



AGENDA REPORT SUMMARY

Meeting Date: September 12, 2023

Subject: Los Altos History Museum Contract

Prepared by: Anthony Carnesecca, Assistant to the City Manager

Reviewed by: Jon Maginot, Assistant City Manager

Approved by: Gabriel Engeland, City Manager

Attachment(s):

1. Los Altos History Museum Agreement 6-10-2005
2. Los Altos History Museum Contract Agenda Report 8-22-23

Initiated by:

City Council

Previous Council Consideration:

May 23, 2023 & August 22, 2023

Fiscal Impact:

The current fiscal year budget includes \$120,000 in funding for the Los Altos History Museum. Of these funds, \$65,000 have been approved and \$55,000 are pending Council approval.

Environmental Review:

Not applicable

Policy Question(s) for Council Consideration:

- Does the City Council wish to direct the City Manager to sign a new funding contract with the Los Altos History Museum in the initial amount of \$120,000 annually for five years?

Summary:

- The City signed an agreement in 2005 with the Los Altos History Museum.
- The Los Altos History Museum proposed an adjustment to the agreement.
- The City Council directed City staff to meet with Los Altos History Museum representatives regarding their proposal.
- City staff and the Los Altos History Museum propose a new agreement where ownership costs are the responsibility of the City and program costs are the responsibility of the History Museum.

City Manager

GE

Reviewed By:

City Attorney

JH

Finance Director

JD



Subject: Los Altos History Museum Contract

Purpose

Direct the City Manager to sign a new contract with the Los Altos History Museum in the initial amount of \$120,000 annually for five years.

Background

In 1989, the Los Altos City Council approved conceptual plans presented for the construction of a museum on City property for the purpose of preserving and displaying local historical artifacts and to provide an historical and educational facility for the community.

After design approval, a fundraising campaign was started that ultimately led to the construction and opening of the museum in March 2001 on the Civic Center property. As part of the initial agreement, the museum building was gifted to the City and the City retains control of all areas of the museum building and land while the Association of the Los Altos Historical Museum manages and facilitates the programs and operations of the Los Altos History Museum.

Per the agreement from 2005, the City shall “maintain and repair the museum. This shall include the structure, roof, doors, security systems, lighting, irrigation, plumbing, pest control, painting, elevator and heating and ventilating systems; the City shall provide utilities including gas, electricity, water, telephone, data service, sewer and garbage collection.” In addition to maintaining and repairing the museum, the City shall “provide to the Museum a fixed annual contribution of sixty-five thousand dollars (\$65,000) for general support.”

The History Museum has taken on responsibilities outside of the contract, including landscaping, certain mechanical and maintenance tasks, and a cleaning contract.

Additionally, the Los Altos History Museum is responsible for managing the museum, the collection, and all associated exhibits. The Museum shall “purchase and maintain at its own expense a two million dollar (\$2,000,000) liability insurance policy, naming City and its officers, agents, and employees as additional insureds.”

These additional responsibilities and costs are necessary for the maintenance and care of the History Museum, but are not considered in the original contract. They are costs associated with the ownership of the Museum and are not covered under the \$65,000 contract.

The Los Altos History Museum requested additional funding through the City of Los Altos Non-Profit and Civic Organization Contribution application process in the amount of \$55,000 totaling \$120,000. City Council directed staff to work with the Los Altos History Museum to better articulate their request and return to the City Council for a review of their request while incorporating that \$120,000 in the budget moving forward.



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City staff met with Elisabeth Ward and Larry Lang from the Los Altos History Museum to discuss their request for additional funding.

After meeting with them, City staff proposes that the City take full responsibility for all costs associated with owning and maintaining the structure of the building without having to directly manage those items. The Museum is the City's building and City staff would be responsible for all associated cost with operations and maintenance if not for the Museum.

The Los Altos History Museum currently manages the gardening services and maintenance repairs with the use of staff and volunteers and contracts for cleaning services. These costs would be required of City staff if not for the Museum, so City staff proposes that these be incorporated into the contract moving forward because they are provided at a lower rate than the City could provide with staff time.

