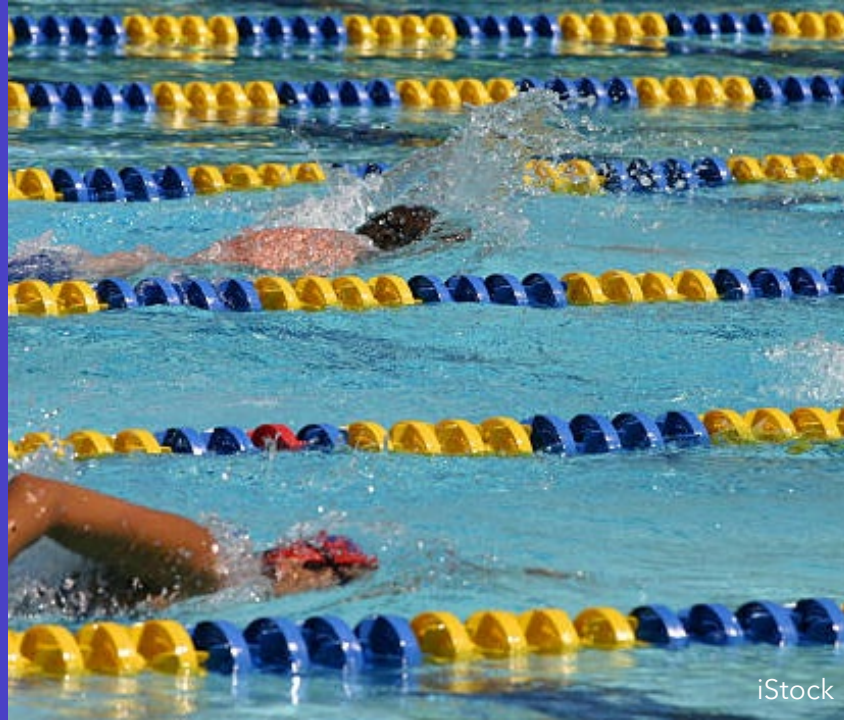


# Palm Desert Aquatic Center Fee Increase

Liberty Urban, Deputy Director of Finance

Shawn Muir, Community Services Manager

# Agenda



- Background
- Research
- Palm Desert Aquatic Center Needs
- Recommendation

# History



Palm Desert Aquatic Center Fee Increase

- PDAC opened 2011 and fees have never been increased
- Parks & Recreation Committee
- City Council Study Session

Supplemental 15a-3

September 14, 2023

# Research

Size and attendance of other aquatic centers and waterparks

Characterization of PDAC users

- Lap swim, user groups, etc.
- Resident vs. Non-resident
- Affordability



Palm Desert Aquatic Center Fee Increase

Consider ancillary benefits of non-resident use

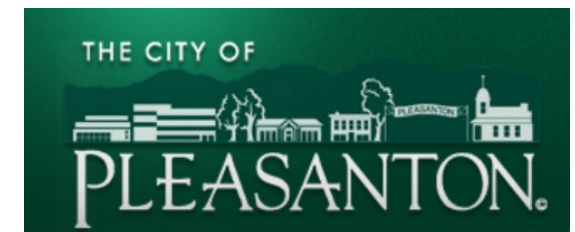
GF to reserve funds for maintenance and improvements

Feasibility of 60% recovery <sup>Supplemental 15a-4</sup>

# California Aquatic Facilities



- Generally, two types of aquatic facilities
- No established recovery rate goal
- Low recovery rate
- City operated
- Rates are relatively low
- Open times
- Programs focused on community benefit



