MTAS was requested to review the flow of paperwork from all city departments to, and through, the Finance department and make any recommendations for changes to create a more efficient operation. After making an overall assessment, MTAS decided to concentrate on the collection and flow of funds received in off site departments.

This review of the Parks and Recreation Department, focuses specifically on three areas of Recreation, the POWERHOUSE, Aquatics, and the Recreation centers.

POWERHOUSE

The POWERHOUSE is located at Warner Park and provides a fitness center to city residents and city employees. It is equipped with up to date fitness machines (Nautilus weight machines, treadmills, etc.) and also offers classes in aerobics, etc. It is designed to accommodate users of all abilities and offers therapeutic as well as traditional opportunities.

Current Collection Procedures

The fee for using the POWERHOUSE facility is $.50 (City employees are permitted to use the facility for free). Access to the facility is through a locked door. Money is deposited into a drop box that is available at the front window, which is always manned during operational hours. The staff is separated from the patrons by a glass window and they do not handle the money, though they will occasionally make change. After depositing the money the patron signs a sign-in sheet and is buzzed into the facility by the front office staff. Twice daily, noon and closing, the monies are removed from the drop box and placed in the safe. Monies are counted 3 times a week and a collection report is completed. The monies and collection report are placed in a locked bag to be picked up by the department courier and taken to the Treasurer’s office.

Specialty classes are handled by the department-wide policy, which consists of contracting with the instructors who collect the program fees from the participants. The instructor remits 20% of the fees to the staff (coordinator) and retains the rest. The coordinator places the funds in a locked bag, which is delivered to the Treasurer’s office by courier.

Issues/Concerns

- **Facility fee not always being paid.** According to the POWERHOUSE director although everyone drops something into the drop box it is not always the $.50 fee.
It is sometimes tokens or other items that resemble coins. Since the staff does not handle the funds they cannot see what is being placed in the box.

- **Sign in sheet not properly signed.** Patrons sign in but not always with their proper name, but with names such as Madonna, Elvis, etc. Again the sign in sheet is not monitored by the staff to insure proper signatures.

- **Sign in sheet is used as a waiver form.** According to the director one of the purposes of the sign in sheet is to provide a liability waiver in case of injury, etc. Observation of the sheet does not indicate a waiver statement and if proper signatures cannot be obtained the waiver issue becomes invalid anyway.

- **Specialty classes not monitored for fee collection.** Since the instructor collects the class fees and forwards the 20% to the city there is no check on whether all fees have been collected or the proper amount remitted to the city.

**Recommendations**

The director is already considering alternatives to the current collection system. He has investigated a ticketing system where the patrons would put the fee in a ticket machine and place the ticket in the drop box. Collections could then be reconciled to the ticket count. MTAS would recommend that the city explore this alternative. The ticket could also be used in conjunction with a turnstile system that could be installed to provide access to the facility. The turnstile count could be reconciled to the ticket count as well.

MTAS recommends that the sign in sheet be discontinued. We do not believe that it is a proper waiver form and thus provides no liability relief to the city. Also the fact that there is no check on patrons’ identification renders the form questionable at best. If there is a concern about liability, each patron should have a sign (one time) a waiver form and provide identification.

**AQUATICS/POOLS**

Chattanooga Parks and Recreation maintains and operates two indoor pools, at the Brainerd and South Chattanooga Recreation centers, and an outdoor pool complex at Warner Park. The indoor pools operate year round, the outdoor complex is seasonal.

**Indoor Pools-Current Collection Procedures**

Fees are charged for pool usage: $.75 for age 11 and under, and $1.25 for ages 12 and up. Since these pools are located at the recreation centers the fees for pool usage are collected at the front desk. Staff places the fees in an envelope and maintains them at the front desk. Monies are placed in a bag and kept locked overnight. Each morning staff completes a collection report and includes with the monies that are transported to the Treasurer’s office.
**Issues/Concerns**

- **Fees are charged by age range basis without verification.** If a child says they are 11 or under the lesser fee is charged, therefore some of the children who use the pool say they are eligible for the lesser fee.
- **Various staff collects the fees.** The staff person working the desk collects the fees, no one is solely responsible for this duty.
- **Monies are placed in an unlocked envelope maintained in an unsecured area at the front desk.** MTAS staff observed the money envelope lying unattended at one recreation center.
- **One staff person is charged with filing the collection report and locking the monies in the bag.** There are no checks in place to verify that all monies are reported and transported for deposit.
- **No verification maintained between fees collected and patrons using the pool.** The front desk area is open and the access to the pool area is not secured so that a count can be maintained between fees collected and number of people actually using the pool.

