

**STATE OF WEST VIRGINIA**

**PRELIMINARY PERFORMANCE  
REVIEW OF THE**

**PARKS AND RECREATION SECTION  
DIVISION OF NATURAL RESOURCES**

*Lodges need to be Managed More Like a Business  
Superintendents Should Assist DNR During Hunting  
Season*

*Parks Have Been Managed Almost Solely From  
Charleston*

*Need for Standardized Inspection Reports  
Weak Internal Controls*

*Need to Improve Interaction With Foundations  
Duplication Between parks System and DNR  
Administrative Functions*

*Parks System Does Not Require Both a Chief and  
Deputy Chief*

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Director

July 10, 1996

The Honorable A. Keith Wagner  
State Senate  
Box 446  
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The Honorable Joe Martin  
House of Delegates  
Building 1, Room 213E  
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Gentlemen:

Pursuant to the West Virginia Sunset Law, we are transmitting the Preliminary Performance Review of the Parks and Recreation Section, Division of Natural Resources, which will be reported to the Joint Committee on Government Operations on Sunday, July 14, 1996. The issues covered herein are "Lodges Need to be Managed More Like a Business; Superintendents Should Assist DNR During Hunting Season; Parks Have Been Managed Almost Solely From Charleston; Need for Standardized Inspection Reports; Weak Internal Controls; Need to Improve Interaction With Foundation; Duplication Between Parks System and DNR Administrative Functions; and Parks System Does Not Require Both a Chief and Deputy Chief."

Sincerely,

A handwritten signature in black ink, appearing to read "Antonio E. Jones".

Antonio E. Jones

AEJ/wsc

Enclosure

\_\_\_\_\_ *Joint Committee on Government and Finance* \_\_\_\_\_



# TABLE OF CONTENTS

	Page
Summary .....	v
Issue Area 1: Parks System needs to operate its lodges on a more business like basis .....	1
Issue Area 2: Superintendents and Assistant Superintendents should be reallocated during hunting seasons to assist law enforcement and a review is needed to determine which parks do not need assistant superintendents. ....	15
Issue Area 3: The Chief, Deputy Chief and District Administrators have managed the Parks System from Charleston by monthly reports and few site inspections. ....	17
Issue Area 4: The Parks System has failed to standardize or complete Inspection Reports. ....	25
Issue Area 5: Internal controls governing revenues are weak and the sparse field inspections create a weakly controlled revenue environment with potential loss of assets. ....	27
Issue Area 6: Upper management's interaction with the Park Foundations program is weak and needs improvement. ....	31
Issue Area 7: The Transfer of the Parks System to the Division of Natural Resources Created duplication of certain administrative functions. ....	35
Issue Area 8: The Parks System does not require both a Chief and Deputy Chief . . . .	39
Appendix A: The Division of Natural Resources' Response to the Performance Evaluation .....	41



## TABLE OF TABLES

		Page
<b>TABLE 1</b>	<b>Distance from Interstates/Four Lane Roads to State Parks . . . . .</b>	<b>2</b>
<b>TABLE 2</b>	<b>State Park Lodges Occupancy Rates - FYs 1977 - 1995 . . . . .</b>	<b>3</b>
<b>TABLE 3</b>	<b>FY 1995 Percent Occupancy . . . . .</b>	<b>5</b>
<b>TABLE 4</b>	<b>Partial FY 1996 Occupancy Rates . . . . .</b>	<b>5</b>
<b>TABLE 5</b>	<b>Revenue Potential of Park Lodges . . . . .</b>	<b>6</b>
<b>TABLE 6</b>	<b>Net Loss for Winter Months at Parks System Lodges . . . . .</b>	<b>7</b>
<b>TABLE 7</b>	<b>Superintendents' Views on How to Increase Winter Occupancy . . . . .</b>	<b>10</b>
<b>TABLE 8</b>	<b>Division of Natural Resources Management Salaries - FY 1995 . . . . .</b>	<b>18</b>
<b>TABLE 9</b>	<b>West Virginia Division of Natural Resources Parks and Recreation Section Administrative Salaries and Benefits as of FY 1995 . . . . .</b>	<b>19</b>
<b>TABLE 10</b>	<b>Division of Natural Resources Parks and Recreation Section Acting Chief, Deputy Chief and District Administrators Travel Analysis - FY 1995 . . . . .</b>	<b>21</b>
<b>TABLE 11</b>	<b>Parks Revenues, Losses and Attendance FYs 1993, 1994 and 1995 . . . . .</b>	<b>27</b>
<b>TABLE 12</b>	<b>Activities of Park Foundations . . . . .</b>	<b>33</b>
<b>TABLE 13</b>	<b>Park Foundations Contributions - 1989-1994 . . . . .</b>	<b>33</b>
<b>TABLE 14</b>	<b>Duplication of Functions Between Parks and the Division of Natural Resources . . . . .</b>	<b>36</b>





## SUMMARY

### **Issue Area 1: Parks System needs to operate its lodges on a more business like basis.**

Parks currently cost the state \$10.3 million from general revenue and generates \$15 million from its own sources. The Performance Evaluation and Research Division believes Parks should be able to generate substantially more revenue and contribute to economic development in doing so. The interstate system has increased accessibility to the parks but occupancy rates have actually decreased during the last 20 years. The problems can be summarized as followed:

- a) *The Parks System has not marketed its lodges to hunters and fishermen even though low occupancy rates at lodges are in the late fall, winter, and early spring; these are prime times to market hunting, fishing and winter sports in and around parks.*
- b) *Lodges need to either offer additional late winter activities or shut down temporarily.*
- c) *The Parks System does not allow travel agents to make reservations.*
- d) *There is no pay incentive for lodge personnel to aggressively market their lodges during the slow period.*
- c) *The Business functions of the Parks System should be organized under a single administrator with a background in hotel/motel management.*

The importance of the tourism sector to West Virginia's economy cannot be understated. As Governor Caperton stated in his 1989 State of the State address: "Given the right direction, the proper support and energetic promotion, our tourist industry can generate millions of dollars of additional revenue for West Virginia and create thousands of new jobs and change our image substantially and positively." Furthermore in his 1992 State of the State address Governor Caperton stated: "Part of [the tourism plan] will be an expansion of our Parks System supported by revenues generated by the facilities themselves." Although the Governor clearly articulated his philosophy that the Parks System was an important part of the development of tourism in West Virginia, the Parks System has failed to carry out this vision. (See Page 1.)

### **Issue Area 2: Superintendents and Assistant Superintendents should be reallocated during hunting seasons to assist DNR enforcement and a review is needed to determine which parks do not need assistant superintendents.**

Two and a half million dollars are spent on 68 superintendents and assistant superintendents; not only do we question the need for two superintendents, some parks may not need a full-time superintendent. During winter months some superintendents are left to do only minor repairs all winter long. (See Page 15.)

**Issue Area 3: The Chief, Deputy Chief and District Administrators have managed the Parks System from Charleston by monthly reports and few site inspections.**

Analysis of travel of top management shows little direct management in the field. Instead, management by reports sent by superintendents to the acting Director of Parks (bypassing District Administrators) has been used. Moreover seven parks were not visited in fiscal 1995. PERD believes that failure of management to go out into the field for management purposes shows the lack of a business perspective of parks. (See Page 17.)

**Issue Area 5: Internal controls governing revenues are weak and the sparse field inspections create a weakly controlled revenue environment with potential loss of assets.**

The Parks system generates and handles \$15 million in revenue without a written manual for accounting policies and procedures. The new DNR director recognized this problem early upon consolidation of parks with his agency and ordered audits of Kanawha State Forest and Little Beaver State Park; the reviews produced 45 findings concerned with lack of accountability of revenues generated. (See Page 27.)

**Issue Area 8: The Parks System does not require both a Chief and Deputy Chief.**

The Chief of Parks supervises five staff members; the deputy chief supervises four staff members; and, the four district administrators each supervise approximately 10 superintendents. In the DNR, the Director supervises 10 staff, double the number of staff supervised by each of top manager of Parks. PERD believes that Parks top management staff could be streamlined while maintaining a reasonable management span of control as used in its parent agency. PERD's recommendation would result in the elimination of the Deputy Chief position. (See Page 39.)

**Other findings:**

**Issue Area 4: The Parks System has failed to standardize or complete inspection reports.**

(See Page 25.)

**Issue Area 6: Upper Management's interaction with the parks foundation program is weak and needs improvement.**

(See Page 31.)

**Issue Area 7: The transfer of the Parks System to the Division of Natural Resources created duplication of certain administrative functions.**

(See page 35.)

## **ISSUE AREA 1: Parks System needs to operate its lodges on a more business like basis.**

The State's 51 parks currently generate \$15 million annually and spend an additional \$10.3 million in appropriated funds annually; about \$575,000 is dedicated to advertising the parks through the Tourism Section within the West Virginia Development Office. Running the state parks is a hotel/motel business, a food service business, a tourism business, a landscape service business, a building maintenance business, and a retail sales business. Therefore, the Parks System in general and the lodge parks in particular should be analyzed from a business perspective for profit centers, marketing, and customer oriented services and activities. Millions of dollars of infrastructure costs have been paid by the citizens of West Virginia for the Parks System's business functions. However, PERD found that the Parks System's four "resort" parks, four lodge parks, and one historical specialty park have significant unrealized revenue potential. PERD believes that the Parks System's business activities can and should become more self-sufficient and serve as a source of economic benefit to the state.

### **Unique Terrain and Accessibility**

West Virginia's mountainous terrain was a liability for tourism until the interstate system provided easy access to resort parks. What was once a lengthy trip across winding narrow roads has become a short and safe trip on interstate and the connecting four lane limited access Appalachian Corridor Highways. Thus, the Tourism Section within the West Virginia Development Office now markets the Parks System in out-of-state markets. For example, the Tourism Section within the West Virginia Development Office spent \$135,000 in April and May 1996, for "stand by" spots to be run on the Parks System in 16 cities within 500 miles of the state. **Without the interstate highway system, advertising state parks in Atlanta, Baltimore, Charlotte, Columbus, Detroit, Richmond, Cleveland, Cincinnati, Raleigh-Durham, Roanoke, Louisville, Lexington, Flint-Lansing, Indianapolis, and Washington, D.C. would have been a fruitless effort. TABLE 1 identifies the interstate(s) or corridors in proximity to the state's resort/lodge parks which have the potential for increased occupancy.**

The interstate highway system in West Virginia is relatively new, with the last leg of Interstate 64, from Sam Black Church to Beckley, being completed in 1988. A logical expectation is that economic development, including tourism, would be greatly enhanced. A major part of that tourism is the state lodge parks. **Although the number of potential customers for the Parks System's lodges has increased dramatically since the late 1970s, with over 113 million people now living within 500 miles of Charleston and having easy highway access to the state, the occupancy rate for the Parks System's lodges has declined, while the number of units has remained constant (see TABLE 2).**

There are fluctuations in the occupancy rates over this 20 year period. However, overall there is a consistent decline from a high of 62.8 percent in FY 1979 to a low of 57.0 percent in FY 1995. Thus, it is apparent that easier access to the parks did not have a significant impact on their overall use.

