



PORTLAND PARKS FACILITY MAINTENANCE:

Tracking, assessment and
measurement have improved

A REPORT FROM THE CITY AUDITOR
July 2007



Office of the City Auditor
Portland, Oregon



CITY OF
PORTLAND, OREGON

OFFICE OF THE CITY AUDITOR
Audit Services Division

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July 31, 2007

TO: Mayor Tom Potter
Commissioner Sam Adams
Commissioner Randy Leonard
Commissioner Dan Saltzman
Commissioner Erik Sten
Zari Santner, Director, Bureau of Parks and Recreation

SUBJECT: Follow-Up Audit of Portland Parks Facility Maintenance, (Report #353)

Attached is Report #353 containing our review of the Parks Bureau's implementation of prior audit recommendations for facility maintenance.

A written response from Commissioner Saltzman and Parks and Recreation Director Zari Santner is attached to the report.

We ask that the Commissioner in Charge direct the Director of the Bureau of Parks and Recreation to prepare a status report in one year, or sooner, detailing steps taken to address the recommendations contained in our report. The status report should be sent to the Audit Services Division.

We appreciate the cooperation and assistance we received from the Bureau of Parks and Recreation as we conducted this audit.


GARY BLACKMER
City Auditor

Audit Team: Drummond Kahn
Jodi Brekhuis

Attachment

PORTLAND PARKS FACILITY MAINTENANCE:

Tracking, assessment and measurement have improved

Background Portland Parks and Recreation (Parks Bureau) owns and maintains about 250 buildings, valued at \$203.8 million. These buildings include a diverse range of structures – from large, multiple purpose community centers to park restrooms and service buildings. Some of these facilities were recently built, while others are older, requiring extra maintenance and repair.

In February 2000, we issued an audit report that assessed the Parks Bureau's management systems including its facility management system. Our audit report, *Bureau of Parks and Recreation: A Review of Management Systems* (#261) found that the Parks Bureau lacked a comprehensive building inventory; a facility condition assessment process; a financial accounting system for tracking maintenance and repair allocations; adequate funding; and clear and comprehensive performance measures.

Objective, scope and methodology The objective of this audit was to determine the extent to which the Parks Bureau implemented facility maintenance recommendations in our 2000 audit report. In order to determine the extent to which our recommendations were implemented, we interviewed Parks Bureau staff, and reviewed the Parks Bureau's asset management reports and electronic tracking spreadsheets, such as inventory and financial spreadsheets.

We conducted our work in accordance with generally accepted government auditing standards.

Audit findings and results

In our 2000 audit report, we made five recommendations to the Parks Bureau regarding facility maintenance. The following table summarizes these recommendations and indicates the current status of implementation.

Figure 1 Facility maintenance recommendations from our 2000 audit report and status of implementation

	Recommendation	Status
Inventory	Complete and keep current a building inventory that accurately lists all park buildings and key features	In process
Ongoing facility assessment	Conduct annual or periodic condition assessment surveys to determine building maintenance and repair requirements	Implemented/resolved
Accounting and tracking	Adopt standardized budgeting and cost accounting techniques and processes to facilitate tracking of building maintenance and repair funding requests, allocations, and expenditures	Implemented/resolved
Secure adequate funding	Allocate funds to building maintenance in accordance with the annual 2 to 4 percent of replacement value recommendation by the National Research Council, or at a minimum to demonstrate that sufficient funds are allocated to maintain Park buildings in a stable condition	In process
Performance measurement	Establish performance measures to evaluate the effectiveness and efficiency of the building maintenance program	Implemented/resolved

Inventory recommendation:

Complete and keep current a building inventory that accurately lists all park buildings and key features.

Status: In Process

The Parks Bureau maintains several lists of Park facilities for functional purposes, such as calculating facilities' square footage, estimating the next scheduled assessment, and recording building maintenance.

The square footage spreadsheet provides building name, type of building (e.g., community center, pool, restroom, etc), and square footage; the assessment schedule provides future assessment dates for various facilities; and the building maintenance data system captures and retains the installation and replacement dates for facilities' appliances and equipment. Some, but not all, building construction dates have also been captured.

However, when we crosschecked these lists we found discrepancies. The Parks Bureau was unable to provide one comprehensive inventory list of all buildings. According to the Parks Bureau, a complete inventory list will be compiled by December 2007. We urge the Parks Bureau to continue its efforts in developing a comprehensive building inventory that accurately lists all park buildings. At a minimum, this list should include the building name, square footage, date of construction, and expected lifespan.

Ongoing facility assessment recommendation:

Conduct annual or periodic condition assessment surveys to determine building maintenance and repair requirements.

