



AGENDA

Special Joint Study Session of the Scotts Valley City Council and Parks & Recreation Commission **REMOTE ACCESS ONLY**

Date: September 29, 2021
Time: 6:00 pm

CONTACT INFORMATION	MEETING LOCATION	POSTING
City of Scotts Valley 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	Via Zoom Videoconference https://us02web.zoom.us/j/85253952021	The agenda was posted 9-24-21 at City Hall and on the Internet at www.scottsvally.org .

PUBLIC ADVISORY REGARDING COVID-19 AND PUBLIC PARTICIPATION

Consistent with Executive Order No. N-29-20 issued by Governor Newsom on March 17, 2020, and the County of Santa Cruz Health Services Agency Shelter In Place Public Health Order dated March 31, 2020, this regular meeting of the City Council will be conducted through videoconference. Elected Officials and City Staff Members will be participating remotely via videoconference.

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1. At the appropriate times during the meeting for public comment, on items not on the agenda, and on specific agenda items, the Mayor will announce that public comment will be accepted. Our usual time limits of 3 minutes per individual, or 5 minutes for an individual who is representing a group of three or more, will apply. Please note that per our standard practice, this is not a question and answer time, but simply a time for you to provide your comments to the Council.
2. There is an option on Zoom to raise your hand. Please click on this option when the Mayor announces that public comment will be taken. Zoom places people in line automatically. If you are participating via dial-up, you can raise your hand at the appropriate time by pressing *9. When it is your turn, the City Clerk will unmute you, and you will be able to make your comments based on the above time frames. Once your time is up, you will once again be muted and the next person in line will be given their opportunity to speak.

How to comment via email:

1. Members of the public may provide public comment by sending comments to the City Clerk via email at cityhall@scottsvally.org.
2. Additional materials and emails must be received by 5:30 pm the day of the meeting and will be distributed to agenda recipients prior to the meeting.
3. Emails received after 5:30 pm the day of the meeting will not be included in the record.

ELECTED OFFICIALS	CITY STAFF MEMBERS
Derek Timm, Mayor Jim Reed, Vice Mayor Jack Dilles, Council Member Randy Johnson, Council Member Donna Lind, Council Member	Brian Haddix, Interim City Manager Kirsten Powell, City Attorney Steve Walpole, Chief of Police Casey Estorga, Administrative Services Director Taylor Bateman, Community Development Director Chris Lamm, Public Works Director/City Engineer Tracy Ferrara, City Clerk/Administrative Manager

CALL TO ORDER 6:00 PM

ROLL CALL

SPECIAL SET MATTER

1. Special Joint Study Session between the City Council and the Scotts Valley Parks & Recreation Commission to review report on Recreation Services Assessment and Restoration Plan prepared by Management Partners

ADJOURNMENT

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: September 29, 2021

TO: Honorable Mayor and City Council
Parks and Recreation Commissioners

FROM: Chris Lamm, Director of Public Works

APPROVED: Brian Haddix, Interim City Manager

**SUBJECT: STUDY SESSION TO REVIEW REPORT ON RECREATION
SERVICES ASSESSMENT AND RESTORATION PLAN**

SUMMARY OF ISSUE

The COVID-19 pandemic required restrictions to be implemented to protect the health and safety in Santa Cruz County. This necessitated the shutdown of all of the City's recreation services at the end of March 2020. The Recreation Division was operating with reduced staffing until which time the pandemic would allow restoration of services. The current Delta variant of the coronavirus has created a resurgence, but the protective measures put in place in the County, including high vaccination rates of the population in Scotts Valley and the surrounding communities, is allowing the restoration of services. Meanwhile, residents have been desiring the restoration of recreation services as a part of attempting to "get back to normal" with a restoration of recreational opportunities.

The City has been developing a restoration plan to sustainably return recreation services to the community. Part of that plan was to obtain an independent analysis on best practices of how the City can restore services to equal or better service levels in a cost-effective manner in time to reopen services by late Spring or early Summer of 2022.

The City engaged the services of Management Partners to conduct an assessment of recreation services in Scotts Valley and develop a plan to restore those services emerging from the impact of the COVID-19 pandemic. The shutdown of services provided an opportunity for the City to strategically determine what services it should be providing, how those services should be provided, and the staffing levels necessary to provide them.

Management Partners interviewed City leaders, parks and recreation commissioners, and regional recreation services provided to gain an understanding of the programs that were most important to the community and the services available within the region. Their report, which is attached to this staff report, identified 24 recommendations for the City to consider in restoring services in Scotts Valley. The recommendations focus on opportunities to enhance the availability and levels of services by leveraging opportunities to collaborate and contract certain services with regional recreation providers and allowing the Recreation Division to be strategic in the development of recreation services that meet the needs of the community.

In their report, Management Partners recommends that the City maintain full control of the pre-pandemic recreation services provided to the community, but change the way those services are delivered. Their recommendations include:

- Maintaining provision of parks and recreation facility rentals, sports field uses, and special events programming and coordinate;
- Contracting childcare programs to third-party providers through services agreements at the existing and, hopefully soon-to-be-improved facilities at Vine Hill and Brook Knoll Elementary School campuses;
- Contracting provision of aquatics programs with the County, Boulder Creek Recreation and Park District, and/or the Boys and Girls Club to be provided at Siltanen Swimming Pool;
- Collaborating with the cities of Capitola and/or Santa Cruz for provision of recreation contract classes and adult sports programs in Scotts Valley and other jurisdictions made available to Scotts Valley residents;
- Encouraging the creation of a separate nonprofit board to oversee operations of the Scotts Valley Senior Center while the City would continue to provide facilities at the existing Senior Center;
- Conducting a fee study for facility rentals at market rates; and
- Staffing the Recreation Division with three full-time employees – a Recreation Manager, a Recreation Coordinator, and an Administrative Secretary/Assistant (assumes other recommendations accepted).

Management Partners will present their report at this joint study session of the City Council and the Parks and Recreation Commission.

FISCAL IMPACT

There is no fiscal impact to receive this report.

STAFF RECOMMENDATION

The City Council is recommended to receive the report from Management Partners and obtain input from the Parks and Recreation Commission members and the public regarding the recommendations made within the report. The City Council is not asked to take action on the report at this meeting. A subsequent meeting will be scheduled for the City Council to provide policy direction regarding the restoration of recreation services in the community.

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City of Scotts Valley

**Recreation Services Assessment and Restoration
Plan**

September 2021

**Management
Partners**





September 23, 2021

Mr. Brian Haddix
Interim City Manager
City of Scotts Valley
One Civic Center Drive
Scotts Valley, CA 95066

Dear Brian:

Management Partners is pleased to transmit our report on our assessment of recreation services in Scotts Valley and the plan to restore those services emerging from the impacts of the COVID-19 pandemic. As the City begins to restore recreation services to the community, we believe staff should implement best practices and avail themselves to opportunities to create strategic partnerships in the delivery of recreation services.

Our assessment recommends the City continue to contract with the Boys Club and Girls Club of Santa Cruz County for school-age recreation services to the 2022-23 school year; identifies options to partner with other agencies in the County to provide aquatics, recreation classes, and adult sports services; and recommends the transfer of responsibility of sports programs and the senior center to other organizations. City staff should continue to manage and operate its facilities, including the community center, senior center, and parks amenities. However, programming the services conducted within those facilities is best handled through partnerships with other agencies.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jerry Newfarmer', is placed over a light gray rectangular background.

Jerry Newfarmer
President and CEO

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Executive Summary

The City of Scotts Valley has a history of providing a range of recreation services desired by the community. Its school-age recreation (childcare) programs have historically been waitlisted, given the high demand of after school programs on Vine Hill Elementary and Brook Knoll Elementary school campuses. The City's parks and recreation facilities have allowed the community to enjoy adult and youth sports programs, swim classes, senior programs, and opportunities for private and family get-togethers.

