

OFFICE OF THE CITY CONTROLLER



**PARKS AND RECREATION DEPARTMENT
ZOO, GOLF COURSE, AND TENNIS OPERATIONS
PERFORMANCE REVIEW FOLLOW-UP**

Annise D. Parker, City Controller

Steve Schoonover, City Auditor



OFFICE OF THE CITY CONTROLLER
CITY OF HOUSTON
TEXAS

ANNISE D. PARKER

June 7, 2004

The Honorable Bill White, Mayor
City of Houston, Texas

SUBJECT: Parks and Recreation Department - Zoo, Golf Course, and Tennis Operations
Performance Review Follow-Up (Report No. 04-09)

Dear Mayor White:

The City Controller's Office Audit Division has completed a Follow-Up on the Parks and Recreation Departments' Zoo, Golf, and Tennis Operations Performance Review Report (report) that was issued in February 2000. The findings and recommendations that were presented at the time of the report were distributed to the Mayor and City Council Members.

Our review was designed to determine the progress the department has made towards implementation of the recommendations made in the original report. The review consisted principally of conducting on-site interviews with department personnel and reviewing relevant documentation related to recommendations implemented. The auditors noted that overall, Parks and Recreation Department management has made significant progress toward implementing the recommendations identified in the original report or implemented alternative solutions in certain instances.

We appreciate the cooperation extended to our auditors by Department personnel during the course of their work and commend the Department for taking actions to address the recommendations noted in the report.

Respectfully submitted,

Annise D. Parker
City Controller

xc: City Council Members
Anthony Hall, Chief Administrative Officer
Michael Moore, Chief of Staff, Mayor's Office
Roksan Okan-Vick, Director, Parks and Recreation Department
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SCOPE AND PURPOSE


We have completed a follow-up review of the findings and recommendations that were presented in the Parks and Recreation Department (PARD) Zoo, Golf Course, and Tennis Operations Performance Review Report No. 99-15 (report) dated February 3, 2000. Our review was designed to determine the progress the department has made towards implementation of the recommendations made to the department in the original report.

The review consisted principally of conducting on-site interviews with department personnel; reviewing relevant documentation related to recommendations implemented; and creating a compliance matrix categorizing the status of action taken by management. The scope was limited to the recommendations from the report. The review included examining PARD responses in detail to determine whether management considered the recommendations and strategies for implementation as presented in the report and whether progress was made since its issuance.

CONCLUSION

Overall, PARD management has made significant progress toward implementing the recommendations in the original report. Specifically, Zoo related recommendations have been adequately resolved primarily through the privatization of the Zoo in July 2002. Although PARD has made significant progress toward the implementation of Golf Operations related recommendations, progress is inadequate in the areas of formally evaluating and scheduling golf course capital improvements and conducting semiannual golf customer service surveys. Significant progress has also been made towards the implementation of recommendations related to Tennis Operations. Further, the Memorial Park Fitness Center was renovated in 2002, but not to the extent recommended. Finally, no progress has been made toward the implementation of the recommendation for annual customer surveys at the Memorial Park Fitness Center.


