




BERTHA W. HENRY, County Administrator
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DATE: February 5, 2015
TO: Mayor and Board of County Commissioners
FROM: Bertha Henry, County Administrator 
SUBJECT: Management Response to Audit Report No. 15-1; Revenue Collection and Reporting
Bridges Everglades, LLC – Everglades Holiday Park

BACKGROUND:

The Parks and Recreation Division ("Division") assumed management of Everglades Holiday Park and entered into a concession agreement ("Agreement") with Bridges Everglades, LLC ("Bridges") in June 2012. Prior to June 2012, Bridges Enterprises, Inc., and Clint Corporation divided concession activities at the Park. As part of the Agreement with the County, Bridges was formed so the County would be doing business with one entity for all concession services at the Park. The Division created the Everglades Holiday Park (EHP) Ad Hoc Advisory Committee and the Water Resources Advisory Committee (WRAC) to represent Outdoor Recreation and Sporting interests at EHP.

Division staff have completed several projects at the Park including, but not limited to:

- (1) renovating the main building concession restrooms and showers to bring into compliance with ADA requirements;
- (2) designing and constructing approximately 1,700 square feet of decking in front of the main building, to include an ADA switch-back to the front parking lot, as well as a set of stairways leading to the front parking lot;
- (3) designing and constructing approximately 3,320 square feet of decking at the front observation deck and shelter areas, including 1,600 square feet of raised deck area to be used as a pavilion;
- (4) installing new street lighting at the main parking lot;
- (5) rebuilding the stairway at the back of the main building;
- (6) installing cypress siding on the main building and boat house;
- (7) rebuilding/renovating the restroom shower facility including installation of a new roof;
- (8) fabricating and installing new floating platforms and new pilings;
- (9) replacing all electrical conduit, wiring, switches, and light fixtures in the campground restrooms;

- (10) designing and constructing a new washer/dryer area at the campgrounds, and;
- (11) designing and constructing a switchback from the back parking to the upper deck.

Division staff also removed exotic vegetation and nuisance foliage, planted landscaping near the Park's entryway, added signage, and organized and launched the first Everglades Day at Everglades Holiday Park. An outside contractor has replaced the roof of the main building (\$278,216) and installed new black vinyl fencing around the alligator viewing area and the water plant.

Since the Division assumed management of Everglades Holiday Park in June 2012, revenue to the County has increased steadily from \$300,000 prior to Parks' involvement to \$535,318 in FY 13 (which is a 78% increase); to \$850,338 in FY 14 (which is a 59% increase); or an overall increase of 183%.

AUDITOR RECOMMENDATIONS (in bold)

1. Obtain an accounting for all photo booth sales from June 2012 and recover concession fees on the unreported sales by March/April 2015.

RESPONSE:

Parks and Recreation Division and Bridges believed they were acting within the terms of the Agreement (Section 6.1); however, a request for annual income tax returns for the photo booth operator/subcontractor, K&G Brothers has been received and is being reviewed. The Division will remit an invoice to Bridges for unpaid concession fees once the review is complete.

2. Collect the unpaid sales and use tax from Bridges due from June 2012, the inception of our initial agreement, by March 31, 2015 and remit the amount to the State.

RESPONSE:

Although Bridges has been paying Sales and Use Tax to the State through the County on its minimum monthly fee guarantee, Bridges has been advised of its requirement to remit additional Sales and Use Tax on its monthly percentage of gross receipts payments to the County. However, Bridges has engaged an attorney specializing in tax law to review and respond to the County's position that Sales and Use Tax is due on the monthly percentage of gross receipts payments made by Bridges to the County since June 2012.

3. Ensure the subcontracting of photo booth services complies with the Contract.

RESPONSE:

As of January 5, 2015, sales from the photo booth are recorded through the RecTrac System¹ which provides gross sales. In addition, as of February 2, 2015, the photo booth operation no longer is operated by a subcontractor, and will be operated directly by Bridges.

¹ RecTrac is the Parks and Recreation Division's registration, reservation, and point-of-sale system, which allows Division staff to process facility reservations, campsite and equipment rentals, park/venue admissions, pass sales, and concession/merchandise sales in a unified real-time system. It provides management with financial and performance reports, while interfacing with the County's financial system. The use of RecTrac will allow Division to have full-viewing access to Bridges revenues.

4. Have Bridges implement appropriate procedures to:
a. Ensure all revenue is accounted for and reported,

RESPONSE:

Cameras are installed over all registers. Bridges will install signage advising patrons if a receipt is not issued, advise a manager, and patron will receive a small token of appreciation.

b. Establish supervisory control over register control keys,

RESPONSE:

Bridges managers are the only staff with access to register keys; managers are responsible for processing voids, over-rings, register openings, and close outs.

c. Segregate the group airboat tours billings duties from cash receipts processing, and

RESPONSE:

Duties have been segregated; one staff member is responsible for billing and one is responsible for tallying receipts.

d. Address annual background rescreening.

RESPONSE:

Bridges has submitted an affidavit of criminal background screening each month of its prior 1-year and its current 10-year contract. Although the Agreement does not specifically require yearly rescreening, the contract administrator has required background screening consistent with County policy. The Division has requested, and Bridges has provided, on the first month of each contract year, an affidavit that all Bridges staff, subcontractors and volunteers have been newly screened for that year. For all the other months of the contract, the affidavits note, specifically: (1) who has been previously screened, (2) who has been newly screened, (i.e. new hires), and (3) who is not being screened because they are no longer providing services at the Park on behalf of Bridges. The revised MOU will include updated language to specifically require Bridges to rescreen all staff annually on the anniversary of employment.

5. Establish a process to ensure future compliance by Bridges and the Parks Division with the terms of the agreement.

RESPONSE:

The Division will ensure that monthly checklists that were created and used since the inception of the Agreement, are revised to include all elements of the agreement. Checklists will be reviewed by a park manager and superintendent each month.

6. Provide the Board with a quarterly status update of recommendations in this report until fully implemented.

RESPONSE:

Reports will be provided periodically to the Board to update recommendations in this report.

ADDITIONAL INFORMATION:

- Bridges complied with the terms of the Agreement, as written. The MOU which is the detailed document to carry out the Terms of the Agreement is being modified to clarify elements relating to photo booth sales and operations, Sales and Use Tax collection, as well as utilization of the RecTrac point-of-sale system. When the Agreement is amended, it also will include the clarified elements. More detailed information regarding these changes will be added to the MOU between the Division and Bridges which will be finalized within the next couple of weeks.
- Bridges has agreed to utilize the RecTrac point-of-sale system for all aspects of their business, i.e., general store, gift shop, food, etc., with the understanding that the annual independent audit will no longer be required.
- The Division and Bridges have combined efforts to engage in design, permitting and construction activities to respond to and meet fire code and building agency concerns.
- The Division has been working with the modular trailer supplier to process permits in order to place an office on site; allowing Parks a continuous physical presence during park general operating hours.