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AUDITOR'S LETTER

October 21, 2021

The objective of our audit of the Parks Legacy Plan managed by the Department of Parks and Recreation was to determine to what extent the department ensures the Parks Legacy Fund is used to fulfill its voter-approved mandate, namely to improve and expand the city's park system. I am pleased to present the results of this audit.

The audit found Parks and Recreation should improve existing strategies to ensure alignment with the Parks Legacy Fund ordinance and leading practices. For example, the department has not sufficiently determined which expenses to include as administrative costs and did not distribute the annual report to all parties as required. Additionally, the department is not effectively communicating how fund dollars are spent to build and maintain parks for the public. Finally, the department is not ensuring appropriate maintenance of all parks even as it acquires land for new ones.

By implementing recommendations for stronger policies, Parks and Recreation will be better able to ensure compliance with the ordinance. Additionally, through increased transparency and communication, the public will be better informed about projects funded using dollars from the legacy fund. Finally, by conducting a needs assessment and workforce analysis, the department will be better able to monitor park conditions and identify the appropriate number of staff to maintain new and existing parks.

This performance audit is authorized pursuant to the City and County of Denver Charter, Article V, Part 2, Section 1, “General Powers and Duties of Auditor.” We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We extend our appreciation to the personnel in the Department of Parks and Recreation as well as in the Department of Finance and City Council who assisted and cooperated with us during the audit. For any questions, please feel free to contact me at 720-913-5000.

Denver Auditor's Office

Timothy M. O’Brien, CPA
Auditor
**Objective**

To determine the extent to which the Department of Parks and Recreation ensures legacy fund dollars are used appropriately to improve and expand the park system and accelerate the implementation of the department’s 20-year strategic plan, the “Game Plan for a Healthy City.”

**Background**

In 2018, Denver voters approved a 0.25% sales tax increase to support the Parks, Trails, and Open Space program. The city passed an ordinance for the program — the Parks Legacy Fund — which restricts this new revenue stream to specific purposes including acquiring additional land for parks and developing and maintaining new and existing parks. Parks and Recreation is responsible for managing the fund.

The Department of Parks and Recreation Should Improve Existing Business Practices to Ensure Alignment with the Ordinance and Leading Practices

- The department cannot demonstrate compliance with all ordinance requirements for the Parks Legacy Fund. Specifically, it has not sufficiently identified which expenses should be included in the calculation of administrative costs and has not distributed the annual report to all external stakeholders, as required.
- The department could increase its impact and effectiveness through better transparency by communicating to the public the status and success of projects and successes of the fund created through use of legacy dollars.
- The department should preserve institutional knowledge related to the Parks Legacy Fund through succession planning.

The Department of Parks and Recreation Is Not Ensuring Appropriate Maintenance of All Parks

The department is acquiring new park assets while not ensuring existing facilities and land are sufficiently maintained and safe for the public and staff.

**WHY THIS MATTERS**

Ensuring Parks and Recreation is using this voter-approved tax increase in line with the ordinance and is effectively communicating with the community and other stakeholders gives Denver voters assurance the department is expanding and taking care of the city’s park system, which is why they voted for a 0.25% sales and use tax increase.
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</tbody>
</table>
BACKGROUND

In 2018, Denver voters approved a 0.25% sales and use tax increase to pay for more parks, trails, and open spaces. Arguments supporting the 2018 2A ballot measure highlighted that the city did not have a funding stream dedicated solely to “creating and maintaining parks, planting trees, restoring streams and rivers, and protecting natural habitats in Denver County.” Supporters said that approving the measure would add an estimated $46 million in annual revenue, which would increase the Department of Parks and Recreation’s budget by about 63%.¹

Following approval of the ballot measure, Denver City Council enacted a city ordinance in which it declared that the additional funding dedicated to parks would help the city achieve the goals of:

- Continuing to prioritize and build a system of parks, open spaces, and trails.
- Filling the current funding gap for adding land for parks, trails, and open spaces.
- Restoring and protecting waterways, rivers, canals, and streams; adding trees; and operating and maintaining additional acquisitions and new capital improvements to the parks and open space system.
- Addressing the increased demand for new parks, mountain park improvements, and protection and restoration of urban waterways.
- Increasing the ratio of park acres to residents so that anyone can get to a park within a 10-minute walk.²

To ensure the fulfillment of these goals, the ordinance required the city to create the Parks, Trails, and Open Space Program Fund, or Parks Legacy Fund, and restricted how the monies from the fund could be spent. The ordinance listed the following permitted uses of revenues from the legacy fund:

- Acquiring additional land for parks, open spaces, and trails.
- Developing, improving, and maintaining new and existing parks, including Denver’s mountain parks, open spaces, and trails.
- Restoring and protecting waterways, rivers, canals, and streams.
- Purchasing, planting, and caring for trees.
- Operating and maintaining any additional acquisitions and capital improvements to the city’s parks, mountain parks, and open space.³


The ordinance also charged Parks and Recreation with the administration of the funds and gave its executive director the authority to create any rules necessary for the proper administration of the program. The ordinance requires Parks and Recreation to submit an annual report of fund expenditures to city stakeholders including the mayor, City Council, Auditor’s Office, and the Denver Parks and Recreation Advisory Board. Finally, in coordination with Denver Parks and Recreation Advisory Board, the department must submit a five-year plan to the City Council to show how the department intends to use the revenues from the legacy fund.

Overview of the Department of Parks and Recreation

Parks and Recreation provides a wide range of programs, services, facilities, and amenities. According to the city’s 2021 budget, the department manages the city’s system of approximately 250 urban parks, parkways, and natural areas, totaling over 6,000 acres. Additionally, Parks and Recreation manages more than 14,000 acres of mountain parks, eight golf courses, 24 lakes, more than 78,000 trees, over 80 miles of trails, nine off-leash dog parks, and over 300 athletic fields. The department also offers indoor recreation facilities and outdoor recreation programs.

THE DEPARTMENT OF PARKS AND RECREATION’S STRUCTURE AND SERVICES –
Parks and Recreation is composed of four divisions including Administration, Parks and Planning, Recreation, and Denver Golf.

As it relates to the legacy fund, the Administration and Parks and Planning divisions play an important role. The Administration Division develops policies, manages the marketing and outreach efforts including the legacy fund project communications, administers contracts, and manages the financial activities including the fund’s budget and accounting.

Within the Parks and Planning Division, the planning design and construction group manages the design and construction of capital improvement projects and develops the capital improvement funding

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8 City and County of Denver, “Mayor’s 2021 Budget.”
9 City and County of Denver, “Mayor’s 2021 Budget.”
10 City and County of Denver, “Mayor’s 2021 Budget.”
program for all park buildings and facility assets.\textsuperscript{11}

THE DEPARTMENT OF PARKS AND RECREATION’S MISSION AND STRATEGIES

– According to the city’s 2021 budget, the department's mission is to be “dedicated to customer service and enhancing the health of residents and the environment through innovative programs and safe, beautiful, sustainable places.”\textsuperscript{12}

The city’s 2021 budget lists Parks and Recreation’s strategies, which include:

- Adapting to the changing climate through conservation and sustainable practices.
- Diversifying Parks and Recreation services by enhancing engagement and communications.
- Growing the park system and recreation access by expanding the park and recreational facilities network.
- Reinvesting in Denver’s parks and recreation resources and people through focusing on equity and funding, operations, and staff.
- Connecting to Denver’s nature and culture by connecting the city's residents to arts, culture, and history as well as innovative parks and recreation.\textsuperscript{13}

COVID-19 IMPACT – In 2020, the COVID-19 pandemic significantly affected the city, including Parks and Recreation’s operations and services. According to the city’s 2021 budget, the department closed facilities including recreation centers and golf courses; reduced park maintenance schedules; and delayed park-related planning, design, and construction projects.\textsuperscript{14}

As a result, Parks and Recreation laid off more than 1,000 part-time employees, reduced seasonal staff by 55%, and furloughed 74 full-time employees.\textsuperscript{15} Additionally, the department deployed staff to assist in a variety of agency and citywide needs including COVID-19 testing, vaccination sites, and shelters.

Due to budget constraints, the department had to deal with “approximately 100,000 [fewer] hours for park maintenance tasks, which resulted in reducing frequency of mowing and trimming, litter pick-up and trash removal, the timeliness of irrigation repairs, and the number of flowerbeds planted.”\textsuperscript{16} Due to safety precautions, Parks and Recreation also closed several park amenities including outdoor restrooms, drinking fountains, ornamental and interactive fountains, some parking lots, and park roads.\textsuperscript{17}

\textsuperscript{11} City and County of Denver, “Mayor’s 2021 Budget.”
\textsuperscript{12} City and County of Denver, “Mayor’s 2021 Budget.”
\textsuperscript{13} City and County of Denver, “Mayor’s 2021 Budget.”
\textsuperscript{14} City and County of Denver, “Mayor’s 2021 Budget.”
\textsuperscript{15} City and County of Denver, “Mayor’s 2021 Budget.”
\textsuperscript{16} City and County of Denver, “Mayor’s 2021 Budget.”
\textsuperscript{17} City and County of Denver, “Mayor’s 2021 Budget.”
To mitigate the negative economic impact of the COVID-19 pandemic, the city's Budget and Management Office asked all city agencies, including Parks and Recreation, to submit budget reductions. However, the reduction only applied to the General Fund and the department did not have to make reductions to the legacy fund.

According to Parks and Recreation management, the department did not reduce the 2021 legacy fund but budgeted to accommodate for less estimated revenue instead. For example, Parks and Recreation delayed some 2020 capital improvement projects until 2021.

The Department of Parks and Recreation oversees the city's park system through a 20-year strategic plan called the “Game Plan for a Healthy City” and can expedite the plan's goals by using legacy funds.

The plan was first implemented in 2003 and most recently revised in May 2019 to “provide sound guidance for the next decades.” The revised plan captures Parks and Recreation's vision for “creating parks, gathering places, activities and more that are easily accessed, well-maintained and equitable in every neighborhood.” Additionally, its intent was for Parks and Recreation to “comprehensively evaluate the current state of Denver's parks and recreation system.” This vision is anchored on four guiding principles of “Every Drop, Every Person, Every Dollar, Uniquely Denver” to emphasize the goals of making the park system more environmentally sustainable and more accessible to every person.

FIGURE 1. “Game Plan for a Healthy City” – The Four Guiding Principles

Source: Department of Parks and Recreation.

21 City and County of Denver Department of Parks and Recreation, “Game Plan for a Healthy City, May 2019.”
Parks and Recreation established this strategic plan to address environmental and economic challenges that its park system faces, including drought and flooding issues, a sparse urban tree canopy, a disproportionate population growth ratio compared to park acreage available per resident, and deferred maintenance on its park assets.\(^{22}\)

The plan also outlines five implementation themes that align with strategies in the city’s 2021 budget, as well as 25 additional strategies to help the department achieve its goals.

**FIGURE 2. Twenty-five Strategies in a “Game Plan for a Healthy City”**

<table>
<thead>
<tr>
<th>BENEFIT THE ENVIRONMENT</th>
<th>SHADE THE CITY</th>
<th>IMPROVE PARKS</th>
<th>INCREASE ACCESS</th>
<th>IMPROVE MANAGEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Building resilient landscapes.</td>
<td>• Creating tree-lined streets.</td>
<td>• Activating parks.</td>
<td>• Achieving 10-minute walk access.</td>
<td>• Expanding partnerships.</td>
</tr>
<tr>
<td>• Restoring ecosystems.</td>
<td>• Urban forest expansion.</td>
<td>• Growing parks.</td>
<td>• Creating multi-modal access.</td>
<td>• Finding alternative funding.</td>
</tr>
<tr>
<td>• Creating energy efficient facilities.</td>
<td>• Planting trees in the rights of way.</td>
<td>• Upgrading facilities.</td>
<td>• Ensuring equitable access.</td>
<td>• Growing and developing staff.</td>
</tr>
<tr>
<td>• Waste reduction and recycling.</td>
<td></td>
<td>• Creating innovative public spaces.</td>
<td>• Creating nature experiences and access to natural areas.</td>
<td>• Tracking emerging trends.</td>
</tr>
<tr>
<td>• Mountain park fire management.</td>
<td></td>
<td>• Recreation programming.</td>
<td>• Increasing mountain park access.</td>
<td>• Improving engagement.</td>
</tr>
</tbody>
</table>

**Source:** Created by the Auditor’s Office using information from the Department of Parks and Recreation.

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**2A Five Year Plan**

To comply with the Parks Legacy Fund ordinance requirement, Parks and Recreation implemented the “Denver Parks & Recreation 2A Five Year Plan 2020-2024” in June 2019, which outlines the department’s plan for using legacy funds to accelerate implementation of the “Game Plan for a Healthy City” and its goal to “enhance the legacy of green space and outdoor culture that Denver Parks and Recreation will leave for future generations.”\(^{23}\)

The 2A Five Year Plan also focuses on two main areas: “(1) to maintain the park legacy that Denver had inherited from its ancestors, and (2) to extend the park legacy system to improve accessibility and providing more...

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opportunities for recreation and healthy lifestyles.”

The first part of the legacy framework focuses on keeping up with the existing park system by “maintaining and improving existing parks, facilities, and amenities.” The second portion focuses on extending the park legacy system to improve accessibility and provide more opportunities for recreation and healthy lifestyles by acquiring land and facilities, planning for projects by involving the community, programming for outdoor recreation, building signature projects, and committing to resiliency.

The following timeline captures the main events surrounding the “Game Plan for a Healthy City,” the passing of the 2018 Measure 2A, and the implementation of the 2A Five Year Plan.

