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City Manager's Report

April 22, 2025 City Council Meeting

Prepared by: Denis Nishihara, Director of Community Services

Item#: 12.3

Subject: Receive a status update on the Aquatics Center and provide feedback on potential options for shoring up the Aquatics Center budget for Fiscal Year 2025/2026.

Recommendation: Provide feedback to staff on potential options for shoring up the Aquatics Center budget for the Fiscal Year 2025/2026 season.

Purpose: In response to the El Dorado County Board of Supervisors' potential decision to discontinue discretionary funding supporting the Aquatics Center, staff recommends an evaluation of the City's aquatic service levels, including but not limited to the hours of operation, existing fees, fee's structure, and program offerings. This will ensure the Department's budget remains fiscally sustainable and efficient.

Strategic Plan Strategy: Fiscal Stability/Sustainability. Create a fiscally stable and sustainable government that can provide for and maintain a safe community with a high quality of life. Strategy - Identify Financial Risks and Opportunities: Prepare plan to maintain financial stability/sustainability.

Maintain/Improve Quality of Life. Provide and maintain vibrant public spaces, events and programs and ensure a well-designed and protected City infrastructure. Strategy – Expand and Improve Public Facilities and Recreation Programs. Continue to monitor and maintain all City Buildings and develop detailed maintenance plans for City facilities.

Background: The City of Placerville and El Dorado County have a long-standing partnership in providing aquatic services to both City and County residents, including swimming lessons, recreational public swimming, lap swimming, pool rentals, and events.

Due to County Staff's recent recommendation to the El Dorado County Board of Supervisors to eliminate the funding contribution to the City, the Aquatics Center is facing substantial operational and financial challenges. The Aquatics Center, which serves as a vital recreational facility for both City and County residents, has an annual operating budget of \$674,630. Reportedly, the County contributed anywhere between \$20,000 to \$77,555 toward operational costs—a contribution that may be discontinued in next year's budget.

It is important to note approximately 76% of the Aquatics Center's users reside in the unincorporated areas of El Dorado County, while less than 25% are City residents. Despite this significant County usage, the financial responsibility for sustaining the facility is increasingly falling solely to the City and its residents.

In addition to the budget shortfall created by the County's probable withdrawal, the Aquatics Center is currently experiencing ongoing maintenance issues and is in need of substantial repairs due to deferred maintenance. Without alternative funding mechanisms or a revised plan for existing operations, both short and long-term sustainability of the facility is at risk.

Discussion: Staff has identified the following preliminary operational adjustments for City Councils consideration in order to reduce costs and support continued operations of the Placerville Aquatics Center:

- A. **ELIMINATE THE SUMMER EXTENDED SEASON** by discontinuing the extended season period from early August to early September, thereby decreasing overall operational days and associated costs.
- B. **INCREASE AND ADJUST USER FEE SCHEDULE** to offset operating costs and better align revenue with the high percentage of non-City resident usage.
- C. **INCREASE FEES AND PROVIDE A DISCOUNT TO CITY RESIDENTS** to offset operating costs and better align revenue with the high percentage of non-City resident usage.
- D. **OPTIMIZE POOL OPERATIONS** by implementing scheduled partial closures and adjusting hours to reduce staffing and utility costs, while preserving core service access.

Options:

- 1. Provide direction to staff on potential options for shoring up the Aquatics Center budget for Fiscal Year 2025/2026.
- 2. Provide other direction to staff.

Environmental: Tonight's action is not applicable.

Cost: There is no direct cost associated with tonight's action.

Budget Impact: There is no direct budget impact associated with tonight's action.



M. Cleve Morris, City Manager
Services



Denis Nishihara, Director of Community



Dave Warren, Assistant City Manager/
Director of Finance