In March 2020, all the City's recreation programs came to a halt with the onset of the COVID-19 pandemic. While county and City leaders took the necessary steps to restrict indoor and outdoor gatherings that have proven to save many lives from the impacts of the coronavirus, those restrictions required the shutdown of nearly all the City's recreation programs and required layoffs of most of the City's full- and part-time recreation staff. While the coronavirus continues to mutate and introduce resurging waves of infections throughout the country, Scotts Valley residents are desiring recreational opportunities to gain some semblance of normalcy. Every other recreation agency in Santa Cruz County and the region are addressing this same issue: how do local governments and non-profit organizations restore recreational opportunities desired of the communities they serve?

Management Partners was engaged to assess Scotts Valley's recreation programs and amenities that were provided before the pandemic, and based on where things stand today, answer the question of how to restore services to the community. The shutdown of services has provided an opportunity for City leaders to strategically determine what services it should be providing, how those services should be provided, and the staffing levels necessary to provide them. Our task was to provide recommendations for the City Council's consideration in restoring recreation services to the community.

Our work consisted of interviewing City leaders, parks and recreation commissioners and regional service providers. We reviewed historical recreation programs provided by the City and other regional recreation

providers, considered demand levels for each of the City's recreation programs, and the staffing and General Fund support levels required to provide recreation services in Scotts Valley. We also used our experience working with agencies throughout California and the country to consider best practices and trends for providing recreation services in communities in a pre- and post-pandemic world.

Our work resulted in 24 recommendations for City leaders to consider in restoring recreation services in the community. Key recommendations follow.

- Continue and extend the provision of school-age recreation (childcare) services through the Boys and Girls Club of Santa Cruz County through the 2021-2022 school year. Monitor their performance and, based on the outcomes of that service delivery model, consider a long-term decision to outsource school-age recreation services to third-party providers.
- Develop a long-range joint-use agreement with the Scotts Valley Unified School District for the use of facilities at its Vine Hill Elementary and Brook Knoll Elementary school campuses.
- Maintain as City responsibilities the provision of parks and recreation facility rentals, sports field uses, and special events programming and coordination.
- Conduct a facility rental fee study and establish fees for facility uses at market rates.
- Encourage the creation of a separate nonprofit board to oversee the operations of the Scotts Valley Senior Center while continuing to provide facilities at the existing Senior Center for their use.
- Outsource aquatics programming at the Siltanen Park Swimming Pool facility through a contract with a third-party provider or a shared services agreement with the City of Santa Cruz, Santa Cruz County or the Boulder Creek Recreation and Park District. The City should maintain responsibility for maintenance of the facilities through a negotiated fee for maintenance.
- Collaborate with the cities of Capitola, Santa Cruz, and the County for recreation (contract) classes that meet the needs of Scotts Valley residents.
- Transfer responsibility of organizing adult and youth sports leagues to sports groups, while partnering with the City of Capitola to coordinate adult softball leagues.
- Maintain the Recreation Division as a division of the Public Works Department, and staff the division with three employees: a recreation division manager, an administrative secretary, and a recreation coordinator.

Implementing these recommendations will expand recreation opportunities for Scotts Valley residents at competitive prices, allow the City to devote capacity to strategically managing the recreation services and relationships with partner agencies/contractors, and provide the potential to reduce the General Fund's annual subsidy from its pre-pandemic average of \$250,000 per year (depending on the agreements created with contracting agencies).

We believe these recommendations can realistically be implemented in the next six months to allow recreation services to be fully restored for the community, local health restrictions notwithstanding.

Background

Understanding the context under which Scotts Valley's recreation services operates was important as we began our analysis. That background encompassed three areas:

- Scotts Valley's pre-pandemic recreation services profile, staffing, and organizational structure;
- COVID-19 pandemic impacts on service delivery; and
- Service providers that operate in the region.

These three areas are discussed below.

City's Pre-Pandemic Recreation Services Profile, Staffing and Organizational Structure

Scotts Valley has a long history of providing quality recreation services to the community through the Recreation Division of the Public Works Department. Those services have included school-age recreation (childcare) services at Brook Knoll Elementary and Vine Hill Elementary schools, aquatics programs at Siltanen Park, recreation classes provided by contract instructors, adult and youth sports leagues and programs, and recreation facility rentals of small- to large-group areas at the City's various parks, the Community Center, and Recreation Center. The City also oversees senior programs at its Senior Center, and operates the Community Center.

Table 1 provides an overview of the recreation services available in Scotts Valley and associated metrics.

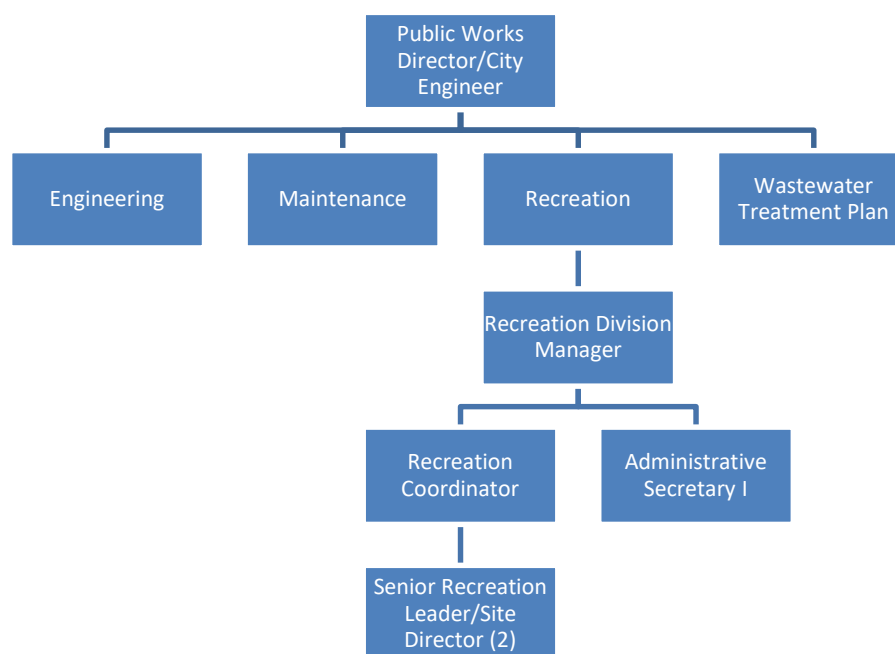
Table 1. Scotts Valley Recreation Services

Service Category	Contracted Service	Programs Offered
Aquatics	No	Swimming lessons, recreational swimming, pool rentals
Classes	Yes	Variety of instruction and specialty classes through contract instructors

Service Category	Contracted Service	Programs Offered
School Age Recreation and Summer Camps	No	Before, during, and afterschool programs plus summer and school break camps
Sports Programs (Youth and Adult)	Adult softball run by City; other leagues operated by community or private organizers	Adult softball; Little League baseball; girls softball; youth soccer
Facility Rentals	No	Parks, Community Center, Senior Center
Senior Center Programs	Run under the direction of the Senior Center Board with minimal support from the City	Classes, activities, and events
Special Events	City led and/or City-coordinated events with a variety of community led events	Art Walk, Art Wine & Beer Festival, Music in the Park, Poetry Contest, 4 th of July fireworks/parade

Prior to March 2020, the City of Scotts Valley Recreation Services Division was a division of the Public Works Department. The organization chart, focused on the Recreation Division staffing, is shown in Figure 1 below.

Figure 1. Pre-Pandemic Public Works Department/Recreation Division Organization Chart



The division was staffed with one recreation division manager who reported to the public works director. Direct reports to the recreation division manager included two senior recreation leaders/site directors, one recreation coordinator, and one administrative secretary I. In addition to having overall responsibility for the division, the recreation

division manager also provided backup to the School Age Child Care Program when staff members were absent. As a result, she spent much of her time directly involved with day-to-day programs which took time away from managing the division.

