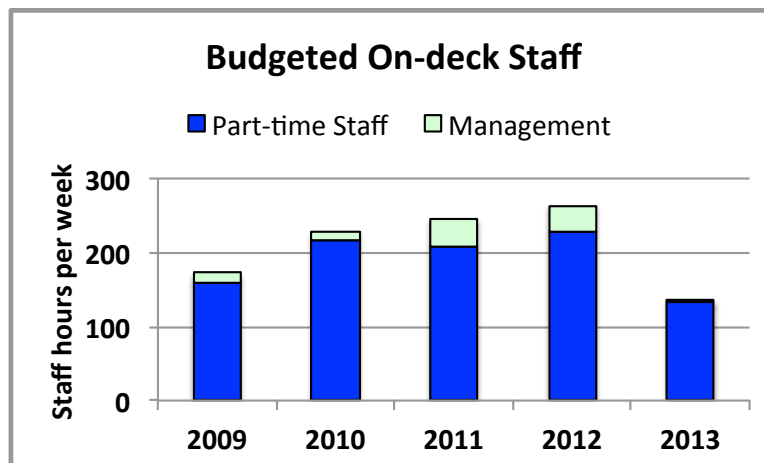


Prospectus for 2013 Mountain View Pool Operation

The 2013 City of Port Townsend Budget adopted on December 17, 2012 has severely reduced Salaries and Wages for operating the Mountain View Pool, compared to recent past years. This translates into only 48 hours per week for public access¹ – well below levels from recent past years at Mountain View (60-88) and well below those at Port Angeles (90), Sequim (78.5) and Poulsbo (57) pools. Several options for addressing this funding shortfall are outlined. The “Customer Oriented Revenue Management” option would pay for all on-deck staffing expenses from user fees, without any impact on the City General Fund beyond the fixed costs of operating the pool (fuel, management, insurance, equipment, repairs, etc). This option provides the opportunity the City to work with stakeholder groups such as the JeffCo Aquatic Coalition to provide adequate levels of service for the community to access the refurbished Mountain View pool for recreation, fitness, sports and water safety uses.

Available On-Deck Staff Hours

The below figure summarizes the budgeted “on-deck” staff levels for 2013 and the past four years. On-deck staff are those who directly serve the pool users: lifeguards, instructors and cashiers. It does not include pool manager(s) time devoted to management duties. The “part time staff” data is taken from the Projected Personnel Sheets accompanying each yearly budget, as approved by Council in December of the preceding year. The “management” data represents the portion of the managers’ time allocated to on-deck duties. The sum of these two represent the available staff hours to serve the public². The data shows that 2013 on-deck staffing levels are about one-half of those for the past three years and considerably lower than 2009, which predates the passing of the library levy. Further details on the displayed data are given in Appendix I.



¹ This assumes the pool reopens March 1 for 43 weeks of operation. If the pool had opened January 1 for its normal 50 weeks of operation, the 2013 budget would support only about 41.5 hours per week.

² This does not include time for swim teams or other contract users that pay a flat hourly fee and provide their own on-deck staff.

Available Pool Hours for Public Access

A minimum of two on-deck staff are needed when the pool is open: a cashier and lifeguard who trade duties every 15-20 minutes. Classes require one or more instructors. Additional lifeguards are needed during high usage hours (e.g. the Friday rec swim when up to 5 on-deck staff are needed). The number of on-deck staff for an average pool hour varies from about 2.5 to 3.0 depending on the mix of activities programmed during the year. An value of 2.75 will be used for rough estimates.

Using 2.75 on-deck staff hours per publicly available pool hour, and assuming the pool reopens March 1, 2013, the data on the preceding page shows that pool will be open to the public about 48 hours each week. The actual hours of operation for the past two years is shown below, based upon data provided by the pool manager³. It is clear that the 2013 budget will fall far short of the community expectations for pool access.

Actual hours Mountain View pool was available for public use each week⁴

	2011	2012
Winter	88	68.5
Spring	85.5	67
Summer	85	77.5
Fall	71	60

For comparison purposes, the data below shows the publicly accessible hours for nearby pools, based upon their online fall schedules. All three pools offer a mix of lap swimming, aqua exercise, open and recreational swimming. In addition, each pool is open additional hours for swim team practice, as would be the Mountain View Pool. Further details for each pool and their available programming are given in Appendix II.

