City of Austin

A Report to the Austin City Council

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Audit of the Parks and Recreation Department (PARD) Resource Allocation

September 2016

Office of the
City Auditor

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REPORT SUMMARY

PARD may be unable to continue to provide services at the level expected by the community and decisions about curtailing services or expanding funding will need to be made to ensure the long-term sustainability of PARD. Internally, PARD's resource allocation process is ineffective and does not provide a basis for strategic department-wide decision making. External factors impacting PARD's ability to continue to provide services include: aging infrastructure, funding constraints, and pressure to provide many different low cost programs to a large, varied customer base. Due in part to insufficient resources, there is a backlog of facility maintenance service requests and completion of maintenance is often untimely.

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GOVERNMENT AUDITING STANDARDS COMPLIANCE

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

AUDIT TEAM

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Report Highlights

Why We Did This Audit

This was conducted as part of the Office of the City Auditor's fiscal year (FY) 2016 Audit Plan and because prior audits have indicated that risks relating to PARD resource allocation may not be fully addressed.

What We Recommend

PARD should:
- implement a program management system to track complete, reliable program information to inform programmatic decisions;
- initiate a policy discussion to determine how to offer an appropriate balance of services given funding, and make adjustments accordingly;
- ensure participants properly register and pay for fee-based programs and better align fees to recover costs while still providing financial assistance as needed; and
- ensure facility service requests are completed timely.

AUDIT OF THE PARKS AND RECREATION DEPARTMENT RESOURCE ALLOCATION

BACKGROUND

The mission of PARD is to provide, protect, and preserve a park system that promotes quality recreational, cultural, and outdoor experiences for the Austin community. The department also offers programs to youth, adults, and seniors and manages many recreation facilities and activities in addition to more than 20,000 acres of green space and trails, 6 golf courses, 5 cemeteries, and 11 museums, arts, and cultural centers.

OBJECTIVE AND SCOPE

The objective of the audit was to determine:
- how resources are allocated for PARD programs and maintenance, and
- if this process results in equity from a City's district perspective.

While not directly related to resource allocation, throughout this audit we observed numerous interactions between PARD staff and the community and noted staff is committed to the communities they serve, and passionate about the PARD mission.

The audit scope included City processes for allocating PARD resources for programs and facility maintenance in FY14 through FY15.

WHAT WE FOUND

Due to various internal and external factors, PARD may be unable to continue to provide services at the level expected by the community and decisions about curtailing services or expanding funding will need to be made to ensure the long-term sustainability of PARD.

Within the department, PARD's resource allocation process is ineffective and does not provide a basis for strategic department-wide decision making.
- Current data collection tools for tracking key program information are not effective, and these tools do not produce complete, reliable program information.
- Site and division managers participate in resource allocation decisions; decisions are not documented or effectively communicated throughout the department.
- Even if the data were reliable, the current tool for tracking program data does not allow program data to be aggregated for the purpose of comparison across the department, and is therefore ineffective at providing a basis for strategic department-wide decision making.

In addition, a number of external factors may limit PARD's ability to continue providing needed recreation services at the level expected. These external factors include aging infrastructure, funding constraints, and pressure to provide many different programs to a large, varied customer base at a relatively low cost.

Due in part to insufficient maintenance resources, response to facility maintenance service requests are untimely and PARD has experienced significant year-end backlogs of uncompleted work orders.

BACKGROUND

The mission of the Parks and Recreation Department (PARD) is to provide, protect, and preserve a park system that promotes quality recreational, cultural, and outdoor experiences for the Austin community. Additionally, the Department offers more than 400 programs[1] to youth, adults, and seniors and manages multiple recreation facilities and activities as shown in Exhibit 1. PARD programs are mainly provided internally by the department, but some are provided through partners and other non-profits.

EXHIBIT 1
City Parkland, Recreational Facilities[2], and Other Sites Managed by PARD

300 parks & 20,000+ acres of greenspace	78 mixed-use fields	5 disc golf courses
212 miles of trails	35 baseball fields	9 x-treme sports facilities & tracks
12 dog parks	23 soccer fields	23 historic buildings
124 tennis courts	78 basketball courts	11 museums, arts & cultural centers
35 swimming pools	49 volleyball courts	10 stages & amphitheaters
26 recreation & senior centers	6 golf courses	5 cemeteries

SOURCE: Provided by PARD Management, June 2016

The fiscal year (FY) 2015 approved operating budget for PARD was approximately $83.5 million and of that, approximately $44 M (or 53%) was approved for community and facility services activities. The majority of PARD funding (85%) is provided through the City's General Fund.

In FY13, OCA performed an audit of the PARD mid-year budgetary changes to youth and senior programs and found these changes were based on incomplete and unreliable data. Specifically, changes to programs were being made without knowing the true program cost and actual performance. At that time, PARD was in the process of establishing a system aimed at enhancing PARD's ability to collect and evaluate program performance and budget information for decision making.

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[1] This figure is based on a list of the FY2015 community programs PARD management provided to Council. It does not include the History, Arts, and Nature programs.
[2] The number noted for pools excludes four pools (Odum, Palm, St. John's, and Kealing) that have been closed for about seven years.

OBJECTIVE, SCOPE, AND METHODOLOGY

This audit was conducted as part of the Office of the City Auditor's Fiscal Year 2015 Audit Plan, as approved by the City Council Audit and Finance Committee. The audit was included in the audit plan partially due to observed Council and public interest, and because prior audits have indicated that risks relating to PARD resource allocation may not be fully addressed.

