



PARKS AND RECREATION FEES AUDIT

PRESENTATION TO CDHS, OCTOBER 26, 2021

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OBJECTIVES

- How are Parks and Recreation fees set?
- Is Parks and Recreation's fee structure consistent with peer cities and best practices?
- Are controls sufficient to ensure that fees are collected and recorded accurately?

FINDINGS OVERVIEW

- Parks and Recreation Focuses on Access to Services Rather Than Cost Recovery
 - Parks and Recreation's Goal is to Provide Affordable Services
 - Program Level Financial Data Are Needed to Determine Cost Recovery Goals
 - Most Fees Have Not Been Updated Since 2010
 - Waivers and Eligibility for Subsidized Fees Should Be Documented
- Collecting Cash-Equivalent Payments Could Bypass Internal Controls

PARKS AND RECREATION'S GOAL IS TO PROVIDE AFFORDABLE SERVICES

- The Commissioner of Parks and Recreation requested fee studies of its golf, tennis, large events and youth athletics programs from the Department of Finance to assess its fee structure and recommend changes to these fees to potentially recover costs
- Finance staff determined:
 - if the city charged commercial rates for golf, outsourced tennis, and charged higher rates for large events, it could potentially recover costs
 - program subsidies and discounts cause the department to sustain significant losses

THE CITY'S FEES ARE COMPARABLE WITH PEER CITIES

Residential		Nonresidential	
After-School Programming (Weekly)			
Baltimore, MD	\$0.00	Baltimore, MD	\$0.00
Arlington, TX	\$22.50	Arlington, TX	\$22.50
Milwaukee, WI	\$26.00	Raleigh, NC	\$36.50
Raleigh, NC	\$32.73	Milwaukee, WI	\$39.00
Atlanta, GA	\$35.00	Atlanta, GA	\$110.00
Adult Athletics (Weekly)			
Arlington, TX	\$31.82	Arlington, TX	\$31.82
Milwaukee, WI	\$37.00	Baltimore, MD	\$37.50
Baltimore, MD	\$37.50	Raleigh, NC	\$40.00
Raleigh, NC	\$40.00	Milwaukee, WI	\$47.00
Atlanta, GA	\$65.00	Atlanta, GA	\$110.00
Aquatics (Per Lesson)			
Baltimore, MD	\$2.86	Baltimore, MD	\$2.86
Milwaukee, WI	\$4.50	Milwaukee, WI	\$6.00
Atlanta, GA	\$5.42	Atlanta, GA	\$6.67
Arlington, TX	\$7.50	Arlington, TX	\$7.50
Raleigh, NC	\$30.00	Raleigh, NC	\$45.00
Park Reservations (Hourly)			
Arlington, TX	\$21.56	Arlington, TX	\$21.56
Raleigh, NC	\$25.00	Raleigh, NC	\$25.50
Atlanta, GA	\$25.00	Atlanta, GA	\$34.38
Milwaukee, WI	\$37.50	Milwaukee, WI	\$38.00
Baltimore, MD	-	Baltimore, MD	-

Residential		Nonresidential	
Recreation Building Rentals (Hourly)			
Arlington, TX	\$27.50	Arlington, TX	\$27.50
Atlanta, GA	\$30.00	Atlanta, GA	\$43.00
Raleigh, NC	\$75.00	Raleigh, NC	\$75.00
Baltimore, MD	-	Baltimore, MD	-
Milwaukee, WI	-	Milwaukee, WI	-
Tennis (Hourly)			
Arlington, TX	\$2.33	Arlington, TX	\$2.33
Atlanta, GA	\$3.50	Raleigh, NC	\$5.00
Raleigh, NC	\$5.00	Atlanta, GA	\$5.00
Milwaukee, WI	\$7.00	Milwaukee, WI	\$7.00
Baltimore, MD	\$7.00	Baltimore, MD	\$7.00
Golf (18-Hole Course)			
Atlanta, GA	\$23.50	Atlanta, GA	\$28.00
Arlington, TX	\$54.20	Arlington, TX	\$54.20
Baltimore, MD	-	Baltimore, MD	-
Milwaukee, WI	-	Milwaukee, WI	-
Raleigh, NC	-	Raleigh, NC	-

Note: In peer cities with blanks, we were unable to determine a fee, or a municipal service is not provided. Other program areas were not included as the program areas' details and peer cities unit of measurement varied by hourly, weekly, and annually.

Source: Prepared by auditor's creation based on peer cities parks and recreation website fees and information from 2019 Census Bureau data.