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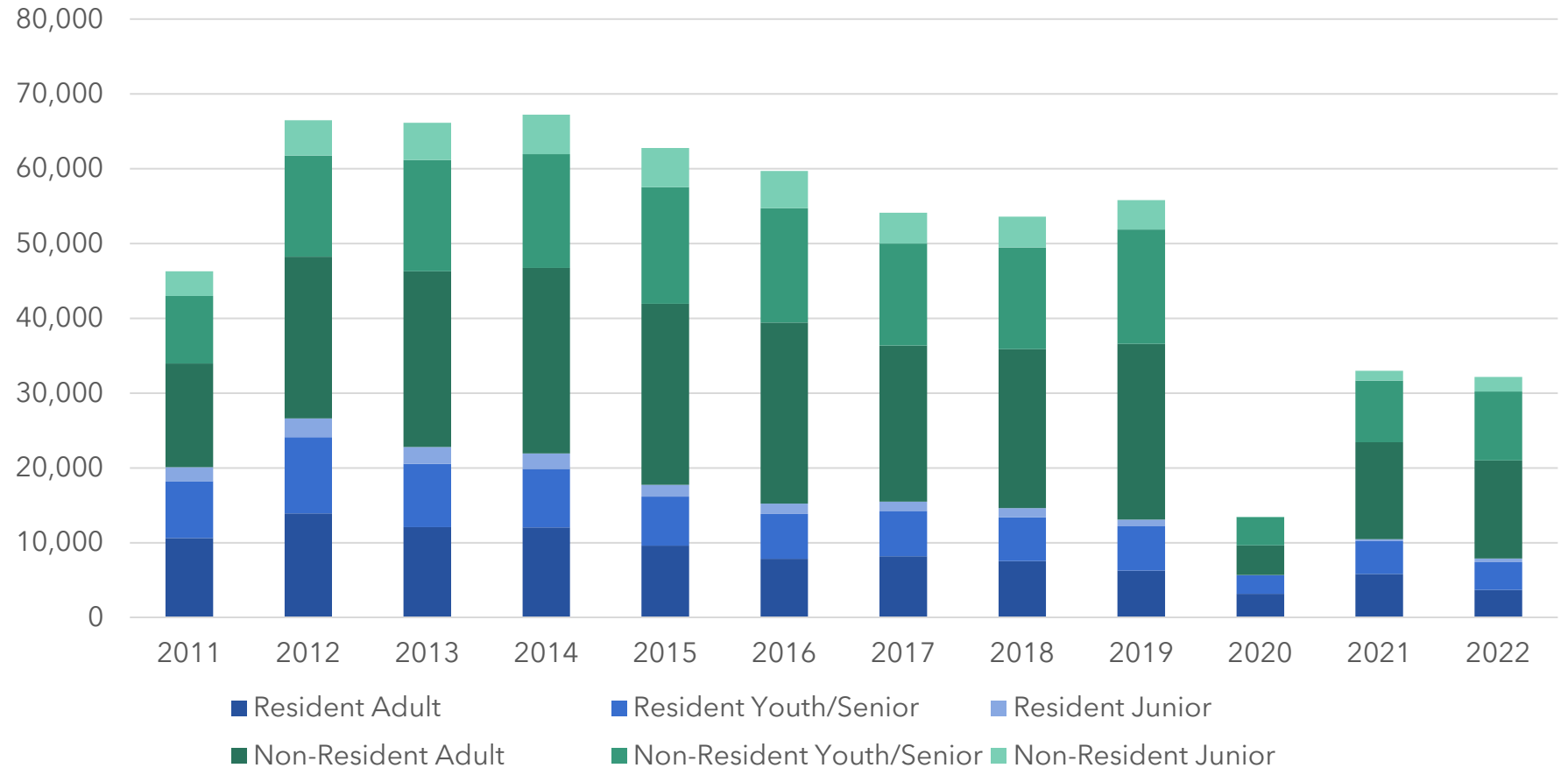
September 14, 2023

# California Aquatic Facilities

Facility	# of Amenities	Adult Entry Fee
PDAC	8	\$4
Woollett - Irvine	3	\$4
Jurupa Park (closed)	4	\$6
Alga Norte - Carlsbad	4	\$5
Dolores Bengtson - Pleasanton	3	\$5
Fontana Park	4	\$7 (based on height)
Morgan Hill	2	\$15
Splash La Mirada	7	\$25 (based on height)
The Cove Water Park	8	\$25
The Drop Zone	9	\$25
Splash Kingdom	5	\$33

