

MUNICIPAL AUDITING REPORT

CITY OF ROANOKE

Parking Garage Management Follow-Up Audit

December 4, 2013

Report Number: 14008

Audit Plan Number: 14007

*Municipal Auditing Department
Chartered 1974*

Reports at www.roanokeva.gov/auditing
Phone 540.853.5235
Fraud, Waste, and Abuse Hotline 888.235.1725

TABLE OF CONTENTS

Background	1
Scope and Methodology	4
Observation – Garage Cleaning (Cleared).....	5
Observation – Painting (Cleared).....	5
Observation – Deck Sweeping and Scrubbing (Cleared)	6
Observation – Lighting (Cleared)	7
Observation – Capital Maintenance and Planning (Cleared).....	8
Observation – Security (Cleared).....	9
Observation – Customer Service (Cleared).....	11
Observation – Records Management (Open).....	11
Observation – Collection Reports (Cleared).....	12
Observation – Timely Deposits (Cleared)	13
Observation – Honor Boxes (Open).....	13
Acknowledgements.....	16
Management’s Comments and Response	

This Page Intentionally Blank

BACKGROUND

General Information

The City owns and operates seven [7] parking garages and five [5] parking lots with over 4,000 available spaces as follows:

Name	Address
Church Avenue Garage	121 Church Avenue
Tower Garage	10 South Jefferson Street
Elmwood Garage	402 Williamson Road
Market Garage	25 Church Avenue
Gainsboro Garage/Lot	25 Shenandoah Avenue
Campbell Garage	335 Campbell Avenue
Center in the Square Garage	11 East Campbell Avenue
Elmwood Lot	197 Bullitt Avenue
Williamson Road Lot	206 Williamson Road
Higher Ed Center Lot	23 Centre Avenue
Market Lot	Kirk and Church Avenue
Warehouse Row Lot	123 Salem Avenue

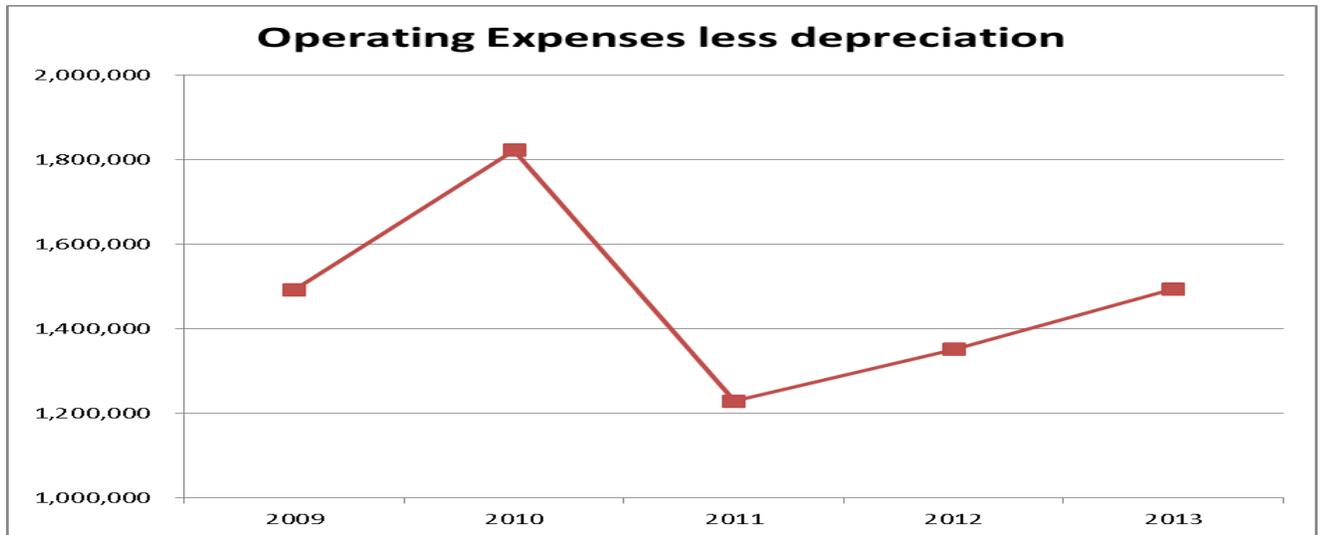
The City contracts with Lancor, a subsidiary of Lanier Parking, LLC, to manage and operate its parking facilities. The City first entered into a contract with Lancor for management of the parking garages on July 1, 2002. The current contract with Lancor runs through June 30, 2014, and includes options for the City to renew the contract for a subsequent three (3) years. Management fees for the past five years were as follows:

	2009	2010	2011	2012	2013
Monthly	69,210	71,802	68,303	72,564	74,697
Annually	830,520	861,624	819,636	870,768	896,364

Lancor employs a General Manager who resides in Roanoke and is responsible for managing day-to-day parking operations.