**TABLE 1**

**Distance From Interstates/Four Lane Roads To State Parks**

Park	Interstate/4 Lane Road	Miles From 4 Lane Road To Park
Blackwater Falls State Park Canaan Valley Resort	Interstate 79/Route 33	36
Tygart Lake	Interstate 79	14
North Bend	Interstate 77, Route 50	6
Twin Falls	Interstate 64 & Interstate 77	28
Pipestem	Interstate 64 via Hinton Interstate 77 via Princeton	26 11
Capacon	Interstate 68 Interstate 95	20
Hawks Nest	Interstate 77 and Route 19	5

Source: Calculated from the 1994-1996 Official State Highway Map

**TABLE 2**

**State Park Lodges Occupancy Rates  
Fiscal Years 1977 - 1995**

Fiscal Year	Parks System Average*	Individual Lodge					
		Blackwater Falls	Cacapon Lodge	Hawks Nest	North Bend	Pipestem Lodge	Twin Falls
77	61.4	66.7	57.8	71.7	49.5	62.9	49.8
78	61.1	64.3	54.8	72.7	52.6	63.2	50.9
79	62.8	62.4	55.6	74.4	51.3	67.7	53.5
80	62.0	60.0	55.7	78.3	50.6	65.8	53.4
81	62.6	61.5	56.4	77.8	46.2	68.5	48.2
82	62.5	59.8	52.6	78.1	46.8	70.1	51.1
83	59.0	54.8	53.5	71.9	43.8	66.6	43.8
84	57.6	54.8	52.1	71.3	40.0	64.4	45.5
85	57.3	54.1	54.8	66.6	41.3	63.2	48.0
86	58.1	52.4	56.2	64.7	38.5	67.3	46.3
87	58.2	51.3	55.3	68.5	40.6	66.5	47.8
88	57.6	51.4	56.9	65.0	44.5	62.7	55.3
89	56.8	50.3	54.3	55.9	45.4	65.1	53.1
90	57.2	50.4	52.6	55.7	43.8	66.1	59.7
91	58.8	54.0	54.9	56.9	46.9	65.5	64.9
92	62.1	61.6	55.0	62.7	49.8	67.6	67.0
93	58.4	58.8	51.0	56.0	48.2	64.4	60.4
94	57.0	58.0	47.3	57.5	44.2	63.9	58.1
95	57.0	56.6	49.3	61.8	48.3	60.4	63.3

\* Excludes Cacapon Inn, Pipestem Mountain Creek, and Tygart Lake because these lodging facilities close during the winter months and the Parks System's historical data is inconsistent in how it shows their annual occupancy rate.

Source: Calculated from numbers provided by the Parks System management.

## Low Winter Occupancy Rates

Looking for answers to the question of state park use, PERD reviewed FY 1995 and nine months of FY 1996 occupancy data by month. According to National Travel Data Research, Inc., Nashville, Tennessee, the national average resort/hotel/motel occupancy rate is 67-70 percent. Marketing representatives from the Marriott Corporation and Hilton Hotels, the head of Pokagom State Park lodge in Indiana, the manager of Oglebay Park in Wheeling, and a professor from the University of Denver, all agreed this figure was accepted as an industry standard for average occupancy. PERD used the lower end of the range to analyze the data for FY 1995. Percent occupancy rates for FY 1995 are reported in TABLE 3 and for FY 1996 in TABLE 4. Although five months out of the year, the overall lodges' occupancy rate is just above the national average of 67-70 percent, for six months, November through April, the rate is drastically below the national average. In FY 1995 these months' occupancy rates ranged from a low of 29 percent in December to a high of 47 percent in February. The overall average for these six months is an occupancy rate of 38 percent. Thus, barely one out of every three lodge rooms is occupied on any given night during this half year period.

Although the problem with low lodge occupancy rates is system-wide, two parks, North Bend and Tygart Lake, have even more serious problems. For example, North Bend did not reach the national average in any month in 1995. Moreover, Tygart Lake Lodge which is closed for five months in the winter, was filled to the national average only one month of the year.

There were consistently low occupancy rates for 1995 and 1996 during the months of November through March. These rates apply to all the lodge parks. The Parks System's dismal winter occupancy rates continued to occur this past winter, even though it was the longest ski season with the largest snowfall in West Virginia history. Theoretically this should have increased the market for parks near ski facilities. Yet, this did not occur.

**TABLE 3****FY 1995 PERCENT OCCUPANCY**

Park	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Ap	May	June
Blackwater	83	86	86	85	40	28	31	42	29	43	62	62
Cacapon	75	79	68	79	34	11	21	16	31	47	62	74
Canaan	65	85	68	82	33	30	48	57	28	35	57	66
Hawks Nest	97	90	68	87	44	27	23	29	35	60	68	91
North Bend	64	60	53	65	41	39	41	35	36	41	43	61
Pipestem	94	87	68	82	42	31	25	49	38	64	64	79
Pipestem MC	80	81	50	66	-	-	-	-	-	-	42	60
Twin Falls	85	78	85	85	59	46	30	40	50	62	71	70
Tygart Lake	67	61	53	62	-	-	-	-	-	26	39	52
<b>Totals</b>	<b>76</b>	<b>82</b>	<b>69</b>	<b>80</b>	<b>38</b>	<b>29</b>	<b>37</b>	<b>47</b>	<b>32</b>	<b>45</b>	<b>58</b>	<b>70</b>

Source: Provided by the Parks System management.

**TABLE 4****Partial FY 1996 Occupancy Rates**

Park	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Blackwater	73	76	70	79	36	37	36	37	39
Cacapon	74	69	72	70	32	19	6	16	28
Canaan	68	67	71	66	26	39	55	53	35
Hawks Nest	99	90	89	88	39	24	16	28	37
North Bend	68	60	55	65	35	27	20	31	42
Pipestem	90	87	79	84	50	30	22	47	38
Pipestem MC*	73	72	63	75					
Twin Falls	88	80	77	81	65	30	20	43	58
Tygart Lake	75	59	45	46					
<b>Totals</b>	<b>76</b>	<b>73</b>	<b>72</b>	<b>72</b>	<b>35</b>	<b>33</b>	<b>37</b>	<b>44</b>	<b>37</b>

\* Mountain Creek

Source: Provided by the Parks System management.

## Possible Revenue Which Would Be Generated If Lodges Reach National Occupancy Rate

Overall, PERD found that the Parks System's lodges generate almost all of their annual revenue stream from their harvest of golfers. Golf season begins in May and runs through October. During this period average occupancy rates run from 58 percent in May to 80 percent in October. Occupancy rates then immediately drop in November to 38 percent.

The impact of the seasonal slump is measured in two ways. First, TABLE 5 provides an "if then" scenario to estimate the additional revenue which would be brought if the parks could increase their annual present occupancy rate to the national average of 70 percent. Column one, maximum revenue, was calculated by averaging the room rates for suites plus the average rates for other rooms, multiplied by the days in a year. This is the amount of money which could be made from rooms if all were occupied every day. Column two applies the 70 percent to estimates of maximum revenue. Column three lists the actual revenue for FY 1995. Column four is the amount which could be realized if occupancy rates were increased to 70 percent. Revenue estimates range from a possible annual increase of about \$55,000 at Hawks Nest to \$230,000 at Blackwater Falls. In total, if the Parks System's lodges could increase their occupancy rate to the national average, they could generate an additional \$1 million in revenue.

**TABLE 5**

### **Revenue Potential of Park Lodges**

PARK	Maximum Revenue	70% Maximum Revenue	FY 1995 Actual	Lost Revenue Potential @ 70%
Blackwater Falls	1,168,971	818,280	587,851	230,429
Cacapon	953,866	667,706	504,719	162,987
Hawks Nest	621,960	435,372	380,192	55,180
North Bend	558,571	391,000	229,329	161,671
Pipestem	3,177,690	2,224,383	2,074,742	149,641
Twin Falls	395,660	276,962	221,694	55,268
Tygart Lake	372,300	260,610	103,145	157,465
Total	7,249,018	5,074,313	4,101,672	972,641

Source - Parks System's revenue/expense reports for November 95 to March 96.

Furthermore, PERD analyzed the Parks System's five-month low occupancy rate from a business profit/loss statement for FY 1995. TABLE 6 reports the loss by park for the months of



November 1995 through March 1996. Pipestem made a "profit" in November, but over the whole five month period posted a "loss" of \$767,477. Cacapon had the second largest loss for the period at \$369,758.

**TABLE 6**

**Net Loss For Winter Months at Parks System Lodges**

Park	November (LOSS)	December (LOSS)	January (LOSS)	February (LOSS)	March (LOSS)	TOTAL (LOSS)
Blackwater Falls	(\$14,092)	(\$32,951)	(\$97,939)	(\$66,054)	(\$49,595)	(\$260,631)
Cacapon	(\$77,434)	(\$22,220)	(\$160,470)	(\$83,138)	(\$26,496)	(\$369,758)
Hawks Nest	(\$41,051)	(\$47,157)	(\$70,981)	(\$51,629)	(\$51,519)	(\$262,337)
North Bend	(\$7,142)	(\$30,642)	(\$47,391)	(\$34,127)	(\$43,158)	(\$162,460)
Pipestem	\$28,399	(\$316,239)	(\$148,939)	(\$229,173)	(\$101,525)	(\$767,477)
Twin Falls	(\$58,717)	(\$21,324)	(\$40,245)	(\$73,078)	\$9,866	(\$183,498)
Tygart Lake	(\$29,502)	(\$22,541)	(\$19,745)	(\$28,013)	(\$20,672)	(\$120,473)
<b>TOTAL</b>	<b>(\$199,539)</b>	<b>(\$493,074)</b>	<b>(\$585,710)</b>	<b>(\$565,212)</b>	<b>(\$283,099)</b>	<b>(\$2,126,634)</b>

Source - Parks System's revenue/expense reports for November 95 to March 96.

**Marketing The Lodge Parks**

The Division of Tourism provides two marketing resources to the state parks. First, general "come to West Virginia state parks" spots are run on television stations in 16 cities from Michigan to Georgia. These spots are designed to get direct response through the telemarketing section of the Tourism Section within the West Virginia Development Office. Until Tourism moves to a new system, information on the success of this broad-brush advertising will be limited. Second, Tourism provides "park-specific" advertising from the design and publication of brochures to ads placed in various magazines, e.g., *Southern Living*, *Pittsburgh Magazine*, *Blue Ridge Country*. Tourism also operates booths at travel shows.

Individual parks sponsor scores of special events at various parks throughout the year. These events include Quilters Getaway, New Year's Eve Packages, and the Christmas Bird Count. These may be highly successful in themselves, but they do not fill the rooms enough to offset losses during the winter. There have been efforts to work with the private sector to offer joint packages. Pipestem worked with Winterplace Ski Resort to provide lodging and meals. The arrangement did not last because of business relationships with other lodging facilities.

Overall, as previously stated PERD found that the Parks System's lodges generate almost all of their annual revenue stream from their harvest of golfers. Golf season begins in May and runs through October. During this period average occupancy rates run from 58 percent in May to 80 percent in October. Occupancy rates then immediately drop in November to 38 percent.

While some drop off in occupancy rate may be natural for the winter months, PERD found that in many ways the Parks System simply has written off the winter months. The Parks System has not marketed the lodges aggressively to hunters or fishermen and also has not attempted to create the infrastructure needed for other winter activities.

### The Parks System Has Not Marketed Its Lodges to Hunters and Fishermen

Although fishing is listed in brochures and is included in Tourism spots and ads, the most recent issues of *Field and Stream*, *Outdoor Life*, *Fur-Fish-Game*, *West Virginia Game and Fish*, and *West Virginia Afield* had no ads on fishing in West Virginia parks or within reach of a park. Yet, according to a January 1990 DNR report, *The Economic Impact of Hunting and Fishing in West Virginia*:

In 1985, 476,739 West Virginians made 7.8 million fishing trips to rivers, streams, and impoundments in the Mountain State and spent 8.4 million days fishing. An additional 36,853 licensed non-residents made 311,000 trips to fish in West Virginia and spent 370,000 days in the state. Over 85% of these non-residents indicated that the primary purpose of their trip was to fish West Virginia waters.

More importantly, neither the Tourism Section within the West Virginia Development Office nor the Parks System has in any manner marketed the Parks System's lodges to hunters. Yet, hunting is big business in West Virginia. According to the same DNR report:

Hunting in West Virginia is a large and vigorous recreational industry especially important to the small businesses in rural West Virginia . . . In 1985, 396,717 individuals (348,328 residents and 48,389 licensed non-residents) spent over 8.1 million days hunting in West Virginia. In the process, they spent \$140 million in the state. Non-residents spent \$20.8 million of the total, again largely on food, lodging and transportation. With the exception of one state, West Virginia attracts more non-resident hunters than any other state east of the Mississippi River. We sell more non-resident hunting licenses than any other state in the southeast and are the 6th largest attraction of non-resident hunters in the nation.

