



August 2009
PE 09-05-451

LEGISLATIVE PERFORMANCE REVIEW
WEST VIRGINIA DIVISION OF NATURAL RESOURCES
Parks and Recreation Section

AUDIT OVERVIEW

Deferred Maintenance Within the Park System Has Reached a Level to Where the State Should Consider Implementing Options to Address the Concerns

The Parks and Recreation Section of the Division of Natural Resources Has Made Progress in Complying with Previous Recommendations



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EXECUTIVE SUMMARY

Issue 1: Deferred Maintenance Within the Park System Has Reached a Level to Where the State Should Consider Implementing Options to Address the Concerns.

The Performance Evaluation and Research Division (PERD) conducted site visits at 10 state parks, one state forest and one river trail. The site visits revealed strengths and weaknesses of the West Virginia State Park System. The strengths of the Park System are customer satisfaction, customer service, park beauty, staff hospitality and the variety of recreational activities. This has led to many repeat visitors at many parks. The Park System weaknesses in the parks visited were identified as deferred maintenance, aging buildings, risks to historic structures, and old equipment, all of which have led to a deterioration of facilities.

The State Park System is comprised of 49 separate recreational areas, including 35 state parks, 7 state forests, 5 wildlife management areas, the Greenbrier River Trail and the North Bend River Trail. Total expenditures for the Park System in FY 2008 were \$35.3 million. Most of these expenses are paid for with park-generated revenue, which was approximately \$21.2 million in FY 2008. The shortfall in park-generated revenue is covered by state appropriations, which was \$14.1 million in FY 2008. The financial constraints that exist in the Park System have contributed to the deterioration of facilities and deferred maintenance. Some buildings have already reached the point where they cannot be restored and are no longer viable.

The Legislature has made an effort to periodically provide supplemental appropriations to help maintain the Park System. However, the appropriations have not been sufficient to keep pace with the growing maintenance needs. The Legislative Auditor has identified some actions to address the maintenance needs such as increasing legislative appropriations, changing statutory authority to allow the West Virginia Division of Natural Resources to sell state park land, eliminating the Hawks Nest Golf Course lease and introducing entrance fees at select parks. Of these options the most viable are eliminating the golf lease and establishing entrance fees at certain state parks to enhance park-generated revenue. West Virginia is one of 10 states that does not charge park entrance fees. This would be a significant source of revenue for needed maintenance.

The Park System weaknesses in the parks visited were identified as deferred maintenance, aging buildings, risks to historic structures, and old equipment, all of which have led to a deterioration of facilities.

The financial constraints that exist in the Park System have contributed to the deterioration of facilities and deferred maintenance.

The Legislative Auditor has identified some actions to address the maintenance needs such as increasing legislative appropriations, changing statutory authority to allow the West Virginia Division of Natural Resources to sell state park land, eliminating the Hawks Nest Golf Course lease and introducing entrance fees at select parks.

Issue 2: The Parks and Recreation Section of the Division of Natural Resources Has Made Progress in Complying with Previous Recommendations

The Performance Evaluation and Research Division evaluated the Parks and Recreation Section in 1996, 1999 and 2001. This issue is an update of the Compliance Review of the Division of Natural Resources Parks and Recreation Section's November 2001 report. While reviewing the Parks System during the course of this audit, the Legislative Auditor revisited two recommendations from the 1996 report that would be beneficial in helping the Parks System deal with financial shortfalls and deferred maintenance issues. In 2001 the Legislative Auditor indicated that Parks was in planned compliance with the 1996 original recommendations of the Parks System needing to operate its lodges on a more business-like basis and the system not having enough site inspections from the parks chief.

It is the Legislative Auditor's opinion that the Park System is now in compliance by operating its lodges on a more business-like approach. The Park System has established temporary game checking stations at 12 state parks, attempted to open restaurants early during hunting season at two locations, established special lodging rate hunting packages, trained lodge employees to be knowledgeable about local hunting and fishing sites at two parks and offered hunting seminars at all park lodges.

Since 1996, it has been the Legislative Auditor's opinion that the parks chief and or deputy chief should visit each park at least once per year. The Legislative Auditor reviewed site visits since 2003 and the parks chief has not visited all of the parks in the system in one year. The Legislative Auditor concludes that the system is in partial compliance to the 1996 recommendation.

While reviewing the Parks System during the course of this audit, the Legislative Auditor revisited two recommendations from the 1996 report that would be beneficial in helping the Parks System deal with financial shortfalls and deferred maintenance issues. The Park System is now in compliance by operating its lodges on a more business-like approach.

Since 1996, it has been the Legislative Auditor's opinion that the Parks Chief and or Deputy Chief should visit each park at least once per year. The system is in partial compliance.

Recommendations

1. *The Legislative Auditor recommends that the West Virginia Division of Natural Resources Parks and Recreation Section cancel the lease agreement and turn the operations of the Hawks Nest golf course facility back to the owner.*

2. *The Legislative Auditor recommends that the West Virginia Legislature consider implementing the options identified in this report that will increase revenue to meet the maintenance needs of the Parks System and allow greater flexibility to parks administration in managing its budget.*

OBJECTIVE, SCOPE & METHODOLOGY

Objective

Pursuant to Chapter 4, Article 2, Section 5 of the *West Virginia Code* the Legislative Auditor initiated a Performance Review of the West Virginia State Parks System. The objective of this review was to describe the operation of state parks, including recent facility improvements, the number of visitors to the Park System, the number of employees in the Park System, inspect various state park properties, and examine the revenues and expenditures of the Park System.

Scope

The scope of this review covers fiscal years 2003 through 2008 for the operating budget, attendance, and Hawks Nest Golf Course revenue and expenses. The scope of this review also covers fiscal year 2008 for the number of Park System employees, vehicles, occupancy rates, the number of restaurants, lodges, lodge rooms, cabins, cottages, golf course holes, the amount of money spent on advertising, and the financial performance of state park lodges, cabins and restaurants.

Methodology

The Performance Evaluation of the West Virginia Division of Natural Resources Parks and Recreation Section was initiated due to concerns over deterioration of park facilities as well as safety risks to visitors and employees. The Legislative Auditor's staff visited 10 state parks (Beech Fork, Blennerhassett Island, Cacapon Resort, Canaan Valley, Cass Scenic Railroad, Chief Logan, Hawks Nest, North Bend, Pipestem, and Twin Falls), one state forest (Kanawha) and one river trail (North Bend). Site visit information and park superintendent interviews were used to document park strengths and weaknesses. The West Virginia Department of Administration's Finance Division provided the Legislative Auditor with the fixed assets for all park property and land managed by the Parks and Recreation Section of the Division of Natural Resources. The Legislative Auditor obtained information from the Division of Natural Resources Parks and Recreation Section concerning the Parks operational budget, individual park attendance figures and the Hawks Nest Golf Course revenue and expenses for fiscal years 2004 to 2008. The Parks and Recreation Section also provided fiscal year 2008 information regarding the number of employees at each park, the number of vehicles used at each park, the amount spent on advertising,

the occupancy rates for each lodge park, the financial performance of park-operated state park lodges, cabins and restaurants for fiscal year 2008. The 2008 National Association of State Park Director's Annual Information Exchange was used for national data on individual states park generated revenue, appropriated funds, total operating expenses, number of lodges, number of lodge rooms, number of park restaurants, number of golf course holes, state park acreage and user fee information. The Legislative Auditor also reviewed the Board of Risk and Insurance Management's loss reports and Shirmer Engineering Corporation loss prevention reports from fiscal years 2003 to 2007.

