



## **PARKS & RECREATION DEPARTMENT PERFORMANCE AUDIT**



**JULY 1, 2005 THROUGH JUNE 30, 2006**

**CITY OF CHESAPEAKE, VIRGINIA  
AUDIT SERVICES DEPARTMENT**

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March 16, 2007

The Honorable Dalton S. Edge and  
Members of the City Council  
City of Chesapeake  
City Hall – 6<sup>th</sup> Floor  
Chesapeake, Virginia 23328

Dear Mayor Edge and Members of the City Council:

We have completed an audit of the City of Chesapeake's (City) Parks and Recreation Department (Parks and Recreation) for the period July 1, 2005 to June 30, 2006. The purpose of this audit was to evaluate whether the department was providing services in an economical, efficient, and effective manner; achieving its goals and objectives; and complying with applicable City procedures in its handling of cash, revenues, payrolls, expenditures, fixed assets, safety, staffing and other areas. The audit was conducted in accordance with Governmental Auditing Standards for performance audits and included such tests of records and other audit procedures as we deemed necessary in the circumstances. Parks and Recreation management and staff were very helpful, cooperative and professional throughout the audit.

Parks and Recreation provided a wide variety of leisure services, athletic, and other programs throughout the City while preserving and maintaining the City's parks, recreational facilities, and open spaces. Their functions included Parks and Grounds maintenance, Recreation Programs, Fine Arts Commission, Special Programs, Senior Citizens Programs, and the 763 acre Northwest River Park facility. In April 2006, Parks and Recreation opened the Dismal Swamp Canal Trail, an 8.5 mile multi-use recreation and nature trail set along the banks of the Dismal Swamp Canal.

Parks and Recreation employed a work force of approximately 90 full-time and 45 part-time employees. Their budget for fiscal year 2006 exceeded \$7.7 million dollars, and accounted for 0.97% of the City's budget. In addition to nine general fund cost centers, the budget included two enterprise funds: one related to Recreation Programs and the other related to Northwest River Park activities.

Based on our review, we found that Parks and Recreation generally had sound practices and procedures which complimented their overall mission. In addition, Parks and Recreation has made substantial progress in utilizing automated systems to monitor recreational programs and maintenance activities. However, we did identify some areas where practices could be enhanced. Certain systems needed system enhancements. Many of the Community Centers did not have air-conditioning in the gymnasiums and the water tanks at Northwest had extensive corrosion.

This report, in draft, was provided to Parks and Recreation officials for review and response. Their comments have been included in the Managerial Summary, the Audit Report, and Appendix A. Parks and Recreation management and staff were very helpful throughout the course of this audit, and we appreciate their courtesy and cooperation on this assignment.

Sincerely,



Jay Poole  
City Auditor  
City of Chesapeake, Virginia

C: Anne F. Odell, Acting City Manager  
Amar Dwarkanath, Deputy City Manager  
Robert A. Clifton, Director, Parks and Recreation

## **Managerial Summary**

### **Introduction, Background, and Scope**

We have completed an audit of the City of Chesapeake's (City) Parks and Recreation Department (Parks & Recreation) for the period July 1, 2005 to June 30, 2006. The purpose of this audit was to evaluate whether the Department was providing services in an economical, efficient, and effective manner; achieving its goals and objectives; and complying with applicable City procedures in its handling of cash, revenues, payrolls, expenditures, fixed assets, safety, staffing, and other areas. The audit was conducted in accordance with Generally Accepted Governmental Auditing Standards and included such tests of records and other audit procedures as we deemed necessary. Parks and Recreation management and staff were very helpful, cooperative and professional throughout the audit.

### **Background**

To conduct the audit, we analyzed concerns of Parks & Recreation's preparation of a separate budget for Recreation Enterprise and Northwest River Enterprise. In addition, we also analyzed the need for Parks and Recreation management to develop a system to measure the economic benefit for existing and future Parks and Recreation Programs. The Parks and Recreation management and staff were very helpful, cooperative and professional throughout the audit.

Parks and Recreation employed a work force of approximately 91 full-time and 31 part-time employees. Their budget for fiscal year 2006 exceeded \$8.4 million dollars and accounted for 1.09% of the City's budget.

### **Major Observations and Conclusions**

Based on our review, we found that Parks and Recreation generally had sound practices and procedures which complimented their overall mission. In addition, Parks and Recreation has made substantial progress in utilizing automated systems to monitor recreational programs and maintenance activities. However, we did identify some areas where practices could be enhanced. The recreation program system needed system enhancements. Many of the community centers did not have air-conditioning in the gymnasiums and the water tank system at Northwest had extensive corrosion.

This report, in draft, was provided to Parks and Recreation officials for review and response. Their comments have been considered in the preparation of this report. These comments have been included in the Managerial Summary, the Audit Report, and Appendix A. Parks and Recreation management and staff were very helpful throughout the course of this audit, and we appreciate their courtesy and cooperation on this assignment.

## **Performance Information**

Parks and Recreation meets the diverse needs of a growing population with a variety of recreational, social, and cultural activities and is responsible for maintaining City parks and grounds. A City Council-appointed Citizen Advisory Board helps direct and provide guidance for the operation of the Recreation, Parks, Athletics, Community Center, Senior/Special populations, and Leisure programs divisions of the Department. This advisory board also reviews and endorses the Department's annual operating budget. The Recreation Program function coordinates year-round recreational activities related to athletics, education, and health for the citizens of Chesapeake. Northwest River Park provides the citizens of Chesapeake with year-round outdoor leisure activities for enjoyment, relaxation, environmental education and improved health.

