

City of Piedmont
CITY COUNCIL AGENDA REPORT

DATE: June 29, 2020

TO: Mayor and Council

FROM: Sara Lillevand, City Administrator

SUBJECT: Provide Direction to Staff Regarding the Continued Operation of the Piedmont Community Pool

RECOMMENDATION

Provide direction to staff regarding the continued operation of the Piedmont Community Pool.

EXECUTIVE SUMMARY

The Piedmont Community Pool (PCP) is now 56 years old. Due to the diligence of City staff and the Piedmont Swim Club (PSC) before them, the PCP has managed to exceed the normal lifespan for an outdoor pool of its vintage, but it is coming to the end of its useful life. The pool is becoming more expensive to operate every year and simultaneously becoming less able to serve the needs of the community. In addition, the pool has been fully closed since March 16, 2020 due to the COVID-19 shelter-in-place orders. Aquatics facilities in Alameda County remain closed, but are listed in the next round of potential facilities to be allowed to open in the [Alameda County Reopening Plan](#).

When issued, the County's regulations for reopening will surely require pools to operate very differently than pre-COVID-19. Recreation staff have developed a model for re-opening based on likely safety requirements. Severe restrictions on the number of people allowed in the facility at a given time without any associated decrease in staffing requirements results in a model high in cost and low in breadth of service.

The City understands that residents rely upon the Piedmont Community Pool as a resource to learn to swim, exercise, compete, play, and socialize. It has also been a steady source of employment for our local youth. However, pools do not last forever, and this facility is already operating on borrowed time. The question for the Council to consider is what operating loss is acceptable, and whether it might make fiscal sense to close this 56-year-old facility.

BACKGROUND

The existing Piedmont aquatics facility opened in 1964 and was operated by the private, not-for-profit Piedmont Swim Club until 2011. At that time, the City assumed responsibility for the operation of the facility and renamed it the Piedmont Community Pool.

It has long been recognized that the current size and configuration of the facility is inadequate to meet the aquatic needs of the community. Recreation swim, lap swim, learn-to-swim, therapeutic swim, and competitive swim/water polo have all been vying for limited and suboptimal space for decades. The Council and community have launched many efforts over the years to chart a course to a new aquatics center including, but not limited to:

- Piedmont Community Recreation Center (PCRC) 2002
- Recreation and Aquatics Cooperative (RAC) 2002-2005
- Sports Management Group Aquatic Study 2006
- Civic Center Master Plan 2006-2007
- Aquatics Master Plan Conceptual Design, November 2016

These efforts and studies, each of which involved a great deal of work by the community, all drew similar conclusions regarding the inadequacy of the present facility and potential for a new, more appropriate facility. However, for various reasons, including the projected cost of a new facility, no actions have been taken to renovate or replace this community resource. Instead, the focus has been on yearly maintenance and repairs to keep the present facility safe and operational. Due to the diligence of City staff and the PSC before them, the PCP has managed to exceed the normal lifespan for an outdoor pool of its vintage.

After acceptance by City Council of the Aquatics Master Plan Conceptual Design in November 2016, and subsequent favorable Operational Analysis of the conceptual design in June 2017, Council authorized the opinion research firm Fairbanks, Maslin, Maulin, Metz and Associates (FM3) to evaluate community interest and support for a new aquatics facility through polling. On December 18, 2017, Council received a presentation from FM3's David Metz regarding these polling results. Relative to aquatics, depending on phrasing of the survey question, up to 53% indicated support for a bond measure for a new facility, well short of the two-thirds majority required for passage of a municipal bond. A resident question that came up over and over again during the polling process was how much longer the current facility would last.

Given the FM3 polling results, the Aquatics Subcommittee, which was comprised of Mayor McBain and Councilmember Andersen, determined that the City should develop a deep and thorough understanding of the current condition of the pool before moving forward with developing strategies for public outreach and communication about a new facility.

Staff was charged with answering the question of PCP's life expectancy. How much life do we likely have left in our current facility and/or how much will it cost to keep the facility safe and operational in its current form?

MAINTENANCE COSTS OF PRESENT FACILITY

During the summer of 2018, Richard Young of Aquatic Commercial Consulting performed an in depth assessment of the pool decks and vessels; mechanical and chemical systems; and equipment efficiency with respect to codes, regulations, conditions and repairs [and presented findings to the Council on October 15, 2018](#).