ISSUE 1

Deferred Maintenance Within the Park System Has Reached a Level to Where the State Should Consider Implementing Options to Address the Concerns.

Issue Summary

The Performance Evaluation and Research Division (PERD) conducted site visits at 10 state parks, one state forest and one river trail. The site visits provided the PERD staff with an understanding of the strengths and weaknesses of the State Park System. The Park System has a number of strengths such as customer service, park beauty and a variety of recreational activities that have led to many repeat visitors. The primary weakness of the Park System is deferred maintenance, which has resulted in aging and non-viable buildings, safety concerns and risks to historic structures. The deferred maintenance is directly attributed to insufficient funds. In FY 2008, park-generated revenue was approximately \$21.2 million, which was approximately 60 percent of the \$35.3 million in total expenditures. The revenue shortfall was paid by State appropriations of \$14.1 million. Although this funding level allows for annual park improvements, it is not adequate to keep pace with the rate of deterioration in equipment and facilities. Although this review identifies some cost-cutting measures that should be considered, and Park System management is attempting to enhance park-generated revenue through improvements of various facilities, these efforts will not be sufficient to address the growing maintenance needs of the Park System. West Virginia needs to consider additional financial options to address the maintenance needs of the Park System. These options include increasing legislative appropriations, changing statutory authority to allow the West Virginia Division of Natural Resources to sell state park land, eliminating the Hawks Nest Golf Course lease and introducing entrance fees at select parks. Of these options, eliminating the golf course lease and charging entrance fees may be the most viable.

The Park System has a number of strengths such as customer service, park beauty and a variety of recreational activities that have led to many repeat visitors. The primary weakness of the Park System is deferred maintenance, which has resulted in aging and non-viable buildings, safety concerns and risks to historic structures.

Background

In the United States the creation of state parks and protected lands managed by state government agencies arose in the late 19th century. The National Park Service hosted the first National Conference

of State Parks in 1921. The conference created interest and by 1925, every state had begun to formulate park development plans. Droop Mountain Battlefield became West Virginia's first state park in 1928. In the early 1930's West Virginia began acquiring land for state parks. West Virginia's State Park System established guidelines and rules in 1933 when it became one of the divisions of the Conservation Commission of West Virginia. According to West Virginia Code §20-5-3, the purpose of the West Virginia Division of Natural Resources Parks and Recreation Section is 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. The establishment of the Civilian Conservation Corps (CCC) in 1933 by President Roosevelt placed young men to work on many state lands to develop state parks. The CCC worked on 16 West Virginia state park system areas during the 1930's to build cabins, roads, facilities and walking trails.

The West Virginia State Park System is now comprised of 49 separate recreational areas, including 35 state parks, 7 state forests, 5 wildlife management areas, the Greenbrier River Trail and the North Bend River Trail. West Virginia's state parks, forests, and wildlife management areas are located in all areas of the Mountain State. The Park System offers visitors a wide variety of facilities and recreational activities and is also a place of employment for state citizens. At the conclusion of FY 2008, there were approximately 414 full-time workers and 440 full-time equivalent seasonal workers employed at state parks, state wildlife management areas and state forests.

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The West Virginia Park System Is Distinctive

West Virginia is one of only four state park systems with the responsibility of operating a combination of state parks, forests and wildlife management area facilities. The West Virginia park system averages over 3,900 acres per park site. The Park System creates recreational opportunities for visitors that may not be offered in their local communities, such as golf courses, tennis courts, swimming pools, hiking, fishing, hunting or horseback riding.

Features	Amount	National Ranking
Average Acreage Per Park	3,977	7 th
Self-Sufficiency	60%	11 ^{th*}
Park Restaurants	12	6 th
Total Lodges	12	2 nd
Total Lodge Rooms	868	2 nd
Total Cabins/Cottages	341	6 th
Golf Course Holes	108	6 th
<i>Source: 2008 National Association of State Park Directors Annual Information Exchange.</i>		
<i>*West Virginia is 11th in self-sufficiency without the use of entrance fees.</i>		

Compared to the rest of the country, West Virginia's park characteristics rank in the top 10 in many categories (see Table 1). West Virginia is also 11th in self-sufficiency despite not charging entrance fees. Nine of the 10 states that are more self-sufficient than West Virginia charge entrance fees. Of the states that do not charge entrance fees, West Virginia ranks second in self-sufficiency (see Table 2). Although the average self-sufficiency percentage is 40 percent for the 10 state parks systems that do not charge entrance fees, it should be noted that the average is skewed positively because of Kentucky's and West Virginia's relatively high percentages. The median self-sufficiency percentage may be a better central measure of self-sufficiency for these 10 state park systems, which is 35 percent. As can be seen, West Virginia is significantly higher in self-sufficiency compared to other state park systems that do not charge entrance fees.

Table 2
State Park Self-Sufficiency Rankings
For State Park Systems That Do Not Have Entrance Fees

State	Park Generated Revenue	Appropriated Funds	Total Operating Expenses	Self Sufficiency
Kentucky	\$61,996,680	\$27,978,400	\$89,975,080	69%
West Virginia	\$21,229,122	\$14,102,127	\$35,331,249	60%
Tennessee	\$37,638,000	\$46,954,300	\$84,592,300	44%
Ohio	\$29,885,203	\$43,904,212	\$73,789,415	41%
Illinois	\$23,493,000	\$33,628,100	\$57,121,100	41%
Alaska	\$2,269,400	\$5,647,200	\$7,916,600	29%
Iowa	\$3,863,566	\$11,549,512	\$15,413,078	25%
Washington	\$15,861,313	\$53,667,603	\$69,528,916	23%
Pennsylvania	\$16,609,000	\$66,814,000	\$83,423,000	20%
Missouri	\$5,300,959	\$24,113,276	\$29,414,235	18%
Average	\$21,814,624	\$32,835,873	\$54,650,497	40%

Source: 2008 National Association of State Park Directors. Self-sufficiency calculated by the Legislative Auditor.

Sixty-four superintendents manage the parks. A park superintendent is not only responsible for the maintenance of the park but also the business management of the park as well. Each park superintendent is responsible for the security and law enforcement of the park, in addition to preparing and approving work reports, purchasing documents, payrolls, revenue and expenditure reports, developing employee training, making recommendations for repairs or renovations of structures, and in most cases providing services to the lodges, cabins, restaurants and golf courses. An individual who is currently employed by the Division of Natural Resources can substitute the minimum training of a four-year college degree with high school graduation and at least four years full-time or equivalent part-time paid experience directly related to the area of assignment. Kentucky and Ohio also substitute the educational requirement with required experience on a year-to-year basis.