**FIGURE 3. Game Plan for a Healthy City Timeline**

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>Denver City Council adopted the original “Game Plan”</td>
</tr>
<tr>
<td>2004</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td></td>
</tr>
<tr>
<td>2006</td>
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<td>2007</td>
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<tr>
<td>2014</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>The Department of Parks and Recreation began updating the plan</td>
</tr>
<tr>
<td>November 2018</td>
<td>Denver voters approve Measure 2A Ballot</td>
</tr>
<tr>
<td>May 2019</td>
<td>Update to the “Game Plan for a Healthy City” is finalized</td>
</tr>
<tr>
<td>June 2019</td>
<td>Denver City Council approves Parks and Recreation 2A Five-Year Plan 2020–2024</td>
</tr>
</tbody>
</table>

*Source: Created by the Auditor’s Office using information from the Department of Parks and Recreation.*

**Planning Process and Prioritization**

According to Parks and Recreation staff, legacy funds are treated the same as all other funding sources and projects are prioritized through Parks and Recreation’s capital improvement planning process. Parks and Recreation staff further explained that the “Game Plan for a Healthy City” informs the department’s capital improvement project planning process. In addition to this plan, the department uses several other tools to inform its planning process, including asset condition and equity data.

As shown in Figure 4 on the next page, the capital improvement project planning process is continuous and carries on throughout the year. It peaks in the spring when Parks and Recreation planners submit their high-priority projects to the department’s planning management, and it closes in June when the department implements the final capital plan.

Parks and Recreation planners said they first meet with and incorporate

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24 City and County of Denver Department of Parks and Recreation, “Denver Parks & Recreation 2A Five Year Plan 2020-2024.”
25 City and County of Denver Department of Parks and Recreation, “Denver Parks & Recreation 2A Five Year Plan 2020-2024.”
26 City and County of Denver Department of Parks and Recreation, “Denver Parks & Recreation 2A Five Year Plan 2020-2024.”
feedback from Denver City Council members and staff, Parks and Recreation superintendents and operations staff, and Denver residents when determining priorities. From March through April, the planners prioritize capital projects by combining equity and asset need data. For example, if an asset — such as a playground — needs to be replaced and is located in a park that has a low equity score, then that project is considered to have the highest priority.

From April through May, planning management examines the priority list with Parks and Recreation directors to confirm priorities, participates in briefings with City Council committees, shares the draft with the Parks and Recreation Advisory Board, and subsequently submits the draft budget plan to the department’s executive leaders to ultimately determine project priorities.

FIGURE 4. Capital Improvement Program Planning Process Schedule

Note: Feedback loop: Management of the planning, design, and construction team said the prioritization process is iterative and begins each year at the end of January and continues through mid-June when the department finalizes the budget. The high-priority projects that cannot be funded in the next year’s budget are moved to a three-to five-year strategic funding plan.

Source: Created by the Auditor’s Office using information from the Department of Parks and Recreation.

Between May and June, Parks and Recreation planning management finalizes the capital budget plan and submits it to the Department of Finance by the middle of June for approval.

Parks and Recreation leadership explained that they try to look at projects from a holistic standpoint to make sure that multiple projects are getting done at one time. To accomplish this, the department may use a
combination of legacy funds, bond funds, and capital improvement project funds. However, the planning, design, and construction team does ensure that projects funded using legacy dollars do not conflict with the requirements of the ordinance, such as funding for indoor recreation center projects. Parks and Recreation staff also explained funding is allocated after projects are selected for completion.

**PRIORITIZATION CRITERIA** – In addition to the “Game Plan for a Healthy City,” Parks and Recreation sought community input and developed six additional criteria to prioritize the highest needs, as shown in Table 1.

<table>
<thead>
<tr>
<th>Prioritization Criteria</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>To ensure equitable access to the park system across Denver, focusing on historically underserved neighborhoods characterized by populations in higher needs of park resources so that all city communities have a quality park within a 10-minute walk or roll from their home.</td>
</tr>
<tr>
<td>Sustainability</td>
<td>To ensure that sustainability drives every project to reduce environmental impacts and to promote water conservation and improved water quality.</td>
</tr>
<tr>
<td>Kids and Older Adults</td>
<td>To ensure that the parks and recreation system is accessible to people of all ages.</td>
</tr>
<tr>
<td>Partnerships</td>
<td>To ensure the additional funding stream will allow Parks and Recreation to increase its partnership opportunities with other city agencies, governmental entities, nonprofits, and other organizations.</td>
</tr>
<tr>
<td>Geographic Distribution</td>
<td>To ensure that all areas across the city receive legacy fund investment to provide every resident with a 10-minute walk or roll to a park.</td>
</tr>
</tbody>
</table>

*Source: City and County of Denver Department of Parks and Recreation, “Denver Parks & Recreation 2A Five Year Plan 2020-2024.”*

As equity is one consideration of the plan and part of the prioritization criteria, Parks and Recreation incorporates equity data when making strategic, operational, and investment decisions. Department staff explained that they combine asset data with equity data to determine project priorities. Staff also said they use equity data maps to compare Denver neighborhoods with each other to better ensure that all city neighborhoods are treated equitably. While Parks and Recreation collects most of the data it uses for prioritization, it also uses census data for equity mapping.

**LEGACY FUND INTEGRATED APPROACH AND DEFERRED MAINTENANCE** – Prior to passage of 2A, Parks and Recreation recognized it had more than $130 million in deferred maintenance projects such as repairing and upgrading playgrounds, installing lights and walkways in parks, and repairing irrigation systems. The addition of the legacy fund would allow it to increase its investment in capital maintenance by about 50% to address
deferred maintenance projects.

However, after receiving the legacy funds, Parks and Recreation management said it did not have the staff to take on all the projects it wanted to implement with these additional funds. Therefore, Parks and Recreation leadership began using an integrated approach to repair and maintain parks. This integrated approach looks at all projects and needs within a park to create efficiencies in project management and to increase collaboration with other city agencies. According to Parks and Recreation leadership, this integrated approach minimizes the impact on park users and the surrounding community by avoiding ongoing construction sites repeatedly staged at the same park.

Besides renovating playgrounds, parks, and walkways, deferred maintenance includes maintaining and upgrading building facilities such as maintenance shops, restrooms, kiosks, and other structures. Parks and Recreation evaluates assets, such as playgrounds, signs, and picnic areas, by assigning them a score ranging from exceptional to very poor. Parks and Recreation conducted the last conditions assessment in 2018 and plans on conducting the next one in 2023.

Budget and Expenses

Between 2018 and 2021, the Department of Parks and Recreation’s average annual budget was about $76.2 million. The budget includes mainly expenditures for personnel costs, services and supplies, and capital equipment. As shown in Table 2 on the following page, among the expenditure categories, the personnel expenditures rank highest and fluctuate from a low of about $52.3 million in 2018, to a high of almost $58 million in 2021.27

COVID BUDGET IMPACT

As Table 2 on page 10 shows, in 2020, due to the COVID-19 pandemic’s effects on the economy, the Department of Parks and Recreation implemented about $10.8 million in budget reductions by saving mainly in two expenditure types: personnel, and services and supplies. Parks and Recreation saved about $9.4 million in personnel costs by not hiring part-time seasonal employees for parks maintenance, by keeping full-time positions vacant, and by closing recreation centers. The second area where Parks and Recreation realized about $1.4 million in savings was in the services and supplies expenditures by mainly reducing supplies needed to support recreation centers, including cleaning contracts and equipment replacement.

TABLE 2. Department of Parks and Recreation: 2018-2021 Expenditures

<table>
<thead>
<tr>
<th>Expenditure Type</th>
<th>2018 Actual</th>
<th>2019 Actual</th>
<th>2020 Appropriated</th>
<th>2021 Recommended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>$52,302,240</td>
<td>$56,525,434</td>
<td>$53,407,107</td>
<td>$57,825,805</td>
</tr>
<tr>
<td>Services and Supplies</td>
<td>$18,076,344</td>
<td>$18,039,612</td>
<td>$15,566,878</td>
<td>$17,817,118</td>
</tr>
<tr>
<td>Capital Equipment</td>
<td>$1,213,545</td>
<td>$1,270,351</td>
<td>$217,482</td>
<td>$638,500</td>
</tr>
<tr>
<td>Internal Services and Miscellaneous</td>
<td>$281,699</td>
<td>$295,637</td>
<td>$292,309</td>
<td>$292,309</td>
</tr>
<tr>
<td>Restricted Budget</td>
<td>$0</td>
<td>$0</td>
<td>$10,800,712*</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$71,873,829</strong></td>
<td><strong>$76,131,034</strong></td>
<td><strong>$80,284,488</strong></td>
<td><strong>$76,573,732</strong></td>
</tr>
</tbody>
</table>

*Due to the COVID-19 pandemic, Parks and Recreation implemented about $10.8 million in budget reductions.

Source: 2021 city budget.

The city's 2020 Comprehensive Annual Financial Report says Parks and Recreation employed a total of 529 full-time equivalent staff members in 2019, and 511 in 2020. The 2021 budget says that Parks and Recreation hired three employees in 2019 to work specifically for the Legacy Fund Program. In 2020, the department budgeted for 22 employees to work for the same program.

**PARKS LEGACY FUND BUDGET** – Table 3 shows the revenues and expenditures the Department of Parks and Recreation received and spent since the passing of the 2A ballot measure in 2019. By the end of 2020, the legacy fund accrued around $72.6 million in revenue, and Parks and Recreation spent almost $19 million.

TABLE 3. Parks, Trails, and Open Space Fund: 2019–2020 Revenues and Expenditures

<table>
<thead>
<tr>
<th>Parks Legacy Fund</th>
<th>2019</th>
<th>2020</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$36,822,629</td>
<td>$35,755,232</td>
<td>$72,577,861</td>
</tr>
<tr>
<td>Expenditures</td>
<td>$7,355,169</td>
<td>$11,350,595</td>
<td>$18,705,764</td>
</tr>
</tbody>
</table>

Source: Workday, the city's system of record.

Figure 5, on the next page, shows the amount of General Fund dollars budgeted for Parks and Recreation compared to legacy funds.

28 City and County of Denver, “2021 Mayor’s Budget.”
29 City and County of Denver, “2021 Mayor’s Budget.”
FIGURE 5. Department of Parks and Recreation and Legacy Fund’s budget (2018-2021)

Source: 2020 and 2021 city budgets.

Included in the city’s 2021 budget are also the projected legacy fund expenditures for capital project investments. Parks and Recreation budgeted to invest around $18.7 million in legacy funds for citywide park improvement projects. As part of that, it allocated about $5.8 million for mountain parks facilities; parks rehabilitation and playgrounds; and diverse resiliency projects including purchasing and caring for trees, natural resources, and water conservation projects. The department also budgeted about $12.9 million for investments in parkland expansion costs and existing park improvements.

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31 City and County of Denver, “Mayor’s 2021 Budget.”
FINDING 1 AND RECOMMENDATIONS

The Department of Parks and Recreation Should Improve Existing Business Practices to Ensure Alignment with the Ordinance and Leading Practices

We found that the Department of Parks and Recreation could improve program success by creating and implementing policies and procedures that help ensure compliance with city ordinance and leading practices. Specifically, Parks and Recreation is not ensuring consistent calculation of administrative expenses, consistent distribution of the annual report, and does not have sufficient succession planning policies in place.

Furthermore, we found Parks and Recreation’s communications policy is out of date and does not take into account considerations specific to the Parks Legacy Fund.

We also found Parks and Recreation is not consistently preserving institutional knowledge through succession planning.

Parks and Recreation Has Not Sufficiently Identified Which Expenses Qualify as Administrative

As discussed, city ordinance regulates the legacy fund. Voters approved ballot measure 2A in 2018, which authorized a 0.25% sales tax increase to be spent only on the following:

- Acquiring additional land for parks, open spaces, and trails.
- Developing, improving, and maintaining new and existing parks.
- Restoring and protecting waterways.
- Purchasing, planning, and caring for trees.
- Operating and maintaining any additional acquisitions and improvements to parks and open space.\(^{32}\)

The Governmental Accounting Standards Board defines funds with expenses restricted by ordinance as a special revenue fund. While the ordinance defines the legacy fund’s allowable expenses and maximum administrative costs, interviews with Parks and Recreation staff confirmed that indoor recreation center expenses are the only type of expense not allowed. While other types of special revenue funds might be more restrictive, the Parks Legacy Special Revenue Fund only loosely restricts how the money may be used.

\(^{32}\) Denver Charter § 39-223.
Since 2019, Parks and Recreation has received approximately $77.5 million in tax revenue from the legacy fund. As of May 4, 2021, the department had spent approximately $23.4 million of the fund’s money on the authorized expenses listed in the ordinance.

To determine whether expenses are made according to ordinance requirements, we tested a random sample of 44 supplier invoice transactions out of a total of 940 transactions from July 30, 2019, through May 4, 2021. After examining the expenditures, we found all 44 transactions appeared to be spent according to the requirements laid out in ordinance. See Appendix A for more information on our sampling, methodology, and testing results.

Although Parks and Recreation is likely spending fund dollars in line with ordinance requirements, we found that its policies and procedures lack sufficient guidance to ensure certain spending thresholds set by ordinance are consistently adhered to.

