



Agenda Report

Fullerton City Council

MEETING DATE: JUNE 6, 2023

TO: CITY COUNCIL / SUCCESSOR AGENCY

SUBMITTED BY: ERIC LEVITT, CITY MANAGER

PREPARED BY: DAISY PEREZ, DEPUTY CITY MANAGER
TAYLOR SAMUELSON, SENIOR ADMINISTRATIVE ANALYST

SUBJECT: HUNT BRANCH LIBRARY UPDATE AND LIBRARY AD-HOC COMMITTEE RECOMMENDED ACTIONS

SUMMARY

City Council directed staff to present external proposals as well as a City proposal to the Library Ad-Hoc Committee for Hunt Branch Library operation. Staff recommended to the Ad-Hoc committee that the City provide a two-year bridge operations while we continue to evaluate the long-term solution. The Ad-Hoc Committee approved the staff recommendation and recommends a full-service library operations and community cultural arts programming for adults and children as a two-year bridge to meet the community needs for this historic space.

RECOMMENDATION

1. Approve a two-year bridge program to operate the Hunt Branch Library as a city-run facility with arts and culture programming seven-days a week alongside a library operation.
2. Authorize City Manager to enter into and administer agreements between the City and various community groups to facilitate programming at the Hunt Branch Library, in a form approved by the City Attorney.
3. Authorize the appropriation of \$505,137 in expenditures and \$679,561 in revenue to the Fiscal Year (FY) 2023-24 Budget for the operation of the Hunt Branch Library.
4. Approve addition of one Full Time Equivalent Events Specialist and 6,240 non-regular hours to the Parks and Recreation FY 2023-24 personnel summary and addition of one Full Time Equivalent Library Technical Assistant II and 1,920 non-regular hours to the Library FY 2023-24 personnel summary.

CITY MANAGER REMARKS

The City Manager recommends approval of the two-year operations plan. This plan provides a financial means to open and operate the Hunt Library consistent with City Council and community desire.

One item the City Council may wish to discuss is whether to increase security budget.

The City Manager further requests that the City Council schedule a future agenda item for Council discussion on proposals to build adjacent to the Hunt Library at the current dog park to provide financial support for the Hunt Library.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statements:

- Fiscal and Organizational Stability
- Infrastructure and City Assets.

FISCAL IMPACT

The Proposed Fiscal Year 2023-24 Budget includes \$369,561 (\$190,000 Council Direction at Budget Study Session + \$179,561 Senior Librarian and other costs) of budgeted expenditures. Recommendation No. 3 appropriates revenue budget of \$679,561 and additional expenditure budget of \$505,137 for total Year 1 expenditure budget of \$874,698. The estimated net General Fund impact for Year 1 of the bridge program is \$195,137. Cost breakdown for the bridge program is as follows:

City Operation Hunt Branch Library Fiscal Breakdown			
COST DESCRIPTIONS	YEAR 1	YEAR 2	NET COST
Baseline Costs – (Utilities, Maintenance, Security)	\$184,732	\$193,969	\$378,701
Library On-Going Costs – (Salaries & IT)	\$222,586	\$259,107	\$481,693
Library One-Time Startup Costs	\$115,000	\$0.00	\$115,000
Fullerton Public Library Foundation Donor Support (Offset)	(\$115,000)	\$0.00	(\$115,000)
Partnership With Muckenthaler for Concert Series	\$75,000	\$75,000	\$150,000
City Recreation Contract Class Offerings	\$50,000	\$50,000	\$100,000
City Partnership with MOTAL Art Exhibits	\$5,000	\$5,000	\$10,000
CA State Legislature Grant (Arts/Programming Offset)	(\$125,000)	(\$125,000)	(\$250,000)
Parks & Recreation Costs for Private Rental Space Usage	\$222,380	\$242,266	\$464,646
Parks & Recreation Revenue for Rental Space Usage	(\$200,000)	(\$200,000)	(\$400,000)
Cost Offset – Potential Partnership Funding	(\$60,000)	(\$60,000)	(\$120,000)
Cost Offset – Already Budgeted Library Staff & Existing Security and Internal Service Fund Allocations	(\$179,561)	(\$179,561)	(\$359,122)
Net Expenditures Incurred	\$874,698	\$825,342	\$1,700,040

Net Revenues/Cost Offsets Projected	(\$679,561)	(\$564,561)	(\$1,244,122)
Grand Total Additional Appropriations Needed	\$195,137	\$260,781	\$455,918

The Hunt Branch Library received \$5.25 million in grant funding from the State of California to rehabilitate the historic building and provide initial programming. Due to the rise in construction costs, the grant funds received are not enough to cover the improvements needed for the exterior site improvements including ADA improvements and repaving the parking areas. Staff anticipates that this would cost approximately \$1 million to complete the capital improvements. Completion of capital improvements is not required to open the Hunt Branch facility at bridge proposal operating levels and any projected funding shortfall will be incorporated in a separate subsequent budget request.

