



STAFF REPORT

City Council

Meeting Date:

4/15/2025

Staff Report Number:

25-055-CC

Public Hearing:

Consider and adopt a resolution to increase aquatic user fees and authorize the city manager to execute an amendment to the aquatics operator agreement

Recommendation

Staff recommends that City Council:

1. Adopt a resolution to increase aquatic user fees (Attachment A)
2. Authorize the city manager to execute an amendment to the aquatics operator agreement (Attachment B).

Policy Issues

City-owned Burgess Pool and Belle Haven Pool are operated through a public-private partnership with aquatics operator Menlo Swim and Sport (Operator). Some policy issues related to the public-private partnership at City-owned swim centers that City Council may wish to consider include but are not limited to:

1. The needs and desires of Menlo Park residents for aquatic programs at City-owned swim centers
2. The amount, variety, and quality of aquatic services that are made available to Menlo Park residents at City-owned swim centers
3. The high and increasing cost of operating and maintaining municipal swim centers
4. The investment of public funds toward operating, maintaining and improving City-owned swim centers
5. The significant risk associated with operating municipal swim centers, including the risk of personal injury or death and other adverse incidents that may occur in even well-run aquatic environments
6. The financial responsibilities an operator must bear, including but not limited to creating local jobs, staffing costs, managing risk, meeting health codes and safety requirements, maintaining sound administrative and financial systems, and interacting with and providing customer service to the general public.
7. The unique value of municipal pools in providing access to quality aquatic facilities and programs, including but not limited to: swim lessons, water safety training, lap swim, aqua fitness, organized teams and competitive swim, family swim, and inclusive community fun and social time for community members of all ages and walks of life.

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

Background

City Council received an informational report Feb. 11 concerning unsustainable financial losses resulting from significantly lower-than-hoped attendance at Belle Haven Pool; possible remedies to sustain aquatic services to the community; the Parks and Recreation Commission's (PRC) Jan. 22 recommendations for

the aquatics program including to temporarily suspend the minimum operating hours requirement at Belle Haven Pool; and an update that staff had authorized temporarily suspending enforcement of the minimum hours requirement at Belle Haven Pool through April 14 (Attachment C).

City Council held a public hearing March 11 to consider proposed changes to aquatics fees in the master fee schedule and a proposed amendment to the aquatics operator agreement (Attachment D). City Council provided feedback on proposed changes to user fees including resident fees, non-resident fees and lane renter fees; and a proposed amendment to the Operator agreement to adjust minimum operating hours at Belle Haven Pool and extend a waiver of the Operator's revenue share payment. City Council directed staff to return with additional information and proposals related to the above.

Analysis

Proposed aquatic user fee increases

City staff and the Operator developed the updated proposed aquatic fee increases in Attachment A, Exhibit A. The intent of the updated proposed fee changes is to incorporate City Council's March 11 feedback in a way that prioritizes services to Menlo Park residents to the greatest extent possible, while also implementing some fee increases needed to sustain the continued operation of Burgess Pool and Belle Haven Pool. The proposed changes reduce resident fee increases from what was presented March 11, and still no increases are proposed to hyperlocal resident, senior resident, child and family fees.

An analysis of the recommended fee increases showing the current fees, the fee increases previously proposed March 11, and the updated fee increases proposed in the Resolution, with calculations of the percentage changes and dollar amount changes, is provided for City Council's reference in Attachment E.

There are multiple causes for the lower-than-hoped attendance and fee revenues at Belle Haven Pool, including but not limited to:

1. With a new aquatics center like Belle Haven Pool, it takes time to attract and build a community of repeat users such as daily lap swimmers, swim lesson students, swim teams and monthly pass holders. Aquatic centers heavily depend on these repeat users to provide the ongoing revenue needed to sustain the overall operation.
2. Attendance data for Belle Haven Pool's first nine months of operation show significant fluctuation in demand by season, with the highest usage during the summer peak season but very low usage during the winter off-season. Attendance data and precedent at other swim centers indicate that it is possible to build a community of repeat swimmers to support the operation during the off-season, but it will take time to build. For example, the repeat swimmer community that frequents and supports Burgess Pool year-round was built through consistent work over the past 19 years.
3. Belle Haven Pool unfortunately experienced a number of maintenance issues related to the circulation pumps shortly after the grand opening at the start of the summer season 2024, which impacted the pool's critically important first months of operation and introduction to the community.
4. Swim lessons are an important service as well as a key component of building a community of repeat swimmers, and Belle Haven Pool started summer 2024 with good attendance in this area. However, a significant portion of those lessons were subsidized by scholarships provided by partner nonprofit Beyond Barriers Athletic Foundation (BBAF). When the scholarship funding was depleted by the latter part of the summer, a decrease in attendance at lessons followed. The funds have since been replenished through new donations, and BBAF reports that it has adjusted its funding efforts and priorities to further increase its support for swim lessons in Menlo Park.
5. The Belle Haven Pool facility is designed to be primarily neighborhood-oriented and resident serving, and a notable success story at that location is that the attendance data shows that a very high percentage of pool visitors live within the immediate vicinity of the pool. However, the geography of

Menlo Park and the configurations of its major transportation corridors, most notably the US-101 freeway and Dumbarton rail corridor – combined with the pool's location at a far end of the city boundaries near the bay – result in somewhat of a limited audience of users in the immediate vicinity of the pool.

