



STAFF REPORT

AGENDA NO:

MEETING DATE: July 6, 2020

To: Honorable Mayor and City Council

Date: July 6, 2020

From: Margaret Glomstad, Parks and Recreation Director – (650) 558-7307

Subject: Adoption of a Resolution Approving the First Amendment to the Renewed and Revised Agreement between the City of Burlingame and the Burlingame Aquatics Club, Inc. for the Management and Operation of, and for the Provisions of Aquatic Programs at, the Burlingame Aquatic Center

RECOMMENDATION

Staff recommends that the City Council adopt a resolution approving the First Amendment to the Renewed and Revised Agreement between the City of Burlingame and the Burlingame Aquatics Club, Inc. (BAC) for the management and operation of, and for the provisions of aquatic programs at, the Burlingame Aquatic Center.

BACKGROUND

The City has had a long history with the BAC. In 2011, the BAC, in addition to offering competitive programs, began providing community youth and adult aquatic program offerings on behalf of the City at the Burlingame High School pool. On August 18, 2014, the agreement was updated to clarify areas of ambiguity and to incorporate current operating practices that had evolved over the term of the agreement.

Throughout this time, the City has been supporting the community programming efforts with an annual subsidy, which is approved by the City Council each year as part of the City's yearly budget adoption. The budgeted subsidy has varied over the years but has been between \$90,000 and \$155,000 per year.

In June 2018, the San Mateo Union High School District began major renovations to the aquatics facility at Burlingame High School. The construction was completed at the end of 2019. During construction, BAC continued operations by using other pools in the area, but their programming suffered significantly due to the displacement and length of construction. When the BAC was able to begin operations in the renovated pool in January 2020, the only remaining program they were operating was youth competitive swimming under the leadership of a head coach. Since January, the BAC Board of Directors has hired a new Executive Director, Robert Gill, and the club had been in the process of developing a new program when the COVID-19 restrictions began. On May 15, the County Health Officer issued a new Health Order allowing indoor and outdoor pools to reopen provided appropriate social distancing measures are in place, monitored, and managed.

DISCUSSION

Under the terms of the current agreement, the BAC is required to pay the San Mateo Union High School District for the City's share of the operating costs. Without robust programming and revenue generation, the BAC will not be able to pay for these costs. To ensure that the BAC can remain financially viable while developing and implementing a new complement of programs, City staff has worked with the BAC Board to determine the best course of action.

After many discussions, City staff and the BAC Board decided that the best option was to allow the BAC to focus on building back their program, with the City supporting that endeavor by financially supporting the City's share of the pool operating costs. The proposal amends the agreement so that the City pays the pool operating costs for up to a year or until the funds are depleted. The period would start from the date BAC is back in the water offering programs (which is estimated to occur around June 15). Prior to the end of the contract period, the City and BAC would renegotiate the agreement.

The Amendment to the agreement will allow:

1. BAC time to develop a new community aquatic program that is financially supported.
2. BAC time to rebuild the competitive programming.
3. The City and BAC time to accurately budget for the annual operating costs for the newly renovated pool.
4. Time for the easing of the County Health Department restrictions so BAC can build a sustainable program.

The Amendment commits the City to pay up to \$200,000 for pool operating costs for a year. At the end of this period, the agreement between the City and BAC would be renegotiated.

While the City is subsidizing the BAC as a whole, the BAC will be fairly and equitably (based on pool usage) applying all pool expenses paid by the City on behalf of the BAC across all their programs as they return to operation. At the end of the year, a clear breakdown of expenses and income for each program (community and competitive) will be provided by the BAC to the City to ensure the funds were appropriately allocated.

City and BAC staff plan to report back to the City Council in January 2021 to provide an update and, if needed due to unforeseen circumstances, amend the agreement again.

FISCAL IMPACT

City staff has estimated that the City's share of the pool operating costs will be approximately \$200,000 for fiscal year 2020-21. The estimate is based on previous pool operational costs at the new cost-share allocation of 50/50 contained in the City's agreement with the San Mateo Union High School District. If the City's pool use increases due to increased programming by BAC, the cost-share allocation for the City may increase. However, due to COVID-19, staff anticipate that any cost-share changes more than likely will not exceed the \$200,000 set aside for pool operating costs. Sufficient funds are included in the Parks and Recreation Department's proposed budget for FY 2020-21 for this purpose.

Exhibits:

- Resolution
- First Amendment