



City Council Staff Report

From: City Manager

Report Type: CONSENT CALENDAR

Lead Department: Community Services

Meeting Date: March 27, 2023

Report #:2303-1081

TITLE

Approval of Contract Amendment Number One (1) with Team Sheepar, Inc., Authorizing One-Time Payment not-to-exceed \$85,000 for Salaries Associated with the Rinconada Pool 45-day Closure for Replastering; CEQA status – not a project.

RECOMMENDATION

Staff recommends that City Council approve and authorize the City Manager to execute the contract amendment between the City of Palo Alto and Team Sheepar, Inc., for compensation in the amount of \$85,000 for salaries associated with the Rinconada Pool 45-day closure for replastering. During this closure, Team Sheepar, Inc. will be unable to offer programming for both the play and performance pools at Rinconada Park.

BACKGROUND/DISCUSSION

The City of Palo Alto's Public Works Department will oversee the replastering project of the performance and play pools at Rinconada¹. The project started the week of March 6, 2023 and is scheduled for 45 calendar days.

The replastering project is necessary as the surface is failing in both pools and could result in a shutdown by the Santa Clara County Health Department until improved. In addition to the replastering, other maintenance upgrades include servicing the sand filters, and replacing plumbing valves, basket strainers, pump impellers, float valves, make up water valves and light fixtures in the pool. The project will require both pools at Rinconada to be closed during this period.

Team Sheepar provides swim lessons and other aquatics programs at the Rinconada Pool under

¹ See staff report from December 19, 2022 at <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/city-council-agendas-minutes/2022/20221219/20221219pccsm-amendedtime.pdf#page=26>

a revenue contract with the City.² The City does not pay Team Sheeper directly for its services; rather, Team Sheeper's compensation comes directly from the fees it charges for its programs. The City receives a percentage of this based on yearly revenue. In Fiscal Year 2022, the City's revenue share was \$15,085. Team Sheeper provides an annual report to the Parks and Recreation Commission in January of each year³.

The amendment is intended to allow Team Sheeper to maintain their staffing and bridge this period when it will have no revenue during the temporary closure. Team Sheeper employs 78 people to serve Palo Alto, of which 6 are shared with other programs. Many of Team Sheeper's staff who provide direct services to Palo Alto residents are full time, salaried employees and will be impacted by the Rinconada shutdown. Ensuring continuity of their employment during this shutdown period not only supports employees of the small business but will also allow for a swift and smooth opening with staff ready to resume services once the maintenance work is complete. If staff were to be laid off or resign due to the closure, the pool would need to be closed for a longer period, or reopened on a limited schedule until Team Sheeper could recruit and hire more staff. During the closure period, pool managers are working on summer programming and several of Rinconada Pool staff are assisting at Burgess Pool in Menlo Park as needed. This does not increase revenue at Burgess Pool because no additional programs have been added.

The amount of \$85,000 has been developed cooperatively between staff and Team Sheeper in order to meet payroll obligations only and does not include other costs such as health insurance, workers' compensation, dues and subscriptions for registration software, payroll services, and other costs that Team Sheeper will still incur during this period.

FISCAL/RESOURCE IMPACT

A Budget Amendment was brought forward and approved by Council on February 13, 2023, as a part of the Mid-Year Budget Review Process (CMR 2212-0515). \$85,000 in additional funding was appropriated to the Community Services Department Operating Budget for FY 2023 specifically for this purpose. No additional budgetary action is required.

STAKEHOLDER ENGAGEMENT

Team Sheeper has been communicating with users of Rinconada Pool and will continue to provide updates on the status of the project through their webpage and newsletter. They have created an FAQs page on their website here: <https://paloaltoswim.com/welcome/pool-replaster-project-faq/> including a list of other pools available for use. To recognize the impact to residents who utilize Rinconada on a regular basis, Team Sheeper will be offering a reopening

² See staff report from December 10, 2018 at <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/reports/city-manager-reports-cmrs/year-archive/2018/9909.pdf?t=62283.26>

³ 2022 Aquatics Annual Report (for the period January – October 2022) can be found at <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/parks-and-recreation-commission/agendas-minutes/2023-agendas-and-minutes/1-jan/2022-palo-alto-aquatics-annual-report.pdf>

special to all Palo Alto Resident Lap and Masters swimmers of 30% off their monthly membership for one month.

ENVIRONMENTAL REVIEW

Approval of this amendment does not constitute a Project as defined by the California Environmental Quality Act.

ATTACHMENTS

Attachment A: Team Sheeper, Inc. Contract; C19173035 Amendment No. 1

APPROVED BY:

Kristen O'Kane, Community Services Director