Scott Haiflich
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AUDIT FINDING	RECOMMENDATION	ACTION STATUS	WORK PERFORMED	PARD MANAGEMENT RESPONSES	
ZOO OPERATIONS					
Management and Operations					
<p>Presently, the Zoo enjoys high public satisfaction levels, but faces some operational challenges in the areas of attendance, memberships, parking, capital funding, project management, and delineation of roles and responsibilities among internal management and support groups. The strategy process revealed that not addressing these challenges could impede the Zoo's ability to obtain its vision.</p>	1-1	<p>Consider promoting the Zoo along with the City's downtown revitalization and neighborhood government initiatives to increase its visibility with City officials, the Houston business and philanthropic community, and the public.</p>	Alternative Implemented	<p>Discussed the issue with the Deputy Director of the Parks and Recreation Department (PARD) and Houston Zoo, Inc (HZI) management. The Zoo was not promoted with the City's downtown revitalization and the neighborhood government initiatives. Since July 2002, Marketing of the Zoo has been covered by the Lease and Operating Agreement. HZI promotes the Zoo to all segments of the community through an aggressive marketing campaign. Further, the level and amount of donations received by the Zoo and reported in its first year's Operating Report indicates the high visibility and support the Zoo enjoys in the public, philanthropic and business community.</p>	<p>The Houston Zoo was privatized effective July 8, 2002 through a lease to the Zoo Development Corporation (ZDC), a non-profit organization. ZDC in turn contacted with Houston Zoo Inc. (HZI) to actually operate the zoo (i.e., the zoo's operating company).</p>
<p>The Houston Zoo's ratio of attendance compared to the consolidated metropolitan area (surrounding counties) that it serves is lower than that of many zoos with a lower population base. The number of visitors that attend</p>	1-2	<p>Develop a formal marketing plan that focuses on increasing attendance and memberships to levels that are competitive with the zoos in Houston's peer group.</p>	Alternative Implemented	<p>Discussed the issue with HZI management. We also reviewed HZI's September 2003 Annual Report to Houston Zoo Development Corporation, HZI's May 2003 Access and Performance</p>	<p>Please consult with HZI regarding their marketing plan.</p>

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<p>the Houston Zoo annually represents about one-third of the consolidated metropolitan population in this area.</p>			<p>Standards Plan, and finally Section 9.02, <i>Performance Standards</i>, of the Lease and Services Agreement.</p> <p>A formal marketing plan was not developed by HZI. However, per HZI's Annual Report, the Zoo initiated an "aggressive new marketing strategy" in fiscal year 2003. The strategy includes billboards, radio spots, and marketing materials. The report also states that the Zoo received positive press coverage through out the year. Finally, it was reported that Reliant Energy and CenterPoint Energy raised Zoo public awareness through two mailings of over a million pieces each of direct advertising and discount coupons.</p> <p>The Annual Report indicates that FY 2003 attendance was 1,455,591, down 117,321 from FY 2002 attendance of 1,572,912. However, FY 2003 attendance was consistent with FY 2000 and 2001 attendance.</p>	

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			The plan for increasing attendance reported in the May 2003 Access and Performance Standards Plan identifies strategies for increasing attendance over the life of the lease.	
Zoos around the nation receive support from public sources, private sources, or a combination of both to fund operations. The Houston Zoo has planned an aggressive capital improvement that will require \$75 million in funding over a 10-year period (1998 – 2007). Presently, a large gap exists between available funding and what Zoo management needs to complete its capital improvements. Adult admission rates at the Houston Zoo are significantly lower than those of peer zoos.	1-3 Consider phasing in an admission rate increase to bring fees to levels that are closer to comparable metropolitan zoos as a means of generating additional funding to improve operations.	Alternative Implemented	Reviewed the Lease and Services Agreement between the City and Houston Zoo Development Corporation (HCDC). Section 8.02 of the Lease Services Agreement, <i>Admissions</i> , gives ZDC the authority and responsibility to set admission fees appropriately. HZI's Annual Report indicates that an increase occurred in September 2002 without materially impacting attendance.	The City's privatization contract allows the operating company to increase fees in subsequent years without receiving City Council approval.
The Zoo lacks a formal Business Office to handle the accounting function and to ensure adequate internal controls. In the current organizational structure, the accounting function reports to the superintendent for Visitor Services. Visitor Services includes the admission and sales section, which is responsible for collecting gate receipts. Since the accounting	1-4 Establish a formal Business Office for Zoo operations and transfer accounting services functions and the bill collection function for animal sales to the new Business Office. Hire a management analyst to perform budget and cost administrative functions for Zoo operations.	Alternative Implemented	Reviewed the Operating Agreement Sec. 5.02, "Accounting", states that the Operator is responsible for accounting services.	The zoo privatization agreement accomplishes this recommendation. HZI is responsible for all accounting services functions.