Publicly accessible hours for nearby pools for a typical fall week

Facility	Hrs	Schedule
North Kitsap – Poulsbo	57	http://www.nkschools.org/Page/788
Sequim Aquatic Recreation Center (SARC)	78.5	http://www.sarcfitness.com/files/DecemberPoolSchedule.pdf
William Shore Memorial Pool – Port Angeles	90	http://www.williamshorepool.org/?page_id=7

The approved 2013 Mountain View Pool budget will result in considerably reduced level of service per week (about 48 hours for 10 months) than in the recent past years (60 to 88 hours) and compared to nearby public pools (57 to 90 hours).

³ The actual hours the pool was opened in 2012 are significantly different than the planned budget due to the revised pool repair plans and supplemental allocated budget.

⁴ Exclusive of swim team and other contract users.

Example Schedule

The Mountain View pool schedule changes at least quarterly to adapt to seasonal programming changes, e.g. high school swim team, school swim lesson and summer recreational swimming. Furthermore, there are various options for balancing user needs (hours of lap swimming, number of exercise classes, special needs classes, etc.). So it is not possible to display a single example that applies all year. With that in mind, the below schedule is displayed as one example for the purposes of exploring how the staff hours might be allocated and where there might be gaps.

DRAFT Example of a possible winter quarter schedule

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
5:30am	Laps 5:30-8:00am	Laps 5:30-8:00am	Laps 5:30-8:00am	Laps 5:30-8:00am	Laps 5:30-8:00am		
6:00am							
6:30am							
7:00am							
7:30am							
8:00am	AquaPower 8:00-9:00am	2 lap lanes SC til 9am	YMCA Zumba	AquaPower 8:00-9:00am	2 lap lanes SC til 9am	YMCA Zumba	AquaPower 8:00-9:00am
8:30am							
9:00am	Therapy Swim 9:00-11:00am	Therapy Swim SC 9:00-11:00am	Private Lessons	Therapy Swim 9:00-11:00am	Therapy Swim SC 9:00-11:00am	Private Lessons	Therapy Swim 9:00-11:00am
9:30am							
10:00am							
10:30am							Masters 10:00-11:00am
11:00am	Laps 11:00-1:00pm	Laps 11:00-1:00pm	Laps 11:00-1:00pm	Laps 11:00-1:00pm	Laps 11:00-1:00pm		Open Swim 11:00-1:00pm
11:30am							
12:00pm							
12:30pm							
1:00pm	Maintenance	Grant Street School Lessons 1:00 - 3:00 pm	Rec Swim 1:00-3:00pm	Grant Street School Lessons 1:00 - 3:00 pm	Maintenance		
1:30pm							
2:00pm							
2:30pm							
3:00pm	PTST	PTST	PTST	PTST	PTST		
3:30pm							
4:00pm							
4:30pm							
5:00pm	Lap Swim 5:00-6:30pm	Lap Swim SC 5:00-6:00pm	Swim Lessons	Lap Swim 5:00-6:30pm	Lap Swim SC 5:00-6:00pm	Swim Lessons	Lap Swim 5:00-6:00
5:30pm							
6:00pm		OPA 6:00-7:30pm					
6:30pm	OPA 6:30 -7:30		OPA 6:30 -7:30	OPA 6:00-7:30pm	Friday Night Rec Swim 6:00-7:30pm		
7:00pm							
7:00pm							
Total	9	10.5	11	10.5	10	2	3
	56						

This example has 56 hours when the pool is open to public groups, including 4 for Grant Street school lessons. Another 17 hours are allocated for contract usage for swim teams and YMCA offered Zumba class (shown in sepia). There is a bare minimum of weekend availability and limited exercise and therapy classes. In this example, the pool closes at 7:30, a half hour earlier than normal operation. Overall, this would be considered a schedule that *minimally meets community needs*.

A detailed staffing plan for this schedule shows that 157 hours of on-deck staff are needed weekly to support the 56 hours of programming. Recall that there are 132 available on-deck staff hours for 2013 for 43 months operation. This translates to a 25 hour shortfall of available staff for this example schedule.

Options for Addressing 2013 Mountain View Pool Public Access

Three broad options are offered below for handling the staffing shortfall. Each represents a different management strategy. Specific actions could apply to more than one strategy. e.g. using volunteers could apply to both Options 2 and 3.

Option 1 – As Budgeted

One approach under this option would keep the pool open an average of about 48 hours per week, assuming it reopens in March first. This would require eliminating an average of 8 hours per week of programming.