**Recommendations**

All fees should be the same regardless of age, thereby eliminating the need to ask or verify ages. Instead of staff collecting fees at the desk the city should investigate the alternative of having a ticketing/turnstile system. Ticket machines could be placed at the recreation center. The patron would deposit the money, receiving a ticket for pool access. The patron would then pass through a turnstile either depositing the ticket through the turnstile itself or with a staff person. If the staff approach is chosen, a staff member would need to be on duty to receive the tickets at all times the pool is operating.

The ticket machine would be emptied daily with the monies being placed in a locked bag along with the tickets received. The bag would be transported by courier to the Watkins Street main office, where staff would complete a collection report matching tickets to fees. Then everything would be sent to the Treasurer’s office.

**Warner Pool Complex**

The Warner Pool Complex provides opportunities for open swim, group swim, and private lessons.

**Open Swim-Current Collection Procedures**

As with the indoor pools different fees are charged based on age levels with 11 and under paying $.75 and 12 and over paying $1.25. Fees are paid at the front window and then admittance is through a locked door. The patron then passes by a desk where they are to
sign in and may also rent a locker. No verification is made as to the signatures and no statement of waiver of liability is visible on the sign in sheet. The Pool Coordinator is responsible for completing the daily cash report that is sent to the Treasurer’s office with overage or shortage listed on the report. Staff told MTAS that at times the pool is at maximum capacity so that new patrons can only be admitted as others leave. Because there is no actual count, the staff relies on visibly seeing patrons leave.

**Group Swim—Current Collection Procedures**

There are a number of groups who utilize the Warner Pool Complex including competitive swim teams, the Chattanooga Housing Authority, Human Services, and the Bethlehem Center. The Aquatic Coordinator prepares invoices based on the number of children who are brought to the pool. Checks are prepared by the various agencies to pay the invoice. Pool facilities may also be rented during off hours for birthday parties, etc. The Aquatics Coordinator oversees all fund collections including rentals.

**Private Lessons—Current Collection Procedures**

Staff, including the Aquatics Coordinator, are permitted to give private swim lessons. Lessons are given during pool off times and the procedure is basically the same as for other types of contract group classes given throughout the Parks and Recreation department. The staff member serves as an independent contractor collecting from the participants for the lessons and remitting 20% to the city.

**Issues/Concerns**

- **Fees are charged by age range basis without verification.** If a child says they are 11 or under the lesser fee is charged, therefore some of the children who use the pool say they are eligible for the lesser fee.
- **Sign in sheet not properly signed.** Patrons sign in but not always with their proper name, but with names such as Madonna, Elvis, etc. At busy times the sign in sheet is not monitored by the staff to insure proper signatures.
- **Sign in sheet is used as a waiver form.** Though one of the purposes of the sign in sheet is to provide a liability waiver in case of injury, etc., observation of the sheet does not indicate a waiver statement and if proper signatures cannot be obtained the waiver issue becomes invalid anyway.
- **There is no method of reconciliation between fees collected and the patrons using the pool.** The sign in sheet provides the only connection to sales and is not always accurate.
- **Staff members give private lessons operating as independent contractors.** It appears to MTAS that the staff members could incur a liability for the city as they may be considered employees regardless of when lessons are being taught.
Recommendations

All fees should be the same regardless of age, thereby eliminating the need to ask or verify ages. Tickets would continue to be sold at the front window with a turnstile installed at the door providing access to the pool area. The patron would then pass through the turnstile either depositing the ticket through the turnstile itself or with a staff person. If the staff approach is chosen, a staff member would need to be on duty to receive the tickets at all times the pool is operating.

Tickets and monies would daily be placed in a locked bag for the “runner” to pick up and carry to the Watkins Street main office where a cash reconciliation report would be completed prior to delivery to the Treasurer’s office.

MTAS recommends that the sign in sheet be discontinued. We do not believe that it is a proper waiver form and thus provides no liability relief to the city. Also the fact that there is no check on patrons’ identification renders the form questionable at best.