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According to the Parks Chief, prior to 1993 the superintendent's education was exclusively resource management or parks and recreation degrees. Expanding the variety of superintendents' education and background to include degrees such as business administration, public administration, resort management, travel management, or a related managerial field was a Parks initiative to create a more diverse collection of park managers. According to DNR the current park superintendents qualified through the following:

- Parks and Recreation Degree (32)
- Biology, Forestry or Wildlife Degree (10)
- Travel Industry Management Degree (2)
- Business, Social Science or Related Work Experience (20)

The sizeable terrain, substantial number of lodge parks, lodge rooms and recreational activities creates diverse facilities to maintain. The requirements of maintaining the large, aging system are difficult and ongoing. Limited funding for maintenance creates a constant challenge, but the park administrators and superintendents should be commended for continuing to manage one of the most self-sufficient and well-rated park systems in the country.

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Site Visits Reveal Strengths and Weaknesses of the Park System

During the course of the audit, staff members of the PERD visited 10 state parks (Beech Fork, Blennerhassett Island, Cacapon Resort, Canaan Valley, Cass Scenic Railroad, Chief Logan, Hawks Nest, North Bend, Pipestem, and Twin Falls), one state forest (Kanawha) and one rail trail (North Bend). Nine park superintendents were interviewed, and tours were taken at all of the 10 facilities.

Based on interviews with park superintendents, most visitors are satisfied with the Park System. The following were noted strengths of the Park System:

- *customer satisfaction,*
- *recreational opportunities,*
- *staff hospitality,*
- *customer service,*
- *beauty of the park,*
- *emotional connection,*
- *keyless entry to lodge rooms, and*
- *computer upgrades for reservations.*

Comment cards filled out by guests and either mailed to the Charleston, WV Park Headquarters Office or dropped off at the respective park offices are one way the West Virginia Division of Natural Resources Parks and Recreation Section evaluates customer satisfaction. At the conclusion of calendar year 2008, there were 2,243 comment cards received. Ninety-five percent of respondents indicated the park where they stayed was good to excellent. Eighty-two percent felt the staff was courteous, 86 percent reported they would stay at that park again, 84 percent felt the prices were reasonable and not one visitor felt the park area was poor.

The number and wide variety of recreational activities are also strengths of the Park System. Recreational opportunities for park visitors include playgrounds, hiking, biking, golf courses, basketball courts, tennis courts, miniature golf, skiing, cross-country skiing, sled runs, horse stables, swimming pools and fitness centers. Despite the strengths of the Park System, and assuming that the 10 state parks visited by the PERD audit team are representative of the system as a whole, there are a number of areas where improvements are needed to provide park facilities that are attractive and safe for park visitors. Park superintendents and PERD staff noted that the following park weaknesses were:

- *deferred maintenance,*
- *aging buildings,*
- *old equipment,*
- *old vehicles,*

Recreational opportunities for park visitors include playgrounds, hiking, biking, golf courses, basketball courts, tennis courts, miniature golf, skiing, cross-country skiing, sled runs, horse stables, swimming pools and fitness centers.

- risks to historic structures,
- safety risks to visitors, and
- non-viable buildings.

Maintenance Problems Seen Throughout Parks Visited by Auditor

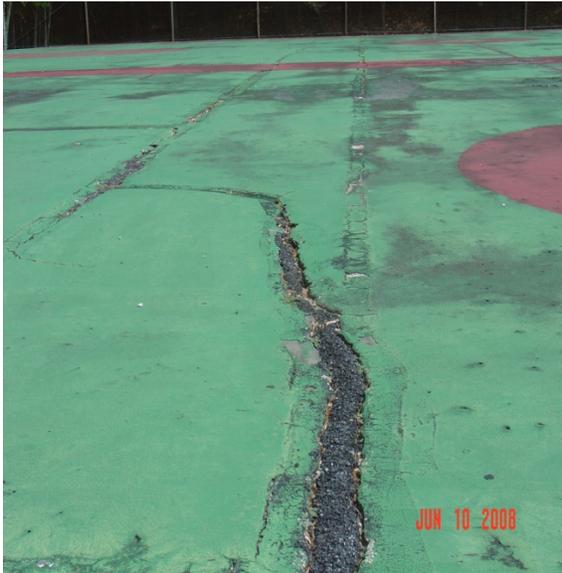
Deferred maintenance of park facilities is a significant concern for park superintendents. Deferred maintenance is the failure or delay to perform needed repairs or maintenance as part of the normal management for park facilities until funds are available. Competing with neighboring park systems for visitors requires continual attention to the condition of facilities. A North Bend State Park restroom facility, pictured below, shows the need for structural repair¹. North Bend's Park Superintendent reported that *"Due to funding restraints we have deferred maintenance issues throughout the park, predominately in back of the house areas and buildings."*

Deferred maintenance is the failure or delay to perform needed repairs or maintenance as part of the normal management for park facilities until funds are available.



North Bend State Park Bathroom

¹It was reported to the PERD staff at the exit conference that repairs have been made to the bathroom since the site visit.



Pipestem State Park Basketball Court



Canaan Valley Resort Lawnmower

The practice of postponing repairs can allow machinery or infrastructure to deteriorate. This was discovered throughout the parks visited by PERD staff. Maintenance that is deferred presents an unsightly appearance and may result in safety concerns or poor service to the public.

During FY 2008, over 390,000 individuals visited Pipestem State Park in Summers County. Pipestem is the fourth most visited state park but according to the park superintendent a weakness of the park is deferred maintenance. One of many cracks within the public basketball court at Pipestem is pictured above. The public tennis courts also contain cracks and are in need of repair. The budget request to repave both by FY 2010 is \$140,000. This project was listed in the park's three-year repair/equipment replacement plan budget request but 25 items have a higher priority on the plan. The project as of February 2009 had not been addressed. If untreated, the popular basketball and tennis courts at Pipestem State Park could become a safety hazard and their usefulness is diminishing.

At Canaan Valley Resort State Park and Blackwater Falls State Park, both of which are in Tucker County, the superintendent's lawn mowers are "...over 15 years old at both facilities." Canaan Valley Resort State Park extends over 6,000 acres. If the mowers are not working properly, and a portion of the park is not mowed for some time, this condition is unsightly for visitors. The superintendent also commented

on the maintenance of the mowers by stating “*Staff time could be better spent looking to other issues in the park.*” A Canaan Valley mower, which is over 18 years old, is pictured above. At the time of the audit team’s visit, two of the three mowers at Canaan Valley were in the shop for repairs. The park superintendent has placed this project as his number one priority within the latest three-year equipment/repair plan budget request. However, the lawn mower replacement became less of a priority because the golf course was becoming unplayable due to drainage problems and the West Virginia Department of Environmental Protection made recommendations to consolidate multiple sewer plants into one treatment facility. Therefore, Park System administrators were forced to allocate a little more than \$2 million through FY 2009 on golf course drainage renovations and the consolidation of sewage treatment facilities.



A Viable Cass Logging Home in Need of Repair

Historic Structures Are At Risk

Another weakness of the Park System is that various historic structures are at risk. The entire town of Cass, West Virginia is owned by the State and is one of the last remaining historic logging towns in the United States. According to a 2009 letter to the Parks Chief, the Preservation of Alliance of West Virginia (PAWV) wrote,

...significant progress has been made in rehabilitating historic structures in the Cass Historic District during the last six years. According to a recent report, nearly all have seen renovation and stabilization to varying degrees during this period.