### **1. SAFARI System**

**Finding - The Athletic Programs Group was unable to register participants and record their deposit fees in the SAFARI software system for athletic sporting events. Instead, athletic sporting events registration and deposit fees were collected and manually recorded by the athletic staff and forwarded to the Parks and Recreation central office.**

**Recommendation - Parks and Recreation should continue to work with the vendor on the system enhancements for the collection of revenue for athletic sporting events and the recordation of participants.**

**Response: The original League Scheduling Module of the SAFARI system did not meet the requirements of the Parks and Recreation Department Athletic Programs Group staff. However, the vendor has developed a new replacement application that will be available to us at a lower cost that resolves the issues of concern to the staff. It is in the demo phase at this time but is expected to be implemented within the next twelve months.**

### **2. Northwest River Park**

**Finding – The water tanks at Northwest River Park were corroded. The corrosion was particularly extensive on the underside of the tanks where moisture had collected and condensed. The corrosion existed on both the storage tank and the pressurized primary tank. A number of the supporting structures and connecting pipes were deteriorating as well.**

**Recommendation – We recommend that Parks and Recreation ensure that the tank replacement is a top priority on their repair list and include the cost of replacement of the water tanks in the FY 2007 capital budget. The replacement of the tanks should ensure that the costs will not escalate due to replacement/repair and damages caused by their failure.**

**Response:** On October 10, 2006, \$140,000 was appropriated by City Council for replacement of the water system. Following receipt of bids, an additional \$20,000 was appropriated on February 13, 2007 to provide sufficient funding for this project.

### **3. Community Centers**

**Finding –** We noted that the Community Center buildings were 15 to 30 years old and needed repairs and/or renovations.

**Recommendation –** Parks and Recreation should work with Facilities Management to develop a list of repairs and renovations that need to be made to the Community Centers.

**Response:** The 2007-2008 capital budget includes \$550,000 to air condition the five community center gyms currently without air. This was one of our top priority renovation needs. In regards to a list of repairs and renovations, recreation staff does a yearly inspection of the community centers interiors and exteriors (including grounds). Representatives from housekeeping, facility maintenance and grounds are asked to attend. A list of needed repairs is prepared at that time. We have asked them about the possibility of a maintenance schedule in regards to painting and are waiting on a response.

### **E. Enterprise Funds**

#### **1. Combining of Recreation Enterprise and NWRP Enterprise**

**Finding:** Parks and Recreation is currently preparing separate enterprise budgets for Northwest River Park and Recreation.

**Recommendation:** Parks and Recreation should consider submitting a combined budget to the Budget Office for Northwest River Park and Enterprise Funds.

**Response:** Discussions on this matter continue with the Departments of Budget and Finance. Our concern is that it is absolutely necessary for internal management purposes that the data be maintained separately as is currently the case. We are willing to submit a combined budget for reporting purposes so long as the data is separately maintained and separate reports are available internally.

### **F. Community Centers versus YMCA**

**Finding:** The Great Bridge and Indian River Community Centers were approximately 30 years old. Parks and Recreation staff at Great Bridge and Indian River were concerned that they could lose patrons to the YMCA because the YMCA had more updated equipment.

**Recommendation - The City and Parks and Recreation may wish to consider developing a partnership with the YMCA for the Great Bridge and Indian River Community Centers that allows them access to some of the YMCA's facilities and/or programs.**

**Response: Community Centers versus YMCA – Due to the large difference in the membership rates to use our facilities versus the YMCA rates, it is unclear how much they would want to partner with us to allow our members to use their facilities. However, it is certainly an idea that staff can explore in the future. Currently we are concentrating on ways we can reduce Enterprise budget expenses to enable us to be able to update the equipment in our weight rooms.**

### **G. Economic Benefit**

**Finding - Parks and Recreation had not developed a methodology to measure the economic benefit of the events it sponsors.**

**Recommendation - Parks and Recreation should develop a methodology to measure the economic benefit of the events it sponsors. This methodology should be generic enough so that it can be used for a wide variety of events.**

**Response: After meeting with Audit several times on this, it was determined there are a few events that we can track whether a participant is or could be staying in a hotel (Dock dogs, Chesapeake Bike Race, Paddle for the Border). However, the majority of the events draw thousands of people (Bark in the Park, American Indian Festival, Eggstravanza, etc.) and it could not be determined how you could measure this....assuming any participants visit these events from outside the Hampton Roads, northern North Carolina area.**

**We are certainly willing to meet with Economic Development as you suggest if they have suggestions for capturing revenue and visitors for events.**

PARKS & RECREATION DEPARTMENT

PERFORMANCE AUDIT

JULY 1, 2005 TO JUNE 30, 2006

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## **A. Introduction, Background, and Scope**

We have completed an audit of the City of Chesapeake's (City) Parks and Recreation Department (Parks and Recreation) for the period July 1, 2005 to June 30, 2006. The purpose of this audit was to evaluate whether the Department was providing services in an economical, efficient, and effective manner; achieving its goals and objectives; and complying with applicable City procedures in its handling of cash, revenues, payrolls, expenditures, fixed assets, safety, staffing and other areas. The audit was conducted in accordance with Governmental Auditing Standards for performance audits and included such tests of records and other audit procedures as we deemed necessary in the circumstances. The Parks and Recreation management and staff were very helpful, cooperative and professional throughout the audit.

Parks and Recreation provided a wide variety of leisure services, athletic, and other programs throughout the City while preserving and maintaining the City's parks, recreational facilities, and open spaces. Their functions included Parks and Grounds maintenance, Recreation Programs, Fine Arts Commission, Special Programs, Senior Citizens Programs, and the 763 acre Northwest River Park facility. In April 2006, Parks and Recreation opened the Dismal Swamp Canal Trail, an 8.5 mile multi-use recreation and nature trail set along the banks of the Dismal Swamp Canal.