To help Parks and Recreation ensure legacy funds are used for their intended purposes, the ordinance allows the department to use a portion of the funds to help offset the costs associated with administering the fund. City ordinance establishes a spending threshold on administrative expenses and dictates no more than 5% of annual legacy fund tax revenue should be spent on administrative expenses.\(^{33}\) The administrative cost cap was established in the ballot measure to avoid voter discomfort on funds being used in a way that does not most directly support the department’s goals. However, the ordinance does not include information on which expenses should be considered administrative.\(^{34}\)

Although Parks and Recreation has not yet exceeded the 5% threshold, it made two errors when calculating the 2019 administrative expenses we requested. The first miscalculation occurred when Parks and Recreation divided the administrative costs by the 2019 expenditures instead of revenues. The second miscalculation occurred when the department calculated the 2019 administrative salaries without removing the 2020 portion of an individual’s paycheck. Parks and Recreation staff initially calculated administrative costs for 2019 as 0.58% of total expenditures but later noted they had submitted incorrect figures to us and that the costs were actually 0.14% of total expenditures.

In 2020, legacy fund expenditures increased, and Parks and Recreation allocated 0.76% of legacy fund expenses to administrative costs. We examined all 2020 calculations submitted by Parks and Recreation and verified that no more recalculations were necessary and that the increase in administrative expenses was due to the department including two more administrative salaries in the fund.

Additionally, Parks and Recreation management said that it would require more accounting staff to determine an appropriate cost allocation for

\(^{33}\) Denver Charter § 39-224(b).

\(^{34}\) Denver Charter § 39-224.
each employee based on work, especially when staff work on projects that are funded through multiple funding sources. However, Parks and Recreation currently allocates 100% of certain staff salaries to legacy fund administrative costs for employees that work on data and communication. These employees work on projects funded by the Parks Legacy Fund along with projects funded by other sources, such as the General Fund.

We found Parks and Recreation did not initially have formal guidance that defined what should be included as an administrative expense or how to calculate these expenses during the first two years of the legacy fund.

In June 2021, at the end of our audit fieldwork, Parks and Recreation forwarded us a new policy document that listed examples of administrative costs that it will be considering allowable as administrative expenses for the legacy fund going forward. The new policy defines administrative costs as expenditures within the fund that are related to “accounting, budgeting, contracting, marketing, and community engagement.” The policy also notes that fund expenditures related to “a specific project, operational activity, facility, or park” are not to be included.

The policy also allows certain personnel costs related to accounting, budgeting, contracting, community engagement, and marketing, as well as costs associated with these employees such as phones, office supplies, training, and travel. Although some personnel expenses are allowable, the list excludes personnel costs related to direct operational activities including project management, planning management, park operation and management, land purchase, construction costs, and costs associated with such employees, including phones, office furniture, training, travel, office supplies, and vehicles.

While Parks and Recreation included a list of examples of the types of allowable and unallowable costs in the document, it did not include important details necessary to consistently identify and account for administrative expenditures, such as the percentage of allowable expenses to use, how to calculate annual salaries, or how to calculate the ratio between expenditures and revenues — all of which were issues driving the miscalculations that occurred in 2019.

According to leading practices, documentation is a necessary part of an effective internal control system. According to the U.S. Government Accountability Office, internal controls are “the plans, methods, policies, and procedures used to fulfill the mission, strategic plan, goals, and objectives of the [organization].” Internal controls serve “as the first line of defense in safeguarding assets” and “help managers achieve desired results through effective stewardship of public resources.” Specifically, documentation establishes and communicates the “who, what, when, where, and why” of internal control implementation to staff and provides a means to retain organizational knowledge and mitigate risk as well as

communicate information to external parties, such as auditors.\textsuperscript{37}

Additionally, the city’s Budget and Management Office said that sales tax initiatives, such as the Parks Legacy Fund, typically have a specific cap on administrative fees. The purpose of this is to ensure most of the dollars are spent in the community and on the outcomes noted in the ordinance.

Parks and Recreation should add greater detail to its administrative costs policy because the issues that contributed to the miscalculations are not considered within the new policy. Additionally, Parks and Recreation should reconsider which salaries are allowable and whether it is more appropriate to determine a percentage of salary based on project funding or time allocation. By having clear guidance on calculating administrative expenses, Parks and Recreation will be better able to ensure compliance with the ordinance and to accurately and consistently determine and communicate administrative expense information to stakeholders. By communicating accurate administrative expense information, Parks and Recreation is being transparent with the public on how it is spending fund dollars in administering the Parks Legacy Fund and how it is ensuring compliance with the ordinance.

**Parks and Recreation Did Not Send the Annual Report to the Auditor**

We also discovered that Parks and Recreation failed to send a report of legacy fund expenditures to all stakeholders as required by ordinance. City ordinance requires that a report of the Parks Legacy Fund expenditures must be drafted and submitted to the mayor, the City Council, the Auditor’s Office, and the Denver Parks and Recreation Advisory Board every year.\textsuperscript{38} No additional guidance surrounding the timing, format, or distribution of the report was found within the ordinance or Parks and Recreation’s internal communications policy.

On Dec. 1, 2020, Parks and Recreation’s communications team, which is responsible for distributing the annual report, emailed a link for the publicly available “Game Plan for a Healthy City, 2019 Annual Report” to certain stakeholders, including the Mayor’s Office, the City Council, all staff in the Department of Parks and Recreation, and the Parks and Recreation Advisory Board. The email included all individuals as required by ordinance, except the Auditor. While the report is publicly available, the ordinance still requires it to be submitted to the individuals specified.\textsuperscript{39}

In addition to the ordinance requirement, best practices from the federal government say management should consider its responsibilities to internal and external stakeholders and then establish reporting lines so that the quality information necessary to fulfill its overall responsibilities — such as maintaining transparency around fund use — is communicated.

\textsuperscript{38} Denver Charter § 39-224(h).
\textsuperscript{39} Denver Charter § 39-224.
appropriately. Further, documenting information allows an organization to retain knowledge while allowing it to have the information necessary to communicate to internal and external parties. Although Parks and Recreation said that the communications team is responsible for submitting the annual report to required stakeholders, it does not have a documented policy outlining the process for submitting the report.

Without establishing and implementing documented policies that ensure ordinance requirements are met, all individuals required to receive and review the annual expenditure report did not have the chance of doing so, impacting Parks and Recreation’s accountability to mandated stakeholders.

1.1 RECOMMENDATION Revise Administrative Cost Policy and Procedure

The Department of Parks and Recreation should revise its current administrative cost policy to reflect how administrative costs should be calculated. The policy and procedure should include, at a minimum, which personnel salaries should be included and at what percentage, and how to consistently identify which other allowable expenses related to administering the legacy fund should be included in the total.

AGENCY RESPONSE: AGREE, IMPLEMENTATION DATE – MARCH 31, 2022
SEE PAGE 36 FOR THE AGENCY’S FULL RESPONSE TO OUR RECOMMENDATIONS.

1.2 RECOMMENDATION Develop, Document, and Implement Process for Annual Report Distribution

The Department of Parks and Recreation should develop, document, and implement a policy and procedure for ensuring the annual report related to legacy fund use is distributed according to city ordinance.

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SEE PAGE 36 FOR THE AGENCY’S FULL RESPONSE TO OUR RECOMMENDATIONS.

The Department of Parks and Recreation Can Increase Its Impact and Effectiveness through Better Transparency Surrounding the Legacy Fund

We found that the Department of Parks and Recreation does not effectively and consistently communicate how the Parks Legacy Fund is used to support project success and completion to the public.

Parks and Recreation has an internal team that oversees its communications, marketing, media, and social media. Communication of information related to park projects, such as progress or community events, occurs through a variety of methods, including Parks and Recreation’s website or public notice. Communication can also occur through on-site methods such as construction banners.

Parks and Recreation has a communications policy that notes its goal of developing a better-informed public. The policy is intended to be flexible and includes a tier system that helps guide staff on the appropriate level of public engagement and communication necessary to support various projects such as major capital improvement projects or site-specific emergency repairs. Additionally, management said it is always trying to “elevate the communication” related to park projects.

However, the policy has not been updated since 2013 and does not provide guidance on what content staff should communicate to the public. Management said that the communication is consistent for things such as notifications for public meetings or to obtain feedback from the community. However, the nature of other types of communication, such as project timelines, varies and is based on the information provided to the team from the project manager. Staff do not have or use a checklist to ensure key information is communicated consistently. Although the communication policy was implemented before the legacy fund was established, Parks and Recreation verified that the policy applies to projects using both legacy dollars as well as all other funding sources, such as bonds.

Project communication decisions are also based on the communications team’s meetings with Parks and Recreation leadership. Decisions related to communication vary and are typically dependent on project size and community interest, and not how a project was financed. If a neighborhood or community shows interest in a project, or the project is larger, the team will send out notifications to the surrounding neighborhood to let them know a project is launching. Although the public is involved early on, Parks and Recreation does not communicate progress and success of legacy fund projects to the public after a project has started or is completed, despite the communications policy goal of promoting a better-informed public.

We found Parks and Recreation is not consistently communicating through its website and social media communications when projects are funded using legacy dollars. Of the 42 projects reviewed, 32 are receiving or have received legacy funds. Of these, only three contained communication related to the legacy fund. Although adding information about funding source could promote fiscal accountability and transparency, the communication manager noted that communicating information in written form — such as on Parks and Recreation’s website — does not typically include the funding source for the project as it could make the communication appear a bit too “busy.”
We also found that Parks and Recreation is not communicating on-site when legacy funds are used, despite the presence of project-specific signage at parks. We conducted site visits of several parks where legacy funds are being used to identify whether the use of the fund was communicated. Despite there being signage for other sources of funding, like the Elevate Denver Bond and Great Outdoors Colorado, Parks and Recreation did not use on-site signage to communicate that legacy dollars were also used to fund the park project.

Great Outdoors Colorado is a state-run Colorado lottery beneficiary and uses signage to show where fund dollars are being used. Great Outdoors Colorado staff said that creating transparency around the use of funds is part of their communication strategy and that this type of communication was also a requirement of a grant agreement.

Additionally, Great Outdoors staff said it is a way for them to “close the loop” because the communication allows them to say not only that the agency has awarded grants but also that the projects are complete and, in some cases, open for public access.

The city’s Department of Finance staff said the Elevate Denver Bond Program was also approved by Denver voters, just like the Parks Legacy Fund.

Best practices advise that public participation and stakeholder involvement during planning, design, and construction is important for project success.\(^\text{42}\) We found Parks and Recreation does appear to involve external stakeholders, such as the public and surrounding communities,

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through multiple channels early on in its decision making process. An example of this is seen in the “Game Plan for a Healthy City” where city residents identified the maintenance of existing assets as a priority.\footnote{City and County of Denver Department of Parks and Recreation, “Denver Parks and Recreation 2A Five Year Plan 2020-2024” (2019), accessed March 5, 2021, https://www.denvergov.org/content/dam/denvergov/Portals/747/documents/planning/investment/2A_5-Year-Plan_DPR.pdf, 11.}

Furthermore, leading practices from the federal government note that entities should communicate with external parties, including the public, using established reporting lines.\footnote{U.S. Government Accountability Office, GAO-14-704G, “Standards for Internal Control in the Federal Government” (2014), accessed April 8, 2021, https://www.gao.gov/assets/gao-14-704g.pdf.} This advice also suggests organizations should consider strategies that use multiple methods of communication, like signs, websites, social media, presentations, regular communications, and public meetings.\footnote{The Governance Finance Officers Association, “Communicating Capital Improvement Strategies” (2014), accessed June 22, 2021, https://www.gfoa.org/materials/communicating-capital-improvement-strategies.} In addition to communications during initial project phases, organizations should maintain communications through the end of the project and report on results.\footnote{The Governance Finance Officers Association, “Communicating Capital Improvement Strategies.”} Finally, Parks and Recreation’s communication policy notes its intent is to create a better-informed public.

Without focusing on transparency around Parks Legacy Fund use and consistently educating the public on the fund’s progress and successes, Parks and Recreation is missing out on important communications with internal and external stakeholders such as the public. Without effective communication, Parks and Recreation is not informing the public of how their tax dollars from the legacy fund are being spent, which may decrease the voters’ trust in city government and Parks and Recreation and the chances of future ballot measures being successfully implemented.
Finally, the public may not see evidence of how its needs and priorities are being addressed.

| 1.3 | RECOMMENDATION | Review the Existing Communications Policy |

The Department of Parks and Recreation should conduct and document an analysis of its existing communication plan to ensure it is meeting the department’s intended purpose of developing a better-informed public. This analysis should include what elements, such as funding sources or project timelines, must be communicated to the public, when they should be communicated, and how frequently the communication should be updated.

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SEE PAGE 37 FOR THE AGENCY’S FULL RESPONSE TO OUR RECOMMENDATIONS.

| 1.4 | RECOMMENDATION | Revise and Implement Communication Policy |

After completion of the communication policy review in Recommendation 1.3, the Department of Parks and Recreation should revise and implement its communication policy to include changes identified in the analysis and to enhance its communication with the public, specifically about legacy funded projects.

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The Department of Parks and Recreation Should Preserve Institutional Knowledge Related to the Parks Legacy Fund through Succession Planning

We noticed that after a member of Parks and Recreation leadership retired, department management did not have relevant knowledge and documentation related to that position and the legacy fund. Because this audit was intended to review the Parks Legacy Fund, we focused on documentation and procedures for the fund as opposed to departmentwide.

For example, when we requested specific documentation, Parks and Recreation could not immediately provide the guidelines used to identify which Parks Legacy Fund expenses were defined as administrative costs. Parks and Recreation went on to submit a new policy to us at the end of fieldwork. However, Parks and Recreation management explained that this former employee may have had a document that could no longer be located and recommended we locate applicable federal guidance on administrative costs for grants online.

Additionally, Parks and Recreation leadership was unaware of whether any meeting agendas or documentation existed for meetings when the
agency discussed the planning and prioritization of projects using, in part, legacy funds. The meetings are held as needed but more frequently when planning the agency's budget, and, according to leadership, attendees discussed what was understood at the time and returned in a week or two to work toward a decision. Leadership said if those agendas existed, they would be only a sentence or two.

