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Karen Footner, Executive Director
Baltimore Efficiency & Economy Foundation, Inc.
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Dear Karen:

We have completed phase one of the engagement regarding the Baltimore City Aquatics Program for the Baltimore Efficiency & Economy Foundation, Inc. This part of the engagement covers analysis and recommendations of the following areas: Cash, Overtime, Auxiliary Revenue, and Security.

As part of our engagement, we visited most of the "park pools" and observed operational procedures and interviewed staff at each pool location. We also interviewed the Aquatics Division Program Director, Portia Harris, on several occasions and also attended a Division weekly manager's meeting. We also obtained the operational manual titled, "Aquatics Manual 2003" and other written materials used by the Division.

There were some documents requested from the Division that were not received, including some financial and budgeting information which would have been helpful to us. Therefore, the scope of our engagement was somewhat limited by the information available.

We will be pleased to meet with you to review this report at your convenience.

Sincerely Yours,

Finkelstein & Geser, LLC
November 30, 2003

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**BALTIMORE CITY AQUATICS DIVISION
REPORT PREPARED FOR
BALTIMORE EFFICIENCY & ECONOMY FOUNDATION, INC.**

Finkelstein & Geser, LLC

Baltimore City Aquatics Division
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CASH

We analyzed the cash collection procedures at the park pools only, due to time constraints in starting the engagement. The park pools are the largest pools with the most activity. Our initial analysis started with a review of the “Aquatics Manual 2003” (“manual”), DUTIES OF THE CASHIER page 20, and a three page handout “**FINANCIAL PROCEDURES FOR USE OF SWIMMING POOLS**” (handout) undated.

We went to all of the park pools and interviewed cashiers on duty that day.

OBSERVATIONS

1. The “manual” refers to the correct cash handling procedures, but are vaguely listed.
2. All park pools had a different cash on hand balance after the daily receipts were reconciled.
3. Control of the cash, roll tickets, and membership cards were handled differently at each location.
Examples:
 - One location used the manager’s trunk for storage
 - One was stored in an unlocked drawer
 - One used a duffel bag
4. Daily Cash Collection Report – the handout indicates it is a three part form. The actual form has only two parts.
5. Cash Collection
 - a. The actual cash is not being reconciled to the report and counted by the cashier, prior to pickup by collection personnel.
 - b. The daily collectors did not give the cashier a receipt for the actual amount picked up.

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6. We noted that other divisions of the Baltimore City Department of Recreation and Parks are given a 50% discount on their admissions. From a revenue standpoint, we do not know whether or not this policy is consistent with other City agencies.
7. Learn to Swim Program
 - a. There is no place on the daily cash collection report to record the \$5.00 fee collected per session.
 - b. We noted an inconsistency between the registration form, see manual page 53 (8 hours), and the Learn to Swim Programs Skills Guidelines page 54 (ten hours).
8. Some pools allowed “in and out” privileges with one admission, while other pools did not. It appears there is no clear written policy regarding this issue.
9. In some instances we noted the “attendance” section of the “Daily Cash Collection Report” had numbers which were scratched out, corrected, or not being properly completed, or were being handled inconsistently at each location.
10. Season Membership Cards – per the “handout”, it appears roll tickets are to be recorded/issued for the dollar amount of a membership card when sold. We do not understand this procedure as roll tickets are to be issued only for “Daily Admissions”.
11. The handout refers to a “Membership Card Report”, however, the manual has a “Swimming Pool Membership Roster” form. Are these one in the same?
12. Roll ticket stubs were not put in the cash collection bag. This is contrary to the written policy.

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13. Regarding daily admission tickets – written policy indicates “...tear the ticket in half. One half is to be given to the patron...”. Some pools did not give out stubs when patrons entered (one pool manager indicated the patrons would throw the ticket stubs on the ground) or did not place the stub in the bag. As a result, we could not verify how many patrons paid that day.
14. We noted that outdoor pools are classified as “park” or “walk to pools”. However, the “Roosevelt Park ” pool is classified as a “park pool”, yet admission fees are charged based on the lower rate of a “walk to pool”.

RECOMMENDATIONS

The following are our recommended procedures for the consistent handling of cash collection at park pools:

1. The “Financial procedures for use of swimming pools” should be incorporated in the Aquatics Manual and its name changed to “The Duties Of The Cashier”.
2. A “safe” is needed at each facility to store roll tickets, membership cards, and the cash box.
3. Each facility should be given an initial amount of “cash on hand” at the beginning of the season (the amount to be determined) for the sole purpose of making change. The initial “cash on hand” should remain in the cash box at the end of each day and then returned only at the close of the season. As a result, after the daily cash is counted, reconciled to the “report”, and placed in the collection bag, this would be the ending cash balance for each day at each facility. This cash would stay in the “safe” and be the beginning cash for the next day.
4. Cash pickup procedures. As an alternative to the current procedure, the cashier, along with one of the police officers, could make a drop box deposit and, therefore, eliminate the need for cash collectors in the current system.