Furthermore, large tracts of West Virginia hunting areas are within a short distance of all park lodges. **In addition, West Virginia's hunting seasons almost perfectly overlap the lodges' slow period. For example, the state's deer seasons begin on October 12 and run through December 31 and for the months of November and December 1995 the lodges' average occupancy rate was 35 percent and 33 percent respectively.**

Thus, PERD believes that the Parks System should aggressively market its lodges to hunters as a base from which to operate. To determine what would successfully attract hunters to the lodges, PERD discussed the issue with outdoor writers from both the *Daily Mail* and the *Gazette*, and the editor of *West Virginia Afield*. These individuals suggested that:

- 1) DNR should establish temporary game checking stations at the Parks;
- 2) The lodge restaurants should have an early breakfast at 4:00 a.m.;
- 3) The lodges should offer special rate hunting packages;
- 4) Game storage facilities should be offered;
- 5) Park employees should be trained in the hunting prospects in the areas surrounding their individual park, in order to assist hunters; and,
- 6) DNR should offer hunting seminars and classes, on subjects such as deer tracking and turkey calling, at the Parks System's lodges.

In addition, PERD believes that the parks could contract with local butchers to cut and package the hunters' game. This could assist in maintaining the natural ambience of the parks.

### **Lodges Need to Either Offer Additional Late Winter Activities or Shut Down Temporarily**

The key to a business decision to operate in the winter or shut a lodge down is what the park has to market. A seemingly unlikely place to have a booming winter lodge resort is Pokagom State Park in Angola, Indiana. With a maximum elevation of 800 feet above sea level, this park thrives on a frozen toboggan slide, sledding, ice skating, cross country skiing, and winter camping. In addition, Oglebay Park in Wheeling has aggressively marketed itself, including the creation of the *Festival of Winter Lights*. This has resulted in winter occupancy rates for the months November through April of 75 percent.

However, West Virginia's State Park lodges in the winter months offer few activities. Thus, PERD asked the head of the eight lodge parks what they believe could be added to make the winter season more attractive to tourists. TABLE 7 summarizes their responses to the questions.

If the parks were run like businesses, lodges that sustained continued losses would either be closed for the winter or marketed as a year-round park. Three examples of a business approach to the parks are the closing of Pipestem Mountain Creek, Tygart Lake, and Cacapon Inn for the winter. Thus, the Parks System needs to decide either to shut down more of the lodges during the winter months or to build the additional infrastructure suggested by the Superintendents to attract more winter guests.

**TABLE 7**

**Superintendents' Views on How to Increase Winter Occupancy**

<b>Park</b>	<b>Action Recommended by Superintendents</b>
Blackwater	Increase the number of cabins. Add indoor swimming pool, fitness area and conference facilities.
Cacapon	Introduce downhill skiing. Expand accommodation and conference facilities. Add indoor pool, sauna, etc.
Canaan	Improve existing skiing facilities. Add campsites, amphitheater, pavilion and outdoor recreation facilities.
Hawks Nest	Expand accommodation and conference facilities. Enclose pool and add exercise area, hot tub and other things resorts have.
North Bend	Increase advertising to groups. Increase advertising of special events. Add indoor pool and exercise room. Expand accommodation and conference facilities.
Twin Falls	Develop special winter programs. Create more hospitable atmosphere. Add a game room, indoor pool and fitness room.
Tygart Lake	Winterize facilities to allow for winter operation. Renew cross-country skiing program. Introduce naturalist program. Further develop trail system.
Pipestem	Expand conference facilities. Develop opportunities for indoor recreation.
Source: PERD survey of park Superintendents and Assistant Superintendents	

**The Parks System Does Not Allow Travel Agents to Make Reservations**

In addition to not marketing itself aggressively for the winter months, the Parks System also does not allow travel agencies to make reservations. PERD contacted 20 travel agencies to inquire about the use of state parks in arranging tours for various groups. None were involved because there is no commission allowed by the Parks System. This is indicative of the lack of a business philosophy in the Parks Section.

Yet if the Parks System allowed travel agents to place guests at the lodges, the travel agents would have an incentive to not only schedule lodging for clients, but also possibly design tours around West Virginia's main attractions. For example, agents could create WVU football packages with clients spending the weekend at Tygart Lake Lodge. Travel agents would also have an incentive to create travel packages to Blackwater Falls, including visits to Dolly Sods, Canaan Valley, and Seneca Rocks. Moreover, the Parks System could work to arrange tours of retirees from the eastern seaboard to view West Virginia's magnificent fall colors. Even though October, when the fall colors are at their peak, is a busy month for Blackwater Falls and Pipestem, by

working with travel agents, such trips could be planned around the days of the week when the parks have the highest vacancy.

### **Need for Incentive Pay**

The missing link in marketing the state parks is actually a double link. Tourism can develop brochures and TV spots and provide information at travel shows, but until each lodge takes responsibility for its marketable attractions or activities and makes the final connection with the customer, the lodges will continue to operate at a loss six months out of the year.

The second missing link is that of performance incentives for those responsible for filling the lodge. Interviews with national marketing representatives from the Hilton Hotels and the Marriott revealed that incentive packages are essential to successful marketing. The premium dollar for incentive pay is awarded to business that would not have been received through normal channels.

PERD requested a legal opinion from the Office of Legislative Services regarding the legality of incentive pay in the government. The opinion stated the Parks System could legally institute an incentive pay plan for its employees if the plan was approved by the State Personnel Board.<sup>1</sup> PERD believes such a plan could be developed to provide incentives to all employees who work in the business functions of the Parks System. Their base pay could stay the same, with bonus incentives if occupancy rates and/or net revenues (gross revenue minus costs) increase by a specific percent over FY 1996 occupancy rates and/or net revenues.

### **The Business Functions of the Parks System Should Be Organized Under a Single Administrator With a Background in Hotel/Motel Management**

Instead of grouping all parts of the Parks System which produce revenue under a single program administrator, the Parks System's organizational structure has an artificial division between those parks which have a golf course and all other parks. This organizational structure means that the four lodge parks, without golf courses, are managed by individuals whose major

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<sup>1</sup> *Executing an incentive pay plan for employees at state parks could be done legally. Article Six, Section 38 of the West Virginia Constitution states that "[n]o extra compensation shall be granted or allowed to any public official, agent, servant or contractor, after the services shall have been rendered or the contract made." The Attorney General's Office has stated that with respect to an incentive pay plan based on unused personal leave earned during a year, the constitutional problem could be corrected with respect to prospective years by inserting language into employment contracts so that the incentive plan becomes part of the contract before services are rendered. Op. Att'y Gen., Feb. 3, 1981, No. 23. Therefore, the incentive pay plan should be instituted at a time when, in effect, a new contract period begins and the new contract should contain language indicating agreement to the new incentive pay plan.*

*Furthermore, according to the rules promulgated by the Division of Personnel, no pay additional to the regular salary may be made to any employee except upon approval of the State Personnel Board. CSR 143-1-5. Any incentive pay for employees at state parks would be additional salary, and therefore, would require approval of the Board.*

responsibility is managing 43 other state parks which are the more typical day parks. A special emphasis is placed on resort parks, according to the DNR 1995 **Annual Report**. Resort parks are defined as those which have a golf course; they include Cacapon and Canaan Valley in the northeastern part of the state and Pipestem and Twin Falls in the southern part of the state. The four lodge parks are North Bend and Tygart Lake in the middle of the state, Hawks Nest near Charleston, and Blackwater Falls in the northeast, only ten miles from Canaan Valley.

The Parks Section has grouped resort parks to be managed by one district administrator because of the special expertise require to manage such parks. Lodge parks, without golf courses, are supervised by the three other district administrators whose responsibilities are based upon a geographic area of the state.

Defining a resort park on the basis of a golf course constrains the revenue potential which could be gained from lodge parks. A "resort" is a "place providing recreation and entertainment, especially to vacationers "(Merriam Webster's Collegiate Dictionary, Tenth Edition). To limit the concept of a resort in the park system to golf is tantamount to limiting it only to skiing or only to whitewater rafting or only to fishing. The definition should be as inclusive as possible so as to increase the potential of the park to provide a maximum amount of recreation and entertainment to vacationers.

From the perspective of economic impact of the Parks System, the limitations placed on lodge parks by not having a golf course is artificial. Lodge or current "resort" parks have considerable market for hunting, fishing, boating, water skiing, snow skiing, cross country skiing, kayaking, canoeing, whitewater rafting, nature photography, birding, hiking, mountain biking, rock climbing, spelunking, tennis, swimming, skeet shooting, bow shooting and civil war or other historical sightseeing.

The Parks Section should redefine "resort" parks to include any facility having a resort offering a variety of recreational and entertainment amenities. The four "lodge" parks should be merged into the "resort" class. This change in designation will offer greater opportunities for the development of the four "lodge" parks, by providing better quality management for the "lodge" parks and increasing the efficiency of the management structure. Appropriate education and employment experience in the hotel/resort management industry should be a prerequisite of personnel operating within this management function.

## **CONCLUSION**

The importance of the tourism sector to West Virginia cannot be understated. As Governor Caperton stated in his 1989 State of the State address:

Given the right direction, the proper support and energetic promotion, our tourist industry can generate millions of dollars of additional revenue for West Virginia and create thousands of new jobs and change our image substantially and positively.

Moreover, the executive branch proposed specifically using the Parks System to help accomplish the goal of economic development through tourism and viewed the generation of income by the Parks System to be an important component in the plan. Governor Caperton in his 1992 State of the State address stated:

We are working to complete a comprehensive regional plan for tourism development. Part of that plan will be an expansion of our Parks System supported by revenues generated by the facilities themselves.

Although the Governor clearly articulated his philosophy that the Parks System was an important part of the development of tourism in West Virginia, the Parks System has failed to carry out this vision. Instead of aggressively pursuing tourism business throughout the year, the Parks System's lodges have demonstrated contentment with mediocrity. Without a quasi-incentive structure with some similarities to their private sector counterparts, the West Virginia Parks System's lodges will continue their heavy dependency on general revenue tax dollars.

#### *Recommendation 1*

*The Director of DNR should assign all resort and lodge parks to a single administrator. This administrator should have both an educational and employment background in resort/hotel/motel management.*

#### *Recommendation 2*

*The Director of DNR should require the Parks System administrator for resorts and lodges to determine what infrastructure needs at the resorts and lodge parks should be developed to increase the occupancy rate during winter months.*

#### *Recommendation 3*

*The Director of DNR should require the Parks System administrator for resorts and lodges to develop a overall strategic business plan for the Parks System's resorts and lodges. This plan should include an individual marketing plan for each resort and lodge park.*

#### *Recommendation 4*

*The Director of DNR should require the Parks System to begin aggressively marketing its lodges and resorts to hunters and fishermen. This should include considering: a) DNR establishing temporary game checking stations at the parks; b) lodge restaurants having an early breakfast at 4:00 a.m. during hunting season; c) lodges should offer special rate hunting packages; d) building game storage facilities on park premises, but away from the lodges; e) training lodge employees in the hunting opportunity in the areas surrounding their individual park; and, f) DNR offering hunting seminars and classes, on subjects such as deer tracking and turkey calling, at the Parks System's lodges.*

*Recommendation 5*

*The Parks System should immediately modify its policy of not paying travel agents the standard industry fee for making reservations for guests.*

*Recommendation 6*

*The Legislature should consider changing statutory law to specifically allow the Parks System to pay its employees who work at Resort/Lodge Parks on a partial incentive pay basis. If such legislation is adopted, the Director of DNR should immediately see that an incentive pay plan is developed for the staff at all resort and lodge parks. Such a plan should pay all of the individual park's employees a significant bonus whenever monthly occupancy rates exceed the previous year's rate.*



**ISSUE AREA 2: Superintendents and Assistant Superintendents should be reallocated during hunting seasons to assist law enforcement and a review is needed to determine which parks do not need assistant superintendents.**

The Parks System is comprised of resort/lodge parks, camping parks, day use parks, trail parks, natural/historical parks and state forests. Each of the 51 parks and state forests are managed by at least a superintendent and some parks include assistant superintendents. The system currently employs 68 superintendents and assistant superintendents at an annual cost of \$2.5 million. Based on our review of the monthly reports, on-site visits and budget information, we have concluded that the DNR should review all parks to determine the necessity of current management personnel utilized by the Parks System. In addition, the need for each park to employ a full-time superintendent is questionable, as is the need for assistant superintendents in many parks.