Another management strategy under this option could be to delay the reopening till mid April so that the approved budget could meet the 56 hour schedule for the rest of 2013.

Since the actual hours vary with season due to programming changes, the above are just rough guidelines. Also, recall that 56 hours of programming is considered a bare minimum offering.

This is a lose-lose-lose option for all stakeholders.

- The City will lose revenue, which is only generated when the pool is open⁵. Furthermore, it will lose the respect and trust of the public. During the 2013 budget deliberations, the City stated that the proposed budget was a full year, not a 6 month one. When this becomes apparent to the public through lack of access due to fewer hours, the citizens will understandably be upset with the City.
- The public will have less access to the pool than expected. This will impact, in some combination to be decided by the pool manager, the community's wellness, recreation, swim teams, or swim lessons.
- The part time on-deck staff will have less employment than in 2011 and 2012, which affects their individual lives as well as the community.

Option 2 – Stretch for Resources

This option would seek additional resources from all possible sources to stretch the approved budget to the 56 hour bare minimum, and beyond that towards a target of 70-80 publicly accessible pool hours. Starting from an estimated base of 48 hours, additional support might come from:

- Allocate pool manager time to on-deck hours. For the example schedule, the pool manager would instruct the two hours per week water babies session. Further increasing the on-deck time on the pool manager is balanced with her seeking, and maybe training, alternates to funded on-deck staff.

⁵ The approved 2013 budget includes \$105K revenue from user fees, a level that cannot be realized with the approved staffing. \$105K is more representative the fees generated from 70-80 hours of operation based upon recent experience. If Option 1 is adopted, generated revenue will fall way short of \$105K.

- Volunteers filling in where possible and permissible, in exchange for comp pool time. The pool manager has identified 5.5 hours when a volunteer cashier could be used during rec swims, and 16 hours when volunteer instructors could be used during the Grant Street School lessons.
- Seeking support from Jefferson Healthcare for aqua therapy classes. Preliminary inquiries have started, but it is far from clear that this is possible.
- Outsourcing aqua exercise classes to the YMCA or private providers. The aqua zumba class shown on the example schedule is one such instance. A pilot offering was tried this fall, but it remains to be seen if such outsourcing can succeed.
- Seeking supplemental budget from the City.

This option is a partial win – partial lose one:

- The public would have greater pool accessibility than Option 1. However, unless the 70-80 hours are achieved, it is only a partial win.
- The part time staff hours might increase if there is additional funding. At best, it would be a partial win for the part time staff.
- The City would gain some additional revenue, but maybe at the expense of additional funding. It is unclear if the public's trust and respect for the city would increase over Option 1.
- The pool manager would have significantly more complex management job recruiting and training volunteers and working with other providers. This would detract from allocating time to on-deck duties.

Option 3 – Customer Oriented Revenue Management

This option is based on an analysis of user revenue and costs for on-deck staff presented to City Council on December 3, 2012 and attached as Appendix III. Revenue is generated only when the pool is open. Historically, the variable costs of keeping the pool open (on-deck labor) are closely matched with the revenue that is generated. With careful attention to revenue generation, the variable costs of operating the pool could be met (or even exceeded) with user fees.

Under this option, the pool would be run in a business like manner with programming managed to serve user needs and generate sufficient revenue to pay for the cost of on-deck staff. This would require that the city adopt new thinking about managing the pool, refocusing from a cost mindset to a managed revenue-cost mindset. Currently the revenue that is generated goes into the City General Fund and not to the pool. There is little incentive for the pool manager to increase revenue. This would have to be changed so that the pool manager could have both cost and revenue responsibility.

The pool manager would have to devote time to promoting the pool to potential user groups and being sensitive to meeting their needs – i.e. a “customer first” approach. The JeffCo Aquatic Coalition could help in this effort. This would be a true partnership where all the stakeholders work together to make the pool accessible and financially

sustainable. The pool could be open 70 – 80 hours a week, depending upon customer willingness to pay for the service provided.

A net revenue estimate has been developed for the example schedule shown on page 3 and the corresponding staffing plan estimating 157 weekly hours of on-deck staff. Average user fees were assumed based on 2012 rates. Estimates were made for {minimum, average, maximum} user levels for each program areas. The on-deck staff costs were subtracted from the user revenues to give a rough estimate for *net revenues*. Some program areas lose money, while others make money. Adding all these up, the first-cut estimate shows the average user loads would generate a net positive revenue \$159 per week. If user levels were at the minimum, there would be a \$465 net loss. If user levels were at their maximum, \$782 net positive income could be generated each week. These numbers should only be used to illustrate that, with attention to customer oriented programming and user fees, it is entirely feasible to achieve the objectives of this option.