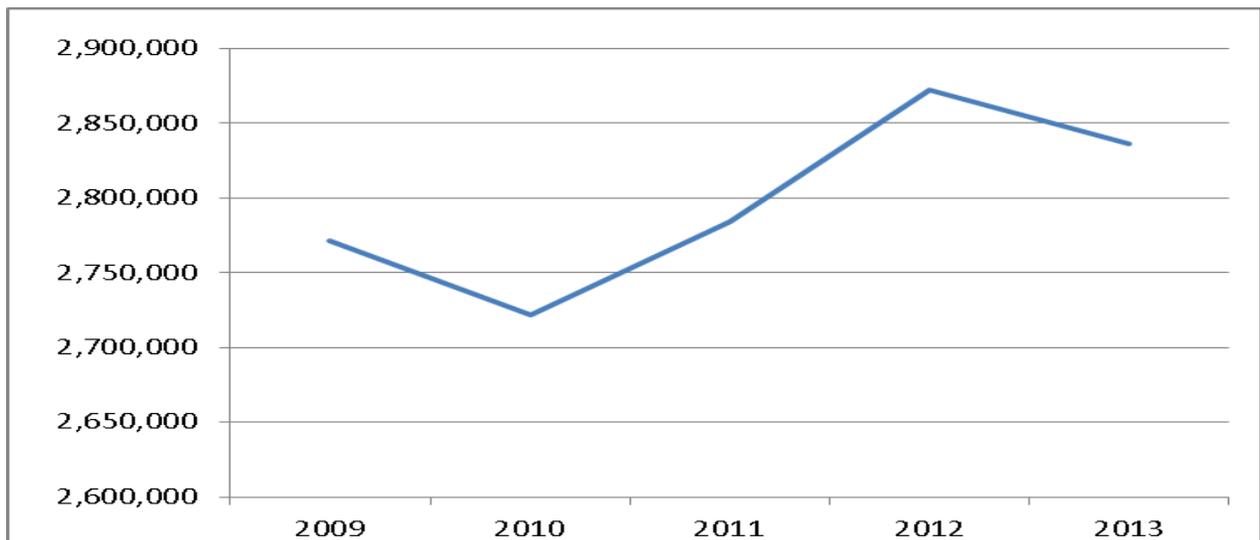
The City employs a Parking Administrator who divides her time equally between overseeing the Parking Fund and working as the City's liaison with the Hotel Roanoke Conference Center. The Parking Administrator reports directly to the Assistant City Manager for Community Development.

Parking revenues and expenditures are accounted for within the Parking Fund. Operating expenditures less depreciation ranged from a high of \$1,822,148 in 2010 to a low of \$1,299,417 in 2011 when looking at the most recent five years.

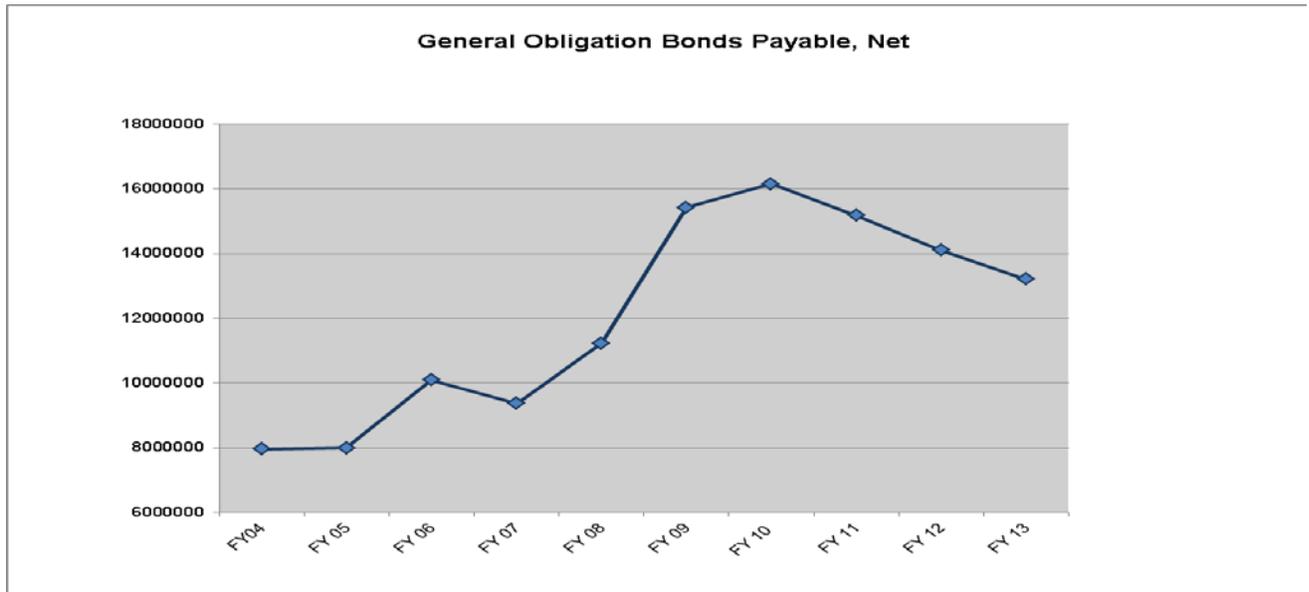


Operating revenues for the parking garages and lots, excluding revenues from parking violations and the West Church Avenue lot, showed a 2% increase from 2009 to 2013:

