

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: January 9, 2025

PREPARED BY: Angelique Hodges, Management Aide
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Chris Escobedo, Assistant City Manager

SUBJECT: APPROVE AMENDMENT NO. 8 TO CONTRACT NO. C36620 WITH
FAMILY YMCA OF THE DESERT FOR MANAGEMENT OF THE PALM
DESERT AQUATIC CENTER

RECOMMENDATION:

1. Approve Amendment No. 8 to Contract No. C36620 to update the terms, management fee, and scope of work with the Family YMCA of the Desert (YMCA), of Palm Desert, California. Contract term is July 1, 2025 to June 30, 2030, with the option to extend for three additional one-year terms, ending June 30, 2033.
2. Authorize the City Attorney to make any necessary nonmonetary changes to the amendment.
3. Authorize the City Manager to execute Amendment No. 8 for Contract No. C36620.

Funds will be included as part of the proposed FY 2025-26 Annual Budget in the Aquatic Center Special Revenue Fund Accounts as referenced in the Fiscal Impact.

BACKGROUND/ANALYSIS:

The Palm Desert Aquatic Center (PDAC) is a year-round public recreational facility located in Palm Desert, California, that serves as a valuable resource for both residents and visitors. The center offers a wide range of aquatic activities, including leisure swimming, water safety training, fitness programs, and competitive events. The Family YMCA of the Desert has been the contract management and staffing provider for PDAC since its opening in 2011.

Recently, Contract No. C36627 (Amendment No. 7) was executed to extend the YMCA's management under the 2018 original executed agreement, Contract No. C36620. This current contract has been amended several times, with seven extensions addressing various elements such as scope of services, fee adjustments, and contract term extensions. Over the past year, City staff has worked closely with YMCA staff to develop monthly key performance indicators, improve financial reporting, and assess operational and capital needs at PDAC. Revenue has increased through strategic fee adjustments, special events (e.g. Dive-In Movies and 4th of July), increasing food items at the cafe, facility rentals, and collaborating with our marketing teams through various social media channels.

Through these negotiations, staff has refined the scope of work with the YMCA, particularly in areas such as reporting requirements and clearly defined roles and responsibilities. Additionally, City staff has received a detailed breakdown of the management fee and its components. The proposed contract term extension aims to provide greater stability, reaffirming the City's

commitment to maintaining high-quality service at the facility while setting clear expectations for the future.

In addition to the ongoing improvements at the Aquatic center, a pool pump room renovation project is planned in the new year, with an estimated eight week construction timeframe. This will involve necessary upgrades to the outdated pool equipment and other component to the pool, aimed at enhancing the facility and providing a better experience for all visitors. During this period, services at the facility may be temporarily suspended to accommodate the renovation work, and City staff will communicate these changes clearly with the public.

The City is fully committed to facilitating the success of this project and ensuring that the upgrades are completed as efficiently and smoothly as possible. City staff will work closely with the YMCA management team, the contractors, and the public to provide all relevant information and support throughout the duration of the closure. This collaboration will include timely updates on project milestones, effective communication with the community regarding the temporary suspension of services, and assistance in minimizing any disruptions to the overall operations of PDAC. Additionally, City staff will ensure that all logistical and operational requirements are met to ensure the facility's safe and prompt reopening after the upgrade.

To mitigate the impact of the closure on YMCA staff, the City has established a not-to-exceed amount of \$250,000 to cover any unemployment-related costs incurred by the YMCA in order to retain staff. This provision will support staff during the temporary halt of operations, allowing them to receive necessary assistance while enabling the YMCA to resume its services seamlessly once the pool room upgrade is completed. This proactive approach underscores the City's ongoing commitment to supporting both the facility's employees and the community, ensuring that PDAC continues to provide high-quality services upon reopening.

Legal Review:

This report has been reviewed by the City Attorney's Office.

Strategic Plan:

Maintaining high-quality facility management and staffing at the Palm Desert Aquatic Center (PDAC) is essential to preserving the City's premier recreational asset. The proposed action aligns with the Strategic Plan's objectives by enhancing access to comprehensive recreational opportunities for both residents and visitors.

FINANCIAL IMPACT:

The costs associated with amending the contract, management fee adjustment, and scope of services are included in the Exhibit to Attachment 9 (Amendment 8 "Scope of Services.") The YMCA is not requesting any increase in its management fee as approved in the FY 2024-25 contract (Amendment No. 7). The proposed management fee will be reduced from the FY 2024-25 fee due to cost savings in Management Personnel and other overhead from \$210,442 to \$177,889.20 annually and paid monthly at \$14,824.10 per month. The management fee breakdown is below:

PDAC Management Fee Breakdown	PDAC Cost per item
Management Personnel (3 staff part time)	\$103,760
Payroll Software	13,200
Operating/Accounting Software	5,250
Accounts Payable Software	180
Finance& Accounting	27,000
Information Technology	9,900
Human Resources	6,000
Annual YMCA Dues	12,600
Total Fixed Annual Management Fee	\$177,889.20

Other costs for the operation of the PDAC such as staff salaries, supplies, performance consultant support services and maintenance will be included in the Public Works FY 2025-26 Annual Budget request.

ATTACHMENTS:

1. Original Executed Agreement (C36620)
2. Executed Amendment No. 1 (C36621)
3. Executed Amendment No. 2 (C36622)
4. Executed Amendment No. 3 (C36623)
5. Executed Amendment No. 4 (C36624)
6. Executed Amendment No. 5 (C36625)
7. Executed Amendment No. 6 (C36626)
8. Executed Amendment No. 7 (C36627)
9. Proposed Amendment No. 8 (C36628)