Fee revenue is the primary means for recovering the high costs of operating the aquatics program. Lower-than-hoped attendance and fee revenues at Belle Haven Pool, combined with minimum hours requirements that result in high labor costs, have created a revenue-to-cost imbalance that has resulted in a risk of imminent closure of both swim centers absent immediate corrections to reduce costs and increase revenues. The City's independent financial review of the Operator's financial statements has confirmed that the Operator's statements and assessments of the seriousness of the risk are true and accurate. City staff recommends that small-to-moderate fee increases are necessary at this time, including increases to some resident fees in addition to non-resident fees, as well as to lane rental fees, to help recover increasing costs and sustain the aquatic operation. The Operator has advised the City that if no increases to fees are implemented by April 15, the Operator will be at serious risk of insolvency and the City will be at risk of experiencing major service interruptions (including potentially full closures) at both Burgess Pool and Belle Haven Pool.

In light of the above, City staff, in consultation with the Operator proposes the following changes to existing fees related to use of aquatics facilities:

1. Moderate increases to non-resident fees in multiple categories
2. Small increases to resident fees in some categories
3. Increases to subcontractor lane rental fees – see next section.

Consistent with the fees proposed March 11, the fees for hyperlocal resident, senior resident, fee-assisted scholarship programs, youth swim camps, and open swim for children and families are not proposed to change.

Subcontractor lane rental fees

Lane rentals provide an important service to the community in which local teams can gain access to the swim center as a resource, however as noted above, fee increases are necessary to recover the significant and increasing costs of operating the aquatics program. When lane renters are using the pool, even if they are using the entire pool, the Operator still remains obligated to provide lifeguards and supervision and operational support; to do otherwise would create unacceptable risk of injury or loss of life. This incurs labor costs and other operating costs, which consistently increase over time.

Aside from a \$1 increase in 2024, the City's subcontractor lane rental fee has not been increased since 2018. The City's per-lane, per-hour fee for subcontractor lane rentals is lower than most other comparable pools in the region. Some pools, such as Sunnyvale and Mountain View, advertise a per-lane-per-hour rental rate that appears to be lower than Menlo Park's advertised rate, however, the comparison is not apples-to-apples. One significant difference is that the cost of lifeguard service is not included in those other pools' rentals. For example, according to the Mountain View master fee schedule, lifeguard service is an additional \$23 per hour for residents and \$29 per hour for non-residents in addition to the pool rental fee. Other differences include the sizes of the pools, the number of lanes the pools have, their schedule availability, and whether individual lanes are available for rental or if only the whole pool is available. Adjusting for these factors, Menlo Park's current subcontractor lane rental fees are lower than most other pools, and even the proposed increase in Attachment A still would not place Menlo Park's fee substantively higher than the prevailing market rate.

There currently are seven subcontractor lane renters at City swim centers, six of which have indicated to the

Operator their understanding and willingness to accept increasing the subcontractor lane rental fee to as high as \$20 per lane per hour for nonprofit renters: PASA, Menlo Mavens, Alto Swim Club, Revolutions in Fitness, First Youth Triathlon Team, and Belle Haven Youth Swim team. One subcontractor lane renter, SOLO Aquatics, has indicated their opposition to increasing the lane rental fee for nonprofit renters.

Subcontractor lane renters are required to annually provide rosters showing the cities of residence of all their members to the Operator and City staff. A summary of the resident percentages for current lane renters is provided in Attachment F. As shown, none of the current subcontractors are meeting or exceeding the resident participation target of 2/3 set by the City Council during development of the current Operator agreement. Revolutions in Fitness is the closest, at 65% residents; followed by PASA at 59% residents and SOLO at 55%.

In order to prioritize lane renters that serve primarily Menlo Park residents, City staff recommends creating a new "City resident target" category of subcontractor lane rental fees and setting the fee at a below-market rate of \$16 per lane per hour. Similar in concept to the Hyperlocal resident fee, the City resident target fee would apply to nonprofit groups whose total membership is comprised of at least 2/3 (67%) incorporated City of Menlo Park residents or at least 1/2 (50%) Hyperlocal residents.

Amendment to the aquatics operator agreement

City staff, in consultation with the Operator has developed a proposed amendment to the Agreement and requests City Council authorization to execute the Amendment (Attachment B). An amendment to the agreement is required in order to implement the recommended changes.

The recommended Amendment includes the following:

1. Off-season operating hours. Retain the required minimum 63 hours per week at Belle Haven Pool during the summer "peak season," defined as those times of year when public schools that serve Menlo Park are on their summer breaks. Allow the Operator to operate fewer than 63 hours per week during the "off-season," defined as the times of year when public schools that serve Menlo Park are not on their summer breaks. During the off-season, the Operator shall continue to operate Belle Haven Pool a minimum seven days per week, year-round, and the Operator shall make no changes to the Belle Haven Pool operating hours or program schedule absent advance written approval from the City Manager or their designee.
2. Revenue share waiver. Waive the Operator's annual revenue share payment through Dec. 31. The current Agreement waives the revenue share payment from Oct. 1, 2023 to Oct. 1, 2024.

The revenue share waiver previously recommended March 11 was proposed to extend through Sept. 30. A longer period (27 months from the commencement of the agreement Oct. 1, 2023) is recommended by staff based on the reduction in resident and lane rental fees, and therefore the associated revenue.

Summary impacts of recommended financial remedies

The Operator has prepared a summary of the impacts of each of the financial remedies outlined in this report (Attachment G). The summary lists each of the proposed remedies and their estimated impacts to Operator's ability to financially sustain aquatics programs at Burgess Pool and Belle Haven Pool. City staff has reviewed the summary and finds no substantive errors or omissions. The summary is provided to aid City Council deliberation and decision-making about potential remedies to support and sustain aquatics services to the community.

