



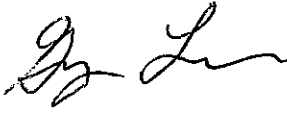
MEETING DATE: 3/2/09

ITEM NO: 7

COUNCIL AGENDA REPORT

DATE: FEBRUARY 19, 2009

TO: MAYOR AND TOWN COUNCIL

FROM: GREG LARSON, TOWN MANAGER 

SUBJECT: APPROVE THE ARTS COMMISSION RECOMMENDATION REGARDING THE FUTURE OVERSIGHT OF MUSIC IN THE PARK CONCERT SERIES AND TO AUTHORIZE STAFF TO COMMENCE CONTRACT NEGOTIATIONS WITH LOS GATOS MUSIC & ARTS FOR MUSIC IN THE PARK COORDINATION

RECOMMENDATION:

That the Town Council approve the Arts Commission recommendation (Attachment 1) regarding future oversight of the Music in the Park (MIP) concert series and authorize staff to commence contract negotiations with Los Gatos Music and Arts for MIP coordination.

BACKGROUND:

Music in the Park is a ten-week series of free-to-the-public concerts, which are held on Sunday afternoons from June through August on the Los Gatos Civic Center lawn. MIP, now in its 21st season, is traditionally funded by community contributions raised by the Town of Los Gatos Arts Commission. Arts Commission members and Town staff are responsible for all work related to the series, including fundraising, accounting, contract negotiations, advertising, and event coordination.

DISCUSSION:

Attached is a proposal from the Arts Commission which recommends that coordination and management of the MIP concert series be transferred to the non-profit agency Los Gatos Music and Arts (LGM&A). LGM&A, whose mission is to inspire, nurture, develop, and produce educational programs, scholarships, concerts and other artistic programs which promote music and the fine arts for the benefit of the community of Los Gatos, funds and manages the summer

PREPARED BY: Regina A. Feltner
Community Services Director 

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Reviewed by: BS Assistant Town Manager OK Town Attorney
____ Clerk Administrator SC Finance ____ Community Development

Jazz in the Plazz concert series held at Town Plaza Park. Staff supports the Commission's recommendation.

As noted in the attached proposal, there are several issues that restrict the ability of the Arts Commission to manage and produce MIP effectively, including the Town solicitation and purchasing policies, the impact on Town staff and Brown Act considerations. The Arts Commission believes that the new LGM&A organization represents a great opportunity to position the MIP program for continued success.

Council approval of the proposal would be followed by negotiations with LGM&A; the discussions would be aimed at preparing a final contract for presentation to the LGM&A Board and the Town Council no later than August 2009. This would allow for transfer of the MIP project from the Town to LGM&A by September 2009.

The contract would address coordination and funding elements including a transition timetable, program purpose, number of concerts, sponsorships, and use of Town facilities. It is anticipated that the MIP fund balance would be granted to the agency over the contract term to offset Town labor costs. The contract would provide for regular project evaluation and allow for project amendments as necessary.

Arts Commissioner Jonathan Knowles would continue to serve on both the Arts Commission and the LGM&A Board to help facilitate the transition. In order to avoid conflict of interest issues, Commissioner Knowles has disclosed his position on the LGM&A Board. Furthermore, the Arts Commission has formally noted the fact and although it has authorized him to participate in the discussions, his vote will not be counted.

CONCLUSION:

During the past year, the Arts Commission and Town staff have reviewed and evaluated the MIP program goals and coordination. Discussions have highlighted a common desire to coordinate the program through an alternative structure that incorporates coordinated community fundraising, is not subject to the rigorous confines of the Brown Act, and reduces the impact on Town human resources. LGM&A, a non-profit agency with a music and arts mission, has a structure which could assume MIP and thereby allow us to meet our objectives. The Town has supported this Arts Commission project since its inception over twenty years ago. An agreement with an area non-profit helps us to assure the program's longevity.

With its proposal, the Arts Commission is asking the Town Council for permission to enter into negotiations with LGM&A regarding future oversight of the MIP concert series. If an agreement is reached, the contract would be brought back to Council for its final approval.

ENVIRONMENTAL ASSESSMENT:

The recommended action is not a project defined under CEQA, and no further action is required.

FISCAL IMPACT:

If management of the MIP concert series was assumed by LGM&A, the following fiscal impacts would result:

- Revenues and expenses related to direct concert series costs would be eliminated from the Town's Operating Budget. The revenues are received from the series sponsors, and cover all direct series expenses. The amount budgeted for FY 2009 is approximately \$51,000.
- Incidental expenses such as fees and postage, which are not covered by series sponsorship revenues, would be subject to the negotiation process.
- Human resource costs in the Community Services and Parks and Public Works Departments would be subject to the negotiation process. Currently, PPW costs are reimbursed by series sponsorship revenues, while CSD costs are not. The Town would likely retain some human resource costs to oversee the contract with LGM&A.

