



Ground Maintenance

Fiscal Years 2020 – 2022
Report Date: April 6, 2023

OFFICE OF THE CITY AUDITOR

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REPORT NO. 23-06

Ground Maintenance

Purpose

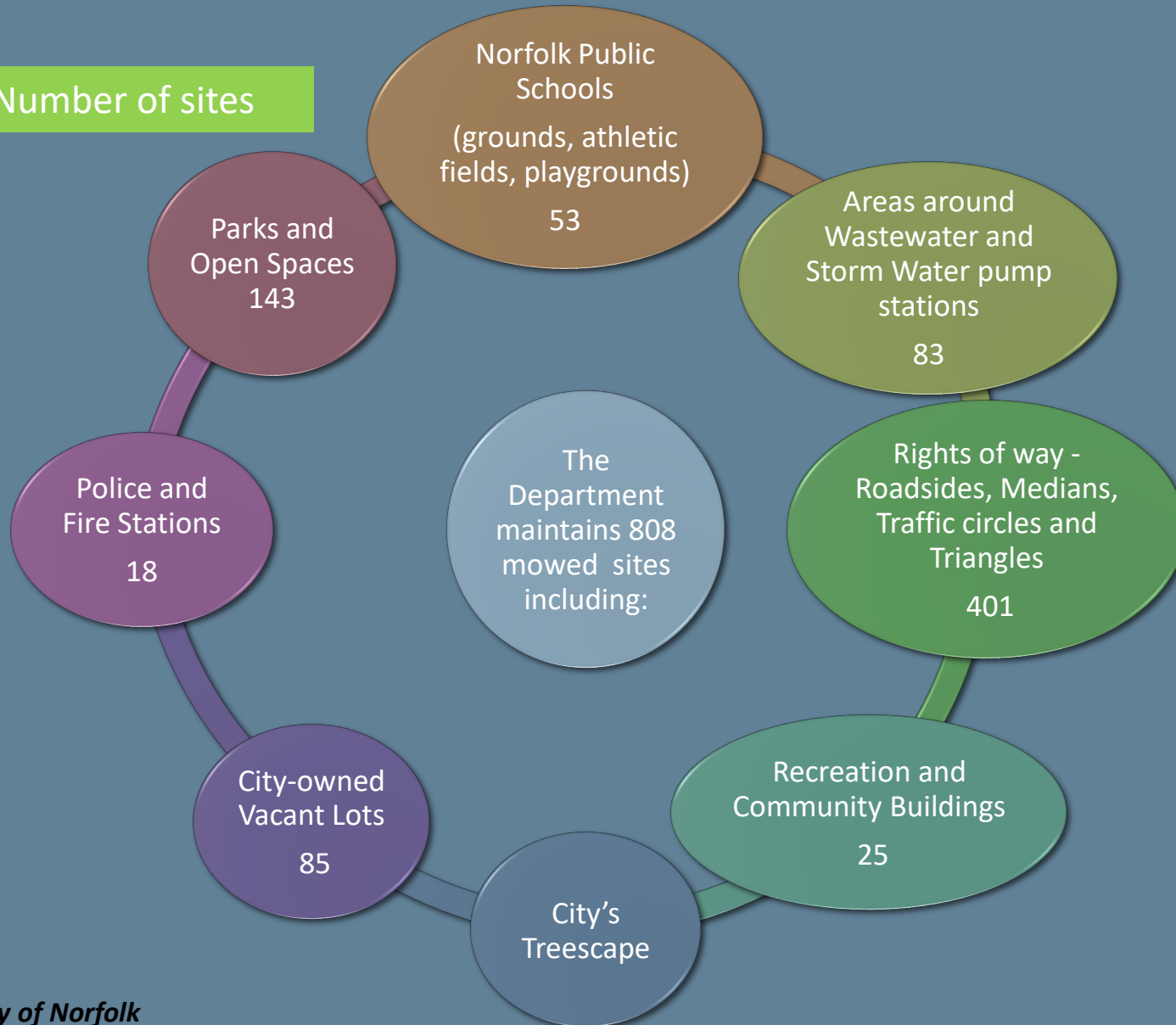
To evaluate and assess
the effectiveness of
current ground
maintenance processes
– focus on Landscape
Services and Urban
Forestry

