

TO: THE COMMON COUNCIL

DATE: April 27, 2011

FROM: THE DEPARTMENT OF
AUDIT & CONTROL

SUBJECT: Audit Report - Parks Division
Equipment Inventory and
Golf Course Operations

Under the terms of the "Inter-Municipal Agreement" dated July 1, 2004 the City of Buffalo arranged for the County of Erie to maintain all City of Buffalo parks. The County of Erie concurrently entered into an agreement on July 1, 2004 with the Buffalo Olmsted Parks Conservancy to maintain and operate all City of Buffalo Frederick Law Olmsted designed parks and certain, but not all, recreational facilities. Section 2 Paragraph c of this agreement stipulates "Upon termination of the Inter-Municipal Agreement, this Agreement shall be assigned by the County to the City." On January 1, 2010 the County of Erie returned control of the Buffalo Parks to the City of Buffalo. The City of Buffalo and the Buffalo Olmsted Parks Conservancy Inc. signed an amended agreement in May 2010 with terms effective January 1, 2010 resulting in the continued management of the Buffalo Olmsted Parks by the Conservancy.

The audit scope focused on two elements of park operations, equipment inventory and golf operations. The inventory part of the audit entailed a physical verification of park equipment assets returned to the City of Buffalo from Erie County. A master inventory list provided by the Deputy Commissioner of Parks and Recreation in May of 2010 was used for testing purposes. This list was compiled in early 2010 by the Parks Division with the assistance of the Purchase Division.

The golf portion of the audit consisted of an evaluation of golf activities at the three golf courses operated by the Olmsted Park Conservancy. The observations concentrate on revenue received and procedures observed during field audit work on August 19, 2010 and September 1, 2010.

Due to the multiple locations and cross utilization of equipment and vehicles, two field audits were conducted for the equipment inventory audit. Upon the completion of the physical inventory count, 88% of all vehicles and equipment had been verified. If items at Streets and Auction are included, the verification rate increases to 94%. The remaining 6% of inventory is considered unverified. All inventory purchased represents an investment by the City of Buffalo. Inventory management processes should be clearly understood by all Department personnel and conscientiously followed in order to safeguard equipment. Records must be accurate and comprehensive.

The observations of the Olmsted managed golf courses brought to light several revenue issues which can be addressed in the upcoming golf season. Effort to collect all appropriate fees should be a top priority. This can be achieved through consistent use of sign-in sheets at the cashier location. Both pass holders and daily golfers should sign in. Identification should be

presented which will allow determination of appropriate resident versus non-resident fees. Tighter scrutiny at the first tee by the starter will prevent nonpayment by golfers. Responsibility should fall on the starter to check the receipt of payment. A system could be developed where pass holders are issued receipts. This will assist with data collection on usage. Alcohol consumption by course personnel during work hours should be eliminated through communication and enforcement of department policies. The use of security cameras may address several of the concerns noted. Action to correct any deficiencies can begin now in preparation for the upcoming 2011 Season.

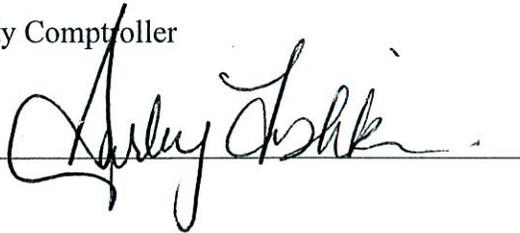
We thank the Commissioner and Deputy Commissioner, along with the Olmsted Parks Conservancy staff, for their openness and cooperation in the development of this audit.

If you have any further questions on this matter, please feel free to contact the Department of Audit and Control.

DEPARTMENT HEAD: Darby Fishkin

TITLE: Deputy Comptroller

SIGNATURE:



A handwritten signature in black ink, appearing to read 'Darby Fishkin', is written over a horizontal line.