Status: Implemented/Resolved

According to Parks Bureau staff, initial assessments have been completed for all facilities, including community centers, pools, visitor services, restrooms and shelters. Several asset-related reports convey the results of some of these facility assessments. All buildings are scheduled to be re-assessed on a five-year rotation schedule, or more often if needed. Information on future assessment dates, deferred maintenance, and individual repairs are housed in electronic spreadsheets maintained by Bureau staff.

According to Parks Bureau staff, each facility is rated with a Facility Condition Index (FCI) score. The FCI is a measure of facility deterioration. The FCI is calculated based on repair costs divided by the Current Replacement Value (CRV):

$$\text{Facility Condition Index (FCI)} = \frac{\text{Costs to correct existing deficiencies}}{\text{Current Replacement Value (CRV)}}$$

For example, if a building has \$100,000 of existing deficiencies and a Current Replacement Value (CRV) of \$1,000,000, its FCI is \$100,000 divided by \$1,000,000 – a 10 percent facility deterioration. Each building is also given a FCI rating, where:

- Less than 5 percent is “Very Good”
- 5-10 percent is “Good”
- 11-30 percent is “Fair”
- 31-50 percent is “Poor”
- Greater than 50 percent is “Very Poor”

The closer the FCI is to 0 percent, the better the condition of the asset. In the above example, the building with an FCI of 10 percent would be rated as “Good” condition. Newer buildings tend to have better FCI scores than older buildings.

Jamison Square in the Pearl District



Photo courtesy of Portland Parks & Recreation

In addition to facility assessments, Parks Bureau staff told us that they have developed a plan to assess “non-linear amenities” this summer/fall. These amenities include:

- furnishings such as tables, drinking fountains, signs, benches, trashcans, etc.
- recreation facilities such as docks, skate parks, sports courts/ fields, stages
- water features such as fountains, ponds, wading pools

After the Parks Bureau assesses amenities it will assess its infrastructure.

Accounting and tracking recommendation:

Adopt standardized budgeting and cost accounting techniques and processes to facilitate tracking of building maintenance and repair funding requests, allocations, and expenditures.

Status: Implemented/Resolved

The Parks Bureau has a system in place for tracking requests and request allocations for maintenance and repairs. According to Bureau staff, requests come from a variety of sources including the maintenance crew, zone managers, Parks Bureau staff, and City Council. Requests are captured electronically and given a rating based on availability of financing, conformity to Bureau goals, public health concerns, safety issues, legal mandates, asset protection, and public support. Once a year, requests are reviewed and prioritized, and forwarded to City Council for funding consideration. The data system tracks the requests, the ratings, the requested funding amounts, and whether the funding was granted or denied. Expenditures by facility are also tracked.

Secure adequate funding recommendation:

Allocate funds to building maintenance in accordance with the annual 2 to 4 percent of replacement value recommendation by the National Research Council, or at a minimum to demonstrate that sufficient funds are allocated to maintain Park buildings in a stable condition.

Status: In Process

According to financial information from the Parks Bureau, in FY 2007-08, about 1.5 percent of buildings' Construction Replacement Value (CRV) has been budgeted for major capital maintenance and repair, lower than the recommended 2 percent to 4 percent. The FY 2007-08 Adopted Budget has allocated approximately \$3 million for major maintenance and repair, which includes carryover funding. The Parks Bureau would have to budget approximately \$4 million to reach the recommended minimum 2 percent funding level for facility maintenance and repair.

Parks Bureau staff stated that capital maintenance and repair funding is inadequate and that they are making efforts to obtain additional funding. The Parks Bureau continues to develop and implement asset management practices and procedures to provide decision-makers with the information needed to determine the adequate funding required to maintain assets in a stable condition. The Parks Bureau is working with other bureaus on a Citywide approach for advocating for sufficient funds to maintain assets citywide.

Peninsula Park pool in North Portland



Photo courtesy of Portland Parks & Recreation

Performance measurement recommendation:

Establish performance measures to evaluate the effectiveness and efficiency of the building maintenance program.

Status: Implemented/Resolved

Currently, the Parks Bureau has three performance measures which aid in monitoring progress in maintaining facilities. The measures are clear, cohesive and can be linked to the stated goal of stewardship. They include a measure of public opinion, a measure of efficiency, and an index of actual facility condition. The following table illustrates the three measures, their data source, and the data reported during the last two years in our Service Efforts and Accomplishments Report.

