



City of Morgan Hill

Legislation Text

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CITY COUNCIL STAFF REPORT

MEETING DATE: FEBRUARY 1, 2017

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

AQUATICS CENTER RESIDENT LAP LANE RENTAL CHARGES

RECOMMENDATION(S)

Approve increase to resident lap lane rental charges at the Morgan Hill Aquatics Center.

COUNCIL PRIORITIES, GOALS & STRATEGIES:

Ongoing Priorities

Maintaining fiscal responsibility
Supporting youth

REPORT NARRATIVE:

Background

During its meeting on November 4, 2015, the City Council approved a rate increase to non-resident lap swim lane rental charges at the Morgan Hill Aquatics Center. Rates were increased to assist with continually increasing costs of operation of the facility and to more closely align with rates charged by other nearby agencies. The Council approved staff's recommendation to not raise resident rates at the time due to the financial status of the Morgan Hill Swim Club (MHSC or Club), the largest and primary resident user group of Aquatics Center lap lane rentals. Based on financial information provided to City staff by the Club's Treasurer at the time, the Club was struggling to cover operating expenses. MHSC members had recently approved merging the Club with the much larger Santa Clara Swim Club (SCSC). It was planned that SCSC would support MHSC financially and provide administrative and logistical assistance through its greater network of paid staff and volunteer base. It was intended that this support would help MHSC to stabilize its finances by decreasing expenses, while increasing Club membership and revenue from dues and swim meets. MHSC agreed to revisit lap lane rental rates again in FY 2016-17 once the Club had completed its first year under SCSC.

The partnership between MHSC and SCSC has proven to be successful and in November 2016, members of the MHSC voted to dissolve the Club and merge with SCSC. SCSC has continued to offer a competitive swim program six days a week at the Aquatics Center, utilizing the existing

coaching staff. SCSC swim team members that attend practices at the Aquatics Center continue to primarily be Morgan Hill residents (76%), which is above the 60% minimum required to receive resident rates. SCSC finances are stable and Club staff have confirmed that it can sustain an increase to lap lane rates. These rates have not been increased since FY 2012-13.

Proposed Hourly Rental Rates

The following table outlines lap lane rental rates currently charged by nearby agencies to resident, non-profit organizations. All rates listed are for short course (25 yard lanes), unless otherwise noted, as most other facilities do not have the ability to offer long course (50 meter lanes).

Organization	Resident Hourly Rate per Lane (Including all fees)
City of Morgan Hill	\$6 short course \$15 long course
Morgan Hill Unified	\$9.29
Gilroy Unified	\$16.88
Cal Sports Center (City of Sunnyvale)	\$19.65
City of Campbell	\$7.50
Los Gatos/Saratoga Recreation	\$18.95
City of Cupertino	\$8.75
City of Mountain View	\$20.63
Average Rate (Short Course)	\$13.45

The City of Morgan Hill's rental rates for short course lap lanes continue to be lower than those of nearby agencies that rent to outside organizations. It is recommended that resident lap swim lane rental rates be increased by \$1 per hour for short course and by \$3 per hour for long course. It is recommended that non-resident rates remain the same since they were increased one year ago.

Lap Lane Rental Hourly Rates:

Lane Type	Current Rental Rates	Proposed Rental Rates
Short Course		
Resident	\$6.00	\$7.00
Non-Resident	\$14.00	\$14.00
Long Course		
Resident	\$15.00	\$18.00
Non-Resident	\$30.00	\$30.00

To receive resident rates 60 percent of users must be Morgan Hill residents. The SCSC has worked with City staff to track use at the facility and currently continues to meet the residency requirement.

COMMUNITY ENGAGEMENT: Involve

City staff has worked with Santa Clara Swim Club board members to discuss Aquatics Center costs of operation and SCSC financials to determine the recommended actions in regards to lap lane rental rates.

ALTERNATIVE ACTIONS:

The Council could elect to:

1. Maintain all current lap lane rental rates, or
2. Increase or decrease lap lane rental rates as it sees fit.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

April 2, 2014 - The Council approved rental rate increases at the CRC and CCC and asked staff to return to the Council after analyzing the cost of operation for Aquatics Center lap lanes and swim meets, coordinating with the swim club on the costs associated with lane and swim meet rentals and reviewing club finances to determine what the club could afford to pay.

October 15, 2014 - The Council approved an increase to swim meet rental rates and a special rate for resident swim clubs.

November 4, 2015 - The Council approved an increase to non-resident lap swim lane rental charges.

FISCAL AND RESOURCE IMPACT:

The proposed increase is estimated to generate \$8,000 in additional annual rental revenue.

CEQA (California Environmental Quality Act):

Not a Project

LINKS/ATTACHMENTS:

None