As reported to City Council March 11, City staff had previously authorized temporarily suspending enforcement of the minimum hours requirement at Belle Haven Pool through April 14. Because the next City Council public hearing on the topic of aquatics was scheduled April 15, City staff has authorized an

extension of the temporary suspension of the minimum hours requirement at Belle Haven Pool until further City Council direction or May 24 (Memorial Day weekend), whichever comes first.

In response to City Council questions about revenue share March 11, the summary in Attachment G also includes two alternate revenue share remedies and the impacts of each. As noted above, the recommended scenario is to waive the revenue share payment through Dec. 31, which would reduce the Operator's expenses by approximately \$46,000. Alternate remedy B would waive the revenue share and the minimum payment through Oct. 1, which would reduce Operator's expenses by \$20,000. Alternate remedy C would waive the revenue share through Oct. 1, but retain the minimum payment, which would reduce expenses by approximately \$6,000.

It should be noted that none of the above remedies, either separately or in combination are expected to fully recover the Operator's total financial losses that have adversely impacted the Operator's ability to continue to provide aquatic services to the Menlo Park community. However, the recommended remedies in the Resolution and Amendment, if all are authorized by City Council, would provide sufficient relief to stabilize the aquatics program to allow services to continue and to prevent closures at City-owned swim centers. The Operator would remain in the position of making up the substantial difference through strong performance in 2025 and increasing attendance at both pools, especially at Belle Haven Pool.

Aquatics working group sessions

City staff and the Operator held three working group sessions for Menlo Park swim center users to offer ideas and feedback about City-owned swim centers. Sessions were held at Burgess Pool Jan. 13, and at Belle Haven Pool Feb. 4 and April 8. The Jan. 13 session had five participants from the community; the Feb. 4 session had 11 participants from the community; and the April 8 session had nine participants from the community. A majority of the participants at each session were Menlo Park residents. The sessions were formatted similar to focus groups in which participants were offered topics for their discussion and feedback.

The Jan. 13 session focused on the results of the November 2024 aquatics user survey, the 2024 aquatics annual report, and potential increases to some aquatic user fees. Participants offered feedback on the condition of the locker room at Burgess Pool; appreciation for maintenance fixes at Belle Haven Pool; concerns about the lower-than-hoped attendance at Belle Haven Pool; suggestion to work with local schools to make attending Menlo Park swim centers a curriculum credit and/or requirement; suggestion to hold swim meets at Belle Haven Pool to increase attendance; suggestion to work with local employers like Meta to encourage their workers to visit Belle Haven Pool for early morning and lunchtime programs like aqua aerobics; ideas for advertising and promoting the swim centers to attract more visitors; expanding a Masters swim program to Belle Haven Pool; consensus that some modest fee increases are appropriate due to increasing costs; appreciation for the hyperlocal resident rates and avoiding fee increases to hyperlocal, senior, child and family fees.

The Feb. 4 session focused on the same topics as the Jan. 13 session but was held at Belle Haven Pool. Participants offered feedback on the phrasing of survey questions; questions and discussion about the potential causes of the comparatively lower attendance at Belle Haven Pool relative to attendance at Burgess Pool, such as the geographical barrier presented by the US-101 freeway, past history of limited access to swim centers, mechanical issues during the new Belle Haven Pool's opening summer, and seasonal fluctuations driven by weather patterns and school calendars; ideas for promoting the pool to community members through various channels like local schools and through door-to-door and word-of-mouth outreach; suggestions for building a community of year-round repeat swimmers through youth swim lessons, teams and exercise programs; consensus that some modest fee increases are appropriate due to increasing costs; and discussion about balancing competing demands for pool space in a way that ensures

access and availability to hyperlocal residents.

The April 8 session focused on the value and importance of various programs offered at Belle Haven Pool, the lower-than-hoped attendance at Belle Haven Pool, and the fee increases to be proposed to City Council April 15. Participants offered the following feedback:

- Comments on the efficacy of survey methods and other forms of soliciting community feedback;
- Comments on the importance of youth swim lessons and teams to teach water safety and build generational interest and participation in swimming;
- Ideas for outreach and promoting attendance at Belle Haven Pool by the local community;
- Stories of how participants first heard about and became engaged in Belle Haven Pool programs;
- Discussion about the importance and value of swim lesson scholarships through nonprofits such as BBAF;
- Ideas for holding family swim events and other community swim events to attract new visitors to the pool;
- Suggestions to use technology such as text messages and phone calls to expand outreach;
- Suggestions that promotions emphasize that hyperlocal and swim lesson fees are relatively low and a good value, and in particular to present the swim lesson scholarships in a way that avoids creating any stigma or feeling of being socioeconomically “less than”;
- Compliments on the physical accessibility of Belle Haven Pool such as the long entry ramp and chair lifts;
- Suggestions for adjusting water exercise times to facilitate a smoother transition to other programs at Menlo Park Senior Center;
- Suggestion to work with local schools to make attendance at Menlo Park swim centers a requirement and/or credit in the school curriculum;
- Observation that Belle Haven Pool and Burgess Pool are different sizes and have different numbers of lanes so attendance comparisons are not exactly apples-to-apples;
- Observation that some Belle Haven neighborhood residents report that they continue to use Burgess Pool out of familiarity and force of habit;
- Comments that a new business can’t be expected to operate at 100% capacity right away;
- Discussion about the proposed fee increases, including appreciation that fees would not increase for hyperlocal, senior, child and family residents, but concern that increasing non-resident fees too much could drive a needed revenue source away to other pools in the region;
- Consensus that some modest fee increases are appropriate due to increasing costs;
- Acknowledgments that the pool operator needs to achieve a break-even financial condition in order to continue;
- Concern that Burgess Pool is already operating at near-maximum capacity and that high attendance there cannot fully offset low attendance at Belle Haven Pool;
- Concerns that reduced hours at Belle Haven Pool during the off-season could result in lower attendance overall and in the long term;
- Concern that mechanical issues at Belle Haven Pool disrupt efforts to increase attendance;
- Comments that local community members, community-based organizations and word-of-mouth will be essential to encourage strong usage of Belle Haven Pool in the upcoming summer peak season.