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supervisor's responsibility includes accounting for gate receipts by balancing cash collected to the automated reports, the unit is in effect performing dual roles of collections and reconciliation of cash receipts.					
An incident of employee theft occurred during April 1998 among some cashiers who worked in the Zoo admission booths where visitors pay upon entering the Zoo. Three cashiers were involved in the incident and admitted to taking about \$1,200 in total. Videotapes from the surveillance cameras are automatically recorded and saved and can be viewed on a periodic basis, but the video equipment required to view the tapes is inoperable and has been since before the theft occurred.	1-5	Obtain operable videocassette recorder (VCR) equipment to review security tapes as a deterrent against further theft.	Alternative Implemented	Discussed security with HZI management and reviewed Sec. 7.06, "Security", Lease and Services Agreement states that the City has no responsibility for security of and within the Leased Premises. HZI is responsible for security at the Zoo as a part of overall operations.	Please consult with HZI regarding the efforts they have taken to address this finding.
Zoo technology is inadequate. For example, no local area network infrastructure is in place. Tools such as e-mail, file sharing, data transfer, and printer sharing are not available to Zoo employees, nor does the Zoo have network connectivity to PARD. Curators use donated personal computers. Computers frequently break down and are not supported by the City's central Information Systems Division (ISD).	1-6	Prepare a comprehensive integrated technology and telecommunications plan for the zoo. The plan should include local area network design and installation with internet access. Equipment standards for expedient transmission of voice, video and data are essential. Network administration policies and procedures and security measures should also be included in the plan.	Alternative Implemented	Discussed technology and telecommunications with HZI management. Computer systems and telecommunications have been vastly improved over pre-privatization conditions. A LAN is now in-place and appropriate employees, including security, use radios for communication purposes.	Please consult with HZI regarding the efforts they have taken to address this finding.
Facilities and Maintenance	1-7	Revise the work order	Alternative Implemented	Reviewed the Lease and	Please consult with HZI regarding

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<p>completes about 1,200 work order requests annually. Maintenance uses a simple spreadsheet to track work order activity. Focus group participants said that the quality work performed by Maintenance is good, but turnaround time to complete some projects is slow because Maintenance does not have enough staff. In order for work order activity to be effectively tracked, other critical data must be entered onto the spreadsheet. The existing spreadsheet does not provide Maintenance with the ability to track labor hours by employee and material cost because it is not designed to receive this type input.</p>	<p>spreadsheet used by Facilities and Maintenance to assist with determining productivity standards and appropriate staffing levels. Using a computer spreadsheet software package, the Zoo's maintenance staff should automate work order logs to facilitate prioritizing, tracking, and preparing cost estimates for maintenance requests.</p>		<p>Services agreement.</p> <p>Sec. 12.01, "Maintenance and Repair" of the Lease and Services Agreement requires that ZDC will cause the Operator to maintain and repair the Zoo Facilities on a regular basis and as needed from time to time in order to keep the Zoo Facilities in good working order, in a safe and orderly condition, and in substantial compliance with Zoo Industry Standards.</p> <p>However, the contract does not specify state how regular preventative maintenance and work orders are to be planned and managed. These things are handled as a part of Zoo operations.</p>	<p>the efforts they have taken to address this finding.</p>
<p>The Facilities and maintenance unit works on the construction and renovation of nearly all facilities and exhibit projects. On large facilities and exhibit projects (typically over \$50,000), a project manager is used to oversee the job and a general contractor is used to perform more complex work. In most cases, an architect is used to do the design work regardless of the size of the project. Several zoo</p>	<p>1-8</p> <p>Develop and implement a more effective process for planning and budgeting Zoo facilities and exhibit construction and renovation projects and implement maintenance record file standards to better monitor project administration activities and costs.</p>	<p>Alternative Implemented</p>	<p>Reviewed the Operating Agreement and the May 2003 Capital Improvement Plan (CIP).</p> <p>Sec. 5.06, "Capital Improvements Plan", of the Operating Agreement require that a Capital Improvements Plan be submitted by the operator no later than 60 days prior to the end of each</p>	<p>The zoo privatization contract requires the operator to submit a capital improvements plan to the ZDC and the COH annually.</p>

