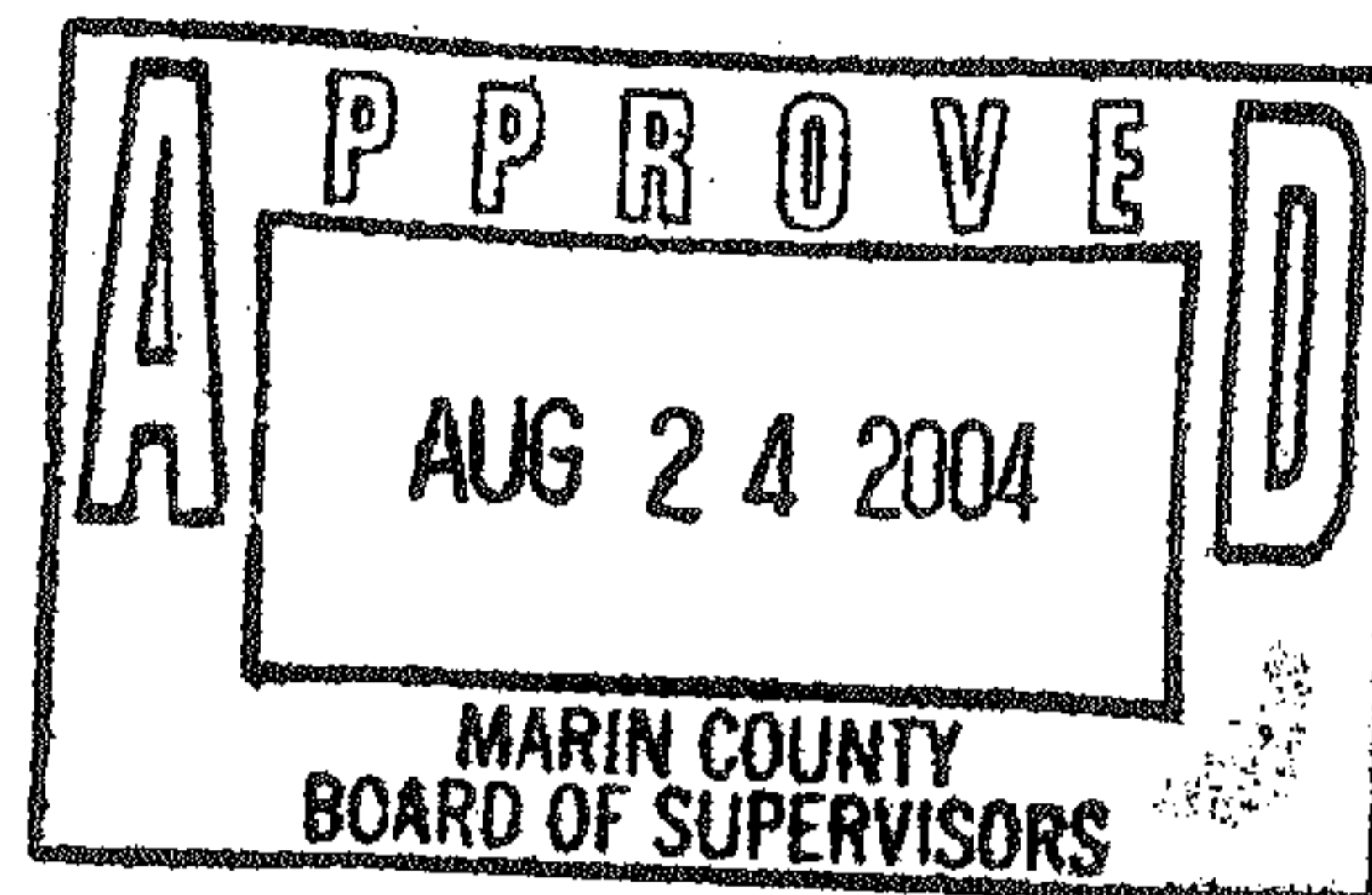


COUNTY OF MARIN
OFFICE OF THE ADMINISTRATOR

3501 CIVIC CENTER DRIVE, SUITE 325, SAN RAFAEL, CA 94903
415/499-6358 - FAX 415/507-4104

Mark J. Riesenfeld
County Administrator

August 24, 2004



Honorable Board of Supervisors
Marin County Civic Center
3501 Civic Center Drive
San Rafael, California 94903

