



Agenda Report

Fullerton City Council

MEETING DATE: FEBRUARY 2, 2020

TO: CITY COUNCIL

SUBMITTED BY: BRUCE WHITAKER, MAYOR

PREPARED BY: KENNETH A. DOMER, CITY MANAGER

SUBJECT: FULLERTON MUSEUM UPDATE AND DISCUSSION

SUMMARY

Mayor Whitaker has requested that City Council discuss the status of the Fullerton Museum and proposals for future museum operations.

RECOMMENDATION

Provide Staff direction regarding current and future operations related to the Fullerton Museum.

PRIORITY POLICY STATEMENTS

This item matches the following Priority Policy Statement:

- Fiscal and Organizational Stability.

FISCAL IMPACT

Not applicable based on general discussion. Any fiscal impact from direction provided will be reported in an agenda item related to that direction or within the consideration of the City budget.

BACKGROUND

The Fullerton Museum is operated under an agreement with the Fullerton Museum Center Association. That agreement, in one form or another, was originally entered into in 1975 when the City appointed the Association to program and operate the Museum. The agreement has been amended and extended over the years, most recently on June 15, 2004, effective July 1, 2004. In July, 2014, the Association requested a ten year extension per the agreement and the Director of Parks and Recreation approved the extension.

While the City Council was the appropriate signature level for the extension, there is no reason to believe the City Council would not have approved the extension at that time.

In response to the coronavirus pandemic, City Council was informed on March 12, 2020 as part of a more detailed email that the next opening of a Museum exhibit set for March 14, 2020, was postponed and the Gallery and Gift Shop were closed until the end of April, per the Stay-at-Home orders understood at that time. Ultimately, as the scope of the pandemic became clearer, and the State updated its guidance to prohibit public gatherings and longer-term shutdowns of public places, Museum operations were further curtailed and as part of reductions in non-regular positions, the full-time City employees at the Museum were transitioned to other roles.

Prior to the pandemic, and as part of the City's efforts to review its financial capacity, the Museum operations were identified as an area of concern because of the General Fund appropriation of over \$500,000 annually to subsidize the operations, not including its maintenance obligations per the Agreement.

Under the Agreement, Section 4.01 (a), the City "shall have authority and shall be financially responsible for all operations at the Center, except as otherwise provided herein." Generally, under Article 5 of the Agreement, the City is responsible for personnel, to include hiring a Center Director. The Association may employ independent contractors, upon approval of CITY, to perform "non-regular" duties.

Under Article 6 of the Agreement, the City is generally responsible for all maintenance and capital repairs / improvements of the Museum Center.

Under Article 7, Fiscal Terms, the City is responsible for the costs of maintenance and repair of the building and grounds; liability coverage as defined; and utility services. Additionally, the City is responsible for "the annually approved costs of exhibition production, subject to approval by the City Council." The Association is responsible for supplementing "any and all necessary exhibition and educational costs above and beyond the annual amount approved through the City's annual budget process." The section also defines revenues to be retained by the City, an area that was amended in 2010 to increase the City's share of revenue from memberships and store sales from 10% to 25%.

For Fiscal Year 2018-19, the last complete year (non-pandemic) on the books, the General Fund contribution to cover the expenses of the Museum were \$601,090 (includes 50% of Manager Charged to General Fund Account 590) and retained revenues per the Agreement were \$35,511. The budget for 2019-20 was a total expenditure of \$532,813 to include \$339,226 in personnel costs. Budgeted revenues for the year were \$39,000.

DISCUSSION

As part of the pre-pandemic review of City operations, the Museum Association agreement and the operations of the Museum were identified by the City Manager's office as an area of opportunity for improvement. Accordingly, Staff began looking at applying for grants to conduct a Museum Master Plan process that would assess the operations of the Museum, the dependency of the Association on City financial support and make recommendations to improve the operations, the Association standing and grow the Museum stronger in the community and North Orange County region. The goal was to

do this while transitioning Museum and Association away from the General Fund subsidy. With the pandemic, those plans ground to a halt and no funding source has been identified to proceed with a master plan.

In April, 2020, the City separated the majority of its non-regular employees due to the pandemic and financial concerns and with the longer term prohibition of social gatherings and closure of certain services, moved the three dedicated City employees from Museum operations to other areas within the Parks and Recreation Department.

On Monday, January 25, 2021, the Governor lifted the Regional Stay at Home Order for the State. While museums were completely closed to the public during the Stay-at-Home, Orange County is within the most restrictive Purple Tier and museums can only open outdoors with modifications. At such a time that the Museum can be re-opened, even at minimal levels (such as on weekends), the City does not have the available funding to staff the Museum nor fund the operations.

Absent the ability to conduct a Museum Master Plan, there are examples of cities partnering with community partners to bolster cultural arts in a community. The City of Santa Ana and Cal State Fullerton (CSUF) have partnered to create the Grand Central Art Center. Additional examples abound in which a museum or arts association, a city and a third party have partnered to create, maintain and improve a local community supported museum or cultural institution. It is recommended that the City, CSUF, Fullerton College (or other interested partner) and the Association look at the potential of a partnership.

Additionally, there is a question regarding the property for the Museum (the former Pomona Street Library) and the adjacent Ben Franklin House that Fullerton College currently uses for various office space. In 1973, the City and the Fullerton Museum Association entered into a lease agreement in which the City leased the property for museum purposes and related uses of a cultural, historical and scientific nature. The initial lease was for ten years and it included a purchase option at the end of the lease. The lease was to not take effect or was to terminate if the Association did not obtain federal tax exempt status. On July 16, 1974, the City Council approved the request from the president of the Museum Association for the North Orange County Community College District (NOCCCD) to be assigned the purchase option as it appeared the NOCCCD began to pay the lease amount. In 1975, the City and the NOCCCD entered into a Lease Purchase Agreement for the properties and an additional Leaseback Agreement for the continued use of the one property for museum purposes. However, no actual transition of the properties from the City to the NOCCCD have been found at this time and a title search still lists both properties as City owned. As the City regularly meets with the President of Fullerton College, this issue was discussed and it was agreed that each would search appropriate records for any information related to this issue.

Overall, the goal of the City Manager's office is to maintain and enhance the Museum operations by working with the Fullerton Museum Association in order for the Association to be able to stand up on its own without City financial assistance. It is recommended that a third party community partner, such as Fullerton College or CSUF, be approached to assist the City and Association to achieve this goal and to enhance the Museum and cultural arts capacity within the Community. Finally, given that there are other cultural art

efforts in Fullerton, there exists an opportunity to bolster overall cultural art efforts in the Community through the creation of a Cultural Arts Commission, expansion of the Parks and Recreation Commission to include cultural arts or otherwise unite community groups to strengthen and expand cultural arts and museum opportunities within Fullerton and the greater North Orange County region.