



Use of Facilities Review

To: Jeannine Durkin, Superintendent
From: Billie Jo Turner, Assistant Superintendent
RE: *Use of Facilities Review*
Date: January 3, 2019

We have reviewed the current Use of Facilities system to identify concerns, lack of controls and ensure equitable use. In addition, we wanted to project our year end net for this revolving account since it was used as a funding source. We currently have 65 renters including CTI, YMCA, Girls Scouts, Catholic schools, travel basketball teams, etc. Please see our findings below regarding both system improvements and anticipated net revolving fund balance.

System Improvements

Some improvements that were implemented due to the efforts of Ms. Boucher include the following:

- Communications have been automated and all renters now receive group blasts so that everyone is notified with the same information.
- Calendar system was implemented to track what schools are being used.
- Collections now include email reminders in addition to phone calls.

Further suggestions for improvement are listed below:

- We have encountered issues with non-payment despite invoices being sent as soon as the facility is booked. To address this concern, we would like to change to a quarterly billing system that will specify that if the quarterly payment is not received, the organization will forfeit rental rights for the following quarter. In addition, our Attorney is drafting a Collections Letter template for Ms. Boucher to use with her collection efforts.
- We need to increase rates to cover the cost of use.
- Even nonprofits should be charged for custodial use since that is an additional cost on our end. To open buildings and to ready the gym for their games.
- We should request Certificate of Insurance from renters in September.
- We need to request proof of non-profit status (501C3) since some are listed on web as for profit despite using our facilities for free.
- We have many organizations that are not charged so we are not gaining any revenue to offset the cost of maintaining the premises for use. Some organizations use several schools without paying for the use. Despite our commitment to community use, having one organization use several schools without payment results in loss of revenue. This needs to

be reviewed further. Perhaps we should implement a limit to the number of schools reserved for free by one organization.

- Groups should be considered Community/Neighborhood groups only if 85% of their members are from Lowell. (i.e. Travel groups will have to provide such information.)

Projection of Revolving Fund Balance for Year End

During the review of the budget, we identified an issue with unavailable offsets including the Use of Facilities fund balance. This offset was for approximately \$500,000 despite the historical revenue being closer to \$300,000. Despite the fact that we should not budget for higher than what is in the revolving fund at the time of the budget approval, we reduced the offset to \$300,000 to avoid deeper cuts than necessary. This assumed that we could at least collect what we have historically collected. Based on a projection using the identified renters YTD, we expect to collect only \$165,000 by year end. This will cause further deficits since we now expect even less than the \$300,000 determined by historical data.