Scope

2020-2022

Ground Maintenance Overview

Number of sites



Labor intensive work –
2/3 of budget is
personnel costs

Difficulty of obtaining
personnel amid COVID
impact and budgetary
challenges

Challenges

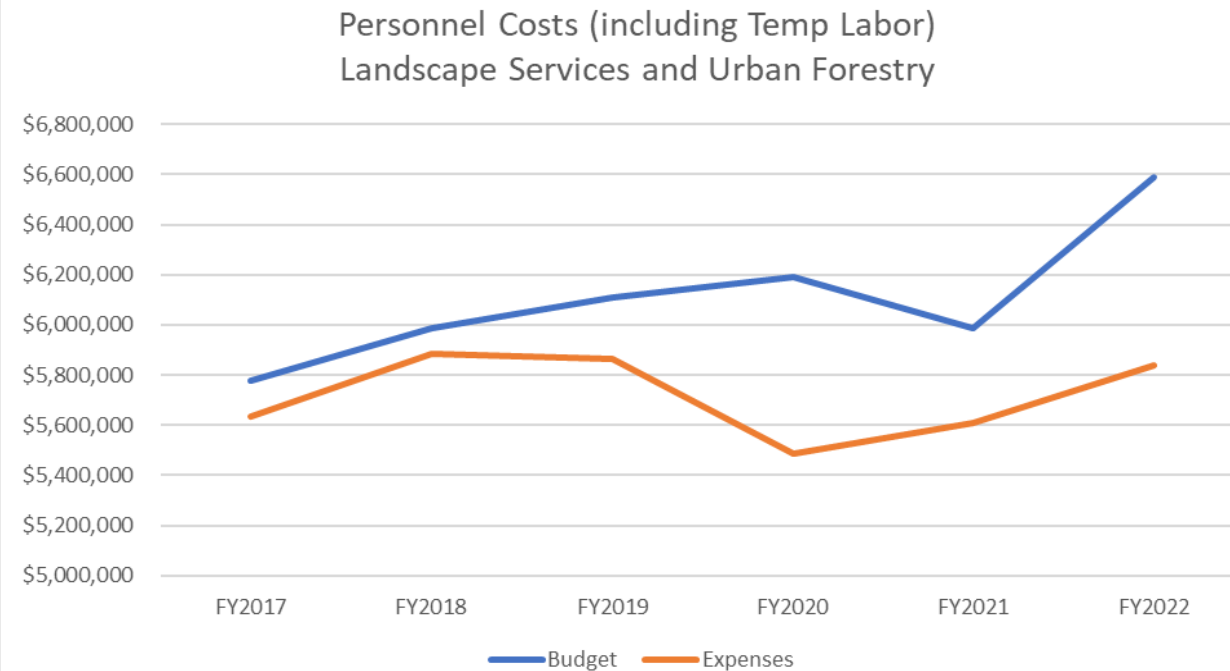
Burdens on Labor Requirements

- Work seasonality

Greatest demand during the growing season

- Reduction in available labor

- COVID and availability of unemployment compensation
- Legalization of marijuana and city requirements for drug-testing for employment and equipment operation
- Reduced availability of Sheriff Inmate Workforce labor