Parks and Recreation employed a work force of approximately 90 full-time and 45 part-time employees. Their budget for fiscal year 2006 exceeded \$7.7 million dollars, and accounted for 0.97% of the City's budget. In addition to nine general fund cost centers, the budget included two enterprise funds: one related to or Recreation Programs and the other related to Northwest River Park activities.

## **Major Observations and Conclusions**

Based on our review, we found that Parks and Recreation generally had sound practices and procedures which complimented their overall mission. In addition, Parks and Recreation has made substantial progress in utilizing automated systems to monitor recreational programs and maintenance activities. However, we did identify some areas where practices could be enhanced. The recreation program system needed system enhancements. Many of the community centers did not have air-conditioning in the gymnasiums and the water tank system at Northwest had extensive corrosion.

This report, in draft, was provided to Parks and Recreation officials for review and response. Their comments have been considered in the preparation of this report. These comments have been included in the Managerial Summary, the Audit Report, and Appendix A. Parks and Recreation management and staff were very helpful throughout the course of this audit, and we appreciate their courtesy and cooperation on this assignment.

## **Objectives, Scope & Methodology**

To conduct this audit, we analyzed risks and vulnerabilities by considering potential threats and opportunities and inquiring of management of any concerns or problem areas warranting coverage. Also, we reviewed and evaluated procedures, practices, and controls of the Department's various divisions on a selective basis. Further, we tested for consistent application of the City's Financial and Administrative Policies and Procedures Manual, which prescribed applicable policies and procedures with a focus on cash, revenues, and payroll processing. Also, utilizing field observations and surveys, we evaluated Parks and Recreation Athletic programs and Recreation Centers, a possible partnership with other recreation facilities. Additionally, we reviewed the justification for separately prepared budgets for the Recreation Enterprise and Northwest River Enterprise and explored the need for the development of a system to measure the economic benefit for existing and future programs. We judgmentally sampled select transactions and events as appropriate as a basis for our review. The Parks & Recreation staff was very helpful in providing information for our various analyses and handled the audit in a very professional manner.

## **B. Performance Information**

Parks and Recreation met the diverse needs of a growing population with a variety of recreational, social and cultural activities and is responsible for maintaining City parks and grounds. A City Council-appointed Citizen Advisory Board helped direct and provide guidance for the operation of the Recreation, Parks, Athletics, Community Center, Senior/Special populations, and Leisure programs within the Department. The Advisory Board also reviewed and endorsed the Department's annual operating budget. The Recreation Program function coordinated year-round recreational activities related to athletics, education, and health for the citizens of Chesapeake. Northwest River Park provided the citizens of Chesapeake with year-round outdoor leisure activities for enjoyment, relaxation, environmental education and improved health.

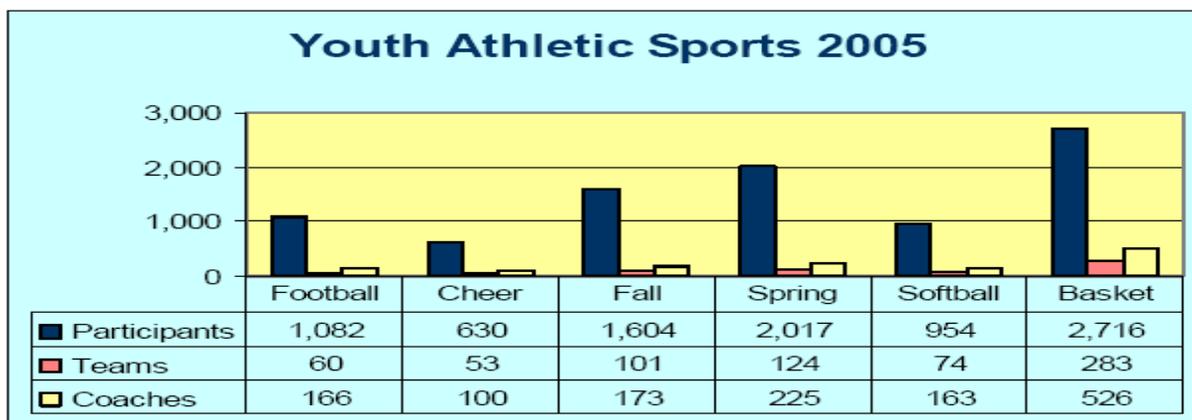
### **1. Athletic Programs**

Athletic Programs were designed to encourage youths and adults to take part in programs sponsored by Parks and Recreation and to bring participants together through a common interest in sportsmanship, fellowship, and athletic competition. Additionally, the programs encouraged adults to set a good example when supervising the youth of the City, and promoted programs in athletics that were well balanced. Some of the athletic programs offered for youth were Spring and Fall Soccer, Football, Cheerleading, Basketball, and Softball. Programs offered for adults included Spring and Fall Softball, Basketball, and Softball. The Athletic Division recruited and trained coaches and assistant coaches and, in addition to regular leagues, coordinated a wide variety of tournaments and special events.