CITY OF BUFFALO
DEPARTMENT OF AUDIT & CONTROL

AUDIT REPORT ON THE CITY OF BUFFALO
PARKS DIVISION EQUIPMENT INVENTORY
AND GOLF COURSE OPERATIONS

**DARBY FISHKIN, CPA
DEPUTY COMPTROLLER**



**DARRYL McPHERSON
CITY AUDITOR**

APRIL 2011

Background

Management of City of Buffalo Parks

Under the terms of the “Inter-Municipal Agreement” dated July 1, 2004 the City of Buffalo arranged for the County of Erie to maintain all City of Buffalo parks. The County of Erie concurrently entered into an agreement on July 1, 2004 with the Buffalo Olmsted Parks Conservancy to maintain and operate all City of Buffalo Frederick Law Olmsted designed parks and certain, but not all, recreational facilities. Section 2 Paragraph c of this agreement stipulates “Upon termination of the Inter-Municipal Agreement, this Agreement shall be assigned by the County to the City.” On January 1, 2010 the County of Erie returned control of the Buffalo Parks to the City of Buffalo. The City of Buffalo and the Buffalo Olmsted Parks Conservancy Inc. signed an amended agreement in May 2010 with terms effective January 1, 2010 resulting in the continued management of the Buffalo Olmsted Parks by the Conservancy. Significant features of the amended agreement follow:

- The City will contribute \$1,000,000 annually to the Conservancy payable in quarterly payments. This is an amendment to Section 9 Paragraph b of the original agreement.
- The City will match \$1 for every \$2 raised by the Conservancy from private sources not to exceed \$200,000 annually. The match will be made on a quarterly basis.
- The Conservancy will retain all revenues generated by the park facilities for golfing fees and concessions up to \$500,000. Any golf fee revenue in excess of \$500,000 will be shared with the City of Buffalo in a 70/30 split with the Conservancy retaining 70% and the City of Buffalo 30%. Any new revenues generated by the Olmsted Conservancy such as carriage rides or special events belong entirely to the Conservancy.

Audit Scope

The audit scope focused on two elements of park operations, equipment inventory and golf operations. The inventory part of the audit entailed a physical verification of park equipment assets returned to the City of Buffalo from Erie County. A master inventory list provided by the Deputy Commissioner of Parks and Recreation in May of 2010 was used for testing purposes. This list was compiled in early 2010 by the Parks Division with the assistance of the Purchase Division. The Purchase Division did a physical inventory of Park’s equipment comparing items to inventory given to Erie County in 2004. County tag numbers on returned equipment were modified from PK to BPKXXX to denote Buffalo Parks ownership. The master list given to the Audit Division contained both assets and equipment of lower value not considered capital assets. The list also itemized some new vehicles and equipment purchased by the City after January 1, 2010.

The golf portion of the audit consisted of an evaluation of golf activities at the three golf courses operated by the Olmsted Park Conservancy. The observations concentrate on revenue received and procedures observed during field audit work on August 19, 2010 and September 1, 2010. 2010 Golf Fee revenue collected by the Conservancy is presented.

Inventory

On May 26, 2010 a team of auditors performed an inventory of City of Buffalo Parks Division vehicles and equipment. The master inventory list identified the following inventory locations: Delaware Labor Center, Delaware Park, Houghton Park, LaSalle Park, South Park Lake, Cazenovia Park, Martin Luther King Park, Riverside Park, Seneca Garage, Broadway Garage, Buffalo Place, North Buffalo Rink and Police Athletic League. The master list contained 192 pieces of equipment, 12 of these were identified as scrapped. Of the remaining 180 items, only 65% were verified on May 26, 2010.

In reviewing the items which were not verified it was determined by Parks Division personnel that items were at locations other than the location specified on the master inventory list. In order to inventory these items, a second field audit was conducted on June 15, 2010. Supervisors in charge of a particular park location were notified that auditors would be following up on the vehicles and equipment that could not be verified from the first field audit. The second field audit resulted in a **94%** cumulative verification of equipment on the Master List.