2009	2010	2011	2012	2013
2,771,799	2,721,940	2,784,472	2,872,602	2,836,748



Due in part to completing repayment of the debt used to construct the Tower Garage, the Parking Fund's debt has decreased from \$16.2 million in Fiscal Year 2010 to \$13.2 million in Fiscal Year 2013.



Facilities

All City of Roanoke parking facilities have monthly parking options. Additionally, nine [9] facilities are available for daily parkers as follows:

Name	Monthly Parking [Y/N]*	Daily Parking [Y/N]*	Attendant [Y/N]*
Church Avenue Garage	Y	Y	Y
Elmwood Garage	Y	N	N
Market Garage	Y	Y	Y
Tower Garage	Y	Y	Y
Center in the Square Garage	Y	Y	Y
Gainsboro Garage	Y	Y	Y
Campbell Garage	Y	Y	Y
Williamson Road Lot	Y	N	N
Elmwood Lot	Y	N	N
Higher Ed Center Lot	Y	Y	N
Warehouse Row Lot	Y	N	N
Market Lot	Y	Y	N
Gainsboro Lot	Y	Y	N

*Source: www.roanokeva.gov

All City parking garages, with the exception of Elmwood, have a Park Roanoke attendant on duty Monday through Friday, 8:00 a.m. to 9:00 p.m. There is an attendant on duty at the Center in the Square garage until midnight on Fridays and Saturdays; attendants staff the Tower and Market garages until 9:00 p.m. on Saturdays. Lancor employs two Lot Checkers who monitor lot activity and honor boxes.

Monthly parking fees vary by location. Daily fees are based on location, length of time parked, time of day, and day of the week. Hourly fees range from 50¢ to \$1.00 per half-hour for the first 2 ½ to 4 hours with a maximum of either \$5.00 or \$6.00 per day.

Garages range in age from five [5] to 35 years and in size from 203 to 857 spaces:

Name	Spaces	Year Constructed*	Age (Years)
Church Avenue Garage	857	1978	35
Elmwood Garage	676	1982	31
Center in the Square Garage	203	1983	30
Tower Garage	691	1991	22
Market Garage	468	1993	20
Gainsboro Garage	358**	2001	12
Campbell Garage	353	2008	5

**Includes Gainsboro lot

SCOPE & METHODOLOGY

We performed an audit of the parking garages in 2011 and issued two reports that included sixteen audit observations. In accordance with our follow-up policy, we began working with management to review their progress toward implementing their agreed upon changes as of October 1, 2013.

We interviewed management and employees responsible for parking operations, facilities management, capital maintenance, and accounting about the effect of changes. We reviewed the new management contract, as well as the parking operations revised policies and procedures as of October 1, 2013. On a sample basis, we reviewed various files, reports, minutes and records from January 2012, through September 30, 2013. We also walked through two garages to observe conditions and visited the records storage rooms.

We provided management with our written observations, including any suggestions for strengthening controls, as appropriate. Finally, we met with management to review the written observations and to discuss their response.

RESULTS

Observation: Garage Cleaning – Cleared

Management Action Plan 1A:

Management planned to review all existing procedures, policies and standards and institute any needed improvements in order to assure consistent cleanliness of all parking decks and lots on a consistent basis.

Follow-Up:

We reviewed Chapter 6, "Maintenance Procedures," section 6.1.1 and 6.1.2 addressing routine maintenance and cleaning. We noted that the policies are comprehensive, clear, and have appropriate details that communicate goals and expectations for facility maintenance and cleaning. Appropriate forms were developed for employees to document conditions in the garages. Checklists were designed to communicate required tasks to employees and to document the date and person who completed the tasks.

We reviewed the daily and weekly maintenance checklists on file for each garage for the month of April 2013. Based on the information documented, it appears that parking employees are effectively performing the required tasks as intended by management. We observed that there were no missing checklists in April 2013.

We also walked the parking decks and stairwells at both the Elm Avenue and Tower garages to gauge actual conditions relative to what we observed in the original audit. We found the appearance of these two garages to be markedly improved, reflecting the employees' success in completing the daily and weekly regimen of tasks management has asked of them. The cleanliness of the garage facilities appears to be consistent with management's expectations.

Observation: Painting – Cleared

Management Action Plan 1B:

City Management will work with the parking management company to assure that painting needs in all decks and lots are consistently monitored as part of routine maintenance evaluations.

