



**Agenda Item 6
September 3, 2014 Meeting**

DATE: August 22, 2014
TO: Children and Families Commission of Orange County
FROM: Christina Altmayer, Executive Director
SUBJECT: Status Report on the Santa Ana YMCA Project

SUMMARY:

The Children and Families Commission received a review of the first two years of the Santa Ana YMCA's operations at the September 2013 meeting. Since 2011, the Santa Ana YMCA has provided health and physical fitness services to young children and their families at the new facility. The review summarized the services provided by the YMCA and identified three priorities for the YMCA to address:

1. Improve data reporting compliance to more specifically report and document the services to the 0-5 population.
2. Continue to address ongoing sustainability issues, particularly as the program reserve funds are drawn down to support facility operations.
3. Develop strategies to implement the permanent structure for the Wellness Center, to realize the expanded scope of services for the facility.

The Executive Director and staff have reached out to the YMCA to attempt to address the three areas of compliance listed above. This report provides an update on the ongoing efforts to address the compliance issues as well as the plans for the long-term sustainability of services at the site.

DISCUSSION:

In May 2008, the Commission approved \$8.5 million in catalytic funding for an agreement with the YMCA to create and sustain physical fitness and obesity prevention/treatment services in Santa Ana. The site includes an aquatics center, an outdoor soccer arena and provides a home for Dr. Riba's Health Club for the assessment and treatment of children with obesity. While the initial planning focused on a larger facility and development of a permanent Wellness Center, the final approved plan in January 2010 was scaled-back to include only the aquatics center, outdoor soccer arena, and modular buildings.

The Commission's investment is structured as a long-term service payback agreement to support the health and physical fitness of young children and families in Santa Ana and the adjacent communities. The priority for the Commission was to increase access to facilities that support health and physical fitness. Construction of the aquatics center and soccer arena was completed and program operations commenced in 2011.

Since September 2013, several meetings have been held with YMCA executive management to address the three issues as outlined above. In August Commission staff, Commission Counsel, and

Commissioner Hugh Hewitt met with the YMCA staff, their counsel and board members to address the continued concerns about compliance with the agreement and to identify possible options to remedy the outstanding issues. No progress was made and the YMCA remains out of compliance under the terms of the agreement in two areas; data reporting, and construction of a permanent memorial recognizing Orange County veterans. Further information regarding the financial sustainability of the site has also been requested as well as plans for a permanent wellness facility.

Improved Data Reporting

In February 2014, a work plan was developed to capture output and aggregate information and service outcome questions that would provide information on the impact of services received. The work plan and service outcome questions have been reviewed with YMCA staff, and in August 2014 the YMCA staff received training on the data reporting systems. At this time, the 2011 and 2013 membership data has been received. The YMCA is evaluating how it can be in compliance with reporting requirements and an update will be provided at the October meeting.

Orange County Veterans Memorial

The contract requires the development of “*Permanent recognition of the Commission’s financial support by a memorial at the entrance of the YMCA facility(ies). Special recognition of Orange County residents who have died serving the United States of America since September 11, 2001 will be included in this memorial*”. The YMCA has indicated that signage has been placed on the site. However, this signage does not sufficiently meet the requirements of the contract.

Operations Sustainability Planning

The facilities’ sustainability plan anticipated the ability to charge for non-YMCA use of the aquatics facility and the soccer arena. These charges were projected to offset the costs of maintenance once programs were established. The YMCA has had significant success with the soccer arena and the field is often booked for all available hours with a waiting list of clubs and teams looking for field time. The use of the soccer arena spans age groups and has a geographic reach throughout the county.

As part of the ongoing discussions with YMCA, comprehensive budgets have been requested for fiscal years 2013/14 and 2014/15 that include annual expenditures for pool maintenance and upkeep, and current and projected revenue earned from use fees or rentals. The budgets must also include revenue from the fund at the Orange County Community Foundation, investments from the YMCA to cover additional expenses, narrative descriptions of the variances from budget to actual, and a narrative description of plans to maintain the function of the pools once the Commission’s fund has been exhausted. The YMCA received notification that the invoices submitted against the Health and Fitness Fund, held at the Orange County Community Foundation, will not be approved for payment until these documents, including a budget narrative, have been received and reviewed by the Commission staff. To date, the budget narrative documents detailing plans for facility sustainability have not been provided.

Permanent Wellness Center Facility

At the September 2013 Commission meeting, the YMCA indicated that they would be willing to conduct a feasibility study and explore potential alternative models to building a permanent wellness facility on the YMCA Santa Ana campus. Commission staff reviewed the scope of the feasibility

study and offered suggestions about broadening the research to include looking at alternative and philanthropic revenue sources. In January 2014, the YMCA notified the Commission that they are not pursuing development of a permanent Wellness Center facility in Santa Ana at this time. Commissioner Hewitt and staff have expressed significant concerns regarding the need for long-term site planning to ensure that the physical fitness and wellness services are sustained in Santa Ana.

No action is requested at this time. Staff will return in October with a status update and any recommended action.

STRATEGIC PLAN & FISCAL SUMMARY:

Funding for YMCA Santa Ana project was approved at the May 2008 Commission meeting and included in the Fiscal Year 2007/08 Budget under Healthy Children. There is no funding action proposed for this item.

PRIOR COMMISISON ACTIONS:

- September 2013- Received status report on the Santa Ana YMCA Catalytic Investment
- January 2010 – Approved Revised Project Plan
- January 2009 – Project Update – Phasing Plan
- September 2008 – Authorized a maximum 10 percent contingency allocation for facility costs for a total final agreement not to exceed \$7,500,000 for the construction and services at the new YMCA of Santa Ana facility, and the allocation of up to \$400,000 from the Health and Fitness Fund managed by the Orange County Community Foundation if necessary to offset the construction costs of the aquatics center and related facilities.
- July 2008 – Approved redirecting \$2 million for the YMCA Health and Nutrition Fund to the YMCA construction project.
- May 2008 – Approved Agreement for the YMCA construction project

RECOMMENDED ACTION:

Receive status report on the Santa Ana YMCA facility and direct staff to return in October with a recommended plan of action.

Contact: Kim Goll