According to the Division of Personnel job description for a park superintendent, one of the requirements is law enforcement training. The training is in special conservation officer training and pistol qualification requirements as established by the Law Enforcement Section of the Division of Natural Resources. In addition, in the area of Nature of Work "off-facility responsibilities . . . may include special assignments that take them from their principal area of assignment including . . . law enforcement duties."

During our site visit and review of monthly reports, we noted that some parks are closed during the months of November through April or have little activity during this time period. For example, Camp Creek State Park is closed during the winter season. However, the park has a superintendent with a degree in parks management and two maintenance workers.<sup>2</sup> Moreover, the 1995 monthly reports revealed a consistent pattern of fixing worn out equipment, including lawn mowers and residence repairs to the superintendent's house. The superintendent referred to weather problems affecting the work to be completed in several reports; one such report opened by saying "rain, grass, rain, more grass, rain." This park is a short distance from Pipestem which employs a superintendent and assistant superintendent. We believe that the assistant at Pipestem could be used to assist in the operation of Camp Creek, while the current superintendent could be better utilized in a larger park or assist in law enforcement during hunting seasons.

In addition, Kanawha State Forest is located within 15 minutes of the Central Office of the Parks System. The Kanawha State Forest employs a superintendent and assistant superintendent. Salaries and benefits costs annually are \$55,000. The revenues generated in FY 1995 were \$98,000. Based on the geographic location and revenues generated, the State Forest could be served by one employee in the management position. If the superintendent needed relief or assistance in operations, the Central Office is only 15 minutes from the State Forest.

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<sup>2</sup> The revenue generated by Camp Creek was approximately \$30,000 during FY 1995. In comparison, the salary and benefits for the superintendent are approximately \$27,000 annually.

Coopers Rock, located outside of Morgantown, generated \$105,000 in revenues for FY 1995. It employs a superintendent, assistant superintendent and a park aide. The salary costs for the superintendent and assistant superintendent are \$57,000 annually. This park is primarily an overlook attraction from a large rock formation. Although it does have some camping and hiking which are basically a seasonal recreation. PERD believes the Parks System cannot justify the use of two management positions with a span of control of one employee.

Given that some parks do not require more than occasional oversight or maintenance which should be noted during the District Administrator's visit, fewer labor intensive resources are necessary. For example in the case of Camp Creek, it would be cheaper to buy a new lawn mower and send the manager to an area that would use her skills in a more effective manner such as law enforcement during hunting seasons. The increased number of law enforcement officers in the field during this time frame should have positive effects. In addition, the cost of salaries and benefits for the superintendents' time could be reimbursed by DNR's law enforcement section from overtime generally paid to officers during this active time.

#### Recommendation 7

*The Director of DNR should review every state park as to its needs for a superintendent and assistant superintendent(s) using span of control as the criteria. The Director of DNR should then reallocate the Parks System's management resources to better utilize state tax dollars. This should include determining whether a superintendent could manage multiple parks located in the same geographic region. The Director of DNR should report to the Joint Committee on Government Operations by the September 1996 interim meetings whether there will be a reallocation of the Parks System's management.*

#### Recommendation 8

*The Director of DNR should determine which superintendents and assistant superintendents are necessary to operate their parks during the time period of November - April. Those superintendents and assistant superintendents who are not needed during the winter months should be reassigned to DNR's Law Enforcement section, to assist in enforcing the state's hunting laws. The Director of DNR should report to the Joint Committee on Government Operations by the September 1996 interim meetings whether any park superintendents or assistant superintendents will be reassigned to DNR's Law Enforcement Section during hunting seasons.*

**ISSUE AREA 3: The Chief, Deputy Chief and District Administrators have managed the Parks system from Charleston by monthly reports and few site inspections.**

West Virginia spends approximately \$3.2 million annually to “directly manage” the state’s 51 parks. The Parks Chief, Deputy Chief, and four district administrators are located in Charleston at a cost of approximately \$411,916 annually. In addition to the upper managers, the central office support staff costs \$303,776 annually. The management structure also has 47 park superintendents and 21 assistant superintendents at a cost of approximately \$2.5 million annually (see TABLE 8).

The park superintendents are directly supervised by four district administrators who report to the Deputy Chief and Chief. Park assignments for three of the administrators are based on geographic location. The fourth DA manages the system’s four resort parks with golf courses and one natural historical park.

According to the Deputy Chief, one of the requirements of district administrators is a "willingness to engage in extensive travel." During fiscal year 1995, the current management spent 7% of their time conducting on-site park inspections. With so little of their time spent in the parks, district administrators could not sufficiently supervise and provide direct assistance to the park superintendents. In addition, inspection reports are not always completed by district administrators reporting the results of the inspections. Some of the other responsibilities of the district administrators are as follows:

- Supervising the assigned parks;
- Conducting regular on-site inspections of the parks;
- Overseeing concessionaire contracts;
- Drafting policies, rules and regulations for parks’ daily operations; and,
- Addressing guest complaints with Park Superintendents.

**TABLE 8**  
**Division of Natural Resources**  
**Management Salaries**  
(excludes value of free housing and other income subsidies)  
**Fiscal Year 1995**

Park	Salary	Benefits	Total	Revenue for FY 1995
Audra	19,764	13,835	33,599	39,532
Babcock*	44,052	30,836	74,888	278,932
Beartown	0	0	0	0
Beech Fork*	38,832	27,182	66,014	178,873
Berkeley Springs	23,364	16,355	39,719	427,953
Berwind Lake	20,640	14,448	35,088	6,051
Big Ditch Lake	20,424	14,297	34,721	0
Blackwater*	28,080	19,656	47,736	2,096,747
Blennerhassett	23,184	16,229	39,413	127,975
Bluestone*	44,400	31,080	75,480	394,772
Cabwaylingo	44,232	30,962	75,194	45,558
Cacapon*	52,776	36,943	89,719	1,722,612
Calvin Price	0	0	0	0
Camp Creek	19,692	13,784	33,476	29,537
Canaan Valley**	22,032	15,422	37,454	574,027
Carnifex Ferry	21,576	15,103	36,679	7,878
Cass*	48,024	33,617	81,641	1,061,272
Cathedral	18,708	13,096	31,804	226
Cedar Creek*	43,884	30,719	74,603	88,341
Chief Logan*	42,876	30,013	72,889	76,727
Coopers Rock	42,552	29,786	72,338	105,218
Droop Mountain	19,560	13,692	33,252	1,662
Fairfax Stone	0	0	0	0
Grave Creek Mound	26,172	18,320	44,492	52,704
Greenbrier State For.*	42,252	29,576	71,828	111,895
Hawks Nest*	24,816	17,371	42,187	601,931
Holly River*	23,184	16,229	39,413	163,952
Kanawha State Forest*	40,896	28,627	69,523	98,117
Kumbrabow	21,648	15,154	36,802	35,898
Laurel Lake	20,208	14,146	34,354	14,520
Little Beaver	21,240	14,868	36,108	42,126
Lost River	43,968	30,778	74,746	270,188
Moncove Lake	19,908	13,936	33,844	25,037
North Bend*	46,920	32,844	79,764	531,339
North Bend Rail Trail	19,296	13,507	32,803	0
Panther	37,716	26,401	64,117	24,324
Pinnacle Rock	19,296	13,507	32,803	(5)
Pipestem*	62,496	43,747	106,243	3,447,075
Pleasant Creek	20,712	14,498	35,210	12,619
Plum Orchard	21,996	15,397	37,393	12,622
Point Pleasant	16,116	11,281	27,397	0
Prickett's Fort	21,240	14,868	36,108	48
Seneca*	23,292	16,304	39,596	60,378
Stonewall Jackson*	41,760	29,232	70,992	356,765
Teter Creek	0	0	0	3,457
Tomilson Run*	39,084	27,359	66,443	132,401
Twin Falls*	48,228	33,760	81,988	828,168
Tygart Lake*	47,712	33,398	81,110	405,362
Valley Falls	22,296	15,607	37,903	4,266
Watoga*	50,184	35,129	85,313	426,018
Watters Smith	21,924	15,347	37,271	21,056
SUBTOTAL	1,288,056	1,038,248	2,521,460	14,946,154
Charleston Office	723,036	506,125	1,229,161	0
TOTAL OF MANAGEMENT	2,011,092	1,544,374	3,750,622	14,946,154

\* Parks which have both a superintendent and an assistant superintendent.

Source: State Expenditure Schedules

\*\* Canaan Valley has only an assistant superintendent who reports to the superintendent for Blackwater Falls.

**TABLE 9**  
**West Virginia Division of Natural Resources Parks and Recreation Section**  
**Administrative Salaries and Benefits as of FY 1995**

Position Description	# of FTEs	Salaries	Benefits	Total
Chief	1	\$54,684	\$ 38,279	\$ 92,962
Assistant Chief	1	45,720	32,004	77,724
Tourism Program Managers (District Administrators)	4	141,900	99,330	241,230
Clerical	5	104,304	73,013	177,317
Administrative Services Assistant	1	30,588	21,412	51,999
Tourism Program Specialist	1	23,064	16,145	39,208
Tourism Program Associate	1	20,736	14,515	35,251
<b>Total Administrative &amp; Support Staff</b>	<b>14</b>	<b>\$420,996</b>	<b>\$284,698</b>	<b>\$715,694*</b>

\* Note: The difference in TABLE 8 and TABLE 9 Charleston Office is the Engineering Section, at a cost of \$513,467

Source: State Expenditure Schedules

### Upper Management Supervises Parks from Charleston

The parks are a service business and upper management's main role is to provide quality service to the guest. This is accomplished by assisting superintendents in financial areas, such as budgeting maintenance and repairs of the facilities, recommending personnel, overseeing concessionaire contracts, working with park foundations and ensuring that adequate security is in place for both guests and property. The travel to the parks can determine what parts of the infrastructure are in need of repair or replacement. Touring the facilities provides the upper management with hands-on knowledge of the infrastructure and in addition provides a review for security of guests and property which can only occur during field visits. The concessionaires are located in the park, not the central office. Oversight requires travel to the park to hold discussions with those vendors and tour the facilities for upkeep to assure the vendor is complying with the contract. Discussions with guests who do not complete comment cards can only occur during a park visit.

The analysis of travel vouchers for the Chief, Assistant Chief and four district administrators indicated that 21% of their time was spent traveling, of which only 7% was conducting park inspections. The remaining 14% was for various outings including superintendents' meetings, seminars, legislative interim tours and special events. The low percentage of time spent in the field indicates that parks management is relying primarily on

telephone calls and the park superintendents' monthly reports, which are submitted to the Chief, instead of interacting directly with the park superintendents during field visits.

Our survey, of surrounding state park systems with a management structure similar to West Virginia's, demonstrated district administrators were assigned to field offices located in their area of management. Sixty to 80 percent of other states' district administrators' time is concentrated in the area of inspections and field visits. The inspections utilize standardized inspection reporting forms in conjunction with a formal report. These reports are then discussed with the central office management.

South Carolina employs four district administrators. Each is physically located within the geographic region of the parks they supervise. The district administrators spend four days a week or 80% of their time visiting or inspecting the parks. One day a week is spent in the central office. The central office holds a staff meeting once a month to discuss and present formal reports on the work conducted. Each district administrator in South Carolina oversees 10 to 13 parks within their respective district.

Maryland's park system has definite goals and objectives that are regularly assessed by district administrators who spend 60% of their time conducting field inspections. Office assignments are within the geographic area of the parks they supervise. The main thrust of Maryland's DAs is to provide direction to park superintendents. Regular audits are conducted by the central office. One advantage provided by this structure, according to Maryland officials, is that "with hands-on they have a feel for the pulse of what's happening."

North Carolina's structure has two district administrators located in the central office and two district administrators located in the districts. Approximately 60% to 70% of their time is spent visiting and inspecting their assigned parks. They utilize standardized report forms for revenues and visitation. They report monthly to the central office.