Findings and Recommendations

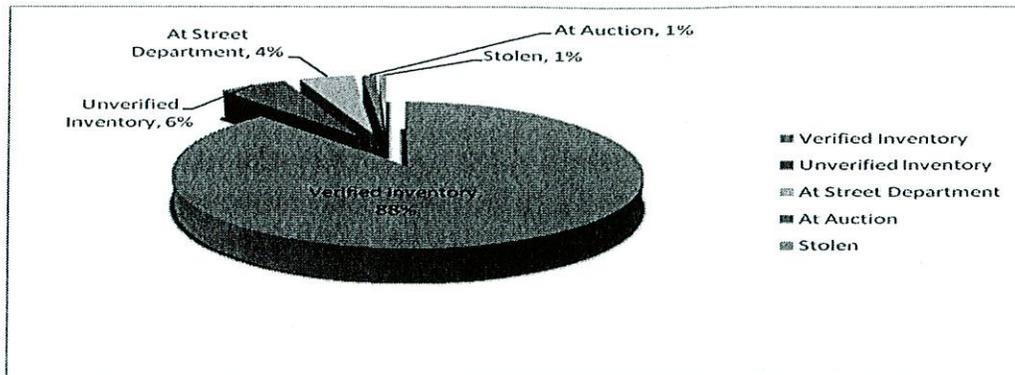
1. Physical Inventory of Park's Division Equipment Conducted May 26, 2010

The master inventory list given to auditors listed a total of 180 items excluding scrap. A copy of the list was given to each supervisor at the Delaware Labor Center. Auditors visited 13 locations and successfully verified 117 items or 65% of the items on the Master inventory. To note, on this initial visit 76 % of the Delaware Park and Labor Center inventory was verified (84 out of 110 items) while 47% of the inventory at the other sites was verified (33 out of 70 total pieces). As noted, the percentage identified was adversely impacted by equipment not present at the location shown on the Master List. To improve the inventory success rate, a second inventory was scheduled.

2. Second Inventory of Park's Division Equipment Conducted June 15, 2010

On June 15, 2010 auditors returned to the field to verify vehicles and equipment not seen on the original field audit. Many items not seen from the initial audit were now identified. Cumulatively, 159 items out of 180 or 88% were verified at park locations. Additionally we were informed and verified 8 items were at the Streets Division for repair. We were informed 2 items were at auction and 1 was stolen. The total number of inventory items verified and/or explained equates to 170 out of 180 or **94%**. The audit team could not identify 10 items from the master list. Park supervisors indicated that 5 of the 10 unverified items were at a different park location that day. The audit team considers them unaccounted for. *See graph.*

Status of Inventory Viewed by Percentage



94 % of all inventory was either verified or explained at the conclusion of field audit II

3. A Snow Blower Missing

In the spring of 2010 the City purchased 7 Ariens snow blowers to be used for the upcoming winter season. On the initial field audit 6 of these snow blowers were verified at the Delaware Labor Center. One snow blower, tag number BPK-66-EQ, was not located at the Delaware Labor Center. The second field audit conducted on June 15, 2010 revealed that this item was still not present at the location. There was no definitive explanation on its whereabouts. The six other snow blowers were neatly stored together at the Delaware Labor Center. **We recommend** that the Parks Division account for the loss of the missing equipment and, if necessary or feasible, take any disciplinary action that may be warranted.

4. Numerous Items Not on Master Inventory List

The field audit conducted on May 26, 2010 revealed to auditors that many items in use by the Parks Division were not recorded on the master inventory list. Forty one pieces of equipment were identified yet did not appear on the inventory list. **We recommended** to Park supervisors that these items be added to their overall inventory list which covers both assets and smaller equipment.

5. Equipment Log

During the audit it was observed that the Parks Supervisor at the Delaware Labor Center maintained a log of equipment which was transferred to another Park location. **We recommend** a review of equipment log procedures and continued monitoring for accurate and complete records.