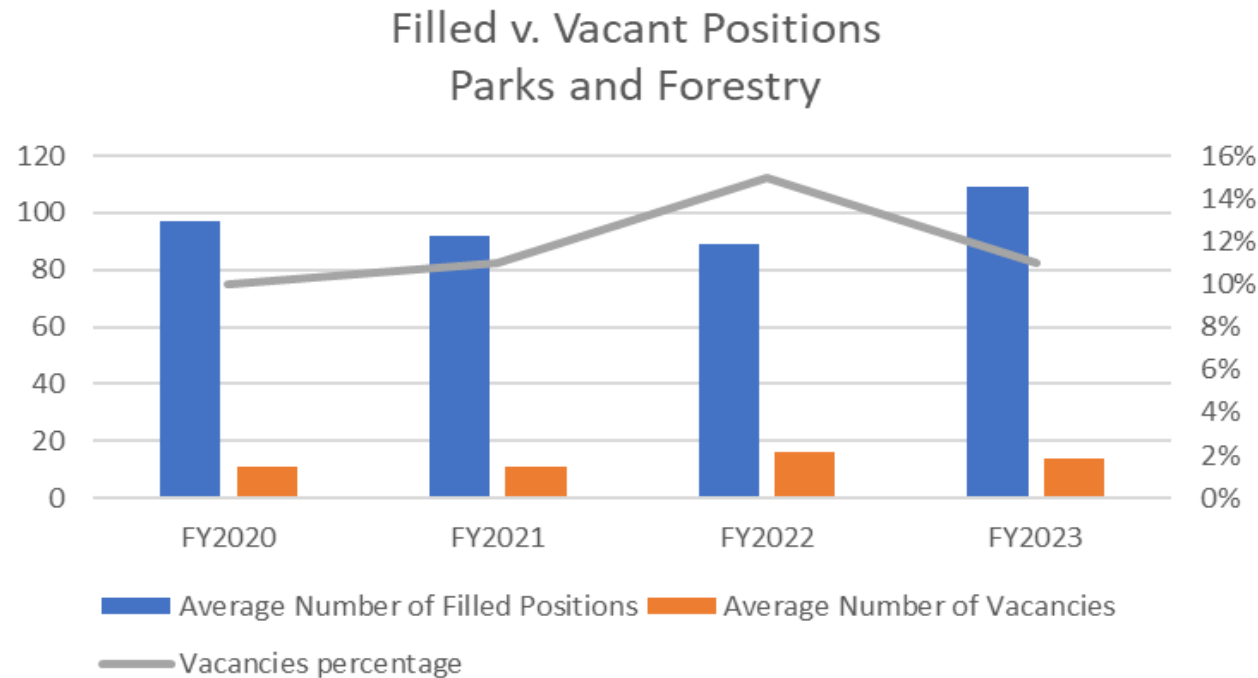
Challenges

Staffing Levels

- Reduction in available labor

Difficulty filling positions

Prior Budget reductions



Note that during FY2022 12 positions were added for the Litter Crew – this work was previously performed by Public Works and thus these positions did not reduce existing labor burden on Parks and Forestry

Work Assignments

Challenges

Properties are added to Parks and Forestry Operations (PFO) responsibility without adequately considering ongoing maintenance operating costs
(some 57 total acres FY2020 – FY2022)

No formal process or coordination between city departments for notifying Parks and Recreation of property acquisitions and disposals

Some City property leased from outside parties has ground maintenance requirements – consider making this a requirement of the lessor

- Library Service Center
- Norfolk Animal Cares Center

- Ohio Creek
- Globe Iron
- Triangle Park
- Spartan Market
- Five Points Park
- Greenies lots
- Old Larrymore Pool
- 1006 and 1010 E Ocean View Ave
- Lambert's Point (City-owned portion of former golf course)



Outstanding Tree Work Requests (all Types)

Norfolk's Aging Tree Population

Fiscal Years	FY2021	FY2022
New Work Orders Created	1,996	1,457



- ❖ 1,408 - Not completed requests at June 30, 2022
- ❖ Staff and equipment are not available for major tree work i.e., complete tree removal - This work is more appropriate for outside contractor

Challenges





Equipment

- **No annual capital budget allocations for replacement for FY2017 – FY2021**
 - \$184,000 budgeted for FY2022
- **Intensive usage accelerates need for replacement**
 - Equipment often used six – seven days per week

What is the Cost of Ground Maintenance?