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<p>staff members said the focus groups that exhibits frequently have to be reworked because of poor design planning at the beginning of the project and insufficient funds being allocated. Staff members said that the end result is often exhibits that do not meet original expectations.</p>			<p>Lease Year.</p>	
<p>The American Association of Botanical Gardens and Arboreta (AABGA) is a growing national organization of botanical gardens and arboreta providing memberships to students, individuals, and institutions. The mission of the AABGA is to provide support to the study, display, and conservation of living plant collections for public benefit. Membership in the AABGA provides recognition for commitment to the preservation of plant life and the environment. It also gives access to the Resource Center, a comprehensive database on the operation of public gardens, providing networking and information-sharing opportunities for continuous improvement.</p>	<p>1-9 Complete the application process and obtain membership to the American Association of Botanical Gardens and Arboreta (AABGA).</p>	<p>Not Implemented</p>	<p>Discussed membership in the American Association of Botanical Gardens and Arboreta (AABGA) with HZI management.</p> <p>Sec. 6.02 (c) (iv), Operations”, of the Operating Agreement requires that the Zoo be operated and corporate affairs conducted by the Operator in such a manner that will maintain accreditation of the Zoo by the American Zoo and Aquarium Association (AZA).</p> <p>It is the position of HZI management that membership in the AABGA is not a priority since membership in the organization “is not a standard in the zoo industry”. However, membership in</p> <p>AABGA may be considered</p>	<p>Please consult with HZI regarding the efforts they have taken to address this finding.</p>

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			in the future.	
During employee focus group sessions, staff members expressed concern that not enough distinction was made between the starting pay rate for newly hired employees and the pay rate for employees who had been with the Zoo for 5 to 10 years or longer.	1-10 Redefine position salary ranges as an incentive for retaining employees with good performance and longevity at the Houston Zoo.	Implemented	Reviewed the Lease and Services and Operating Agreements. Also discussed this issue with HZI management. Neither agreement requires that position salary ranges be defined to retain employees with good performance and longevity. However, HZI recognized the need for good performance and longevity salary incentives. Per HZI management, a salary structure is used to retain good and experienced employees.	Please consult with HZI regarding the efforts they have taken to address this finding.
During Phase II of the PARD performance review that began in summer 1998, a major concern of management and staff was the length of time required to fill vacant positions. During that review, it was noted that the average time required to fill a vacancy was over 60 days. The length of time required to fill vacancies at the Zoo is also a problem. Extended vacancies leave Zoo operations short-staffed and make it difficult to provide the best possible service to visitors.	1-11 Continue working with PARD and City of Houston Human Resources personnel staff to reduce the amount of time required to hire Zoo employees.	No Action Required	No Audit Work Performed	The privatization of the Houston Zoo makes this recommendation moot.
The contract security company at	1-12 Re-bid the outside security	Alternative Implemented	Toured the Zoo with HZI	The privatization of the Houston Zoo

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the Zoo is ineffective.		contract.		management and discussed the effectiveness of their security program. Observed that security personnel were visible and actively engaged in public relations with Zoo visitors. Basic security is provided by off duty police officers and guest services staff called "Zoo Rangers". Guest services staff is trained in several areas, including security, first aid, and interacting with the public.	makes this recommendation moot since the zoo is no longer required to adhere to COH purchasing rules and regulations. Please consult with HZI regarding the efforts they have undertaken to address this finding.
Professional uniforms have not been provided to Zoo employees. During employee focus groups, zookeepers also expressed a need to have operable communication radios with them at all times.	1-13	Provide uniforms to all Zoo employees and provide communication radios to all Zookeepers.	Alternative Implemented	Toured the Zoo with HZI management and observed that staff wear uniforms and are equipped with communication radios. Per discussion with HZI management, zoo staff that regularly interact with the public are uniformed and zookeepers as well as other staff such as Zoo Rangers, are equipped with radios.	Please consult with HZI regarding the efforts they have undertaken to address this finding.
Animal and Veterinary Services					
AZA and Houston Zoo quarantine guidelines recommend more quarantine space than is currently available at the Zoo. To have an effective preventive disease program, the guidelines recommend isolation of newly	1-14	Provide increased quarantine space for the aquarium and other animal species.	HZI is to Implement in FY 2006	Reviewed HZI's May 2003 CIP, and discussed the issue with HZI management. The CIP reflects plans in FY 2006 to renovate the Vet Hospital. Per HZI	Please consult with HZI regarding the efforts they have undertaken to address this finding.