Attachments:

1. Proposal for Future Oversight of Music in the Park
2. Letter from Los Gatos Music & Arts

Distribution:

Art Commissioners
Teri Hope, President, Los Gatos Music & Arts

PROPOSAL FOR FUTURE OVERSIGHT OF MUSIC IN THE PARK

Executive Summary

For 20 years, the Los Gatos Arts Commission has been responsible for producing the town's annual *Music in the Park* (MIP) summer concert series. The Arts Commission is appointed by and serves at the pleasure of the Los Gatos Town Council, and receives guidance and administrative support from the Community Services Department (CSD).

This concert series is funded by donations from local businesses and individuals at a variety of levels ranging from \$250.00 to \$5000.00. These sponsorships cover the costs of hiring the performers and sound technician, printing posters and other collateral materials, fees paid to Parks & Public Works employees, business license fees, advertising costs, porta-potties, temporary workers, website maintenance, and any capital expenses (such as new and replacement staging and drapery).

Community Services Department (CSD) staff provides administrative support and oversight of the Arts Commission and MIP. Neither the Arts Commission nor MIP sponsors reimburse the Town for the hours contributed by CSD staff. Instead, this administrative support is an expense to the Town.

In the span of the last two decades, MIP has grown significantly in size and production complexity – from a few concerts attended by fewer than 1,000 people each summer, to a full slate of 10-12 concerts with an average attendance of over 3,000 at each. The response from Town residents has been overwhelmingly positive, and local businesses and individuals have generously continued to demonstrate their support for the 2009 MIP series.

Current Challenges

The Arts Commission has encountered several issues that restrict its ability to manage and produce MIP effectively. These include:

1. *Solicitation policy* – Current Town policy forbids all other commissions from soliciting funds from the general public, with the goal of eliminating any potential “quid pro quo” situations. Although Council members were kind enough to make an exception for the Arts Commission during the 2008 MIP season, we recognize that this is a very “grey” area.
2. *Contract negotiations* – Town policy has occasionally presented challenges with regard to the selection of the optimum vendors for MIP: Given that Los Gatos has a “lowest bid” policy, the Arts Commission has been unable to select preferred vendors.

3. *Impact on Town staff* – CSD reports that its workload has increased dramatically. Given the recent history of MIP, the Arts Commission has an expectation of still further growth in the future – with a correspondent increase in the amount of administrative support that would be provided by the CSD.
4. *Brown Act considerations* – The success of MIP (and every large-scale production) depends on close collaborations between committee members selected to oversee various aspects of the concert series. At certain times during the production process (particularly during the fundraising season, and just prior to the launch of the first concert), consultations, meetings, and phone calls are necessary on a daily basis; often several times daily. Yet, since the Arts Commission is made up of volunteers who serve as representatives of the Town, all such interactions must be made open and transparent – meaning that all such meetings must be publicly posted and available for attendance by anyone who chooses to do so, lest the Commission be in violation of the Brown Act. Given the necessary lead-time for this process, this is a highly unworkable model for MIP committee members who must be proactive and respond quickly as very dynamic, real-time situations dictate.
5. *Reserves* – Currently, the Town has a reserve account for MIP totaling approximately \$39,000. These funds are designated for paying the performers and other related expenses detailed in the Executive Summary above. The Arts Commission wishes to ensure that these funds will remain available to continue producing MIP in the future. Once they have been exhausted, any additional expenses will be covered via the model outlined below.

Opportunities

In 2002, former Arts Commission and MIP Chair Teri Hope launched the *jazz on the plaza* (JOTP) summer concert series. JOTP has since become highly successful and an important part of our town. In 2008, Teri and other community leaders formed Los Gatos Music and Arts (LGM&A), a registered 501(c)(3) non-profit organization whose mission is to inspire, nurture, develop, and produce educational programs, scholarships, concerts, and other artistic programs which promote music and the fine arts for the benefit of the community of Los Gatos. To date, LGM&A has funded The Museums of Los Gatos and A Place for Teens. LGM&A has a strong management team and board of directors, and a proven commitment to the arts in Los Gatos.

The Los Gatos Arts Commission would like to propose the creation of a new organizational structure for MIP, such that the concert series would be moved under the “umbrella” of Los Gatos Music and Arts. It is our hope that this new arrangement can eliminate the above-mentioned “hurdles,” and position MIP for continued success in the years to come. We believe that such a shift makes sense for many reasons:

1. With a single, unified fundraising “machine,” versus two smaller groups competing for the same sponsor dollars from local businesses and private donors,

MIP and JOTP can avoid the duplication of fundraising efforts. At the same time, sponsors will only receive one solicitation request for both series, which will likely improve both JOTP's and MIP's chances of receiving financial support.

2. Given that LGM&A personnel is not appointed by the Town, adherence to Brown Act policy that currently governs (and restricts) meetings will no longer be necessary. Also, LGM&A personnel will be free to send and receive correspondence as necessary, solicit the ideal concert vendors, and negotiate all relevant contracts.
3. One of the current MIP Co-Chairs currently serves on the LGM&A board; the other will join the LGM&A board at the end of her term on the Arts Commission this December. This will create ideal short-term collaboration between the two groups. In the long term, these synergies can ensure a smooth transition to the new management and production model, and maintain a consistent level of quality for MIP.
4. Informal, exploratory discussion with the LGM&A board have been extremely positive, with all parties expressing enthusiasm for uniting the two concert series under one organization. Clearly, the LGM&A board sees the value in combining its efforts with the Arts Commission. Additionally, LGM&A has an extensive group of volunteers who could be tapped to support MIP.
5. Most importantly, by transitioning MIP away from the Town's purview and over to LGM&A, Town staff would enjoy a greatly reduced administrative workload. Freed from the responsibility of MIP oversight, CSD staff members could devote the hours formerly dedicated to MIP to other tasks.