Personnel Costs ^(a)

Division	Costs		FY2019	FY2020	FY2021	FY2022
Landscape Services	City personnel costs		\$3,828,647	\$3,646,267	\$3,656,644	\$4,061,672
	Contract temp labor		799,808	449,636	760,000	431,254
		Subtotal	\$4,628,455	\$4,095,903	\$4,416,644	\$4,492,926
Urban Forestry	City personnel costs		1,346,424	1,390,556	1,395,323	1,389,493
		Total	\$5,974,879	\$5,486,459	\$5,811,967	\$5,882,419

(a) City accounting system Budget Expenditures to Actual report – Object code 5100 series
Overall payroll costs have rebounded to nearly pre-COVID levels

What is the Cost of Ground Maintenance? Non-Personnel Costs

(a)

Division	FY2019	FY2020	FY2021	FY2022
Landscape Services	\$2,071,036	\$1,526,019	\$1,905,261	\$2,136,901
Urban Forestry	<u>308,818</u>	<u>338,656</u>	<u>356,838</u>	<u>606,868(b)</u>
Total	\$2,379,854	\$1,864,675	\$2,262,099	\$2,743,769

(a) City accounting system Budget Expenditures to Actual report (operating, maintenance and supplies costs)

(b) Includes \$254,807 paid to external contractor for tree removal work

Parks and Forestry Maintains all Norfolk Public Schools Grounds



Sampling of Virginia localities showing responsibility for Schools properties varies by municipality

	Entity Responsible for Schools Ground Maintenance	Underlying Document	Change in responsibility	Work performed by
Norfolk	Parks and Recreation	City Code	At least since 1959	City personnel with some contracted temporary labor
Virginia Beach	Parks and Recreation	Memorandum of Agreement	1985 -1986	City personnel with two schools contracted externally
Chesapeake	Schools	Not Applicable	Not Applicable	External contractor
Newport News	Schools	Not Applicable	Not Applicable	Schools' personnel
Richmond	Public Works	Memorandum of Understanding	2011	City personnel with some contracted temporary labor

Costs for Norfolk Public Schools (a)						
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Budget	\$ 695,000	\$ 694,000	\$ 775,000	\$ 775,000	\$ 710,000	\$ 710,000
Actual	\$ 778,038	\$ 710,399	\$ 587,790	\$ 679,120	\$ 836,670	N / A

(a) Source: City of Norfolk approved Annual Budget document

Parks and Forestry has met increased service demands but resources are strained

Audit Results



1- Parks and Forestry is challenged by increasing costs, increasing work burden, reduced labor support

2- Parks and Forestry had properties added and removed from its responsibility without notification or budgetary consideration

3- Seasonality of mowing work presents opportunities for potentially cost-effective external contracting

Schools

Pocket parks

Vacant lots

Paper streets

4- Tree pruning and removal work

Norfolk's aging tree population has contributed to significant work backlog

Forestry has been unable to adopt a pro-active tree maintenance program

Recommendations

1 - Consider possibilities for externally contracting a portion of the seasonal work on a trial basis

2 - Increase funding for contractors for major tree maintenance work to resolve backlog

Management Response

Parks and Recreation considered placing some of the maintenance responsibilities out for contract support in the past. The biggest concern with this is the size of the contract and the department funding stream required to initiate and support the contract. Parks and Recreation will work to create an RFP to explore contracting out the ground maintenance at:

Fire and Police Stations

Libraries

Elementary Schools

City-owned Vacant Lots

Management Response

Parks and Recreation requested \$250,000 for the last 3 years during the budget process to support contract tree care work. In FY2022 funds were provided based on salary savings. During the FY2024 budget process Parks and Recreation requested a Budget Enhancement to provide these funds yearly.