Follow-Up:

We reviewed Chapter 6, "Maintenance Procedures," section 6.1.5 addressing operational painting procedures. The procedures establish expectations for monthly inspections of painted surfaces, the types of paints to be used, and frequency for painting.

Management provided us with a painting timeline for 2012-13 listing the painting projects completed for each garage and surface lot up through September 2013. The list indicated painting activity was occurring at all garages and lots, that routine repainting of bollards and curbs was occurring annually, and that other painting projects were being accomplished.

Management also provided a spreadsheet listing each garage across the top and each feature that required regular painting down the side. This spreadsheet served as a painting plan for routine operational painting and a historical record of features painted each year.

Additionally, we noted that daily and weekly maintenance checklists included tasks such as touching up paint and removing graffiti.

Based on our walk through at Elm Avenue and Tower garages, painted surfaces in the elevator lobbies, stairwells and parking decks generally appeared to be fresh and in good condition. We observed no issues with graffiti in the garages.

Observation: Deck Sweeping & Scrubbing – Cleared

Management Action Plan 1C / D:

Management agreed that maintaining, cleaning and routine scrubbing of deck surfaces is important to the sustainability of a parking structure. Replacement scrubbing equipment was needed to put the garages on the path to consistent care in an effective and environmentally friendly manner. Existing scrubbing equipment was reconditioned and was somewhat limited. It was to be considered for replacement in FY12 if funding could be identified.

Proper deck maintenance requires a combination of strategies that begin with consistent custodial measures. Based on the age, condition, and design of each garage, parking management will formalize specific condition assessments and work towards improving the cycle of cleaning.

The parking system needs more than one sweeper and will endeavor to purchase additional units as soon as it has the financial means to do so.

Follow-Up:

We noted that the July 31, 2012, contract required the management company to establish an annual schedule for using sweepers and scrubbers in the garages.

The Parking fund purchased a new Tennant S20 Sweeper in June 2011 and a new Tennant M30 Scrubber/Sweeper in July 2013.

Management developed procedures 6.3 “Garage Sweeping,” and 6.4, “Garage Scrubbing & Wash Down,” that establish the protocols for properly operating these machines, disposing of wastewater and

debris, and goals for sweeping and scrubbing all garages on a rotational basis. The procedures require that sweeping and scrubbing activity be logged, including the dates, machine hours, and employee performing the work.

We reviewed the sweeper log documenting activity from July 1, 2012, through September 27, 2013. The log documented that parking employees have been regularly sweeping all garage decks and that approximately 941 operating hours had been logged over 15 months. Management added a staff position to help ensure regular sweeping was performed.

We observed that the new scrubber had just been tested in September 2013 and the log showed that the machine has accumulated approximately 21 operating hours through September 30, 2013.

The parking fund paid for a complete wash down at the Center in the Square garage in April 2013. Another wash down has been planned for the Tower garage in fiscal year 2014.

Observation: Lighting - Cleared

Management Action Plan 1E:

City management agreed that a standard operating procedure is critical to assure that noted failures are addressed in a preset time frame. City management planned to work with Lancor to assure turnaround times for bulb replacements and ballast repairs. Parking will verify the lighting schemes currently being used to determine if programmed lighting patterns meet the needs at each of the decks.

Parking and the Engineering Department planned to include lighting level measurements as part of the garage inspection program. These measures were expected to be useful in developing strategies for lighting solutions that are sustainable, cost effective and assure appropriate lighting coverage. Funding would need to be identified to replace fixtures.

Follow-Up:

Management has developed procedure **6.1.3** that addresses maintenance of lights, ballasts, exit signs and emergency lighting, as well as requiring an annual examination of lighting systems as a basis for recommendations for system upgrades. Daily, weekly, and monthly checklists include tasks to replace lights, clean lenses, and verify exit signs and emergency lights are in good working condition.

Management has also documented its use of timers to turn off specific lights during daylight hours in order to reduce consumption and extend the service lives of bulbs and ballasts. **[6.2]**

The Roanoke City Police Department performed surveys of the parking garages in October 2011 and April 2013. The surveys considered lighting to be one of the critical systems for reducing the opportunity and risk of crime in garages. In the April 2013 survey, the Police Department noted that, "All lighting that was non-functional in the previous study [October 2011] has been replaced / repaired."

The July 31, 2012 contract with Lancor specifies that parking management is to establish a lighting plan for each parking facility that includes performing an annual survey of lighting. The contract also requires that light fixtures be cleaned and re-lamped to keep the area safe and bright.

Parking Management has worked with the City Facilities Management Division on plans for managing the lighting systems in the garages. Some small lighting projects have been completed and others planned. The plan for ongoing monitoring and management of parking facility lighting systems is being developed and may include engaging the City's Facilities Management Division to provide technical support.