Figure 2 Parks Bureau facility maintenance performance measures

Measure	Data Source	Service Efforts & Accomplishments (SEA)	
		FY 2004-05	FY 2005-06
Percent of residents who feel facilities maintenance is good or very good	Resident Survey	59.7%	62.3%
Percent of maintenance work that was scheduled	MS 2000	32%	55%
Average Facility Condition Index (FCI) rating	Parks Bureau	6%*	5%**

* Art/Cultural centers and community centers

** Art/Cultural centers, community centers, and pools

Conclusions and recommendations

The Parks Bureau has remedied most of the deficiencies noted in our 2000 audit report. We found that the Parks Bureau has made progress in addressing the recommendations from our report, including:

- Developing a schedule of periodic assessment to determine building maintenance and repair requirements.
- Adopting a process for tracking building maintenance and repair funding requests.
- Gathering information to use in advocating for building maintenance funds.
- Establishing performance measures to evaluate the effectiveness of the building maintenance program.

We recommend the Commissioner-in-Charge direct the Parks Bureau to continue its efforts to implement other recommendations from our 2000 audit report, including:

1. **Complete and keep current a building inventory that accurately lists all Park buildings and key features.**
2. **Allocate funds to building maintenance in accordance with the annual 2 to 4 percent of replacement value recommendation by the National Research Council, or at a minimum to demonstrate that sufficient funds are allocated to maintain Park buildings in a stable condition.**

RESPONSE TO THE AUDIT



PORTLAND PARKS & RECREATION

Healthy Parks, Healthy Portland

July 23, 2007

MEMORANDUM

TO: Gary Blackmer, City Auditor

FROM: Dan Saltzman, Commissioner
Zari Santner, Director, Portland Parks & Recreation

RE: Response from Portland Parks & Recreation to the Auditor's Follow-up
Report: *Parks Bureau's Facility Maintenance System*, Audit #353

Portland Parks & Recreation is pleased with the positive outcome of the Auditor's follow-up report, *Portland Parks Facility Maintenance: Tracking, assessment and measurement have improved*. As with the original 2000 audit, we appreciate the approach that your office took in conducting its work. We found the audit staff to be flexible in scheduling staff interviews, thorough in reviewing our maintenance systems, and responsive to Bureau feedback.

The Bureau is also grateful to see that the Auditor's Office has acknowledged the hard work of the Bureau since the 2000 audit report. Since 2000, Parks & Recreation has made progress on several of the original recommendations: developing a schedule for periodic assessment of facilities, adopting a process for tracking building maintenance and repair funding requests, gathering information to advocate for building maintenance funds, and establishing performance measures to evaluate the effectiveness of the building maintenance program.

The Auditor's Office has also recommended that we continue in our efforts to implement two remaining recommendations from the 2000 audit report. Following are the strategies the Bureau will use to complete implementation:

1. Auditor's Recommendation No. 1: *Complete and keep current a building inventory that accurately lists all Park buildings and key features.*

Currently PP&R has various inventory lists that provides information on our facilities. Each list captures specific data that is used by different areas of the bureau. PP&R is currently in the process of consolidating those lists and developing a complete inventory of park buildings and key features. The completion date for a single, comprehensive inventory list is December 2007.

Administration

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Sustaining a healthy park and recreation system to make Portland a great place to live, work and play.

www.PortlandParks.org
Dan Saltzman, Commissioner
Zari Santner, Director



2. Auditor's Recommendation No. 2: *Allocate funds to building maintenance in accordance with the annual 2 to 4 percent of replacement value recommendation by the National Research Council, or at a minimum to demonstrate that sufficient funds are allocated to maintain Park buildings in a stable condition.*

To compile the information needed to determine adequate funding for maintaining assets in a stable condition, the Bureau continues to develop and implement asset management practices and procedures. In addition, the Bureau is exploring various opportunities to obtain additional funding. This includes working with other bureaus in a citywide effort to acquire sufficient funds to maintain city assets.

We look forward to your continued support as we complete implementation of each of these recommendations.

c: Mayor Tom Potter
Commissioner Sam Adams
Commissioner Randy Leonard
Commissioner Erik Sten

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*Portland Parks Facility Maintenance: Tracking,
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Report #353, July 2007

Audit Team Members: Jodi Brekhus

Gary Blackmer, City Auditor
Drummond Kahn, Director of Audit Services

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*Portland Parks & Recreation Follow-up: New softball
contract allows Parks to develop competitive request-for-
proposals (#355, July 2007)*

*Strategic Sourcing: Projected savings not achieved -
program poorly implemented (#349, July 2007)*

*Portland Police Sexual Assault Response and Investigation:
Portland efforts fall short of a victim-centered approach
(#342, June 2007)*

*Financial Condition in the City of
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