Objective

The objective of the audit was to determine:
- how resources (including staff and funding) are allocated for PARD programs and maintenance, and
- if this process results in equity from a City's district perspective.

While not directly related to resource allocation, throughout this audit we observed numerous interactions between PARD staff and the community. Notably, PARD staff appear to be dedicated employees, committed to providing good customer service to the communities they serve, and passionate about their work and the mission of the department.

Scope

The audit scope included City processes for allocating PARD resources for programs and facility maintenance in FY14 through FY15.

Methodology

To accomplish our audit objectives, we performed the following steps:

- interviewed PARD management and staff responsible for programs and facility maintenance;
- analyzed information relating to allocation of resources for programs and facility maintenance;
- selected and reviewed a sample of 120 programs to determine the accuracy and completeness of program information;
- analyzed drop-in attendance for a sample of five recreation centers;
- analyzed tracking of afterschool program attendance for five recreation centers;
- analyzed FY 2014 and 2015 facility maintenance work orders to determine the timeliness of facility maintenance, work backlogs, and the tracking of maintenance data;
- performed site visits to select PARD recreation centers to evaluate how attendance is tracked;
- researched industry practices and PARD policies and procedures relating to allocation of resources for programs and facility maintenance;
- researched peer cities' parks and recreation department's responsibilities and funding;
- evaluated internal controls related to allocation of resources for programs and facility maintenance; and
- evaluated the risk of fraud, waste, and abuse with regard to payments for programs at six PARD facilities.

WHAT WE FOUND

Due to various internal and external factors, the Parks and Recreation Department (PARD) may be unable to continue to provide services at the level expected by the community and decisions about curtailing services or expanding funding will need to be made to ensure the long-term sustainability of PARD. Within the department, PARD's resource allocation process is ineffective and does not provide a basis for strategic department-wide decision making. Specifically, current data collection tools for tracking key program information are not effective, and these tools do not produce complete, reliable program information. Also, resource allocation decisions concerning programming are delegated to staff at the recreation center level even though those employees do not have the benefit of department-wide program information critical to making informed resource allocation decisions. While site and division managers participate in resource allocation decisions, decisions are not documented or effectively communicated throughout the department, making review of resource allocation decisions very difficult.

Additionally, a number of external factors (including: aging infrastructure, funding constraints, and pressure to provide many different programs to a large, varied customer base at a relatively low cost) limit PARD's ability to continue providing needed recreation services to the public at the level expected.

Partly because the department does not have sufficient maintenance resources, response to facility maintenance service requests are untimely and PARD experiences significant year-end backlogs of uncompleted work orders. Lastly, work orders were sometimes canceled without documenting the business justification for the cancelation, which may lead to increased safety risks and/or extended facility closures.

Finding 1: PARD's resource allocation process is ineffective and does not provide a basis for strategic department-wide decision making.

PARD has established a resource allocation process that aims at distributing resources based, in part, on community need and available infrastructure. The department has also gone through significant effort in recent years to better document key program details, standardize fees charged for programs, and evaluate program costs. However, we found several issues that impact the Department's ability to effectively allocate resources for programs and maintenance.

The current tools used to collect and store program information are not effective, which greatly impacts the reliability of data used in decision making. PARD provides over 400 programs annually[3] and staff is required to develop a Program Planning Worksheet tool (planning worksheets)[4] for each program provided. However, information collected using the planning worksheet tool is not always accurate and reliable, and sometimes, key data is not tracked at all.

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[3] This is based on a report, showing community programs that could potentially be offered by the Department, provided to Council during the FY16 budget development process. PARD does not maintain a complete list of all programs actually provided.

[4] A program planning worksheet (developed in Microsoft Excel) is designed to track all relevant program planning, implementation, and evaluation data which should then in turn serve as an information resource to consider when determining programs to reduce, increase, continue, or discontinue. Information to be captured in these worksheets includes: program description and date, attendance, staffing needs, money spent on supplies and sundries, feedback from program participants, etc.

Information is not complete and accurate. In a review of 110 planning worksheets for data accuracy and protection, we found that the majority of planning worksheets prepared did not always track: evidence of approvals, the number of program participants, staff time, program expenditure data, and participant survey results. Also, 59 of the 110 (or 54%) reviewed planning worksheets were not restricted so that edits could no longer be made after the program was finalized to mitigate the risk of unintended changes to information therein. In addition to the data within the worksheets being unprotected, the files that contain the planning worksheets were not protected from deletion. In fact, a folder containing all the FY15 finalized planning worksheets for the Central District was inadvertently lost and could not be recovered. We also found that the worksheets are kept in various places and cannot always be located when needed. While the majority of these worksheets reside in one designated shared folder, some are kept in district-specific folders, staff personal folders, and on computer desktops. Lastly, in a review of an additional 70 programs offered in FY15, 16 (or 23%) of the programs tested did not have a corresponding planning worksheet.

> Best practices indicate that strategic decisions on resource allocation should be based on complete, reliable, and verifiable data.