The PAWV applauded the park’s leadership and commented that the renovations have “...improved the visitor experience in historic Cass.” However, park administrators indicate that challenges remain. A former home of a logging family in Cass is pictured above. The house was identified as a viable structure in 2007, with subsequent repairs to the foundation stabilizing the structure for future renovations. According to the superintendent, dozens of buildings in Cass have been stabilized in the last few years but current funding and staffing levels only allow one full renovation per year. Full renovation, including furnishings has been estimated to be \$22,000 per building. There are 20 logging homes available for overnight rental and the maintenance demands of a rental unit are prioritized over repairs to a stabilized structure. Without additional staff or funding, historic structures such as the one pictured may not be renovated for some time, creating the possibility of additional deterioration. The town’s sawmill operation employed hundreds of men in the early 1900’s. West Virginia Code §20-5-21(4) states “That

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A Non-Viable Cass Logging Home

historic buildings, structures, and sites in the town of Cass should be identified, studied, preserved and protected for the general welfare of the residents of this state and this nation.” The Park Superintendent reported that the intent was for Cass to become a little Williamsburg, VA “...through utilization of its many historic buildings a variety of activities and living history demonstrations would recreate for the visitor the aura of a turn of the century logging town, has not been fully realized to this point.” A major problem with the continued development is the heavily used two-lane road through town. According to the Park Superintendent, in order for the town to become a major tourist destination a bridge should be constructed to divert the commercial traffic around town. The 2003 estimated cost of constructing a bridge at this location was \$8 million.

Another picture above, of a logging home in Cass, shows a home that is considered non-viable or beyond repair by conventional means. A small no trespassing sign has been placed in the front of the home, but there is not much of a deterrent for visiting children or adults to get to the building, placing visitors at risk for falling debris. The superintendent reported that in 2007, a garage adjacent to a deteriorated home, collapsed during a light drizzle with no significant wind. According to the superintendent there are six structures that are unable to be repaired. Three of these structures are houses and have been reviewed by the State Historical Preservation Office. As of this date, the written report has not been formalized but the superintendent has reported that he expects all three to either be demolished or to collapse within a year or two. It should be noted that West Virginia Culture and History must approve any removal/demolition and such approval is pending. According to the three-year equipment/repair budget request, the stabilization of historic structures and buildings is placed as a high priority by both park administrators and the park superintendent. Over \$150,000 through FY 2009 is being made available to stabilize historic structures within the park. The most recent three-year budget request indicates preservation of the town is a high priority but with 12 miles of railroad track, 10 antique steam logging locomotives, 20 two-story logging homes available for overnight rental, the state parks largest gift shop, a company store and three cabooses for overnight rental, there is limited funding available for annual maintenance on the 80 historic buildings. At the conclusion of FY 2008, Cass’ expenditures exceeded revenues by over \$770,000. With additional funding for the previously stabilized structures, Cass could add to the total of logging homes for overnight rental. The park superintendent noted, “*At current rates and occupancy levels each house is generating about \$17,000 per year.*”

A small no trespassing sign has been placed in the front of the home, but there is not much of a deterrent for visiting children or adults to get to the building, placing visitors at risk for falling debris. The superintendent reported that in 2007, a garage adjacent to a deteriorated home, collapsed during a light drizzle with no significant wind.

Safety Concerns Can Exist For Park Visitors

At some of the state parks that the PERD staff visited, safety concerns were noticed. The safety concerns at Pipestem have already been discussed. Pictured below are the steps around the picnic shelter at Hawks Nest State Park, showing raised metallic pipes or poles which could cause an injury to visitors using the steps. Also pictured below is a picnic table, turned over, with nails protruding, found by PERD staff at Chief Logan State Park in Logan, West Virginia. The Parks Chief reported the system has a new picnic table replacement program for the 4,000 tables system-wide. Pictured on the next page, is faulty playground equipment at Chief Logan State Park that could possibly lead to injury if not repaired. Three handle grips that were not attached and one that was loose were found on the playground equipment, creating conditions which could cause a child to lose his or her grip and fall. Some of the concerns noted by the Legislative Auditor are routine maintenance issues that may not be immediately addressed but are a cost to the system.

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Chief Logan Picnic Table



Hawks Nest Picnic Area



Chief Logan Playground Equipment

Due to the recent legislative appropriation, a FY 2009 park administrator's improvement level request has received \$1.5 million for system-wide playground equipment replacement and picnic table replacements. Both repairs and replacements are currently being addressed at Chief Logan. However, the inability of the Park System to keep up with regular upgrades and its reliance on an infrequent supplemental appropriation to assist in park maintenance increase risks to visitor safety. Cass currently has six historical structures that are deemed unsafe for a park crew to work on due to their extremely deteriorated condition and the possibility of imminent collapse. However, visitors can walk close to these structures, placing visitors at risk in the event of a building collapse. The log cabin that formerly housed the museum at Hawk's Nest State Park has been empty since the museum's collection was split between the Division of Culture and History and the town of Ansted. The Hawks Nest Museum was officially moved to the town of Ansted in January 2007. Currently, the former museum building is in a state of disrepair with rotting logs and damaged masonry. This building is pictured in two views. The Parks and Recreation Section intend to repair the building although no funding or plan is yet in place. According to the Parks Chief, parks staff and the West Virginia Preservation Alliance staff plan to meet before the end of the year to discuss a joint project on the

However, the inability of the Park System to keep up with regular upgrades and its reliance on an infrequent supplemental appropriation to assist in park maintenance increase risks to visitor safety.

building. PERD staff also examined non-viable buildings at North Bend State Park. The Legislative Auditor believes that buildings that deteriorate and eventually become non-viable can lead to safety concerns and a negative perception of the Park System by the public. It is the Legislative Auditor's opinion that in order for Parks and Recreation to continue to attract visitors and compete with surrounding park systems, an increase in revenue or state appropriations is required to maintain park facilities.

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Hawks Nest Museum



Hawks Nest Museum

Several Options Are Available To Increase Funding For Annual Park Maintenance.

In order to address the major maintenance and renovation within the Park System, the Legislative Auditor identified several viable options that should be considered. These are:

- Increase the annual legislative appropriation.
- Grant statutory authority that allows park property to be sold if it is in the best interest of the Park System.
- Grant statutory authority to allow closure of state park managed facilities.
- Implement entrance fees for certain parks.

Increase Legislative Appropriation. Inadequate funding for the Park System has resulted in deferred maintenance over several years, which has in turn led to the observed deterioration of park facilities, buildings and equipment that were visited by the Legislative Auditor's staff. Currently, the Legislature provides general and special revenue appropriations totaling about \$13.7 million annually for the past five fiscal years (see Appendix E). Special revenue from Lottery funds totaling \$5 million for the State Park Improvement Fund is used for routine maintenance and major repairs and equipment replacements. The park administration has estimated that an additional \$3 million annually is needed and earmarked for the State Park Improvement Fund for major repairs and equipment replacement to address the deferred maintenance.