The current organizational structure used by the West Virginia Parks System theoretically has a similar thrust as the systems discussed in the previous paragraphs. However, since West Virginia's district administrators spend 79% of their work time in Charleston, the reality of West Virginia's organizational structure is radically different from the theoretical structure. **By attempting to manage almost solely from Charleston, the Parks System central management cannot have a true picture of what is happening in the parks. Also, PERD concludes that seven percent, of the total time, spent in the field does not constitute extensive travel which is one of the requirements of being a district administrator.**

The obligations of the district administrators would be better completed by increasing on-site visits. Such evaluations are required in the DAs' job descriptions. However, they cannot be effectively conducted from Charleston headquarters based on monthly written reports submitted by the superintendents and phone calls. The parks are located throughout the state and increased inspections and visitations are needed without increasing the cost. This can be accomplished by redistribution and relocation of administrators into the field offices.

## Seven Parks Were Not Visited

In our analysis, we found that seven of the state parks and forests (17%) did not receive any on-site visit in 1995: Babcock (Fayette), Beartown (Pocahontas), Calvin Price (Pocahontas) which is adjoining to Watoga State Park, Carnifex Ferry (Nicholas), Little Beaver (Raleigh), Lost River (Hardy) and Prickett's Fort (Marion) (See TABLE 10). Six superintendents did not receive a visit from the upper management or district administrators during 1995. **In addition to the seven parks not receiving a visit from upper management, Watoga and Droop Mountain received only one visit each, which was spurred by legislative subcommittee tours.**

**TABLE 10**

**Division of Natural Resources  
Parks and Recreation Section  
Acting Chief, Deputy Chief and District Administrators - Travel Analysis  
Fiscal Year 1995**

Park or Area Visited	Total Days Traveled	Total % Days Traveled	Days Parks Inspections	% Days Parks Inspections	Days Other Travel	% Days Other Travel
Audra	3	0.21%	2	0.14%	1	0.07%
Babcock	0	0.00%	0	0.00%	0	0.00%
Beartown	0	0.00%	0	0.00%	0	0.00%
Beech Fork	4	0.28%	3	0.21%	1	0.07%
Berekley Springs	7	0.49%	4	0.28%	3	0.21%
Berwind Lake	2	0.14%	2	0.14%	0	0.00%
Big Ditch	2	0.14%	1	0.07%	1	0.07%
Blackwater Falls	18	1.25%	6	0.42%	12	0.83%
Blennerhassett	11	0.76%	7	0.49%	4	0.28%
Bluestone	2	0.14%	1	0.07%	1	0.07%
Boston, Ma	2	0.14%	0	0.00%	2	0.14%
Cabwaylingo	1	0.07%	0	0.00%	1	0.07%
Cacapon	12	0.83%	3	0.21%	9	0.63%
Calvin Price Forest	0	0.00%	0	0.00%	0	0.00%
Camp Creek	3	0.21%	2	0.14%	1	0.07%
Canaan	29	2.01%	5	0.35%	24	1.67%
Carnifex Ferry Battlefield	0	0.00%	0	0.00%	0	0.00%
Cass	12	0.83%	7	0.49%	5	0.35%
Cathedral	1	0.07%	1	0.07%	0	0.00%
Cedar Creek	3	0.21%	2	0.14%	1	0.07%
Charleston	5	0.35%	0	0.00%	5	0.35%
Chief Logan	4	0.28%	2	0.14%	2	0.14%
Clarksburg	2	0.14%	0	0.00%	2	0.14%
Clearwater, Fl	8	0.56%	0	0.00%	8	0.56%
Coopers Rock	2	0.14%	1	0.07%	1	0.07%
Droop Mountain	1	0.07%	0	0.00%	1	0.07%
Elkins	1	0.07%	0	0.00%	1	0.07%
Fairfax Stone	0	0.00%	0	0.00%	0	0.00%

Park or Area Visited	Total Days Traveled	Total % Days Traveled	Days Parks Inspections	% Days Parks Inspections	Days Other Travel	% Days Other Travel
Flatwoods	4	0.28%	0	0.00%	4	0.28%
French Creek	1	0.07%	0	0.00%	1	0.07%
Grave Creek	3	0.21%	0	0.00%	3	0.21%
Greenbrier	4	0.28%	1	0.07%	3	0.21%
Hawks Nest	2	0.14%	1	0.07%	1	0.07%
Holly River	2	0.14%	2	0.14%	0	0.00%
Huntington	2	0.14%	0	0.00%	2	0.14%
Kanawha State Forest	0	0.00%	0	0.00%	0	0.00%
Kumbrabow	1	0.07%	1	0.07%	0	0.00%
Laurel Lake	3	0.21%	3	0.21%	0	0.00%
Little Beaver	0	0.00%	0	0.00%	0	0.00%
Lost River	0	0.00%	0	0.00%	0	0.00%
Mill Creek\Slaty Fork	1	0.07%	1	0.07%	0	0.00%
Milton	1	0.07%	0	0.00%	1	0.07%
Moncove Lake	2	0.14%	0	0.00%	2	0.14%
Morgantown	2	0.14%	0	0.00%	2	0.14%
North Bend	24	1.67%	6	0.42%	18	1.25%
Panther	3	0.21%	3	0.21%	0	0.00%
Pinnacle Rock	6	0.42%	6	0.42%	0	0.00%
Pipestem	70	4.86%	15	1.04%	55	3.82%
Pleasants Creek	1	0.07%	1	0.07%	0	0.00%
Pt. Pleasant	2	0.14%	2	0.14%	0	0.00%
Prickett's Fort	0	0.00%	0	0.00%	0	0.00%
Seneca	2	0.14%	1	0.07%	1	0.07%
Stonewall	1	0.07%	0	0.00%	1	0.07%
Tomlinson Run	0	0.00%	0	0.00%	0	0.00%
Twin Falls	4	0.28%	4	0.28%	0	0.00%
Tygart Lake	6	0.42%	4	0.28%	2	0.14%
Undetermined	2	0.14%	0	0.00%	2	0.14%
Valley Falls	1	0.07%	1	0.07%	0	0.00%
Virginia Beach, Va	10	0.69%	0	0.00%	10	0.69%
Watoga	4	0.28%	0	0.00%	4	0.28%
Watters Smith	4	0.28%	1	0.07%	3	0.21%
Wheeling	3	0.21%	0	0.00%	3	0.21%
<b>TOTAL</b>	<b>306</b>	<b>21.25%</b>	<b>102</b>	<b>7.08%</b>	<b>204</b>	<b>14.17%</b>

Source: Travel expense vouchers for FY 1995

Yet, the Chief, Assistant Chief and district administrators are responsible for overseeing the parks' daily operations and without on-site inspections the needs of the park may be overlooked. A summary of travel vouchers revealed administrators drove 31,800 miles during fiscal year 1995 and spent approximately 580 man-hours in the vehicle to visit 34 of the parks.

The travel of upper management, cited in the previous paragraph, indicates that parks management failed to sufficiently plan its on-site inspections to ensure all facilities are reviewed in a timely manner and resources utilized efficiently. According to the Assistant



Chief, staff reductions have resulted in central office staff being assigned additional responsibilities. However, the Deputy Chief informed PERD that he still encouraged and expected DAs to maintain an undiminished frequency of field visitations.

**Recommendation 9**

*The Director of DNR should determine if the district administrators are needed and if so, reassign district administrators to field offices within current aligned DNR districts.*

**Recommendation 10**

*The Chief and Deputy Chief should be required to visit each park at least once per year with additional visits to the parks that have decreasing self-sufficiency rates or have a low consumer satisfaction percentage, which can be ascertained from the quarterly reports and consumer comment card summary reports. Following the consolidation of administrative functions, the current parks' management structure should have more time to provide on-site technical assistance and guidance to all parks.*

**Recommendation 11**

*The Chief should be required to provide a quarterly summary of park activities to the Director of Natural Resources. The information to be provided in this report should be determined by the Director of DNR.*



#### **ISSUE AREA 4: The Parks System Has Failed to Standardize or Complete Inspection Reports.**

PERD requested field inspection reports to substantiate the travel to the parks for fiscal year 1995. Our request revealed that standardized inspection reports are not utilized, and according to the Deputy Chief, inspection reports are not always completed. Some visits and issues are addressed verbally with the superintendent and subsequently verbal reports are given in the main office. We reviewed 20 inspection memoranda reports and the itineraries for the four district administrators. The itineraries reflected a total of 183 days of site visits and inspections and our analysis of travel vouchers reflected 102 days of site inspections. Without standardized reporting procedures and requirements, source documents are not available to determine the true reflection of field work by the DAs. For example, if an administrator visited a park and did not complete any standardized inspection report or site visit memoranda, no evidence is generated to substantiate that the inspection was ever conducted.

The lack of standardized inspection reporting procedures does not allow management to measure the performance of the district administrators, determine what infrastructure improvements are needed at the parks, or document accountability for the DAs' field time. If district administrators are to be responsible for directly supervising the parks, standardized procedures and reporting requirements are necessary so that the Director of DNR, the Chief, and the Deputy Chief are assured that the goals and objectives of the parks system are being met. Standardized reporting procedures would also ensure that the DAs' performance can be measured during reviews and evaluations.

The current distribution of management responsibilities, the location of administrators in Charleston, as well as the lack of on-site inspections with standardized reporting requirements results in insufficient supervision of park superintendents and their operations as demonstrated by the seven parks that were not visited in 1995. The low percentage of field work and the lack of standardized reporting indicates upper management is not carrying out its required responsibilities to ensure goals and objectives are being accomplished. Reorganization of upper management should: 1) provide better utilization of resources; 2) increase the frequency of on-site inspections for all parks; 3) improve communication with the park superintendents; and, 4) improve direct supervision of the parks.

#### **Recommendation 12**

*The Director of DNR should establish and implement standardized reporting procedures for on-site visits by all district administrators. The Director should also require that each park be inspected at least quarterly by the district administrators. Reports should be summarized quarterly, detailing what problems were found and what actions had been taken to remedy problems encountered during previous site inspections. These reports should be submitted to the Chief of Parks in a timely manner. Summaries should also include travel time and expenses incurred for inspections.*



**ISSUE AREA 5: Internal controls governing revenues are weak and the sparse field inspections create a weakly controlled revenue environment with potential loss of assets.**

The state parks system is a semi-revenue driven system. Although most park amenities are provided “free” to the public through tax support, many park activities, golfing, lodging, food services, horse back riding, etc., are paid for through a combination of user fees and tax support. From these services, the parks system generates approximately \$15 million in annual revenue. However, during the past three fiscal years, (1993-1995) expenses for the operation have substantially increased while revenues have fluctuated. This has resulted in an increase in losses from park operations to \$9.3 million in FY 1995. Yet these increases in annual losses have occurred at the same time that park attendance has increased by 16%. TABLE 11 discloses the variations:

**TABLE 11  
Parks Revenues, Losses and Attendance  
Fiscal Years 1993, 1994 and 1995**

Description	Revenues	Losses	Attendance
Fiscal Year 1993	\$14,009,704	\$8,502,994	7,273,300
Fiscal Year 1994	\$15,209,036	\$8,743,614	8,291,200
Fiscal Year 1995	\$14,960,636	\$9,318,547	8,406,900

Source: Parks System Three Year Financial Comparison Report and the West Virginia Statistical Abstract 1995-96

One duty of the Parks System district administrators is to review the financial records of the parks during their visits. The Director of DNR's fiscal staff recognized the need for audits by conducting reviews on Kanawha State Forest and Little Beaver State Park. **The reviews produced 45 findings with the major areas of concern focused on weak internal controls and reporting and the lack of accountability of the revenues generated.** The Director and his staff took the initiative to conduct the audits and review the existing controls. The central fiscal office of DNR conducted in-house audits of Kanawha State Forest and Little Beaver State Park for the fiscal year ending June 30, 1995. The audits were to review administrative procedures and internal controls currently in place at the parks and a basic overall review of the financial accounting records. **The reports revealed that a written manual for accounting policies and procedures did not exist.** Various forms and reports were inadequate to collect sufficient reliable data and the internal controls governing the revenues were inadequate.