Then, when asked about allocating employee costs specific to the legacy fund, Parks and Recreation staff explained that the mission is to build parks and that additional accounting staff would be required to determine cost allocation based upon work. Parks and Recreation leadership also said that current administrative costs of the legacy fund are so low that there is no “plan B” to manage costs that exceed the 5% maximum.

However, best practices published by the U.S. Government Accountability Office explain management should define “succession and contingency plans for key roles to help the entity continue achieving its objectives” as staff leave the agency over time or unexpectedly.47 A department’s plans, methods, policies, and procedures establish a first line of defense toward safeguarding public resources, such as the Parks Legacy Fund.48 Further, such documentation, including agendas for key meetings, also provides a way of preserving organizational knowledge and reduces the risk of only a few people having this information, as well as establishing and communicating the “who, what, when, where, and why” behind agency and ordinance guidelines to personnel and external parties, such as auditors.49

Therefore, Parks and Recreation’s approach to documentation, knowledge sharing, and contingency planning for key roles related to the administration of the Parks Legacy Fund may result in inadequate preparation to continue operations and the retention of information related to key decisions, if and when key staff depart their roles.

### 1.5 RECOMMENDATION

**Develop and Document Succession Plans**

The Department of Parks and Recreation should develop and document plans for succession and contingency planning, as it relates to the administration of the Legacy Fund, to ensure the department can continue achieving its objectives, such as those outlined in the ordinance, when staffing changes occur. This should include policies documenting the retention of organizational knowledge to mitigate the risk of knowledge loss, as well as the means to communicate this knowledge to external stakeholders.

**AGENCY RESPONSE: AGREE, IMPLEMENTATION DATE – MARCH 31, 2022**

SEE PAGE 38 FOR THE AGENCY’S FULL RESPONSE TO OUR RECOMMENDATIONS.

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FINDING 2 AND RECOMMENDATIONS

The Department of Parks and Recreation Is Not Ensuring Appropriate Maintenance of All Parks

The Department of Parks and Recreation is acquiring new park assets with Parks Legacy Fund dollars while not ensuring existing facilities are sufficiently maintained and hazards are quickly identified and corrected. Parks and Recreation’s “Game Plan for a Healthy City, 2019 Annual Report” explains that, in 2019, the department acquired six properties totaling about 88 acres. For example, it used about $5 million from the Parks Legacy Fund to purchase a 1.9-acre property in the University Hills neighborhood for future parkland, and in 2021, it used about $500,000 from the legacy fund to purchase land to expand a park in the Westwood neighborhood.

Also, in 2021, Denver City Council approved the donation of a 450-acre ranch property in Jefferson and Gilpin counties to become a new mountain park. The agreement also grants the city the first right to acquire a nearby 38-acre parcel.

In addition to acquisitions, Parks and Recreation partnered with the Department of Transportation & Infrastructure to repurpose city-owned property by developing new parks along the South Platte River and the 39th Avenue Greenway and Open Channel.

Two uses of the legacy fund permitted by the city ordinance are the acquisition of land for parks, open spaces, and trails, and the operation and maintenance of additional acquisitions and capital improvements to the city’s park system. However, the ordinance does not define how funds should be divided between the permitted uses. Parks and Recreation

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54 Denver Charter § 39-244. The Denver Charter says that legacy fund sales and use tax must be spent only on 1) acquiring additional land for parks, open spaces, and trails; 2) developing, improving, and maintaining new and existing parks, including Denver’s mountain parks, open spaces, and trails; 3) restoring and protecting waterways, rivers, canals and streams; 4) purchasing, planting and caring of trees; and 5) operating and maintaining any additional acquisitions and capital improvements to the city’s parks, mountain parks, and open space.
staff said that land acquisitions will require more staff to maintain it.

While Parks and Recreation expands the park system with acquisitions, donations, and partnerships, on-site evaluations conducted by both the Auditor’s Office and Parks and Recreation found the conditions of existing parks do not meet the department’s own evaluation standards. We often found instances when graffiti and trees needed maintenance. We also found examples of conditions hazardous to humans and animals, such as accumulated human waste and drug paraphernalia, exposed electrical wires, and trenches and holes about 3 feet deep. While opportunities to acquire new land may be desirable or time-sensitive, Parks and Recreation may be neglecting existing park assets, despite retaining more than $14 million, from 2019 alone, in unused legacy funds the department prioritized for acquisition and park development.55

**Parks Are Not Maintained to Agency Standards and Some Conditions Are Hazardous**

To understand how Parks and Recreation balances the maintenance of existing park assets with the acquisition of new park assets, we selected 16 facilities to conduct on-site evaluations and chose them from the department’s five maintenance districts and mountain parks. We also selected parks with projects paid for in part by the legacy fund and parks without projects funded in part by the fund.56 The facilities selected for site evaluations included 10 parks, two dog parks, a park restroom, and two properties newly acquired using the legacy fund. To conduct the site visits, we used Parks and Recreation’s 2018 Park Standards Evaluation Form, which specifies that the standards represent the ideal conditions and act as a “guide for evaluating parks based on visual inspection of conditions that would be perceptible to the average citizen.”57

As shown in Table 4 on the next page, Parks and Recreation groups the evaluation into four categories: general maintenance, park amenity maintenance, horticulture management, and recreation area management. Within each group, elements are broken down into individual features, and quantitative and qualitative standards measure each element. For example, a feature of the general maintenance category is trash and recycling management, which include fullness, functionality, painted surfaces, and cleanliness. The standards for painted surfaces of trash and recycling

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57 The 2018 Parks Standards Evaluation form is not a publicly available document.
management include whether the paint is in good condition and no more than 20% of painted surfaces are peeling, faded, or chipped. Only features present within a park or facility are factored into the park score, and Parks and Recreation considers 80% as a passing score.

### TABLE 4. Elements Evaluated

<table>
<thead>
<tr>
<th>GENERAL MAINTENANCE</th>
<th>PARK AMENITY MAINTENANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Snow and Ice Removal</td>
<td>Trash and Recycling Mgmt.</td>
</tr>
<tr>
<td>Ice Manual removal</td>
<td>Graffiti and Vandalism</td>
</tr>
<tr>
<td>Plowed</td>
<td>Road and Parking Lots</td>
</tr>
<tr>
<td></td>
<td>Walkways and Trails</td>
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<tr>
<td></td>
<td>Picnic Areas</td>
</tr>
<tr>
<td></td>
<td>Restrooms</td>
</tr>
<tr>
<td></td>
<td>Dog Parks</td>
</tr>
<tr>
<td></td>
<td>Structures and Other Amenities</td>
</tr>
</tbody>
</table>

- **Snow and Ice Removal**: Cleanliness of snow and ice removal, Fullness of snow and ice removal, Functionality of snow and ice removal, Driveways, Parking lots, Walkways, Paths, Picnic areas, Restrooms, Dog parks, Structures and other amenities.
- **Trash and Recycling Mgmt.**: Cleanliness of trash and recycling, Fullness of trash and recycling, Functionality of trash and recycling, Curbs and speed bumps, Drainage, Painted lines, Signs, Surface quality, Weediness.
- **Graffiti and Vandalism**: Accessibility, Cleanliness, Curbs and speed bumps, Drainage, Painted lines, Signs, Surface quality, Weediness.
- **Picnic Areas**: Cleanliness, Drainage, Electrical Functionality of structures, Interior paint, Lighting, Odor, Signs, Supply inventory, Waste receptacles, Bag dispensers, Driveways, Fencing, Retaining walls, Signs, Stairways, Structure and building exteriors.
- **Structures and Other Amenities**: Cleanliness, Drainage, Electrical Functionality of structures, Interior paint, Lighting, Odor, Signs, Supply inventory, Waste receptacles, Bag dispensers, Driveways, Fencing, Retaining walls, Signs, Stairways, Structure and building exteriors.

### HORTICULTURE MANAGEMENT

<table>
<thead>
<tr>
<th>Turf Mgmt.</th>
<th>Planting Areas</th>
<th>Natural Areas and Native Landscapes</th>
<th>Trees</th>
<th>Un-developed Park Properties</th>
<th>Playgrounds</th>
<th>Athletic Fields</th>
<th>Outdoor Athletic Courts</th>
<th>Special Use Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleanliness</td>
<td>Color/health</td>
<td>Pruned</td>
<td>Cleanliness</td>
<td>Functionality of equipment</td>
<td>Cleanliness</td>
<td>Color/health</td>
<td>Drainage</td>
<td>Cleanliness</td>
</tr>
<tr>
<td>Edged</td>
<td>Density</td>
<td>Weediness</td>
<td>Height</td>
<td>Surface quality</td>
<td>Trees</td>
<td>Density</td>
<td>Linings</td>
<td>Drainage</td>
</tr>
<tr>
<td>Drainage</td>
<td>Pruned</td>
<td>Weediness</td>
<td>Surface</td>
<td>Trees</td>
<td>Trimming</td>
<td>Proximity</td>
<td>Fencing</td>
<td>Functionality</td>
</tr>
<tr>
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<td>Pruned</td>
<td>Weediness</td>
<td>Height</td>
<td>Weediness</td>
<td></td>
<td>Mulch</td>
<td>Functionality</td>
<td>of structures</td>
</tr>
<tr>
<td>Height/mowed</td>
<td>Pruned</td>
<td>Weediness</td>
<td>Surface</td>
<td>Weediness</td>
<td></td>
<td>Proximity</td>
<td>Structures</td>
<td>Painted lines</td>
</tr>
<tr>
<td>Holes</td>
<td>Weediness</td>
<td>Weediness</td>
<td>Weediness</td>
<td>Weediness</td>
<td></td>
<td></td>
<td>Safety</td>
<td>Surface</td>
</tr>
</tbody>
</table>

**Note:** Elements of features are evaluated by Parks and Recreation staff to determine a pass or fail score.

**Source:** Auditor's Office staff, based on the Department of Parks and Recreation, 2018 Park Standards Evaluation Form.
Parks and Recreation said that one park from each district is evaluated weekly, and each park is evaluated annually. While the form can be used by staff to determine whether current park or asset conditions meet standards in a pass-or-fail assessment, the form is not intended to evaluate an individual employee’s performance. Instead, this information may be used to identify areas of need or to improve park conditions.

**AUDITOR EVALUATIONS** – The results of our site evaluations found that six facilities, or 37.5%, passed the evaluation and 10 facilities, or 62.5%, failed our evaluation. For example, we conducted the first site evaluation in Civic Center Park, and the park failed the evaluation with a score of 29%. Elements of general maintenance, park amenity maintenance, and horticulture management did not meet Parks and Recreation’s own standards.

Specifically in Civic Center Park, we found trash and debris, graffiti and vandalism, standing water, and trees obstructing walkways and missing mulch rings. Similarly, Harvey Park also failed because of graffiti and trees in the park missing mulch rings, while limbs were not trimmed to provide sufficient overhead clearance along walkways. Furthermore, Harvey Park had dirty restrooms and uneven playground mulch present on the two consecutive days we visited the park.

**CIVIC CENTER PARK** | Standing water and exposed electrical.

PHOTOS BY AUDITOR’S OFFICE STAFF
In our evaluation of the Greenway Dog Park, formerly Stapleton Dog Park, we found the park failed with a score of 14%. The park conditions included a trench of putrid water, trees in poor health, weeds, and an uneven surface with multiple holes. An exposed corrugated drainage pipe with visible chew marks presents a trip hazard and may be unsafe to dogs. The American Kennel Club explains pieces of plastic can be ingested, causing a blockage requiring emergency vet care, and may be fatal. The evaluation form does not include the plastic tube as an element to evaluate, so the park technically passed the safety feature of the dog park evaluation even though the presence of the plastic drainage tube could pose a safety risk.

PHOTOS FROM ON-SITE VISITS
See Appendix E for more photos from the auditor’s on-site observations. Photos of park conditions were taken between June 24 and June 27, 2021.

GREENWAY DOG PARK | Exposed plastic drainage pipe, stagnant water, and overgrown trees and weeds.
PHOTOS BY AUDITOR’S OFFICE STAFF

In addition to site conditions that failed to meet standards, we saw circumstances during on-site visits that are also hazardous to humans and animals. For example, during the Civic Center Park evaluation, we identified accumulated human waste and vomit in stairwells and corners, exposed electrical wires, as well as hypodermic needles and other drug paraphernalia. While these hazards are dangerous to the public, they also present a problem to the staff that are exposed and expected to clean it up.

In City Park, we observed electrical wires tied to a tree and hung across a

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walkway, which created a trip hazard for both pedestrians and cyclists. Furthermore, even though we found trenches and holes in Montbello Central Park measuring between 36 and 43 inches deep, Parks and Recreation had not placed barricades in several locations and the holes were accessible to visitors and animals. City ordinance requires that any hole, ditch, or other excavation in a public place in the city must have a suitable barricade or temporary fence around the excavation at all times and sufficient lights at night to protect humans and animals.59

Another hazard we identified was at Overland Pond Park where a large tree adjacent to a picnic table and walkway was rotten. This is defined as a moderate hazard by the U.S. Department of Agriculture because of the tree’s proximity to a picnic table. The tree had signs of disease and a large

hole in the trunk which made the tree predisposed to falling over. In fact, we could see through the hole in the tree trunk to the pond on the other side. Due to the immediate safety risk presented by this large rotten tree, we made a report of a hazardous tree in the park. Following the report, we returned to Overland Pond Park and saw the reported tree had been removed.