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<p>acquired animals in separate facilities from the animal collection.</p>				<p>management, the newly renovated space will become the new quarantine space, larger than the current quarantine space. Discussed issue with HZI management. Zoo has also expanded aquarium quarantine space by reallocation of unused facilities on the grounds.</p>	
<p>Animal diets are being supplied in quantities that are less than the amounts shown on the diet sheets provided to the zookeepers. The Zoo Standard Operating Procedures Manual requires diets to be established by the chief veterinarian and curator with input from staff members. Changes in the diet require approval of the chief veterinarian, assistant general manager of animal services, and curator.</p>	<p>1-15</p>	<p>Fill all dietary requests at the recommended levels shown on the diet sheets.</p>	<p>Alternative Implemented</p>	<p>Reviewed the Lease Services Agreement.</p> <p>Sec. 9.06, "Animals", of the Lease and Services Agreement states that ZDC is to require the Operator to..."feed and take care of the Zoo Animals maintained within the Zoo Facilities, including the provision of any required healthcare, in accordance with Zoo Industry Standards..."</p> <p>Although the agreement does not specifically address dietary requests, the Houston Zoo is accredited by the American Zoo and Aquarium Association. Animal care, including their dietary requirements, is an area in which compliance is required to receive accreditation.</p>	<p>Please consult with HZI regarding the efforts they have undertaken to address this finding.</p>

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<p>Response to observations of the health of animals by the zookeepers needs improvement in the small animal section. Zookeepers conduct daily inspections of animal health and behavioral issues. Any problems noted are recorded on daily reports and submitted to the senior zookeepers.</p>	<p>1-16</p>	<p>Provide timely response to health and behavioral problems observed by zookeepers.</p>	<p>Alternative Implemented</p>	<p>Reviewed the Lease Services Agreement.</p> <p>Sec. 9.06, "Animals", of the Lease and Services Agreement states that ZDC is to require the Operator to..."feed and take care of the Zoo Animals maintained within the Zoo Facilities, including the provision of any required healthcare, in accordance with Zoo Industry Standards..."</p> <p>Although the agreement does not specifically address timely response to behavioral problems, the Houston Zoo is accredited by the American Zoo and Aquarium Association. Animal care, including veterinary care, is an area in which compliance is required to receive accreditation.</p>	<p>Please consult with HZI regarding the efforts they have undertaken to address this finding.</p>
<p>Zookeepers conduct inspections of animal facilities each morning. Any deficiencies are documented in the daily reports. A gas leak was reported by the zookeepers on the daily reports in November 1998. Subsequent daily reports and oral reports have been made since that time. There is no report of the gas</p>	<p>1-17</p>	<p>Repair gas leak immediately.</p>	<p>Completed</p>	<p>Sec. 12.01, "Maintenance and Repair", of the Lease and Services Agreement requires that "ZDC will cause the Operator to maintain and repair the Zoo Facilities on a regular basis and as needed from time to time in order to keep the Zoo Facilities in</p>	<p>The gas leak was repaired.</p>