These two parks were not visited according to records used in our analysis. Part of the upper management responsibilities is to draft policies, rules and regulations for the daily operation of the parks and review these policies during site visitations. Based on the internal audits, this apparently has not been accomplished and the lack of field visits in conjunction with the inadequate internal controls creates a weakly controlled revenue environment with the potential loss of assets.

Internal controls consist of a plan of organization and all coordinated methods and measures adopted within a business structure to safeguard its assets. There are two types of internal controls, accounting controls and administrative controls. Administrative controls comprise the plan of organization and all methods and procedures that are concerned mainly with operational efficiency and adherence to managerial policies. Internal auditing is an important part of the management control system in most large operations. Auditing is an independent appraisal activity within an organization for the review of accounting, financial and other operations as a basis for service to management. It is a managerial control, which measures and evaluates the effectiveness of other controls. Internal auditors are the "eyes and ears of management."<sup>3</sup>

The parks system does not employ an auditing staff to conduct audits on the various parks to ensure assets are properly accounted for and recorded. As discussed in Issue Area 5, the parks have operated with loose internal controls which creates the potential effect of lost assets. The parks system has not had an internal auditing function since 1991. The management has relied heavily upon DAs to review the accounting records during site visits. However, as discussed in Issue Area 3, the upper management is not spending sufficient time in the field reviewing daily operations. Thus, the managerial controls that are relied upon by upper management are not being adhered to and are ineffective in overseeing the assets.

PERD concludes that a cost/benefit analysis of internal auditing staff versus the DAs be examined during the reorganization of parks management. Another possibility to be explored and evaluated is the use of consultants for auditing purposes. The internal auditing staff or contract auditing would provide management with an external tool for determining what type of changes or corrections to the daily operations and what type of managerial controls are needed at each park. This also would improve accountability for assets generated by the parks. This tool would provide management written reports to be used in budgetary planning and other fiscal areas of concern.

### **Recommendation 13**

***The Director of DNR should adopt accounting procedures and managerial procedures which should be compiled in an operations manual. The manual should also provide standardized forms and reports, in addition to guidelines for DAs to recognize possible illegal acts and the course of reporting action to be administered. A course for reporting findings should be defined in the manual.***

---

<sup>3</sup>Accountants Handbook, Fifth Edition, Wixon, Kell & Bedford

**Recommendation 14**

*The Director of DNR should conduct a cost/benefit analysis of employing an internal auditing staff or contracting with a C.P.A. firm and if implemented, consider what role the district administrators should play in the internal audit function. If DAs are to be retained, additional training is needed to assist them in identifying circumstances warranting corrective action.*





**ISSUE AREA 6: Upper management's interaction with the Parks Foundations program is weak and needs improvement.**

One goal of the State Parks system was to have "a foundation for every state park, state forest, and state public hunting and fishing area by December 31, 1989." The purpose of the foundations is to be a resource for the park and the general public with regard to recreational, conservational, ecological, historical and natural resources of the park. Lack of personal visitations by DAs and either the Chief or Deputy Chief to individual parks (see Issue Area 3) may also result in an apathetic response to the formation of, or the active interest in, park foundations. The level of involvement by current Parks upper-level management is not sufficient to encourage the active continuance of the foundation program. **Travel documents, as well as recorded minutes from individual foundation meetings, verify that staff members from the district or central office rarely attend foundation meetings. These records indicate that only four visits were made by upper-level management staff in the 60 foundation meetings reported in FY 1995.** This deprives active, interested citizens from personal interaction with Parks upper-level management which may be a factor in the lack of growth, in both numbers and activities, of the foundations. Touted by the then Chief of Parks in 1989 as necessary to "achieve our overall park goals and to carry out much needed projects," the state parks foundations do not appear to have strong, active support from current upper-level management.

Currently, 25 state parks (approximately half) have foundations, which are chartered as non-profit organizations by the Secretary of State. Twenty of these were chartered during the original emphasis years of 1988 through 1990. Three others were chartered in 1987. The original two charters were self-initiated by Prickett's Fort in 1971 and Blennerhassett in 1982. No new charters have been issued since 1990, even though 50% of the parks have no foundations.

The most currently active parks foundations, as determined by dollars contributed and volunteer-hours provided are: Blennerhassett, Cabwaylingo, Cass Scenic Railroad, Coopers Rock, Hawks Nest, Little Beaver, Moncove Lake and Tomlinson Run. Moderately active foundations include Grave Creek Mound, Holly River, Kanawha State Forest and Pipestem. The remaining 12 foundations meet infrequently and do not have any major ongoing projects. A sampling of projects completed by these foundations is shown in TABLE 12.

Accumulatively, these foundations have involved hundreds of interested citizens in the physical improvements and additions to the parks they represent as well as providing numerous programs of local interest. They are also responsible for raising approximately \$816,000 of private sector dollars and in kind volunteer-hours of labor during the last six years to help achieve the overall goals of the Parks and Recreation Section (see TABLE 13).

**Recommendation 15**

*An evaluation of the foundations should be made to determine what type of active involvement from upper-level management would strengthen this historically beneficial Parks' resource.*

***Recommendation 16***

*Upper management of parks should personally contact the foundation members from inactive committees to determine what can be done by management to revitalize their group.*

**TABLE 12**

**Activities of Park Foundations**

<b>Foundation</b>	<b>Activities</b>
Blennerhassett	Purchased an original Blennerhassett chair from a museum in Massachusetts.
Cabwaylingo	Built a basketball court; built three shelters.
Cass	Purchase of new equipment.
Hawks Nest	Display of lights for Christmas; purchase of sound system.
Holly River	Construction of playground equipment; Holly River Festival.
Kanawha State Forest	Signs for the park; wildflower walks.
Moncove Lake	Fishing tournaments; festival fireworks; stocked lake with fish.
Pipestem	Building of shelters; purchase of grills; golf tournaments.
Prickett's Fort	Operation of Fort and Prickett House; production of outdoor drama; security system.
Tomlinson Run	Built a basketball court; built picnic shelter; purchased two-way communication radios.
Valley Falls	Funding for a new access road; mountain bike race.
Watters Smith	Purchase of a used Gravely lawn mower.

Source: PERD survey of park foundations.

**TABLE 13**  
**PARKS FOUNDATIONS CONTRIBUTIONS**  
**1989-1994**

PARK	COST
BLENNERHASSETT ISLAND HISTORICAL STATE PARK	\$613,862
CABWAYLINGO STATE FOREST	9,246
CACAPON STATE PARK	4,526
HAWKS NEST STATE PARK	2,345
HOLLY RIVER STATE PARK	24,586
KANAWHA STATE FOREST	37,643
LITTLE BEAVER STATE PARK	36,585
MONCOVE LAKE STATE PARK	5,920
PINNACLE ROCK STATE PARK	5,414
PIPESTEM RESORT STATE PARK	38,085
PLEASANTS CREEK	1,510
TOMLINSON RUN STATE PARK	15,650
TWIN FALLS RESORT STATE PARK	7,218
VALLEY FALLS STATE PARK	13,500
TOTALS	\$816,090

Source: PERD survey of park foundations.

**ISSUE AREA 7: The Transfer of the Parks System to the Division of Natural Resources Created Duplication of Certain Administrative Functions.**

On December 1, 1994, the Division of Parks and Recreation was transferred to the Division of Natural Resources by Executive Order in Compliance with H.B. 4030, Regular Session 1994. Parks and Recreation became one of eight sections of the Division of Natural Resources (DNR). With the transfer of the Parks System, no provisions were made in the directive for consolidating administrative and management functions. Yet, the reorganization transferred a central office staff of 24 employees, costing approximately \$1,229,161 in salaries/benefits as of FY 1995 from the Tourism Section within the West Virginia Development Office to the Division of Natural Resources (See TABLE 8). This amount includes \$373,646 for top managers, i.e., Chief, Assistant Chief and clerical support, \$342,047 for four district administrators and support staff and a Planning, Engineering and Maintenance section operating at a cost of \$513,468 for personal services.

State law specifically requires that the Division of Natural Resources, including the Parks System, be operated in an efficient manner. WV Code §5F-1-1(a)(2) states ". . . Reduce expenditures and promote economy to the fullest extent consistent with the efficient operation of state government." WV Code §5F-1-1(a)(6) states the director of natural resources should "...eliminate duplication of effort." Also, WV Code §20-5-2 states ". . . The director of the division of natural resources shall be responsible for the execution and administration of the provisions herein as an integral part of the parks and recreation program of the state and shall organize and staff the section of parks and recreation for the orderly, efficient and economical accomplishment of these ends. . ."

When agencies are merged, duplication of certain functions is by definition created and must be addressed to maximize efficiency. TABLE 14 represents a selected list of functions from Parks and Recreation which may be absorbed by its parent agency, the Division of Natural Resources. The Division of Natural Resources central office consists of a personnel office, a fiscal office which includes an accounting system as well as budgetary, procurement and inventory personnel.

Our limited review of duties performed by the deputy chief and the four district administrators (DA) indicates duplication within the parks management and duplications with the DNR personnel and fiscal offices. Part of the deputy chief's duties includes: preparing, reviewing and approving all staff requests (Personnel); interviewing prospective employees (Personnel); serving as liaison with the Division of Personnel, Human Rights Commission and EEO violations (Personnel); preparing and approving requisitions (Fiscal); and assisting in the budget preparation (Fiscal). District administrators' duties include: interviewing superintendents (Personnel); interviewing, selecting, and negotiating concessionaire contracts (Fiscal); advising and assisting parks superintendents in budgetary, purchasing and personnel matters (Fiscal and Personnel) and working with inventory records (Procurement). **The current flow of approving and re-approving seems to be redundant and inefficient. Duties which can be merged or integrated**

within the current DNR administrative offices would improve the efficiency of the parks system and would also improve managerial internal controls by eliminating duplication.

**TABLE 14**  
**Duplication of Functions Between Parks and the Division of Natural Resources**

<b>Parks and Recreation Section</b>	<b>Division of Natural Resources</b>
Personnel *	Staffing
Payroll and Benefits *	Payroll and Benefits
Purchasing *	General Services
Financial *	Fiscal Services
Budget Preparation *	Budget Office
Negotiate for Land and Rights of Way *	Public Land Corporation
Development of Park Brochures and Public Information Flyers*	Public Information and Publications
Inventory Control *	Administration
Customer Comment Data Analysis *	Computer Staff, Elkins Operation Center
Waste and Water Management **	Water Monitoring and Treatment Related to Streams and Lakes for Fishing
Special Services ***	Conservation, Education and Litter Control

- \* These functions are currently performed by the District Administrators, Assistant Chief and Chief.
- \*\* This function is currently performed by a Technician.
- \*\*\* The Programming and Special Services Coordinator reports to the Chief.

The elimination of duplication should cut administrative costs and better utilize human resources as mandated by WV Code §5F-1-1. The merging of these functions would also eliminate some duties from the deputy chief, four district administrators and possibly reduce the number of clerical support staff. The reduction in responsibilities of the various staff affected in the consolidation of the parks section within DNR should be addressed in a reorganization plan.

Recommendation 17

*The Director of DNR should reorganize the Central Office of the Parks System to eliminate duplication of administrative functions to increase the efficiency of the Parks System following a review of all levels of management's current responsibilities to maximize the use of existing DNR central office staff as mandated in WV Code §5F-1-1 and WV Code §20-5-2. The Director of DNR should report to the Joint Committee on Government Operations a reorganization plan to reduce duplication between the Parks central office and the DNR central office by the September 1996 interim meetings.*



**Issue Area 8: The Parks System does not require both a Chief and Deputy Chief.**

The present acting Chief of Parks directly supervises five employees: the Deputy Chief of Parks, the Assistant Chief for Planning, Engineering and Maintenance, the Programming Services Coordinator, and, two administrative assistants. The Deputy Chief of Parks directly supervises the system's four district administrators, as detailed in Issue Area 3, and a secretary. Thus, both the acting Chief of Parks and the Deputy Chief each have a span of control of five employees.