6. Asset Tag Identification and License Plate Numbers Inconsistency

During the field audit it was noticed that there was not a consistent physical identification tag attached to inventory items. Some equipment was asset tagged with black marker while other items were still identified using Erie County identification numbers. License plates on some vehicles and several trailers did not match those recorded on the master inventory list.

The Accounting Division maintains the MUNIS Fixed Asset Module which contains all Parks Vehicles and any equipment with a purchase price greater than \$10,000. The Parks Division maintains a database of both capital equipment and smaller lower priced equipment. **We recommend** that all equipment identification numbers be reviewed for consistency across databases using standard naming conventions and field lengths. This is not the case today, for example, MUNIS ID BPK0100 equates to Parks Division ID BPK-01. **We recommend** that the Parks Division review their database to assure that it is comprehensive. **Furthermore, we recommend** the Comptroller's Office work with the Administration to formalize an asset inventory policy whereby all assets are properly tagged and inventoried on a regular basis. A review of equipment retirement and disposal policies and procedures should be incorporated into the inventory work scope.

Golf Courses

On August 19, 2010 four auditors conducted a general observation of the three City of Buffalo golf courses managed by the Olmsted Parks Conservancy. These locations included: Delaware Park, Cazenovia Park and South Park Lake. The field work focused on golf fee payment by customers, residency verification and general operations of the golf courses. A follow up on these activities was again performed in the late afternoon on September 1, 2010. The findings and recommendations follow.

Golf Findings and Recommendations

It should be noted that observations of inappropriate behavior by Parks Personnel whether they be City of Buffalo or Olmsted Employees are of equal concern.

1. Alcohol Consumed by Parks Personnel on the Job

During our field observation on September 1, 2010 at approximately 5:00 PM, it was observed at the South Park Golf Course that alcohol was being consumed on the club house veranda by a group of individuals. The alcohol consisted of bottled beer and wine coolers. A person who identified himself as one of the “starters” at the course was seen consuming an alcoholic beverage. It should be noted that we did not ask him if he was presently on the clock, however, another individual was observed ringing in golfers and consuming alcohol. One could presume that this practice of consuming alcohol during operating hours was acceptable and probably has occurred previously as no one was hiding this fact. **We recommend** that a clear policy be established to forbid consumption of alcoholic beverages by employees while on duty. This policy in relation to golf course operations should be clearly communicated and enforced.

2. Free Golf

It was observed at the Cazenovia golf course that one individual was able to golf for free. During the observation, while the starter was not present at the 1st hole, a golfer proceeded directly to the second hole without paying and commenced play. If the starter had been in sight we feel this would have deterred the golfer from evading payment. We understand that people may try to circumvent the starter on such occasions. **We recommend** that a starter be present at all times.

During the late afternoon observation, it was noticed that customers went in to pay but left the cashier with the same amount of money in hand. We were told by one source that the starter “takes care of you here.” It should also be noted that on the September 1st afternoon observation customers were directed to begin golfing without paying. Unfortunately, we do not know if these golfers were season pass holders or if they were playing their second round. The above examples indicate to auditors that performance of golf fee collection procedures is at times lax.

3. Golf Course Revenues Decline

	2010		2009		Variance	
	2010	2009	Amount	%		
Season Pass	\$150,384	\$143,013	\$7,371	5%		
Tournaments/Tee Times	12,761	11,851	\$910	8%		
Daily Golf Fees	218,687	268,216	(\$49,529)	-18%		
Golf Fee Revenue - Other	-	1,094	(1,094)	-100%		
Golf Course Revenue	\$381,832	\$424,174	(\$42,342)	-10%		

*Source: Buffalo Olmsted Parks Conservancy

Golf fee revenue declined by 10% in 2010 relative to the prior year. The above table indicates the revenue decline occurred in daily golf fees. Proper collection of golf fees should be a priority. This is important to the Olmsted Conservancy. It also directly affects the potential for City revenue in light of the \$500,000 sharing threshold.