The next working group meeting is tentatively set to take place Tuesday, May 20 at Belle Haven Pool. City staff and the Operator will take such suggestions, along with “on-the-ground” feedback from front-line City staff at Belle Haven Community Campus, to incorporate this into aquatics outreach and program development going forward.

Operator's letter to City Council

The Operator's founder and chief executive officer, Tim Sheeper, has prepared a letter to the City Council expressing the company's goodwill, the nature of the crisis it is facing, and a plea for assistance from the City to implement the proposed remedies to support the continuation of aquatic services to the community (Attachment I).

Impact on City Resources

The City of Menlo Park fiscal year 2024-25 operating budget has sufficient resources allocated toward the City's costs to maintain both swim center facilities. However, significant impacts to the general fund could occur if the City needed to assume responsibility for operating the pools if the current operator withdraws from the Agreement or becomes insolvent.

Rough order of magnitude ("ROM") estimate – City-operated aquatics

City staff does not recommend pursuing a City-operated aquatics program at this time. When the current Agreement was authorized by City Council on Sept. 12, 2023, City staff provided a rough order of magnitude (ROM) estimate of the cost for the City to directly operate the City-owned swim centers (Attachment H). As noted in that report, it is within the City's capabilities to operate the swim centers, given the necessary time, staff and resources; however, the City has not directly operated Burgess Pool since 2006 nor Belle Haven Pool since 2011, and the City currently lacks the necessary staff and resources to operate an aquatics program. Major, ongoing appropriations by City Council of resources in the form of staff capacity, effort, and funding would be necessary for the City to operate the aquatics program.

Several preparatory steps would be needed before the City assumed direct operations of Burgess Pool and/or Belle Haven Pool, including substantial budget authorizations, adjustments to the salary schedule for new classifications, personnel recruitments, and regulatory certifications in a process that would extend several months and involve hundreds of hours of staff time and effort. Staff's preliminary review of other area jurisdictions' staffing models and expenditures, along with analysis of Menlo Park's current salary schedule, job classifications, facility maintenance and capital expenditures, indicates that in order to directly operate Burgess Pool and Belle Haven Pool seven days per week, year-round, the City of Menlo Park would need to:

- Increase benefited personnel by 5.0 to 8.0 full time equivalent (FTE), including one or two full-time aquatics supervisors, two full-time aquatics coordinators, two to four office and program assistants, and
- 90- 150 part-time, temporary non-benefited employees such as lifeguards, instructors and attendants, depending on season – currently estimated at approximately \$0.9 million to \$1.2 million per year for benefited personnel, plus approximately \$1.2 million to \$2.0 million per year for non-benefitted personnel.
- Continue to bear the costs to maintain the Burgess and Belle Haven Pool facilities, including the costs of utilities, equipment replacement and repair, minor renovation projects, and supplies like pool chemicals – currently estimated at approximately \$1.1 million to \$1.5 million per year.
- Bear new administrative costs related to pool operator certifications, risk management, records management and financial administration – approximately \$0.13 million per year.

Based on the above analysis, a ROM estimate for the City to directly operate Burgess Pool and Belle Haven Pool year-round, seven days per week, is total annual expenditures between \$3.2 million to \$4.7 million per year; with potential annual revenue (cost recovery) between \$0.9 million to \$2.3 million per year. These estimated ranges of expenditures and revenues track with each other, that is, the lower end of the expenditure range would result in the lower end of the potential revenues, and the higher end of the expenditure range would result in the higher end of the potential revenues. Operating the pools with a lower service level could decrease the necessary expenses, but would also decrease revenues and require

recalibration of service expectations if the open hours of the facilities are reduced.

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, pursuant to the requirements of California Government Code §§66018 and 6062a. Additionally, a public hearing notice was published in The Examiner April 4.

Attachments

- A. Resolution
- B. Amendment
- C. Hyperlink – City Council staff report #25-022-CC. menlopark.gov/files/sharedassets/public/v/1/agendas-and-minutes/city-council/2025-meetings/20250211/i5-prc-aquatics-recommendation.pdf
- D. Hyperlink – City Council staff report #25-042-CC. menlopark.gov/files/sharedassets/public/v/1/agendas-and-minutes/city-council/2025-meetings/20250311/k1-20250311-cc-aquatics-update.pdf
- E. Fee change analysis
- F. Lane renter resident percentages
- G. Summary impacts of proposed remedies
- H. Hyperlink – City Council staff report #23-206-CC. menlopark.gov/files/sharedassets/public/v/2/agendas-and-minutes/city-council/2023-meetings/agendas/20230912-city-council-regular-agenda-packet-w-pres.pdf#page=103
- I. Operator's letter to City Council

Report prepared by:

Sean S. Reinhart, Library and Community Services Director

RESOLUTION NO. XXXX

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK
INCREASING AQUATICS FEES IN THE MASTER FEE SCDEULE**

WHEREAS, the City has the authority to impose fees, charges, and rates to offset the costs for municipal services and regulatory programs under its police powers under California Constitution Article XI §7; and

WHEREAS, the City Council has, through prior actions, adopted various fees and charges requested by individual City departments; and

WHEREAS, pursuant to Ordinance No. 1113, adopted Feb. 27, 2024, the City Council amended and adopted a fee schedule for the City of Menlo Park's aquatics programs and directed that additional aquatics fee amendments be made within the subsequent year; and