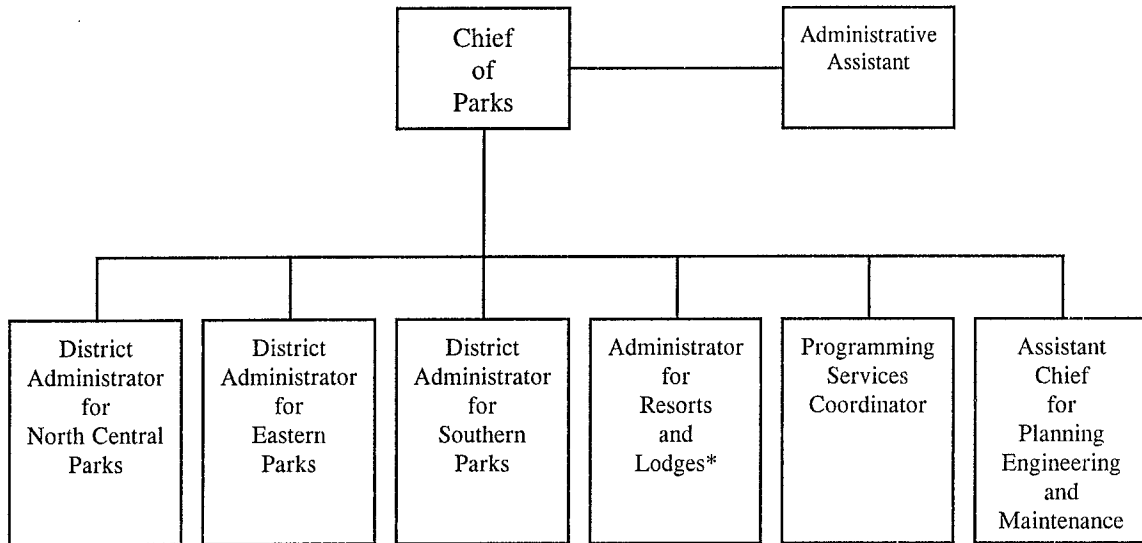
In comparison, the Director of the Division of Natural Resources directly supervises 10 employees. The organization structure of DNR has seven administrators who oversee seven sections and report directly to the director. The Director of DNR is responsible for three major sections; Law Enforcement, Wildlife Resources and Parks and Recreation. In addition to the three major sections, he is also responsible for four smaller administrative sections: Administration, Conservation Education/Litter Control, Public Information & Publications Office and Real Estate Management. Furthermore, the Governor has a span of control of at least nine employees, the seven super secretaries, the chief of operations, and his chief of staff.

Moreover, the Chief of Parks is presently undermining the system's theoretical organizational hierarchy. Although the four District Administrators supposedly have direct supervisory responsibilities for the 51 state parks, with the Deputy Chief having oversight of the four District Administrators, park superintendents informed PERD that *Monthly Activities Reports* are sent directly to the acting Chief of Parks. In addition, according to their job descriptions both the acting Chief of Parks and the Deputy Chief of Parks are responsible for: reviewing field operations through site inspections; handling complaint management and public relations; serving as legislative liaison of the Parks System; giving advice and suggestions to park superintendents and district administrators; and, conducting interviews with superintendents, assistant superintendents, concessionaires, and other key park positions as needed.

PERD believes that the Parks System's organizational structure could be modified to eliminate the need for both a Chief and a Deputy Chief position. Under such a structure, the Chief of Parks still would only directly supervise eight employees. Furthermore, if the Administrative Services Assistant position was structurally moved under the Division of Natural Resources' administration section, the Chief could reduce his direct supervision to seven employees, as shown below.



**Possible Parks System Central Office Organizational Structure**



\* See Issue Area 1 for explanation.

**Recommendation 18**

*The Director of DNR should consider restructuring the organization hierarchy of the Parks System central office.*



**APPENDIX A**

**Division of Natural Resources'**

**Response to the**

**Performance Evaluation**





West Virginia  
Division of  
Natural Resources

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July 8, 1996

Dr. Antonio Jones, Director  
West Virginia Legislature  
Performance Evaluation and Research Division  
Building 5, Room 751A  
1900 Kanawha Boulevard, East  
Charleston, West Virginia 25305-0592

**RECEIVED**

JUL 9 1996

Dear Dr. Jones:

**RESEARCH AND PERFORMANCE  
EVALUATION DIVISION**

Thank you for the opportunity to provide this response to the performance evaluation of the Parks and Recreation Section of the Division of Natural Resources. This response is offered in addition to our earlier suggestions on correction of errors.

We appreciate the obvious effort expended by you and your staff on this extensive evaluation of the operations within the parks system. We believe West Virginia offers its citizens one of the nation's finest state park systems. As we prepare to enter the 21st Century, it is most helpful to have the benefit of your evaluation and recommendations. Although there will be some areas of disagreement on fine points, we have found that your report is most thorough and highly worthy of implementation.

Our responses to each Issue Area and specific recommendations are as follows:

**ISSUE AREA 1: PARKS SYSTEM NEEDS TO OPERATE ITS LODGES ON A MORE BUSINESS LIKE BASIS.**

The operation of the state park system is certainly a hotel/motel business. The system essentially operates 51 small communities with their own water and sewer systems, security services, other community and business function as noted in your report, and the oversight and stewardship of the state's natural resources. Chapter 20 of the State Code states that purposes of the system "shall be to promote conservation by preserving and protecting natural areas of unique or exceptional scenic, scientific, cultural, archaeological or historic significance and to provide outdoor recreational opportunities for the citizens of this state and its visitors."

West Virginia's parks system encompasses the widest variety of functions of any state

system in the country, providing day-use, historical, camping, and lodge parks. With this diversity in mind, your report is right on target that a more business like attitude is needed in our management, particularly with regard to lodge operations. The evolution of considering governmental functions as businesses has not been widespread in many areas and the recommendations contained in this report reflect the mentality which has existed in our parks management since its inception in the 1950s and 60s. This is not stated to reflect criticism on the hard work and accomplishments of the dedicated parks staff. Rather it is a reflection of the need for incorporating a business attitude in governmental functions.

The diversity of West Virginia's park system makes this business attitude difficult to implement in many parks functions. Nationally, state park systems find it difficult to see a direct economic benefit to state governments, or for them to experience self-sufficiency. Traditionally, self-sufficiency and operating systems on a revenue generating basis have not been a consideration or a goal. Rather, the overall quality of life issues have been considered paramount in our management. However, West Virginia's lodge operations are obviously an excellent example of the need to improve our services.

We take some issue with the comparison of our occupancy rates with those of national resort/hotel/motel occupancy rates. Although interstate access has improved in West Virginia, one should not minimize the lack that still exists in convenient access to many parks. The parks were not developed with ease of access in mind, and the location of lodges cannot be compared with resorts which have developed with a business eye to this type of convenience. We are also aware that many other states are not in the business of operating lodges. For example, Georgia, which can benefit from year-round golfing, has only two lodges in the state run parks. And Pennsylvania has recently made the decision to not construct or operate lodge facilities on its parks.

In response to your discussion of lack of winter business, you are completely accurate in the review of terribly low occupancy rates. We take some exception, however, to your characterization of revenues generated from golfers. The months of May through October also coincide with traditional months of travel, hiking, biking, camping and the other uses at the parks. To help us evaluate this business, we are currently in a transitional year as we begin a system of relating costs of separate facility operation with its revenues. This will enable us to determine the costs versus revenues for the various "activity centers" or cost centers in each park. Surprisingly, this capability has not previously been possible and should offer a beneficial management tool.

The need for improved and expanded facilities and infrastructure cannot be overstated. The ideas of special events and marketing to hunters and anglers are equally on target. An admittedly dated report prepared in 1979 by the West Virginia University Bureau of Business Research on the economic impact of West Virginia state parks credited the system with contribution of \$33.5 million yearly to the state's economy. Adjusted for inflation, these figures of course would be higher. By comparison, a study conducted by the U.S. Fish and Wildlife Service and an independent study by Southwick Associates reveals that hunting and fishing

activities provide net revenues of approximately \$240 million into the state's economy. State parks have an annual visitation of about 9.5 million, while there are roughly 800,000 hunters and anglers.

With regard to opportunities created through the development of special events and activities, we agree with your assessment of this need. For example, Oglebay has made a concerted effort over the past ten to fifteen years to develop winter business through series of training seminars and the highly successful Winter Festival of Lights. To prepare for any improved winter business, we know facilities are needed. The proposal which has been presented for use of bond funds has incorporated the need for infrastructure and several of the parks with good potential for winter business will benefit from this type of development.

In summary, as the performance evaluation states, there is much room for improvement and additional emphasis of lodging sales during the winter months, and in several instances year round. The following are the intentions of DNR relative to each of the specific recommendations which correspond to Issue Area 1:

**Recommendation 1** - Assign all resort and lodge parks to a single administrator with an educational and employment background in resort/hotel/motel management.

**Response** - DNR will place these areas under one administrator. We will, however, expand the educational background to allow the necessary flexibility in operation of state parks and in recognition of existing Division of Personnel requirements for classified service.

**Recommendation 2** - Require the park system administrator to determine infrastructure needs at the resorts and lodge parks to increase occupancy rate during winter months.

**Response** - Agree.

**Recommendation 3** - Require the park system administrator to develop an overall strategic business plan to include an individual marketing plan.

**Response** - Agree.

**Recommendation 4** - Require Parks to being aggressively marketing lodges and resorts to hunters and anglers.

**Response** - Agree. We will contract with local meat processing shops for the storage of game, to immediately offer these services. We also foresee broad based marketing to include senior citizens, mountain bikers, etc. to be addressed in marketing plans.

**Recommendation 5** - Modify policy of not paying travel agents for making reservations.

**Response** - Agree. Though we currently offer this commission, the low rate of

participation is indicative of a lack of knowledge of the availability of this incentive.

**Recommendation 6** - Develop incentive pay plan for staff to pay all of the individual park's employees a bonus.

**Response** - The Division of Personnel will only allow incentive pay up to the limits of pay grades. This significantly limits the inducement generally afforded in incentive and commission packages.

**ISSUE AREA 2: SUPERINTENDENTS AND ASSISTANT SUPERINTENDENTS SHOULD BE REALLOCATED DURING HUNTING SEASONS TO ASSIST LAW ENFORCEMENT AND A REVIEW IS NEEDED TO DETERMINE WHICH PARKS DO NOT NEED ASSISTANT SUPERINTENDENTS.**

**Recommendations 7 & 8** - Review every park as to its needs for a superintendent and assistant. Reassign the same during winter months to DNR's Law Enforcement Section.

**Response** - Agree to extent practical. Several of the parks currently have shared superintendent responsibilities. These include Beartown and Droop Mountain; Blackwater, Canaan Cathedral and Fairfax Stone; Greenbrier River Trail, Calvin Price, Cass and Seneca. We are also looking at combined efforts at other areas and further analysis will continue to address this need.

Many park superintendents currently serve as special conservation officers on their own areas. Work with the Law Enforcement Section will be initiated to determine how these responsibilities can be better coordinated and what additional training is needed.

**ISSUE AREA 3 THE CHIEF, DEPUTY CHIEF AND DISTRICT ADMINISTRATORS HAVE MANAGED THE PARKS SYSTEM BY MONTHLY REPORTS AND FEW SITE INSPECTIONS.**

As a result of this evaluation and internal analysis of parks Charleston office operations, the need to improve these functions is evident. The material collected by PERD concerning surrounding state park systems is very informative and will serve as benchmarks for West Virginia's operations. We want to note, however, that the report does not address the numbers of state office staff in addition to district administrators. South Carolina, for example has a total of 42, Maryland has 40, and North Carolina has 60. These numbers compare to West Virginia's total of 23.

The analysis of numbers of park visits and percentage of time away from the Charleston office are most beneficial and will be incorporated in an evaluation and possible reorganization of assignment.



**Recommendation 9** - Determine the need for district administrators and possible reassignment to field offices within current alignment of DNR districts.