SAFETY HAZARD AT OVERLAND POND PARK | Large, rotten tree adjacent to walkway and picnic table.
PHOTOS BY AUDITOR’S OFFICE STAFF

AGENCY EVALUATIONS – Upon completing our site evaluations, we requested Parks and Recreation’s most recent evaluations for 12 of the parks that we visited. Evaluations were not requested for the two newly acquired properties, the Commons Park restroom, or City Park. Parks and Recreation only provided evaluations for nine parks and we noticed most of the evaluations were completed after our request and on two different versions of the form. Neither version matched the one previously provided to us.

We asked Parks and Recreation management whether different forms were in use, but they said all districts use the same form. As noted above, we initially received a 2018 evaluation form. However, Parks and Recreation did not provide any evaluations completed with the 2018 version of the form and instead provided evaluations recently completed on both a 2017 version and another version that does not reflect a year or include the information necessary to grade and score park features, including what constitutes a passing score.

Key differences between the 2017 and 2018 versions include some photos missing from the 2017 version that show examples of park conditions that fail the evaluation standards. Also, in the 2017 version, the standards to pass the “Fullness” and “Cleanliness” elements of trash and recycling maintenance say “no more than 10% of receptacles are full or overflowing.

and no more than 3 pieces of litter or debris is present in the immediate area,” whereas the 2018 version says “no more than 20% of receptacles are full and overflowing and no more than 20% coverage of litter or debris are present in the immediate area.”

Finally, while the 2018 version has an entire section dedicated to evaluating graffiti and vandalism, the 2017 version incorporates the evaluation of graffiti into other categories, such as the presence of graffiti on roads or parking lots, picnic tables, or restrooms.

In our review of the nine site evaluations provided by Parks and Recreation, we found two parks passed their evaluation, four failed Parks and Recreation’s evaluation, and three were completed on the version without information to score the results. Therefore, of the six evaluations that could be scored, two-thirds of sites failed Parks and Recreation’s own evaluations.

The U.S. Government Accountability Office explains that management should communicate the necessary information about quality standards so employees may perform key roles and achieve objectives.61 By using different evaluation forms, all maintenance districts may not be conducting evaluations consistently or collecting the necessary information to ensure Parks and Recreation addresses risks and achieves the ordinance objective for the legacy fund to develop, improve, and maintain new and existing parks.62 As a result, Parks and Recreation’s monitoring and review procedures are inadequately designed to detect and correct park maintenance conditions that fail to meet its own evaluation standards.63

**Parks and Recreation Is Not Meeting Legacy Fund Goals**

As mentioned in the background section, the 2A Five Year Plan says Parks and Recreation “has more than $130 million in deferred maintenance projects, including park amenities such as playgrounds, walkways, sport courts, athletic fields, furnishings, irrigation systems, and more.” The plan also notes, city residents believe maintenance of existing assets is a high priority, and the plan states that the department will refresh and enhance existing parks with staff, contract services, and equipment to keep assets “safe, clean, and green.”64 In 2019, Parks spent about $1.2 million in Parks Legacy Funds on capital maintenance and about $5.1 million on acquisitions.65

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62 Denver Charter § 39-244.


While Parks and Recreation is planning for and using legacy funds for capital maintenance projects and acquisitions, a recent news article reports that the department is operating with fewer staff and reducing services, such as mowing and picking up trash less frequently and planting fewer flower beds.\(^{66}\) Because of impacts to the city's General Fund caused by the COVID-19 pandemic, Parks and Recreation reduced its budget by nearly $11 million, and more than $9 million of the reductions are attributed to hiring fewer part-time seasonal employees for park maintenance, keeping full-time positions vacant, and closing recreation centers.\(^{67}\) Staff reductions resulted in about 100,000 fewer park maintenance hours in 2020.\(^{68}\) Even though existing park assets fail to meet agency standards and service levels are reduced because of fewer staff resources, Parks and Recreation is still acquiring new park assets that will also require maintenance.

While recognizing external factors, such as the pandemic, have affected agency staffing, the 2A Five Year Plan says Parks and Recreation’s “investment framework is based on maintaining the legacy inherited from [its] predecessors and extending the legacy for future generations.” The plan adds that “it is essential to catch-up and keep-up on maintaining and improving existing parks, trails, facilities and amenities ... and bring them all up to current standards.”\(^{69}\) Similarly, Parks and Recreation’s “Game Plan for a Healthy City” says one of the plan’s intents is to “comprehensively evaluate the current state of Denver’s parks and recreation system.”\(^{70}\)

In fact, Parks and Recreation leadership said it is hard to tell the public that the department receives money from the Parks Legacy Fund when the parks then do not “look nice.” For this reason, leadership explained they created the parks refresh team in 2019 to give a fresh coat of paint to park paths and curbs and to update signage. Additionally, the 2021 city budget reflects goals made by Parks and Recreation, in response to receipt of taxpayer revenue in 2013, for current parks to pass 80% of park maintenance standards by the end of 2019.\(^{71}\) Despite these commitments, our site evaluations and those conducted by Parks and Recreation indicate current maintenance efforts are not sufficient to ensure park conditions pass agency standards or that hazards are quickly identified and corrected. As a result, Parks and Recreation is not achieving the investment framework objective defined in the 2A Five Year Plan to catch up and keep

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\(^{68}\) City and County of Denver Department of Parks and Recreation, “2021 Mayor’s Budget,” 679.

\(^{69}\) City and County of Denver Department of Parks and Recreation, “Denver Parks and Recreation 2A Five Year Plan 2020-2024,” 7.


\(^{71}\) City and County of Denver, “Mayor’s 2021 Budget.”
up on the maintenance of all parks.

Research cited by the U.S. Department of Justice explains that good park maintenance and adequate staffing protect parks over time because declining park conditions create the opportunity for antisocial behavior.\(^{72}\) For example, would-be offenders and other park users perceive graffiti, vandalism, dog waste, and litter as signs that a park is not cared for. These signs of disorder are relevant, because often, the fear of crime is more about perception than an actual increase in illegal activity.\(^{73}\) Similarly, the National Recreation and Park Association states that the perception of park safety is as important as actual safety.\(^{74}\) The association says other key park safety factors to consider include clear and understandable signage that helps enhance the feeling of safety by helping people orient themselves, clear sightlines showing what is ahead, and good maintenance that is crucial to maintain the perception that an area is low risk.

Additional peer-reviewed research from the Centers for Disease Control and Prevention also suggests that crime and fear of crime can be a barrier to park use.\(^{75}\) While park and land use organizations advocate for more and better parks within a 10-minute walk from home, the research notes that greater access may not lead to greater use, because the perception of safety is a key element for the use of parks.\(^{76}\)

Finally, physical and social safety of park visitors and staff is a priority concern for Parks and Recreation, according to the 2A Five Year Plan, and safety is one of only six criteria used to determine how legacy and general funds are invested in “deferred maintenance, new projects, equipment, materials, staffing, and contract services.”\(^{77}\)

### Workforce Planning Can Prepare the Agency to Achieve Near- and Long-Term Objectives

As noted, Parks and Recreation operations have fewer staff resources and a growing park system. Meanwhile, a news story from the American Psychiatric Association Foundation’s Center for Workplace Mental Health indicates that the COVID-19 pandemic is linked to higher rates of burnout for both essential and office employees, and the mental and physical


\(^{73}\) Jim Hilborn, 25.


\(^{76}\) Centers for Disease Control, “Effects of Crime Type and Location on Park Use Behavior,” 1.

\(^{77}\) City and County of Denver Department of Parks and Recreation, “Denver Parks and Recreation 2A Five Year Plan 2020-2024,” 8. As explained in the Background section of the report, the six 2A Five Year Plan prioritization criteria are equity, sustainability, kids and older adults, partnerships, geographic distribution, and safety.
health of the American worker is being taxed. Furthermore, essential workers have faced additional stressors, such as trying to stay healthy and safe while at work or getting to and from work, as well as new work restrictions that they have had no control over.

An article from the University of California, Berkeley, says those working outside the home during the pandemic have often dealt with the stressed-out public and the added worry of potentially bringing home a disease to their family and friends. Demand overload, lack of control, and insufficient reward can make a workplace prone to burnout. This affects both the individual and the employer in lost productivity and job turnover. Therefore, work overload and questions of fairness or insufficient reward may negatively impact Parks and Recreation’s ability to retain staff and the institutional knowledge they possess.

According to the U.S. Government Accountability Office, the management of an agency’s staff is essential to achieving results and an important part of achieving objectives, because operational success is only possible when the right personnel have the right training, tools, structure, incentives, and responsibilities. The foundation to managing a department’s staff is workforce planning, according to the U.S. Office of Personnel Management, because it enables an agency to strategically meet current and future workforce needs and prevent unnecessary disruptions.

The primary elements to a workforce analysis include identifying key positions and competencies, evaluating the skills and competencies of the current staff, forecasting the staff necessary to meet future needs and any known retirements, and evaluating the gap between available competent staff and the future need for competent staff to fulfill agency objectives. A workforce analysis should also include a review of contributing factors, such as industry trends, workforce diversity, and labor market supply. As the agency evolves, leadership should take appropriate action to ensure staff quickly adapt, perform efficiently and effectively, meet the needs and expectations of residents, and work together with new employees as a high-performing team.

Parks and Recreation’s leadership acknowledged the pandemic

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79 Catherine Thorbecke.


81 Robyn Schelenz.


affected their budget and the reduced funding had a big impact on the department’s staffing. Leadership also said that additional staff resources are limited because of the ordinance’s restriction against supplanting. Ultimately though, Parks and Recreation’s own 2A Five-Year Plan says that operational investments in staffing, contract services, equipment, materials, and supplies are necessary to deliver on legacy fund deferred maintenance and capital projects. While the ordinance prohibits supplanting, the city’s informal definition of supplanting — as it relates to the fund — was provided only in an email and says that after the budgeting stage, general funds appropriated to a particular use may not be moved to another purpose and replaced by legacy funds without the necessary re-appropriations. Agency leadership explained the 2A Five-Year Plan was prepared in conjunction with the city’s normal six-year Capital Improvement Program plan, and both are managed in the same manner. This means plan changes or adjustments are included in the annual budgeting process regardless of funding source. However, the U.S. Government Accountability Office explains that management should continually monitor activities to achieve objectives, and monitoring should be responsive to change, so management may evaluate issues and determine appropriate corrective actions on a timely basis.

Parks and Recreation said its processes ensure progress is demonstrated toward achieving the legacy fund goals prior to the end of the initially planned five-year period. However, while time remains in the initial five years, the agency is not able to demonstrate now that efforts ensure existing parks are safe and maintained to its own standards. While Parks and Recreation cites decreased general funds as the cause for reduced park maintenance service levels, from 2019 alone, the department retained more than $14 million in legacy funds budgeted for acquisitions and park development. As noted in the background, ordinance defines allowable expenses, including acquisition of land; developing, improving, and maintaining new and existing parks; and operating and maintaining acquisitions and capital improvements to the park system. The ordinance

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87 Denver Charter § 39-244. The legacy fund maintenance of effort requires that all legacy funds are used in line with the ordinance and may not replace nor supplant any general funds appropriated each year to the Department of Parks and Recreation. The definition of supplanting says, “supplanting is money being appropriated after the budgeting stage from the General Fund for a particular use, but then that General Fund money is moved to another purpose and replaced by 2A money without the necessary reappropriations.”

does not define how legacy funds should be divided among the allowable expenses.89

Similarly, the city’s definition of supplanting restricts reallocation of costs to use other sources of funding, but there is no text which prohibits the department from budgeting both general and legacy funds for maintenance staff and using only the funds necessary to maintain operational standards. Guidance from the U.S. Department of Justice on grants explains more generally that supplanting is when funds for an activity are reduced because another source of funds is available or expected to be available. If a question of supplanting arises, a department is required to show the reduction in the primary source of funds occurred for a reason other than the receipt or planned receipt of the additional source of funds.90

For example, a local government that experiences reduced tax and program revenue due to a public health crisis could use federal funds as a secondary source. If questions arise about supplanting the primary source of funds, the local government can show revenue is lower for a reason other than expecting federal resources.

Regardless, the definition is not documented in a formal policy, and the Department of Finance retains this definition within emails between departments or the City Council. While recognizing granted authority for legislation, rulemaking, and policy creation, the U.S. Government Accountability Office explains that management is responsible for designing the policies and procedures to fit an entity’s circumstances and building them in as an integral part of the entity’s operations.91

2.1 RECOMMENDATION Conduct and Document a Formal Needs Assessment

The Department of Parks and Recreation should conduct and document a formal needs assessment to determine how to ensure parks are maintained properly and park hazards are quickly identified and corrected. The needs assessment should analyze existing and future maintenance needs, as well as the necessary frequency for conducting on-site park evaluations, to achieve agency goals and strategic plans. In combination with other planning data, the department should use the results of the needs assessment to inform decisions related to the use of the Parks Legacy Fund.

AGENCY RESPONSE: AGREE, IMPLEMENTATION DATE – MARCH 31, 2022
SEE PAGE 38 FOR THE AGENCY’S FULL RESPONSE TO OUR RECOMMENDATIONS.
AUDITOR’S ADDENDUM: SEE PAGE 41 UNDER RECOMMENDATION 2.1.

2.2 RECOMMENDATION Conduct a Workforce Analysis

Using the results of the needs assessment, the Department of Parks and Recreation should conduct a workforce analysis to determine appropriate staffing resources to maintain existing assets while planning for the anticipated growth of the park system. The results of the workforce analysis and other planning data should be used to inform decisions related to the use of the Parks Legacy Fund.