WHEREAS, the City Council deems it advisable and in the best interests of the City to adopt and update fees related to the City's aquatics facilities, included in the City's Master Fee Schedule; and

WHEREAS, the City Council may adopt aquatics fees or charges by resolution; and

WHEREAS, pursuant to Government Code §66016, the data required to be made available to the public before increasing the amount of the fees by this resolution was made available for public review at least ten (10) days before the date of this meeting; and

WHEREAS, notice of a public hearing on the new and increased user fees was published in accordance with Government Code §§66018 and 6062a; and

WHEREAS, a duly noticed public hearing before the City Council was held April 15, 2025, at which public testimony was received and duly considered on the proposed fees.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Menlo Park, hereby modifies the Master Fee Schedule to increase some aquatics related fees are more particularly set forth in Exhibit A, attached hereto and incorporated herein by this reference.

EFFECTIVE DATE: Said modifications to the Master Fee Schedule, set forth in Exhibit A, shall become effective April 16, 2025.

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I, Judi A. Herren, City Clerk of Menlo Park, do hereby certify that the above and foregoing City Council Resolution was duly and regularly passed and adopted at a meeting by said City Council on the fifteenth day of April, 2025, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this ___ day of April, 2025.

Judi A. Herren, City Clerk

Exhibits:

A. Master fee schedule adjustments to aquatics fees effective April 16, 202

Library and Community Services – Aquatics

Master Fee Schedule Aquatics Related Fees, Including Modified Fees Effective April 16, 2025:

Library and Community Services – aquatics fees		
Fee title	Current fee April 1, 2024	Proposed new fee effective April 16, 2025
Memberships		
Lap and open swim (per month)		
General resident	\$65.00	\$70.00
General non-resident	\$72.00	\$79.00
Senior resident	\$52.00	\$52.00
Senior non-resident	\$61.00	\$65.00
Hyperlocal resident*	\$42.00	\$42.00
Masters (per month)		
General resident	\$114.00	\$117.00
General non-resident	\$125.00	\$132.00
Senior resident	\$91.00	\$91.00
Senior non-resident	\$100.00	\$104.00
Hyperlocal resident*	\$74.00	\$74.00
Aqua fit (per month)		
General resident	\$88.00	\$92.00
General non-resident	\$97.00	\$106.00
Senior resident	\$70.00	\$70.00
Senior non-resident	\$77.00	\$81.00
Hyperlocal resident*	\$57.00	\$57.00
Drop-In		
Lap swim (per visit)		
General resident	\$9.00	\$9.75
General non-resident	\$10.00	\$11.00
Senior resident	\$8.00	\$8.00
Senior non-resident	\$9.00	\$10.00
Hyperlocal resident*	\$6.00	\$6.00

Library and Community Services – aquatics fees		
Fee title	Current fee April 1, 2024	Proposed new fee effective April 16, 2025
Open swim (per visit)		
General resident	\$9.00	\$9.75
General non-resident	\$10.00	\$11.00
General hyperlocal resident*	\$6.00	\$6.00
Child resident	\$5.00	\$5.00
Child non-resident	\$6.00	\$6.00
Child hyperlocal resident*	\$3.00	\$3.00
Family resident	\$24.00	\$24.00
Family non-resident	\$28.00	\$28.00
Family hyperlocal resident*	\$16.00	\$16.00
Spectator resident	\$3.00	\$3.00
Spectator non-resident	\$5.00	\$5.00
Masters (per visit)		
General resident	\$20.00	\$21.00
General non-resident	\$22.00	\$24.00
Hyperlocal resident*	\$13.00	\$13.00
Aqua fit (per session)		
General resident	\$20.00	\$20.00
General non-resident	\$22.00	\$25.00
Hyperlocal resident*	\$13.00	\$13.00
Bundle discount		
Register for one aquatics program, and the same registrant may be eligible to register for a second program up to 50% off select programs.	Varies	Varies
Swim Lessons		
Swim lessons (per ½ hour)		
Group lessons - resident	\$29.00	\$31.50
Group lessons - non-resident	\$32.00	\$36.00
Group lessons - hyperlocal resident*	\$19.00	\$19.00
Private lessons - resident	\$79.00	\$82.00
Private lessons - non-resident	\$87.00	\$91.00

Library and Community Services – aquatics fees		
Fee title	Current fee April 1, 2024	Proposed new fee effective April 16, 2025
Private lessons - hyperlocal resident*	\$51.00	\$51.00
Fee-assisted scholarship (residents only)	\$5.00	\$5.00
Youth Bridge Program		
Youth bridge program (per ¾ hour)		
Youth bridge program - resident	\$24.00	\$26.00
Youth bridge program - non-resident	\$26.00	\$30.00
Youth bridge program - hyperlocal resident*	\$16.00	\$16.00
Youth Camps		
Youth camps (per hour)		
Youth camps - resident	\$23.00	\$23.00
Youth camps - non-resident	\$25.00	\$25.00
Youth camps - hyperlocal resident*	\$15.00	\$15.00
Group Programming		
Group programming (per hour)		
Group programming - resident	\$24.00	\$26.00
Group programming - non-resident	\$26.00	\$30.00
Group programming - hyperlocal resident*	\$16.00	\$16.00
Subcontractor Lane Rental		
Subcontractor lane rental (per hour per lane)		
Subcontractor lane rental – City resident target	-	\$16.00
Subcontractor lane rental – nonprofit	\$15.00	\$20.00
Subcontractor lane rental – commercial	\$15.00	\$24.00

* Hyperlocal fee applies to residents who live or attend K-12 school within the neighborhood service area of the Belle Haven Community Campus.