4. Residency Pricing Inconsistently Applied

When control of the City of Buffalo Golf Courses reverted back to the City from Erie County, a new golf rate schedule was adopted which differentiates City of Buffalo Resident rates from Non-Resident rates. (See Exhibit A Golf Fee Rates) The non-resident fee for a round is \$1.00 more than that of a resident of the city. Golf season passes for non-residents are higher priced than resident season passes. During the two days of observation we noted that residency was not routinely checked at the time of payment. *Therefore, we conclude that revenues received during the days of observation may be lower than what they could have been.* **We recommend** that cashiers enforce the pricing policy by checking golfers' photo identification and charge resident or non-resident rates as applicable.

5. Golf Course Utilization - Resident and Non-Resident Activity

	Resident	Non Resident	Total	Non Resident as
	Rounds	Rounds	Rounds	% of Total Rounds
Delaware Park	12,790	150	12,940	1%
Cazenovia Park	20,908	3,125	24,033	13%
South Park	<u>10,829</u>	<u>2,461</u>	<u>13,290</u>	<u>19%</u>
Total	44,527	5,736	50,263	11%

* Source: Buffalo Olmsted Parks Conservancy

The information in Table 2 shows all rounds played at each Olmsted course during 2010. The table breaks down resident and non-resident rounds and presents non-resident rounds as a

percentage of total rounds. Overall non-residents make up 11% of the 50,263 rounds that were played during 2010 at all three courses. Only 1% of rounds played at Delaware were identified as non-resident rounds. This is significantly lower than the non-resident percentage at the other two courses. The reasons for this could relate to price sensitivity by golfers to the price increases. It could also be relate to inconsistent identification of resident and non-resident status. Further analysis is recommended.

6. Multiple Cashiers Using Same Cash Register

During our field audit on August 19, 2010 we observed more than one person had access to a single register to ring in golf fee payments. Multiple cashiers using the same register reduces accountability and may adversely affect internal control of funds. Not all individuals observed accepting payment for golf fees were dressed in apparel with the Olmsted logo. Some were dressed generically *i.e.* no employer identification. **We recommend** a policy be adopted to require a single individual per cash register to strengthen internal controls. **We recommend** employees wear a uniform or some form of identification while on duty.

7. Condition of Golf Courses

On the days of observation the golf courses appeared to be well taken care of, showing a manicured look. It should be noted that workers were busy maintaining the golf courses. Lawn mowers were being used, plants were being watered and debris was being picked up. We applaud the work of the Parks Division and the Olmsted Conservancy for their fine upkeep of the golf courses.

8. Golf Revenue Processing

On November 15, 2010 auditors met with the Executive Director of the Olmsted Conservancy. Auditors were provided data on the Golf Revenues generated during 2010. Gross revenue totaling approximately \$382,000 did not exceed the sharing threshold of \$500,000. Auditors requested a copy of the Olmsted cash handling procedures applicable to golf fees, which was provided. It is our intention to conduct a more detailed audit of cash receipts during the 2011 golf season. It was noted that the form of payment for most golf sales is cash. The club houses are not equipped to process electronic credit card payments. If a credit card is used it is processed manually with a paper form showing the complete credit card number. The Conservancy is working toward offering secure electronic processing of credit card payments which may increase revenues.

Conclusion

The Audit team acknowledges the efforts and assistance provided by the City of Buffalo Parks Division during the equipment inventory audit. Due to the multiple locations and cross utilization of equipment and vehicles two field audits were conducted. Coordination between the auditors and park supervisors to arrange mutually convenient times was necessary. Parks Supervisors at the Delaware Labor Center coordinated with their crew to allow for an early morning identification of equipment which was then released for immediate use. In other instances items that needed verification were in use in the parks by the time auditors arrived. Auditors with the assistance of Parks Supervisors located some of these items on the go, e.g. mowers on the fairway. Upon the completion of the physical inventory count, 88% of all vehicles and equipment had been verified. If items at Streets and Auction are included, the verification rate increases to 94%. The remaining 6% of inventory is considered unverified. All inventory purchased represents an investment by the City of Buffalo. Inventory management processes should be clearly understood by all Department personnel and conscientiously followed in order to safeguard equipment. Records must be accurate and comprehensive.

