

## **Events Center Committee 4.18.22 report to LPL Board**

### **The Facility**

The Events Center opened in 2004. The total space devoted to the Events Center is over 23,000 square feet.

A detailed description of the Events Center is found on the LPL website. In summary, there are:

--Ruston Room—6,765 sf;

--Grambling Room—2,335 sf;

--the Simsboro, Dubach and Choudrant Rooms—combined 3,010 sf

--this is quite a facility, with an excellent location and adequate parking, truck unloading, rest rooms, dressing rooms, auditorium and more.

The only apparent problem with the facility is the acoustics. That has been a consistent source of complaints. Remediating that would require some capital expenditures.

### **Operation of Events Center**

The Events Center has, from the beginning, been managed by the Library.

The Committee analyzed the operations of the Events Center from 2018 forward, largely disregarding 2020 and 2021 because of COVID.

In 2018 and 2019, the Library devoted one employee full-time to management of the Events Center. That position was eliminated in 2020, and since then the Library staff have handled bookings, scheduling, opening and closing the Event Center (often after normal Library hours).

Other than the Library website, there has been no active marketing efforts of the Events Center.

The set-up and cleaning of the Events Center rooms has been handled by Library staff.

Since 2019, Library staff working the Events Center outside of normal Library hours have been compensated for that by taking comp time.

### **Usage of the Events Center**

In 2019, last full, COVID-free year, the Events Center rooms were rented out for a total of 895 hours—approximately 17 hours per week.

It is the Committee's finding that the 2019 level of usage is below the expected potential usage of the Events Center.

### **Events Center Revenues**

In 2018 and 2019, the revenues and expenses (primarily only utilities, that are expressly classified as Events Center expenses in the Library's financial records) were as follows:

2018: Revenues—\$78,798; Expenses--\$28,259 = \$50,449 surplus

2019: Revenues--\$90,402; Expenses--\$25,365 = \$65,037 surplus

On its face, those numbers would indicate that the Events Center was profitable. Unfortunately, those numbers do not present an accurate picture.

In 2018 and 2019, the payroll cost of the Events Coordinator was at least \$55,000. The Coordinator's payroll cost was included in the Library's costs.

In addition to the Coordinator's payroll, the payroll costs of setting up and cleaning the facility are shown as Events Center expenses. Those costs, by minimum, conservative estimates, would exceed \$10,000 per year. Likewise, no repair and maintenance costs are allocated to the Events Center, nor are other fixed costs such as insurance.

It is the Committee's finding that the Events Center has not generated net profits for the Library since 2018. The Committee deemed it unnecessary to go back further than 2018 for purposes of its analysis.

The management structure, whereby the Library is managing the Events Center and taking comp time for the hours spent doing that outside of normal Library hours has an inescapable negative effect on the Library.

It is the Committee's finding that the having the Library manage the Events Center generates no real profit for the Library and consumes staff time that should be devoted to running and improving the Library itself. The Library's managing the Events Committee has not been beneficial for either the Library or the Events Center and detracts from the optimum operation of both the Library and the Events Center.

The Committee recommends that the Library pursue other methods of managing the Events Center.

The Committee further recommends that, while the process of determining an alternate, better method of managing the Events Center is underway, the Board direct the Librarian to minimize her time spent on managing the Events Center, and designate those tasks to other staff members.

### **Potential Alternative Methods of Managing the Events Center**

It is the Committee's finding that there are four alternative methods of managing the Events Center:

----staff the Events Center with an entirely separate manager and furnish the resources necessary to properly market it; identify all costs incurred by the Events Center (set-up and clean-up, costs, insurance, repairs and maintenance) and require the Events Center to reimburse the Library for all such costs/services the Library provides to the Events Center.

--lease the Events Center out to a third party for a cash rent.

--enter into a joint venture with a third party whereby the third party and Library share the revenue on a percentage basis; provided that the joint venture reimburses the Library for all such costs/services the Library provides to the Events Center.

--turn the management of the Events Center over to the Police Jury.

NOTE: the Library does use the Event Center for Library events; therefore, any new management structure should include a commercially reasonable accommodation for the Library's use of the events Center.

### **The Library's Legal Authority to Change the Management of the Events Center**

From the beginning of the Library's operation at its current location in 2002, the Library has managed the Events Center.

The Lincoln Parish Police Jury owns the land the building in which the Library and the Events Center operate. The Police Jury has, and continues to be, wholly committed to and supportive of the Library. The Police Jury is not simply the Library and Events Center’s landlord—the Police Jury has been an active and supportive partner to the Library and its mission over the years. Therefore, the Committee believes that the Library should actively include the Police Jury in this process.

It is the Committee’s finding that there is no clear legal authority that either authorizes or prohibits the Library from changing the management structure of the Events Center.

It is the Committee’s recommendation that the LPL Board authorize the Events Center Committee to present this report to the Police Jury, get the Police Jury’s agreement to the LPL Board’s process of determining the best method of managing the Events Center, and to communicate with the Police Jury through-out this process.