** City resident target fee applies to nonprofit groups whose total membership is comprised of at least 2/3 (67%) incorporated City of Menlo Park residents or at least 1/2 (50%) Hyperlocal residents.

AGREEMENT AMENDMENT

City Manager's Office
701 Laurel St., Menlo Park, CA 94025
tel 650-330-6620

ATTACHMENT B



Agreement #:

AMENDMENT TO CITY OF MENLO PARK BURGESS AQUATICS CENTER AND MENLO PARK COMMUNITY CAMPUS AQUATICS CENTER POOL MANAGEMENT AND OPERATIONS AGREEMENT

THIS FIRST AMENDMENT to that certain agreement entitled "City of Menlo Park Burgess Aquatics Center and Menlo Park Community Campus Aquatics Center Pool Management and Operations Agreement" (entered into on October 1, 2023, and approved by the Menlo Park City Council on September 12, 2023) is made and entered into this _____, by and between the CITY OF MENLO PARK, a Municipal Corporation, hereinafter referred to as "CITY," and TEAM SHEEPER, INC., a California S Corporation, hereinafter referred to as "FIRST PARTY."

1. Section 4.J.(1), SERVICES AND OPERATIONS BY OPERATOR – OPERATING HOURS AND PROGRAM SCHEDULE of Agreement No. 4257, ("Agreement"), is hereby amended as set forth below (additions in underline, deletions in ~~strikethrough~~):

J. Operating Hours and Program Schedule.

1) Operator shall operate Burgess Pool and MPCC Pool for public access year-round, seven days per week, no fewer than 63 hours per week at each location, subject to the ~~with the following exceptions: that~~

i. Operator may elect to close either pool on the following major holidays, at Operator's discretion: New Year's Day, Martin Luther King, Jr. Day, Presidents Day, Easter Sunday, Veterans Day, Thanksgiving Day, and the week of December 24 through December 31 inclusive.

ii. Off-season operating hours. Operator may operate MPCC Pool for fewer than 63 hours per week during the "off-season," defined as the times of year when public schools that serve Menlo Park are not on summer break, subject to the following conditions:

a. During such time as MPCC Pool is operated fewer than 63 hours per week, Operator shall continue to operate MPCC Pool a minimum seven days per week, year-round

b. Operator shall make no changes to the MPCC Pool operating hours or program schedule absent advance written approval from the City Manager or their designee.

c. At all times, Operator shall continue to set the MPCC Pool schedule in consultation with CITY pursuant to this Agreement.

2. Section 10, REVENUE SHARE of the Agreement is hereby amended as set forth below (additions in underline, deletions in ~~strikethrough~~):

10. Revenue Share.

Operator shall annually pay to the City a percentage of Operator's annual gross revenues as more specifically set forth below.

A) As used herein, "annual gross revenues" shall mean the annual gross revenue of the preceding calendar year earned by Operator before any deduction for costs, taxation,

accounting, or other purposes, under Generally Accepted Accounting Principles. Annual gross revenues include any and all of Operator's income related to aquatics programs and operations that take place in whole or in part at Premises.

B) For purposes of this Section, "Resident-Based Annual Gross Revenues" shall mean all fees, monies, and/or remuneration paid by visitors, patrons, guests, facility renters, registrants, team members, and/or users of the Premises who are verified residents of incorporated City of Menlo Park.

C) For purposes of this Section, "Non-Resident-Based Annual Gross Revenues" shall mean all fees, monies and/or remuneration paid by visitors, patrons, guests, facility renters, registrants, team members, and/or users of the Premises who are not verified residents of incorporated City of Menlo Park.

D) Excepting the first ~~42~~ 27 months of this Agreement's term, Operator shall annually pay to the City an amount equal to 1% of Operator's total Resident-Based Annual Gross Revenues and 1.35% of total Non-Resident-Based Annual Gross Revenues, or \$20,000, whichever is greater.

The annual revenue share shall be paid to the City by March 15 of each year for the preceding calendar year's annual gross revenues, not including Operator's annual gross revenues received prior to this Agreement's effective date.

3. Exhibit C.1. SCHEDULE TEMPLATE – HOURS OF OPERATION of the Agreement is hereby amended as set forth below (additions in underline, deletions in ~~strike through~~):

1. HOURS OF OPERATION. Operator shall operate the Burgess Pool and the future MPCC aquatics center for public access year-round, seven days per week, no fewer than 63 hours per week at each location as calculated by average applied over the course of a full calendar year—with exceptions for closures to observe major holidays or to complete necessary maintenance or repair work, and subject to the exceptions set forth in Section 4(J)(1) of this Agreement. Burgess Pool and MPCC aquatics center shall be operated with comparable or equivalent operating schedules and programs at both locations, with allowance for some variances to respond to hyperlocal needs and other unique considerations of each site and the neighborhoods in which they are located.