The observations of the Olmsted managed golf courses brought to light several revenue issues which can be addressed in the upcoming golf season. Effort to collect all appropriate fees should be a top priority. This can be achieved through consistent use of sign-in sheets at the cashier location. Both pass holders and daily golfers should sign in. Identification should be presented which will allow determination of appropriate resident versus non-resident fees. Tighter scrutiny at the first tee by the starter will prevent nonpayment by golfers. Responsibility should fall on the starter to check the receipt of payment. A system could be developed where pass holders are issued receipts. This will assist with data collection on usage. Alcohol consumption by course personnel during work hours should be eliminated through communication and enforcement of department policies. The use of security cameras may address several of the concerns noted. Action to correct any deficiencies can begin now in preparation for the upcoming 2011 Season.

After Word

An exit conference was scheduled with Department of Public Works, Parks and Streets, Division of Parks and Recreation staff on April 27, 2011. Also present were representatives of the Buffalo Olmsted Parks Conservancy. The discussion further elaborated on the written response by the Division and the Conservancy, which is attached and made a part of this report. There was general agreement that the audit report is accurate and both entities are eager to apply the findings in order to improve operations. We thank the Commissioner and Deputy Commissioner, along with the Olmsted Parks Conservancy staff, for their openness and cooperation in the development of this audit.

Exhibit A

City of Buffalo Golf Course Rates (Delaware Park, Cazenovia Park & South Park)

DAILY RATES

	Weekday Rates (Mon-Fri)		Weekend / Holiday Rates		Twilight Rates (After 5:30 pm)	
	R	NR	R	NR	R	NR
Regular (9 Holes)	\$10	\$11	\$12	\$13	\$8	\$9
Senior (9 Holes)	\$9	\$10	\$11	\$12	\$8	\$9
Youth (9 Holes)	\$9	\$10	\$11	\$12	\$8	\$9
Regular (18 Holes)	\$13	\$14	\$16	\$17	\$8	\$9
Senior (18 Holes)	\$11	\$12	\$13	\$14	\$8	\$9
Youth (18 Holes)	\$11	\$12	\$13	\$14	\$8	\$9

*R = Resident of the City of Buffalo

*NR = Non-Resident of the City of Buffalo

SEASON PASS RATES

	Regular Price		Discounted Price (Effective 7/26/2010)		% Savings (Disc Price vs. Reg Price)	
	R	NR	R	NR	R	NR
Regular 7-Day Season Pass	\$185	\$250	\$100	\$125	46%	50%
Senior 7-Day Season Pass	\$150	\$200	\$80	\$100	47%	50%
Junior 7-Day Season Pass	\$125	\$160	\$65	\$80	48%	50%
Senior 5-Day Season Pass	\$90	-	\$75	-	17%	-

*R = Resident of the City of Buffalo

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Exhibit A

(Continued)

MEMBERS PLUS SEASON PASS RATES

(Members-Plus Season Pass members receive additional benefits such as free golf clinics, tee time reservation and free boating all season at Hoyt Lake)

	Regular Price		Discounted Price (Effective 7/26/2010)		% Savings (Disc Price vs. Reg Price)	
	R	NR	R	NR	R	NR
Regular 7-Day Members-Plus Season Pass	\$235	\$290	\$125	\$145	47%	50%
Senior 7-Day Members-Plus Season Pass	\$200	\$240	\$100	\$120	50%	50%
Junior 7-Day Members-Plus Season Pass	\$175	\$200	\$90	\$100	49%	50%
Senior 5-Day Members-Plus Season Pass	\$140	-	\$100	-	29%	-