During our walk-through of the Elm Avenue and Tower garages on October 10, 2013, we noted a marked improvement in the brightness of lighting in the garages.

Observation: Capital Maintenance and Planning – Cleared

Management Action Plan 1F / 1G:

Management expected to resume the garage inspection program in 2013 with the following guidelines and improvements for its resumption:

1. Garages will be inspected every three years.
2. City Engineering in consultation with the Parking Fund will develop a scope of service for a formal Request for Proposal seeking professional services to inspect garages, provide and prioritize needed repairs/ improvements, and develop cost estimates with the goals of updating and revising the rolling five-year capital plan for this infrastructure.
3. Formal quarterly meetings will be instituted / resumed between Parking and Engineering to verify work completion.
4. The scope of inspection services will be expanded beyond the previous inspection program to include code and life safety issues, elevator assessments, access equipment, lighting assessments, stairways, glazed, etc.

Follow-Up:

In September 2013, the City published a request for proposals to perform a parking structure inspection program. Proposals were due no later than November 4, 2013. The scope of work required comprehensive inspections and evaluations of the garages that could be used as the basis of a capital maintenance and long-term improvement program.

The parking fund is participating in the City's elevator maintenance and repair contract with Thyssenkrupp that became effective March 27, 2013. The scope of the contract provides that the

provider will "...regularly and systematically examine, maintain, and repair the units using trained personnel..." The contract requires an "Assessment of all elevators... within the first 12 months of the Contract, with written assessments by unit."

Management expects to have the results of the elevator assessments available to them by the end of calendar year 2013 and will finalize a five-year capital maintenance plan at that time. As funding is available, elevators will be repaired or replaced in order of priority.

Management has documented roles and protocols for capital maintenance and planning. Lancor has also developed a written capital maintenance procedure [6.9] setting out its responsibilities as well as its interaction with other City departments related to capital maintenance. We verified that capital maintenance and repairs are being documented in an organized fashion that enables more effective oversight of the efforts made to maintain garages and lots.

Parking employees follow a *Daily Maintenance Checklist* which includes verifying elevators are operating and are clean. Lancor has developed a policy for responding to elevator issues [6.8] requiring the staff to promptly notify the office and reset the elevator. If the problem persists, the office will immediately contact the elevator service company. Whenever elevators are not in service, the policy requires communicating with customers about what to expect through email and appropriate signage at the garage.

We noted that the Parking Coordinator and Lancor management discuss capital maintenance and elevator issues during regularly scheduled meetings. There have been meetings with Engineering and Facilities Management to review capital maintenance needs.

While a 5-year capital improvement plan is pending, management has substantially implemented its overall plan to strengthen facility maintenance and capital improvement planning.

Observation: Security - Cleared

Management Action Plan 2A:

Management agreed that a security plan for the parking system could be developed in conjunction with the City Police Department and Lancor.

Management had asked the Police Department to assess the garages and to offer recommendations for improving the garage environment in ways that might help deter or prevent crime. The assessment was expected to provide a baseline for security program developments, including documented follow-up on a regular basis.

Management agreed that formalizing what the City Police Department was already doing in terms of regular patrols in the garages, follow-up and safety programming would strengthen the commitment to such efforts.

Management planned to consult with the Police Department concerning appropriate additions to the scope of services to be requested from the parking management company.

Follow-Up:

A comprehensive security plan has been developed and communicates the importance of making garages as safe as possible. The Security / Safety Plan address safety in a holistic way requiring:

- Annual assessments by the Police Department.
- Logging of incidents by parking staff.
- Quarterly meetings between Lancor, City Staff, and the Police Department to share incident data, customer concerns with safety, and discuss safety improvements.
- Additional staffing in the garages during evening and night hours.
- Regular safety walk-throughs by parking staff.
- Regular police patrols.
- Monthly management meetings to review lighting, cleaning, landscaping, and signage improvements.
- Parking safety tips posted in garages, on-line, in the monthly newsletter.

The Plan includes a listing of the actions taken toward improving security at each garage and lot.

Roanoke City Police conducted surveys of parking garages in October 2011 and October 2013, and the resulting reports have been retained by Parking Management. The 2013 report indicates that most of the recommendations from the 2011 survey were implemented, including improved lighting, safety signage, and landscaping.

Based on our review of the incident logs for each garage it appears parking employees are diligent in conducting safety walk-throughs and are recording incidents of vandalism and crime as required. The employees document the date and description of incidents on the logs and note if the police were contacted. The incident logs provide critical insight into the types of crime being committed at each location and ways in which it might be addressed.

We observed improved lighting, signage, cleanliness, and painting during the course of our walk-through at Elm and Tower Garages. All of these aspects contributed to a greater sense of safety while in the garages.

We conclude that management has made remarkable progress in developing and documenting a formal plan for managing safety and security in the City's parking facilities.