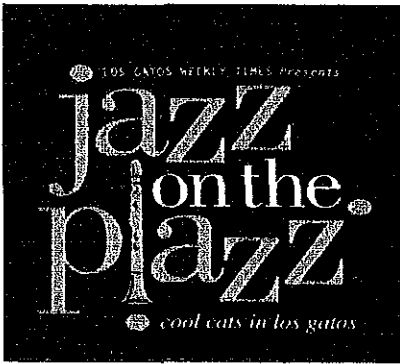
Liaison – Arts Commission & MIP

While the Arts Commission sees the value inherent in shifting fundraising, management and production of MIP to LGM&A, we are also cognizant of the fact that the concert series will still be presented as a benefit for Town residents. LGM&A will enthusiastically encourage the weekly participation at MIP by Town Council members, and will continue to extend the Town's "brand" at all concerts. In the best of all worlds, this transition will be completely seamless to any and all concert attendees, and MIP will continue to be as successful as it has been in years past. From an attendee perspective, there will be no discernable difference.

Conclusion

The Los Gatos Arts Commission recognizes that Music in the Park is a truly unique, "Los Gatos-style" event, and with steady growth has taken on its own life in the past several years. Our aim is to ensure the future viability of the concert series, which will likely mean that "business as usual" is no longer a relevant model. With the support of Council we hope to solidify the transition to LGM&A beginning with the 2010 MIP season (this

transition ideally will take place at the end of August, 2009, when planning for the 2010 MIP season begins). We believe this will allow for the continuation of this wonderful benefit for Town residents, and create a scalable model for future success. By aligning MIP with Los Gatos Music and Arts, we can realize those goals. We look forward to Council's feedback and recommendations.



www.jazzontheplazz.com

**BENEFICIARY
ORGANIZATIONS:**

The Museums of Los Gatos
Elke Groves, *Executive Director*
Sandy Decker, *President*
The Venue/A Place for Teens
Lee Fagot, *Board President*

**LOS GATOS MUSIC & ARTS
BOARD of DIRECTORS:**

Jonathan Knowles
Chairperson & Jazz Co-Chair
Teri Hope
President & Jazz Co-Chair
Joan Perry
Secretary/Treasurer
Michael Jacobi
*Executive Producer &
Jazz Artistic Director*
Victoria Trammell
Jazz Assistant Producer
Branford Marsalis
Artistic Advisor
Tim Barnes
Ken & Jackie Cannizzaro
Peter Carter
Kyle & Ivy Chesser
David Cohen
Michael Hyman
D. Michael Kane
Bruce Labadie
Steve Leonadis
Deb & Doug Lockie
Steve Mangold
Jeff Miller
Don Olivet
Marguerite Padovani
Ed & Louise Rathmann
Andrea Skov
Noreene Wilson

February 11, 2009

Town of Los Gatos
Los Gatos Arts Commissioners
208 E. Main St.
Los Gatos, Ca 95030

Re: Music in the Park

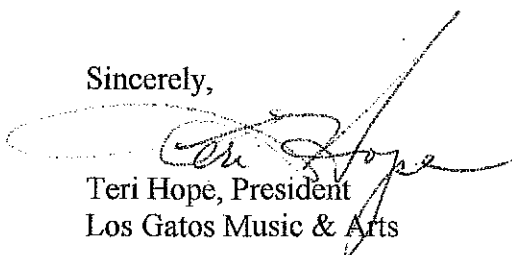
Dear Commissioners,

As President of the Los Gatos Music & Arts, I am so very pleased to advise you, that the LGM&A Board of Directors has voted in favor of including the Music in the Park project under its umbrella in future years. We clearly understand this proposal is pending acceptance from the Arts Commission and final approval from the Town of Los Gatos.

As you know, the Los Gatos Music & Arts is a 501(c)(3) Non Profit organization and is an umbrella organization, fostering music and arts programs including, but not limited to, the Jazz on the Plazz series. LGM&A has the essential experience and resources to incorporate the MIP concert series under its umbrella to our mutual benefit and shared vision. The Los Gatos Music & Arts mission is to inspire, nurture, develop, facilitate and produce concerts, educational programs, scholarships and other artistic programs for the benefit of the community of Los Gatos. We believe including the MIP series under LGM&A is a very good fit for all concerned.

I can say with confidence the board members, volunteers and staff of LGM&A will embrace the Music in the Park project and its dedicated team members. We are all committed to maintaining the well-established quality and standards which our community has grown to expect from its beloved Sunday concert series.

Sincerely,


Teri Hope, President
Los Gatos Music & Arts

LOS GATOS MUSIC & ARTS
101 W. Main St.
Los Gatos, CA 95030