A better accounting procedure should be created for handling the payments by swim teams, the Housing Authority, etc. Invoices for these group billings should be generated by either the Recreation Department main office or the Treasurer’s office. Payments would also be directed to the appropriate department freeing the Aquatic Coordinator from this task.

The practice of staff members teaching private lessons as independent contractors should be discontinued. Possible conflicts exist for the city regarding liability should someone be injured, and there may also be tax ramifications regarding the staff earnings.

RECREATION CENTERS

The City operates fifteen recreation centers. Some offer a more extensive list of services than others. The number and type of fee-based classes, programs and facility rentals varies from center to center.

Current Collection Procedures

The procedures for the fee based classes begins with an agreement (contract) between the Center acting on behalf of the City and the instructor. Within this agreement, the City agrees to provide the facility (room) at the hours that are conducive to the instructor and the instructor agrees to provide the classes, charge and collect a fee from the participants at a rate determined by the instructor who then remits 20% of the fee(s) to the Center. The attendance register or record for the class is maintained by the instructor. The fee paid to the city can be in the form of cash, check, money order or cashier’s check.
Facility rentals are handled independently by each Center. The rates or charges are determined by the Department, with a fixed amount for the first two hours with an additional charge of $10 per hour for each additional hour. The additional hourly charge can be paid on the front end, assuming time is estimated correctly, but it is usually paid after the rental, when the exact amount of rental time is known. It is left to the Center personnel to determine if any additional money is owed and make collection.

**Issues/Concerns**

- **Did not find a universal/uniform formal contract.** Issues regarding the responsibility of each party and the liability exposure are left open to potential litigation if they are not clearly stated in a formal contract.
- **Did not find a proof of insurance requirement for contract instructors.** Instructors are responsible for classes and programs, some of which might result in accidental injury of a participant.
- **Did not find a formal policy on the amount groups pay to rent the facilities and what groups are allowed to use them for free.** Apparently the Centers do not charge for community meetings or reunions, but this is not established by formal policy.
- **Multiple staff members are responsible for collecting fees.** This varies from center to center, but in many instances several people have responsibility for fee collection.
- **Each Center is responsible for carrying collections to the Recreation Department Receptionist.** Each Center fills out its own collection report within three days of receipt of the money and then carries the money and the report to the Recreation Department.
- **No master list exists on facility rental.** Each Center maintains their own rental schedule, but no overall listing exists.

**Recommendations**

The Recreation Department and Finance Department working with the City Attorney’s office should develop a uniform contract for class instructors and a uniform contract or rental agreement for facility rentals. These contracts should address the responsibilities of each party and should also address such liability issues as indemnity provisions and proof of insurance.

The Recreation Department should develop a formal policy of who pays for rentals and how much is charged. Rental rates should be set by ranges of time i.e. 0 to 2 hours $30, 0 to 4 hours $60 etc. No overage would be allowed. This prevents staff from having to try and collect any overages, which apparently happen with some frequency. It would also allow for easier scheduling of personnel and possibly eliminate overtime.

In addition, the Recreation Department should develop a master schedule for all recreation center facility rentals and all subsequent rentals should be on that master list.
A Recreation Department employee should be assigned the responsibility as a “runner” to collect all collection reports and collections on a daily basis from each recreation center. The runner would then deliver these to the Recreation Department and, after a master collection report is constructed, deliver that report and the total collections to the Finance Department.

The Finance Department should provide training on the proper procedures for receiving, receipting, and recording monetary payments for all Recreation Department employees that handle money.

The Recreation Department should designate a staff member at each center location to collect the funds, complete and sign the report, and verify that it has been picked up for delivery to the main office.

**Summary Recommendations**

MTAS would also offer the following recommendations for the overall Recreation Department:

- A courier, or “runner” be utilized by the recreation department to receive the collections at all locations and return them to the main office.
- There should be someone at the main office who functions as the reconciling agent for the various collection reports. This person would also be responsible for forwarding the monies and reports to the Treasurer’s office.
- Scheduling for rentals and other uses of the recreation centers should be done through the use of a master schedule. Either all scheduling should be done through the main office, or a system developed to allow for each center’s event to be entered into the master schedule at the time it is scheduled at the center.
- There should be a uniform contract for any outside vendors or instructors.
- All employees should receive training on the policies and procedures of the collection process. No deviations from the policies should be allowed without the proper authorization.