DISCUSSION

City Council recommended staff bring proposals to the Library Ad-Hoc Committee in addition to developing a city specific proposal for the Hunt Branch Library following an informal RFP process. Staff brought proposals from the two entities, Korean Community Services (KCS) and the Museum of Make Believe, to the committee for review. The committee recommended rejecting the Museum of Make-Believe proposal on financial grounds and continue discussing the City proposal and KCS. The committee met on February 27, 2023 and discussed the KCS proposal with the KCS group. Several members of the community attended this event and provided feedback to the committee and proposing groups. Olive Community Services group contacted the city during the review process expressing interest in providing a proposal and shared their proposal with the committee. Both the KCS proposal and the Olive Community Services group proposals would utilize the adjacent Pooch Park property to facilitate a financing mechanism to fund the Hunt Branch facility operations.

The KCS and Olive group proposals would not stand alone if they removed use of adjacent property as a funding mechanism for ongoing Hunt costs. The informal RFP did not include use of adjacent city-owned land but City Council could consider this concept. Such proposals pose challenges with long-term lease considerations, conflicts between parkland, the Surplus Land Act and how the City would approach this in a legal and appropriate manner.

The KCS proposal would utilize the Pooch Park space for an estimated \$4M investment into a new community healthcare center whereas the Olive group proposal seeks housing throughout and a much larger concept per their original proposal. The Olive group presented their proposal as is and carried forward items for committee consideration

Staff recommends City Council approve a revised bridge program given the considerations associated with adjacent land use and potential time impacts needed for proper negotiations should City Council pursue the external proposals. Staff has revised its operations proposal to align various potential partners, programming and grant funding opportunities to reflect a more cost-effective alternative to bring the Hunt into service. The bridge program would provide full-time operation, seven days a week for two years. The Library Ad-Hoc committee unanimously supported the revised city operations proposal

and recommended City Council receive the external proposals for longer-term consideration.

The following outlines the revised city-proposal presented to the Library Ad-Hoc committee on April 3, 2023:

Base Maintenance and Security Costs

The City continues to incur operating costs for the Hunt Branch facility as the City completes upgrades and as the site requires a regular full-time security presence to prevent vandalism and trespassing.

Recurring Required Costs - Hunt Branch	Year 1	Year 2	Total
Professional Services (Security)	\$ 88,452	\$ 92,875	\$ 181,327
Overhead Costs (Building Maint, Utilities, Insurance etc.)	\$ 96,280	\$ 101,094	\$ 197,374
Baseline Required Costs	\$ 184,732	\$ 193,969	\$ 378,701

Full Time Library Operations

Staff recommends staffing the Hunt Branch with existing Library employees to leverage these costs with the following employees:

- One Senior Librarian
- One Library Technical Assistant II
- Two Part-Time Pages (1,920 non-regular hours)

The costs include fully burdened rates including PERS and fringe benefits on an annual basis. The Library Department identified these revised positions as the minimal staffing for baseline library operations. The net cost of a full-time Library operating at a baseline level with two full-time staff and two part-time staff totals \$222,586.00 for the first year of operations (This assumes a \$115,000 donation from the Fullerton Public Library Foundation to cover startup costs).

The bridge plan requires the following services in addition to staffing:

- Information Technology Internal Service Costs
- Computers and Laptops
- Initial Programming
- Initial Collection Development
- Small Equipment (Furniture, Shelving, Central Station).

This can also sustain limited Library programming which uses existing Library resources as a crossover such as: Library of Things, Preschool Storytime, Baby and Toddler Stay and Play, Tween Book Club, as well as author events and after school programs.

Hunt Library Base Budget	Year 1	Year 2	Total
Salaries and Benefits (1 Sr. Librarian, 1 Lib. Tech Asst II, 2 PT Pages = 1,920 non-regular hours)	\$ 197,968	\$ 232,027	\$ 429,995
Information Technology Internal Service Costs	\$ 24,618	\$ 27,080	\$ 51,698
Total On-Going Costs	\$ 222,586	\$ 259,107	\$ 481,693
Computers & Laptops	\$ 20,000	\$ -	\$ 20,000
Initial Programming Costs	\$ 10,000	\$ -	\$ 10,000
Initial Collection Development	\$ 50,000	\$ -	\$ 50,000
Small Equipment (Furniture, Shelving, Central Station)	\$ 35,000	\$ -	\$ 35,000
One-Time Start Up Costs	\$ 115,000	\$ -	\$ 115,000
Total Costs	\$ 337,586	\$ 259,107	\$ 596,693
Donation by Fullerton Public Library Foundation	\$ (115,000)	\$ -	\$ (115,000)
Net Cost Library Services	\$ 222,586	\$ 259,107	\$ 481,693

Arts and Culture Programming and Operational Costs

The ad-hoc committee considered arts and culture programming critical to meeting community needs. The Hunt could act as a facilitator for community and cultural growth working with various community groups such as the Muckenthaler Cultural Center and others.