Discussion/Analysis

City Council directed City staff at their August 22 meeting to better identify the existing costs that are paid for by the City for operations and better articulate the funding request for programming as outlined in the previous proposal.

Moving forward, City staff and the Los Altos History Museum representatives propose the following structure that covers the expenses of operations while still providing the fixed contribution for program costs related to the Museum's Collection and Oral History programs:

Expenditure	Amount
Operations	
Cleaning Services (Contract)	\$10,000
Gardening Services (Hours and Plants)	\$20,000
Insurance	\$15,000
Small Maintenance/Mechanical Expenses (Hours and Items)	\$10,000
Programming	
Collection Processing (research, inventory, care)	\$28,000
Smith House Tours (training, set-up, scheduling)	\$10,500
Oral History Program (collecting, transcribing, indexing)	\$26,500
Grand Total	\$120,000

Programming

The City Council asked the History Museum to provide a specific breakdown of how the requested funds would be used.



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Under the new proposed contract, the contribution allocated towards programming would be used as follows:

Expenditure	Time Costs	Direct Costs	Total Cost
Collection Processing (research, inventory, care)	\$26,000	\$2,000	\$28,000
Smith House Tours (training, set-up, scheduling)	\$10,000	\$500	\$10,500
Oral History Program (collecting, transcribing, indexing)	\$26,000	\$500	\$26,500
		Total	\$65,000

The proposal is for a five-year contract with a three-year look-in to verify that the contract still works for both parties and an automatic renewal after five years if City Council does not wish to address the contract at that time.

Total Financial Support for Los Altos History Museum

At the previous City Council meeting, the City Council directed staff to provide the total financial support provided by the City of Los Altos to the History Museum. If the contract proposal is approved the total support for the History Museum will increase from the current level of \$210,000 to \$265,000 annually.

There are expenses covered by the City that are included in the contract but do not include a specific dollar value. These items include labor, maintenance, and care of the building, small equipment, and other repairs, in addition to utilities, phone, garbage collection, and water. The City Council directed staff to provide these items at the last meeting.

Over the past five complete fiscal years, the City has paid approximately \$175,000 in labor to complete repairs, maintenance, or provide some type of assistance to the History Museum and J. Gilbert Smith House. This averages roughly \$35,000 annually for staff time to repair the facilities of the History Museum. *This total does not include repair materials as this information was not broken out into a separate line item within our facilities budget.*

Over the past five complete fiscal years, the City paid an average of \$35,000 each year for utilities, which includes PG&E, Comcast, Mission Trails, and Cal Water.



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The utility expenditures are broken down in the chart below:

Utility Expense	FY23	FY22	FY21	FY20	FY19	Total
Gas & Electricity (PG&E)	\$17,141	\$12,051	\$10,720	\$14,624	\$17,474	\$72,009
Phone (Comcast)	\$5,877	\$5,345	\$4,575	\$3,929	\$4,199	\$23,926
Garbage (Mission Trails)	\$1,830	\$1,451	\$1,037	\$1,989	\$9,651	\$15,957
Water (Cal Water)	\$12,828	\$12,432	\$12,673	\$12,165	\$14,381	\$64,478
Total	\$37,675	\$31,278	\$29,004	\$32,707	\$45,704	\$176,369
					Average	\$35,000

Additionally, the City Council approved a contract for \$75,000 annually for orchard maintenance with the Los Altos History Museum.

The total breakdown of current and proposed expenditures for the History Museum are in the chart below:

Expenditure	Annual Cost
Current Contract	\$65,000
Maintenance Labor	\$35,000
Utilities	\$35,000
Orchard Maintenance Contract	\$75,000
Current Total Provided by City	\$210,000
Additional Request by History Museum	\$55,000
Total Proposed Financial Support	\$265,000

Recommendation

Staff recommends the City Council approve the drafting and execution of a new contract, based on the responsibilities outlined in this report.