COVID-19 Pandemic Impacts on Service Delivery

In 2020, the region, state, country and the world began to cope with the impact of the COVID-19 pandemic. On March 16, 2020, the region and state began to implement restrictions that significantly impacted recreation programs. In late March of 2020, the City of Scotts Valley recreation services division was shuttered due to the onset of the COVID-19 pandemic. Many cities, counties and special districts devoted to recreation services shut down their recreation facilities and programs. Some recreation programs have remained closed due to the continuing resurgence of the virus.

Scotts Valley was no exception. The Recreation Division stopped providing most of its services during the COVID-19 pandemic due to the pandemic restrictions. As a result, the City laid off all staff other than the recreation manager. Park facilities were closed at various times during the most restrictive health restrictions required by Santa Cruz County Health Services, and all City facilities were closed to the public during most of the pandemic. A portion of the Community Center remained leased to the Scotts Valley Vineyard Church.

The City Council authorized the start of summer camp programs in 2021 through a partnership with the Boys and Girls Club of Santa Cruz County, and recently maintained that relationship by offering school-age services for the 2021-22 school year. Otherwise, the City's recreation programs and facility rentals have not been restored.

In addition to stopping and ultimately eliminating most programs and services, the City operated with limited staffing. Currently, only two staff are employed, the recreation division manager and the administrative secretary I. All other positions were laid off in April 2020. The remaining staff are working limited hourly schedules as they await restoration of services.

Service Providers in the Region

For purposes of our analysis of opportunities to restore recreation services in Scotts Valley, we needed to identify other recreation services providers within the geographic region that might offer similar services.

Scotts Valley is in the geographic center of Santa Cruz County, which extends approximately 40 miles from the northwest to the southeast. Much of the population, however, is centered in an approximately 25-square mile area that encompasses the communities of Ben Lomond, Boulder Creek, Felton, Santa Cruz, Capitola, Soquel, Aptos and Scotts Valley. The City of Watsonville, the second largest community in the county next to Santa Cruz, is a 21-mile (and 30 minute) drive from Scotts Valley. Our focus in identifying other recreation providers centered on the 25-square mile area mentioned above. We identified five other providers of recreation services in that area as shown in Table 2.

Table 2. Service Providers in the Region

Agency Name	Location (City)	Organization Type
City of Scotts Valley	Scotts Valley, CA	City
Boulder Creek Recreation and Park District	Boulder Creek, CA	Special District
City of Capitola	Capitola, CA	City
City of Santa Cruz	Santa Cruz, CA	City
County of Santa Cruz	Santa Cruz, CA	County
Boys and Girls Club of Santa Cruz County	Santa Cruz, CA	Non-profit

Using Scotts Valley's portfolio of recreation services, Table 3 indicates those provided by the service providers identified in the table above. The table indicates that these other agencies provide a mix of services offered by Scotts Valley. In short, Scotts Valley is not the only agency providing those services within the region.

Table 3. Services Offered by Service Providers in the Region

Agency	Aquatics	Classes	School Age Recreation and Summer Camps	Sports Programs (Youth and Adult)	Facility Rentals (Parks, Community Center, Senior Center)	Senior Center Programs	Special Events
City of Scotts Valley	☑	☑	☑	☑	☑	☑	☑
Boulder Creek Recreation and Park District	☑	☑	☑ ¹		☑		☑
City of Capitola		☑	☑ ¹	☑	☑		☑
City of Santa Cruz		☑	☑ ¹		☑	☑	☑

Agency	Aquatics	Classes	School Age Recreation and Summer Camps	Sports Programs (Youth and Adult)	Facility Rentals (Parks, Community Center, Senior Center)	Senior Center Programs	Special Events
County of Santa Cruz	☒	☒	☒		☒		☒
Boys and Girls Club of Santa Cruz County	☒		☒	☒	☒		☒ ²

¹ Service providers who only provide after school programs.

² The Boys Club and Girls Club only holds special events to fundraise.

Project Approach

Analytical Methods Used

Our approach to this project used analytical methods described below.

- **Conducted interviews with City staff.** We conducted interviews with several staff and parks and recreation commissioners.
- **Conducted interviews with service providers.** We interviewed the other service providers identified in the region to understand the services they provided and to inform our analysis about opportunities for collaboration or alternative service delivery approaches available to Scotts Valley.
- **Reviewed pertinent documents.** We received a variety of documents to support our understanding of the recreation services provided to the community and Scotts Valley's operating environment.

Each is discussed below.

Interviews with City Staff

Management Partners gathered information from City leaders and stakeholders who have worked closely with the division. The purpose was to allow these key individuals to become engaged and share their perspectives about the provision of recreation services in the community. It also allowed us to hear input on ways to innovate and improve the services and delivery of programs for the community. Although the emphasis was to look back at the programs that had been offered prior to the start of the pandemic, questions were also asked about how the division should consider restoring services once the pandemic subsides.

Individuals interviewed by Management Partners were:

- City Manager
- Interim Public Works Director
- Recreation Division Manager
- Administrative Assistant
- Two Parks and Recreation Commissioners

Interviews with Service Providers

Management Partners also conducted interviews with recreation providers in the region to compare how similar programs offered by the City were provided by regional agencies. The interviews also identified existing relationships between those organizations, their recreation programs, and those programs offered by the City of Scotts Valley. We also discussed how the agencies were planning to bring programs back when the pandemic subsides. The interviews allowed us to gain a better understanding of their recreation services, how they are staffed, management systems, and service delivery.

As mentioned previously, Management Partners and Scotts Valley identified five regional recreation providers to be interviewed. Those agencies and a brief profile of them are provided in Table 4.

Table 4. Service Providers

Service Provider	Interviewee	Profile
City of Capitola	City Manager/ Recreation Supervisor	Capitola is a city in Santa Cruz County with a population of just over 10,000, similar in size to Scotts Valley. The City has a Recreation Department that offers classes, school age recreation and summer camps, adult sports programs, facility rentals, and special events. In addition to these programs, Capitola also has a virtual recreation center that offers various resources both locally as well as worldwide. This virtual recreation center offers online classes from local instructors, arts resources provided by the Arts Council, Santa Cruz Council, and library resources from the Santa Cruz Public Libraries such as eBooks, audiobooks, magazines, movies, and music.
City of Santa Cruz	Parks and Recreation Director	Santa Cruz is the county seat of Santa Cruz County and is home to a population of nearly 65,000. The City has a Parks and Recreation Department that offers classes, school age recreation and summer camps, adult and youth sports programs, facility rentals, senior programs, and special events. In addition to other facilities, Santa Cruz has a Civic Auditorium as well as the London Nelson Community Center. Lastly, the City has a Teen Center and offers teen programs.
County of Santa Cruz	Parks and Recreation Director	Santa Cruz County is home to each of the service providers and Scotts Valley. The County population is nearly 275,000. The County has a Parks, Open Space, and Cultural Services Department that offers aquatics, classes, school age recreation and summer camps, sports programs, facility rentals, and special events. In addition to these services, the County also offers virtual recreation, a variety of arts and cultural programs, and other community programs.

Service Provider	Interviewee	Profile
Boulder Creek Recreation and Park District	District Manager	The Boulder Creek Recreation and Park District is maintained and funded through the Boulder Creek Community and Recreation District. The District offers aquatics via Bear Creek Pool, kids classes, facility rentals, and special events. In addition to these activities, the District coordinates a variety of philanthropic efforts through various funds and giving campaigns.
Boys and Girls Club of Santa Cruz County	General Manager/Program Supervisor	The Boys and Girls Club of Santa Cruz County is a non-profit organization that has a variety of locations in Santa Cruz County. The closest to Scotts Valley is the Joe & Linda Aliberti Clubhouse. The organization offers classes, school age recreation and summer camps, sports programs, and special events. In addition to these programs, the Club offer virtual aspects as well as seasonal and holiday camps. It is funded primarily through user fees, grants, and private donations.

