



CITY OF CORONADO

CITY COUNCIL STAFF REPORT

April 4, 2023

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AUTHORIZE THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH NEXT PRACTICE PARTNERS, LLC. IN THE AMOUNT OF \$80,000 TO COMPLETE A COMPREHENSIVE FEE STUDY AND DEVELOP A COST RECOVERY MODEL AND POLICY PLAN FOR RECREATION AND GOLF SERVICES

RECOMMENDATION:

Authorize the City Manager to execute a professional services agreement, in a form approved by the City Attorney, with Next Practice Partners, LLC, to complete a comprehensive fee study and develop a cost recovery model and policy plan for Recreation and Golf Services.

BACKGROUND:

The Recreation and Golf Services Department consists of multiple divisions and operating models. Recreation programs and facility rentals are managed by recreation staff and encompass all activities at the Coronado Community Center, John D Spreckels Center, the Aquatics Facility, and the Boathouse & Club Room. Most park and beach programming are run through the Recreation and Golf Services Department as well.

Tennis/Pickleball operations and court rentals are managed by a concessionaire, Impact Activities. Impact Activities facilitates instructional tennis and pickleball programs, schedules tennis and pickleball court reservations, and assists in providing leagues in concert with the Coronado Tennis Association. Impact Activities charges the users and then remits to the City a set fee every year, per the contract.

Golf course operations are divided among multiple entities. The maintenance of the golf course grounds is staffed and managed by City employees. The Pro Shop operations, which include managing the tee sheet, retail sales, driving range, golf cart rentals, and instruction, is managed by a concessionaire, Brian Smock Golf. Additionally, the food and beverage operations for the Golf Course is contracted to Feast & Fareway.

To operate daily, each division of the Department incurs significant costs, to varying degrees, such as personnel, utilities, equipment, supplies, services, and administrative overhead. Fees are assessed to users of the programs and facilities to recover these costs associated with the operation of the Department.

The current format and structure of fees and use policies for Recreation have been in place since Resolution 7551 was established in 1998. Since then, multiple resolutions have been approved to intermittently address changes in policy, addition/modification of facilities, consumer price index changes, incremental fee increases, and usage studies completed by the Department; however, a holistic review of fees and use policies for Recreation has not been performed. The Recreation & Golf Services Department also does not have a department-level cost recovery directive.

Additionally, the most recent increases of golf greens fees have been recommended based primarily on market analysis of local courses and current operating fund conditions, and not in consideration of long-term operational costs associated with facilitating the operations of the Golf Course, including capital needs and escalating water and labor costs.

Consequently, Recreation and Golf Services proposed to retain a qualified consultant with specific experience and expertise in comprehensive fee analysis and cost recovery model development for parks and recreation agencies to create a full cost recovery model, develop a policy plan, and complete a comprehensive fee study for both Recreation and Golf operations.

ANALYSIS:

Staff released a request for proposal (RFP) on December 30, 2022. The RFP scope of work specified the selected consultant would be tasked to complete the following:

- Outreach and engage the community to identify and understand the needs and desires for prioritizing recreation and golf opportunities and identifying cost thresholds for programs and facilities;
- Review the City's current Recreation and Golf Services fees and facility use policies;
- Determine the true cost to the City to provide various services;
- Determine a methodology for establishing fees;
- Develop a cost recovery policy plan for cost recovery targets for the department as a whole, as well as individual program, facility, and user classifications;
- Make recommendations for adjustments to the City's fee schedule and facility use policies.

The intent of the study is to provide a methodology for the development of user fees and identify costs associated with each program and service in relation to cost recovery targets approved by City Council, and an evaluation of the Department's facility use policies to ensure equitable access, clear guidelines, and efficient administration of facility use requests. The City Council will have full discretion to choose which fees and policies to adopt and may ultimately elect not to modify or enact new fees.

The RFP submittal period concluded on January 27, 2023, and the City received four proposals (see Table 1). A five-person selection committee consisting of staff from different City departments, and a representative each from Brian Smock Golf and Impact Activities, convened to review and evaluate the proposals. The selection committee recommended interviewing firms scoring at least 75% or better on the initial score and interviewed representatives from the top two scoring firms.

Staff found both interviewed firms to be highly qualified to perform the work and each has extensive experience completing fee study analysis, engaging the community, and recommending policy and fee changes for local government clients. The two firms submitted high-quality proposals and offered comparable cost estimates and schedules to complete their analysis and prepare a report.

Ultimately, Next Practice Partners, LLC, was determined to be the most qualified firm based on their history of successfully completing studies for other local California cities (Cities of San Diego, Chula Vista, San Marcos, Poway, and Carlsbad), their understanding of the Coronado community and comparable communities, their methodology for outreach, and their ability to provide a statistically valid survey.

The following table identifies the consulting firms that submitted proposals, the overall scoring of each firm, and final ranking.

Table 1

Firm	Total Price	Initial Scoring (25 / %)	Interview Score	Selected
Next Practice Partners	\$80,000	20.87 / 83.48%	8.9/10	✓
Moss Adams	\$79,500	19.65 / 78.62%	7.5/10	
Matrix	\$35,000	18.47 / 73.87%	n/a	
110%	\$54,890	15.96 / 63.85%	n/a	

The work plan for this project is likely to be sequenced so that fees, policies, and procedures for golf operations are studied and recommendations brought forward prior to Recreation and Tennis fees. Overall, the entire project is anticipated to take up to 8 months to completion.

At the March 13, 2023, Parks and Recreation Commission meeting, the Commission voted (3-0) to recommend to City Council the selection of Next Practice Partners, LLC.

The term of the proposed agreement is for one year, with an option to extend, for a total of \$80,000. A copy of the agreement is included as Attachment 1.

Staff recommends City Council authorize the City Manager to execute a professional services agreement with Next Practice Partners, LLC to complete a comprehensive fee study and develop a cost recovery model and policy plan for Recreation and Golf Services.

FISCAL IMPACT:

Funding for the Recreation & Golf Services Comprehensive Fee Study and Cost Recovery Policy Plan Development project in the amount of \$80,000 has been budgeted under account 10014401-80055, Finance Division Professional Services. No additional funding and General Fund Impact is anticipated to be required for the completion of this project.

ALTERNATIVE:

The City Council could direct the City Manager to execute an agreement with another firm instead of Next Practice Partners, LLC. The Council could also choose not to proceed with a fee study and development of a cost recovery model and policy plan at this time.

CALIFORNIA ENVIRONMENTAL QUALITY ACT:

This activity is exempt from environmental review pursuant to CEQA section 15273, rates, tolls, fares, and charges.

PUBLIC NOTICE:

No notice required.

ATTACHMENTS:

1. Agreement between the City of Coronado and Next Practice Partners, LLC

Submitted By: Recreation and Golf Services / Tim Farmer