A more detailed revenue model would need to be developed – a quite doable task. With this, the impact on revenue of increasing or decreasing user loads, fee structures or programming options can easily be seen. Appendix III lists a few suggestions for increasing revenue. The pool manager, armed with such tools and with the help of JeffCo Aquatic Coalition to better publicize and promote pool usage, should be capable of managing the pool such that the cost to the city does not increase or decrease with the number of hours the pool is available to the community.

This is a win-win-win option

- The public wins by getting adequate access to the pool and more programming to meet their needs in return for paying a fair price for it.
- The City wins by not taking on additional cost beyond the fixed costs (fuel, pool management, insurance, repairs, equipment, etc) to operate the pool.
- The staff wins by greater employment opportunities.

Summary

The 2013 budget approved by Council for the operation of the Mountain View pool is inadequate, and is actually flawed as it assumes unrealistic levels of revenue for the resources provided. The net cost to the City for the operation of the pool will be greater than accounted for in the budget, and the level of service will be less than implied by city management during budget hearings at Council. The net result will be frustration and anger among the pool users and employees, and further losses to the City.

Three options are presented, and illustrated by an example pool schedule.

The “As Budgeted” option will result historically low levels of service, and tension between the users and in the city administration. It is a lose-lose option for all stakeholders.

The “Stretch for Resources” option will require considerable effort to achieve and is at best a partial solution. Given that 2013 will see less than 12 month operation of the pool, it will require even more stretching in future years unless the City allocates further resources.

The “Customer Oriented Revenue Option” requires a change in city mindset from cost to net revenue management of the pool. Rough estimates show the pool’s variable costs can be met or exceeded by user revenues, meaning the pool can serve as much of the community’s needs as they are willing to pay for.

Acknowledgement

Mountain View Pool Manager Anji Scalf provided factual information on pool usage, an example schedule, and staffing levels for various activities.

Appendix I – Calculation of available on-deck staff hours

2009 had 7686 budgeted hours for part time staff, and 48 weeks of operation giving an average of 160 hours of part-time staff per week. The pool manager taught aqua exercise and swim lessons. Twelve hours per week have been estimated for her on-deck hours. 2009 predated the passing of the library levy and the pool was closed on Sundays.

2010 had 10797 budgeted hours for part time staff and 50 weeks of operation have been assumed. This gives an average of 216 hours per week for part time staff. Twelve hours of pool manager's time was added for her teaching of aqua exercise and swim lessons. Sunday hours were restored after the library levy passed.

2011 had 10,438 budgeted hours for part time staff. Assuming 50 weeks of operation, this gives an average of 209 hours per week. An additional 35.5 hours per week of pool manager and assistant manager time were allocated for on-deck activities for a total on-deck staffing of 244 hours per week.

2012 had 5906 budgeted hours for part time staff for 6 months (26 weeks) of operation, which gives an average of 227 hours per week. An additional 35.5 hours of pool management time was allocated for on-deck activities for a total of 262 hours of on-deck staffing.

The 2013 budget has 5697 budgeted hours for part time staff. The actual weeks of operation will be known when the pool reopens. The displayed data assume a March 1 reopening for 43 weeks of operation. This gives an average of 132 hours per week. The 2013 budget eliminates the pool assistant manager who spent approximately 30 hours on-deck. The pool manager is budgeted for 2 hours per week of instruction. This gives a total of 135 available on-deck staff hours.