Amend Code to Allow Selling of Park Property and Resources. West Virginia Parks encompass valuable timber, oil, minerals and recreational areas and facilities. According to the West Virginia Department of Administration's Finance Division, park assets including land, equipment, buildings and infrastructure are valued at over \$138 million. Land assets alone are over \$10 million but the value of the land in some instances has not been reviewed in over 65 years. The Department of Administration's listing of asset values are the values at the time the assets came into the system. Consequently, they do not reflect the current value of park assets. The Parks Chief has estimated that the total dollar

Inadequate funding for the Park System has resulted in deferred maintenance over several years, which has in turn led to the observed deterioration of park facilities, buildings and equipment that were visited by the Legislative Auditor's staff.

The park administration has estimated that an additional \$3 million annually is needed and earmarked for the State Park Improvement Fund for major repairs and equipment replacement to address the deferred maintenance.

valuation of park system assets conservatively would run to at least a billion dollars. The Park System does not own all of the land in five park areas and does not have full mineral rights in ten parks. West Virginia's Park System includes 49 separate recreational areas, many of which are costly to manage and do not provide much revenue. Under certain conditions, it could be in the State's best interest to sell park property; however, current law prohibits this. It should also be noted that there may be restrictions to selling park property if a state park receives Land and Water Conservation Funds through the National Park Service of the U.S. Department of the Interior. According to West Virginia Code §20-1-7(13), while timber from some lands under state jurisdiction may be sold, timber cannot be sold from state parks and Kanawha State Forest. West Virginia Code §20-1-7(14) prohibits selling or leasing state park land for mineral consumption. West Virginia Code §20-5-2(b) also prohibits the DNR director from selling parks or recreational property. In some parks the mineral rights are reserved by the original owners and not available to the State. The concept of selling park property is not uncommon. New Hampshire is currently reviewing the possibility of selling or leasing 27 state parks to assist a system that does not utilize any appropriated funding. **It is the Legislative Auditor's opinion that in order to enhance the management of the state Park System, statutory authority should be granted to allow the DNR director to sell or lease park land and recreational facilities when it is in the best interest of the State.** Provisions could be made to require such transactions to be approved by a legislative committee.

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Grant Statutory Authority to Allow Closure of State Parks.

Passage of Senate Bill 775 during the 2008 legislative session clarified that state parks and forests cannot be closed without statutory authority. Each state park, forest and wildlife management area incurs expenses throughout the year. By the end of FY 2008, only two facilities, Beech Fork State Park and Chief Logan Lodge, generated more revenue than operating expenses. During FY 2008, the park-managed Wildlife Management Areas, with average self-sufficiency of 12 percent, cost \$400,000 more than the revenue they generated. State Forests, which are 34 percent self-sufficient, had expenses in excess of revenue of \$1.2 million. Although state parks overall are 68 percent self-sufficient, they had \$9.7 million more in expenses than revenue. The closure of state parks is not uncommon. California has recently proposed shutting down

220 state parks and Pennsylvania has proposed closing 35 of its 117 state parks. While closing a managed park facility would still incur some cost to control and protect the area and its facilities while it is closed, there would be net savings as a result of the closure. It is the Legislative Auditor's opinion that the authority to close West Virginia state parks would give parks administration more flexibility and additional management tools to address budgetary issues.

Implement Entrance Fees. Establishing entrance fees at certain state parks may be the most practical means to raise the additional revenue needed for the Park System. Further discussion of this option takes place later in the report.

Park-Generated Revenues Are Near the Maximum Percentage

Before concluding that there is a need for revenue enhancement or granting greater statutory authority to close parks or sell park property to address the deterioration in the Park System, the Legislative Auditor examined the extent to which cost-cutting measures and revenue enhancements of current operations can be taken to address the problem. In order to evaluate these issues, PERD examined the revenue structure of the Park System and also compared West Virginia's Park System to other state park systems. Table 3 shows the top 11 state park systems in terms of the percentage of total operating expenses that are covered by park-generated revenue (self sufficiency). **It is the Legislative Auditor's opinion that while several options for additional funding should be considered, the most viable options are the reduction of costly operations and the enactment of entrance fees.**

It is the Legislative Auditor's opinion that while several options for additional funding should be considered, the most viable options are the reduction of costly operations and the enactment of entrance fees.

Table 3
State Park Self-Sufficiency Ratings*
The Top 11 State Park Systems in the Country

State	Park-Generated Revenue	Appropriated Funds	Total Operating Expenses	Self Sufficiency
New Hampshire	\$7,370,936	\$0	\$7,370,936	100%
Vermont	\$6,703,054	\$932,694	\$7,665,748	87%
Indiana	\$40,127,500	\$12,845,859	\$52,973,359	76%
Michigan	\$33,303,683	\$11,272,817	\$44,576,500	75%
Wisconsin	\$14,723,900	\$6,438,010	\$21,161,910	70%
Kentucky	\$61,996,680	\$27,978,400	\$89,975,080	69%
Nebraska	\$12,946,329	\$6,750,361	\$19,696,690	66%
Alabama	\$24,790,936	\$14,813,208	\$39,603,976	63%
South Carolina	\$17,157,193	\$9,965,353	\$27,122,546	63%
South Dakota	\$8,775,785	\$5,277,528	\$14,053,313	62%
West Virginia	\$21,229,122	\$14,102,127	\$35,331,249	60%
National Average	\$18,553,469	\$30,530,059	\$49,099,007	42%

**Only the top 11 of the country are represented. The self-sufficiency for Maine, Rhode Island and Wyoming are not known because park-generated revenues are deposited in the general revenue fund for these states, therefore they are not included in the national average.*

Red highlighted states represent those that do not use entrance fees.

Source: 2008 National Association of State Park Directors. Self-sufficiency calculated by the Legislative Auditor.

For 2008, West Virginia's Park System self-sufficiency percentage was 60 percent. This self-sufficiency level has been consistently near 60 percent for several years (see Appendix E). Although West Virginia is ranked 11th in self-sufficiency, each state ranked ahead of West Virginia in Table 3, with the exception of Kentucky, uses substantial entrance fees as a means to increase revenue. Among the 10 state park systems that do not use entrance fees, West Virginia is second only to the state of Kentucky, and West Virginia is above the 40 percent average self-sufficiency percentage for those states (see Table 2). The State appropriates the remaining 40 percent of operating funds. The state appropriated funds are a significant share, but they are insufficient for most of the major repair and replacement costs of the Park System. In addition, state appropriations can be affected by economic downturns. The economic downturn across the country is