Some key program details are not tracked at all. We surveyed program records at five recreation centers for FY14 and FY15. Youth sports program attendance records were not retained across the board and about 40% of the time, afterschool program attendance records were not retained. When afterschool attendance was taken[5], staff sometimes relied on incorrect program rosters printed from the PARD Recreation Management Information System (RecTrac). For example, a RecTrac roster printed for a September afterschool program would show the children who have paid for and are eligible to attend that program in September. However, if this same roster was used to take attendance in October, staff cannot obtain a complete and accurate accounting of all the children attending the program. Using a roster for a different month means that children who are newly enrolled would not be included on the roster and children who did not re-enroll could continue to attend the program.

PARD management asserts that the registration data in RecTrac is sufficient attendance documentation and information on those who physically show up for the program is not needed. While RecTrac rosters alone may be adequate for certain resource allocation decisions, records on exactly which children attend programs each day would better allow:
- PARD staff to know all the children in their custody for given programs;
- PARD to have proof of compliance with child care legal provisions; and
- PARD staff to provide program services only to children who have paid and properly registered for the program.

Also, determining if a specific child was in PARD custody after the fact is virtually impossible when program attendance data is not retained or records that are retained are unreliable.

Moreover, drop-in attendance (attending a PARD facility for one-time use like using a gymnasium or weight room as opposed to attending a registered, multi-day program) is not consistently tracked and attendance data that was captured is not reliable. Based on PARD records, 22 of the 31 facilities reviewed (or 74%) track drop in attendance using manual sign in[6].

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[5] Meaning staff noted exactly which children participated in the program for that specific day.
[6] PARD management asserts the department is in the process of automating sign in at all recreation centers.

However, manual attendance tracking cannot be validated due to significant issues with missing and disorganized records, undated records, and duplicated and illegible attendance signatures. Additionally, manual attendance records do not match data entries in RecTrac, further compromising the reliability of this attendance data.

Even if the data were reliable, the current tool for tracking program data does not allow program data to be aggregated for the purpose of comparison across the department, and is therefore ineffective at providing a basis for strategic department-wide decision making. Planning worksheets are individual repositories of program information and there is not an effective way to connect them to compare key program details (such as attendance and costs). Among other constraints, this makes it difficult to determine the true costs of services[7] and identify inefficiencies like program overlaps or redundancies.

Furthermore, although PARD has several avenues to collect and track public input on programs, (including performing community outreach, surveys of citizens and program participants via email, and assessments of specific areas such as Aquatics), this feedback, along with that contained in the planning worksheets, is not easily summarized so it can then be used to make adjustments to service delivery.

Some decisions on which programs to add, expand, reduce, and/or discontinue are delegated to a level that does not have the full picture. PARD site decisions on which programs to add, expand, reduce, and/or discontinue are being made, in part, at the recreation center level. These decisions are based mainly on historical program data, which is tracked through the planning worksheets, and staff's historical knowledge. However, staff at the recreation centers are only able to see information relating to their specific recreation centers and do not have a clear picture of activities in other recreation centers, nor access to a tool showing department-wide program information. This impacts their abilities to effectively make program decisions. Also, some personnel noted that staff at recreation center level are mainly experts in supervising and caring for children, but have not been well trained in planning and evaluating programs and then, in turn, allocating resources appropriately.

Causes of the conditions noted include: competing priorities, inadequate technological resources, and decentralized decision-making without adequate management oversight. Again, staff at recreation centers are mainly experts in supervising and caring for children, but have been given many additional tasks and managerial responsibilities[8]. Staff stated that their time is occupied with directly running the programs and the administrative tracking of program data is a comparatively lower priority. We also noted this while observing numerous interactions between PARD staff and the community throughout our audit. Specifically, recreation center staff appear to be dedicated to the mission of the department and actively engaged with the communities they serve.

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[7] There is not an effective way to calculate indirect costs associated with programs and services so PARD, instead, applies a standard percentage of indirect costs to programs and services. Although this previously has been common industry practice, the current trend is for organizations to determine and apply actual costs. PARD indicated that they are in the process of transitioning to a new system that will better identify indirect costs.
[8] Additional responsibilities include: staff hiring and training, monitoring recreation center budgets, managing security, and overseeing facility maintenance and repair. They are also responsible for: planning, implementing, and evaluating the programs, ensuring child safety, and reporting suspected child abuse, among other assignments.

PARD does not currently have a comprehensive program management system to track and summarize program information so that it can inform programmatic decisions going forward. The planning worksheets, developed in the absence of a comprehensive program management system, has become longer, more complex, and more difficult to use over time. Additionally, it appears to have limited buy-in from recreation center staff due to the various limitations described and because the amount of data that staff is required to collect has significantly increased through the various revisions to the tool. PARD management asserts that allocation decisions utilize a number of data points to determine personnel and funding distribution. However, communication gaps between management and site-level staff, as well as a lack of aggregated program information, limits PARD's ability to make effective resource allocation decisions.

While RecTrac reports (if reliable) may provide useful information in making programmatic decisions, site-level staff responsible for making decisions about adding, modifying, and eliminating programs do not use such reports as decision aids. Also, multiple personnel indicated that staff has not received adequate training on program planning and resource allocation terminology. Therefore, there is no general consensus on the definition and meaning of terms, resulting in differences in how data is tracked and reported at the different recreation centers.

Finally, we noted that program operations are mainly decentralized, with inadequate supervisory reviews of recreation center level decisions, which may be due, in part, to the inability to aggregate program information for comparison across the department.