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leak having been repaired.			good working order, in a safe and orderly condition and in substantial compliance with Zoo Industry Standards.”		
The United States Department of Agriculture (USDA) performs quarterly inspections of zoos to determine compliance with USDA standards and regulations for proper animal care. USDA provides dates for which the items should be corrected. The Zoo exceeded those dates on the items in the April 1998 reports. In fact, the April 1998 inspection report issued a warning stating that these violations have been documented on the last two inspections. The report stated further, <i>“If similar violations are documented on subsequent inspections, all past and future violations may be used as evidence for formal legal action.”</i>	1-18	Correct all inspection violations by the correction dates established by the USDA.	Alternative Implemented	We discussed this finding with PARD management and reviewed correspondence from the President of HZI to the PARD Director. Attached to the letter was an inspection report from the USDA that took place November 13 and 14, 2002. The Zoo was found to be in complete compliance with USDA standards and regulations.	HZI's “Capital Improvement Plan” dated June 26, 2003 addresses this finding. Please obtain a copy of this plan from HZI.
Information on inventory management for food is not available. Data is not maintained in a manner to determine annual food cost, food cost by category, and food quantity levels. Optimal reorder levels are not known and spoilage and waste are not accounted for. Without this information, planning and analyses needed to minimize food cost cannot	1-19	Explore the acquisition of a food inventory management software system to facilitate lowering food costs and monitoring inventory levels.	Alternative Implemented	Discussed this finding with PARD management. Privatization of Zoo operations eliminated the need for PARD to acquire a food inventory management software system. HZI now runs Zoo operations, including food inventory management.	Please consult with HZI regarding the efforts they have undertaken to address this finding.

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be made.					
GOLF AND TENNIS OPERATIONS					
Golf Operations					
The Parks to Standard (PTS) program assigns priority to all City parks and recreation capital improvement projects. Capital improvements for City-operated golf courses receive a lower priority than improvements to park infrastructure throughout the City. As a result, deferred capital improvements for City-operated golf courses have caused major deterioration of cart paths and maintenance barns, poor grounds maintenance due to substandard irrigation systems, flooding and ground erosion from substandard drainage systems, and increased short-term maintenance cost.	2-1	Schedule and fund annual capital improvements for all City-operated municipal golf courses to ensure that each course receives necessary improvements.	Not Implemented	Discussed this issue with the Director of Golf Operations. We were provided with documents supporting the capital improvement projects identified. However, the recommended annual capital improvement plan has not been developed and implemented.	In order to implement the recommendation, it would be necessary to use the department's bond fund. However, the department believes that revenue from golf operations should be sufficient to support day-to-day operations as well as capital improvements. Nonetheless, progress has been made. Specifically, a new bridge and an automated irrigation system were installed in Brock GC in February 2002. Additional bridge improvements are underway at Brock GC. Also, new cart paths and drainage improvements were completed at Sharpstown GC in Aug 2002. And a new maintenance facility was completed at Memorial GC in February 2003.
Green fees charged by PARD golf courses, whether City-operated or privately operated, are among the lowest charged at municipal golf courses in Region 2 and the U. S. for peer cities. The average weekend green fees for PARD courses are \$2 or 10 percent below the regional average. Weekly green fees for PARD courses are	2-2	Increase the green fees for Parks and Recreation Department golf courses to be comparable to the average green fees for municipal courses in Region 2 and peer cities.	Implemented	Discussed this issue with the Director of Golf Operations. We verified that current green fees agree to the fees reflected on the Request for Council Action that led to the increase.	A green fee increase at all golf courses (COH operated and privately operated) was approved by City Council in December 2000.

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approximately 32 percent (\$6.00) less than the peer average and weekend green fees are 18 percent (\$4.00) less than the peer average.				
The review team observed the facilities at Glenbrook, Gus Wortham, and Melrose golf courses. These privatized golf courses are not meeting high-quality facility and customer service goals established by PARD. Issues raised during PARD inspections of privatized courses did not receive timely responses from the private operators. Based on the date of responses to PARD monitoring reports, written responses were not submitted within the 15-day period required in the contract.	2-3 Conduct quarterly inspections of privately managed golf courses and require private operators to maintain conditions in golf course and noncourse areas compliant with the golf concession contract.	Alternative Implemented	Discussed the finding with the Director of Golf Operations and reviewed the calendar year 2003 and 2004 inspection schedules. PARD has developed inspection forms for golf course operations and food and beverage services. PARD also developed annual on-site inspection schedules requiring at least semi-annual inspections of the Herman Park, Melrose, Glenbrook and Gus Wortham golf courses and pro shop operations. Schedules also require semi-annual inspections of food and beverage services.	A contract compliance group was established in the department in January 2002. The group consists of Management and Finance and Golf division representatives, and inspects courses according to a predetermined schedule.
Houston is faced with many of the same issues that affected Baltimore during the 1980s, including deteriorating facilities, maintenance equipment, and turf grasses because of lack of capital expenditures. The City of Baltimore created the Baltimore Municipal Golf Corporation (BMGC) and saved the City more than \$5,000,000 in the first 10 years of operation	2-4 Explore the feasibility of contracting City-operated golf courses to nonprofit organizations as an integral part of a long-term golf course management plan.	Under Evaluation	Discussed this issue with the Director of Golf Operations.	The feasibility of implementing a "Baltimore Plan" type management structure for some or all municipal golf courses has been explored several times since 1998. PARD is looking at this option again. Specifically, the Department is currently reviewing proposals from consultants to review the Department's golf operations and recommend long-term management strategies for golf courses.