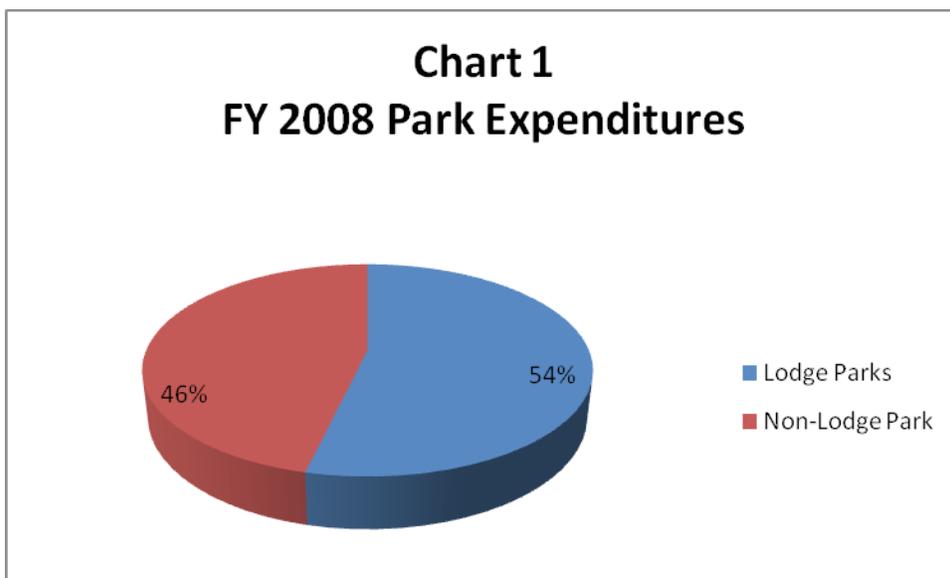
The state appropriated funds are a significant share, but they are insufficient for most of the major repair and replacement costs of the Park System.

seriously affecting state park systems. As of June 2009, a number of state parks have been identified for closure in California, Arizona, Florida and Washington due to declining state revenues. Some state park systems are reviewing ways to increase revenue. Nebraska’s state park system is reviewing increasing the cost of hunting and fishing permits and annual entrance fee permits. If the Oregon legislature approves a current budget submitted by the acting Governor, the Oregon state park system will raise daily user fees for the first time since 1996.

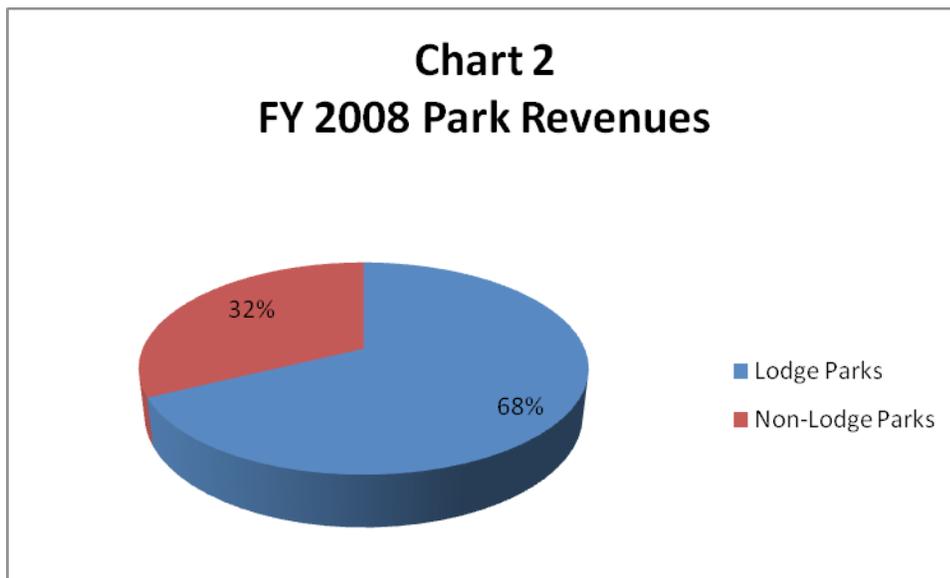
The West Virginia Park System is that it is comprised of two types of parks, lodge and non-lodge parks.

One of the distinct features of the West Virginia Park System is that it is comprised of two types of parks, lodge and non-lodge parks. The majority of the parks are non-lodge. Non-lodge parks have a relatively large percentage of total expenditures; yet, they generate a relatively small percentage of the system’s revenue. Although the number of lodge parks is only 10, they cost \$18.9 million or 54 percent of the system’s total expenditures (see Chart 1). Lodge parks have more buildings and recreational services to maintain. In an attempt to reduce expenses, the Park System administrators temporarily shut down three lodges during winter. The Tygart Lake Lodge and the Cacapon Inn Lodge are shut down during this time due to low occupancy. The Pipestem Mountain Creek Lodge is not open during the winter months due to inclement weather and the need to use a tram for visitors to access the lodge.

Non-lodge parks have a relatively large percentage of total expenditures; yet, they generate a relatively small percentage of the system’s revenue.



Lodge parks may cost more to manage but they are also the system's chief generator of revenue. During FY 2008, lodge parks were visited by 47 percent of the total park system's visitors. Golf courses are one of the system's main attractions and all of the park system's golf courses are located within lodge parks. During FY 2008, these parks generated \$14.3 million or over 67 percent of the total park generated revenue (see Chart 2).



In an attempt to take advantage of the high percentage of visitor attendance, Park System administrators increased lodge park amenities in order to increase visitor revenue by constructing indoor pools, exercise areas and hot tubs at Blackwater Falls, Chief Logan, and Pipestem State Park. This followed a 1996 Performance Evaluation in which the Legislative Auditor requested superintendents' views on how to increase winter occupancy. Superintendents at Cacapon, Hawks Nest, North Bend and Twin Falls State Parks indicated that it would be beneficial to construct an indoor pool, exercise area and hot tub at their locations. The Park System is currently attempting to attract more visitors to Twin Falls by expanding the lodge by 28 rooms and adding an indoor guest pool, hot tub and fitness center. Construction will conclude by September 2009. The Park System has not funded indoor recreation construction at Cacapon, Hawks Nest and North Bend. However, the Parks System is in

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the design stage to add more rooms, an indoor pool and spa at Cacapon.

In an effort to increase off-season occupancy, the Park System markets and advertises lodge parks throughout the country. During FY 2008, over \$330,000 was spent on advertising the Park System in the surrounding states' newspapers and throughout the country in national magazines. Despite marketing and advertising, off-season occupancy sales continue to be a challenge. Winter time lodge occupancy rates are typically lower than the rest of the year. According to Smith Travel and Research this is also normal among the United States Hotel Industry. The Park System has its lowest occupancy rates at park lodges during the months of December through February.² Some lodges are in isolated locations and most lack winter recreational activities. These factors make it difficult to attract winter occupants. Although the Park System offers a variety of winter room discount packages, lodge occupancy rates during the winter months have been consistently flat when compared to other years. The Park System's winter time lodge occupancy rate for FY 2008 was 29 percent, down one percent from the FY 2007 and up one percent from FY 1996³.

During FY 2008, West Virginia's overall lodge occupancy rate was 52 percent (see Table 4). This is slightly above the national average of 51 percent for state park systems with lodges (see Appendix C). Minnesota's lodge occupancy rate is the highest with 83 percent but it has only one lodge with 19 rooms. Ohio uses concessionaires to operate eight of its nine lodges, yet Ohio's occupancy rate is lower than the lodge occupancy rate in West Virginia. The United States hotel industry finished 2008 with a 60 percent average occupancy rate while the resort industry finished the year with a 66 percent average occupancy rate.

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² By definition, winter in the Northern Hemisphere is the coldest season of the year and occurs during the months of December, January and February.

³ The results do not include the Chief Logan lodge or Stonewall Resort lodge because they were not built in 1996.

