



## STAFF REPORT

### City Council

Meeting Date:

2/11/2025

Staff Report Number:

25-022-CC

Informational Item:

**Parks and Recreation Commission recommendation for the aquatics program including to temporarily suspend the minimum operating hours requirement at Belle Haven Pool**

### Recommendation

Staff recommends that the City Council receive this update about the Parks and Recreation Commission (PRC) Jan. 22 recommendations for the aquatics program, including the recommendation to temporarily suspend the minimum operating hours requirement at Belle Haven Pool, and staff's preparations to implement that recommendation effective Feb. 13, in advance of reviewing the annual aquatics report Feb. 25.

### Policy Issues

City Council provides policy direction to the city manager regarding services to the community; allocates resources to support City services; and sets prioritization for the use of City resources to serve the community; and sets user fees and fees for services in the City's master fee schedule.

As a duly appointed advisory body to the City Council, the PRC advises the City Council on matters related to the City's parks and recreation facilities.

### Background

The City of Menlo Park (City) owns two public swim centers: Belle Haven Pool and Burgess Pool. Both swim centers are operated by Menlo Park-based Menlo Swim and Sport (Operator) through a public-private partnership contract (Agreement) with the City.

On Nov. 19, 2024, City Council received an informational report containing updates on the aquatics user survey and next steps for potential aquatics user fee adjustments (Attachment A).

### Analysis

#### Parks and Recreation Commission (PRC) recommendation

On Jan. 22, the PRC reviewed a preliminary version of the aquatics annual report (Attachment B). Per the Agreement terms, the Operator's annual performance report is due to the City by Feb. 28 of each year. The report covers the previous calendar year of activities at the two City-owned pools. At City staff's request, the Operator provided a preliminary version of the report Jan. 15, several weeks in advance of the final report submittal deadline, to provide an opportunity for the community and PRC to review, offer feedback, and request clarifying information before the report is finalized and transmitted to City Council.

The preliminary aquatics annual report and a staff report summarizing its key data points is available in the Jan. 22 PRC agenda materials (Attachment B).

Hourly attendance reports show that usage at Belle Haven Pool has been significantly and persistently lower than hoped, especially during early morning and mid-day hours, despite concerted efforts to increase attendance (Attachment C).

The low attendance at Belle Haven Pool combined with minimum hours requirements in the Agreement that keep labor costs high have resulted in significant, unsustainable financial losses for the Operator, raising the possibility of a major service interruption in the aquatics program.

The Operator reported overall (both swim centers combined) total revenue of \$2.72 million and total expenses of \$2.79 million in 2024, for a net loss of approximately \$67,000 for the year. Of that overall total, Burgess Pool accounted for \$2.55 million in revenue and \$2.44 million in expenses; and Belle Haven Pool accounted for approximately \$174,000 in revenue and \$346,000 in expenses over a period of eight months from May 20 (the date the new pool opened) through Dec. 31. The Operator estimates that based on recent and current attendance, financial losses at Belle Haven Pool will continue in 2025 on average \$37,000 per month.

After reviewing the preliminary aquatics report and financial summary, the PRC Jan. 22 recommended that City Council strongly consider the following remedies to sustain operations at Belle Haven Pool:

1. Temporarily suspend the requirement for a minimum 63 hours of operation per week in the Agreement, while retaining the seven-day, year-round schedule
2. Increase user fees 5%-7% but defer the escalation of non-resident fees to 35% above the resident fees to a later time
3. Increase the fees for lane rentals to be more consistent with the higher rates charged in other jurisdictions
4. Waive the operator's revenue share payment to the City.

The Operator has urgently requested that the City provide relief by immediately implementing one or more of the PRC's recommended adjustments, and of the four remedies recommended by the PRC, the Operator recommends immediately temporarily suspending the minimum hours requirement as the highest priority.