Observation: Customer Service - Cleared

Management Action Plan 3A:

Management agreed that Lancor should conduct a patron survey in fiscal year 2012 in accordance with the requirements of their contract.

Follow-Up:

Patron Surveys were conducted in fiscal year 2012 and 2013. Lancor's Risk Management department compiled the raw data and provided the results to the City's Parking Coordinator and the Park Roanoke General Manager. The 2013 survey went to approximately 1,200 customers and 355 were completed. Lancor and City management reviewed the ratings and comments during their regular monthly meeting. The General Manager followed up with 32 customers in order to address their concerns.

We reviewed the 2013 survey data and found it to be informative. The results were reported in a format that was easily read and conveyed useful information. Overall, 96% of respondents answered that they would recommend parking in the City's parking garages and lots.

Lancor published the results of the patron survey in the September 2013 Park Roanoke Newsletter.

Observation: Records - Open

Management Action Plan 4A/B:

Management planned to incorporate into the RFP, a requirement that the parking management company comply with the City's records management program.

Follow-Up:

Lancor has greatly improved the organization, storage and security over current records maintained at their Church Avenue Office. Lancor has developed a listing of records and their location so that the records can be easily located. We observed that Lancor also maintained a listing of records that were recently destroyed in accordance with management's instructions.

Lancor has not developed a records management program that complies with the requirements of the Library of Virginia, as mandated under State law.

Older records stored in the Gainsboro Garage have been placed on pallets to protect them from water and are no longer covered with debris. However, the records have not been inventoried and assigned an appropriate destruction date.

Suggestions for Improvements:

We suggest that Lancor adopt the City's records management program and develop written procedures outlining how the program is to be administered within the parking operation.

Observation: Collection Reports – Cleared

Management Action Plan 2A/B:

Management agreed that Lancor would enter a collection report for each day's deposit in order to facilitate easier bank reconciliations and more timely financial reporting. Lancor would also be required to establish a consistent process for ensuring adjustments would be entered timely into a collection report and that supporting documents would be filed with the City Treasurer's Office.

The City Treasurer's Office agreed to report noted differences from the bank reconciliations to the Department of Finance so that a correcting entry could be posted to the Parking Fund. The Treasurer's Office agreed to communicate monthly reconciliation variances to Lancor promptly so that Lancor could post corrections in the City-Wide Billing system.

Follow-Up:

Lancor policies and procedures state that *collections are to be entered "several times per week" and "each day is entered as a separate entry". "Upon completion, the deposit slips and proper backup, including the Previous Day Composite Report from Wells Fargo Portal, and a copy of the credit card transactions are batched and sent to the Treasurer's Office for final reconciliations. Unique invoice number for each daily entry is also identified for the Treasurer"*.

The Treasurer's Office and Lancor management have agreed that the week's deposits will be posted on city-wide billing by Friday and the associated backup will be filed with the Treasurer's Office the same day so that the revenue can be posted by the cashiers and reconciled to the cash reported by the bank.

Lancor management now reviews the daily bank reports for returned checks or other bank adjustments to ensure collection reports are corrected before submitting them to the Treasurer's Office. The Treasurer's office confirmed that there are no current reconciliation issues and that Lancor has been responsive in addressing differences when noted.

We reviewed 81 bank deposits made from September 9, 2013 through October 9, 2013, and found that 18 [22%] were not posted into the city-wide billing system for 5 or more days. This can result in not meeting the goal of having revenues posted in the system by Friday.

We verified that Lancor employees are entering each day's deposit for each location as separate line items in the collection reports on city-wide billing. This enables the Treasurer's Office to more easily match the bank deposits to the revenue posting.

We confirmed with the Treasurer's Office and Lancor management that communication between the two offices occurs weekly to address any differences noted between the bank and city-wide billing. There were no reconciling items pending at the time of our follow-up review.

We conclude that management has substantially corrected the issues with collection reports.

Observation: Timely Deposits - Cleared

Management Action Plan 1A:

Management planned to require that Lancor staff deposit cash payments received in the office by the following business day.

Follow-Up:

The contract effective July 31, 2012, states on page 19, section D, that *Lancor should deposit all revenues directly into the City's bank account on a daily basis. It further states that Lancor shall prepare a summary of such revenues on a daily Collection Report submitted to the City of Roanoke Treasurer.*

We reviewed deposits from 9/9/13 through 10/9/13 and found deposits are being made timely.

Observation: Honor Box Controls - Open

Management Action Plan 1C:

Management agreed that Lancor staff would follow the cash collection procedure outlined in Lanier's Parking Operations Manual. Additionally, honor box keys would be secured to prevent one person from having both keys necessary to access cash in the honor boxes.