SUBJECT: Response to 2003 - 2004 Grand Jury Report "Marin Center - At What Price Culture?" (May 25, 2004)

Dear Board Members:

RECOMMENDATION: Concur in and adopt the attached proposed response to the 2003-2004 Grand Jury report on the Marin Center, and authorize the Board President to forward the report to the Presiding Judge of the Marin County Superior Court.

SUMMARY: The 2003-2004 Civil Grand Jury published a report on May 25, 2004 entitled "Marin Center - At What Price Culture?" The report included a request for a response from your Board to all Findings (1 - 9) and to all Recommendations (1 - 6). Attached for your consideration, in accordance with §933 of the California Penal Code, is a proposed response. A copy of the Grand Jury report is also attached for your information.

FISCAL IMPACT: None.

ALTERNATIVE: The Board may amend any suggested response.

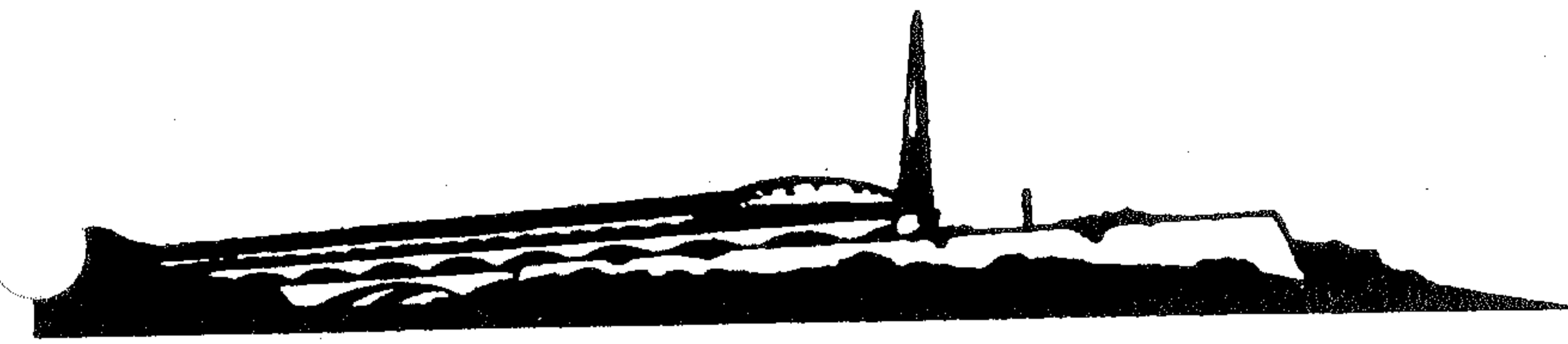
REVIEWED BY:

<input checked="" type="checkbox"/>	County Counsel	<input type="checkbox"/>	N/A
<input type="checkbox"/>	Human Resources	<input checked="" type="checkbox"/>	N/A
<input type="checkbox"/>	Auditor-Controller	<input checked="" type="checkbox"/>	N/A

Respectfully submitted,

Mark J. Riesenfeld,
County Administrator

cc: Marin Center
County Counsel



ADMINISTRATION BUILDING
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THE BOARD OF SUPERVISORS OF MARIN COUNTY

August 24, 2004

Honorable Terrence R. Boren
Presiding Judge
Marin County Superior Court
3501 Civic Center Drive
San Rafael, CA 94903

Dear Judge Boren:

Forwarded herewith is the Board of Supervisors' response to the 2003-04 Grand Jury Report "*Marin Center - At What Price Culture*". The Grand Jury requested Board responses to all Findings (1 - 9) and all Recommendations (1 - 6).