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Most City-operated courses have Professional Golf Association (PGA) "Class A" golf professionals and superintendents with more than seven years experience in the golf industry. However, among the privately managed courses, only Hermann Park has a PGA "Class A" professional.	2-5 Encourage privately managed golf facilities to have at least one professional on staff with a PGA "Class A" certification.	Plan to Implement	Discussed this issue with the Director of Golf Operations. The Director of Golf Operations informed us that both Herman and Glenbrook golf courses have a PGA professional with Class A certifications. Future golf concession contracts will continue to include this requirement. However, with future contracts, as is the case with existing golf concession contracts, experience can be substituted for the PGA Class A certification.	As golf course operating agreements expire or are amended, this contract provision is being included.
The division of Golf Operations does not effectively measure quality and efficiency of performance. Defining and establishing quality measures is necessary to monitor performance and facilitate continuous improvement of golf operations. PARD has not conducted customer satisfaction surveys in more than two years.	2-6 Conduct semiannual customer satisfaction surveys to measure quality and efficiency at each golf course.	Not Implemented	Discussed this issue with the Director of Golf Operations. The Director of Golf Operations informed us that the last customer satisfaction survey was conducted at Brock Park Golf Course during the period July – September 2003. Customer satisfaction surveys are not conducted on a semiannual frequency, as recommended.	Staff and funding constraints have limited the department's ability to fully implement this recommendation. Customer Service surveys have been conducted, and the Department is now working with the National Golf Foundation on an expanded survey. Golf staff will begin conducting semiannual surveys by June 2004.
Memorial and Sharpstown have ground maintenance crews designated for golf operations.	2-7 Realign grounds maintenance crews to ensure golf course maintenance crews service only	Implemented	Discussed this issue with the Director of Golf Operations.	This recommendation has been implemented. Golf course staff is used to maintain only golf course

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These crews also maintain the tennis grounds at Lee LeClair and Memorial Park. Once used on the tennis grounds, the machinery must be decontaminated to prevent weeds or turf contamination on the golf course.	the grounds for golf facilities.		As indicated in the management response, golf course crews no longer maintain tennis center grounds.	facilities.
Tennis Operations				
In the City of Houston, tennis participation in PARD's tennis centers and area tennis courts is very low. Recent trends show that tennis participation is steadily increasing around the country.	2-8 Develop a "tennis master plan" to significantly increase citizen participation in the City's tennis program to provide more recreational opportunities for citizens while simultaneously making the tennis centers more self-sufficient.	Partially Implemented	Discussed this issue with the Director of Tennis Operations. Also reviewed the draft plan that addresses the youth tennis portion of the strategy to increase citizen participation and ultimately increase revenue. Per the Director of Tennis Operations, the master plan is a "work in progress". The ultimate goal is to increase usage of all tennis courts in the City, and as players become more involved in the sport. The goal is to increase revenue through increased usage of tennis centers, and to reduce costs through the use of non-profit organizations.	The department recognized the need for a "tennis master plan" earlier this year and the first draft of the master plan will be ready for review in the upcoming year.
Tennis center managers told members of the review team that PARD executive management does	2-9 Empower tennis center managers to more productively manage and operate their tennis centers by	Implemented	Discussed this issue with the Director of Tennis Operations. Also reviewed	The director of tennis operations has developed innovative programs to increase both adult and youth

