



City of Morgan Hill

Legislation Text

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CITY COUNCIL STAFF REPORT **MEETING DATE: JUNE 1, 2016**

PREPARED BY: Nick Calubaquib, Recreation Manager, Community Services Department
APPROVED BY: City Manager

FOURTH AMENDMENT TO THE CRC PARTNERSHIP AGREEMENT

RECOMMENDATION(S)

Adopt resolution authorizing the City Manager to execute a fourth amendment to the Community Recreation Center Partnership Operating Agreement.

COUNCIL PRIORITIES, GOALS & STRATEGIES:

Ongoing Priorities

Maintaining fiscal responsibility
Supporting youth

2016 Focus Areas

Enhancing Our Services

REPORT NARRATIVE:

In May 2006, the City Council approved an agreement with the YMCA of Silicon Valley ("YSV") to cooperatively operate the Centennial Recreation Center ("CRC"). The organizations entered into the partnership agreement because both believed that by working together, we could maximize program offerings and better control expenses. In October of 2010, the Council approved extending the agreement through June of 2016 and approved extending the agreement again in February 2016 through June of 2021.

As part of the most recent extension, the largest change in the agreement and the only one that will impact some CRC members, was the elimination of the "6 for 1" benefit CRC members currently enjoy. The former YMCA of Santa Clara Valley allowed CRC members access to its five YMCA branches in exchange for 50% of the enrollment fee paid by CRC members. At the time the partnership was created, YMCA members had access to all the YMCAs in the Santa Clara Valley Association. After the YMCA of Santa Clara Valley merged with the Mid Peninsula YMCA, the new YSV began to phase out membership reciprocity between the individual YMCA branches. This benefit is currently being phased out for CRC members by September 1, 2016 and the YSV will no longer receive 50% of member enrollment fees. The City and YSV committed to continue to discuss the option for member reciprocity going forward and informed the Council in February 2016 that staff would return with a recommendation.

The following outlines the proposed option for membership reciprocity:

- Effective June 1, 2016, the CRC will sell YSV memberships, which shall allow CRC members access to all other YSV locations. The City shall retain all monthly membership revenue and processing fees associated with the sale of YSV memberships at the CRC. In exchange for this revenue, the City shall allow YSV members who purchase YSV membership at YSV branch locations to access the CRC at no additional charge.
- Effective June 1, 2016, other YSV branch locations shall be allowed to sell a Morgan Hill Aquatics Center ("AC") membership to members who possess an YSV membership. This additional membership shall provide YSV members access to the AC at no additional charge. The YSV will retain ten percent (10%) of the monthly membership revenue for AC memberships to cover administrative costs and shall pay the City the remaining ninety percent (90%) of revenue. Payments shall be made on a monthly basis.
- CRC members will be allowed to access YSV locations for a reduced day fee rate. Likewise, members of other individual YSV branch locations will be able to access the CRC (not the AC) for the same reduced day fee rate.
- The City and YSV agree to meet to evaluate the sale and use of YSV memberships prior to January 31, 2017 and again prior to June 30, 2017. This arrangement assumes fairly equal use of other YSV facilities by CRC members and vice versa. Should use patterns indicate a net difference in use greater than twenty five percent (25%) over the twelve (12) month period (YSV member use minus CRC YSV member use, divided by the lesser of the two), the City and YSV agree to amend the agreement to adjust payments or use to more appropriately compensate for member use patterns.
- The initial rates at the CRC for YSV memberships and day fees for YSV branch members shall be:

	Enrollment Fee	CRC Member Monthly Rates (Resident/ Non-Resident)	YSV Enrollment Fee	YSV Add-On Monthly Rates (Resident/ Non-Resident)
Adult Membership	\$50	\$63/\$67	\$55	\$27/\$23
Adult YSV Upgrade (no kids)			\$40	\$12/\$8
Adult Senior YSV Upgrade (Age 65+)			\$40	\$7/\$3
Family Membership	\$75	\$90/\$96	\$75	\$38/\$32
Family YSV Upgrade (no kids)			\$60	\$23/\$17
Adult Plus	\$0	\$46/\$50	\$90 (Must upgrade family membership to YSV 3 adults membership)	\$76/\$70
Couple Senior / Special Hours	\$75	\$72/\$78	Must upgrade to adult, family or YSV senior membership.	
Senior / Special Hours	\$50	\$43/\$47	Must upgrade to adult, family or YSV senior membership.	
Senior YSV Upgrade (not special hours)			\$40	\$27/\$23
Youth/Teen (ages 12-22)	\$50	\$28/\$32	\$0	\$12/\$8

Core Class	\$0	FREE		
Specialty Class	\$0	Member Fee/Member Fee +\$10		
Swim Lessons	\$0	Member Fee/Member Fee + \$10		
Daily CRC Member Use at other YSV Locations Daily YSV Member Use at CRC YSV Aquatics Center Membership Add-On		\$5 per visit per membership \$5 per visit per membership		\$25 (one member, any age), \$50 (2 or more members, any age)

- The City and YSV agree that adjustment to fees outlined in Section 18.5 of the agreement may be necessary to maintain consistency between CRC fees and YMCA fees for YSV membership. In the agreement, the City Manager is delegated the authority to adjust fees outlined for membership reciprocity. This authority does not include other general CRC fees for membership and daily rates, which must be approved by the City Council.
- Both the City and YSV have the ability to terminate membership reciprocity and all terms outlined in Section 18 of the agreement by providing written notice to the other party ninety (90) days ahead of the intended termination date.

COMMUNITY ENGAGEMENT: Not Applicable

Discussions relating to CRC membership reciprocity were conducted solely by City and YSV staff.

ALTERNATIVE ACTIONS:

The Council could provide direction for changes to the agreement it would like to see negotiated with the YSV.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

- May of 2006 - Council approves the initial partnership Operating Agreement.
- October 2010 - Council approves extension of the agreement for an additional five years.
- December 2015 - Council approves amendment extending to February, the time for the YMCA and City to approve an additional agreement extension.
- February 2016 - Council approves extension of the agreement for an additional five years.

FISCAL AND RESOURCE IMPACT:

It is estimated that approximately \$10,000 will be generated annually from the sale of the membership options outlined in this report.

CEQA (California Environmental Quality Act):

Not a Project

This contract amendment is not a project, as defined in Section 15378 of the State CEQA Guidelines.

LINKS/ATTACHMENTS:

- 1) Resolution

2) Fourth Amendment to Partnership Operating Agreement