During FY 2005 the following services were added to the Parks and Recreation website:

- Youth & Adult Athletic Rules and Policies
- Athletic Sports Calendar
- Youth Sports School Brochure
- Adult Softball Re-scheduled Rain-Out Games
- Adult Sports League Standings

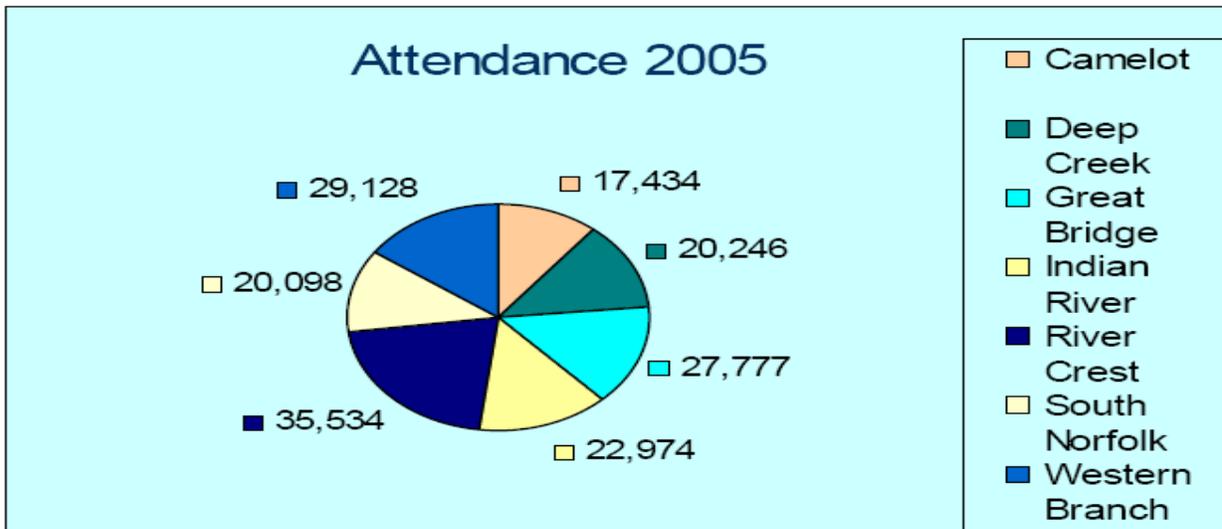
### **Recreation Division Athletics**



## 2. Community Centers

The City owned and operated seven multi-purpose Community Centers (Centers). The Centers were open year-round and provided for citizen use a multi-purpose gym, health room, arts and crafts room, game room, club room, kitchen, and locker facilities. The Centers hosted such activities as instructional classes, dances, tournaments, holiday celebrations, summer youth activities, and other events.

**Recreation Division  
Community Centers by the Numbers**

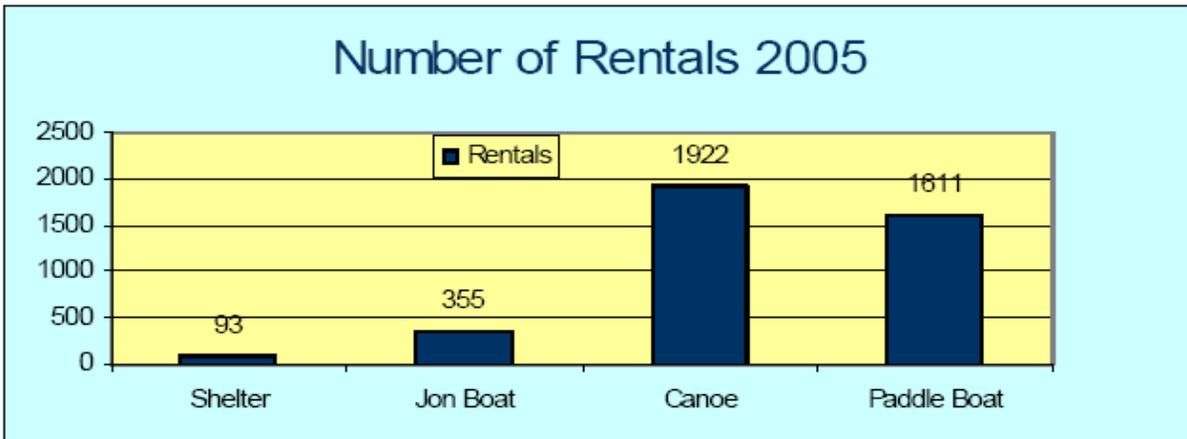
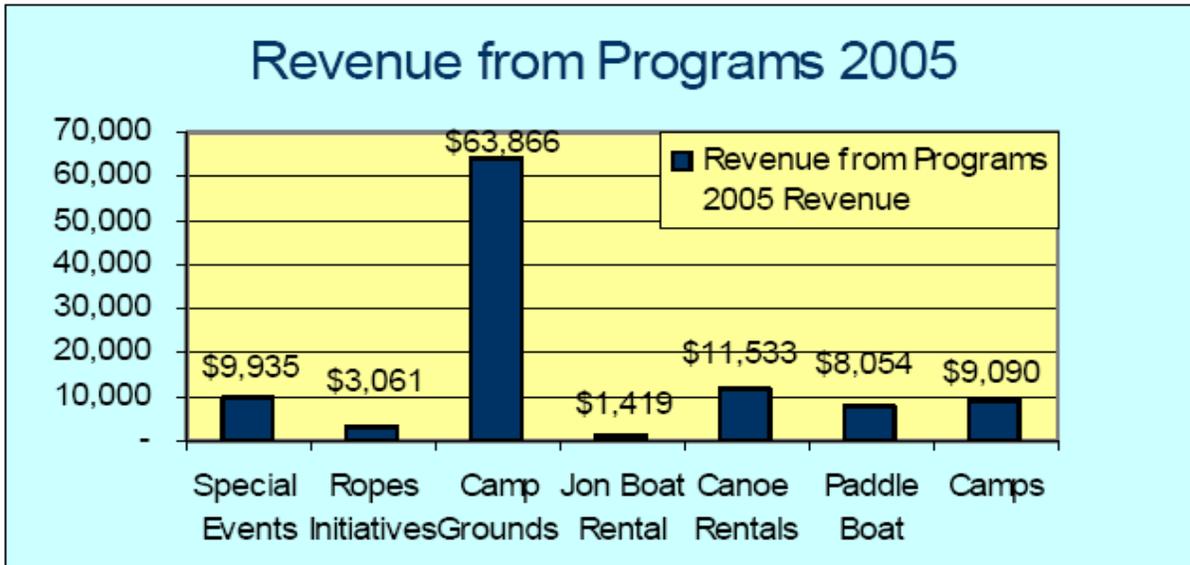


## 3. Northwest River Park

One of the largest recreation programs was located at Northwest River Park. This 763-acre park had been developed as a natural recreation area in keeping with the basic concept of the master plan for that site. The park incorporated camping, trails, natural areas, water activities, picnic shelters, a challenge course, a classroom building, an equestrian area, and a lot of open areas. Northwest River Park had water activities centered on a man-made lake in the northern part and the Northwest River at the southern end of the park. The supervisor of the park was assisted by three rangers, a recreation specialist, an account clerk and two maintenance persons.