Aquatic Commercial Consulting identified a host of problems with the existing facility, including the pools, decks, mechanical and chemical systems, and equipment efficiency with respect to codes, regulations, conditions, and repairs. Relatively small issues, such as the depth and the narrowness of the six lanes of the main pool, are outweighed by more critical leakage, maintenance and health and safety concerns. These deficiencies have a direct and ongoing impact on the City of Piedmont budget by requiring ongoing operational subsidies which are growing year over year just to maintain status quo. The operational deficit for 2019-20 will be roughly \$314,000. Assuming no catastrophic failure of the pool vessel structures themselves, the City over the next ten years would spend more than \$4 million in repairs and equipment to keep the current pool marginally functional and continue to be faced with large annual operational shortfalls.

The conclusion of the October 2018 staff report reads,

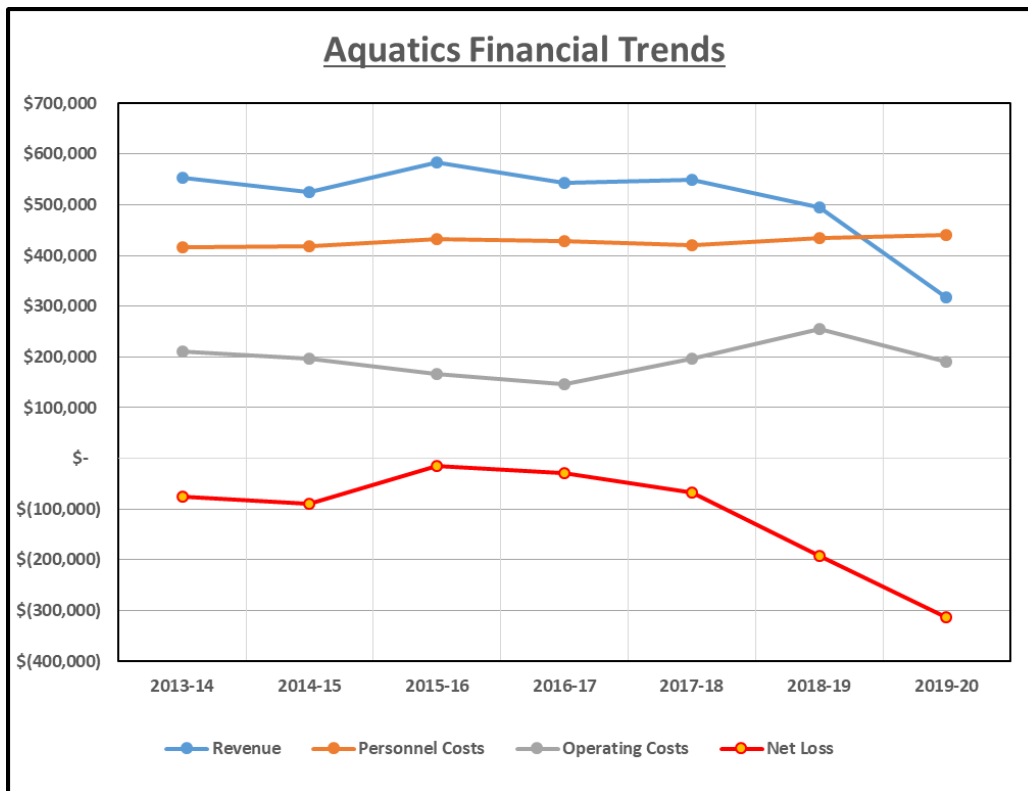
“This level of investment in a facility that has surpassed its expected life and falls well short of meeting the needs of the Piedmont community may not be a prudent or practical allocation of the City’s limited funds. Instead, we have reached the point in the life of the pool where strong consideration should be given to constructing a new facility that would better serve the community needs and require little to no annual subsidy. Alternatively, consideration should be given to transitioning out of aquatics programming as a City service.”

FINANCIAL TRENDS

Since 2018, the City has addressed many of the immediate health and safety issues identified in the Aquatic Commercial Consulting report with short term, relatively inexpensive solutions. The larger issues, however, remain. One major unresolved issue is the significant daily water leakage. Fixing this issue would require demolition and replacement of the pool deck at great expense.

Below are summaries of revenues, expenses, and operational shortfall for the past three fiscal years. As you can see, the trend even prior to COVID-19 is not favorable. These numbers do not take into account the major repairs necessary to continue safe operation of the facility.