Table 4
State Park System
FY 2008: Percentage Rates for Lodge Occupancy

Park	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Blackwater Falls	73%	76%	68%	85%	43%	28%	47%	43%	36%	42%	45%	63%
Cacapon	69%	68%	59%	70%	55%	26%	27%	43%	43%	54%	57%	63%
Cacapon Inn	71%	42%	33%	55%	-	-	-	-	-	-	33%	43%
Chief Logan	41%	38%	22%	45%	19%	15%	18%	25%	26%	52%	60%	75%
Hawks Nest	96%	90%	74%	87%	42%	24%	21%	38%	38%	48%	64%	82%
North Bend	59%	55%	54%	38%	39%	19%	16%	34%	35%	50%	42%	47%
Pipestem	86%	76%	68%	70%	44%	24%	31%	46%	39%	43%	62%	76%
Pipestem MC	63%	60%	50%	49%	-	-	-	-	-	-	42%	54%
Twin Falls	69%	76%	54%	69%	58%	19%	28%	32%	56%	59%	68%	70%
Tygart Lake	79%	71%	70%	60%	42%	24%	-	-	-	28%	58%	57%
Parks Monthly Average	71%	65%	55%	63%	43%	22%	27%	37%	39%	47%	53%	63%
Parks Annual Average*	52%											

Source: West Virginia Division of Natural Resources, Parks and Recreation Section.

Canaan Valley is managed by Guest Services Inc. through a concessionaire contract while Stonewall Jackson Resort is managed by Benchmark Hospitality through a qualified management agreement; neither was used within the table.

**Parks Annual Average is computed by the percentage of yearly rooms available to yearly rooms sold, not the average of the monthly averages.*

A distinguishing feature of the West Virginia Park System is that the number of lodges and lodge rooms are among the highest in the country. There are currently 20 states with at least one lodge that provides multiple unit hotel-style guest rooms. Table 4 shows the five states with the highest number of lodge parks. The table includes the total number of lodges that are park-operated and those that are managed by hospitality companies. **Seventy percent of the states surveyed have fewer than seven lodges located within their state.** West Virginia has 10 park-operated lodge parks, one park managed by a concessionaire contract (Canaan Valley) and one park operated under a qualified management

agreement (Stonewall Resort). According to the West Virginia Parks and Recreation Chief, the State does not provide maintenance at Stonewall Resort but provides maintenance at Canaan Valley on the exterior of the park lodge, park grounds and provides the park with water and sewer treatment. The funding needed to cover annual maintenance and improvements for the 10 park-operated lodges and their 432 lodge rooms is inadequate. Pipestem’s superintendent reported that of the 113 rooms in McKeever Lodge, 70 have been fitted with ironing boards, hair dryers, tiled flooring in the bathrooms and larger televisions. The remaining 43 rooms will be upgraded when funding becomes available.

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**Table 5
Top Five State Park Systems
In Terms of the Number of Lodge Parks**

State	Number of Lodges	Total Number of Lodge Rooms	Annual Lodge Park Occupancy Rate	State Park System Self Sufficiency
Kentucky	18	920	50%	68%
West Virginia	12	868	52%	60%
Ohio	9	818	43%	39%
Illinois	9	589	54%	28%
Georgia	7	347	48%	51%

Source: 2008 National Association of State Park Directors Annual Information Exchange and Individual State Park Systems.

Canaan Valley is managed by Guest Services Inc. through a concessionaire contract while Stonewall Jackson Resort is managed by Benchmark Hospitality through a qualified management agreement; neither was used within the table for percentage calculations.

The Legislative Auditor reviewed the FY 2008 financial performance during both the annual and the winter season for West Virginia Park operated lodges and cabins, the financial winter season performance of park operated lodges only, and the financial performance of West Virginia Park operated lodge restaurants. While the annual performance of the lodges and cabins produced revenue of over \$1.4 million, the winter months showed a far reduced income of only \$14,404 for combined lodges and cabins and a large loss of \$225,012 in revenue

from the lodges alone during the three winter months. Blackwater Falls lodge was the only lodge that did not lose money during December, January and February.

Table 6
Annual Revenue and Expenses
FY 2008: Financial Performance For Park-Operated West Virginia State Park Lodges and Cabins

Park	Revenue	Expenses	Profit/(Loss)
Blackwater Falls	\$1,643,437	\$1,025,912	\$617,525
Cacapon (2 lodges)	\$1,240,503	\$1,203,436	\$37,067
Chief Logan Lodge	\$845,365	\$796,642	\$48,723
Hawks Nest	\$476,769	\$368,538	\$108,231
North Bend	\$486,861	\$533,421	(\$46,560)
Pipestem (2 lodges)	\$2,617,358	\$1,954,934	\$662,424
Twin Falls	\$523,804	\$550,038	(\$26,234)
Tygart Lake	\$336,449	\$297,428	\$39,021
System Wide Totals	\$8,170,546	\$6,730,349	\$1,440,197

Source: West Virginia Division of Natural Resources Parks and Recreation Section.

The Legislative Auditor evaluated the expenditures for park operated lodges and cabins to determine if they have led to the overall budget problems. Although the annual revenue from combined lodging (lodges and cabins) shows net revenue of over \$1.4 million (see Table 6), combined lodging during the winter months shows net revenue of only \$14,003 (see Table 7). The Executive Secretary of the Division of Natural Resources explained the method of obtaining the year-end comparison as follows:

DNR Administrative and Parks staff have...refine(d) a cost center accounting report by which direct expenses (utilities, direct labor, routine repairs, as examples) and indirect overhead (percentage of management effort; park-wide maintenance and support staff, etc.) could be assigned to various cost centers including lodges, cabins and golf.

Parks reports that it is uncommon for the hospitality industry to attempt to charge indirect administrative and support over-head to such cost centers but they believe their assessment will be effective in determining the overall efficiency of certain cost centers. According to the Parks cost center report, North Bend and Twin Falls lodges and cabins lose money annually (Table 6). Table 7 demonstrates that during a FY 2008 three-month span from December through February, the amount made by cabin rentals still left the three parks with a combined total loss of over \$78,000. As a result of having ski resorts in close proximity, Blackwater Falls is the only state park that ends the winter months with a profit from lodges and cabins.

Table 7
FY 2008: Financial Performance For Winter Months of West Virginia State Park Operated Lodges and Cabins

Park	December	January	February	Profit/(Loss)
Blackwater Falls	\$24,646	\$118,347	(\$11,748)	\$131,245
Cacapon (2 lodges)	\$3,025	(\$16,880)	(\$6,586)	(\$20,441)
*Chief Logan Lodge	N/A	N/A	N/A	N/A
Hawks Nest	\$6,725	(\$1,111)	(\$7,670)	(\$2,056)
North Bend	(\$9,386)	(\$11,958)	(\$16,926)	(\$38,270)
Pipestem (2 lodges)	(\$16,864)	(\$2,877)	(\$32)	(\$19,773)
Twin Falls	(\$6,523)	(\$14,741)	\$4,249	(\$17,015)
Tygart Lake	(\$6,604)	(\$15,850)	\$2,767	(\$19,687)
System Wide Totals	(\$4,981)	\$54,930	(\$35,946)	\$14,003

Source: West Virginia Division of Natural Resources Parks and Recreation Section.