Northwest River Park also hosted the very popular Ropes and Initiatives (R & I) Course. The R & I course was a series of obstacles and events, offering a challenge to the participant as an individual and as a member of a group. By testing endurance in a controlled risk environment, the individual sustained a new awareness of self-confidence, triumph over perceived fears, and a positive sense of accomplishment. The participant created a constructive bond with teammates through the process of decision making and communication. The program had been an effective and unique resource used since 1978 by Court Services and a variety of organizations and groups. Over 170,000 visitors annually enjoyed the park, its campgrounds, and its programs.

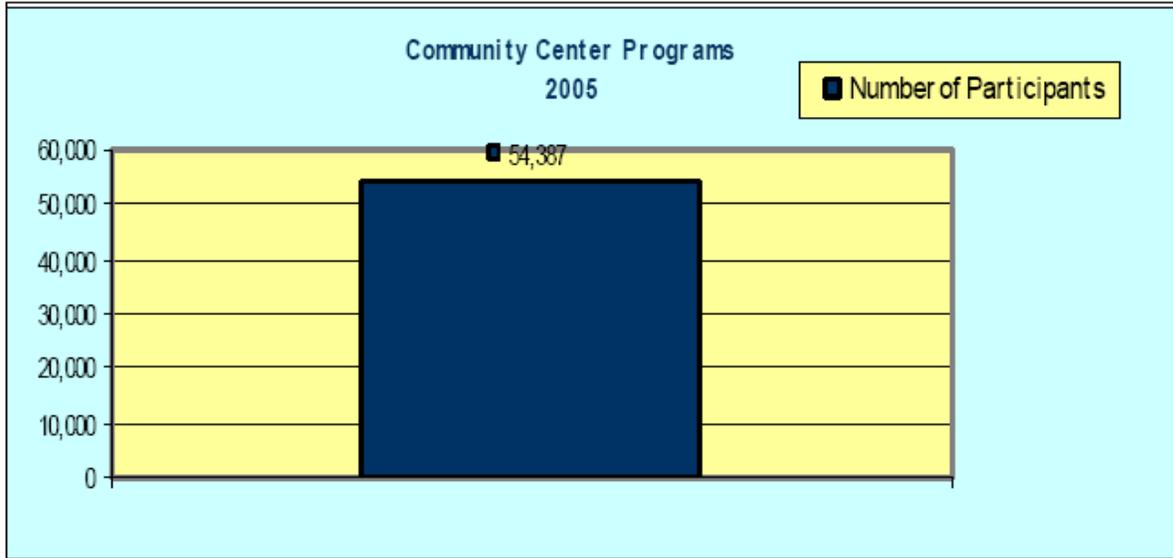
**Parks & Grounds  
Northwest River Park**



**4. Recreation Program Activities**

Parks and Recreation supported the citizens through the provision of recreational activities and leisure activities at the local Community Centers and other park facilities throughout the City. The following are some of the recreational and leisure activities:

- Soccer, Cheerleading, Softball, and Football
- Caribbean Carnival, Bark in the Park, and Route 17 Bike Race
- Leisure classes such as ceramics, social dancing, and karate
- Summer Food Lunch Program, the Youth Recreation Scholarship Program, and eight after-school programs
- Seniors in motion program, seniors bowling and senior educational workshops



Total Quantity  
Membership Sales = 10,147

## **C. Operational Findings**

While Parks and Recreation appeared to be effectively accomplishing its overall mission, we did identify some areas where administrative and operational practices could be enhanced. For example, we noted that Parks and Recreation had made substantial progress in the use of the SAFARI system to record leisure recreational programs. However, we also observed that management needed to continue to work with the vendor on system enhancements. In addition, many of the Community Centers did not have air-conditioning in the gymnasiums and the water tank system at Northwest had extensive corrosion. Additionally, we noted that Parks and Recreation currently submits a relatively small enterprise fund budget for the Northwest River Park in addition to its Recreation Program enterprise fund budget. Finally, we observed that Parks and Recreation had not adopted a methodology for measuring the economic impact of their current and future programs.

### **1. SAFARI System**

**Finding - The Athletic Programs Group was unable to register participants and record their deposit fees in the SAFARI software system for athletic sporting events. Instead, athletic sporting events registration and deposit fees were collected and manually recorded by the athletic staff and forwarded to the Parks and Recreation central office.**

Deposit fee procedures were prescribed in the City of Chesapeake Department of Parks and Recreation Policies and Procedures Manual, (Manual) Policy Number 6020, item II.2. entitled "Fee Policy". The manual stated, "The appropriate fee will be collected at the time an applicant registers for membership or guest privilege and a receipt will be issued for all fees collected."