PIEDMONT COMMUNITY POOL			
	2017-18	2018-19	Projected 2019-20
TOTAL REVENUE	\$ 549,493	\$ 495,807	\$ 316,602
EXPENDITURS			
Personnel - Mgmt.	111,383	122,627	174,494
Personnel - Part time	308,834	312,277	265,926
Operating	125,236	140,198	87,413
Utilities	59,990	63,049	55,329
Maintenance	11,486	50,992	47,167
FMF Expenditures	39,977		
TOTAL EXPENDITURES	656,906	689,143	630,328
NET LOSS	\$ (107,413)	\$ (193,336)	\$ (313,726)



Unexpected closure days for repairs have also been on the rise. In 2018-19 the PCP had 10 unplanned closure days which rose to 25 days in 2019-20 including some of the warmest, most desirable swim days of the year. The baby pool has been fraught with issues and was closed three different times for a total of 33 days in the past year. With a facility this old, it is likely that the trend of unplanned closures will continue to increase.

POTENTIAL RE-OPENING SCENARIO

The PCP has been closed since March 16 due to the Alameda County Public Health Shelter in Place orders related to COVID-19. In anticipation of eventual loosening of shelter-in place orders to include reopening of pools, PCP Aquatics Coordinator Zoe Clancy-Clavere, along with Recreation Supervisor Jackson Stearns, and Recreation Director Chelle Putzer, have developed a re-opening model to meet the requirements which we believe are likely from the Alameda County Public Health Department.

A reopened Piedmont Community Pool would look and feel very different than it did before COVID-19. Based on county, state, and federal regulations and guidelines, reopening any programs will require significant adjustments to the pool schedule, reductions in pool capacity as well as the development and implementation of new cleaning policies/procedures. Despite reduced pool occupancy to ensure social distancing, aquatic programming will actually require more staff to meet COVID-19 regulations and guidelines.

The re-opening model proposed includes a gradual reintroduction of programs that can be delivered safely including lap swimming, Piedmont Swim Team (PST) training, water aerobics and swim lessons. Recreational swimming, as we have known it, will not exist in the foreseeable future. There is simply not enough pool space to maintain social distancing during recreational swimming. Therefore, pool passes have been eliminated from the model fee structure. No seasonal passes were sold for 2020 and all annual pool passes have been or are in the process of being refunded. As a frame of reference, average pass sale revenue for the past six years has been \$295,000 accounting for more than half of aquatics revenue each year.

All PCP use would be by reservation or rental only. Lap swim and PST rental for team training would be the first to open, followed by water aerobics and swim lessons. Lap swim would be accommodated by reservation only for an hourly fee, and would allow for one person per lane. PST practices would be required to meet yet to be released Alameda County guidelines, which would likely be limited to small, stable groups. The medium pool would be opened only for highly-regulated swim lessons and the baby pool would not open at all in this model. The potential re-opening model schedule can be seen in Attachment A to this report.

FISCAL IMPLICATIONS

Despite attempts to mitigate negative fiscal impacts by significantly reducing operating hours and proposing fees that are at or above what is emerging as a COVID-19 market rate, the financial picture for re-opening the PCP is grim.

In addition to \$43,000 in expenditures identified to safely open the facility, the month over month operational shortfall can be seen in Attachment B to this report. Assuming the Recreation Department spent the month of July in preparation and then opened under this proposed model in August and assuming the pool was able to reach maximum capacity with every lane hour rented and every swim lesson filled, the City would face an estimated \$203,000 deficit at the end of December. At 70% capacity, the mid-year shortfall is estimated at \$260,000. Fiscal Year 20-21

year end projections are difficult to estimate given the level of uncertainty relative to COVID-19 but the absolute best case scenario of a “COVID Fall” meeting 100% capacity without mechanical failures followed by full re-opening in January and a quick pivot to full programming and pass revenues would result in a \$360,000 shortfall. It is entirely possible however that we could see costs exceeding revenues by \$500,000 or more.

It is important to note that this proposed model does not include any time or space in the fall for Piedmont Unified School District programs, including physical education and special education. Nor does it include high school water polo which typically practices and competes in the PCP in the fall. If the California Interscholastic Federation were to allow water polo to resume in the fall, this proposed model would change accordingly and would become more costly, as the City does not charge PUSD for its use of this community resource.

CONCLUSION

Two years have passed since it was acknowledged that the city had “reached the point in the life of the pool where strong consideration should be given to constructing a new facility that would better serve the community needs and require little to no annual subsidy. Alternatively, consideration should be given to transitioning out of aquatics programming as a City service.” In the intervening time, the facility, as well as its ability to recover costs, have further deteriorated. Given the hard financial realities both of the City’s aged aquatics facility and for overall Recreation Department revenues, it falls on this Council to determine whether it has become cost-prohibitive to continue to operate this aquatics facility.