Respectfully submitted,

Steve Kinsey
President, Board of Supervisors

cc: Civil Grand Jury

F:\GRAND JURY RESP\2004\Marin Center - Letters

2ND VICE-PRESIDENT
SUSAN L. ADAMS
SAN RAFAEL
1ST DISTRICT

VICE-PRESIDENT
HAROLD C. BROWN, JR.
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2ND DISTRICT

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3RD DISTRICT

2

PRESIDENT
STEVE KINSEY
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4TH DISTRICT

CYNTHIA L. MURRAY
NOVATO
5TH DISTRICT

CLERK
MARK J. RIESENFELD

Report Title: "Marin Center – At What Price Culture?"

Report Date: May 25, 2004

Response by: Marin County Board of Supervisors

FINDINGS

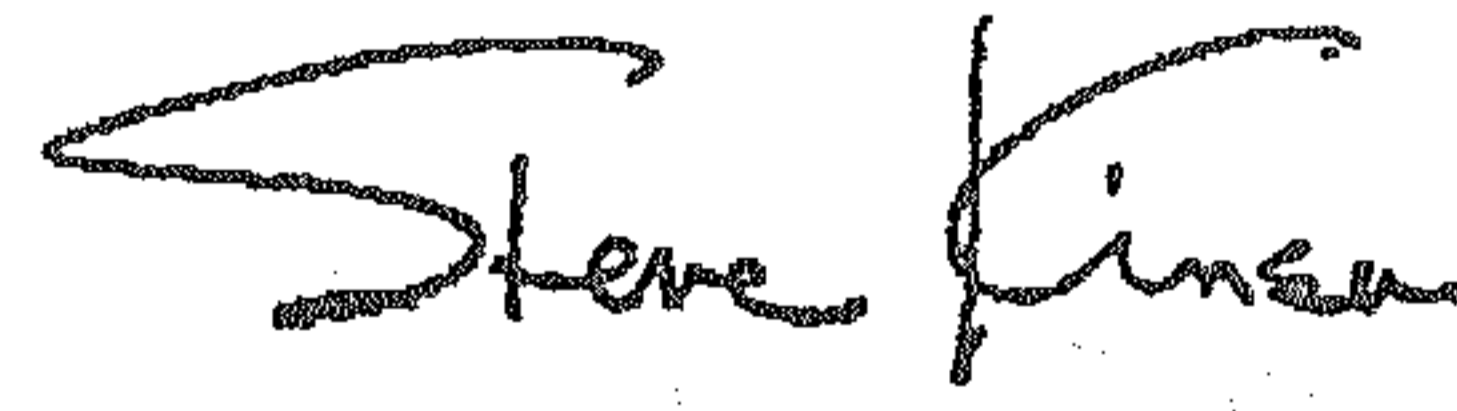
- We agree with the findings numbered: 1, 3 and 7.
- We disagree partially with findings numbered: 4 and 8.
- We disagree with findings numbered: 2, 5, 6 and 9.

RECOMMENDATIONS

- Recommendation number 6 has been implemented.
- Recommendations numbered 3 and 4 have not been implemented, but will be implemented in the future.
- Recommendations numbered 1, 2 and 5 will not be implemented.

Date: 08/17/04

Signed: _____



Steve Kinsey, President

Number of pages attached: 11

**Marin County Board of Supervisors
Response to Civil Grand Jury Report:
Marin Center – At What Price Culture? (May 25, 2004)**

FINDINGS

Finding 1:

Marin Center's primary mission is to present a diverse mix of cultural and community events for the benefit of Marin residents.

Agree.

Finding 2:

Evaluation of the performance of Marin Center by the BOS, the Department; and the Commission is primarily based on reaction from the user community.

Disagree.

The ongoing evaluation of the performance in the areas of operations, facility maintenance, and customer service at Marin Center is based on a variety of both internal and external sources. External evaluation of Marin Center is completed by the 125+ annual users and 500 event participants through a post-event evaluation form and survey. Staff also responds to customer service issues that arise from 600,000 annual event attendees. Internal evaluation of the performance of Marin Center is continual, conducted by the Board of Supervisors; Parks, Open Space and Cultural Services Commission; and Marin Center management and staff. In addition, the County's annual budget process includes extensive review of all departmental programs, including Marin Center.