~~Projected Hours of Operation at Burgess Aquatics Center and Menlo Park Community Campus Aquatics Center:~~

Season	Weekdays	Saturdays	Sundays
Summer	6am to 8pm	6am to 5pm	6am to 5pm
Non-Summer	6am to 8pm	6am to 4pm	7am to 4pm

Except as modified by this Amendment, all other terms and conditions of Agreement No. 4257 remain the same.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

SIGNATURE PAGE TO FOLLOW

FOR FIRST PARTY:

Signature

Date

Printed name

Title

Tax ID#**APPROVED AS TO FORM:**

Nira F. Doherty, City Attorney

Date**FOR CITY OF MENLO PARK:**

Justin I. C. Murphy, City Manager

Date**ATTEST:**

Judi A. Herren, City Clerk

Date

	Current fee	Proposed March 11	NEW PROPOSED	Time Unit	Percentage change	Amount of proposed change
Memberships						
Lap & Open Swim						
General - resident	\$65	\$70	\$70.00	Monthly	7.7%	\$5.00
General - non-resident	\$72	\$77	\$79.00	Monthly	9.7%	\$7.00
Senior - resident	\$52	\$52	\$52.00	Monthly	0.0%	\$0.00
Senior - non-resident	\$61	\$64	\$65.00	Monthly	6.6%	\$4.00
Hyperlocal resident	\$42	\$42	\$42.00	Monthly	0.0%	\$0.00
Masters						
General - resident	\$114	\$117	\$117.00	Monthly	2.6%	\$3.00
General - non-resident	\$125	\$130	\$132.00	Monthly	5.6%	\$7.00
Senior - resident	\$91	\$91	\$91.00	Monthly	0.0%	\$0.00
Senior - non-resident	\$100	\$100	\$104.00	Monthly	4.0%	\$4.00
Hyperlocal resident	\$74	\$74	\$74.00	Monthly	0.0%	\$0.00
Aqua Fit						
General - resident	\$88	\$92	\$92.00	Monthly	4.5%	\$4.00
General - non-resident	\$97	\$104	\$106.00	Monthly	9.3%	\$9.00
Senior - resident	\$70	\$70	\$70.00	Monthly	0.0%	\$0.00
Senior - non-resident	\$77	\$81	\$81.00	Monthly	5.2%	\$4.00
Hyperlocal resident	\$57	\$57	\$57.00	Monthly	0.0%	\$0.00
Drop-in						
Lap swim						
General - resident	\$9	\$10	\$9.75	Per visit	8.3%	\$0.75
General - non-resident	\$10	\$11	\$11.00	Per visit	10.0%	\$1.00
Senior - resident	\$8	\$8	\$8.00	Per visit	0.0%	\$0.00
Senior - non-resident	\$9	\$9	\$10.00	Per visit	11.1%	\$1.00
Hyperlocal resident	\$6	\$6	\$6.00	Per visit	0.0%	\$0.00
Open swim						
General - resident	\$9	\$10	\$9.75	Per visit	8.3%	\$0.75
General - non-resident	\$10	\$11	\$11.00	Per visit	10.0%	\$1.00
General - hyperlocal resident	\$6	\$6	\$6.00	Per visit	0.0%	\$0.00
Child - resident	\$5	\$5	\$5.00	Per visit	0.0%	\$0.00
Child - non-resident	\$6	\$6	\$6.00	Per visit	0.0%	\$0.00
Child - hyperlocal resident	\$3	\$3	\$3.00	Per visit	0.0%	\$0.00
Family - resident	\$24	\$24	\$24.00	Per visit	0.0%	\$0.00
Family - non-resident	\$28	\$28	\$28.00	Per visit	0.0%	\$0.00
Family - hyperlocal resident	\$16	\$16	\$16.00	Per visit	0.0%	\$0.00
Spectator - resident	\$3	\$3	\$3.00	Per visit	0.0%	\$0.00
Spectator - non-resident	\$5	\$5	\$5.00	Per visit	0.0%	\$0.00
Masters						
General - resident	\$20	\$21	\$21.00	Per visit	5.0%	\$1.00
General - non-resident	\$22	\$24	\$24.00	Per visit	9.1%	\$2.00
Hyperlocal resident	\$13	\$13	\$13.00	Per visit	0.0%	\$0.00
Aqua fit						
General - resident	\$20	\$21	\$20.00	Per visit	0.0%	\$0.00
General - non-resident	\$22	\$24	\$25.00	Per visit	13.6%	\$3.00
Hyperlocal resident	\$13	\$13	\$13.00	Per visit	0.0%	\$0.00
Swim lessons						
Group lessons - resident	\$29	\$32	\$31.50	Per 1/2 hour	8.6%	\$2.50
Group lessons - non-resident	\$32	\$35	\$36.00	Per 1/2 hour	12.5%	\$4.00
Group lessons - hyperlocal resident	\$19	\$19	\$19.00	Per 1/2 hour	0.0%	\$0.00
Private lessons - resident	\$79	\$83	\$82.00	Per 1/2 hour	3.8%	\$3.00
Private lessons - non-resident	\$87	\$92	\$91.00	Per 1/2 hour	4.6%	\$4.00
Private lessons - hyperlocal resident	\$51	\$51	\$51.00	Per 1/2 hour	0.0%	\$0.00
Fee assisted scholarship (residents only)	\$5	\$5	\$5.00	Per 1/2 hour	0.0%	\$0.00
Youth bridge program						
Bridge program - resident	\$24	\$26	\$26.00	Per 45 minute	8.3%	\$2.00
Bridge program - non-resident	\$26	\$29	\$30.00	Per 45 minute	15.4%	\$4.00
Bridge program - hyperlocal resident	\$16	\$16	\$16.00	Per 45 minute	0.0%	\$0.00
Youth camps						
Youth camps - resident	\$23	\$23	\$23.00	Per hour	0.0%	\$0.00
Youth camps - non-resident	\$25	\$25	\$25.00	Per hour	0.0%	\$0.00
Youth camps - hyperlocal resident	\$15	\$15	\$15.00	Per hour	0.0%	\$0.00
Group programming						
Group programming - resident	\$24	\$26	\$26.00	Per hour	8.3%	\$2.00
Group programming - non-resident	\$26	\$30	\$30.00	Per hour	15.4%	\$4.00
Group programming - hyperlocal resident	\$16	\$16	\$16.00	Per hour	0.0%	\$0.00
Subcontractor lane rental						
Subcontractor lane rental - City resident target**			\$16.00	Per lane per hour	NEW	NEW
Subcontractor lane rental - nonprofit	\$15	\$20	\$20.00	Per lane per hour	33.3%	\$5.00
Subcontractor lane rental - commercial	\$15	\$24	\$24.00	Per lane per hour	60.0%	\$9.00

* Hyperlocal resident fees apply at Belle Haven Pool to Menlo Park residents who live within the service area of Menlo Park Community Campus

** City resident target fee applies to nonprofit groups whose total membership is comprised of at least 2/3 (67%) incorporated City of Menlo Park residents or at least 1/2 (50%) Hyperlocal residents.