By: Chelle Putzer, Recreation Director
Michael Szczech, Finance Director

Attachments

- A: Piedmont Community Pool Reopening Plan
- B: Best Case Financial Scenario for Piedmont Community Pool Reopening

Main Pool		Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday					
August	6:00 AM	Lap Swim 6-11 am (5)	Swim Team 6-7 am (1)	Lap Swim 6-11 am (5)	Swim Team 6-7 am (1)	Lap Swim 6-11 am (5)							
	7:00 AM						Swim Team 7-9 am (2)	Lap Swim 7-9 am (2)					
	8:00 AM		Lap Swim 7-10 am (3)		Lap Swim 7-10 am (3)		Lap Swim 7-10 am (3)	Water Aerobics 9-10 am (1)	Swim Lessons 9 am-1 pm (4)				
	9:00 AM		Water Aerobics 10-11 am (1)		Water Aerobics 10-11 am (1)		Water Aerobics 10-11 am (1)	Swim Lessons 9 am-1 pm (4)					
10:00 AM													
Sept, Oct	11:00 AM	Closed: 11 am-3 pm	Closed: 11 am-3 pm	Closed: 11 am-3 pm	Closed: 11 am-3 pm	Closed: 11 am-3 pm							
	12:00 PM												
	1:00 PM												
	2:00 PM												
	3:00 PM										Closed: 1-3 pm	Closed: 1-3 pm	
	3:00 PM						Swim Team 3-5 pm (2)	Swim Team 3-5 pm (2)	Swim Team 3-5 pm (2)	Swim Team 3-5 pm (2)	Swim Team 3-5 pm (2)		
	4:00 PM											Lap Swim 3-7 pm (4)	Lap Swim 3-7 pm (4)
	5:00 PM						Lap Swim 5-7 (2)	Lap Swim 5-7 (2)	Lap Swim 5-7 (2)	Lap Swim 5-7 (2)	Lap Swim 5-7 (2)		
6:00 PM													

Medium Pool		Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday							
Sept, Oct	6:00 AM														
	7:00 AM														
	8:00 AM														
	9:00 AM														
	10:00 AM														
	11:00 AM														
	12:00 PM														
	1:00 PM														
	2:00 PM														
	3:00 PM														
	3:00 PM								Swim Lessons 3:00-6:00pm (3)		Swim Lessons 3:00-6:00pm (3)		Swim Lessons 3:00-6:00pm (3)		
	4:00 PM														
5:00 PM															
6:00 PM															

Piedmont Community Pool
Best Case Reopening Plan Financials

FULL CAPACITY

	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>Total</u>
TOTAL REVENUE	\$ -	\$ 34,346	\$ 34,346	\$ 17,568	\$ 17,568	\$ 17,568	\$ 17,568	\$ 17,568	\$ 34,346	\$ 34,346	\$ 34,346	\$ 34,346	\$ 293,916
Expenditures													
Personnel - Mgmt.	\$ 15,950	\$ 15,950	\$ 15,950	\$ 15,950	\$ 15,950	\$ 15,950	\$ 15,950	\$ 15,950	\$ 15,950	\$ 15,950	\$ 15,950	\$ 15,950	\$ 191,403
Personnel - Part time	-	18,286	18,286	14,106	14,106	14,106	14,106	14,106	18,286	18,286	18,286	18,286	180,249
Opening Costs	43,400												43,400
Operating		9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,167	100,833
Utilities	5,000	5,000	5,000	5,500	6,000	6,500	6,500	6,000	5,500	5,000	5,000	5,000	66,000
Maintenance		5,455	5,455	5,455	5,455	5,455	5,455	5,455	5,455	5,455	5,455	5,455	60,000
FMF Expenditures													-
Total Expenditures	\$ 64,350	\$ 53,858	\$ 53,858	\$ 50,178	\$ 50,678	\$ 51,178	\$ 51,178	\$ 50,678	\$ 54,358	\$ 53,858	\$ 53,858	\$ 53,858	\$ 641,886
Net Loss	\$ (64,350)	\$ (19,512)	\$ (19,512)	\$ (32,610)	\$ (33,110)	\$ (33,610)	\$ (33,610)	\$ (33,110)	\$ (20,012)	\$ (19,512)	\$ (19,512)	\$ (19,512)	\$ (347,970)