# PDAC Admission History

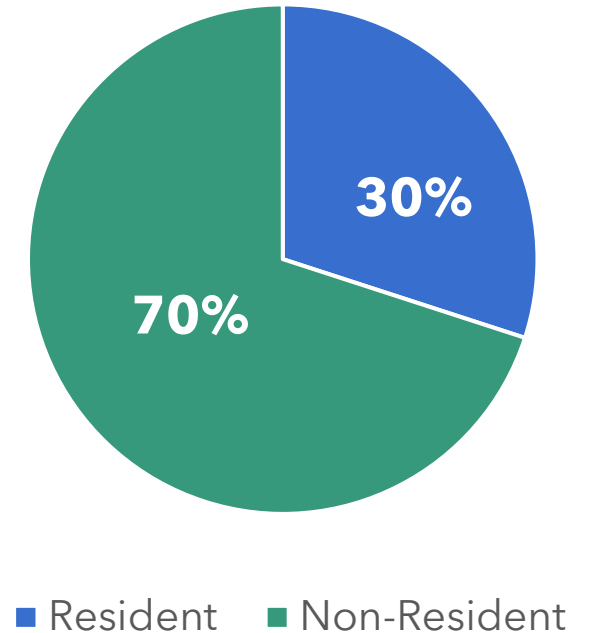
## Admission History by Day-Pass Type



# Current Fee Breakdown

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<b>Admission Type</b>	<b>Resident</b>	<b>Non-Resident</b>
Adult (13 to 59)	\$4.00	\$6.00
Youth (6 to 12) & Senior (60+)	\$3.00	\$4.50
Junior (2 to 5)	\$2.50	\$3.75

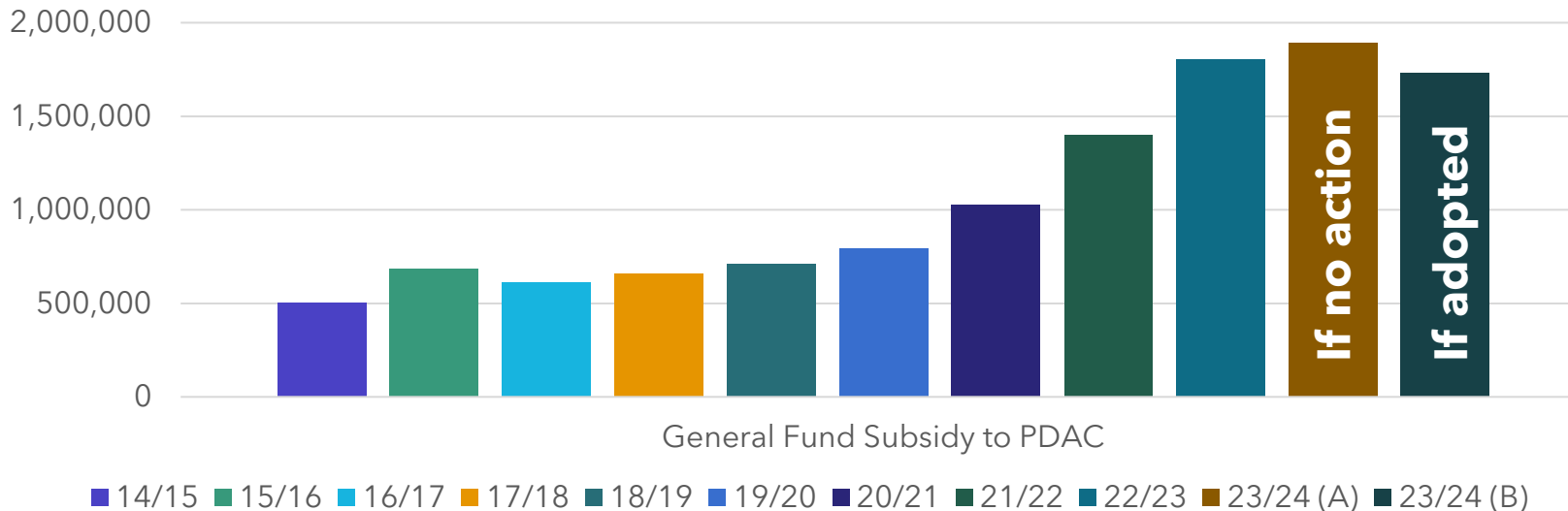




# General Fund Subsidy

**Costs not covered by admission fees must be subsidized by General Fund dollars**

Fiscal Year	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	Budg. 22/23	Est. 23/24 (A) no action	Est. 23/24 (B) w/increase
General Fund Subsidy	\$0.50M	\$0.68M	\$0.61M	\$0.67M	\$0.71M	\$0.79M	\$1.02M	\$1.40M	\$1.81M	\$1.89M	\$1.73M
Cost Recovery %	63%	56%	59%	59%	58%	40%	26%	33%	32%	26%	32%



Attendance normalization revenue breaks even with increases in:

- Lifeguard salaries
- Management fees

Other increases in:

- Chemical costs
  - Operational maintenance
- Supplemental 15a-9

# Options Discussed at Study Session

## Fees remain the same

- Minimal impact to patron cost
- Continued increase in General Fund subsidy
- Approx. 35% cost recovery continues to decline with rising operational costs

## Immediate increase to 60% cost recovery

- Dramatic immediate impact on patron cost
- Cost recovery will likely decline below 60% quickly unless an inflator is built in
- Potential for income-qualified discounts