Appendix II – Summary of Nearby Pool Public Access

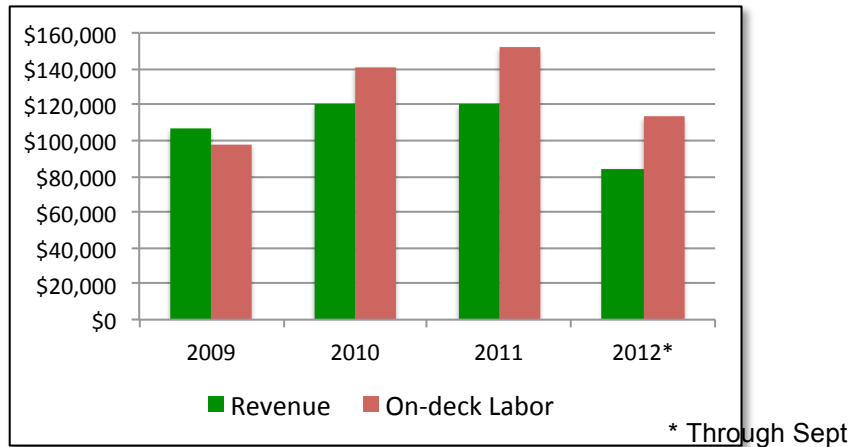
The North Kitsap pool in Poulsbo is the most comparable facility of the three to the Mountain View pool. It has a similar L-shaped layout but is larger with six 25-yard lanes in either leg of the L⁶. When refurbished, the Mountain View pool will be comparable in terms of lighting, liner, and deck quality. The Kitsap pool has better locker rooms and showers. According to the online schedule, it is open 6 days a week: Monday to Friday from 5:45 AM to 6 or 8 PM, and Saturday from 7 AM to 2 PM. Programming includes lap swimming, aqua exercise (aerobics and zumba), open swim, and lessons. The pool is available to swim teams, synchronized swimming, and master swimming. It is available for rental four hours a week. For further details, see <http://www.nkschools.org/Page/788>

The aquatic part of SARC is a much larger and more modern facility than Mountain View with considerably better supporting amenities (locker rooms and showers, hot tub and sauna). It has a six lane, 25 yard lap pool kept at 83 degrees, a shallow warm water (89 deg) therapy pool, and hot tub. It is open from 5 AM to 8:30 PM Monday through Friday, 8 AM to 7:30 PM on Saturday, and 11 AM to 7:30 PM on Sunday. The lap pool supports a variety of recreation amenities, including a water slide and diving board. Programming includes lap swimming, aqua exercise (aerobics and water walking), swim lessons, and open/recreational swim. It supports the high school and master's swim teams. For further details, see <http://www.sarcfitness.com/aquatics>

The William Shore Memorial Pool in Port Angeles is a single pool about twice the size of Mountain View. It has six 25 yard lap lanes, an attached shallow area and an attached deep water well, both larger than Mountain View. It was refurbished in 2012 and when Mountain View is refurbished it will be comparable in quality, except for the locker rooms and showers. The pool is open from 5:30 AM to 8 PM Monday through Thursday, 5:30 AM to 9 PM on Friday, 7:30 AM to 4 PM on Saturday and 10 AM to 4 PM on Sunday. Programming includes lap swimming, aqua exercise (aerobics, water walking, balance and stability, zumba), lessons, home school PE and open swim. The pool supports the high school swim team and swim clubs. It is available for rental 8 hours a week as well as on-deck birthday party space during open swim. For further details, see <http://www.williamshorepool.org>

⁶ Mountain View pool is L-shaped with four 20 yard lanes one way and four 19 yard lanes the other way. It does not meet competitive swimming standards.

Appendix III – Revenue Analysis Presented to City Council on December 3, 2012



The above plot shows actual revenue and on-deck labor costs (wages plus benefits) for Mountain View pool for the most recent four years. The on-deck labor costs are calculated from the total labor costs minus estimated management labor costs.

The data shows that costs for the pool staff that directly serve the users are close to revenue generated from those users. The remaining pool costs (management, fuel, supplies, insurance, misc) are largely fixed and do not vary with the number of hours the pool is open.

Rather than asking the question “How many on-deck staff hours can the city afford?”, one could ask “Can the revenues and on-deck staff costs be managed to balance each other?” Asking this question gives the city the opportunity to serve the citizens with the pool open for its normal hours seven days a week, and to employ a full on-deck staff complement with no net cost beyond the fixed operational costs.

Opportunities to increase revenue include:

- Promotion – Making the pool amenities better known to the community, particularly with the reopening of the refurbished pool.
- Programming – Offering services that attract users such as exercise and therapy classes, swim lessons, teen activities like water volleyball and inner tube water polo, and lap swimming - including during some classes by using the alternate lap lanes.
- Fee capture – Assuring everyone pays and pays the appropriate fee.
- Fees – Increases in user and contract user fees.

Opportunities to manage staff costs include:

- Volunteers – Using qualified volunteers in selected ways.
- Partnering – Working with the YMCA, Jefferson Healthcare, NWMC, schools, clubs and other stakeholders to provide instructors for specialized classes.
- Programming – Reducing or eliminating specific usage where staff costs exceed revenue generated by that usage.