The Belle Haven Community Campus Subcommittee (Subcommittee) reviewed the PRC's recommendation Jan. 29. The Subcommittee expressed support for temporarily suspending the minimum hours requirement at Belle Haven Pool while preserving a seven-day-per-week schedule. The Subcommittee did not express support for increasing user fees for Menlo Park residents, but expressed support for increasing fees for non-residents. The Subcommittee expressed interest in potentially increasing lane rental fees to be consistent with higher rates charged in other jurisdictions, provided that outreach to current lane renters is conducted in advance of a potential increase. The Subcommittee expressed interest in potentially waiving Operator's annual revenue share payment in 2025. The Subcommittee also requested information on promotional activities that have been undertaken to increase attendance, and information on the minimum attendance levels needed at Belle Haven Pool to achieve a break-even financial state for the Operator. The Subcommittee requested that the recommendations do not create barriers for residents to use the pool.

#### Immediate short-term remedies

In light of the PRC's recommendations, the Subcommittee's review, and the urgency of the Operator's request for immediate relief from significant unsustainable financial losses at Belle Haven Pool which could result in a major service interruption in the City's aquatics program, staff met and conferred with the Operator Monday, Feb. 3 to discuss programming modifications that could be implemented imminently.

Based on this meeting and under section J(3) of the Agreement, staff has authorized the following, effective for the remainder of the Winter 2025 season through the local school system's spring break week, i.e., starting as early as Feb. 13 and ending April 14:

1. Temporarily suspend enforcement of the minimum hours requirement at Belle Haven Pool, while retaining a seven-day per week schedule, minimum 32 hours per week, and at least two weekdays per week open by 10 a.m.
2. Operator will survey all Belle Haven Pool monthly membership pass holders (approximately 16 hyperlocal residents) to identify which weekday mornings are most convenient for them at Belle Haven Pool, and open the pool on those mornings that are most convenient for the greatest number of resident membership pass holders.
3. Temporarily reduced hours will focus on times of day when the number of visitors at Belle Haven Pool typically is higher, for example weekday afternoons 3 p.m. to 7 p.m. and weekends 9 a.m. to 3 p.m., thereby reducing net financial losses. For reference, the current pool schedule is provided in Attachment D.

Staff and the Operator will present the aquatics annual report and recommendations for potential operational and fee adjustments to City Council for direction tentatively Feb. 25.

### **Impact on City Resources**

There is no immediate substantive impact to the general fund as a result of this informational report at this time. However, significant impacts to the general fund could occur if the aquatics program experiences a major service interruption, for example should the current operator withdraw from the Agreement or become insolvent.

The City has contracted with a government finance consultant to conduct an independent financial review of Operator's profit and loss statements related to City-owned swim centers. The purpose of conducting the review is to verify the accuracy of the Operator's financial statements and provide a clear picture of the operational expenditures and revenues at City-owned swim centers. The resulting financial report will be presented to City Council along with the final aquatics performance report and additional recommendations tentatively Feb. 25.

### **Environmental Review**

This report is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines §§ 15378 and 15061(b)(3) as it will not result in any direct or indirect physical change in the environment.

### **Public Notice**

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

### **Attachments**

- A. Hyperlink – Nov. 19, 2024 Staff Report #24-201-CC:  
[menlopark.gov/files/sharedassets/public/v/2/agendas-and-minutes/city-council/2024-meetings/agendas/20241119/h3-20241119-cc-aquatics-survey-results.pdf](https://menlopark.gov/files/sharedassets/public/v/2/agendas-and-minutes/city-council/2024-meetings/agendas/20241119/h3-20241119-cc-aquatics-survey-results.pdf)
- B. Hyperlink – PRC Staff Report #PRC-2025-001: [menlopark.gov/files/sharedassets/public/v/1/agendas-](https://menlopark.gov/files/sharedassets/public/v/1/agendas-)

[and-minutes/parks-and-recreation-commission/2025-meetings/agendas/20250122\\_prc\\_agenda\\_packet.pdf#page=36](#)

