked if the question of complying with open meetings law would still be unresolved. Mr. Sensenbrenner noted that it would not apply to a not-for-profit organization but new entity would adopt bylaws to allow for openness of meetings.

Ald. Judy Compton asked if there was a difference between "subsidy" and "grant". Ald. Clear noted they were different words but not functionally different. Ald. Compton asked Mr. Sensenbrenner if the city was removed from managing the Overture Center. Mr. Sensenbrenner stated that under the current draft the city would not be responsible for managing the Overture Center.

Ald. Clear noted that there was one late registration that wanted to speak.

Roger Buffett spoke in support. He stated that the Overture Center was a vital asset to the community and if it went dark no one would have a job.

Ald. Schumacher asked Paul Soglin his first impressions were of the alternate resolution.

Mr. Soglin stated that he had originally supported a public owner/private management model but now supported a private ownership/private management model but didn't believe this was a long-range solution. He stated a better planning process should have been used when developing the Overture Center similar to a charrette process which involved artists, performers, resident companies, other organizations that would be impacted, audiences and the people who paid for it. He believed that resident companies were not involved in the development of the Focus Model. He supported amendments to the proposal to maintain all of the employees remain as they are and create an endowment fund.

Ald. Shiva Bidar-Sielaff asked Mr. Soglin to clarify the model he supported. Mr. Soglin stated that the model he supported would be a private entity but MCAD would still need to exist to employ the public employees.

Joe Sensenbrenner indicated that he supported public ownership of the Overture Center but could also support the alternate resolution proposed by Ald. Clear and Ald. Cnare if it could get them to where they needed to go. Mr. Soglin concurred that most people may be in support of public ownership if they went through a charrette process with non-profit management (but not one that resembles the current board makeup).

Ald. Schumacher asked Mr. Sensenbrenner why the city should own the Overture Center. Mr. Sensenbrenner stated that in the 70's it was determined that a civic center and art facility were needed in our community and that was the starting point for the discussion and construction of the Civic Center & Art Center.

Ald. Tim Bruer asked Mr. Sensenbrenner why the Council should have any confidence that either of the resolutions before them would not fail (referenced Amended Second Substitute Resolution 57,619, ID# 28007). Mr. Sensenbrenner stated that it was the will of the donors, support by the resident companies and interest from the citizenry that have been focused and organized around saving the Overture and making it a success.

Mr. Soglin stated that if the Focus Model failed the city would end up with the Overture if it failed and the non-profit operator could walk away.

Ald. Marsha Rummel asked why the bank can't just write off the \$28 M debt. Mr. Sensenbrenner stated that the donors want to see this succeed and given the choice of a deadline and target or giving the entity 2-3 years to come up with a plan, it was decided that the latter would be unsuccessful. He stated that the Overture needed to raise a lot of money either from fundraising or the city and basically needs to restructure its financial house. Mr. Soglin stated that the debt needed to be paid off.

Ald. Julia Kerr asked City Comptroller Dean Brassler asked him if he had a chance to look at the alternate resolution and what does that mean for taxes on the average house. Mr. Brassler stated that \$2M on the levy would mean \$22-\$23 for average home. Ald. Kerr asked if this would affect the ERP (for example, would you need to find \$2 M to cut in the budget). Mr. Brassler stated this could become a constraint in the future but not right now.

Ald. Schumacher asked City Attorney Michael May if the alternate resolution were adopted would the city need to have additional contracts or agreements. City Attorney May stated that the outside parties pay off the debt and there may be some legal documents that need to be executed (waivers, etc.) and the winding down of MCAD but the resolution could stand on its own.

Ald. Cnare asked if a separate contract should be done every year to ensure that certain things are done (e.g. programming standards). City Attorney May stated that the operator would need to enter into an agreement every year. Ald. Clear asked if this would have an effect on the alternate resolution. City Attorney May stated that it would but you would want to have an agreement that asks what they would be spending the money on.

Ald. Maniaci asked why the city owning the building an issue and what was stopping the non-profit from owning the building. City Attorney stated that the alternate proposes that the non-profit own the building and the city would give them a "grant".

Ald. Bruer asked what the capital responsibilities would be in the alternate resolution. Mr. Brassler stated that there would not be any responsibilities other than providing an annual \$2 M contribution which then the operator would use for both operating and capital expenses.

Ald. Clear asked members of the CCOC and the Council that were present to go around the table and express their thoughts on the alternate resolution.