Without accurate and reliable program data, staff (both at the recreation center level and in upper management) cannot effectively assess programs to determine what programs to expand, reduce, or cancel. Since true full costs of services are unknown, staying within budget each year is difficult for center managers to achieve. Also, fees may not be set at the appropriate rates since fees, at least in part, are designed to recover the costs of operating programs (discussed in further detail in Finding 2). Manual attendance tracking is inherently difficult and subject to error. Without a reliable means of making sure all facility users are checked in upon arrival, PARD cannot assure it is fully aware who is currently using their facilities.

Finding 2: PARD's ability to provide needed recreation services to the public at the level expected in the future will be challenging given the department's responsibilities and existing funding constraints.

One of the components of a sustainable parks and recreation system is financial/economic sustainability. This means that the financial resources must be adequate to maintain the system's infrastructure into the future, and to enable an organization to continually and effectively achieve its public purposes. It appears that PARD is currently facing major challenges that could impact their ability to effectively continue providing services at the expected level and decisions about curtailing services or expanding funding will need to be made to ensure the long-term sustainability of PARD.

Many of the current PARD facilities are aging and will need significant capital improvements in the coming years should they continue to operate. This will continue to place a burden on the already budget-strained department. The 2015 PARD Aquatic Assessment[9] noted that many of the City's aquatic facilities have outlived their useful life by a significant number of years. Whereas the typical useful life intended for an aquatic facility is 30 years, the majority of Austin pools range from 25 to 80 years old, with the average life being about 50 years. In this assessment, seven pools were rated "critical" due to existing non-functioning mechanical or infrastructure conditions and the cost of operating those pools. As a result, the 2015 assessment contained recommendations that the City consider replacing those pools. However, due in part to public and political pressure, PARD continued to operate these pools despite the associated fiscal and safety impacts. PARD management stated that the department did receive a one-time

funding of $6.8M to rebuild two of these seven pools and repair a deck for another. Due to lack of funding, the remaining consultant recommendations have not been addressed. Maintenance or renovation efforts to keep the pools operable may delay deterioration for a few years, but the need to replace and/or close these pools is inevitable.

> Best practices indicate that prior to starting an initiative, an organization needs to determine the operational costs and sources of funding for the initiative.
>
> PARD management asserts that the department has been asked to manage some new initiatives without matching funding, contributing to their struggles with operating within budget while providing services at the level expected by stakeholders.

In recent years, a significant portion of what PARD listed as unmet needs were not funded. For example, in FY15, PARD's prioritized list of unmet operational needs totaled approximately $11M, but only $0.9M (or 8%) was funded. Half of that $0.9M was set aside specifically for a Council priority project[10], further reducing the amount of funding PARD had to spend on much needed staff and infrastructure repairs and improvements.

The department appears to be undercharging for many of its programs and services. Through policy, the City has established a tiered subsidy system (depicted in Exhibit 2) allowing select programs to be paid for, entirely or in part, using General Fund revenue.

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[9] 2014 Austin Parks and Recreation Aquatic Facilities Needs Assessment done by Brandstetter Carroll Inc.
[10] Conducting the Walter E. Long Master Plan

EXHIBIT 2
Outline of PARD's Levels of Service Guide and Corresponding City Subsidies

Program Description	Examples	City Subsidy
Core Services: paramount to the health and lives of the residents	Parks, trails, pools	100%
Developmental Programs: for the greater good of the community	Summer programs, afterschool, senior services	50%
Athletics or General Wellness Programs: provide general fitness/ wellness opportunities	Sports leagues, wellness classes, youth sports clinics	30%
Specialty programs: led by instructor with expert knowledge or special skill	Senior trips, swim team, specialized enrichment classes	0-20%
Cost Recovery Services: benefits individual users and not the greater good	Facility rentals, private lessons	No subsidy

SOURCE: OCA Analysis of PARD Levels of Service Guide, May 2016

However, PARD has historically charged less than even the subsidized rate for some programs resulting in a financial gap to be made up for by the department through some other means. Examples of this financial gap are depicted in Exhibit 3.

EXHIBIT 3
Example of Two FY14 Programs: Costs versus Fees Received[11]

Program[12]	Cost to Operate	Proposed City Subsidy	Fee to be Charged after Subsidy	Actual Fee Charged	Financial Gap	Based on Maximum Enrollment*			
						Total Cost to City	Total Fee Received	Financial Gap	Gap Beyond Subsidy
Youth Cheerleading	$59	50%	$29.50	$20	$9.5 *Per Person*	$2,360	$800	($1,560)	($380)
Adult Indoor Volleyball	$410	30%	$287	$220	$190 *Per Team*	$26,240	$14,080	($12,160)	($4,288)

SOURCE: OCA Analysis of PARD Master Fees and Cost Recovery Sheets, May 2016

* Based on maximum enrollment of 40 people for Youth Cheerleading and 64 teams for Adult Indoor Volleyball. These programs are offered many times each year with the same financial gap occurring with each offering.

After recognizing this discrepancy, PARD completed a cost recovery analysis and determined that in some cases, current fees were well below the cost recovery fees. PARD management asserted that their goal is to slowly phase in fee hikes while balancing community tolerance to fee increases, affordability, and the commitment to adhere to the cost recovery philosophy. PARD also plans to use information provided from a new tool[13] to make decisions on fee increases once that tool is fully operational.