Finding 3:

All-inclusive reports on Marin Center's finances are not routinely produced.

Agree.

However, most of Marin Center's finances are included in a General Fund budget center and are featured in both the Proposed and Final Budget documents prepared for the Board of Supervisors and for public review (please see attached County of Marin 2004-2005 Proposed Budget, pp. E-34 – E-36, and County of Marin 2004-2005 Proposed Budget, Line Item Supplement, pp. 484 -- 486). In addition, the Marin Center Presents (MCP) enterprise account is monitored closely by Marin Center and Auditor-Controller staff.

Finding 4:

Marin Center's Net Cost to the County has risen 167% in the past six years.

Partially Disagree.

The net cost of the Marin Center operations has risen from \$465,089 in 1998-1999 to \$1,170,817 in the 2003-2004 fiscal year, an increase of 152%. Costs have risen due to significant increases in utility and insurance expenses, program and salary costs, and funding needed to address deferred maintenance needs of the facilities. For example, from 2001-2002

to 2003-2004, insurance costs increased from \$61,373 to \$243,061, almost quadrupling in just two years. Marin Center management and staff supervise expenditures closely and maximize revenues whenever possible, while maintaining the facilities in the best possible condition and providing strong customer service. As a result of increasing Marin Center fees, the budgeted net county cost for fiscal year 2004-05 is \$963,562, a \$207,255 (17.7%) reduction compared to the prior fiscal year.

Finding 5:

The amount of the Net Cost to the County is not reported in the County budget.

Disagree.

The amount of the net cost of Marin Center to the County of Marin is clearly reported in both the proposed and final budget documents. (See attached.)

Finding 6:

There is no evidence that the MCP account is reported either to the Commission or to be the BOS.

Disagree.

Marin Center staff prepares an annual detailed end-of-season report about the activities of the Marin Center Presents programs for review by the Cultural Development Committee of the Parks, Open Space and Cultural Commission. This committee, as charged by the Commission, reviews the account balance of the MCP Promotion Fund and makes recommendations to staff on programming, marketing, and strategic planning for the successful MPC series.

Finding 7:

Marin Center has not calculated the actual costs of operating each of its facilities.

Agree.

Marin Center includes the Marin Veterans' Memorial Auditorium, Exhibit Hall, Showcase Theatre, Meeting Rooms and Fairgrounds. Marin Center does not track expenditures or revenues on a per-facility basis, but only for the entire complex. Past efforts to identify and track expenditures for each facility have been challenging due to the frequent scheduling of events that use multiple facilities, and the difficulty of assigning administrative, event coordination, maintenance and custodial services to each specific event.

Finding 8:

Marin Center facilities are priced, generally biennially, based upon comparison with other venues and what the market will bear.

Partially disagree.

Marin Center rental fees have been raised, most recently by 10% in both 2003 and 2004. Recommendations for fee increases are based on a series of factors:

- Comparison of similar venues
- Mission to make facilities affordable and accessible to Marin County non-profit organizations

- Desire to maximize revenues to offset operating expenses
- Review of operating expenses and overall net cost to County of Marin
- Goal to keep current volume of usage and maintain or build overall revenue profile, and
- Availability and cost of rental equipment.

The Board of Supervisors believes the current fees are fair and reasonable, given the Marin Center's commitment to operating cost-efficient facilities that are affordable and accessible to the community. The department will report to the Board of Supervisors on the impacts, either positive or negative, of the fee increases.

Finding 9:

Marin Center operation is at risk because of the lack of a succession plan for the Center Manager.

Disagree.

An Assistant Deputy Director position was added to Marin Center's budgeted position allocation in January 2004. This new position provides key administrative support to the Marin Center Director. This position was filled with the in-house promotion of the Senior Events Coordinator, who has served as staff to Marin Center since 1996. Over the next year, the Director will share his expertise and experience fully with the Assistant Deputy Director to ensure a smooth transition in the event of the unexpected departure of the Director. It is important to note that the current Director does not have retirement plans in the near future.

