



# Council Agenda Report

To: Mayor Pierson and the Honorable Members of the City Council

Prepared by: Kate Gallo, Recreation Supervisor

Reviewed by: Jesse Bobbett, Community Services Director

Approved by: Reva Feldman, City Manager

Date prepared: July 16, 2020 Meeting date: August 10, 2020

Subject: Malibu Aquatics Foundation Fee Waiver

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**RECOMMENDED ACTION:** Consider whether to approve the request from the Malibu Aquatics Foundation to waive contract instructor fees owed to the City for swimming programs.

**FISCAL IMPACT:** Funding for this waiver was not included in the Adopted Budget for Fiscal Year 2020-2021. Waiving the contract instructor fees will result in an increase of \$4,683 for Fiscal Year 2020-2021 to the expenditure budget for Account No. 100-4002-5107 (Aquatics Contract Personnel) and will require an appropriation of \$4,683 from the General Fund Undesignated Reserve to maintain a balanced budget.

**WORK PLAN:** This item was included as item 7f in the Adopted Work Plan for Fiscal Year 2020-2021.

**DISCUSSION:** The Malibu Aquatics Foundation (MAF) provides a variety of swim programs at the Malibu Community pool, including the Malibu Seawolves Swim Program, High School Swim Conditioning, Junior Lifeguard Preparation, and Masters Program. MAF offers these swim programs through the Community Services Department's Contract Instructor Program (Program), which provides opportunities for independent contractors and organizations to partner with the City to teach classes and programs. The programs are then considered to be sponsored by the City and can take place at City and Santa Monica-Malibu Unified School District (SMMUSD) facilities.

Under the Program, the City and instructor agree to a contract each quarter, which is typically completed on a 70/30 split. The 70/30 split gives the contract instructor 70% of the gross program revenues, while the City receives the remaining 30%. The City's

portion covers staff costs, facility use fees, supplies, and marketing costs related to the Quarterly Recreation Guide, posters, and flyers.

Since 2018, MAF has asked the City to reduce or waive its 30% portion of the contract, due to low enrollment numbers, unexpected pool closures, and the inability to pay their coaches a higher salary. MAF programs generated an average of \$27,000 in revenue to the City over the past four years; however, the City's annual operating costs related to MAF programs are approximately \$60,000. At that time, both parties worked together to find opportunities for the City to provide additional financial support, including:

- The City covering an additional \$2,000 annually towards MAF swim meet fees
- The City increasing the frequency of payments to pay MAF every month. Contractors are typically paid at the end of the contract, once services have been rendered.

Following the Woolsey Fire, MAF's registration numbers continued to decline due to the unexpected closure of the Malibu Community Pool and the displacement of fire-affected residents. The City agreed to waive its portion of the contract for three months, to save MAF an additional \$4,720.

Over the past 15 months, MAF's swim program enrollment has remained low and has been further impacted by the current Covid-19 Pandemic. MAF continued paying its coaching staff during the pandemic and applied for partial reimbursement through the City's General Fund Grant Program for Fiscal Year 2020-2021. MAF was not among those selected to receive a grant.

The Council is asked to consider MAF's fee waiver request of \$4,683. The fee waiver would cover 30% of the \$15,610 that MAF paid to its coaching staff since March.

ATTACHMENTS: None.