The SAFARI software was a registration system that was used by Parks and Recreation to manage various recreational programs offered in the Parks and Recreation Leisure Guide. The system had the capability to track the number of registrants and available space in the program and to show recorded fees collected from registrants or remaining fees that need to be collected. However, during our review, the Athletic Sports Events programs (i.e., soccer, football, cheerleading, etc.) were not on the SAFARI system. Registration and deposit fee collections were handled manually by the Athletic Program Group and the accounting technician verified the totals collected on the daily registration roster against the athletic cash report totals reported on the form turned in at the Treasurer's office.

This situation occurred because the SAFARI system was incapable of recording the weight of a participant and the age field was not a restricted field; therefore, the age field could be altered to allow a participant to play a sport even though they may not have met the age restriction. As a requirement for the Athletic Sports Events programs, weight and age fields must be maintained. Parks and Recreation was working with the vendor on the system enhancements for the collection of revenue for athletic sporting events and the recordation of participants.

Without the use of the SAFARI system tracking capabilities, the program registration fee collection processes were performed manually for the Athletic Sports Events programs. The process may not be controlled as effectively, and the Department could risk potential losses related to the manual processing of these funds.

**Recommendation - Parks and Recreation should continue to work with the vendor on the system enhancements for the collection of revenue for athletic sporting events and the recordation of participants.**

Parks and Recreation should ensure that systems enhancements have the capability of recording the weight of a participant and the age field should be restricted to prevent a participant who does not meet age restrictions from playing in a restricted sport. These system enhancements should ensure that revenues are properly accounted for, deter risks associated with loss of revenue, and ensure that the participants meet the age and weight restrictions.

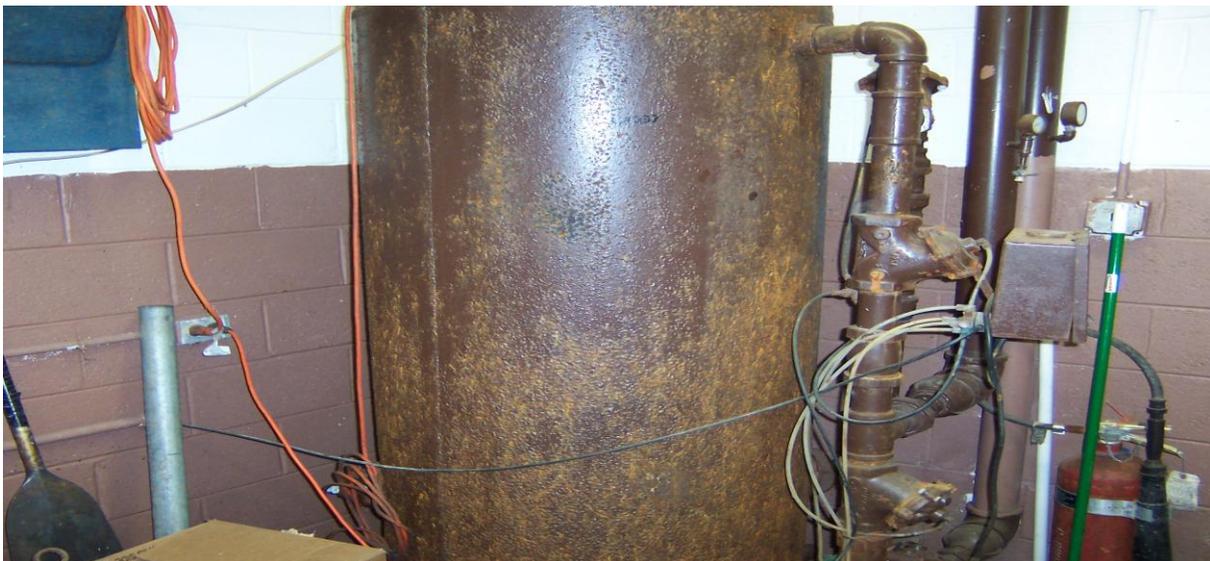
**Response - The original League Scheduling Module of the SAFARI system did not meet the requirements of the Parks and Recreation Department Athletic Programs Group staff. However, the vendor has developed a new replacement application that will be available to us at a lower cost that resolves the issues of concern to the staff. It is in the demo phase at this time but is expected to be implemented within the next twelve months.**

## **2. Northwest River Park**

**Finding – The water tanks at Northwest River Park were corroded. The corrosion was particularly extensive on the underside of the tanks where moisture had collected and condensed. The corrosion existed on both the storage tank and the pressurized primary tank. A number of the supporting structures and connecting pipes were deteriorating as well.**

Virginia Administrative Code 12 VAC 5-590-350, states that, “frequent sanitary surveys should be made by the owner of the water supply source and waterworks to locate and identify health hazards to the waterworks.” Additionally, it states, “that every effort should be made by the owner to prevent the degradation of the quality of water supply sources.” The regulation also states, “it is the responsibility of the owner to provide and maintain conditions through the entirety of the water supply system in a manner which will assure a high degree of capability and reliability to effect compliance with these standards.” Finally, this requirement includes the identification and evaluation of all factors having the potential for impairing the quality of the water as delivered to customers and appropriate preventative and control measures.

There was significant corrosion on the storage tank and pressurized primary tank at Northwest River Park; therefore, a number of the supporting structures and connecting pipes were deteriorating. In addition, in examining the tanks, it was immediately obvious that both tanks were badly corroded. The corrosion was particularly extensive on the underside of the tanks where, according to staff, moisture tended to collect and condense. Even though the tanks had been painted in recent years, they were still flaking extensively. This was true of both the storage tank and the pressurized primary tank. In addition to the tanks, a number of the supporting structures and pipes were deteriorating as well. The Park Superintendent indicated that he had been advised that the tanks could begin leaking within a year or less, thus forcing the Park to cease operations.



**Corrosion on filter tank**

The water tanks were installed in the mid 1970's and had not been replaced due to budget constraints. The staff at the Park had made management aware of the deteriorating tank and water system but had not been advised as to when the tanks could be replaced.