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BYRON W. BROWN
MAYOR

CITY OF BUFFALO
DEPARTMENT OF
PUBLIC WORKS, PARKS & STREETS
DIVISION OF PARKS & RECREATION



STEVEN J. STEPNIAK
COMMISSIONER

ANDREW R. RABB
DEPUTY COMMISSIONER

April 25, 2011

Darryl McPherson
Deputy Comptroller
Department of Audit and Control
1230 City Hall
Buffalo, New York 14202

Mr. McPherson,

Thank you for the opportunity to review and comment on the report regarding Parks Equipment Inventory and Golf Course Operations.

The City of Buffalo Division of Parks and Recreation is currently undergoing a full review of our equipment inventory to include:

- 1.) Investigation of lost or stolen equipment that was not accounted for in your review
- 2.) Addition of items to our master list, that were not represented on our original lists
- 3.) Continue to perform a review of equipment logs every six months, including ID number checks
- 4.) Ensure our review is comprehensive and includes both large and small purchase equipment items

Also, please see comments provided by the Buffalo Olmsted Parks Conservancy regarding Golf Course Operations (attached).

Please let me know if you have any questions or require further information.

Sincerely,

Andrew R. Rabb
Deputy Commissioner

CC: Steven Stepniak

Buffalo Olmsted Parks Conservancy

April 25, 2011

Comments regarding the City of Buffalo Department of Audit and Control Report entitled:

AUDIT REPORT ON THE CITY OF BUFFALO PARKS DIVISION EQUIPMENT INVENTORY AND GOLF COURSE OPERATIONS

Introduction

The Buffalo Olmsted Parks Conservancy would like to thank the City of Buffalo Department of Audit Control for the opportunity to read and comment on the audit report of the Department of Public Works, Parks and Street's Parks Division.

In summary, we agree with the findings presented in the audit. It is our opinion that the audit is very thorough, accurate, and represents several opportunities for the Conservancy to improve operations and compliance.

Furthermore, the timing of the audit report is extremely helpful. Specifically, towards the end of the 2010 golf season, some Conservancy employees expressed concerns consistent with the findings of the audit. At the beginning of the 2010 golf season, we elected not to re-hire certain previous seasonal golf personnel because of problems during the 2009 season. We believe our actions at the beginning of the 2010 golf season improved the operations but did not eliminate all issues.

Clarification Comment

In the background section on page 1, second sentence in the first paragraph, it states: *The County of Erie concurrently entered into an agreement on July 1, 2004 with the Buffalo Olmsted Parks Conservancy to maintain and operate all City of Buffalo Frederick Law Olmsted designed parks and recreational facilities.*

For clarification only, and for the education of those less familiar with the City Park's facilities that might read the report, we wanted to state that the Conservancy is responsible for select recreational facilities that reside within the City of Buffalo Olmsted designed parks, but not all facilities. For example, the Conservancy does not operate ice skating rinks in Riverside or Cazenovia, community centers, pools or splash pads, or the Casino facility in Martin Luther King Jr. Park. This distinction has no bearing on the findings of the report, but thought the clarification would help avoid any confusion.

Inventory Section

We hope that the City of Buffalo administration, the Department of Public Works, Parks and Streets' Parks Division found the Conservancy to be fully cooperative and helpful during the inventory transition between the County of Erie and City of Buffalo, as well as during the audit. Conservancy staff worked closely with City of Buffalo Parks' staff to locate and identify inventory during the transition.

We want to communicate our desire to be in full compliance with all inventory policies and processes and to assist in the continued efforts of the City of Buffalo to improve inventory accountability, asset tag identification, license plate consistency, and disposal.

Golf Section

As cited in the audit report, we acknowledge that inappropriate behavior by Parks Personnel whether they are City of Buffalo or Olmsted Employees is equally unacceptable.