Ald. Julia Kerr  
Acceptance by the City Council of financial audit prior to disbursing funds  
System to make employees whole on their retirement benefits  
Community programs agreement that quantifies the existing community programs and escalates them by the CIP methodology and ERP  
Acceptance/agreement by operating entity of capital needs projections  
Citizen representation on the Board & the five (5) person Executive Committee  
Annual plan that also includes a summary of the resident company contracts  
Public-private model is too risky for the taxpayers

**Ald. Brian Solomon**

Prefers public-private model vs. private-private model  
Governance: Six (6) three-year terms (vs. three (3) five-year terms)  
Staffing – 3-year study period regarding staffing (and subsequent 3-year study periods)  
Resident companies are offered affordable rental rates  
Language about resident companies to offer free or reduced cost functions, especially if they are related to public engagement  
Create a resident company committee  
In addition to annual reports request reports on financial shortfalls in real time (not wait for them)

**Ald. Michael Schumacher**

Can't support Focus Model (too many issues associated with this model)  
Focus on the alternate resolution and supported the cleanest proposal (doesn't want to deal with staffing or performance issues)

**Ald. Joe Clausius**

Supported alternate resolution (private-private model)

**Ald. Bridget Maniaci**

Community board-City operating board – Not-For-Profit (NFP)  
City Side = Vision + Community (booking)  
NFP Side = Profit + Paid Programming  
Spending caps  
Capital Plan  
Compliance with Capital Plan  
Greater City role  
Transparency – open records and financials

**Ald. Chris Schmidt**

Supported resolving the debt right away and keep working on a solution  
Arts are important to community but are not critical (considered water, police and fire services critical)

**Ald. Mark Clear**

Supported the alternate resolution – conditions on the grant would be subject to appropriation every year during the budget process and does not obligate future councils to contributions  
Every year the Overture provides the Council with their annual plan and the Council bases their decision on the plan (what it is worth)

**Ald. Shiva Bidar-Sielaff**

Concerned about governance  
Citizen representation on the board  
Some defined number of city appointments  
Clarification of the level of transparency of board meetings and decisions  
Staffing still her biggest issues  
Concrete minimum benchmarks  
Not in favor of general performance standards without specific measures

**Ald. Lauren Cnare**

Alternate resolution provides another level of assurance – supported a contract  
Need a shared conversation on vision for the arts in Madison

**Ald. Marsha Rummel**

Not owning the Overture for \$1 is the only thing that was the different in the alternate resolution

Wants to wait for Prof. Undercofler's report back to Council

**Ald. Tim Bruer**

Doesn't want to place the city's core services in jeopardy

Spending caps are important

Develop a framework for maintenance schedule (similar to Monona Terrace)

Financial commitment that reinforces the liability associated with the agreement (specifically they need some more "skin in the game")

Transparency is an issue

Board collective needs to be diverse and representative of the city

**Ald. Mike Verveer**

Need for greater transparency (less use of closed meetings)

Prefers the Focus Model (public ownership of the Overture Center)

Staffing is a concern – 1 year is not acceptable (December 31, 2011 deadline)

**Ald. Satya Rhodes-Conway**

Transitional model with public process

What do you get for \$2M - question needs to be answered

Council set priorities:

1. Sense of ownership
2. Fair & equitable treatment for all employees
3. Transparency (differs if public/private vs. private/private) and if private/private what information is public
4. Increased fundraising
5. Resident company participation
6. Achieve financial stability
7. Increase surrounding community support of the Overture Center

**Ald. Steve King**

Need to foster a sense of ownership (the need and the value of the Overture has to be communicated)

Fair & equitable treatment of employees needs to be achieved

The members discussed possible amendments and how to deal with them.

The amendment process was incorporated into the main motion.

A motion was made by Ald. Michael Schumacher, seconded by Ald. Tim Bruer, to Return to Lead with the Following Recommendation(s) to the BOARD OF ESTIMATES: Recommend adoption of the ALTERNATE RESOLUTION and request Common Council member amendments to the alternate resolution be sent to the Council Administrative Assistant by 2:00 p.m. on Tuesday, November 23, 2010. The motion passed by the following vote:

**Excused:** 2 -

Eagon and Bidar-Sielaff

**Ayes:** 5 -

Clear; Cnare; Ald. Schmidt; Schumacher and Bruer

**Noes:** 1 -

Rummel

**ADJOURNMENT**

A motion was made by Ald. Tim Bruer, seconded by Ald. Michael Schumacher, to adjourn. The motion passed by voice vote/other. The meeting adjourned at 9:07 p.m.