Documents Reviewed

To better understand the organizational structure and climate within Scotts Valley, Management Partners requested a number of documents from the City. We received and reviewed the following:

- Recent program Activity Guides,
- Online program and facility documents,
- Division budget documents from FY 2018-19 to FY 2021-22,
- Minutes of related City Council and Park and Recreation Commission meetings,
- School Age Recreation-related budgets and documents/policies;
- Organizational charts,
- City Council staff report for services agreement with the Boys Club & Girls Club of Santa Cruz County for School Age Recreation services for the 2021-2022 school year, and
- Participation statistics from ActiveNet registration program.

In addition to the documents listed above, Management Partners asked the five service providers we interviewed for their latest adopted budgets and fee schedules. We were able to obtain those documents directly upon request or through their publicly available website for all, other than the Boys and Girls Club.

Common Themes from Interviews and Document Review

Based on the interviews with City staff, stakeholders, and regional providers, we identified several broad themes, as described below.

- The School Age Recreation Program is considered the top program offered by the City's Recreation Division, followed by the aquatic programs.
- Though very important, the School Age Recreation Program has grown very large, with many complicated services and fees that take a large amount of staff time to operate.
- The community in general enjoys and appreciates the programs that are offered by the City.
- Staff are very dedicated to their programs and the community and involved with the day to day running of programs. However, due to this heavy daily involvement, many of the administrative duties were difficult to complete. These include lack of data collection, use of technology, marketing, fee studies and cost recovery goals, training, networking within the parks and recreation profession, and use of best practices.
- Commissions, committees, and special events take a great deal of staff support, and the amount of time required is not recognized by many City leaders.
- The online registration program is not utilized to its fullest and staff lack training on how to use the program for other functions besides setting up classes and opening registration.
- In general, the division does not partner or communicate with other regional and/or neighboring providers and has historically run programs themselves rather than work with other providers or on a more regional basis.
- Regional providers are all struggling to figure out how to restore services after the COVID-19 pandemic extended shutdown. These providers are not sure about attendance levels, what safety protocols will be needed, and what programs may just go away due to lack of interest. As a result, the regional providers are all interested in looking at more collaboration, including alternative ways to provide programs and facilities. The recreational programming world is changing due to the long pandemic shutdown and the timing is right for more regional collaborations between providers.

Analysis

Before the pandemic, Scotts Valley's Recreation Division offered a large number of programs and services for a smaller-sized city based on our experience with other similarly sized agencies throughout California. Ranging from childcare to sports leagues, instructional classes, aquatics, special events, and senior programs, the programs and services were offered in a number of formats.

Our analysis is separated into the sections below to allow a detailed discussion of each program and the potential opportunities that exist with regional partners or service providers.

- **City-provided recreation services.** This section is separated into the primary areas involving services provided by the City:
 - Aquatics;
 - Classes;
 - School Age Recreation and Summer Camps;
 - Sports Programs (Youth and Adult);
 - Facility Rentals (Parks, Community Center, Senior Center);
 - Senior Center Programs;
 - Special Events; and
 - Other Considerations (e.g., administrative leadership and support systems).
- **Regional recreation service providers.** In this section we identify opportunities for collaboration, partnership, or outsourcing of programs with the regional providers.
- **Proposed restoration of services matrix.** This section summarizes our recommended path forward for the provision of recreation services in Scotts Valley.
- **Organizational structure and staffing.** Based on our recommended approach to service delivery, this section provides our recommended organizational structure and staffing levels.
- **Cost of service and fiscal impacts.** We identify the potential cost of service implications for community members using the services and fiscal impacts for implementing the proposed mix of recreation services.

City-Provided Recreation Services

Aquatics

As is traditional in many cities, Scotts Valley operates an aquatics program of swimming lessons, recreational swimming, and pool rentals. The programs are operated with City staff at the 800-square foot swimming pool at Siltanen Park. This comparatively small pool facility by its very nature, limits the amount of programs and use that can be considered. The facility is currently closed due to the pandemic and the need to resurface the pool. The pool resurfacing is included in the City's existing capital improvement project plan (CIP) and staff anticipate completing the project by late Spring 2022. The earliest the pool could likely be reopened for public use would be after the school year ends in June 2022.

Three of the other regional providers also offer aquatic programs with their own staff. However, there are growing concerns by each of the agencies about the ability to hire enough trained staff to meet California health and safety codes for swim programs. Due to the shortage of workers looking for part-time work, the increased salary costs for part-time workers under minimum wage requirements, and the state requirements for training to qualify as a lifeguard and/or swim instructor, many agencies are looking to form a regional approach to aquatic programs to increase the ability to hire and train adequate staff for the safe operation of facilities. Additionally, the City of Santa Cruz is pursuing a swimming pool feasibility study in the coming year that will include a regional look at facilities and possible markets for pool users.

In addition to the operation of the programs, the ongoing maintenance and capital replacement projects for an aquatic facility are costs that are seldom fully recovered through program fees. As the state requires a certified pool operator to oversee the operation and maintenance of the facility, using full-time city employees to maintain it can add higher costs than the alternative of contracting with pool maintenance companies. As such, pool maintenance is also a service that can be looked at on a regional basis and/or through contracting.

We believe the City would be best served by implementing a regional approach to operating its swimming pool and its aquatic programs for the reasons mentioned above. Before the pool reopens, City leaders should talk with regional providers to consider a regional approach that could include staff training, shared use/hiring of staffs, and regional operation of programs and facilities. The City should consider contracting for maintenance of the facility with a pool maintenance company.

Recommendation 1. Implement a regional approach for providing aquatic programs by partnering with local agencies through a contracted service and/or shared service agreement.

Recommendation 2. Contract maintenance of the Siltanen swimming pool with a pool maintenance company.

Classes

The City of Scotts Valley offers a variety of instruction classes for the community using independent contracted instructors. The division takes sign-ups and finds instructors to provide classes at facilities mostly provided by the City. These classes range from sports (tennis/gymnastics), dance, bocce, Play-Well TEKnologies, math, and cooking. Fees and charges are determined on a class-by-class basis with a percentage of the revenue paid to the contracted instructor.

All the regional providers (with the exception of the Boys and Girls Club) offer instruction classes similar to Scotts Valley. What is missing between all the agencies in the region is any discussion, outreach, marketing, or collaboration about classes taught, inventory of instructors or facilities, fee comparisons, or consistency in contract/payment percentage between the communities. Most agencies offer classes based on instructors coming to the agency rather than identifying instructors to meet their needs. As a result, there may be four Zumba classes in one community and none in another based on an instructor who only teaches in their community. As all agencies are currently trying to identify which classes come back first based on new safety protocols, there is a need for the agencies to talk, compare, collaborate, and do joint marketing to reach a broader audience and increase the opportunities for residents as well as for instructors.

Before starting instruction classes again, City staff should talk with regional providers to review classes, facilities, contracts, payment percentages, and the possibility of joint marketing to see how classes can be expanded for residents and instructors. Moreover, the City should conduct a needs assessment with community members about instruction classes to determine gaps in requested programs and services and recruit new instructors who can teach specialty classes.

Recommendation 3. Develop a collaborative, shared-services model for the provision of instruction classes with the cities of Santa Cruz and Capitola and the County.

Recommendation 4. Conduct a needs assessment to determine demand for recreation classes.

School Age Recreation (Childcare) and Summer Camps

Scotts Valley has been operating a successful licensed School Age Recreation Program for kindergarten through fifth grade students. These programs are operated at Vine Hill Elementary and Brook Knoll Elementary schools. The programs provide before and after school care as well as childcare needed during the school day. Additionally, the City provides summer camp and school break camps for youth as an extension of its School Age Recreation Program.