AGENCY RESPONSE: AGREE, IMPLEMENTATION DATE – JUNE 30, 2022
SEE PAGE 39 FOR THE AGENCY’S FULL RESPONSE TO OUR RECOMMENDATIONS.
AUDITOR’S ADDENDUM: SEE PAGE 41 UNDER RECOMMENDATION 2.2.

2.3 RECOMMENDATION Standardize Evaluation Process

The Department of Parks and Recreation should identify a single evaluation form and train staff to conduct site evaluations following a standardized process to ensure parks are evaluated by the same quantitative and qualitative standards. In combination with other planning data, the department should use the results of the site evaluations to inform decisions related to the use of the Parks Legacy Fund.

AGENCY RESPONSE: AGREE, IMPLEMENTATION DATE – MARCH 31, 2022
SEE PAGE 39 FOR THE AGENCY’S FULL RESPONSE TO OUR RECOMMENDATIONS.
AUDITOR’S ADDENDUM: SEE PAGE 41 UNDER RECOMMENDATION 2.3.

2.4 RECOMMENDATION Formalize Definition of Supplanting

The Department of Parks and Recreation should work with the City Attorney’s Office to formalize the definition of supplanting as it relates to the Parks Legacy Fund ordinance.

AGENCY RESPONSE: AGREE, IMPLEMENTATION DATE – MARCH 31, 2022
SEE PAGE 40 FOR THE AGENCY’S FULL RESPONSE TO OUR RECOMMENDATIONS.
AGENCY RESPONSE TO AUDIT RECOMMENDATIONS

October 11, 2021
Auditor Timothy M. O’Brien, CPA
Office of the Auditor
City and County of Denver
201 West Colfax Avenue, Dept. 705
Denver, Colorado 80202

Dear Mr. O’Brien,

The Office of the Auditor has conducted a performance audit of the Parks Legacy Plan.

This memorandum provides a written response for each reportable condition noted in the Auditor’s Report final draft that was sent to us on October 8, 2021. This response complies with Section 20-276 (c) of the Denver Revised Municipal Code (D.R.M.C.).

AUDIT FINDING 1
The Department of Parks and Recreation Should Improve Existing Business Practices to Ensure Alignment with the Ordinance and Leading Practices

RECOMMENDATION 1.1
The Department of Parks and Recreation should revise its current administrative cost policy to reflect how administrative costs should be calculated. The policy and procedure should include, at a minimum, which personnel salaries should be included and at what percentage, and how to consistently identify which other allowable expenses related to administering the legacy fund should be included in the total.

<table>
<thead>
<tr>
<th>Agree or Disagree with Recommendation</th>
<th>Target date to complete implementation activities (Generally expected within 60 to 90 days)</th>
<th>Name and phone number of specific point of contact for implementation</th>
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<tbody>
<tr>
<td>Agree</td>
<td>03/31/2022</td>
<td>Sheila Urban</td>
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Narrative for Recommendation 1.1
Yes, we agree and will formalize the administrative costs and how this is calculated in a standard operating procedure.

RECOMMENDATION 1.2
The Department of Parks and Recreation should develop, document, and implement
a policy and procedure for ensuring the annual report related to legacy fund use is distributed according to city ordinance.

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<td>Agree</td>
<td>03/31/2022</td>
<td>Yolanda Quesada</td>
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**Narrative for Recommendation 1.2**

Yes, we agree. We will document who should receive the annual report and how it is distributed.

**Recommendation 1.3**

The Department of Parks and Recreation should conduct and document an analysis of its existing communication plan to ensure it is meeting the department’s intended purpose of developing a better-informed public. This analysis should include what elements, such as funding sources or project timelines, must be communicated to the public, when they should be communicated, and how frequently the communication should be updated.

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<td>03/31/2022</td>
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**Narrative for Recommendation 1.3**

We will conduct a review of our current standard communication practices.

**Recommendation 1.4**

After completion of the communication policy review in Recommendation 1.3, the Department of Parks and Recreation should revise and implement its communication policy to include changes identified in the analysis and to enhance its communication with the public, specifically about legacy funded projects.

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<td>03/31/2022</td>
<td>Yolanda Quesada</td>
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**Narrative for Recommendation 1.4**
Based on review, we will update and document standard practices and procedures.

**RECOMMENDATION 1.5**
The Department of Parks and Recreation should develop and document plans for succession and contingency planning, as it relates to the administration of the Legacy Fund, to ensure the department can continue achieving its objectives, such as those outlined in the ordinance, when staffing changes occur. This should include policies documenting the retention of organizational knowledge to mitigate the risk of knowledge loss, as well as the means to communicate this knowledge to external stakeholders.

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<td>Agree</td>
<td>03/31/2022</td>
<td>Jack Davies</td>
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**Narrative for Recommendation 1.5**
Parks and Recreation, in partnership with the Office of Human Resources, developed a succession plan in 2019. We are updating this plan with a Talent Review to be completed by 3/31/2022.

**AUDIT FINDING 2**
The Department of Parks and Recreation Is Not Ensuring Appropriate Maintenance of All Parks

**RECOMMENDATION 2.1**
The Department of Parks and Recreation should conduct and document a formal needs assessment to determine how to ensure parks are maintained properly and park hazards are quickly identified and corrected. The needs assessment should analyze existing and future maintenance needs, as well as the necessary frequency for conducting on-site park evaluations, to achieve agency goals and strategic plans. In combination with other planning data, the department should use the results of the needs assessment to inform decisions related to the use of the Park Legacy Fund.

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<td>Agree</td>
<td>03/31/2022</td>
<td>Scott Gilmore</td>
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**Narrative for Recommendation 2.1**
Parks and Recreation
Executive Director’s Office
101 West Colfax, Suite 500 | Denver, CO 80202
www.denvergov.org/parksandrecreation
p. 720.913.0738 | f. 720.913.0782

311 | POCKETGOV.COM | DENVERGOV.ORG | DENVER TV

Page 3 of 5
Yes, we will complete a park evaluation for each park annually and monitor consistency across the park system. After the park evaluation has been completed annually and staffing needs are evaluated through the budget process, additions and adjustments are made in the field periodically as needed. Maintenance is not a static, but a very dynamic process and the best made plans have to be shifted and changed sometimes to address changing circumstances.

**RECOMMENDATION 2.2**

Using the results of the needs assessment, the Department of Parks and Recreation should conduct a workforce analysis to determine appropriate staffing resources to maintain existing assets while planning for the anticipated growth of the park system. The results of the workforce analysis and other planning data should be used to inform decisions related to the use of the Park Legacy Fund.

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<tr>
<td>Agree</td>
<td>06/30/2022 w/ 2022 Budget Process</td>
<td>Scott Gilmore</td>
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**Narrative for Recommendation 2.2**

Yes, we will continue to do this as part of our annual budget process.

**RECOMMENDATION 2.3**

The Department of Parks and Recreation should identify a single evaluation form and train staff to conduct site evaluations following a standardized process to ensure parks are evaluated by the same quantitative and qualitative standards. In combination with other planning data, the department should use the results of the site evaluations to inform decisions related to the use of the Park Legacy Fund.

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<td>Agree</td>
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<td>Scott Gilmore</td>
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**Narrative for Recommendation 2.3**

Yes, we will implement a consistent evaluation form to be used for the annual review of each park to guide operations.
**RECOMMENDATION 2.4**
The Department of Parks and Recreation should work with the City Attorney’s Office to formalize the definition of supplanting as it relates to the Park Legacy Fund ordinance.

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<td>Sheila Urban</td>
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**Narrative for Recommendation 2.4**
Yes, we agree and will formally document the definition of supplanting.

Please contact Scott Gilmore at 720-913-0665 with any questions.

Sincerely,
Happy Haynes
Executive Director

cc: Valerie Walling, CPA, Deputy Auditor
Katja E. V. Freeman, M.A., MELP, Audit Director
Kharis Eppstein, CIA, CGAP, Audit Manager
AUDITOR’S ADDENDA

Auditor’s Addendum to Agency Response for Recommendation 2.1

In response to Recommendation 2.1, Denver Parks and Recreation said that it would complete a park evaluation annually and monitor consistency across the park system. While we are pleased that the department agreed with our recommendation to conduct and document a formal needs assessment, we believe both our on-site evaluations as well as those completed by the department are evidence the current practice of conducting an annual evaluation of all parks is not sufficient to ensure parks are maintained and hazards are identified and corrected. The recommended needs assessment should inform the frequency of park evaluations necessary to achieve agency goals and strategic plans.

Because, as the department says in its responses to Recommendation 2.1, maintenance is not static and changes must be made to address changing circumstances, the purpose of the recommendation is for the Department of Parks and Recreation to use a systematic approach to identify how frequently parks should be evaluated as the current annual evaluation is not sufficient. The analysis should include identifying existing maintenance needs and forecasting future maintenance needs so that the department can meet the objectives of the Parks Legacy Plan. The department should be able to provide documentation outlining the decision-making process, including an analysis of existing and future maintenance needs and current park conditions, to support the frequency of evaluations. By not ensuring existing and future parks are properly and sufficiently maintained, Parks and Recreation is not upholding the intent or meeting the goals of the Parks Legacy Fund and its corresponding ordinance, as approved by Denver voters.

Auditor’s Addendum to Agency Response for Recommendation 2.2

Because park maintenance relies on sufficient staffing, we recommended the Department of Parks and Recreation use the results of the needs assessment to conduct a workforce analysis and identify staffing needs based on the needs assessment discussed in Recommendation 2.1. The department’s response says it agrees with our recommendation and Parks and Recreation said that it would continue to do this as part of the annual budget process.

While we recognize that the annual budget process includes a request for additional staff if needed, we want to ensure the department uses the results of the needs assessment outlined in Recommendation 2.1 to identify the staffing levels appropriate for not only maintaining the existing and newly acquired parks, but also correcting the issues we observed while conducting our visits. The department is operating with fewer staff resources and a growing park system. Parks and Recreation staff have also acknowledged that land acquisitions will require more staff to maintain it.

Auditor’s Addendum to Agency Response for Recommendation 2.3

In response to Recommendation 2.3, the Department of Parks and Recreation said that it would implement a consistent evaluation form to be used for the annual review of each park. However, the department did not address staff training in its response to ensure consistent evaluations are conducted. While developing a standardized evaluation form will help to consistently analyze parks, staff need to be trained on how to review park features and on how to assign a score in order to identify maintenance and safety concerns in a timely manner.
OBJECTIVE

To determine the extent to which the Department of Parks and Recreation ensures legacy fund dollars are used appropriately to improve and expand the park system and accelerate the implementation of the department's 20-year strategic plan, the “Game Plan for a Healthy City.”

SCOPE

The audit reviewed the Department of Parks and Recreation's controls and processes for providing management and oversight over the Parks Legacy Fund and for enhancing and improving Denver’s parks. We also evaluated the extent that Parks and Recreation communicates project progress and successes attributed to the legacy fund as well as how consistently and effectively it allocates expenditures, including administrative costs. The audit reviewed documentation to support practices and internal controls related to the legacy fund from July 2019 through March 2021.

METHODOLOGY

We used several methodologies to gather and analyze information related to the audit objectives. The methodologies included but were not limited to:

- Interviewing the following individuals:
  - Personnel from the Department of Parks and Recreation.
  - Personnel from the Department of Finance.
  - A member of City Council.
- Reviewing the following criteria:
  - Federal law related to national parks and federal land as well as grants and agreements.
  - The U.S. Department of Justice’s “Dealing with Crime and Disorder in Urban Parks.”
  - The U.S. Department of State’s “Program Design and Performance Management Toolkit.”
  - The U.S. Department of Agriculture’s “Hazard Tree Safety” information sheet.
• The U.S. Office of Personnel Management’s “Workforce Planning Best Practices.”
• The Government Finance Officers Association’s “Communicating Capital Improvement Strategies.”
• The Governmental Accounting Standards Board’s “Statement No. 54: Fund Balance Reporting and Governmental Fund Type Definitions.”
• The National Recreation and Park Association’s “Using Data at Park and Recreation Agencies” and “Creating Safe Park Environments to Enhance Community Wellness.”
• The Centers for Disease Control and Prevention’s “Effects of Crime Type and Location on Park Use Behavior.”
• Title 33 of Colorado state law.
• Article 27 of the Colorado Constitution.
• The state’s strategic plan for trails.
• Great Outdoors Colorado Fund’s and Elevate Denver Bond’s communication strategies.
• Ballot measure 2018 2A related to the Parks Legacy Fund.
• City and County of Denver ordinances.
• The city’s Fiscal Accountability Rules 2.5, 6.1, and 7.1.
• The city’s 2019, 2020, and 2021 budgets.
• The contract between the City and County of Denver and Denver Preschool Program Inc.
• The contract between the City and County of Denver and the Caring for Denver Foundation.
• The Department of Parks and Recreation’s 2A Five Year Plan.
• Parks and Recreation’s “Game Plan for a Healthy City.”
• Parks and Recreation’s “Strategic Acquisition Plan.”
• Parks and Recreation’s “2019 Park Legacy Annual Report.”
• Parks and Recreation’s “2018 Park Standards Evaluation Form.”
• Parks and Recreation’s legacy fund supplanting rule.