RECOMMENDATIONS

Recommendation 1:

The MCP enterprise account should be integrated into Budget Center 780.

Will not be implemented.

The Marin Center Director and the County's financial staff have reviewed the issue of whether it is appropriate to integrate the Marin Center Presents enterprise account into Marin Center Budget Center 780. They concluded that it is not advisable, at this time, to do so. The MCP enterprise account serves the useful purpose of allowing the department to produce shows for the Marin Center. Ultimately, the MCP account brings in about 15 percent of Marin Center annual revenues. Operationally, it would not work as effectively to mingle the enterprise funds with Budget Center 780.

The County is currently engaged in a project, which includes Marin Center, to revise its chart of accounts. This project is part of the preparation for a much larger project: consideration of whether or not to implement a new Enterprise Resource System that will include a new financial system. If the County proceeds, the new system will provide much stronger accounting and reporting for all its finances. In the meantime, County staff will explore moving the enterprise account into the County's GOLD financial system and setting-up a separate agency fund to provide better enterprise fund accounting reports and ensure easier public access to the information.

Recommendation 2:

The MCP enterprise account's size and purpose should either be clearly limited and specified by the BOS, or the account should be eliminated.

Will not be implemented.

The Marin Center Presents enterprise account's size, mission, goals, and objectives have been regularly reviewed by the Cultural Development Committee of the Parks, Open Space and Cultural Commission, and the Director of Cultural Services. The Marin Center Presents program is a popular and successful effort, resulting in significant new revenues and an outstanding array of international, culturally-diverse artists. The scale and scope of the Marin Center Presents programs and budget are limited by the size of the reserve balance in the enterprise account and monitored closely by staff to ensure this account's long-term stability and viability.

Recommendation 3:

A long-range development plan to reduce and stabilize Marin Center's cost to the County should be produced, maximizing the use of private funds to underwrite operating costs.

Will be implemented.

The Marin Center Director will develop a long-term development plan to address the issues of Marin Center's cost to the County of Marin within six months. Since the facilities have been supported by the County of Marin since the Marin Veterans' Memorial Auditorium opened in 1971, it will be challenging to solicit private funds to underwrite operating costs at Marin Center. Friends of Marin Center, a community-based, non-profit support organization, currently raises funds for small capital projects.

Recommendation 4:

The Marin Center Renaissance master plan should clearly delineate the short- and long-term impacts of renovation on operating and capital costs.

Will be implemented.

The Board of Supervisors believes both the short- and long-term fiscal impacts of the Marin Center Renaissance Project are important to review and a critical component of the planning process. Master planning is now underway and will be completed in December 2004. Consultants will start work shortly on reviewing the options presented by the team of architects to clearly define both the potential construction costs and the economic feasibility and market evaluation of the project. This information and analysis will be included in the staff report to the Board of Supervisors in October 2004.

The construction costs and economic feasibility studies will be considered carefully by the Board of Supervisors, Marin Center Renaissance Partnership and staff before any recommendations of phases of the approved master plan are moved forward or implemented.

Recommendation 5:

The Commission should increase its scrutiny of Marin Center's overall financial management and ensure that a balance exists between cultural excellence and fiscal prudence.

Will not be implemented.

To date, the Parks, Open Space and Cultural Commission reviews policies and programs, but not does scrutinize the management of Marin Center. The Board of Supervisors believes it is important to distinguish between policy review and management oversight. At this time, the Board does not believe increased scrutiny of Marin Center's financial management is needed by the Commission. Currently, the County Administrator's staff and Marin Center's management oversee Marin Center's finances to ensure that a balance exists between promoting cultural, educational, commercial, artistic, and recreational opportunities for the community, as well as operating the Marin Center in a financially prudent manner.

Recommendation 6:

A plan for recruiting and training a successor to the Center Manager should be developed immediately.

Has been implemented.

The Assistant Deputy Director position was added to Marin Center in January 2004. The Director of Cultural Services is working closely with the Assistant in contract administration, staff supervision, and facility operations so that the Assistant can provide effective and efficient management, leadership, and support to Marin Center. The Board of Supervisors believes this training program will maximize the potential for a smooth transition in the event of an unexpected departure of the Director of Cultural Services. At the appropriate time, upon the Director's departure, a recruitment will be conducted; the Board cannot pre-designate someone for the position.