Both programs are operated out of City-owned modular facilities. The modulars are aging and have been on the City's CIP plan for several years. The City's adopted FY 2021-22 budget indicates an estimated cost of \$2.3 million for improvements to those facilities (which was unscheduled pending identification of a funding source).

The program is very important to the community, as many parents commute out of town for their jobs and need early drop off and late pickup times for their children. Over time, the program has grown and added services, including transportation between campuses, to the point that the program had too many options and was becoming difficult to administer.

This rates as the most important program offered by the City. However, with schools closed for in-person learning and many residents now working from home as a result of the pandemic, the program was shut down during the past school year. As in-person instruction has restarted, the City negotiated a one-year agreement with the Boys and Girls Club of Santa Cruz County to operate the program with a City subsidy for the coming school year while City leaders decide on a long-term strategy.

The program, run by the City as a school-related program, is not unusual for recreation agencies, as the park and recreation profession got its start in Boston in the 1880s with the playground movement. Since that time, it has become customary for cities and schools to work together to provide programs for children, usually after school. With the passage of Proposition 13 in 1978, most cities stopped funding afterschool programs, and those that remained, instituted fees to pay for them. With the growth in year-round education and working parents/families, programs before, during, and after school have been in greater demand in many communities.

The State of California has established robust licensing requirements if a program exceeds a certain number of hours per week, which has raised the cost of hiring licensed staff. To meet these needs, most school districts have partnered with private providers who utilize space at or adjacent to the school and offer pay-as-you-go before, during, and after school programming. The relationship in Scotts Valley between the City and the Scotts Valley Unified School District (SVUSD) for the childcare program is not unusual. What is unusual, however, is that the City operates a fully licensed day-long program, including maintenance, without any funding from the school district.

Among regional providers, only the County operates a full childcare program in and around the County. Three other agencies provide limited after school programming, and one city has a youth center where children can go after school. The Boys and Girls Club offers enrichment programs at their site, which is not considered licensed childcare. As mentioned previously, the City and the Boys and Girls Club have recently agreed to operate childcare programs for the 2021-22 school year. Moreover, the City has applied for a Community Development Block Grant Coronavirus Aid, Relief and Economic Security (CDBG-CV) grant that, if approved, will fund over \$152,000 in costs associated with operating the program for FY 2021-22.

The City subsidy was offered because the Boys and Girls Club fees are much lower than what the City would charge to cover their program costs. The sites on the school facilities are also in need of upgrades and the City is looking at a major investment to replace the modular classrooms in the future. As the City has been running the program with two full-time City employees and providing upkeep and maintenance, the negotiation with the Boys and Girls Club is an excellent opportunity for City leaders to decide how they want the program to proceed in the future.

Given the increasing costs of employing staff, the time commitment needed by management staff to oversee and, in some cases, backfill program staff for vacancies, and the opportunity to partner with an excellent provider to maintain high-quality childcare services for the community, we believe the City should develop a long-term agreement for the provision of childcare services. At a minimum, the City should continue with the one-year agreement with the existing provider, extend the CDBG-CV application for the second year to cover the City subsidy, work with the provider to increase rates to operate at closer-to-full-cost recovery, and carefully monitor performance during that time. This would allow the agreement to continue through June 2022 and allow the

City to make a decision at that time about whether to outsource the service long term, or determine a path forward to insource the service again.

We believe the City should consider a long-term commitment to outsourcing this service. However, we understand City leaders might wish to take this opportunity to review the relationship with the Boys and Girls Club and allow more time to evaluate the program long term under a post-pandemic operating environment.

Recommendation 5. Identify the costs and benefits of extending the Boys and Girls Club childcare contract beyond the 2021-2022 school year.

Recommendation 6. Develop a long-term plan for the provision of childcare services in Scotts Valley as an outsourced City service.

Finally, the modular facilities reflect a significant investment to the City. Without the potential for grants or other forms of external funding, the City will be hard pressed to find the resources necessary to upgrade and maintain the modulars in the long term. As there is a joint interest for the school district to have reliable childcare available to its students before and after school. Through Representative Anna Eshoo's office, the City applied for funds to be included in the infrastructure bill that is being considered by Congress for the replacement of the modular buildings at both schools. The request was included in the bill brought before the House. The City is waiting to see if the funding will be in the final version of the bill and whether the bill is approved by Congress and signed by the President.

The City should negotiate a joint use agreement with SVUSD for the operation of the childcare program and the necessary facilities. If that agreement calls for the City to maintain ownership of the facilities, SVUSD should be requested to support facility improvements and maintenance needs through its financial resources, bonding capabilities, fundraising resources through parent associations, and jointly obtain grants using educational and other resources that may be made available beyond typical city grant resources.

Recommendation 7. Develop a joint use agreement between SVUSD and the City for operation of the childcare program and for funding facilities improvements.

Sports Programs

Sports programs traditionally have been offered at the local level by park and recreation agencies. Sports participation at the adult level reached its peak in the 1980s and 1990s and has recently been declining. As a result, most agencies are moving away from offering adult sports and allowing local groups to organize themselves and rent agency facilities. Youth sports have continued to grow, especially at the year-round competitive level. While park and recreation agencies used to offer the recreation side of youth sports, most competitive programs have expanded to include a recreation component along with the competitive programs. This has resulted in most park and recreation agencies moving away from youth sports and becoming a provider of facilities.

The only youth sports program the City ran was a youth basketball camp. All other youth sports programs are independent and use City facilities. Related to regional providers, only the Boys Club and Girls Club offers youth sports programs, as the other providers only rent facilities to youth groups.

The City has traditionally organized an adult softball program with all other adult sports programs organized independently. The Boys and Girls Club offers adult sports programs, and the City of Capitola has an adult softball program. All other adult sports programs are organized independently and utilize local facilities.

We believe the City should only provide the facilities (e.g., softball diamonds, soccer fields) in support of youth and adult sports programs. The trend among other cities and recreation agencies is to have the organizers of those programs administer them and pay a fee to the city for the use of the facilities. The city's role is one of brokering the use of facilities with other user groups rather than running the programs themselves. This should be the operating protocol in Scotts Valley.

If City leaders want to continue to offer an adult softball program, they should consider partnering with Capitola for the administration and management of the program by allowing them to retain the fees for administration, but providing some remuneration back to Scotts Valley for the use of the fields.

Finally, there is a rich opportunity in this post-pandemic environment to partner regionally with other agencies and organizers of sports programs for both youth and adults. City staff should take a collaborative approach with the agencies we spoke with for this project to enhance the opportunities for Scotts Valley residents to enjoy sports programs in all communities. Doing so will allow for more consistent and better

scheduled use of fields and recreation amenities in support of the various leagues and programs. In addition, forming a regional sports council is a tool that is used by other agencies to enhance the collaboration among sports organizers and foster sharing of sports facilities to meet regional needs that benefit each community.

Recommendation 8. Outsource all youth and adult sports programs to independent organizations and provide the facilities under a field use fee.

Recommendation 9. Partner with the City of Capitola to provide the adult softball program in Scotts Valley with reimbursement to the City for the cost of field use.

Recommendation 10. Form a regional sports council for youth and adult sports where regional providers establish consistent fees and charges, policies, and priorities for the use of facilities in the region.

Facility Rentals

City, county, and special district park and recreation agencies historically have been tasked with developing and managing parks and facilities and creating partnerships with school districts and private providers for community park and recreation programs, events, and activities. Included with the operation of these facilities is the maintenance, upkeep, scheduling, and rental.

The Recreation Division is responsible for reserving and renting community facilities in Scotts Valley. Previously, the division had an office at Skypark. However, with the elimination of programming and rentals, the building now houses Public Works and is not open to the public. Having a public presence in an easily accessible location is important for the division to be available to the public for facility rentals. All other regional providers also reserve and rent facilities as one of the main responsibilities in their office. The Boys and Girls Club has limited rentals, as most of the use of their facilities is through their own programming.