Not all attendees paid for the services they received, and many who did made late payments with no consequence. In a few instances, we saw that attendees for after school programs at five recreation centers reviewed did not pay for the program they attended. Additionally, 30 of 40 (or 75%) of the attendees did not pay for the program before it started, and some payments were made even after the program ended. According to PARD's Parent Handbook, payments are due approximately two weeks before the start of the program or a late fee will be assessed. There was no evidence that late fees were charged or collected. In addition, payment history for attendees at a youth basketball program were also reviewed. Of the 71 attendees listed on the program roster, only 62 paid to participate in the program[14].

Without additional funding allocations and improved management of program fees, some existing parks and recreation services, as well as facilities, will need to be reduced if the City wishes to continue assessing fees that do not recover the costs of services from program participants.

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[11] PARD data on program costs and fees charged is housed in numerous places and figures in each present conflicting data. While we found these records to be indiscernible, the table above is presented to depict the potential financial gap, between what the department receives from patrons compared to the cost of service delivery, for two programs as it relates to resource allocation and the overall sustainability of the department.

[12] In FY15, PARD charged $34 for residents for Youth Cheerleading and $240 for residents for Adult Indoor Volleyball.

[13] PARD has contracted with a consultant, 110 Percent LLC, to implement SDscorecard© - a tool used to evaluate services and provide management with information to make decisions about how best to provide and price services.

[14] Due to the attendance data reliability issues discussed in Finding 1, we could not determine if the nine unpaid participants listed on the roster actually attended the program.

Finding 3: Response to facility maintenance service requests are untimely, which may lead to increased safety risks and/or extended facility closures. PARD completed 9,056 facility maintenance service requests during FY14 and FY15 with 86 of those considered "priority 1" or the most pressing requests as they involve potentially dangerous conditions and/or potential regulatory non-compliance. We determined the average time to complete a priority 1 facility maintenance service request was approximately 30 working hours. Also, as depicted in Exhibit 4, priority 2 through 4 requests were generally not completed timely. However, a large number of work orders remained open for significantly longer periods. For example, 1,810 (or 26%) of priority 2 requests remained open for periods ranging between 15 days to 3 years. In addition, the average time to complete a service request for every priority category in FY15 was significantly higher when compared to FY14, signifying a worsening situation. For example, the average time to complete a priority 1 service request was 24 hours in FY14 and 43 hours in FY15. Also, it took on average 12 days for staff to complete a priority 3 service request in FY14 and 24 days in FY15.

EXHIBIT 4
Average Time to Fix Maintenance Issues Exceeds Targets

PRIORITY CODE & CODE TYPE		TIME TO ADDRESS PER POLICY		AVERAGE TIME TO FIX (FYs 2014 and 2015)
1	Emergency	4 hours	⟶	✖ 30 hours
2	Inspect/repair	14 days	⟶	✖ 21 days
3	Scheduled work/events	21 days	⟶	✔ 19 days
4, 5	General repairs/ new construction/ improvement	90 days	⟶	✖ 122 days

SOURCE: PARD Work Order Reports, May 2016

In addition, based on an analysis of the facility maintenance work orders for FY 2014 and 2015, it appears that PARD experienced a significant year-end backlog of uncompleted work orders, as shown in Exhibit 5.

EXHIBIT 5
Year-end Work Order Backlogs Continually Increased from FY13 to FY15

940

541

388

END OF FY 2013   END OF FY 2014   END OF FY 2015
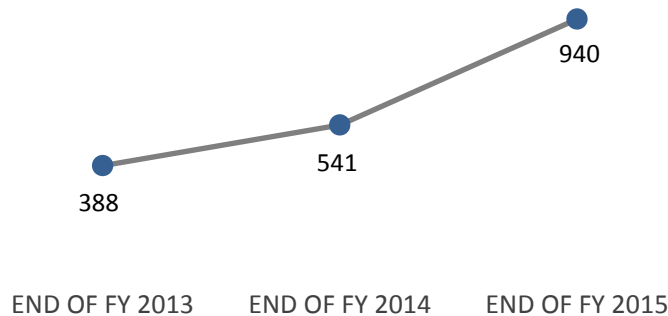
SOURCE: PARD Work Order Reports, May 2016

Also, within our audit scope, work orders were sometimes canceled without documenting the business justification for the cancelation. Specifically, 355 of the 1,667 (or 21%) canceled work orders during FY14 and FY15 did not have a documented reason for canceling the maintenance services requested. Five of the 355 work orders were "Emergency" or Priority 1 service requests.

PARD management and staff consistently noted that the facility maintenance area does not have sufficient resources allocated to ensure that all service requests are timely addressed. They also stated they have typically opted to spend limited funding awarded in response to their unmet needs (as discussed in Finding 2) on programs directly benefiting the community rather than on facility maintenance that does not appear to directly benefit the public. Also, aging infrastructure contributes to the high number of service requests throughout the department but addressing these increased requests is not feasible if staffing resources are not proportionally increased.

If situations deemed to be dangerous remain unresolved, this may lead to increased safety risks and/or facilities and services being unavailable to the public for longer periods.

Additional Observation:
Part of the audit objective was to consider whether the City's process for allocating resources for PARD programs and maintenance results in equity from the City's 10-1 perspective. Although PARD resource allocation practices predate the City's 10-1 structure, PARD management asserts the department considers equity in service delivery by ensuring fees charged for services are the same regardless of where one lives in the city. Also, the department provides financial aid to eligible participants to ensure that all citizens have access to PARD services. While PARD tries to offer similar programming and staffing for programs across the city, differences in infrastructure located in different districts (as shown in Exhibit 6) prevents the department from offering all the same services in every district the exact same way. For example, whereas some districts have multiple recreation centers and pools (e.g., District 3 has 5 recreation centers), other districts (e.g., 5 and 10) do not have any. Also, senior centers are located in only 3 districts, and museums and environmental centers are located in only 2 districts. As such, residents living in those districts can more closely access the specialized programming offered at those centers.

