

## Design Corner: Third-Party Aquatic Center Management

A Look at the Pros & Cons

By Kevin Post & Michelle Schwartz

**A**lthough some municipalities compete for scarce aquatic professionals to manage cutting-edge aquatic centers, others contract management to a third party. While the municipality would remain the face of the facility, there are considerable strengths and weaknesses for a public/private management relationship with a third party to manage the facility. The main concern for acquiring outside management—a developer, a USA Swimming Club, a local aquatic management company, a YMCA—is that the city relinquishes control, including control of tax dollars and programs.

### Developer Management

The strength of a developer management relationship includes knowledge and expertise in design-build and management responsibility logistics. Weakness entails that the city relinquishes control of design decisions, which may not be in concert with the community. Moreover, the city lacks control of accounts payable/receivable and achieving city goals of competitive and lesson programming, which could be thwarted as the developer would typically have a recreational emphasis. Opportunities include a community hub profile and market marker if the developer has a draw name. Marketing and branding would not necessarily be via community outreach. Threats include high admission fees (double or triple) over the resident expected rate; lack of equal opportunity compliance in concert with the city; lack of effectiveness of competitive bidding practices; and the city might wind up with an obsolete pool if the facility isn't profitable when the management contract ends.

### USA Swimming Club Management

The strength of a USA Swimming Club management relationship includes their reputable aquatic governing status for the sport. USA Swimming formulates the rules, implements policies and procedures, conducts national championships, disseminates safety and sports medicine information, and selects athletes to represent the United States in international competitions. Known in competitive sports for its strong program, USA Swimming has a built-in feeder system of interested parties for staff and management with aquatic experience of operations. Weakness entails the lack of city control and a primary focus on competitive swimming that could dampen the city's effort to seek a balance of programming, which may lead to a dissatisfied community reaction to a team-run pool. Opportunities include a great swim program and increased contractual financial responsibility for performance. Threats include prioritization participation; city requirement to cover shortfall of financial risk; and the ability to have financing capability (startup capital, working capital, financing capability and credit).

### Local Aquatic Management Company

The strength of being managed by a local aquatic management company includes industry knowledge to meet critical repair needs (before and during the season) and major renovations (off-season). An aquatic management group will handle the Health Department permit process and recruit, hire and train pool managers, assistant managers, lifeguards and swim instructors with experience to oversee the day-to-day operations of the facility, including chemical knowledge in compliance with local Health Department requirements. They typically have additional insurance coverage, and their service business is consistent with regional management protocol. Additionally, they define scope, role and success with their own company expansion. Weakness includes lack of city control, community reaction to a profit-based service provider, contract responsibility versus ownership, and lack of responsibility for coaching staff. Opportunities include balancing programming priorities with a business approach and a la carte needs (i.e., chemical balance, lifeguards, concessions). Threats include not achieving city recreational goals, equal opportunity

compliance and competitive bidding practices.

## **YMCA Management**

The strength of being managed by the YMCA includes their professional reputation with a special emphasis on community and families. It is common for Y's to have swimming pools, weight rooms, fitness and various sports such as basketball, volleyball and racquetball, thus providing synergy for community fitness. From a global programming perspective, 2,600 Y's are present in 124 countries. Service is closely aligned with municipal protocol. Likewise, hiring and training includes lifeguard management. Weaknesses may include community reaction as it is known as religious-based (conflict of church and state), and contract responsibility versus ownership. Opportunities include balanced programming priorities and an in-sync municipal-type business approach. Threats include another market marker for the Y.

## **Aquatic Consultant Assistance**

Hiring an experienced aquatic consultant can be a plus when deciding how to manage a new aquatic center. Their experience in nationwide research and engaging in conversations with third party consortiums on the city's behalf may be enlightening in making a knowledgeable decision before moving forward in a public/private partnership (PPP). An experienced consultant can see blind spots when visionaries' enthusiasm may only see swimming, splashing and diving.

There are many types of PPPs—operations and maintenance, design-build, turnkey operation, wrap-around addition, temporary privatization, lease or buy/develop/operate, build/transfer/operate, etc. The desire to partner is only effective when there is mutual interest and a common vision in the major capital asset between the municipality and the partner. However, PPPs have allowed many organizations to create aquatic centers that otherwise would not have been possible.

Management investment, whether through a third-party or an in-house team, must ensure that the facility's future as a business enterprise as well as a public institution continues to thrive and challenge itself in nurturing success to both the facility and the community it serves.

### **ABOUT THE AUTHORS**

**Kevin Post** is a project manager with Councilman-Hunsaker, specializing in feasibility analysis for communities. He assists clients in preparing for the development and capital investment requirements of a new project.

**Michelle Schwartz** is a contract writer for the Councilman-Hunsaker team. She focuses on research and writing feasibility studies, master plans, strategic plans, marketing narratives and assisting engineers and architects in writing articles for publication. For more information, visit [www.chh2o.com](http://www.chh2o.com).