The cost of renting city facilities is not determined by a set formula. Practically speaking, an agency can charge market rates for their use. A best practice for agencies that rent facilities is to understand the fully loaded costs and establish cost recovery goals taking into consideration market forces and variability of the demand and use of an individual facility. This helps to establish long-term fiscal stability for facility maintenance over time. It is also important to regularly conduct fee

studies to make sure the fees charged are within the local market rates and that fees increase yearly with the cost of living to reduce large increases at any one time.

The only regional provider who has set cost recovery goals and/or does fee studies is the County of Santa Cruz as part of its annual countywide fee study. The Boys and Girls Club considers fees and cost recovery; however, they are looked at in the context of how well the agency has done with their fundraising campaigns.

With respect to parks rentals, all providers except for the Boys and Girls Club reserve local parks in their community at their central office. With the COVID-19 pandemic, most rentals have been suspended. Most agencies do not utilize online registration programs for facilities and, as such, require residents to come down in person to the office for rentals. As agencies open back up, there is a need for rentals to be taken online to reduce the requirement to make rentals in person.

Regarding facility rentals, all providers reserve their local building facilities/buildings at their central office. No providers allow facility rentals online, mostly because of the complexity of facility rentals related to security requirements, use of alcoholic beverages, and setup/cleanup requirements. As with park rentals, as agencies open back up, there may be more requests for online rental capabilities.

The City should have facility rental and administration as a core service. We do not believe the City should partner or outsource this service. However, we do believe there are some things staff should do to ensure potential revenues associated with facility uses are maximized. In addition, administration of the rental programs should be streamlined. We offer the following recommendations.

Recommendation 11. Reestablish a community presence for the Recreation Division in a location that is easily accessible and open to the public for facility rentals.

Recommendation 12. Determine which aspects of facility rentals can be moved online through the computerized registration program to accommodate greater flexibility, allow for after-hour use, and streamline administration.

Recommendation 13. Conduct a facility fee study at least once every two years, with scheduled cost of living increases in between and based on an analysis of existing market rates.

Recommendation 14. Establish Council-approved cost-recovery goals for each facility to ensure long-term financial stability for facility maintenance.

Senior Center Programs

Most cities either operate a senior center with city staff or partner with a non-profit organization to provide senior activities in a community. With the large baby boomer generation currently retiring, senior programs have been growing across the country. Scotts Valley's Senior Center offers such programs as bocce ball, Zumba, dance, arts and crafts, and Meals on Wheels. The programs are under the advisement of the City's Senior Advisory Board. There is a membership program for senior participants.

The division provides staff support but the leadership and direction come through recommendations of the Board. This mixed leadership model of staff support with direction from a Board has created a lack of clarity and responsibility and is something City leaders should review. The programs and activities, for the most part, seem popular. However, there is some confusion between the City and the Board about roles and responsibilities for program development, coordination, scheduling, advertisement and registration. Most senior programs like to be independent from staff leadership and many times form their own board to operate a center with city maintenance support.

Regionally, only the City of Santa Cruz staffs and operates a senior center. The other providers offer a variety of classes that seniors can attend, but they do not run focused senior programs.

We recommend that City leaders consider encouraging the creation of a non-profit senior advisory board that would replace the existing City Council appointed Senior Board. This non-profit board would be developed as a standalone organization to operate the senior center with the City providing facility maintenance. This could also be accomplished by having existing senior-focused non-profit organizations run the senior programs in Scotts Valley. Governance of newly created organization could allow for a Councilmember to serve as either board member or liaison to the Board; however, we believe that the organization should be an "arms-length" relationship apart from City governance and operations.

Recommendation 15. Establish an independent non-profit senior advisory board to operate the senior center with the City providing the facilities for its use.

Special Events

The Recreation Division provides staff to several of the City's special events such as the Art Walk, the Poetry Contest, and the Fourth of July fireworks/parade. Staff also provide support to many community events that are run by other organizations at City facilities such as the Art Wine and Beer Festival.

All regional recreation providers run special events and/or support community organizations during events. Events run by the Boys and Girls Club are used as their fundraising tool.

We believe the City's involvement in special events programming is appropriate. However, the City needs to be diligent in establishing expectations for staff involvement in community events to ensure that staff time and/or budgets are not overcommitted for them. Furthermore, there is the opportunity to increase collaboration among regional agencies for events that may be held in Scotts Valley. Other agencies can provide input into best practices for managing such events, and the City might be able to leverage their assistance in scheduling and promoting those events where appropriate.

Finally, the City should create a calendar of special events that looks ahead at least two years that will help staff keep those events in their annual workplans and form the basis for developing implementation plans for each event in the context of all planned events.

Recommendation 16. Establish clear time, budget, and fee reimbursement expectations in managing special events in the City, especially those organized by third parties.

Recommendation 17. Conduct regular outreach to regional providers to discuss assistance and/or collaboration in scheduling special events and promotions.

Recommendation 18. Develop a calendar and implementation plan for special events in 2022 and 2023.

Other Considerations

During our review of programs and activities, we identified several related items that are usually necessary for a well-rounded and successful recreation division. These are discussed below.

Administrative Leadership

As recreation is a division within the Public Works Department, it would be expected that the Public Works director would not necessarily have a background in the many issues that come up through recreation. When the City promoted the former recreation supervisor into the manager position, the incumbent needed to be involved in day-to-day issues. This limited the time available for leadership within and outside the division.

A division manager who manages the division for the Public Works director is of vital importance for the City. As a result, the manager should be expected at a minimum to provide the following key roles:

- Provide staff support to commissions, committees, and the City Council;
- Provide training for division staff;
- Provide organizational development;
- Oversee contracts with service providers and/or other agencies (e.g., SVUSD);
- Evaluate subordinate staff;
- Prepare and analyze budgets;
- Prepare reports; and
- Represent the division in the community.

The incumbent Manager was charged with performing those functions and worked to accomplish what was possible. However, given that the incumbent's capacity was limited by the need to be actively involved in program delivery (such as the childcare program), there was not time to do those functions effectively.

There is also a need for the division to have clear direction about their core purpose and future goals related to services and facilities. A best practice for a recreation division is to have an up-to-date park and recreation master plan as a long-term planning document, and a shorter period strategic plan that is more specific and works to accomplish the master plan.

The Capital Improvement Plan in the adopted FY 2021-22 budget included the development of a Parks System Master Plan in FY 2022-23. There was no discussion in the budget about developing a recreation master plan or a division strategic plan. These can be separate or inclusive documents. The Parks and Recreation Commission should be asked for input as these documents are developed. This should be considered a high priority for the division.

Recommendation 19. Review and revise the recreation division manager position description to focus on

management activities with an established list of priorities and expectations from the Public Works director.

Recommendation 20. Develop a Recreation Master Plan as part of, or separate from, the Parks System Master Plan scheduled for FY 2022-23.

Recommendation 21. Engage the Parks and Recreation Commission in the development of the Parks Systems and Recreation Master Plan(s).

Recommendation 22. Complete a Recreation Division Strategic Plan.

Administrative Support Systems

Administrative support staff who can provide oversight of systems and processes is important to the success of a recreation division. Historically, Scotts Valley administrative staff have not been able to provide analytical support, get fully trained on the operation of the computerized registration program, modernize electronic payment systems, review and revise policies and procedures, assist with marketing efforts, and conduct fee and cost recovery studies.

The division needs to have adequate support staff that are trained in the administrative duties. The existing staffing level of an Administrative Secretary I is sufficient based on existing and proposed service levels. The position needs to be provided the necessary training, skills and tools to properly support the needs of the Recreation Division manager and the division as a whole. One area of critical importance is training on the recreation software system that will help the manager and the Public Works director obtain meaningful data from the system to support their decision making in terms of facility rentals and other program provisions.