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not empower them to manage, operate, and develop their tennis centers so that they can help increase participation.		enabling them to actively participate in decision-making, specifically in strategic planning, budgeting, programming, and performance measurement.		the list of tennis programs suggested by managers in biweekly meetings.	participation at tennis centers. Managers meet regularly to discuss budget, programs and operational issues.
Budgeted revenue from the tennis centers declined to \$164,700 in FY 1999 from \$224,600 in FY 1998--a decrease of 26 percent. Because Tennis Operations is such a small portion of the Parks Special Revenue Fund budget, PARD projected the funded deficits in FY 1998 and 1999 and expects to have a deficit in FY 2000.	2-10	Explore the feasibility of contracting City-owned tennis centers to private contractors as part of the tennis master plan.	Under Evaluation	Discussed this issue with the Director of Tennis Operations. City tennis centers have not been privatized. However, the Director of Tennis Operations is developing a master plan with the goal of increasing revenue and decreasing costs. (See Work Performed at finding 2-8)	Capital improvements were performed at two of the three municipal tennis centers—Homer Ford and Lee LeClear from November 2000 to October 2001. Fewer courts were available for rent during that time, but improved facility conditions allow for better citizen relations. The department continues to evaluate the feasibility of this recommendation. However, in the meantime, the department is committed to subsidizing tennis center operations in order to provide the general public with municipal tennis facilities.
MEMORIAL PARK FACILITIES					
PARD's philosophy is to focus on developing and providing recreational programs for the citizens of Houston. However, the department does not appear to be as diligent in developing the Memorial Fitness Center as it has been in the development of other recreational sports like golf courses and tennis centers.	3-1	Develop a "fitness center master plan" to transform the Memorial Fitness Center into a public metro, private club quality, health and fitness center that provides the best recreational fitness opportunities for citizens while simultaneously being financially self supporting.	Alternative implemented	Discussed this issue with the Administrator for Herman and Memorial Parks. Development of a fitness center master plan was rejected. A fitness center refit occurred in 2002. However, the recommended fitness center improvements were	It is not clear that the audit recommendation is in the best interest of the park. A long-range plan for Memorial Park needs to be consistent with the Memorial Park Master Plan, which is currently being developed.

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				seen as a lower priority when compared to other park wide issues.	
<p>The Memorial Park Fitness Center needs significant capital improvements, particularly in the areas of building maintenance and repair and fitness furniture equipment replacement. The facility also requires significant improvement in cleaning by outside janitorial contractors.</p>	3-2	<p>Develop a capital improvement plan for Memorial Fitness Center and add it to the fitness center master plan.</p>	Alternative Implemented	<p>Discussed this issue with the Administrator for Herman and Memorial Parks.</p> <p>A fitness center master plan was not developed. Future improvements to the Memorial Park Fitness Center will be addressed through the Memorial Park Master Plan.</p> <p>The "refit" occurred in 2002, and included repairing the air conditioning unit, painting throughout the facility, new mirrors and floor in the weight room, new lighting, new ceiling tiles, new floor tiles in the lobby, and a new floor in the locker room.</p>	<p>The fitness center was renovated through the CIP process. Further changes, if any, will need to be consistent with the Memorial Park Master Plan.</p>
<p>Despite PARD's customer service focus and declining fitness center participation, PARD does not conduct customer satisfaction surveys to determine if they are actually providing quality customer service and meeting the needs of fitness center users.</p>	3-3	<p>Conduct annual customer surveys to determine the quality and effectiveness of the Memorial Fitness Center, including its facilities, equipment, and services.</p>	Not Implemented	<p>Discussed this issue with the Administrator for Herman and Memorial Parks.</p> <p>Customer surveys were used. However, the practice ended in December 2001.</p>	<p>The department has not completed an annual customer survey.</p>