EXHIBIT 6
PARD Infrastructure is Located in Different Districts
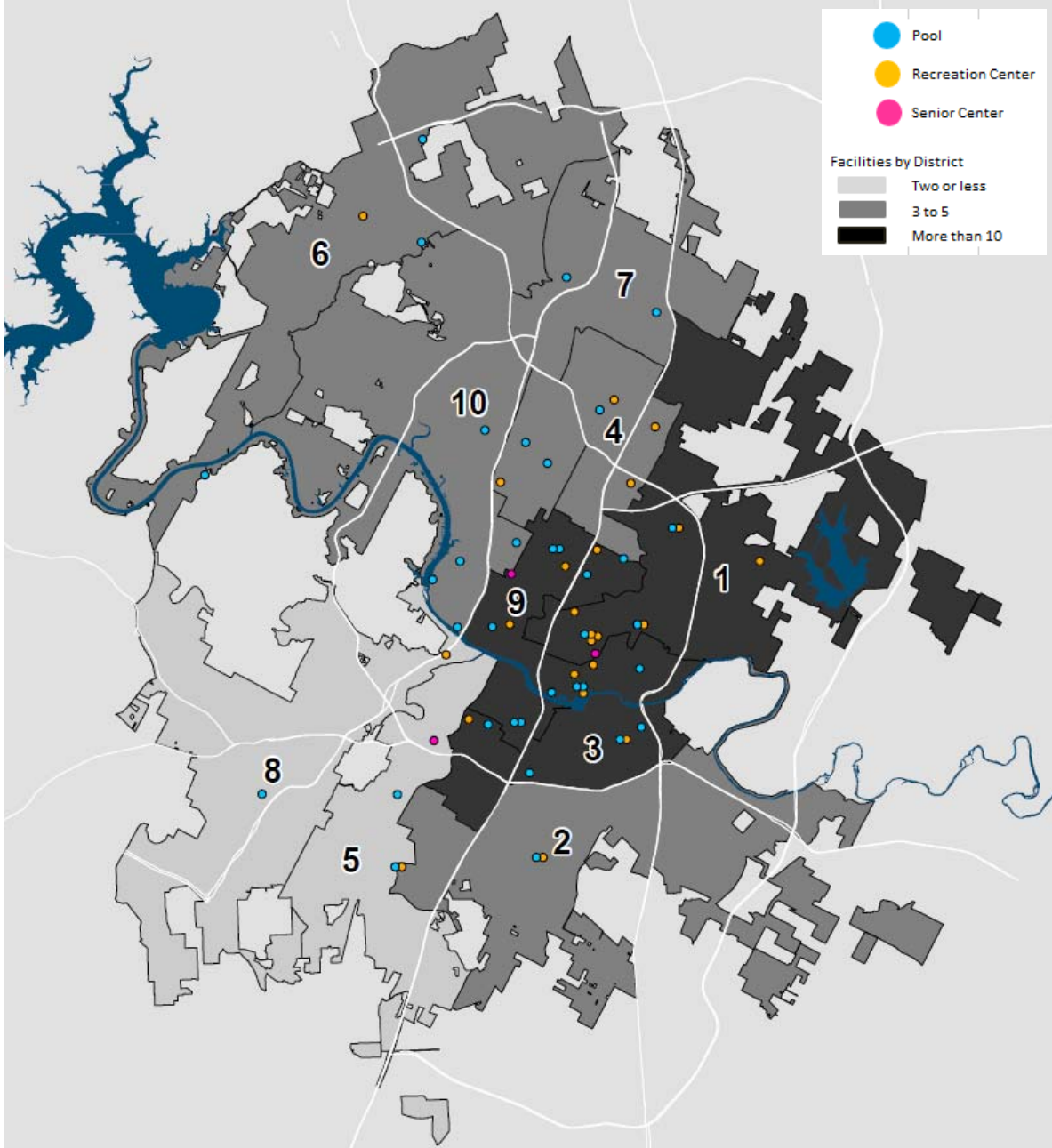
Council District	1	2	3	4	5	6	7	8	9	10
Number of recreation centers	7	2	5	3	0	1	1	1	3	0
Number of pools	3	2	8	2	1	3	4	1	6	5
Number of senior centers	1	0	0	0	1	0	0	0	1	0
Total facilities	11	4	13	5	2	4	5	2	10	5

SOURCE: PARD Facility Reports, May 2016

RECOMMENDATIONS

1. **The Director of PARD should implement a comprehensive program management system to track complete and reliable program information (including program attendance, costs, and fees paid) and summarize critical information then use that information to make programmatic decisions going forward. Additionally, the Director of PARD should ensure these decisions are documented and communicated throughout the department.**

MANAGEMENT RESPONSE: **Concur.** Refer to Appendix A for management response and action plan

2. **Using reliable and complete information, the Director of PARD should:**
   a) **initiate a policy discussion with City Council and the City Manager to determine how to offer an appropriate balance of PARD services given funding;**
   b) **perform a sustainability analysis and make adjustments to programs, services, and facilities that better align to decisions made in that policy discussion; and**
   c) **better align fees to recover costs of operating programs and services while still providing financial assistance to those who qualify.**