**Response** - Agree.

**Recommendation 10** - Require the chief and deputy chief to visit each park at least once per year.

**Response** - Agree.

**Recommendation 11** - Chief should be required to provide a quarterly summary of park activities to the DNR Director.

**Response** - Agree.

**ISSUE AREA 4 PARKS HAS FAILED TO STANDARDIZE OR COMPLETE INSPECTION REPORTS.**

**Recommendation 12** - Establish and implement standardized reporting procedures for on-site visits by all district administrators.

**Response** - Agree.

**ISSUE AREA 5 INTERNAL CONTROLS GOVERNING REVENUE ARE WEAK.**

**Recommendation 13** - Adopt accounting procedures and managerial procedures which should be compiled in an operations manual.

**Response** - Agree.

**Recommendation 14** - Conduct a cost/benefit analysis of employing an internal auditing staff.

**Response** - Agree.

**ISSUE AREA 6 UPPER MANAGEMENT' INTERACTION WITH THE PARKS FOUNDATIONS PROGRAM IS WEAK AND NEEDS IMPROVEMENT.**

**Recommendation 15** - An evaluation of the foundations should be made to determine what involvement from upper-level management would strengthen this resource.

**Response** - Agree.

**Recommendation 16** - Upper management should personally contact foundation

members to determine what can be done to revitalize their group.

**Response** - Agree.

**ISSUE AREA 7 THE TRANSFER OF THE PARK SYSTEM TO DNR CREATED DUPLICATION OF CERTAIN ADMINISTRATIVE FUNCTIONS.**

DNR disagrees with this analysis. The performance evaluation confuses the routine clerical and logistical support functions of much of the DNR Administrative Section with the various aspects that necessitate the involvement of Parks Section. Each section within DNR has staff whose functions support those provided by the Administrative Section.

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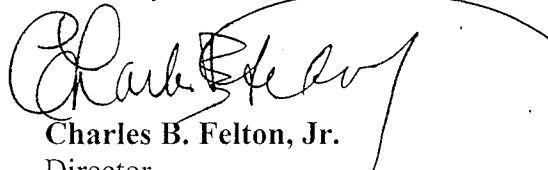
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**Response** - Agree.

In closing, let me again thank you for your intensive work on this report. There is much of value to consider and to implement. If you have questions or would like to further discuss these points, please let us know. We look forward to continuing to work with you and the Joint Committee on Government Operations to continue to improve operations of our state's parks.

Sincerely,



**Charles B. Felton, Jr.**  
Director

CBF:bpm



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July 8, 1996

Dr. Antonio Jones, Director  
 West Virginia Legislature  
 Performance Evaluation and Research Division  
 Building 5, Room 751A  
 1900 Kanawha Boulevard, East  
 Charleston, West Virginia 25305-0592

**RECEIVED**

JUL 9 1996

**RESEARCH AND PERFORMANCE  
 EVALUATION DIVISION**

Dear Dr. Jones:

Thank you for the opportunity to provide this response to the performance evaluation of the Parks and Recreation Section of the Division of Natural Resources. This response is offered in addition to our earlier suggestions on correction of errors.

We appreciate the obvious effort expended by you and your staff on this extensive evaluation of the operations within the parks system. We believe West Virginia offers its citizens one of the nation's finest state park systems. As we prepare to enter the 21st Century, it is most helpful to have the benefit of your evaluation and recommendations. Although there will be some areas of disagreement on fine points, we have found that your report is most thorough and highly worthy of implementation.

Our responses to each Issue Area and specific recommendations are as follows:

**ISSUE AREA 1: PARKS SYSTEM NEEDS TO OPERATE ITS LODGES ON A MORE BUSINESS LIKE BASIS.**

The operation of the state park system is certainly a hotel/motel business. The system essentially operates 51 small communities with their own water and sewer systems, security services, other community and business function as noted in your report, and the oversight and stewardship of the state's natural resources. Chapter 20 of the State Code states that purposes of the system "shall be to promote conservation by preserving and protecting natural areas of unique or exceptional scenic, scientific, cultural, archaeological or historic significance and to provide outdoor recreational opportunities for the citizens of this state and its visitors."

West Virginia's parks system encompasses the widest variety of functions of any state



system in the country, providing day-use, historical, camping, and lodge parks. With this diversity in mind, your report is right on target that a more business like attitude is needed in our management, particularly with regard to lodge operations. The evolution of considering governmental functions as businesses has not been widespread in many areas and the recommendations contained in this report reflect the mentality which has existed in our parks management since its inception in the 1950s and 60s. This is not stated to reflect criticism on the hard work and accomplishments of the dedicated parks staff. Rather it is a reflection of the need for incorporating a business attitude in governmental functions.

The diversity of West Virginia's park system makes this business attitude difficult to implement in many parks functions. Nationally, state park systems find it difficult to see a direct economic benefit to state governments, or for them to experience self-sufficiency. Traditionally, self-sufficiency and operating systems on a revenue generating basis have not been a consideration or a goal. Rather, the overall quality of life issues have been considered paramount in our management. However, West Virginia's lodge operations are obviously an excellent example of the need to improve our services.

We take some issue with the comparison of our occupancy rates with those of national resort/hotel/motel occupancy rates. Although interstate access has improved in West Virginia, one should not minimize the lack that still exists in convenient access to many parks. The parks were not developed with ease of access in mind, and the location of lodges cannot be compared with resorts which have developed with a business eye to this type of convenience. We are also aware that many other states are not in the business of operating lodges. For example, Georgia, which can benefit from year-round golfing, has only two lodges in the state run parks. And Pennsylvania has recently made the decision to not construct or operate lodge facilities on its parks.

In response to your discussion of lack of winter business, you are completely accurate in the review of terribly low occupancy rates. We take some exception, however, to your characterization of revenues generated from golfers. The months of May through October also coincide with traditional months of travel, hiking, biking, camping and the other uses at the parks. To help us evaluate this business, we are currently in a transitional year as we begin a system of relating costs of separate facility operation with its revenues. This will enable us to determine the costs versus revenues for the various "activity centers" or cost centers in each park. Surprisingly, this capability has not previously been possible and should offer a beneficial management tool.

The need for improved and expanded facilities and infrastructure cannot be overstated. The ideas of special events and marketing to hunters and anglers are equally on target. An admittedly dated report prepared in 1979 by the West Virginia University Bureau of Business Research on the economic impact of West Virginia state parks credited the system with contribution of \$33.5 million yearly to the state's economy. Adjusted for inflation, these figures of course would be higher. By comparison, a study conducted by the U.S. Fish and Wildlife Service and an independent study by Southwick Associates reveals that hunting and fishing

activities provide net revenues of approximately \$240 million into the state's economy. State parks have an annual visitation of about 9.5 million, while there are roughly 800,000 hunters and anglers.

With regard to opportunities created through the development of special events and activities, we agree with your assessment of this need. For example, Oglebay has made a concerted effort over the past ten to fifteen years to develop winter business through series of training seminars and the highly successful Winter Festival of Lights. To prepare for any improved winter business, we know facilities are needed. The proposal which has been presented for use of bond funds has incorporated the need for infrastructure and several of the parks with good potential for winter business will benefit from this type of development.

In summary, as the performance evaluation states, there is much room for improvement and additional emphasis of lodging sales during the winter months, and in several instances year round. The following are the intentions of DNR relative to each of the specific recommendations which correspond to Issue Area 1:

**Recommendation 1** - Assign all resort and lodge parks to a single administrator with an educational and employment background in resort/hotel/motel management.

**Response** - DNR will place these areas under one administrator. We will, however, expand the educational background to allow the necessary flexibility in operation of state parks and in recognition of existing Division of Personnel requirements for classified service.

**Recommendation 2** - Require the park system administrator to determine infrastructure needs at the resorts and lodge parks to increase occupancy rate during winter months.

**Response** - Agree.

**Recommendation 3** - Require the park system administrator to develop an overall strategic business plan to include an individual marketing plan.

**Response** - Agree.

**Recommendation 4** - Require Parks to be aggressively marketing lodges and resorts to hunters and anglers.

**Response** - Agree. We will contract with local meat processing shops for the storage of game, to immediately offer these services. We also foresee broad based marketing to include senior citizens, mountain bikers, etc. to be addressed in marketing plans.

**Recommendation 5** - Modify policy of not paying travel agents for making reservations.

**Response** - Agree. Though we currently offer this commission, the low rate of

participation is indicative of a lack of knowledge of the availability of this incentive.

**Recommendation 6** - Develop incentive pay plan for staff to pay all of the individual park's employees a bonus.

**Response** - The Division of Personnel will only allow incentive pay up to the limits of pay grades. This significantly limits the inducement generally afforded in incentive and commission packages.

**ISSUE AREA 2: SUPERINTENDENTS AND ASSISTANT SUPERINTENDENTS SHOULD BE REALLOCATED DURING HUNTING SEASONS TO ASSIST LAW ENFORCEMENT AND A REVIEW IS NEEDED TO DETERMINE WHICH PARKS DO NOT NEED ASSISTANT SUPERINTENDENTS.**

**Recommendations 7 & 8** - Review every park as to its needs for a superintendent and assistant. Reassign the same during winter months to DNR's Law Enforcement Section.

**Response** - Agree to extent practical. Several of the parks currently have shared superintendent responsibilities. These include Beartown and Droop Mountain; Blackwater, Canaan Cathedral and Fairfax Stone; Greenbrier River Trail, Calvin Price, Cass and Seneca. We are also looking at combined efforts at other areas and further analysis will continue to address this need.

Many park superintendents currently serve as special conservation officers on their own areas. Work with the Law Enforcement Section will be initiated to determine how these responsibilities can be better coordinated and what additional training is needed.

**ISSUE AREA 3 THE CHIEF, DEPUTY CHIEF AND DISTRICT ADMINISTRATORS HAVE MANAGED THE PARKS SYSTEM BY MONTHLY REPORTS AND FEW SITE INSPECTIONS.**

As a result of this evaluation and internal analysis of parks Charleston office operations, the need to improve these functions is evident. The material collected by PERD concerning surrounding state park systems is very informative and will serve as benchmarks for West Virginia's operations. We want to note, however, that the report does not address the numbers of state office staff in addition to district administrators. South Carolina, for example has a total of 42, Maryland has 40, and North Carolina has 60. These numbers compare to West Virginia's total of 23.

The analysis of numbers of park visits and percentage of time away from the Charleston office are most beneficial and will be incorporated in an evaluation and possible reorganization of assignment.

**Recommendation 9** - Determine the need for district administrators and possible reassignment to field offices within current alignment of DNR districts.

**Response** - Agree.

**Recommendation 10** - Require the chief and deputy chief to visit each park at least once per year.

**Response** - Agree.

**Recommendation 11** - Chief should be required to provide a quarterly summary of park activities to the DNR Director.

**Response** - Agree.

**ISSUE AREA 4 PARKS HAS FAILED TO STANDARDIZE OR COMPLETE INSPECTION REPORTS.**

**Recommendation 12** - Establish and implement standardized reporting procedures for on-site visits by all district administrators.

**Response** - Agree.

**ISSUE AREA 5 INTERNAL CONTROLS GOVERNING REVENUE ARE WEAK.**

**Recommendation 13** - Adopt accounting procedures and managerial procedures which should be compiled in an operations manual.

**Response** - Agree.

**Recommendation 14** - Conduct a cost/benefit analysis of employing an internal auditing staff.

**Response** - Agree.

**ISSUE AREA 6 UPPER MANAGEMENT' INTERACTION WITH THE PARKS FOUNDATIONS PROGRAM IS WEAK AND NEEDS IMPROVEMENT.**

**Recommendation 15** - An evaluation of the foundations should be made to determine what involvement from upper-level management would strengthen this resource.

**Response** - Agree.

**Recommendation 16** - Upper management should personally contact foundation

members to determine what can be done to revitalize their group.

**Response - Agree.**

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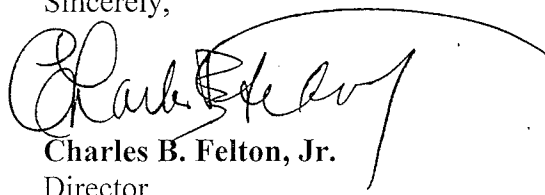
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