Recommendations

3 - Creation of an agreement to clarify extent and details of responsibilities to Norfolk Public Schools

4 - Review costs incurred for servicing enterprise fund departments and consider seeking reimbursement

Management Response

Parks and Recreation will start a dialogue with NPS on grounds maintenance services for all NPS Facilities. (NPS has a custodial services contract which does not include mowing and landscaping operations – consider making NPS Custodians responsible for litter and trash removal on the grounds and light grounds maintenance duties to include trimming of shrubs and flower bed maintenance.)

Management Response

Parks and Recreation will work through the City Manager's Office to explore the development of a process in which the City would like for Parks and Recreation to receive reimbursement for the maintenance of certain Utilities and Storm Water properties.

Recommendations

5 - Develop a process to notify Parks and Forestry of the addition and deletion of properties from its maintenance responsibility

6 - Ensure that ongoing maintenance costs are considered in the City property acquisition process

Management Response

Department of Real Estate and the City Attorney's Office have begun this process due to issues related to property management. Parks and Recreation has been made aware of the sale of several properties in the City but all of them have been GEM Lots which are not maintained by Parks and Forestry.

Management Response

Parks and Recreation will work with Real Estate and Economic Development to be added to the team that assesses properties prior to City acquisition.

Recommendations

7 - Consider requiring lessors perform ground maintenance on properties leased by the City

8 - Consider review and revision of Performance Measures currently used

Management Response

Parks and Recreation will work with Real Estate to make this a standard process in the future. This will take some time based on current leases and associated renewals.

Management Response

Parks and Forestry Operations has begun the process of updating performance measures to capture all current requests as well as all backlogged requests to show the importance of supporting City Forestry Operations and the impact positions lost over the years has had on Parks and Forestry Operations and its results. These new measures will be in place beginning in FY2024 (July 2023).

Other Audit Observations

Work Orders are prepared for landscaping and tree maintenance tasks

Management usage of resulting data is generally limited to reporting of VDOT reimbursable costs

Usage of Lucity work management system information

We suggest management develop a process to use the information to aid work performance review



Audit Objectives and Methodology

Objectives

To review the effectiveness and efficiency of the City's Ground Maintenance Program

Methodology

- 1 - Review of Norfolk City Code and departmental policies and procedures
- 2 - Review of accounting records
- 3 - Benchmarked other localities
- 4 - Inquiries of management and staff
- 5 - Tour of Parks and Forestry Operations and work sites



GAGAS Standards

- 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

Statement of Independence

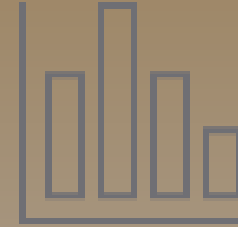
- Norfolk City Code Chapter 11 states that the City Auditor is appointed by City Council and that employees under the City Auditor serve exclusively at-the-will of the City Auditor. Accordingly, the members of the Office of the City Auditor are independent of City Management and thus independent per the GAGAS requirements.



Internal Control

We assessed internal controls as required by GAGAS and determined the significance of internal controls to the audit objectives. We did not find significant internal control deficiencies.

Data Reliability



We relied on data generated from the City's Advantage Financial Management System (AFMS) and certain subsidiary systems for this audit. The extent of our evaluation was dependent upon the expected importance of the data to the final report, strengths or weaknesses of any corroborating evidence, and anticipated level of risk in using the data. We determined the financial information from AFMS which was used as the basis for the external audited financial statements and data from work management systems and processes to be reliable and, therefore, the level of risk from using this information to be low.



*We thank the Parks &
Recreation Department for its
cooperation and
responsiveness to our requests
during this audit.*

CITY OF NORFOLK
OFFICE OF THE CITY
AUDITOR

If you have any questions, I can be reached at 757-409-2518 or via email at
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