MANAGEMENT RESPONSE: **Concur.** Refer to Appendix A for management response and action plan

3. **The Director of PARD should ensure registration for all fee-based programs is done in RecTrac, all participants pay for the services they receive, and that payment is made timely or appropriately addressed per policy.**

MANAGEMENT RESPONSE: **Concur.** Refer to Appendix A for management response and action plan

4. **The Director of PARD should ensure facility service requests are timely completed and that staff collect and report all information regarding each facility maintenance service request work order including the reasons for work order cancelations.**

MANAGEMENT RESPONSE: **Concur.** Refer to Appendix A for management response and action plan

MANAGEMENT RESPONSE

MEMORANDUM

TO: Corrie Stokes, City Auditor
        Katie Houston, Assistant City Auditor
        Office of the City Auditor

FROM: Sara L. Hensley, CPRP, Director
        Austin Parks and Recreation Department

DATE: **August 9, 2016**

SUBJECT: Department Response to the Parks and Recreation Department Resource Allocation Audit

Parks and Recreation Department management reviewed *the Parks and Recreation Department Resource Allocation Audit* conducted by the Office of the City Auditor and presented to the department for response in August 2016.

The Department is in agreement with the report findings and recommendations and our staff is working diligently on proposed solutions.

1. *The Director of PARD should implement a comprehensive program management system to track complete and reliable program information (including program attendance, costs, and fees paid) and summarize critical information; then use that information to make programmatic decisions going forward. Additionally, the Director of PARD should ensure these decisions are documented and communicated throughout the department.*

    As stated on page 1 of the August 2016 Parks and Recreation Department Resource Allocation Audit, PARD established a program planning process in FY 2013. The program planning workbook was created by Parks and Recreation program staff in an effort to establish and accurately document:

    - Standardized planning processes
    - Budget estimates and expenditures
    - Cost Recovery/Application of Subsidization
    - Marketing and ROI
    - Program Evaluation including key data points and community input

    It is important to note, PARD program staff went to great lengths over a two year period to establish and improve the program planning tool because a tool of this nature does not exist within the industry. While the Department had the foresight to realize a planning tool was necessary, the industry has not evolved as fast as the Austin Parks and Recreation Department advanced in this area.

    Despite incremental adjustments and continuous training, the PARD Program Staff developed tool lacks the sophistication to "roll-up" data; provide for a manageable review and approval system; interface with the established registration software (RecTrac), and be easily stored and protected. As such, PARD

agrees with the Audit finding "PARD should implement a comprehensive program management system…" and has already begun the first phase of implementing an alternative system.

PARD (utilizing donated funds) contracted with 110% Consulting for utilization of their proprietary *SDScorecard- Service Delivery Optimization* software program expected to result in:

- A sensible and realistic cost recovery tool
- A thorough analysis of all agency programs and facility services funding allocations
- A defensible service delivery and pricing strategy

The goal is to synthesize planning processes to create an effective program management system and associated process to summarize critical program information and inform future decisions with regards to resource allocation.

2. *Using reliable and complete information, the Director of PARD should:*
   a) *Initiate a policy discussion with City Council and the City Manager to determine how to offer an appropriate balance of PARD services given funding;*
   b) *perform a sustainability analysis and make adjustments to programs, services and facilities that better align to decisions made in that policy discussion; and*
   c) *better align fees to recover costs of operating programs and services while still providing financial assistance to those who qualify.*

The Parks and Recreation Department concurs with the audit recommendation to initiate a policy discussion regarding the appropriate balance of services and the sustainability of current PARD expectations. To date, PARD has worked with partners and consultants to gather information pertinent to facility and service allocation that will help inform the policy discussion.

3. *The Director of PARD should ensure registration for all fee-based programs is done in RecTrac, all participants pay for the services they receive and that payment is made timely or appropriately addressed per policy.*

The Parks and Recreation Department has both an existing policy and operating procedures directing staff to utilize the existing registration software system, RecTrac, to enroll program participants and accept payment. The audit described a payment situation unique to the afterschool program. In this scenario, program participants enroll at the beginning of the school year and are transported daily by van from their school to the recreation center after-school program, September through May. Staff members may or may not be aware of a non-payment but elect to transport the youth program participant rather than leave them unattended at the school.

PARD concurs that the Department must review and revise the policy and operating procedures to create a process that does not compromise a youth's safety but still provides for payment in compliance with policy.

4. *The Director of PARD should ensure facility services requests are timely completed and that staff collect and report all information regarding each facility maintenance service request work order including the reasons for work order cancellations.*

The Parks and Recreation Department has operating procedures for utilizing the existing service request work order software MicroMain CMMS (Computerized Maintenance Management System). This system manages and expedites the requests to various maintenance sections of the department.