**Corroded storage tank and support structure**

The continued deterioration could contaminate the tanks and affect the health of the staff and citizens using the park and further delays to address equipment replacement could cause water tank failure, leakage or unsanitary conditions, which would force the park to cease operations.



**Corroded pressurized primary tank**

If the tanks were to leak, it could force Northwest River Park to cease operations and cause flooding and water damage to the building and equipment. The unexpected repair and replacement costs due to damage caused by failed water tanks would have an adverse impact on the Parks and Recreation budget. The staff had discussed the situation with central office management and they agreed the situation was critical. Management had planned to request the money for replacement of the water system in the capital budget for FY 2007, but was unsure of the status of the project.



**Corroded Support Structure**

**Recommendation – We recommend that Parks and Recreation ensure that the tank replacement is a top priority on their repair list and include the cost of replacement of the water tanks in the FY 2007 capital budget. The replacement of the tanks should ensure that the costs will not escalate due to replacement/repair and damages caused by their failure.**

**Response – On October 10, 2006, \$140,000 was appropriated by City Council for replacement of the water system. Following receipt of bids, an additional \$20,000 was appropriated on February 13, 2007 to provide sufficient funding for this project.**

### **3. Community Centers**

**Finding – We noted that the Community Center buildings were 15 to 30 years old and needed repairs and/or renovations.**

There were seven multi-purpose Community Centers throughout Chesapeake. They generally included a gymnasium, locker and shower facilities, a health room, meeting rooms, game rooms, and a kitchen. Community Center facilities were used by Chesapeake residents for meetings and gatherings during normal operating hours. All of the Community Centers were designed and built to be accessible to the physically disabled. Various programs and activities were held at the Centers providing a place for youth to enjoy a variety of games after school and on Saturdays and seasonal programs include summer youth and teen programs. The gym at each center was open for adult and youth free play, volleyball, and basketball at scheduled times.

We visited all seven of the Community Centers and discussed with the staff the maintenance and repair concerns they had. They are listed on the next page.

**Observed Maintenance and Repair Problems**

<b>Maintenance/ Repair Categories</b>	<b>Community Center</b>						
	<b>Camelot</b>	<b>Deep Creek</b>	<b>Great Bridge</b>	<b>Indian River</b>	<b>River Crest</b>	<b>South Norfolk</b>	<b>Western Branch</b>
Grounds (parking lots, sidewalks, steps, ramps, etc.)	<b>X</b>						<b>X</b>
Exterior of building (walls, windows, foundation, drains, etc.)	<b>X</b>		<b>X</b>		<b>X</b>	<b>X</b>	<b>X</b>
Roof and rooftop equipment (including gutters/downspouts)		<b>X</b>		<b>X</b>	<b>X</b>		<b>X</b>
Entrance/exit doors						<b>X</b>	<b>X</b>
Wall and ceiling finishes (paint, wallpaper, ceiling tiles)			<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>
Floor finishes (carpets, tile, etc.)			<b>X</b>		<b>X</b>	<b>X</b>	<b>X</b>
Interior doors, railings, built-ins		<b>X</b>	<b>X</b>				
Elevators, escalators, stairways							
Lighting, alarms, sprinklers, etc.	<b>X</b>	<b>X</b>		<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>
HVAC, fixtures (water fountains) and other mechanical equipment	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>
Interior pipes and leaks		<b>X</b>	<b>X</b>				
Repairs for restroom, locker room, partitions, cleaning and repair of dividers	<b>X</b>			<b>X</b>	<b>X</b>	<b>X</b>	
Replace volleyball side holes						<b>X</b>	<b>X</b>
Inspect and treat for mold and moisture			<b>X</b>	<b>X</b>			<b>X</b>

**X-Indicates a problem in the Community Centers for the maintenance/repair categories**

We noted that six of the seven Community Centers lacked air-conditioned gymnasiums which caused moisture and resulted in damages such as peeling paint, rusting of doorways, and loose ceiling tile within the gymnasiums. Additionally, at five of the seven Community Centers, the moisture caused similar facility damages in other parts of the building.



**Moisture Damage to a Community Center storage room**



**Exterior damage on the outside of one of the Community Centers**

This escalation in repairs has occurred because the Facilities Maintenance Department was primarily handling emergency repairs and maintenance repairs rather than cosmetic type repairs. The facility damages to the buildings could result in injury to the employees and citizens using the Community Centers. The lack of air-conditioning in the Community Centers could cause also employees and citizens using the gym to overheat or otherwise become ill.

**Recommendation – Parks and Recreation should work with Facilities Management to develop a list of repairs and renovations that need to be made to the Community Centers.**

This list of repairs may include painting of the facilities, removing rust from doorways, and repairing loose tiles. Additionally, the City may want to consider installation of air-conditioning in the gymnasiums as part of a capital improvement plan, and periodic facility inspections as decided by Parks and Recreation and Community Center management. These actions should help ensure that the facilities receive that maintenance attention required.

**Response - The 2007-2008 capital budget includes \$550,000 to air condition the five community center gyms currently without air. This was one of our top priority renovation needs. In regards to a list of repairs and renovations, recreation staff does a yearly inspection of the community centers interiors and exteriors (including grounds). Representatives from housekeeping, facility maintenance and grounds are asked to attend. A list of needed repairs is prepared at that time. We have asked them about the possibility of a maintenance schedule in regards to painting and are waiting on a response.**

#### **4. Combining of Recreation Enterprise and NWRP Enterprise Funds**

##### **Finding - Parks and Recreation prepared separate enterprise fund budgets for Northwest River Park and Recreation.**

Budget Units that are included in the City's operating budget should be sufficient in size to warrant the administrative oversight required to maintain them as separate budget units. During our audit period, we noted that Parks and Recreation prepared separate enterprise budgets for Northwest River Park and Recreation.