THE CITY'S FINANCIAL SYSTEM IS NOT CURRENTLY SET UP TO CAPTURE PROGRAM LEVEL EXPENSE DATA

Exhibit 7: The Department Recovered 8% of Total Costs Through Fee Revenue

Fiscal Year	Revenues	Total Department Expenditure	Percentage
2016	\$2,683,281	\$52,661,761	5.1%
2017	\$4,138,418	\$55,807,592	7.4%
2018	\$6,278,710	\$71,787,663	8.7%
2019	\$6,355,476	\$59,501,077	10.7%
2020	\$4,822,928	\$60,619,840	8.0%
Total	\$24,278,813	\$300,377,933	8.1%

Source: Oracle Cloud, Trial Balance Report.

- Staff record financial transactions in Oracle Cloud, but expenses are not categorized by the same programs as revenues, making it difficult to identify program level deficits
- While the department tracks program revenue through project numbers, it tracks most expenses through the general fund and organizational chart of accounts
- Over the period, the Department of Parks and Recreation collected \$24.3 million in fees and charges, covering 8% of the department's total expenditures

MOST FEES HAVE NOT BEEN UPDATED SINCE 2010

Exhibit 8: Most Fees Haven't Been Updated in Over Ten Years

Year of Last Update	Number of Fees	Cumulative Count	Percentage	Cumulative Percentage
before 1992	26	26	9%	9%
1993	0	26	0%	9%
1994	0	26	0%	9%
1995	0	26	0%	9%
1996	0	26	0%	9%
1997	0	26	0%	9%
1998	0	26	0%	9%
1999	1	27	0%	9%
2000	0	27	0%	9%
2001	0	27	0%	9%
2002	1	28	0%	9%
2003	0	28	0%	9%
2004	0	28	0%	9%
2005	25	53	8%	17%
2006	0	53	0%	17%
2007	0	53	0%	17%
2008	50	103	16%	34%
2009	31	134	10%	44%
2010	78	212	26%	70%
2011	1	213	0%	70%
2012	20	233	7%	77%
2013	1	234	0%	77%
2014	0	234	0%	77%
2015	0	234	0%	77%
2016	70	304	23%	100%
2017	0	-	-	-
2018	0	-	-	-
2019	0	-	-	-
2020	0	-	-	-
2021	0	-	-	-
Total	304			

- Best practices suggest departments should update fees every two to three years
- Staff told us that there is no formal policy to review or update fees on a scheduled basis

Source: Section 110-3 of City Code and 51 related ordinances.

ALL FEES IN IPARCS ARE LISTED IN CITY CODE

Exhibit 10: Fees Listed in iPARCS Match City Code

Membership Package Rates							
	Unit	Adult		Youth		Senior	
		Resident	NonResident	Resident	NonResident	Resident	NonResident
Rec Center Athletic Pass**^	Annual	\$110.00	\$150.00	\$65.00	\$85.00	\$65.00	\$85.00
Splash Card	10 Day	\$37.50	\$37.50	\$17.50	\$17.50	\$17.50	\$17.50
Splash Card	20 Day	\$70.00	\$70.00	\$35.00	\$35.00	\$35.00	\$35.00
Hydrotherapy Card	12 Classes	\$55.00	\$70.00	\$55.00	\$70.00	\$55.00	\$70.00
Aqua Aerobics Card	12 Classes	\$55.00	\$70.00	\$55.00	\$70.00	\$55.00	\$70.00

* Family Pass Packages are available for \$245.00 for Residents (\$345.00 for NonResidents) and include 4 passes. Additional family members can be added for \$55.00 each.

^ Persons under the age of 18 must be supervised by Recreation Staff or a paying adult in order to use the Fitness Centers.

Organized Activity Rates			
	Unit	Individual	
		Resident	NonResident
Centers of Hope Afterschool/ Camp Best Friends Program	Weekly	\$35.00	\$110.00
Athletic Sports Camp	Weekly	\$65.00	\$110.00
Lake Allatoona Overnight Camp	Weekly	\$80.00	\$135.00
Aquatics Swim Lessons; Youth and Adult	12 Lessons	\$65.00	\$80.00
Youth Athletics; Baseball, Basketball, Cheerleading, Football, Track	Seasonal	\$75.00	\$150.00
Chastain Arts Center Youth Visual Art Class*	10 Lessons	\$140.00	\$140.00
Chastain Arts Center Adult Visual Art Class; Drawing, Painting, Mixed Media**	10 Lessons	\$180.00	\$180.00
Chastain Arts Center Adult Visual Art Class; Jewelry**	10 Lessons	\$200.00	\$200.00
Chastain Arts Center Adult Visual Art Class; Framing, Printmaking**	10 Lessons	\$205.00	\$205.00
Chastain Arts Center Adult Visual Art Class; Pottery**	10 Lessons	\$231.00	\$231.00

* Chastain Arts Center prices are calculated based on hourly rates. Rates listed for Youth Classes are for 10 lessons lasting an hour each. Rates vary based on lesson duration and number of lessons offered in a class.

** Chastain Arts Center prices are calculated based on hourly rates. Rates listed for Adult Classes are for 10 lessons lasting three hours each. Rates vary based on lesson duration and number of lessons offered in a class.