Staff would also coordinate with existing recreation course providers to offer community class programming which could include the following:

- Fitness Class / Zumba Offerings
- Tai Chi Classes Poetry Nights
- Art Classes / Shows
- Morning Yoga
- Music Classes

Staff would actively engage the community for feedback on classes and programs they would like to see offered at the Hunt, if City Council supports the bridge proposal. A robust engagement campaign would solicit ideas both on-line and in person at upcoming community events.

The Muckenthaler could partner with the City to provide a specialized weekly concert series for the community which would bring people together to celebrate and enjoy live music at the Hunt.

The City could also pursue partnerships with local and national arts organizations such as the Museum of Teaching and Learning (MOTAL). The City has received a proposal from MOTAL for an art exhibit which has received national awards and recognition, documenting Fullerton's own Sylvia Mendez in a landmark supreme court case from 1946 which paved the way for desegregation in California's public schools, seven years prior to *Brown V. Board* in 1954. The exhibit has shown at 16 other venues within California and Oregon.

Staff determined that the California State Legislature could fund both the city class costs as well as the partnership for weekly concerts for Year 1 and Year 2 programming. The Art Exhibit would generate additional cost beyond the state grant, broken down as follows:

Proposed Additional Use: Arts & Culture Programming	Year 1	Year 2	Total
Partnership with Muckenthaler for Weekly Concert Series	\$ 75,000	\$ 75,000	\$ 150,000
Partnership With Museum of Teaching & Learning - Art Exhibit	\$ 5,000	\$ 5,000	\$ 10,000
Contract Classes	\$ 50,000	\$ 50,000	\$ 100,000
Total Costs	\$ 130,000	\$130,000	\$ 260,000
Programming Grant from State Legislature*	\$ (125,000)	\$(125,000)	\$ (250,000)
<i>*1/2 of grant allocation, proposal to earmark 2nd half in year 2 of operations</i>			
Net Annual Cost for Arts & Culture Programming	\$ 5,000	\$ 5,000	\$ 10,000

Private Event Use Rental Space Considerations

The Hunt could serve as an important private event venue for our community and the surrounding region. The Parks and Recreation Department would lead this.

The City would utilize staffing to operate an event space as follows:

- one Full Time Equivalent (FTE) Events Specialist (Parks and Recreation)
- six Part-Time Event Coverage Employees (Parks and Recreation) (6,240 non-regular hours)

The City would need to consider limited computer costs in addition to staffing to fulfill this portion of operation. Staff anticipates renting the space would achieve approximately 90% cost-recovery.

Proposed Additional Use: Private Event Rentals	Year 1	Year 2	Total
Salaries and Benefits (1 FTE Events Specialist)	\$ 93,820	\$107,466	\$201,286
Part Time Event Coverage Staff (6 PT Employees = 6,240 non-regular hours)	\$118,560	\$124,800	\$243,360

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Equipment and Supplies	\$ 10,000	\$ 10,000	\$ 20,000
Total Costs	\$222,380	\$242,266	\$464,646
	Year 1	Year 2	Total
Estimated Potential Facility Rental Revenues	\$ (200,000)	\$ (200,000)	\$(400,000)
Net Annual Cost for Event Rentals	\$ 22,380	\$ 42,266	\$ 64,646

Total Net Cost Considerations Review

The revised city proposal provides cost-reducing alternatives such as staff repurposing from the existing library, grants and other avenues which minimize general fund dependence. Several of the costs included in this proposal have offsets from various sources including:

- Existing Library budget (flex staff)
- Fullerton Public Library Foundation donations
- CA State Legislature Grants for Arts and Culture programming
- Partnerships with educational institutions

This proposal requires \$195,137 for Year 1 and \$260,781 for Year 2 net additional funding to operate the Hunt Branch for the two-year bridge period and operating the site in line with community needs identified by the ad-hoc committee.

Funding this will produce a creative community space, a welcoming space for the public, a site which encourages curiosity, a site that serves as a hub for activities, programs, events and classes, as well as facilitating greater literacy throughout the broader community.

Attachments:

- Attachment 1 – PowerPoint
- Attachment 2 – KCS Proposal
- Attachment 3 – Museum of Make Believe Proposal
- Attachment 4 – Olive Group Proposal

cc: City Manager Eric J. Levitt