Original Observation:

In the original audit we noted that Lancor had written policies and procedures that, if followed, would help ensure surface lot parkers paid the posted rates and that all monies were appropriately deposited and reported as revenue. The primary controls were as follows:

- An employee designated as the lot checker was responsible for monitoring lot usage and was to document his or her monitoring on a *Ticket Log*. This employee did not have the key to enable him or her to access the cash in the honor box.
- Two employees were to accompany each other to collect monies from surface lot honor boxes. Two keys were required to access the money in honor boxes.

In 2011, we observed that the Ticket Logs were not being properly filled out and that one employee was typically collecting the money. As a result, there was not adequate assurance that all monies placed in honor boxes were deposited and reported.

Follow-Up:

Lancor's policy for checking surface lots requires that lot checkers maintain a log of lots checked for each lot with short-term parking. The lot checker must record on the log all parking spaces that are occupied, notes related to each space, the money deposited for each space, and any violations issued. Lots are to be checked "frequently" and the typical daily schedule for checking lots has been formally defined.

We reviewed the surface lot logs [Ticket Logs] for each week day in August 2013. We observed the following, based on the logs:

- The data on ticket logs were inconsistent and incomplete; the money in the honor box was not documented.
- We could not determine the regularity of surface lot monitoring. We reviewed ticket logs for the 22 weekdays in August 2013:
 - o Gainsboro lot had no ticket logs on 13 of 22 weekdays [59%], had no record of being monitored the first six days of August [including the weekend], and the logs that were completed indicated the lot was monitored only one time per day on 7 of 9 days, twice on the remaining two days.
 - o Higher Ed lot was logged as having been monitored at least once on 18 of 22 days, twice on 13 of 22 days, and three times on 6 of 22 days. Lancor's policy suggests four visits per day when circumstances allow.
 - o Market lot was was logged as having been monitored at least once on 10 of 22 days and twice on 6 of 22 days. There were no ticket logs for this lot on 12 of 22 days. Policy suggests at least four visits per day.

The ticket log is a critical component of the system of controls to ensure parkers pay the posted rates and that the money paid is deposited. The log provides an independent estimate of the monies deposited into the honor boxes that can be compared with the money deposited into the bank by other parking employees.

Lancor procedures also require that two employees accompany each other when removing money from the honor boxes. Both employees are required to sign out the required keys on a key log; however; we found that employees did not consistently comply with this procedure.

Overall, we conclude that Lancor has not complied with their policies and procedures for surface lot revenues. We believe compliance would significantly reduce the risks of parkers not paying posted rates and monies being lost or stolen.

Suggestions for Improvements:

We suggest that lot checkers complete a new ticket log each time they monitor a lot. Lot checkers should complete all the information on the log, including the date and time of their visit, as well as the total dollars in the slots before they release the money from the slots into the cash box.

Cash collectors should not clear the money from honor box slots when collecting the cash from the box. The lot checkers must have the opportunity to log the money in the slots before it is released and collected.

An employee not involved in collecting the money from the honor boxes should count the cash and compare it to the applicable ticket logs completed by the lot checkers.

More frequent monitoring of surface lots is needed to effectively ensure parkers pay the posted rates.

Cost versus benefit is a fundamental consideration when deciding on the controls to put in place. Given the inherent risks with honor systems and cash, historical revenues may not reflect the true revenue potential of surface lots. In order to more accurately gauge the revenue potential of surface lots, management could temporarily staff the market lot and issue receipts for a day or a week and then compare the revenue to historical numbers. This would provide a better basis for deciding on the appropriate controls over surface lot revenues.

We would encourage management to develop a business case for replacing the current honor box system with some form of electronic system similar to meters being considered for on street parking to determine if it would be a viable alternative to the current system.

ACKNOWLEDGEMENTS

We want to thank Lanier Parking, LLC employees and management, the City Parking Administrator and other employees with the City's Engineering Division, Facilities Management Division, the Treasurer's Office, and the Police Department for their cooperation and assistance during the audit. We congratulate all of these departments on working together effectively in support of the City's parking facilities. We especially want to congratulate the parking employees on the remarkable progress noted in all aspects of parking operations. These employees have clearly invested tremendous time and effort in accomplishing all that has been done and maintaining a commendable level of excellence and customer satisfaction.



Debbie Noble, CPA
Senior Auditor



Drew Harmon, CPA, CIA
Municipal Auditor

3.1 Collection Reports

A policy exists that describes Lancor's deposits and ultimate entry into the accounts receivable billing system. Lancor will continue to remain in contact with the Treasurer's Office with any items that may delay or alter the normal two-day lag time between bank deposits and reflection on the appropriate reports that enable entry to the accounts receivable billing system. Lancor will ensure that entries are performed on a daily basis; the secondary or "back up" person will be utilized in the event the primary person that enters is unavailable.

3.2 Timely Deposits

Lancor agrees and understands the necessity of timely cash deposits to the bank. The office will continue to prepare and deposit on a daily basis.

3.3 Honor Box Controls

Monies deposited in the honor box are and have been documented on the lot checking logs. Our office intends to develop a uniform legend to better illustrate slots that have been paid or not paid. Two staff members indeed do always collect revenue from the boxes.