County of Marin State of California

County Budget Form
Schedule 9

Budget Unit Financing Uses Detail

Community Services

Marin Center 780

		Expenditure Amounts						
Financing Uses Classification	Object	Actual Completed Year Ended June 30, 2002	Actual Completed Year Ended June 30, 2003	Approved Budget for Year Ended June 30, 2004	Current Modified Year Ending June 30, 2004	Recommended Budget Year Ending June 30, 2005	Allowed by Board of Supervisors Year Ending June 30, 2005	
Regular Staff Salaries	1003	703,958	771,704	880,607	812,552	878,707		
Extra Hire	1004	165,397	171,443	125,000	193,055	125,000		
Shift Differential	1006	144	2,269	1,000	1,000	1,000		
Extra Hire Special Marin Center	1007	427,891	474,102	400,000	515,000	500,000		
Overtime	1008	15,479	32,907	15,000	15,000	15,000		
Retirement County	1402	69,010	79,025	114,137	114,137	116,116		
Social Security	1404	19,263	21,106	12,769	12,769	12,741		
Additional Retirement and Employee Benefits	1506	87,266	95,477	115,740	115,740	115,647		
Unused Fringe Benefits	1516	3,427	1,239	0	0	0		
Compensation Insurance	1701	89,024	95,673	32,543	32,543	32,678		
Net Cost Positions Added	1998	0	0	0	0	0		
Net Cost Positions Deleted	1999	0	0	0	0	0		
Account Total: Wages and Benefits		1,580,860	1,744,945	1,696,796	1,811,796	1,796,889		
Uniform Allowance	2005	781	611	1,120	1,120	1,120		
Household Expenses	2046	26,602	26,733	26,500	29,311	26,500		
Lights and Ballasts	2047	9,528	9,968	10,000	10,000	10,000		
Office Equipment Replacement and Maintenance	2079	0	0	0	0	0		
Building Maintenance - Technical	2091	19,997	17,105	20,000	20,000	20,000		
Building and Plant Maintenance	2096	61,074	69,568	60,000	70,000	60,000		
Postage	2130	27,131	30,582	25,000	32,107	25,000		
Books and Periodicals	2131	558	1,071	750	750	750		
Office Supplies and Expense	2133	10,663	7,192	7,050	7,050	7,050		
Document Reproductions Costs	2137	0	0	0	0	0		
Telecommunications Equipment	2225	0	0	73	73	73		
Radio Rental	2235	560	560	560	560	560		
Small Tools and Instruments	2249	1,772	1,836	1,850	1,850	1,850		
Special Projects	2267	0	0	0	0	0		
Miscellaneous Fees	2269	2,971	1,150	900	900	900		
Training	2273	491	745	400	538	400		
Professional Services	2352	0	0	0	0	0		
Publicity	2387	54,445	53,414	50,000	52,000	50,000		
Conferences	2477	1,012	854	1,200	1,200	1,200		