## Gradual increase with evaluation

- Smaller increases each year toward 60% recovery rate
- 5-year plan levels out to approx. 40% cost recovery
- Potential for income-qualified discounts
- Annual impact evaluation

Supplemental 15a-10

# Proposed Resident Fees

Proposed PDAC Fee Schedule		Current Fee	Proposed Fee (1/1/24)	Proposed Increase	Projected Annual Admissions	Projected Revenue Increase	
<b>Resident</b>	Day Pass	<i>Adult</i>	\$4.00	\$5.50	\$1.50	7,890	\$11,835
		<i>Youth/Senior</i>	\$3.00	\$4.25	\$1.25	6,070	\$7,588
		<i>Junior</i>	\$2.50	\$3.50	\$1.00	1,280	\$1,280
	25-Punch Card	<i>Adult</i>	\$94.00	\$125.00	\$31.00	45	\$1,395
		<i>Youth/Senior</i>	\$65.00	\$95.00	\$30.00	50	\$1,500
	3-month unlimited	<i>Adult</i>	\$150.00	\$200.00	\$50.00	10	\$500
		<i>Youth/Senior</i>	\$110.00	\$155.00	\$45.00	10	\$450
	Annual Unlimited	<i>Adult</i>	\$420.00	\$560.00	\$140.00	2	\$280
<i>Youth/Senior</i>		\$550.00	\$435.00	(\$115.00)	1	(\$115)	

# Proposed Non-Resident Fees

Proposed PDAC Fee Schedule		Current Fee	Proposed Fee (1/1/24)	Proposed Increase	Projected Annual Admissions	Projected Revenue Increase	
<b>Non-Resident</b>	Day Pass	Adult	\$6.00	\$9.00	\$3.00	22,800	\$68,400
		Youth/Senior	\$4.50	\$7.00	\$2.50	14,690	\$36,725
		Junior	\$3.75	\$5.75	\$2.00	4,480	\$8,960
	25-Punch Card	Adult	\$142.00	\$205.00	\$63.00	100	\$6,300
		Youth/Senior	\$98.00	\$160.00	\$62.00	120	\$7,440
	3-month unlimited	Adult	\$225.00	\$325.00	\$100.00	30	\$3,000
		Youth/Senior	\$165.00	\$250.00	\$85.00	20	\$1,700
	Annual Unlimited	Adult	\$630.00	\$910.00	\$280.00	5	\$1,400
		Youth/Senior	\$825.00	\$700.00	(\$125.00)	5	(\$625)

# Punch Cards & Unlimited Passes

<b>25-Punch Card</b>	<b>3-Month Unlimited Pass</b>	<b>Annual Unlimited Pass</b>
Save 10% over daily admission fees by buying a 25-Punch Card	Go more than 3x per week for savings	Save 30% on admission when compared to a 3-month pass

# Additional Considerations

## Reassessment of fee impact after Year 1

- Present update to Council at the end of the 2024 recreational swim
- Consider moving forward to Year 2
- Consider update to 60% recovery rate

## Financial Aid

- Piggyback on existing income-based programs
  - Various utilities
  - Nine desert cities
  - Qualify for 2011-2023 rate schedule

## New Management Contract

- Currently undergoing RFP process for new management contract (YMCA extended to 12/31/2023)
- Increase programming and reporting
- Evaluate potential for City management

# Financial Aid

The financial aid program would roll out with the fee increase January 1, 2024

Residents of the nine cities of the Coachella Valley are eligible

Visitors would show one of the qualifying utility bills

All of the Coachella Valley's utility providers have programs in place



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Supplemental 15a-15

September 14, 2023

# Timeline

September 2023

## August 2022

Analysis and discussion began at the Parks & Recreation Committee. The Committee voted to increase fees in February 2023.

## March 2023

A City Council Study Session informed decision-making factors for increasing fees. Additional research was needed.

## June 2023

Staff presented their research to the Parks & Recreation Committee. The Committee voted to implement Year 1 and return for Year 2 consideration.

## January 2024

PDAC moves forward with a new operating contract and new fee schedule based on Year 1. Financial assistance program implemented.

## Fall 2024

Staff will evaluate eight months of data to determine the effect of the Year 1 increase. Information will be brought to the Committee and Council for Year 2 consideration.





# Recommendation

**Adopt Resolution to increase PDAC entry fees for Year 1 of the 5-Year plan presented**

Supplemental 15a-17

# Thank you

**Liberty Urban**

Deputy Director of Finance

**Shawn Muir**

Community Services Manager



Supplemental 15a-18