Recommendation 23. Provide enhanced training opportunities to the Administrative Secretary I position in the Recreation Division.

Regional Recreation Services Providers

In addition to reviewing the programs and services offered by the Recreation Division in Scotts Valley, Management Partners conducted a high-level review of the programs and services of five regional recreational providers and considered their operation and collaboration efforts with the City before and after the onset of the pandemic. In general terms, the five regional providers offered many of the same

programs and facilities offered by the City. Similarly, the agencies shuttered their programs once the COVID-19 pandemic started.

As determined through the interviews with regional provider staff, each agency is going through a review process to determine the steps, programs, and facilities that will come back as the pandemic subsides. Additionally, all the agencies are looking to regional collaboration for programs, facilities, and staff training. They realize they can no longer provide all the programs themselves and operate all the facilities they have in the past.

These agencies share the same concerns about long-term funding coming back to recreation at pre-pandemic levels. There are also concerns that many parents and participants will fundamentally change how they participate in programs and at facilities based on the concerns about safety and returning to group settings. In short, predicting what recreation will be like in the short term and longer is difficult.

The regional providers were all aware that Scotts Valley had a Recreation Services Division; however, no agency had a history of collaboration with Scotts Valley, nor did they really understand what programs and facilities were available in Scotts Valley. These agencies are positioned well to be partners and collaborators with Scotts Valley on a more regional basis.

In general terms, the City and the other regional providers offer traditional park and recreation programs, activities, and events. Though each community is unique, and there is always a combination of public and private providers, most cities, counties, and special districts strive to provide a range of well-rounded activities for their communities. In recent years, with the rising costs of government employees and related facilities, many park and recreation agencies are moving away from running programs themselves and are moving toward brokering services in their communities and on a more regional basis. As most agencies are blessed with owning or contracting the use of parks and facilities, government park and recreation agencies are concentrating on providing facilities and looking for partners to help run the programs.

With the onset of the COVID-19 pandemic and the closing of programs and facilities, most agencies are having to take a hard look at what they have done in the past and how they can have a sustainable return to services. It was clear in the interviews with City staff, stakeholders, and regional providers that the future is still unclear regarding how the public will be willing to come back and participate. However, what is clear for most agencies is that long-term revenue projections do not seem to match past levels. As a result, just as Scotts Valley is working on a plan to

restore recreation services, parks and recreation agencies are working to identify their core services and for new opportunities to collaborate with both local and regional partners.

Recommendation 24. Conduct regular meetings with regional recreation providers to learn about service delivery needs and opportunities and determine ways to partner to meet recreation demands in the region.

Organizational Structure and Staffing

There is strong community support for the programs and services offered by the Recreation Division of Public Works. The division is not large enough within the City structure to be considered as a stand-alone department. The placement as a division of Public Works seems to work well as park and facility maintenance is the responsibility of the department. One of the keys to the continued success of the division and the relationship with parks and facilities maintenance will be the support of the Public Works director.

The first two steps the City should consider prior to the restoration of recreation services programs and activities (aside from the contract for the childcare program), would be to bring back both the recreation division manager and administrative secretary I positions as full-time positions.

As the positions are restored, the recommendations in this report can then begin to be implemented. They include:

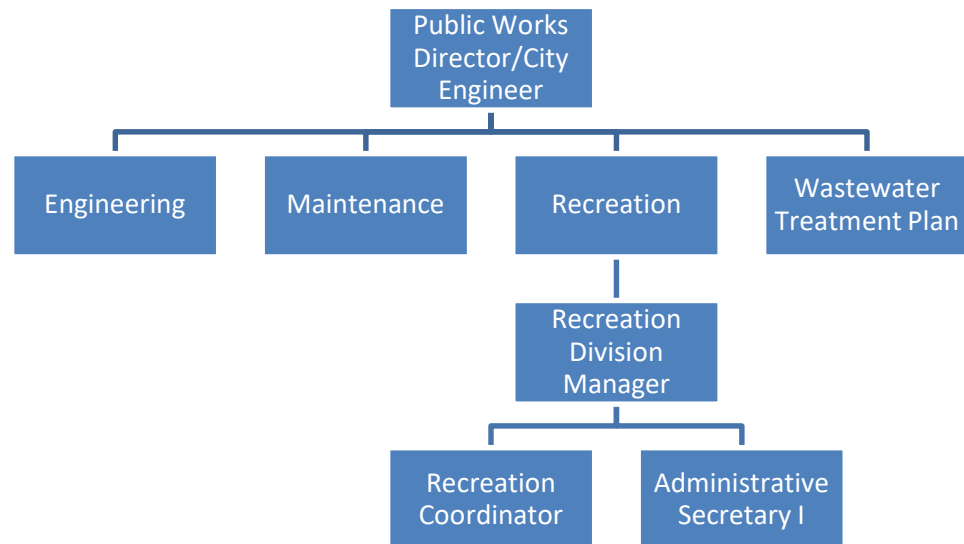
- Identifying an operator for the aquatics program;
- Identifying a maintenance company to maintain the swimming pool;
- Extending the outsourcing of childcare services with the Boys and Girls Club through FY 2021-22;
- Implementing a shared services approach to provide contract classes;
- Identifying the order of return for special events, documenting the level of staff involvement/responsibilities and providing the necessary budget support for each event;
- Commencing facility rentals operations again while conducting a fee study; and
- Identifying opportunities for a separate board to operate senior center programs.

With those activities underway, the City could then begin to onboard one recreation coordinator to assist with program coordination and oversight

of contracted service providers. The position can also provide additional analytical capacity within the division to support the recreation division manager in their leadership role.

Based on these recommendations, Figure 2 shows a revised organization chart for the Recreation Division within the Public Works Department.

Figure 2. Proposed Public Works Department/Recreation Division Organization Chart



Cost of Service and Fiscal Impacts

If the City were to implement the recommendations above, contract negotiations would need to ensue with service providers that would include anticipated costs of services to customers as well as any potential subsidies that might be required to implement programs at the standards expected by the City. We were unable to make those assumptions because data were not readily available from the partner agencies and it was not within our purview to engage outside agencies on potential service delivery alternatives contracts.

However, Management Partners was able to obtain cost of service information from each of the providers we interviewed. The information below presents a comparison of costs of service for the recommended providers the City should consider for implementation compared with the City's current fee schedule. This information is preliminary to provide the Council with a comparison of potential impacts on customers and the fiscal impacts the City might experience in delivering services based on our recommendations.

Cost of Service

Until the City is able to identify partners with whom to provide services in the community, it is difficult to determine the cost of services for customers. Management Partners compared the City's current rates for services, the recommended provider identified in our analysis above, and those providers' current rates for key services. The comparison indicates that the rates charged by the recommended providers are similar to the City's rates for those services, and in several cases are provided below the City's existing service charges. Because the Boys Club and Girls Club is also sponsored by donations, their rates are being subsidized by donors in several cases, which is a contributing factor to their rates overall being lower than the City's. See Table 5.

Table 5. Comparison of Recreation Service Rates

Service Category	Scotts Valley Current Rates	Recommended Provider(s)	Provider(s) Current Rates
Aquatics	- Recreational swimming - \$4.00 per person, children four and under are free - Group swim lessons are \$72.00 for residents and \$86.00 for non-residents - Private swim lessons are \$120.00 for residents and \$134.00 for non-residents	- Boulder Creek Recreation and Park District - Santa Cruz (county) - Boys and Girls Club	- Boulder Creek – Drop-in rates are \$10.00 per adult, \$5.00 per child, \$8.00 per senior - Santa Cruz (county) – Single entry fee ranges from \$5.00 to \$8.00. Swim lessons/classes ranges from \$69.00 (group) to \$198.00 (private) - Boys and Girls Club – Group Swim Lessons \$35.00. Swim Team/Water Polo, free
Classes	Classes range from \$40.00 to \$324.00.	- Capitola - Santa Cruz (city) - Santa Cruz (county)	- Capitola – \$18.00 registration fee plus cost of class - Santa Cruz (city) – \$23.00 registration fee plus cost of class - Santa Cruz (county) – Class fees range from \$10.00 to \$93.00
School Age Recreation and Summer Camps	- Childcare hourly rates – Full-time rate \$3.50 per hour; Part-time rate \$4.00 per hour - Summer camp – \$65 per day	Boys and Girls Club	- Drop-in Programming, \$100 annual membership fee. Open to youth ages 6 to 18. - Summer Camp - \$100 per week.

