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Title:	Recommendation to authorize City Manager to extend the agreement with Long Beach Public Library Foundation, through which the Foundation provides services and financial support to the Long Beach Public Library system, for a period of five years, with an additional five-year renewal option. (District 2)				
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Date	Ver.	Action By	Action	Result
12/9/2008	1	City Council	approve recommendation	Pass

Recommendation to authorize City Manager to extend the agreement with Long Beach Public Library Foundation, through which the Foundation provides services and financial support to the Long Beach Public Library system, for a period of five years, with an additional five-year renewal option. (District 2)

The Long Beach Public Library Foundation (Foundation) was created in 1996 as a non-profit corporation to acquire financial support to supplement but not supplant funding provided by the General Fund for the Department of Library Services (Library). The goals of the Foundation are to promote literacy, to enhance opportunities for the entire community to utilize the library and gain from its resources, to help create a means for the community to be part of a computer-literate citizenry, and to promote an opportunity for the corporate and private sector to fund short- and long-range library projects. When the Foundation was established, a special Endowment Fund was created to provide support and services for the library.

The Endowment Fund has grown over time from bequests and other monetary gifts from donors seeking to assist the Foundation in fulfilling its goals. The Foundation funds the 12 Family Learning Centers in the libraries in Long Beach. The Foundation provides special programming and material resources such as computer software and books for the Library. In addition, the Foundation has applied for grant funding to support other special projects for the Library. In collaboration with the Foundation, the Library has applied for grant funding from the California State Library and other agencies. When State grants are applied for in tandem, often there are special provisions. For example, in one case, although the State grant was for use by the Foundation for the Library, the City had to execute a separate contract for expenditure of the funds. Similar issues have arisen with bequests that were given to the Library but should have been directed to the Foundation, which was created to handle bequests on behalf of the Library. To facilitate the handling of grants and bequests by the Foundation, the Library is recommending that the City execute the attached five-year agreement with an optional fiveyear renewal option.

This agreement allows the Foundation to accept and manage bequests and grants for the Library. The Foundation will only manage the grants that they have initiated on behalf of the Library. Many grants and bequests have restricted uses as specified by the granting agency or individual. The funds received by the Foundation will be placed in the City Library Endowment Fund (Fund). All interest earned on the Fund, if any, will belong to the Library and be added to the Fund. For managing the Fund, the Foundation will be paid an administrative fee up to one percent (1%) per annum on the average daily balance in the Fund. This Fund will be maintained separately from any other funds held by the Foundation. The money in the Fund will be used for purposes specified by the Library. In accordance with the agreement, the Foundation will provide quarterly reports to the City.

The execution of an agreement with the Foundation has various benefits. One of the benefits is efficiency in administration. The Foundation's handling of bequests and grants would reduce administrative tasks handled by Library staff. Also, by allowing the Foundation to accept bequests, there could potentially be an increase in the number of individuals who want to give to the Library and be assured that their money would be used solely for Library purposes. Furthermore, the Foundation could provide follow-up with executors of estates or family members of those who have willed money to the Library. Lastly, as a 501 (c)(3) corporation, the Foundation is in a better position to accept and manage grants for the Library.

This letter was reviewed by Deputy City Attorney Amy R. Burton on November 14, 2008 and Budget Management Bureau Manager David Wodynski on November 18, 2008.

City Council action is requested at the December 9, 2008 City Council meeting in order to continue to facilitate the handling of bequests and grants by the Long Beach Public Library Foundation on behalf of the Library.

The total amount of money from bequests and grants that the Long Beach Public Library receives would be placed in a separate fund held by the Long Beach Public Library Foundation and referred to as the City Library Endowment Fund. The money and all interest earned on the Fund, if any, less one percent (1 %) would belong to the Library. The total amount of money that would be received by the Foundation for the Library is unknown.

Approve recommendation.

GLEND A WILLIAMS
ACTING DIRECTOR OF LIBRARY SERVICES

APPROVED:

PATRICK H. WEST
CITY MANAGER