



We read hundreds of articles every month that have to do with pool closings, budget issues, and general challenges for aquatic facilities. Occasionally, one really catches our eye. The following article is one of those because it has such a common theme in the public sector. We have not changed any of the wording, we have only eliminated some of the non-essential paragraphs and the name of the pool. Our comments are in red italics after specific statements....

With the swimming pool at the Park running an average deficit of \$25,735 over the last three summers, Park District officials will be taking a “long, hard look at what can be done” to slash the pool’s operational costs, Recreation Director said.

Possible cost-cutting methods, he said, include cutting back pool hours on certain days, defining and adhering to rules on closing procedures if the pool does not have a certain number of patrons by a certain time, or sending staff home on slow days. *While cutting staff hours is a way to save \$ it does not service the taxpayers. Rather than cut staff hours why not increase actual aquatic programming hours for optional programs that have their own cost to take part in? Times when the pool is not as busy is the time to offer such programs. For options e-mail sue@totalaquatic.llc and ask for an electronic copy of the Aquatic Programming Manual.*

He and members of the board of commissioners for the park district — which owns and operates the pool — may also discuss refining the pool’s concession stand and offering new items that they hope can help push up revenue. *This is always a good idea along with making sure that every \$ of sales is accounted for. Many times, concessions staff give away things to their friends or help themselves. Over an entire summer season this adds up to a noticeable amount of lost revenue.*

All of this should be finalized at the board meeting in April, he said, about a month prior to the pool’s scheduled Memorial Day weekend opening. “We’re just looking at pretty much any options and hoping that, come September, the bottom line is a little less harsh than it has been. Cost-cutting measures that will not be considered, include raising prices for pool passes and daily admission. “I don’t think charging people more, without offering them more, is the solution. The solution simply has to be what we can do to make the pool run as efficiently as possible and hope for lots and lots of hot, sunny days.” *This is a major problem throughout the country. While every other price to purchase has gone up significantly the past 10 years, pools have remained the same. Pool insurance has gone up at least 5% a year. Chemical and supply cost go up about 7% per year. Utilities increase about 3% per year. The price of admissions has to keep up with inflation or the pool will be in financial distress like over 2000 public pools that closed over the last 6 years.*

There are also some fixed costs that cannot be avoided. “We can’t skimp on chemicals (used to operate the pool). We can’t ignore reoccurring maintenance issues that arise at a 50-year-old pool. Whether it is 90 degrees and the pool is packed or 68 degrees and rainy, the utility, maintenance and chemical costs stay the same.” He said the board is also not considering the elimination of any pool staff. “We need to find a way to not pay the salaries at the pool as much as we have been, so to do that, we’ll have to decrease the amount of hours or possibly send a guard or two home if it’s not busy or having closing procedures if only 10 people are at the pool at 2 p.m.” He stressed that the park district is not looking to make a profit off the pool, nor does it expect to. “Most public pools, whether

city- or park district-run, do not profit, nor do they need to. The pool is a service to the community — a community in which there are taxpayers who pay for the privilege of having a pool in town. Profit is not our concern. Our concern is to make the necessary changes that we think need to be made in order for the pool to not lose as much money. “From a pure business standpoint, running and maintaining the pool is becoming a very difficult situation to justify. “No successful business would keep running out a product that loses a substantial amount of money every year and impacts all of their other products. But the park district is not a business. Yes, the bottom-line matters, but there is more to the park district than money. There is an intrinsic value to what the park district offers that goes beyond dollars and cents. You cannot put a dollar amount on having fun, being part of a team, being active, and making memories. At the same time, he said, the losses of money at the pool cannot continue. “If the pool keeps operating in its current financial capacity, not only will it prohibit growth of all other park district programs, functions and potential ideas. It will eventually start negatively impacting all of our other valued programs that we currently have.”

“The financial drain of the pool forces every other program to subsidize (the pool) year-in and year-out. The success of all of our other programs, whether it’s youth baseball and softball, basketball, etc., has been a very significant reason that our pool has been able to operate this long.” While the pool has lost money, the park district “does not want to close the pool.” However, “we do need to start considering our options,” he said.

The public sector continually struggles with the “make money” concept. We think the issue is not “making a profit” but rather defining what is needed to allow the pool to financially exist. We also agree that tax dollars built the pool so there is a responsibility to the public. Where we don’t agree is that entry to the pool should be at a level that does not pay for a planned part of expenses. In the Aquatic Programming Manual (referenced above) there is a section about Value Received Pricing. This is a concept that is valid both in the Public and Private sector.

One of the important premises is that ALL EXPENSES have to be considered when setting the price for pool admissions and optional programming cost. One area that is usually overlooked is maintenance and repairs and capital improvements. This is an undeniable predictable expense that starts between year 2 and 3 of a pools life and increases from then on. We recommend that every aquatic facility put at least \$1 per square (total footprint of facility) back starting the year of the facility for this line item. This needs to increase 5% per year for the life of the facility. Divide that figure by 12 (months) and deposit that amount in an escrow account. That money is strictly for major repairs and improvements not regular maintenance.

Recovering actual cost to operate plus 10% means breaking even. That includes every penny spent on facility staffing and operations. Divide that annual cost to operate by the number of hours per year the facility will be open, and you have an hourly cost to be open. Then you look at what programs or daily access will be offered and make sure the numbers balance.

“We are optimistic ... that our ideas will strengthen the situation the pool is currently in, he said. The park district just wants to be as transparent as possible, be as honest as possible, and let the community know the facts and the potentially difficult decision the pool may face if the changes we are proposing for this season do not improve on the financial situation.”

Budget distributed = Park District Attorney handed out the park district’s proposed budget and appropriations ordinance. Board members will discuss it during April’s meeting, at which time public comments will be taken.

The total budgeted in all the district’s operational funds is \$549,884.

Estimated revenues for the corporate fund, which includes a grant of \$15,401 from the recreation fund, totals \$68,821.

Estimated expenditures from the recreation fund total \$118,170.

Funds allocated for the swimming pool fund, which includes a \$4,607 grant from the youth league fund and beginning cash on hand of negative \$2,832, are \$53,775.

For the insurance fund, \$30,250 is allocated for the insurance fund.

The general obligation bond and interest fund has \$100,520 allocated for it.

A total of \$110,042 is allocated for the construction and development fund.

For the audit fund, \$6,000 is allocated, and \$8,000 is allocated for the State Municipal Retirement Fund.

The Social Security fund has \$19,000 allocated for it.

Funds allocated for the youth league fund total \$35,807