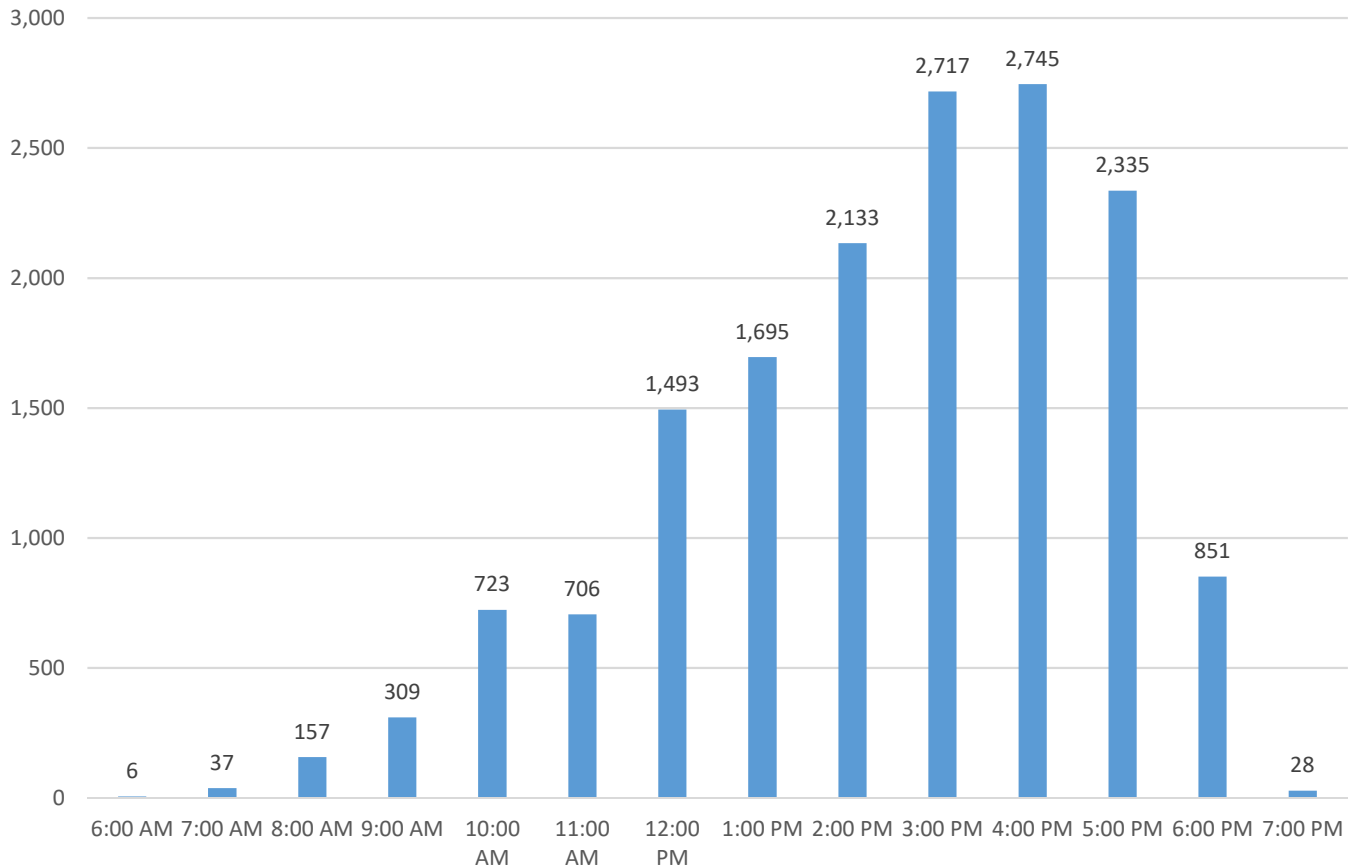
C. Belle Haven Pool hourly attendance

D. Hyperlink – Belle Haven Pool operating hours: [menlopark.gov/Venues/Belle-Haven-Pool](https://menlopark.gov/Venues/Belle-Haven-Pool)

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Total Pool Visitors by Time of Day (May 20 - Dec 15, 2024)



Average by Day of Week and Time of Day