Service Category	Scotts Valley Current Rates	Recommended Provider(s)	Provider(s) Current Rates
Sports Programs (Youth and Adult)	- Adult softball – \$575.00 per team - Adult Soccer – \$450.00 per team - Bocce – \$18.00 per resident per season - Youth Basketball – \$70.00 for residents and \$82.00 for non-residents	- Capitola - Santa Cruz (city)	- Capitola – Adult Softball, \$522 per team (8 teams) - Santa Cruz (city) – Adult softball, \$535.00 to \$620.00 team registration fee. Bocce is \$0.00 for residents and \$20.00 for non-residents. Adult soccer is \$500.00 for team registration. Youth basketball is \$125.00 for residents and \$156.00 for non-residents.
Facility Rentals (Parks, Community Center, Senior Center)	Varies	Scotts Valley	N/A
Senior Center Programs	\$20/year or \$100/lifetime membership. Members receive a monthly newsletter and discounts on meals, activities, events, and more.	Separate non-profit board	City of Santa Cruz – \$1.00 to \$5.00 per class
Special Events	N/A	Scotts Valley	N/A

Fiscal Impacts

The Recreation Division operates as a Recreation Enterprise Fund; however, the fund has never been entirely self-supporting. This is not any different than most recreation services where there is often some form of subsidy by the General Fund. Prior to the pandemic, the Recreation Fund would operate at a deficit that averaged about \$250,000 per year.

Management Partners has not developed a detailed cost analysis as part of this report as there are still several unknowns relative to contracts for services, joint use agreements, and partnerships with other agencies. However, the following changes based on our recommendations are noted below.

- Aquatics.** When the last cost study was performed in FY 2018-19, the aquatics program was planned to operate at a deficit of nearly \$55,000 per year. Outsourcing the program significantly reduced the fiscal impact on the City and provide additional capacity for City maintenance workers to address parks and streets maintenance needs that were pressing matters discussed during the FY 2021-22 budget

deliberations. We believe this subsidy will be cut in half as a result, with more capacity to address the City's parks and streets maintenance needs.

- **Classes.** A shared service model will offload the City from most of the administrative requirements of contracting class programs. In some cases, the City will merely be providing the facilities, and a shared services agreement with another provider will provide an opportunity for reimbursement of incremental costs associated with the use of those facilities. We believe this change will be cost neutral, assuming the City collects a fee for those incremental uses of city facilities.
- **Childcare program.** The outsourcing of childcare programs through at least FY 2021-22 eliminates staffing two recreation site leader positions that totaled \$170,000 per year. That equates to more than the subsidy provided for the Boys and Girls Club of \$150,000 to operate the childcare program for the next year, which is planned to be offset entirely at least for FY 2021-22 through CDBG-CV funds.
- **Sports programs.** Shifting organization responsibilities to sports leagues/organizers, but collecting a fee for use of fields, will be the same as in the past. However, partnering with another agency for adult softball leagues will reduce the City's administrative burden and provide the manager and staff additional capacity to address the remaining programs and management efforts. Collecting a fee for the use of the fields will offset any costs associated with maintenance. We believe this will be cost neutral.
- **Facility rentals.** There is no direct fiscal impact for the City in maintaining oversight of facility rentals. The fee studies recommended as part of this report (fees have not been materially adjusted for several years and are reported to be less than other agencies), will likely provide additional fiscal capacity to the City that will offset the General Fund subsidy.
- **Special events.** There are no proposed changes in this area with any fiscal impact. Rather, staff will have additional capacity to proactively engage the community and other regional providers to improve the effectiveness of special events programming.

We believe the recommendations in this report will provide some fiscal relief to the City's General Fund, allow customers to continue to enjoy recreation services at competitive and affordable rates, and allow City staff to focus on delivering quality programs and special events to the community.

Conclusion

Scotts Valley has always prided itself on delivering quality recreation services in the community. The COVID-19 pandemic had devastating impacts to the provision of recreation services, but the restrictions put in place helped protect the health and welfare of the community. The pandemic has provided City leaders with the opportunity to take a fresh look at how services are provided to the community.

The recommendations in this report will change the way recreation services are delivered. However, we believe these recommendations will allow for the restoration of quality services to the levels previously enjoyed before the pandemic and will be provided at competitive rates. There may also be some additional service offerings that were not previously available as a result of increased collaborative partnerships with other regional providers.

Attachment A – List of Recommendations

- Recommendation 1. Implement a regional approach for providing aquatic programs by partnering with local agencies through a contracted service and/or shared service agreement.
- Recommendation 2. Contract maintenance of the Siltanen swimming pool with a pool maintenance company.
- Recommendation 3. Develop a collaborative, shared-services model for the provision of instruction classes with the cities of Santa Cruz and Capitola and the County.
- Recommendation 4. Conduct a needs assessment to determine demand for recreation classes.
- Recommendation 5. Identify the costs and benefits of extending the Boys and Girls Club childcare contract beyond the 2021-2022 school year.
- Recommendation 6. Develop a long-term plan for the provision of childcare services in Scotts Valley as an outsourced City service.
- Recommendation 7. Develop a joint use agreement between SVUSD and the City for operation of the childcare program and for funding facilities improvements.
- Recommendation 8. Outsource all youth and adult sports programs to independent organizations and provide the facilities under a field use fee.
- Recommendation 9. Partner with the City of Capitola to provide the adult softball program in Scotts Valley with reimbursement to the City for the cost of field use.
- Recommendation 10. Form a regional sports council for youth and adult sports where regional providers establish consistent fees and charges, policies, and priorities for the use of facilities in the region.
- Recommendation 11. Reestablish a community presence for the Recreation Division in a location that is easily accessible and open to the public for facility rentals.
- Recommendation 12. Determine which aspects of facility rentals can be moved online through the computerized registration program to accommodate greater flexibility, allow for after-hour use, and streamline administration.
- Recommendation 13. Conduct a facility fee study at least once every two years, with scheduled cost of living increases in between and based on an analysis of existing market rates.
- Recommendation 14. Establish Council-approved cost-recovery goals for each facility to ensure long-term financial stability for facility maintenance.
- Recommendation 15. Establish an independent non-profit senior advisory board to operate the senior center with the City providing the facilities for its use.
- Recommendation 16. Establish clear time, budget, and fee reimbursement expectations in managing special events in the City, especially those organized by third parties.
- Recommendation 17. Conduct regular outreach to regional providers to discuss assistance and/or collaboration in scheduling special events and promotions.
- Recommendation 18. Develop a calendar and implementation plan for special events in 2022 and 2023.

Recommendation 19. Review and revise the recreation division manager position description to focus on management activities with an established list of priorities and expectations from the Public Works director.

Recommendation 20. Develop a Recreation Master Plan as part of, or separate from, the Parks System Master Plan scheduled for FY 2022-23.

Recommendation 21. Engage the Parks and Recreation Commission in the development of the Parks Systems and Recreation Master Plan(s).

Recommendation 22. Complete a Recreation Division Strategic Plan.

Recommendation 23. Provide enhanced training opportunities to the Administrative Secretary I position in the Recreation Division.

Recommendation 24. Conduct regular meetings with regional recreation providers to learn about service delivery needs and opportunities and determine ways to partner to meet recreation demands in the region.