• Reviewing and analyzing the following:
  • The National Recreation and Park Association’s article on the opioid crisis.
  • The Trust for Public Land’s 2020 ParkScore index for Denver.
  • The Colorado State University Extension Office’s documentation on the emerald ash borer.
  • The city’s 2019 and 2020 comprehensive annual financial reports.
  • The city’s 311 data related to Parks and Recreation.
  • Seventy-six contracts between the City and County of Denver and various entities paid through the legacy fund.
  • The city’s Department of General Services’ policy and procedure manual for purchasing procurement.
  • The Parks and Recreation Advisory Board’s bylaws.
  • The city’s 2020 and 2021 budgets alongside the 2020 COVID budget-reduction proposal for Parks and Recreation.
  • Parks and Recreation’s strategic plans for Martinez Park.
  • Parks and Recreation’s draft 2022 Capital Improvement Program Recommendations.
  • Parks and Recreation’s neighborhood equity index.
- Parks and Recreation’s 2018 Asset Condition spreadsheet.
- Parks and Recreation’s prioritization and capital improvement planning spreadsheets for 2020 and 2021.
- Parks and Recreation’s revenue and expenditure reports for the legacy fund for 2019 through April 12, 2021.
- Parks and Recreation’s purchase order and procurement card purchases specific to the legacy fund for Jan. 1, 2018, through March 31, 2021.
- Parks and Recreation’s legacy fund administrative costs allocations for 2019 and 2020.
- Parks and Recreation’s lists of projects and equipment paid for using legacy funds.
- Parks and Recreation’s cost to maintain recently acquired vacant land, including University Hills and Westwood.
- Parks and Recreation’s most recently completed evaluation forms for Overland Pond Park, Greenway Dog Park, Civic Center Park, Harvey Park, Confluence Park, Montbello Central Park, Joseph P. Martinez Park, and Railyard Dog Park.
- Parks and Recreation’s website and communications related to existing park projects and acquisitions.
- Parks and Recreation’s policies and procedures related to contract initiation and administration, park designation, land acquisition, administrative costs, and communication and outreach.
- Prior audits of the Department of Parks and Recreation, contract procurement processes, and capital assets conducted by the Denver Auditor’s Office.
- Milwaukee County, Wisconsin’s 2019 audit on park agreements and its 2020 audit on workforce diversity.
- Minneapolis’ 2017 worker safety audit.
- Dallas’ 2020 audit on city park maintenance and safety.
- Oklahoma City’s 2019 audit on Myriad Botanical Gardens and Whitewater facility equipment maintenance.
- Austin’s 2017 audit of parks and recreation cash handling.
- City of Portland, Oregon’s 2016 audit on capital project planning and its 2019 audit on long-term sustainability of golf.
- City and County of Honolulu’s 2020 audit of parks and recreation expenditures and maintenance priorities and its 2018 audit of parks and recreation performance metrics.
- Kansas City, Missouri’s 2018 audit of reserving and restoring park ecology through a sustainable maintenance approach.
- San Diego’s 2017 audit of park and recreation’s maintenance operations.
- San Jose, California’s 2020 audit on park maintenance.
- State of Minnesota’s 2016 audit on the parks and trail fund.
- News articles related to employee burnout, homeless encampment sweeps, the city’s Park Hill Golf Course, geese culling, removal of trash cans from parkways, reduction of parks and recreation service levels, and the University Hills land acquisition.

- Observing the following:
  - A Parks and Recreation Advisory Board meeting.
  - A public meeting regarding the Strategic Acquisition Plan.
• A walk-through of Salesforce, Parks and Recreation’s contract administration system.

• Performing expenditure sampling and testing against reviewed criteria as discussed in Appendix A.
• Conducting a benchmarking analysis as discussed in Appendix B.
• Conducting park visitations for a sample of parks as discussed in appendices C, D, and E.
APPENDICES

Appendix A – Sampling Methodology and Testing Results

Sampling Methodology

EXPENDITURES POPULATION SELECTION – Our initial population of interest included non-manual expenditures found in Workday, the city’s financial system of record, within the Parks, Trails, and Open Space Fund Program that occurred during the period of July 30, 2019, through May 4, 2021. The initial set of expenditure transactions contained in this population included payroll, payroll forward and year-end accruals transactions, supplier invoice transactions, accounting adjustments, and manual transactions. We found that accounting adjustments including manual transactions were made for accounting purposes and did not change the status of a transaction, so we excluded them from our testing population.

From this population we identified the “supplier invoice” expenditures as our higher-risk population of expenditures. We based this selection on first identifying that payroll and supplier invoice transactions represented the highest percentages of transactions in the Parks, Trails, and Open Space Fund Program population. The payroll expenditures represented the higher number of transactions, while the supplier invoice transactions contained the highest amount of expenditures. Additionally, the payroll expenditures were all for city employees and we deemed these transactions of lesser risk than supplier invoices made to vendors. As a result, the payroll expenditures were removed prior to testing.

The resulting high-risk population of supplier invoice expenditures to test was 940.

Sample Size and Selection

To estimate the sample size, we used EZ-Quant discovery sample. We based this on the following criteria:

- A critical error rate of 5%.
- A desired confidence level of 90%.
- A maximum government risk of 10%.

We divided the number of transactions each year by the total number of transactions. In 2019, there were 162 supplier invoice transactions which represent 17% of the total 940 transactions for the combined period. There were 532 transactions from 2020, which represents 57% of the total population, and there were 246 transactions from 2021, which represents 26% of the total population. Then, we used a formula to determine the sample size of 44 supplier invoices. We then used a random number generator to select invoices, proportionate to the volume of transactions each year, which we ultimately tested.

Testing and Results

We tested the sample to verify that expenditures complied with:

- 2A ordinance’s permitted use of funds, including:
  - Acquiring additional land for parks, open spaces, and trails.
  - Developing, improving, and maintaining new and existing parks, including Denver’s mountain parks,
open spaces, and trails.

- Restoring and protecting waterways, rivers, canals, and streams.
- Purchasing, planting, and caring of trees.
- Operating and maintaining any additional acquisitions and capital improvements to the city parks, mountain parks, and open spaces.92

- Fiscal Accountability Rule 2.5 on supporting documentation to ensure supplier invoice transactions were supported by adequate supporting documentation.93
- Fiscal Accountability Rule 7.1 on expenditure tests of propriety to ensure the expenditures were made for and in the best interest of the city, were necessary to accomplish city business, and were in accordance with laws and regulations. Therefore, we considered the transactions made in the best interest of the city a pass if the invoice or other type of supporting documentation was addressed to Parks and Recreation or the City and County of Denver and in line with the 2A ordinance's intent.94

All items passed the test without exception. Because this was a discovery sample, this means the critical error rate was not higher than 5% with a maximum risk of 10%. Therefore, no further testing was needed, and the error rate was within our expected rate of 5%.

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Appendix B – Methodology for Parks and Recreation Management Survey

Using a secure, licensed Survey Monkey account, we conducted an online survey of the Department of Parks and Recreation’s peer cities to understand how they use revenue to maintain, improve, and expand their park system.

We selected the list of peer cities by first identifying those which the Department of Parks and Recreation defines as a peer in the city’s “Game Plan for a Healthy City.”\(^{95}\) We selected cities rated in the top 10 of the non-profit Trust for Public Land’s ParkScore.\(^{96}\) Lastly, we selected two Colorado cities, Aurora and Colorado Springs, because of similar socio economic and climate conditions. The peer cities were compiled into one list, and duplicates were removed along with the New York City because of its much larger size than the City and County of Denver. For each peer city, we located contact information for a department director or assistant director to ensure recipients had the necessary information to answer the diverse survey questions.

The survey was first distributed to recipients on May 25, 2021, and the survey closed on June 30, 2021. Due to a low response rate, reminders were sent to recipients and additional contacts were identified when recipients were out of the office or no longer with an agency. We sent the survey to 27 survey recipients and received a response from five peer cities. The cities that provided a response include Cincinnati; Irvine, California; Aurora, Colorado; Raleigh, North Carolina; and San Francisco. Not all five respondents answered each question.

The survey included 19 open-ended, multiple choice, and yes-or-no style questions. We asked questions regarding aspects of the agencies’ funding, project planning and prioritization, and the reporting of program updates and accomplishments to community stakeholders. We explained to recipients that our survey was focused on the operation, maintenance, and capital improvements to parks and open spaces and that we were not focused on indoor recreation centers and programs.

The survey included question logic, which directed recipients to additional questions based on their own prior responses. As a result, some recipients did not receive nor respond to some survey questions. Table 5 reflects all survey questions and the response options.

---

### TABLE 5. Parks and Recreation Management Survey Questions

<table>
<thead>
<tr>
<th>Question No.</th>
<th>Question, with Answer Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>What sources of funding does your department/division receive? (Select all that apply)</td>
</tr>
<tr>
<td></td>
<td>Voter-approved ballot measure tax increase; General revenue fund; Bonds; Grants; Donations; Other (open-response)</td>
</tr>
</tbody>
</table>

*Note: Table 5 continues across the following two pages.*

*Source: City and County of Denver Auditor’s Office.*

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### TABLE 5. Parks and Recreation Management Survey Questions, continued

<table>
<thead>
<tr>
<th>Question No.</th>
<th>Question, with Answer Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2</td>
<td>Is voter-approved ballot measure revenue managed separately from annually budgeted general revenue? Yes / No</td>
</tr>
<tr>
<td>Q3</td>
<td>How many people manage and oversee the use and distribution of voter-approved ballot measure funds? 0; 1; 2 to 3; 4 to 6; More than 6</td>
</tr>
<tr>
<td>Q4</td>
<td>Do you use policies and procedures that define how voter-approved ballot measure funds may be allocated and for what purposes? Yes / No</td>
</tr>
<tr>
<td>Q5</td>
<td>Does the voter-approved ballot measure provide for administrative costs? Yes / No</td>
</tr>
<tr>
<td>Q6</td>
<td>Have you defined in policies and procedures, or another formal document, the allowable administrative expenses for the voter-approved ballot measure? Yes / No</td>
</tr>
<tr>
<td>Q7</td>
<td>What expenses have you defined as an allowable administrative cost? Open-ended</td>
</tr>
</tbody>
</table>

**Questions about planning and prioritizing park projects, including what factors you consider when allocating funds.**

<table>
<thead>
<tr>
<th>Question No.</th>
<th>Question, with Answer Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q8</td>
<td>What factors do you consider when prioritizing projects? Open-ended</td>
</tr>
<tr>
<td>Q9</td>
<td>Do you formally document your decision-making process and the factors used to prioritize projects? Yes / No</td>
</tr>
<tr>
<td>Q10</td>
<td>Have you defined in policies and procedures, or another formal document, how projects should be prioritized? Yes / No</td>
</tr>
<tr>
<td>Q11</td>
<td>How is equity considered in resource allocation? Open-ended</td>
</tr>
<tr>
<td>Q12</td>
<td>How do you ensure resource allocation decisions are made objectively and without bias? Open-ended</td>
</tr>
</tbody>
</table>

**Questions about balancing park maintenance and the acquisition of land to expand the park system.**

<table>
<thead>
<tr>
<th>Question No.</th>
<th>Question, with Answer Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q13</td>
<td>Please explain how you balance deferred maintenance of existing park assets with new acquisitions and projects. Note: For the purposes of this question, deferred maintenance includes repairs and replacement of assets managed by the department but excludes indoor recreation centers. Open-ended</td>
</tr>
</tbody>
</table>

*Source: City and County of Denver Auditor's Office.*
### TABLE 5. Parks and Recreation Management Survey Questions, continued

<table>
<thead>
<tr>
<th>Question No.</th>
<th>Question, with Answer Options</th>
</tr>
</thead>
</table>
| Q14          | Have you established maintenance service levels for parks in order to allocate resources and provide guidance to staff on expectations of maintenance standards?  
Yes / No |
| Q15          | Do your policies and procedures define how maintenance service levels are monitored to ensure proper maintenance of parks?  
Yes / No |

#### Questions about communicating agency priorities, project progress updates, and the completion of park projects.

<table>
<thead>
<tr>
<th>Question No.</th>
<th>Question, with Answer Options</th>
</tr>
</thead>
</table>
| Q16          | How do you communicate project progress or completion to the public (i.e., on-site signage, newsletters, formal reports, etc.)? (Select all that apply)  
On-site signage; Newsletters – online; Newsletters – printed; Townhalls – virtual; Townhalls – in person; Formal reports; Not applicable; Other (open-ended) |
| Q17          | How frequently do you provide communication updates on project progress or completion to the public? (Select all that apply)  
Never; Monthly; Quarterly; Semi-annually; Annually; Other (open-ended) |
| Q18          | Do you provide to community stakeholders reports of fund revenue and expenditures as well as program goals and outcomes?  
Yes / No |
| Q19          | Please describe the report provided to community stakeholders and what data is included. (No more than 100 characters.)  
Open-ended |
| Q20          | Please provide your name(s), email address(es), and the department you work for.  
Open-ended |

**Source:** City and County of Denver Auditor’s Office.

The survey results showed that only two of the five respondents, San Francisco and Raleigh, receive additional voter-approved funds, similar to the Parks Legacy Fund. Of these two respondents, only Raleigh manages the voter-approved funds separately from the general funds it also receives. To oversee and distribute the voter-approved funds, both San Francisco and Raleigh, North Carolina, have more than six people responsible for these functions. Similarly, both cities also have policies and procedures which define how the funds may be used and for what purposes. Only San Francisco defined allowable administrative costs as a permitted use of the voter-approved fund.

Of the two respondents, both document the decision-making process and factors to prioritize projects. Only one, San Francisco, has defined in policies and procedures how projects should be prioritized. Raleigh said it considers equity in resource allocation by distribution and location of projects. San Francisco said that equity is a leading consideration in the decision-making process and that it has a mandate to provide equitable access to open space to all the city’s diverse neighborhoods and communities. The city is also mandated to adopt a set of equity metrics and include an analysis and strategies to mitigate equity deficiencies in the
strategic plan. Raleigh says it has a work team to ensure that resource allocation decisions are made without objectivity and bias. San Francisco says it tries to include as many objective data points as possible. To avoid bias and using data, San Francisco uses several models, each prioritizing different variables.