PARD concurs that the Department must review and revise the operating procedures to ensure that all service requests generated be prioritized and scheduled so that staff can support "trouble" calls as well as perform periodic/planned equipment maintenance. Under current practice, once a work order is completed, the performance information (such as the date work was performed as well as supplies/inventory, staff hours and contract work expended, and funding) is loaded into the database for tracking and to support future operations/planning reports. However, when work orders have been deferred or cancelled, there has been a lack of information entered into the system to explain the action, creating some confusion as to whether the actual work was completed or not,

Moving forward PARD will implement the following standard practices:

- Specific information will be added to the data entry to explain the reason for deferment or cancellation of the work order in order to provide relevant information to complete the work order record and to inform future day-to-day operations
- Summary reports shall be generated and reviewed regularly to ensure ongoing compliance

As we welcome all feedback and suggestions for improvement to our operations and services to the Austin citizens, we appreciate the audit recommendations and the opportunity to respond. For an implementation strategy, please see the attached Action Plan.

Should you have any questions, please contact my office at (512) 974-6717.

Cc: Marc A. Ott, City Manager
     Bert Lumbreras, Assistant City Manager
     Kimberly McNeeley, Assistant Director
     Marty Stump, Assistant Director
     Angela Means, Acting Assistant Director

ACTION PLAN

Recommendation	Concurrence and Proposed Strategies for Implementation	Status of Strategies	Proposed Implementation Date
1. The Director of PARD should implement a comprehensive program management system to track complete and reliable program information (including program attendance, costs, and fees paid) and summarize critical information then use that information to make programmatic decisions going forward. Additionally, the Director of PARD should ensure these decisions are documented and communicated throughout the department.	**Concur.** PARD (utilizing donated funds) contracted with **110% Consulting** for utilization of their proprietary **SDScorecard- Service Delivery Optimization** software program expected to result in: • A sensible and realistic cost recovery tool • A thorough analysis of all agency programs and facility services funding allocations • A defensible service delivery and pricing strategy The consulting service began in January 2016 and is expected to be completed in Fall 2016. Following the consultation services, PARD intends to utilize the services of the City's Office of Performance Management to analyze the existing Program Planning Process with the 110% software tool. The goal is to synthesize planning processes to create an effective program management system and associated process to summarize critical program information and inform future decisions with regards to resource allocation.	Implemented Underway Underway	FY2013 End of 2016 Fall 2017

Recommendation	Concurrence and Proposed Strategies for Implementation	Status of Strategies	Proposed Implementation Date
1. (continued)	This synthesized plan is expected to be implemented for the FY2017-2018 program planning season (which begins in Winter 2017). PARD will use the information obtained through working with the 110% Consulting, as well as data from their analysis, to make informed decisions. PARD will document and communicate those decisions and ensure operational data is reliable and complete.		
2. Using reliable and complete information, the Director of PARD should: **a) initiate a policy discussion with City Council and the City Manager to determine how to offer an appropriate balance of PARD services given funding;** **b) perform a sustainability analysis and make adjustments to programs, services, and facilities that better align to decisions made in that policy discussion; and**	**Concur.** The Parks and Recreation Department concurs with the audit recommendation to initiate a policy discussion regarding the appropriate balance of services and the sustainability of current PARD expectations. To date, PARD has worked with partners and consultants to gather information pertinent to facility and service allocation that will help inform the policy discussion. This work includes: • Park deficient areas (completed) • Out of school time program delivery-saturation and gaps. (completed) • Current and predicted future demographic data points pertinent to service delivery (completed)	 Implemented Implemented Implemented	

Recommendation	Concurrence and Proposed Strategies for Implementation	Status of Strategies	Proposed Implementation Date
2. (continued) **c) perform a sustainability analysis and make adjustments to programs, services, and facilities that better align to decisions made in that policy discussion; and** **d) better align fees to recover costs of operating programs and services while still providing financial assistance to those who qualify.**	• 110% Consulting service determination optimization (completion expected end of 2016)	Underway	End of 2016
	• PARD Strategic Plan (completion expected Fall 2016)	Underway	Fall 2016
	• ADA Self-Assessment for Facilities and Programs	Underway	September 2016
	• Aquatic Facility Master Plan (completion expected Winter 2017)	Underway	March 2017
	• Performance data collection system improvements (initiated) **The Parks and Recreation Department anxiously awaits the opportunity for discussion. Staff will initiate policy discussions through the budget process, as well as perform ongoing sustainability analysis and align fees with actual costs.**	Underway	December 2016

Recommendation	Concurrence and Proposed Strategies for Implementation	Status of Strategies	Proposed Implementation Date
3. The Director of PARD should ensure registration for all fee-based programs is done in RecTrac, all participants pay for the services they receive, and that payment is made timely or appropriately addressed per policy.	**Concur.** **PARD concurs that the Department must review and revise the policy and operating procedures to create a process that does not compromise a youth's safety but still provides for payment in compliance with policy. This review and revision will be completed immediately and implemented by October 1, 2016.** In addition, PARD will ensure that all program registration is handled in RecTrac and that payments are made for all programs requiring fees.	Underway	October 1, 2016

Recommendation	Concurrence and Proposed Strategies for Implementation	Status of Strategies	Proposed Implementation Date
4. The Director of PARD should ensure facility service requests are timely completed and that staff collect and report all information regarding each facility maintenance service request work order, including the reasons for work order cancelations.	**Concur.** Moving forward PARD will implement the following standard practices:		
	• Specific information will be added to the data entry to explain the reason for deferment or cancelation of the work order in order to provide relevant information to complete the work order record and to inform future day-to-day operations.	Underway	October 1, 2016
	• Summary reports shall be generated and reviewed regularly to ensure ongoing compliance.	Underway	October 1, 2016
	This reporting and review procedure will be implemented immediately and will become standard practice by October 1, 2016.		