Local Lancor management met with the primary lot checkers in November 2013 and reviewed the importance of submitting the lot logs. Office staff will monitor these on a daily basis to ensure that the proper logs are turned in, along with the expected checks for that same day. An additional "drop" designation was added to the lot checking logs, which will indicate at which times during the day the honor box revenue is dropped. We feel that this is an area that will be shored up immediately. Lancor expects to have changes in log record keeping and action evidenced as early as December 2013.

Lancor agrees with the Improvement portion for Honor Box Controls and will look to implement these practices on a random basis as the year progresses. As Parking explores equipment upgrades, we will also consider ways to strengthen the lot collection and oversight processes.

3.4 Garage Cleaning

Lancor appreciates the acknowledgement of progress with maintenance action in the garages and lots. We intend to continue to improve the cleanliness and condition in the decks and will hold our staff to the same standards. Lancor will revise and update the

staffing module, checklist requirements, and daily activities as needed in order to perform the best service possible.

3.5 Painting

Painting has been a major component in the progress for garage maintenance. Lancor will continue to undertake the annual painting projects and incorporate new projects to increase the aesthetics of various garages. Painting also serves as a crucial action to maintain the integrity of the garages. Graffiti can be a common occurrence but there seems to have been a decline over the past 12 months and Lancor maintenance will work to actively report graffiti to the police and address accordingly.

3.6 Sweeping and Scrubbing

Lancor is thankful for the opportunity to utilize the City of Roanoke's sweeper and scrubber units. The units have allowed us to make great progress in the cleaning and upkeep of the decks. As indicated, the scrubber was a purchase at the end of FY2013. Management is still organizing the processes and schedule for scrubbing but the workload for the machine is increasing on a monthly basis and is now being regularly incorporated with deck maintenance. In October 2012, Lancor management decided to create an additional position to oversee sweeping and scrubbing of decks. This is a full-time position that allows us to appropriately clean the decks during non-peak hours. The sweeper and scrubber should afford the operation easier upkeep between large scale wash downs, which will still be procured with consultation from the City.

3.7 Lighting

Upgrades to lighting have become a central discussion point for Lancor and City of Roanoke representatives. The operation has engaged Facilities Management in discussion in developing both short and long-term plans to upgrade lighting at parking facilities. In early FY2014, LED roof lights were installed at Church Avenue and Center in the Square garages. As newer technology proves to be a viable option, along with lower costs to entry, the lighting plans will be updated. Further dialogue and action for lighting will continue to be a key component for capital improvements over the next few years.

3.8 Capital Maintenance and Planning

Lancor and various City departments meet and or discuss garage capital items routinely. Lancor will strive to further cultivate these relationships. A five year capital improvement

plan has been initiated and a solicitation for structural analysis and reporting is underway. Lancor will keep monthly parkers updated with changes in the garage through their e-mail module; short-term parkers will be informed of changes by way of signage placed in common areas. Local Lancor management will work with its senior management and support center in Atlanta to develop a procedure to assist handicapped patrons in the event parts of the garage are inaccessible.

3.9 Security

The CPTED analysis through the Roanoke Police Department will continue to be conducted each fiscal year. Lancor works to implement as many of the suggestions as possible from the analysis – in reality, the only items that are not done immediately are the more cost-prohibitive ones. In 2013, we added additional mirrors for blind spots in decks and changed all signage by the elevator, in an effort to draw renewed attention to safety tips. Recaps and additional updates will be offered after each quarterly meeting and as part of the following agenda, as the participants do sometimes change and in an effort to keep concise records. All of the factors described in the Observation are critical in promoting a safer environment.

3.10 Customer Service

The Parking operation concurs that security cameras are an area that necessitates further analysis. In Lancor's 2013 Customer Survey, seven individuals made mention of cameras, we were able to begin addressing this feedback by way of our September 2013 PARK Roanoke Newsletter. A team has been formed to explore cameras. Researching the potential project has begun and two meetings have been held to generate opinions. There is also discussion of developing a comprehensive program for multiple departments that have desire to upgrade or implement cameras and Parking would join in on a larger overall discussion. Lancor will keep customers involved and updated to any changes or implementations. The Customer Survey will be issued in the spring of each year.

3.11 Records

Lancor has catalogued the records and documents at Gainsboro and at the PARK Roanoke offices on Church. A Master Records Inventory, complete with destruction dates is being formalized. The local management team, in conjunction with senior leadership, will work towards completing the goal of having all contract items under the Library of Virginia guidelines within the fiscal year. A meeting with Purchasing had been planned since late summer and the two local Lancor employees attended an October meeting to gain insight and address concerns, as we look to improve this process. Lancor will work diligently to become compliant with all of the Library of Virginia guidelines within Fiscal Year 2014, with a target set for the end of March 2013.