



PARKS, RECREATION AND SENIOR SERVICES DEPARTMENT INTERNAL OPERATIONS REVIEW

November 15, 2018 City Council Meeting
Susan Cezar, Chief Strategic Officer
Dan Brewer, Chief Operations Officer

PARKS, RECREATION AND SENIOR SERVICES DEPARTMENT ACKNOWLEDGEMENT

- **First we would like to acknowledge the efforts of the current Parks, Recreation and Senior Services staff in moving forward and exemplifying the best qualities of public employees, continually making the extra effort to serve our community.**
- **We are proud of them and working together we can continue to provide the highest quality Parks, Recreations and Senior Services.**
- **The issues that we are about to discuss are not related to current Parks, Recreation and Senior Services staff, but occurred under the former management of the Department.**

PARKS, RECREATION AND SENIOR SERVICES DEPARTMENT PROCESS

- **Retirements of long-term PRSS Director and Senior Services Manager**
- **Important distinction is that Legacy Foundation is not legally affiliated with the City and is an independent non-profit entity.**
- **Succession planning review of Parks, Recreation, and Senior Services Department Operations, Programs, Processes**
- **Independent investigation initiated (A&M) based on:**
 - **Potential theft of funds (violation of RCW 9A.56.020),**
 - **Illegal public records deletion (violation of RCW 40.16.020), and**
 - **State Auditor requirements to notify and investigate (RCW 43.09.185)**
- **Additional issues identified and corrective actions taken – shown in the following slides**

PARKS, RECREATION AND SENIOR SERVICES DEPARTMENT ADMINISTRATIVE

Issue:

Programs initiated and funded outside of City Administration and City Council budget process (violates RCW 35A.13.120 and Chapter 3.80 DMMC).

- **True cost of programs not able to be determined.**
- **No Administration or City Council control of programming or Department work program.**

Corrective actions taken:

- *City staff have been informed that all approvals for City programs are to be through proper administrative channels.*
- *Staff will adhere to approved budget process in accordance with State law.*

PARKS, RECREATION AND SENIOR SERVICES DEPARTMENT

ADMINISTRATIVE

Issue:

Unchecked use of City employees and facilities to participate in non-profit (Legacy) events without payment, agreements or insurance protections.

- **Diversion of City staff to fundraise for an outside organization limited City resources that should have been available for Council-authorized Parks and Senior programs.**
- **Put the City at risk of claims without coverage.**

Corrective actions taken:

- *Future events will be clearly defined as to the event partners and responsibilities, with appropriate agreements in place.*
- *Charges for City facilities usage will be in accordance with Council-adopted policy.*
- *Use of city staff time and resources will be subject to Administration approval, and subject to staff capacity and ability to perform their regular City work duties.*
- *Funds raised by the City will be retained for City programs in accordance with appropriate agreements.*

PARKS, RECREATION AND SENIOR SERVICES DEPARTMENT ADMINISTRATIVE

Issue:

City staff independently requesting funding and receiving direction from the Legacy Board (violation of RCW 35A.13.120).

- **RCW 35A.13.120 prohibits public employees from receiving direction from anyone other than the City Manager or Administration.**

Corrective actions taken:

- *Department staff have been informed that they are not authorized to independently request funding/program approvals from other agencies/non-profits. Direction to staff must be through proper administrative channels, reflecting the direction of the City Council.*

PARKS, RECREATION AND SENIOR SERVICES DEPARTMENT FINANCIAL

Issue: Financial Controls - City staff handling of money for the Legacy Foundation.

- **No receipts given, not entered into the City's financial accounting system, money held at City facilities overnight.**
- **The process of receiving money must be highly regimented to ensure financial controls are in place in accordance with proper financial practices. This assures that money is recorded correctly, deposited promptly, and not stolen or altered anywhere in the process. This practice put City employees and the City at risk from claims of improper handling of funds. (RCW 43.09.240)**
- **This practice created opportunity for staff serving dual roles as City employees and Legacy Board members to divert City funds.**
- **Funds intended for the City were, in fact, diverted to an outside organization.**

Corrective actions taken:

- ***PRSS staff have received direction that they are not to handle money for the Legacy Foundation as part of their job duties.***
- ***Department staff have received additional training related to best financial practices and all money will be receipted and processed through the City's financial system.***

PARKS, RECREATION AND SENIOR SERVICES DEPARTMENT FINANCIAL

Issue:

True cost of activities/services – cannot be ascertained when supplemented outside of the City’s accounting/budget system.

- **No accounting for City staff or facilities usage expense.**
- **No recording of expenditures and the corresponding donation/contribution revenue.**
- **The City must ensure that levels of service are sustainable, that all expenditures and the role of donations are recognized in the budget, and that this is part of an open public process.**

Corrective actions taken:

- *All program expenses and revenues will be processed through the City accounting system and City Council approved budget.*

PARKS, RECREATION AND SENIOR SERVICES DEPARTMENT EMPLOYEE COMPENSATION

Issue: City Parks, Recreation and Senior Services (PRSS) employees were directed to work at Legacy events as “volunteers” without compensation.

- **Violation of federal employment law (29 CFR 285.44).**
- **Some employees challenged this direction, yet in some cases this practice continued under the previous PRSS management.**
- **Employees were under the false impression that fundraising for Legacy was required in order to support their jobs.**
- **Some employees were directed to falsify their timesheets (violation of City personnel policies).**

Corrective actions taken:

- ***Settlement agreements have been reached with most affected employees, with a cumulative cost of approximately \$20,000.***
- ***Employees have been given additional direction to properly record all time worked.***
- ***Updating policy and practice for volunteer work by City staff.***

PARKS, RECREATION AND SENIOR SERVICES DEPARTMENT SAFETY

Issue: Safety

- **Site visit conducted with the Building Official as part of succession review.**
- **Safety issues have been identified at the Field House and Senior Center that had not previously been brought to the attention of the Administration.**

Corrective actions taken:

- ***Urgent issues are being addressed immediately.***
- ***Additional work will be completed in 2019.***

PARKS, RECREATION AND SENIOR SERVICES DEPARTMENT

NEXT STEPS

- *State Auditor will review the City's investigation and recommend appropriate remedial actions.*
- *City likely to receive a negative "finding" from the State Auditor.*
- *Outside agencies as appropriate will continue the investigation.*
- *City will continue to monitor PRSS Department expenses, revenue, money-handling to assure use of best financial practices.*
- *Appropriate agreements will be in place for City partnerships with other organizations.*
- *Staff will receive approvals for programs and budget through proper administrative channels.*
- *City Council and Administration have an absolute and on-going commitment to assure the public trust is maintained through appropriate use of public resources.*
- *While donations are helpful and appreciated, sufficient City resources are budgeted for 2019 to assure on-going and sustainable PRSS programs.*