The Recreation and Northwest River Park enterprise funds were developed so that Parks and Recreation could continue to provide quality recreation services to the public without utilizing the general fund. The enterprise funds were used to fund direct program expenses. The budget for Northwest River Park was approximately \$140,000 while the budget for Recreation was approximately \$700,000.

Staff advised us that a separate budget was prepared for Northwest River Park because Northwest River Park was a campground facility which had different activities than those accounted for in the Recreation enterprise fund. For example, Northwest River Park had activities such as camping, equipment rentals, boating, horseback riding, and a general store which sells snacks and bait for fishing. The Recreation enterprise fund included fees for activities such as youth sports programs, adult sports programs, leisure activity programs, and community center memberships.

The submission of two budgets by Parks and Recreation created additional work for Budget and did not provide a consolidated picture of Parks and Recreation total enterprise budget. It also created additional preparation work within Parks and Recreation.

##### **Recommendation - Parks and Recreation should consider submitting a combined budget to the Budget Office for Northwest River Park and Enterprise Funds.**

Parks and Recreation should consider presenting one budget to the Budget Office that combined the Northwest River Park and Recreation enterprise funds. Parks and Recreation could continue to monitor two different budgets for internal tracking purposes. Such action would eliminate the need for submission of two budgets and reduce the administrative work associated with the separate City budget submission.

**Response - Discussions on this matter continue with the Departments of Budget and Finance. Our concern is that it is absolutely necessary for internal management purposes that the data be maintained separately as is currently the case. We are willing to submit a combined budget for reporting purposes so long as the data is separately maintained and separate reports are available internally.**

## **5. Community Centers versus YMCA**

**Finding - The Great Bridge and Indian River Community Centers were approximately 30 years old. Parks and Recreation staff at Great Bridge and Indian River Community Centers were concerned that they could lose patrons to the YMCA because the YMCA had more updated equipment.**

The Great Bridge and Indian River Community Centers were approximately 30 years old. There were YMCA's near both Community Centers. The staff at both Community Centers told us they were concerned that they were losing patrons to the YMCA, because the YMCA had swimming pools and more updated equipment in its exercise rooms.

Parks and Recreation had not been able to supply more equipment in the exercising room because of budget constraints and the age of the two facilities. Additionally, the Community Centers did not have swimming pools due to funding and square footage. Parks and Recreation had obtained bids on swimming pools in the past and they were very costly to install and maintain.

Since the Great Bridge and Indian River Community Centers were the two oldest Community Centers, their risk of losing patrons to the YMCA's more modern facilities is heightened. In addition, the YMCA may be able to offer program alternatives that are impractical in the Community Centers due to facility and budget constraints.

**Recommendation - The City and Parks and Recreation may wish to consider developing a partnership with the YMCA for the Great Bridge and Indian River Community Centers that allows them access to some of the YMCA's facilities and/or programs.**

Parks and Recreation may wish to explore partnering with the YMCA for the use of facilities such as a rock climbing wall or programs such as child care and the use of personal trainers that the City is unable to provide. In exchange the Community Centers may be able to provide access to programs not offered by the YMCA. As such the arrangement could be beneficial to both entities.

**Response - Community Centers versus YMCA – Due to the large difference in the membership rates to use our facilities versus the YMCA's rates, it is unclear how much they would want to partner with us to allow our members to use their facilities. However, it is certainly an idea that staff can explore in the future. Currently we are concentrating on ways we can reduce Enterprise budget expenses to enable us to be able to update the equipment in our weight rooms.**

## **6. Economic Benefit**

**Finding - Parks and Recreation had not developed a methodology to measure the economic benefit of the events it sponsors.**

Departments within the City that host events for the City of Chesapeake should have a method for tracking the participants and observers locally and from out of town so that the economic impact of the event can be measured. Parks and Recreation sponsors “Special Events” as Bark in the Park, a bicycle race, and a wakeboarding competition, that brings in participants and spectators from the City, the region, or outside of the area.

We noted that Parks and Recreation had not developed a methodology to measure the economic benefit of the events it sponsors. While it may be difficult to measure all “Special Events” because all events do not require a registration form, methodologies can be developed for estimating both the number of participants as well as how much they spend to participate in an event for food, lodging, sales taxes, and similar items.

Without a method for measuring the economic impact of the events, Parks and Recreation would not be able to justify and request additional funding from City Council for events such as the ones listed above. A lack of funding for such events could further constrain Park’s and Recreations ability to sponsor similar events.

**Recommendation - Parks and Recreation should develop a methodology to measure the economic benefit of the events it sponsors. This methodology should be generic enough so that it can be used for a wide variety of events.**

The methodology developed should have a means of tracking the number of local and out-of-area participants as well as estimates of what they might spend for food, lodging, sales taxes, and similar items. The Economic Development Department may be able to assist in developing these estimates. Tracking the economic impact of these events will allow Parks and recreation to more effectively leverage financial support for them.

**Response - After meeting with Audit several times on this, it was determined there are a few events that we can track whether a participant is or could be staying in a hotel (Dock dogs, Chesapeake Bike Race, Paddle for the Border). However, the majority of the events draw thousands of people (Bark in the Park, American Indian Festival, Eggstravanza, etc.) and it could not be determined how you could measure this....assuming any participants visit these events from outside the Hampton Roads, northern North Carolina area.**

**We are certainly willing to meet with Economic Development as you suggest if they have suggestions for capturing revenue and visitors for events.**

# **APPENDIX A**

## **RESPONSE FROM PARKS & RECREATION OFFICIALS**