To manage deferred maintenance to the park system, Cincinnati is developing a five-year plan to address and get out of the deferred maintenance cycle. Raleigh typically uses bonds to fund new development or significant reinvestment into the system, and the city’s 1-cent tax is devoted to capital maintenance. Finally, San Francisco said it has an annual budget allocated to deferred maintenance projects, funded through its General Fund. Both present and future deferred maintenance needs are analyzed and prioritized through a life cycle assessment tool. San Francisco is also working on a model to assess anticipated maintenance and programming costs associated with new parks to see what additional resources will be required as the system expands.

Three of the four respondents to the park maintenance questions have established maintenance service levels for parks in order to allocate resources and provide guidance to staff on expectations of standards. Cincinnati, Raleigh, and San Francisco have established service levels, whereas Aurora, Colorado has not. All three with established service levels said they have policies and procedures that define how these maintenance service levels are monitored to ensure proper maintenance of parks.

Respondents to the survey use a variety of tools to communicate progress or completion of a project to the public. Of the four respondents to the question about agency communications to community stakeholders, three, or 75%, use on-site signage and online newsletters. In-person townhalls and formal reports were completed by two of the four respondents, and printed newsletters and virtual townhalls were completed by one of the four respondents. Two respondents provide updated communications regularly online, quarterly, and when updates are requested by stakeholders.

Lastly, of the four respondents to the question about reporting provided to community stakeholders, two — Cincinnati and San Francisco — provide reports of fund revenue and expenditures as well as program goals and outcomes to community stakeholders. The response from Cincinnati said that data includes the beginning balance, expenditures, ending balance, and a description with timelines of the project. San Francisco provides monthly reports to its Recreation and Park Commission and an annual report to the Commission and the Board of Supervisors. The city also participates in citywide planning processes as well as annual two-year budget processes. It strives to have further engagement with the public using townhalls, online newsletters, and social media.
Appendix C – On-site Evaluation Methodology and Testing Results

To evaluate the conditions of existing park assets, on-site evaluations were conducted at 16 locations managed by the Department of Parks and Recreation. Because of a concurrent audit of the agency’s Golf Division by the Auditor’s Office, we excluded golf courses from on-site evaluations. Also, we excluded recreation centers, because they are not a permitted use of the Parks Legacy Fund and are therefore outside the scope of testing. By using the list of parklands found in the “Game Plan for a Healthy City,” we separated each location by its park type classification: neighborhood, special use, undeveloped, regional, mountain, open space, community, linear, pocket, and athletic complex.

Using Parks and Recreation’s online park maintenance map and a search engine to locate property addresses, we determined the maintenance district where parks are located. Upon identifying the location of a sufficient population to randomly select a sample of parks to visit and evaluate, we selected parks from each of the agency’s five maintenance districts and mountain parks. Parks were selected to ensure that we visited parks with projects paid for in part by the Parks Legacy Fund and parks without projects funded in part by the fund.

TABLE 6. Auditor Park Visits by District

<table>
<thead>
<tr>
<th>District</th>
<th>Locations Evaluated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downtown</td>
<td>Civic Center Park, Confluence Park, Railyard Dog Park, Commons Park restroom.</td>
</tr>
<tr>
<td>Northwest</td>
<td>Joseph P. Martinez Park and Rocky Mountain Lake Park.</td>
</tr>
<tr>
<td>Northeast</td>
<td>Montbello Central Park, Thomas Ernest McClain Park, Greenway Dog Park.</td>
</tr>
<tr>
<td>East</td>
<td>City Park.</td>
</tr>
<tr>
<td>Southwest</td>
<td>Harvey Park and Overland Pond Park.</td>
</tr>
<tr>
<td>Mountain</td>
<td>Red Rocks Park and Genesee Mountain Park.</td>
</tr>
<tr>
<td>New acquisitions</td>
<td>University Hills and Westwood.</td>
</tr>
</tbody>
</table>

Source: City and County of Denver Auditor’s Office.

The facilities included 10 parks, two dog parks, two newly acquired legacy-funded properties, and a park restroom. The on-site park evaluations were conducted with the park evaluation form provided by the agency, with “2018” printed on the cover. Since on-site evaluations occurred during a summer month, we removed the “Snow and Ice Removal” section from the evaluation form. We made no additional changes to the evaluation form, so the on-site observations followed department guidelines to evaluate features present at each selected site.

97 Denver Charter § 39-244. The Denver Charter says that legacy fund sales and use tax must be spent only on 1) acquiring additional land for parks, open spaces, and trails; 2) developing, improving, and maintaining new and existing parks, including Denver’s mountain parks, open spaces, and trails; 3) restoring and protecting waterways, rivers, canals and streams; 4) purchasing, planting, and caring of trees; and 5) operating and maintaining any additional acquisitions and capital improvements to the city’s parks, mountain parks, and open spaces.

PARK STANDARDS EVALUATION FORM – The department’s evaluation form says the assessment is based on nontechnical evaluations and a pass or fail is given for each feature. The evaluation is divided into four categories: general maintenance, park amenity maintenance, horticulture management, and recreation area maintenance. Within each of the four categories features of the park have a set of identified standards. For example, general maintenance is a category with three features, including “snow and ice removal; trash and recycling management; and graffiti and vandalism.” The feature trash and recycling management has four elements, including fullness, functionality, painted surfaces, and cleanliness. For each element, qualitative standards apply, such as fullness which says, “receptacles are not full or overflowing.” Also, for each element, quantitative standards apply, such as fullness which says, “no more than 20% of receptacles are full or overflowing.” Using this guidance, each element is evaluated to determine whether there is a pass or fail. After each element is evaluated, then the feature is individually scored.

For each feature, such as horticulture management, we confirmed that each element was applicable. If an element was not applicable, it was not included in the total score. To determine the score for the feature, we determined the total passing out of the total possible elements. We completed the same method of evaluating all park features present and divided the total passing features by the total of all passing and failing features. The results of the equation is the cumulative park score that is compared to the department’s established minimum passing score, 80%, to determine whether each park has an overall pass or fail score.

Results of On-site Observations

PARK SCORES – Following the methodology above, we evaluated 16 Department of Parks and Recreation managed locations between June 24 and 27, 2021. The locations are listed in Figure 6 with their respective pass or fail score.

FIGURE 6. Auditor On-site Park Evaluation Scores

Source: City and County of Denver Auditor’s Office Staff.

The results of the on-site observations show six of the 16 parks passed Parks and Recreation’s evaluation standards, which equals 37.5%. Therefore, 62.5% of parks failed the evaluation. Where possible, we took photos to document why a feature failed the department’s standards and where we found hazardous conditions. The information is a component of determining whether the Department of Parks and Recreation is
appropriately balancing acquisition and maintenance. The newly acquired properties are generally clean and both passed the evaluation; however, many photos show where existing park assets are in disrepair, dirty, or potentially dangerous.

DEPARTMENT OF PARKS AND RECREATION COMPLETED EVALUATION – To observe a sample of the department’s completed evaluation forms, we requested the most recent evaluations for 12 of the parks we also evaluated. We selected these parks as a similar point of reference, without defining a time period when the evaluation was completed. An evaluation was not requested for the two newly acquired properties, the Commons Park restroom, or City Park.

Upon receipt of the nine park evaluations provided by the department, we observed that three evaluations were completed in September 2020, three were completed after our request, and three lacked the information necessary to grade or score park features, including what score is necessary to pass. Also, the department did not provide the evaluation for three of the requested parks: Red Rocks Park, Rocky Mountain Lake Park, and Genesee Mountain Park. For the remaining six evaluations, we calculated the park score, and the results are in Figure 7.

FIGURE 7. Department of Parks and Recreation On-site Park Evaluation Scores

<table>
<thead>
<tr>
<th>Park</th>
<th>Score</th>
<th>Evaluation Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civic Center Park</td>
<td>88.2%</td>
<td>Evaluation completed Sept. 29, 2020</td>
</tr>
<tr>
<td>Harvey Park</td>
<td>70%</td>
<td>Evaluation completed June 29, 2021</td>
</tr>
<tr>
<td>Joseph P. Martinez Park</td>
<td>46%</td>
<td>Undated evaluation</td>
</tr>
<tr>
<td>Overland Pond Park</td>
<td>71.4%</td>
<td>Evaluation completed June 29, 2021</td>
</tr>
<tr>
<td>Rocky Mountain Lake Park</td>
<td>No evaluation provided. Department noted “under construction/replacement”</td>
<td></td>
</tr>
<tr>
<td>Thomas Ernest McClain Park</td>
<td>No evaluation provided. Department noted “Arts and Venues”</td>
<td></td>
</tr>
<tr>
<td>Greenway Dog Park</td>
<td>Version lacking information to grade or score park features</td>
<td></td>
</tr>
<tr>
<td>Red Rocks Park</td>
<td>No evaluation provided. Department noted “Arts and Venues”</td>
<td></td>
</tr>
<tr>
<td>Confluence Park</td>
<td>57.1%</td>
<td>Evaluation completed Sept. 29, 2020</td>
</tr>
<tr>
<td>Genesee Mountain Park</td>
<td>No evaluation provided. Department noted “Mountain Parks”</td>
<td></td>
</tr>
<tr>
<td>Montbello Central Park</td>
<td>Version lacking information to grade or score park features</td>
<td></td>
</tr>
<tr>
<td>Railyard Dog Park</td>
<td>88.9%</td>
<td>Evaluation completed Sept. 24, 2020</td>
</tr>
</tbody>
</table>

Source: City and County of Denver Department of Parks and Recreation.

The results of our analysis show that one-third of parks passed, and two-thirds of parks failed the site evaluation completed by the department.
Appendix D – Park Maintenance Districts

The Department of Parks and Recreation manages a system of urban and mountain parks. Urban parks are divided into five maintenance districts.99

- Downtown: Manages 128 acres of parkland.
- Northeast: Manages 1,513 acres of parkland.
- Northwest: Manages 853 acres of parkland.
- East: Manages 1,256 acres of parkland.
- Southwest: Manages 1,051 acres of parkland.

Source: Department of Parks and Recreation, Park Maintenance Districts Map.

99 City and County of Denver Department of Parks and Recreation, “Draft Strategic Acquisition Plan” (2021), accessed Aug. 3, 2021, https://www.denvergov.org/files/assets/public/parks-and-recreation/documents/planning/stategicacquisitionplan_dpr.pdf, 16. The final version of the plan is not published online. Auditors compared the draft and final version provided by the department, and the referenced information is consistent between the two.
Appendix E – Auditor Site Evaluation Photos

During our on-site visits to conduct park evaluations, we took the following photos to document conditions failing to meet Parks and Recreation’s standards or presenting risk to humans and animals.

CIVIC CENTER PARK | In these examples of park conditions, we found a tire rut with standing water, exposed electrical, and holes. PHOTOS BY AUDITOR’S OFFICE STAFF

CITY PARK | Here we found a light pole taped together, fallen tree limbs, and graffiti. PHOTOS BY AUDITOR’S OFFICE STAFF

CONFLUENCE PARK | In these examples of park conditions, we found graffiti, shrubs overgrowing walkways, and debris. PHOTOS BY AUDITOR’S OFFICE STAFF
GREENWAY DOG PARK | In these examples, we found dead ornamental grasses, an open irrigation valve box and trash, and a tree growing through the fence. PHOTOS BY AUDITOR’S OFFICE STAFF

JOSEPH P. MARTINEZ PARK | In these examples of park conditions, we found a broken swing set, a retaining wall with loose bricks and graffiti, and a picnic table covered in graffiti. PHOTOS BY AUDITOR’S OFFICE STAFF

HARVEY PARK | These examples of park conditions found during the on-site evaluation show a tree with exposed roots, a tree growing through a fence, and a pile of loose fence posts adjacent to the playground. PHOTOS BY AUDITOR’S OFFICE STAFF
ROCKY MOUNTAIN LAKE PARK | These examples show leaking irrigation, graffiti and wood on the maintenance shed, and graffiti and vandalism of an electrical box. PHOTOS BY AUDITOR’S OFFICE STAFF

OVERLAND POND PARK | Here we found loose trash, graffiti, lawn mowers adjacent to a storage shed, and stickers on a picnic table. PHOTOS BY AUDITOR’S OFFICE STAFF

MONTBELLO CENTRAL PARK | These examples show a tire rut with standing water, graffiti, and pooling water from leaking irrigation. PHOTOS BY AUDITOR’S OFFICE STAFF
THOMAS ERNEST MCCLAIN PARK | The park conditions we found at this park during our on-site evaluation show uneven surfaces, standing water, graffiti, and trees growing into the metal grates. PHOTOS BY AUDITOR’S OFFICE STAFF
The *Auditor* of the City and County of Denver is independently elected by the residents of Denver. He is responsible for examining and evaluating the operations of city agencies and contractors for the purpose of ensuring the proper and efficient use of city resources. He also provides other audit services and information to City Council, the mayor, and the public to improve all aspects of Denver’s government.

The *Audit Committee* is chaired by the Auditor and consists of seven members. The Audit Committee assists the Auditor in his oversight responsibilities regarding the integrity of the city’s finances and operations, including the reliability of the city’s financial statements. The Audit Committee is structured in a manner that ensures the independent oversight of city operations, thereby enhancing residents’ confidence and avoiding any appearance of a conflict of interest.

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**Office of the Auditor**

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**Our Mission**

We deliver independent, transparent, and professional oversight in order to safeguard and improve the public's investment in the City and County of Denver. Our work is performed on behalf of everyone who cares about the city, including its residents, workers, and decision-makers.