Hourly Reservation Rates							
	Unit	Individual		Tax Exempt Organization		Non Tax Exempt Organization	
		Resident	NonResident	Resident	NonResident	Resident	NonResident
Arts and Crafts Room	Hourly	\$30.00	\$43.00	\$30.00	\$43.00	\$75.00	\$112.00
Classroom	Hourly	\$30.00	\$43.00	\$30.00	\$43.00	\$75.00	\$112.00
Multipurpose Room	Hourly	\$30.00	\$43.00	\$30.00	\$43.00	\$75.00	\$112.00
Conference Room	Hourly	\$42.00	\$60.00	\$30.00	\$43.00	\$70.00	\$100.00
Auditorium	Hourly	\$85.00	\$150.00	\$52.00	\$75.00	\$122.00	\$175.00
Auditorium 2, CT Martin	Hourly	\$100.00	\$150.00	\$52.00	\$75.00	\$122.00	\$175.00
Gymnasium	Hourly	\$90.00	\$210.00	\$88.00	\$125.00	\$157.00	\$225.00
After Hours Attendant	Hourly	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
Ball Field (Lighted)	Hourly	\$83.00	\$101.00	\$63.00	\$72.00	\$83.00	\$101.00
Ball Field (Unlighted)	Hourly	\$63.00	\$73.00	\$50.00	\$55.00	\$63.00	\$73.00
Park Attendant [Gate Access]	Hourly	\$10.50	\$10.50	\$10.50	\$10.50	\$10.50	\$10.50
Small Pavilion	Daily	\$100.00	\$150.00	\$100.00	\$150.00	\$100.00	\$150.00
Medium Pavilion	Daily	\$150.00	\$200.00	\$150.00	\$200.00	\$150.00	\$200.00
Large Pavilion	Daily	\$200.00	\$300.00	\$200.00	\$300.00	\$200.00	\$300.00
X-Large Pavilion	Daily	\$300.00	\$400.00	\$300.00	\$400.00	\$300.00	\$400.00

Certain Reservations are not available online. If you are interested in reserving a ballfield to hold tournaments, access to Indoor Restrooms for your Park Reservation, Recreation Center Wedding or Vending Packages, pool reservations, Showmobile, or Chastain Arts Center, please contact the Centralized Reservations Office at parkscustomerservice@atlantaga.gov or the center where you wish to have your event.

Note: Cultural Affairs fees are in [iPARCS](#), but were excluded from our scope.

Source: iPARCS website

WAIVERS AND ELIGIBILITY FOR SUBSIDIZED FEES SHOULD BE DOCUMENTED

- The department has not documented the Commissioner's fee waiver process as outlined in Section 110-3 of the city code, which could result in inconsistent practices
- About one-third of youth enrolled in recreation programs in the 2018-19 school year paid reduced fees based on financial hardship
 - The department was unable to provide all supporting documentation for our random sample of participants

COLLECTING CASH-EQUIVALENT PAYMENTS COULD BYPASS INTERNAL CONTROLS

- Parks and Recreation allows customers to register in-person at facilities before participating in a program or activity
- If a guest does not sign-up for service in iPARCS in advance, staff will register the guest in the system and accept payment
 - Customers registering in-person can pay using a money order or check.
 - facility employees who maintain custody of in-person payments could also prepare deposits

RECOMMENDATIONS

- In order to improve the fee-setting process the Commissioner of Parks and Recreation should:
 1. work with Finance to review the 25 trust fund project numbers, remove unused accounts, and match project numbers to program areas
 2. develop cost recovery goals for specific programs where appropriate
 3. work with Finance to determine a procedure to tie expenses from the general fund to program areas with identified cost recovery goals
 4. develop a policy that requires fees to be reviewed every two to three years
 5. document procedures for waiving fees to ensure compliance with city code and consistency when issuing fee waivers

RECOMMENDATIONS (CONT.)

- In order to improve the fee-setting process the Commissioner of Parks and Recreation should:
 8. work with the Mayor's office staff to compile a list of nominations for the Parks Council for City Council consideration to assist the department
 9. ensure staff follow departmental policies and procedures to develop a system to organize iPARCS data and retain customers' financial hardship application supporting documents for 2 years according to Georgia code LG-23-002
 10. encourage guests to use iPARCS, GolfNow, and Kourts self-service sign-up, pay for programs/services using electronic payment options and allow guests to register themselves at the facilities. If the department continues to accept checks and money orders, we recommend that it discontinue allowing the same employee to both accept cash and prepare the deposit
 11. install security cameras at the front desk of parks and recreation facilities to further reduce the risks associated with cash handling

QUESTIONS?

Full Report:

http://www.atlaudit.org/uploads/3/9/5/8/39584481/bll_parks_and_recreation_fees_final_-_10-11-21__1_.pdf