

## REPORT TO THE CITY COUNCIL

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**DATE:** July 18, 2017

**TITLE:** Desert Hot Springs Recreation Programs and Services

**Prepared by:** Luke Rainey, Deputy City Manager

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### **RECOMMENDATION**

**Authorize the overall transition of current recreation programs and services from the Boys & Girls Clubs of the Coachella Valley to the Borrego Community Health Foundation by approving two agreements, with any further changes to be made at the discretion of the City Manager and the City Attorney:**

- A) A Global Termination Agreement which terminates the existing relationship among the 1) Boys and Girls Club, 2) Borrego Community Health Foundation and 3) the City, with respect to the Boys and Girls Clubs operations of the Desert Hot Springs Health and Wellness Center; and**
- B) An Amendment to the Sublease Agreement with Borrego Community Health Foundation and the City to allow for Borrego to expand the current recreation programs and services.**

### **BACKGROUND**

For approximately 4½ years, the recreation portion of the Desert Hot Springs Health and Wellness Center (DHSWC) has been occupied and operated by the Boys & Girls Clubs of the Coachella Valley. The DHSWC opened in December, 2012 and has served more than 1700 children (and their families) via after-school and summer programs. Operations during the school year run Monday through Friday, from approximately 2pm – 6pm, with extended summer hours from approximately 7:30AM – 5:30PM. Providing services to youth during these time periods is particularly important to encourage participation in positive activities, when away from school.

The other major portion of the DHSWC houses a Community Health Center Campus offering medical, preventative care, and ancillary services, operated by Borrego Community Health Foundation (“Borrego”). Borrego provides quality health care related services to the community, regardless of an individual’s ability to pay. Their history of improving health services for those underserved has made them an industry leader within Riverside and San Diego counties. Expanding services to include Desert Hot Springs in 2012 is one of several milestones Borrego has achieved, since their first clinic opened in the Community of Borrego Springs in 2004.

### **DISCUSSION**

The City has an opportunity to expand current recreation services and activities by amending the City’s current Sublease Agreement with Borrego. Exhibit 1 to this staff report is the Amendment to the Sublease Agreement between the City and Borrego, allowing Borrego to occupy the area currently occupied by the Boys and Girls Clubs, adding additional youth and recreation services. While continuing to provide services to the youth of Desert Hot Springs, Borrego is in a unique position to expand existing services under the direction of the City. This Agreement allows for the eventual expansion of programs and activities to include all City residents, and not just youth. On the other hand, the Boys & Girls Clubs charter specifies operations must be focused on enhancing the lives of young people. Although this focus has benefitted City youth for the past several years, the focus is somewhat limiting towards the manner in which the DHSWC may be used. Should the City Council elect to approve Exhibit 1 and amend the current sublease agreement with Borrego, the City can move forward operating

Desert Hot Springs Recreation, which will continue youth programs and eventually offer options to the entire community.

Borrego is excited for the opportunity to further serve the Desert Hot Springs community. The first phase of proposed programs and activities will continue all major areas currently served by the Boys & Girls Clubs. Programs and services for youth include: (1) Character Development, (2) Education, (3) Health, (4) Arts, (5) Sports, and (6) Supplemental Activities. A complete list of objectives and programs is provided as Exhibit 2 to this staff report. Many of these programs have the potential to expand similar modules that would serve adults, as well as children, in the community. For example, the gym's sports court could be utilized by adults in the evening hours. Also, Borrego plans to launch new programs, once experience with residents has been gained to provide an understanding of both needs and interest levels. In summary, Borrego is positioned to continue current youth services, while exposing all residents to the City.

After addressing transition costs in an amount of approximately \$268,515, ongoing funding for Desert Hot Springs Recreation will be provided by Borrego. The transition costs include:

- \$86,848.92 for the purchase of three vans (for transporting youth between schools and the facility),
- \$125,000 to the Boys & Girls Clubs for operations between January 1st – June 30th, 2017,
- \$41,666.67 to the Boys & Girls Clubs for operations between July 1st – August 28th, 2017, and
- \$15,000 for contingency and replacing signage located in and on the DSHWC.

The Boys & Girls Clubs has offered to assist in the proposed transition by agreeing to waive the 6-month Notice of Termination requirement. The Boys and Girls Club will also relinquish several items associated with the DSHWC's operations to the City for the amount of \$1.

Should the City Council approve this transition by approving the Agreements as noted, the Boys & Girls Clubs will end operations on August 28th, 2017. Borrego will assume responsibility for running Desert Hot Springs Recreation on September 5th, 2017. Desert Hot Springs Recreation will continue similar programs to those currently provided by the Boys & Girls Clubs in its first phase of operations. In the second phase, beginning in 2018, programs and services will be expanded to include all ages within the Desert Hot Springs community.

## **FISCAL IMPACT**

This fiscal impact of the items relating to the transition affect both the FY 2016-17 and FY 2017-18 Budgets.

- Item 1 (vans): \$86,848.92 has been appropriated in the FY 2017-18 budget (211-44-56-4320).
- Item 2: the FY 2016-17 budget will be amended to include \$125,000 (211-44-56-4320).
- Item 3: \$41,666.67 has been appropriated in the FY 2017-18 budget (211-44-56-4320).
- Item 4 (signage and contingency): \$15,000 has been appropriated in the FY 2017-18 budget (211-44-56-4266).

## **EXHIBIT(S)**

- 1) Amendment to Sublease Agreement by and between the City of Desert Hot Springs and Borrego Community Health Foundation
- 2) Borrego Scope of Recreational Activities
- 3) Global Termination Agreement (including agreement exhibits A-F)