



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
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AGENDA INFORMATION SHEET

DEPARTMENT: Parks and Recreation

DCM/ ACM: Bryan Langley

DATE: May 8, 2018

SUBJECT

Receive a report, hold a discussion and provide staff direction regarding key findings from an aquatic assessment performed by PROS Consulting, Inc.

BACKGROUND

The aquatic center, comprised of Denton Natatorium (NAT) and Water Works Park (WWP), is located at the northwest corner of Loop 288 in Denton. The aquatic center was forged by a Joint Use Agreement between the City of Denton and Denton Independent School District (DISD). The aquatic center opened in June 2003. DISD funded the NAT building and competition pool. The City funded WWP and added the NAT leisure pool. Annually, the facility is maintained and operated by the City of Denton Parks and Recreation Department (PARC). At the end of each fiscal year, any deficit generated by the combined revenues and expenditures of NAT and WWP are equally shared on a 50 percent basis by the City and DISD.

In December of 2017, PROS Consulting, Inc. was contracted by the City of Denton to conduct an assessment to analyze the City's current aquatic facilities and operations. The scope of work outlined the following tasks:

- Assess and inventory the current aquatic facilities operational and financial models;
- Determine current and anticipated demand for aquatic facilities and programming in Denton as well as current supply to meet demands;
- Provide industry best practices for effective and efficient aquatic facility operations and management;
- Shape financial and operational preparedness through innovation and "next" practices for the City to achieve the strategic objectives and recommended actions, goals, objectives and implementation strategies outlined in the plan;
- Deliver a final Aquatics Assessment to Denton Parks and Recreation incorporating all components of the project.

PROS Consulting Inc. conducted site visits and held multiple meetings with staff and stakeholders. A final report was submitted to the City in March 2018. Key findings from the PROS Aquatics Assessment included:

- **Staffing Levels** – Three facilities are staffed by 7.5 full-time staff and 34.19 part-time/seasonal staff. Found that division is staffed appropriately with best practice standard operating procedures

and policies; however, division lacks in targeted marketing to generate revenue in non-traditional ways.

- **Staffing Distribution** – Currently, full-time staff costs are not allocated to Civic Center Pool (CCP) budget and therefore a task-time analysis was conducted to determine what percentage of cost should be allocated to CCP.
 - Estimated that approximately \$111,685 of full-time staff personnel costs should be allocated to CCP budget. The movement of \$111,685 from the WWP/NAT budget would reduce DISD annual cost payment by \$55,482.
- **Joint Use Agreement**
 - The current joint use agreement between the City and DISD lacks the detail necessary to better delineate roles, responsibilities, decision-making authority, and cost sharing.
 - The current agreement stipulates the formation and regular meeting of the Natatorium Committee to set usage procedures and policies for implementing the allocation of usage between the City and DISD. The committee has not met since approximately 2005.
- **Classification of Services and Cost Recovery Goals** – Recommended to develop classification of services model to determine who benefits and who assumes the cost of the program. This allows cost recovery goals to be established for each category of service, develop strategies to achieve those goals, and measure if they are achieved through cost analysis.
- **Opportunities**
 - **Efficiency and Effectiveness** (technology to capture data & improve customer service, upgrade security system, engage Purchasing Division, implement a work order system)
 - **Revenue Generation** (marketing, classification of services model, premium services at the WWP, reduced pricing for DISD employees, flexibility for pricing strategies to enhance revenue)
 - **Policy and Procedure** (pricing policy, no outside food policy, joint use agreement, update select policies, full task-time analysis, full cost of service analysis)

Additionally, PROS Consulting proposed next steps for the City and DISD to initiate and work towards implementation of recommendations. They are:

- Restart regular meetings of the Natatorium Committee
 - Improve communications, review policies & procedures, and review joint use agreement
- Perform a full time-task analysis of City Aquatics staff, review with Natatorium Committee, and use that method for cost allocation going forward.
- Develop a classification of services model and set cost recovery goals for the facilities & programs. Provide regular reporting and analyze success of programs.
 - Develop a plan to achieve cost recovery goals. National Benchmark for Cost Recovery for Natatorium is 35-50% (current 31%) and WWP is 110-120% (current 101%).
- Perform a full cost of service analysis (including direct, indirect, administrative and overhead costs) across all functional lines of service to more accurately allocate costs.
- Provide updated data and metrics as the WWP begins first full season with wave pool and concession stand.
- Consider allowing DISD employees to receive the discounted rates.
- Explore advertising and naming ventures as an additional source of revenue.
- Explore the potential to expand DISD programming and curriculum into the NAT.

Upon initial review of the assessment, staff has already begun to implement a number of items that were recommended to begin the process of improving customer experience, safety, cost recovery and infrastructure.

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: Safe, Liveable & Family-Friendly Community

Related Goal: 4.2 Increase percentage of citizens who rate their neighborhood as a place to live from 82 to 85 percent by 2020.

EXHIBITS

Exhibit 1 Agenda Information Sheet

Exhibit 2 Presentation

Exhibit 3 PROS Consulting Report

Respectfully submitted:

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