County of Marin State of California

County Budget Form
Schedule 9

Budget Unit Financing Uses Detail

Community Services

Marin Center 780

Financing Uses Classification	Object	Expenditure Amounts						Allowed by Board of Supervisors Year Ending June 30, 2005
		Actual Completed Year Ended June 30, 2002	Actual Completed Year Ended June 30, 2003	Approved Budget for Year Ended June 30, 2004	Current Modified Year Ending June 30, 2004	Recommended Budget Year Ending June 30, 2005	Ending June 30, 2005	
Mileage and Routine Travel Expenses	2479	384	711	1,000	1,000	1,000	1,000	
Contract Service - Special	2530	0	0	0	0	0	0	
Contract Services Miscellaneous	2533	80,104	114,331	103,000	109,073	103,000	103,000	
Contract Service Telephone	2534	0	0	0	0	0	0	
Contract Service Power	2535	0	0	0	0	0	0	
Water 2	2731	31,628	30,509	36,000	36,000	36,000	36,000	
Utilities	2733	192,360	208,392	210,000	220,000	210,000	210,000	
Marin Lagoon Project	2749	0	0	0	0	0	0	
Account Total: Services and Supplies		522,060	575,329	555,403	593,532	555,403	555,403	
Land Improvements	4009	0	0	0	0	0	0	
Site Improvements	4037	0	0	0	0	0	0	
Miscellaneous Equipment and Machinery	4801	0	3,031	0	0	0	0	
Communications Equipment 2	4804	0	0	0	0	0	0	
Furniture and Fixtures	4837	5,368	0	0	0	0	0	
Reproduction Equipment	4865	0	0	0	0	0	0	
Data Processing Equipment	4880	0	0	0	0	0	0	
PC Leased Purchases	4998	11,825	7,328	0	0	0	0	
Capitalized Lease Purchase	4999	5,000	0	6,740	6,740	6,740	6,740	
Account Total: Fixed Assets		22,193	10,359	6,740	6,740	6,740	6,740	
General Insurance Charged	5004	61,373	154,403	325,690	243,061	142,269	142,269	
Data Processing Charged	5010	0	0	0	0	0	0	
Audit Services Charged	5017	0	0	0	0	0	0	
Vehicle Maintenance Charged	5025	0	0	0	0	0	0	
Vehicle Replacement Charged	5035	0	0	0	0	0	0	
Vehicle Depreciation Charged	5038	0	0	0	0	0	0	
Motor Pool Charged	5040	0	0	0	0	0	0	
Telephone Charged	5071	44,892	48,628	48,628	48,628	52,802	52,802	
Rent Received	5072	-15,110	-12,450	-10,385	-14,003	0	0	
Landscape Maintenance Charged	5088	96,761	96,761	102,873	113,497	113,497	113,497	
P. C. Lease Charged	5090	0	0	24,451	24,451	7,534	7,534	
Interdepartment Miscellaneous Received	5127	-3,859	-5,197	0	0	0	0	
Administration Distribution Received	5605	0	0	0	0	-8,785	-8,785	

County of Marin
State of California

County Budget Form
Schedule 9

Budget Unit Financing Uses Detail

Community Services

Marin Center

780

		Expenditure Amounts						
		Actual Completed Year Ended June 30, 2002	Actual Completed Year Ended June 30, 2003	Approved Budget for Year Ended June 30, 2004	Current Modified Year Ending June 30, 2004	Recommended Budget Year Ending June 30, 2005	Allowed by Board of Supervisors Year Ending June 30, 2005	
Financing Uses Classification	Object							
Administration Distribution Charged	5606	44,387	44,387	51,119	51,119	52,213		
Account Total: Inter-Department Charges		228,444	326,532	542,376	466,753	359,530		
Fund Total: 102 General Fund Expenditures		2,353,556	2,657,164	2,801,315	2,878,821	2,718,562		
Equipment Rental	9220	58,729	69,379	70,000	85,000	74,000		
Buildings and Grounds Rental	9224	521,519	555,982	565,000	625,000	657,000		
Other Aid State	9367	0	0	0	0	0		
Extra Hire Staffing Reimbursement	9662	31,697	28,950	30,000	34,000	30,000		
Box Office Revenue	9663	80,154	80,555	90,000	88,000	94,000		
Local 16 State Tech Reimbursement	9689	452,427	531,297	495,000	610,000	600,000		
Food-Beverage Concession Reimbursement	9699	23,044	44,234	30,000	30,000	30,000		
Bankcard Fees	9719	46,007	49,934	45,000	45,000	50,000		
Donations (General)	9761	0	0	0	0	0		
Other Miscellaneous Income	9774	43,427	48,185	40,000	32,000	35,000		
Inter-fund Revenue Charges	9799	170,000	186,786	185,000	185,000	185,000		
Account Total: Revenue		1,427,005	1,595,301	1,550,000	1,734,000	1,755,000		
Fund Total: 102 General Fund Revenues		1,427,005	1,595,301	1,550,000	1,734,000	1,755,000		