1. Alcohol Consumed by Parks Personnel on the Job

The Buffalo Olmsted Parks Conservancy has a clear policy on the consumption of alcohol while on the job and other unacceptable behavior. Below is a section from the Conservancy's Employee Handbook that list alcohol consumption and other behavior's that can result in dismissal. We will review this policy with all 2011 employees and will convey the importance of compliance to this policy and the consequences associated with failing to comply.

The Conservancy expects employees to follow rules of conduct that will protect the interests and safety of all employees and the organization.

It is not possible to list all the forms of behavior that are considered unacceptable in the workplace. The following are examples of unacceptable behavior:

- *Theft or inappropriate removal or possession of property*
- * Falsification of timekeeping records*
- * Working under the influence of alcohol or illegal drugs*
- * Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, while on duty, or while operating employer-owned vehicles or equipment*
- * Fighting or threatening violence in the workplace*
- * Boisterous or disruptive activity in the workplace*
- * Negligence or improper conduct leading to damage of employer-owned or customer-owned property*
- * Insubordination or other disrespectful conduct*
- * Violation of safety or health rules*
- * Smoking in the workplace and other prohibited areas*
- * Sexual or other unlawful or unwelcome harassment*
- * Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace*
- * Excessive absenteeism or any absence without notice*
- * Unauthorized absence from work station during the workday*
- * Unauthorized use of telephones, mail system, or other employer-owned equipment*
- * Violation of personnel policies*
- * Unsatisfactory performance or conduct*

4. Residency Pricing Inconsistently Applied

We will continue to reinforce the residency check as part to the check-in process. We would like to note for the audit report that many of the golfers are repeat golfers – some golfing daily or as much as 4-6 times each week. Once a cashier has checked a golfer for residency several times in the season, the cashier may not continue to ask for residency as it is already known. Continuing to ask for identification when a player is well known can cause frustration and hostility from the players. We wish to remain compliant with processes while at the same time providing a good experience for the repeat, well-established players.

5. Golf Course Utilization – Resident and Non-Resident Activity

We agree with the data in Table 2 in this section of the report. In Delaware Park especially, non-resident players that played prior to the 2010 price increase did not return for the 2010 season, and when we were selling season passes, those individuals expressed frustration and/or anger at the price increases. We believe that this emotional response caused certain non-residents to communicate their displeasure by opting not to purchase a non-resident season pass at the higher rate.

The Table 2 data and report shows that the percentage of non-resident players is higher at Cazenovia Park, and highest at South Park. In our experience and opinion, this greater percentage of non-resident players at these two courses results from the proximity of these courses to non-resident communities just outside the South Buffalo area.

It is known that many of the non-resident players come from West Seneca to play in South Park and Cazenovia, but will not travel up to Delaware to play. We don't seem to pull many non-resident players from the Northtown communities and therefore Delaware Park has consistently had the smallest percentage of non-resident golfers.

6. Multiple Cashiers Using Same Cash Register

As with the other sections in the report, we agree with the findings in this section. Olmsted Conservancy employees can only operate a cash register. The cash registers allow for multiple cashiers to 'sign-in' to the register before they begin a transaction. We will continue to enforce the need for Olmsted apparel that identifies an employee and to have consistency in operating the cash registers. Once a register is used, it has logged the transaction, so this provides us with a means to ensure a register's cash balance matches the transactions recorded.

7. Condition of Golf Courses

We thank the auditors for noting the work of those employees maintaining the golf courses. We believe having well-maintained courses is the best way to increase revenue and bring new players to the City of Buffalo courses.

8. Golf Revenue Processing

We are happy to work with the City of Buffalo to improve payment processing and improve security by offering electronic processing of credit card payments.

Conclusion

We agree with the finding in the report and the statements in the Conclusion section of the report. Certain initiatives, such as security cameras, and electronic processing of credit cards will require additional resources and expenses that we can not afford at this time, but we support these and other measures to help improved the golf course experience for the golfers and to better comply with City of Buffalo controls.