Current subcontractor lane renters - March 2025

Organization name	Residents	Non- residents	Total participants	Percent residents
Alto Swim Club	8	22	30	27%
Belle Haven Youth Swim Team	2	4	6	33%
First Youth Triathlon Team	2	13	15	13%
Menlo Mavens	10	16	26	38%
PASA	77	54	131	59%
Revolutions in Fitness	11	6	17	65%
SOLO Aquatics	81	65	146	55%

Menlo Swim and Sport - financial summary

2024 Total loss (Jan. 1 -Dec. 31, 2024)	\$	65,000
2025 total loss to date - first quarter (Jan 1 - Mar. 31, 2025)	\$	245,000
2024-25 total loss to date (Jan. 1, 2024 - Mar. 31, 2025)	\$	310,000
2025 total projected loss if no remedies are implemented (Jan 1. - Dec. 31, 2025)	\$	385,000

Summary impact of remedies

Remedy	Type	Estimated impact of remedy		
		Recommended	Alternate B	Alternate C
Extend waiver of revenue share payments through Dec. 31, 2025	Reduced expense	\$ 46,000		
Alternate B: Waive revenue share thru Oct 1, 2025, and waive minimum payment	Reduced expense		\$ 26,000	
Alternate C: Waive revenue share thru Oct 1, 2025, but keep minimum payment	Reduced expense			\$ 6,000
Minimum hours requirement at Belle Haven Pool during peak season only	Reduced expense	\$ 80,000	\$ 80,000	\$ 80,000
Aquatic user fee increases	Increased revenue	\$ 60,000	\$ 60,000	\$ 60,000
Increase subcontractor lane rental fees	Increased revenue	\$ 45,000	\$ 45,000	\$ 45,000
2025 total estimated impact of remedies (Jan 1, 2025 - Dec. 31, 2025)		\$ 231,000	\$ 211,000	\$ 191,000
2025 total projected loss if no remedies are implemented (Jan 1. - Dec. 31, 2025)		\$385,000	\$385,000	\$385,000
Difference / (Loss)		(\$154,000)	(\$174,000)	(\$194,000)

Prepared by Menlo Swim and Sport - April 8, 2025
Reviewed by City of Menlo Park staff - April 8, 2025



Message to Menlo Park City Council
 From Tim Sheeper Founder/CEO of Team Sheeper Inc.
 April 9, 2025

I, Tim Sheeper, began my community service career in 1977 coaching and teaching. At a young age I discovered my life's purpose, being in service of others by finding and creating ways for them to become better. This led me to pursuing a bachelor's degree in Community Health Education, and a second in School Health Education, after which I expanded my scope and scale of coaching and teaching. The major obstacle I encountered in living out my mission was finding a home base that could accommodate community health expansion. I found that home in Menlo Park which not only allowed me to build an aquatic movement, but also to raise my family.

My mission is and always has been to serve every segment of the population equally, with premium programming and positive leadership. The goal is to have two distinct and crucial things happen. 1. The individual identifies with and bonds to the community. 2. The individual becomes happier, healthier, and stronger.

In my years of serving in Menlo Park, The City has always played their role very well of ensuring their residents receive safe, high quality and affordable aquatic services. With some measure of struggle, our operation has always been able to meet and consistently exceed the continually elevated City standards...until now.

1. Situation:

A private provider, Team Sheeper Inc., serving as Menlo Park's aquatic operator for 19 years is in jeopardy of discontinuing service due to financial strain brought on by a demanding agreement entered in October 2023.

2. Help:

In the City of Menlo Park and Team Sheeper Inc. relationship, as with all relationships, there will be rocky and rough times. During tumultuous periods, if both parties want to salvage a partnership, basic values must be examined. Is there trust, is there commitment, are there intentions to allow both partners to flourish?

Due to the protracted time of our operational deficit, and the magnitude of our losses leading to harm to the provider, partial solutions, half measures, or wait-and-see propositions are not remedies that are acceptable to move forward.

Team Sheeper, a service provider, a safety protector, a program creator, a trusted community contributor, a loyal partner is reaching out for assistance to chart a course ahead so aquatic services in Menlo Park will continue.

3. Financial:

Since May 2024 our revenues have not met our costs of operation. \$65K was lost in providing aquatic services to Menlo Park in 2024. As an experienced, long-time provider, our hands have been tied and we cannot do anything about our situation other than breaching our agreement or closing the doors and walking away. We sounded the alarm bells of the situation in August 2024, and after eight months of losing tens of thousands of dollars month after month we are now at a total loss of \$310K. A staggering amount for a small operation.

4. Commitment:

Despite the current dire situation that our aquatics operation is in, Team Sheepar is still fully committed to serving the Menlo Park community if potential remedies are put in place. Our heart and soul have gone into creating, nurturing, and maturing this community services asset, and we want to continue.

At the end of the day, swimming pools are just deep concrete holes in the ground filled with water. It's the people working there that bring the pools to life. Team Sheepar wants to continue bringing that life to Menlo Park, but only can with the City's partnership. Thank you for your consideration and support.