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In the current system, no one is currently reconciling the cash collected or acknowledging the amount of cash given to the cash collector. There needs to be a procedure to initial the collection report to verify the amount being picked up or deposited.

5. There needs to be a consistent policy regarding “in and out” privileges at all pools.
6. We recommend additional training of all pool managers & pool cashiers be performed at the beginning of each season at a central location and all current policies be followed on a consistent basis.
7. Fees for the “learn to swim” program need to be accounted for on the daily cash collection report as well as the number of patrons using the program.
8. We recommend the pool admission fee structure be reviewed to accurately reflect total operation costs and to quantify the dollar amount needed to fund or subsidize this activity.

We recommend the pool attendance records be accurately maintained by each facility for the total number of patrons (paying, nonpaying, learn to swim patrons, groups, etc.) in order to determine total pool utilization.

9. The “handout” refers to the “Daily Revenue Collections Sheet”. This was confusing as to which form this refers, as we could not locate this in the “manual”. If this was intended as the “Daily Cash Collection Report”, then this should be corrected for consistency.

OVERTIME ANALYSIS

We were informed the Aquatics Division implemented new procedures this year to control overtime. We observed the new procedures were not being followed at all locations.

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OBSERVATIONS

1. It was obvious that there is overstaffing at some pools.
2. Payroll data from the Aquatics Division was not readily available by pool location.
3. We were informed by management that payroll information could be distorted due to moving personnel between pools.
4. We were also informed that manual computations would be required in order to obtain the necessary payroll data using the current system.
5. Use of proper coding of payroll information by pool location would easily remedy this problem.
6. Overtime hours for certain employees was built in to the regular weekly schedule.
7. Only one pool had a time clock and that clock was not properly set.
8. The other pools used sign-in sheets and they were in constant dispute.
9. We found that employees were not contemporaneously signing in or out on a daily basis and, therefore, the "staff sign-in sheets" may not be accurate. At the end of a week, there appeared to be discrepancies of total hours worked versus actual time logged in and out per the sheets. This situation caused disputes in hours worked.
10. The Aquatics Division office received numerous telephone calls concerning inaccurate time for employees.

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RECOMMENDATIONS

1. The weekly schedules for each pool should include no overtime for normal operating hours.
2. Written prior approval by the pool manager and/or Aquatics Director should be needed to schedule overtime.
3. Non-scheduled overtime due to manpower shortages at specific pool locations still need written approval by area coordinators or program director. The reason for non-scheduled overtime should be clearly indicated on the approval form. A non-scheduled "overtime form" needs to be created for this purpose. Forms can be reviewed at the weekly manager's meeting and necessary corrective action taken i.e. problem employees, staffing shortfall.
4. We recommend that time clocks be installed at all park and indoor pool locations with the following procedures:
 - a. Time clock and cards to be placed in a controlled area.
 - b. Time cards to be reviewed daily by pool managers and any discrepancies to be resolved immediately.
 - c. Weekly time card totals would now be utilized for actual payroll reporting to the Aquatics Division office. (This would eliminate the need for time sheets.)
 - d. Telephone calls to the Aquatics office during payroll time would be eliminated with proper time card supervision.
 - e. As an alternative, if time sheets were properly supervised and discrepancies resolved on a daily basis by pool managers, time disputes would be eliminated.
5. We suggest that a manpower budget is done for each pool indicating total payroll cost.

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6. The payroll costs associated with after hour pool rentals should be shown in a separate budget area.

AUXILLIARY REVENUE

1. Concession Rental

The "Aquatics Division" has started to rent space inside the pool area to outside vendors for the 2003 season.

- a. Only one pool has an outside vendor in the pool area.
- b. The largest pool had vendors set up outside the pool area.
- c. One pool operated the concession stand for its own benefit.

2. Pool Rentals

The location at Druid Hill park is the most frequently rented city pool. The cost to rent the pool currently is a flat dollar amount no matter how many people attend. The pool has a maximum capacity of 500 people. In our discussions with pool personnel, it was indicated that the actual attendance greatly exceeded the originally contracted amount.

The cost to rent park pools do not cover the minimum aquatic division staffing costs, materials and security. We recommend that a cost analysis be prepared to determine a minimum fee to open the pool plus an incremental charge up to maximum capacity.

A two tiered pricing structure needs to be established. One to accommodate Baltimore City Agency functions, and the other for private parties.

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SECURITY

The presence of the Baltimore City Police Department provides a secure and stable environment for the pools. However, consideration needs to be given to the intra agency charges. The Aquatics Division's policy is to charge half price to other Department of Parks and Recreation Divisions. The Baltimore City Police Department knows in advance of the needs of the Aquatics Division and overtime should not be required.

An analysis should be conducted to determine if an outside security company could provide the necessary security that the pools require at a reduced cost.

We believe that Baltimore City should give consideration to creating a separate work force dedicated to the Department of Recreation & Parks to provide their security needs. Therefore, this should either eliminate or reduce the need for overtime pay related to security needs.