**Chief Logan Lodge is currently not part of the Division Activity Report, and not fully integrated into the cost accounting report, therefore only annual totals can be obtained.*

The restaurants of these facilities lose money during the winter months as well. Four of the five park-operated restaurants lost over \$41,000 during the winter months of December through February of FY 2008 (see Table 8).

Park	December	January	February	Profit/(Loss)
Blackwater Falls	(\$8,749)	(\$4,124)	(\$8,771)	(\$21,644)
Cacapon	(\$4,023)	(\$10,109)	(\$3,812)	(\$17,944)
Chief Logan Lodge	\$29,191	\$156	\$9,609	\$38,956
North Bend	(\$5,359)	(\$11,191)	(\$8,153)	(\$24,703)
Tygart Lake	(\$6,250)	(\$5,723)	(\$3,973)	(\$15,946)
System Wide Totals	\$4,810	(\$30,991)	(\$15,100)	(\$41,281)

*Source: West Virginia Division of Natural Resources Parks and Recreation Section
The Parks Section utilizes a calendar year manual reporting system of restaurant expenses and revenues.*

West Virginia has two lodge parks that were not part of the Legislative Auditor's financial evaluation. Both Canaan Valley and Stonewall Resort are managed by hospitality services. Canaan Valley is managed by Guest Services Incorporated. Guest Services is a hospitality management company that provides administrative services for museums, hotels, resorts, conference centers, government dining centers, college and university campus dining and specialty retail stores. Guest Services is contractually obligated to pay the Park System and manage Canaan Valley Resort until December, 31, 2013. Since FY 2003, annual payment by Guest Services to the West Virginia State Park System has averaged over \$600,000.

The original park at Stonewall Jackson was built in 1990 but had difficulty generating revenue. McCabe-Henley Properties of Charleston, West Virginia, through a bond-issuing agency, sold \$42 million in bonds to private markets and investors. The State provided a total of \$23.5 million through grants and loans to build a resort. In 1997, McCabe-Henley Properties selected Benchmark Hospitality International to manage Stonewall Jackson State Park and Resort.

Winter occupancy of West Virginia state park lodges has declined by one percent in the past fiscal year. Blackwater Falls is the only state park that ends the winter months with a profit in lodging sales. Winter lodging sales at Blackwater Falls helped offset the losses at other state parks during FY 2008. The Park System currently closes three lodges during winter months to reduce expenditures. The Park System is also attempting to increase winter time revenue by adding rooms and constructing an indoor recreational facility at Twin Falls State Park. Winter losses are typical among the hotel industry and shutting down additional lodges when the system generates revenue may lead to a negative public perception of the Park System. Although the Park System could choose to close additional lodges, it is apparent that such measures would not be sufficient to address the ongoing Park System need to maintain and equip the parks and lodges. **In order to address the deferred maintenance problem, the system needs additional revenue.** The Legislative Auditor concludes that additional revenue may help fund construction of indoor recreation at three lodges and assist in addressing maintenance concerns.

Although the Park System could choose to close additional lodges, it is apparent that such measures would not be sufficient to address the ongoing Park System need to maintain and equip the parks and lodges. In order to address the deferred maintenance problem, the system needs additional revenue.

Park System Receives \$5 Million Annually For Maintenance from Legislative Appropriation

Park System equipment replacement, repairs and maintenance for all parks is funded annually through the \$5 million State Parks Improvement Fund, and occasional special supplemental appropriations from the Legislature. Individual park superintendents find competing priorities within their own parks for funding routine and emergency equipment replacements and repairs. For major projects, the Park System prepares a fiscal year budget request with a prioritized improvement level budget request identifying major park repair needs. These are reviewed by the Division of Natural Resources (DNR) Director and, if approved, may be included in the DNR budget request. According to the DNR Director “*Although not often funded, the review and approval of the same as part of DNR’s internal process, helps provide a prioritized template from which to choose major repairs if and when funds do become available.*”

According to the DNR, the process for park repair is influenced by many factors including:

- park superintendent requests,
- regulatory agency compliance orders on dams or sewer systems,

- Americans with Disabilities Act legal requirements,
- Board of Risk Management Loss Prevention Inspection requirements, and
- park district administrator's field inspections.

Park superintendents suggest annual routine and strategic maintenance priorities. They also make suggestions for major repairs, equipment replacement and improvement costs that are placed into a regular Parks' three-year repair/equipment replacement plan budget request which is funded through the State Parks Improvement Fund.

The State Parks Improvement Fund is designated to be used in the following way:

- \$2.2 million for routine improvements, and
- \$2.8 million for equipment and major projects.

An additional source of funding for park projects and maintenance is an occasional supplemental appropriation approved by the Legislature. The most recent supplemental appropriation was for \$12 million approved in March 2008. Park superintendents prioritize projects but administrators may fund other projects. Projects listed on repair requests can sometimes be deferred for years. The Legislative Auditor reviewed the latest three-year equipment/repair budget request. It covered FY 2008 through 2010, with FY 2010 not yet being budgeted for at the time of the request. Earlier equipment/plan budget requests were not available. Park superintendents ranked by priority those projects they felt needed to be addressed by the end of FY 2010. Parks provided information to the Legislative Auditor that detailed the individual projects that had been fully completed or partially completed.

Park superintendents prioritize projects but administrators may fund other projects. Projects listed on repair requests can sometimes be deferred for years.

Elimination of Hawks Nest Golf Course Could Save \$180,000 Annually

The Legislative Auditor reviewed a potential cost cutting measure that may benefit the Park System. During the last five fiscal years, the operating cost of the nine-hole golf course at Hawks Nest State Park has created additional losses within the Park System (see Table 9). The

golf course was operated by a private corporation and was offered for sale in 1996, however there were no buyers. The private corporation leased the golf course to the State on November 2, 2000 for one dollar. The lease was supported by the Legislature in an effort to save the old private club. Membership was declining because of golfer preference for newer, regional 18-hole courses. The facility is now operated by the Park System and staffed with a civil service state employee as the facility manager.

**Table 9
FY 2004-2008: Hawks Nest Golf Course Profit/Loss**

Fiscal Year	Golf Course Revenue	Golf Course Expenses	Golf Course Profit/(Loss)
*2003	N/A	N/A	N/A
2004	\$18,875	\$209,666	(\$190,791)
2005	\$36,425	\$233,869	(\$197,444)
2006	\$43,892	\$235,158	(\$191,266)
2007	\$39,283	\$189,602	(\$150,319)
2008	\$41,924	\$220,794	(\$178,870)

*Source: West Virginia Division of Natural Resources Parks and Recreation Section.
* Hawks Nest Golf Course experienced flooding.*

A public golf course such as Hawks Nest State Park is open to any member of the public at any time; a daily fee is required for the number of holes to be played. According to the 2002 United States Census golf course statistics, there are 12,261 private and public golf courses in the country, 94 of which are in West Virginia. The national average self-sufficiency for private and public golf courses is 76 percent. Hawks Nest State Park Golf Course average self-sufficiency since FY 2003 has been 17 percent. The Hawks Nest Golf Course budget is separate from Hawks Nest State Park budget but the operating expenditures and capital expenditures continue to absorb an annual average of over \$200,000 from the Park System.

Hawks Nest State Park Golf Course average self-sufficiency since FY 2003 has been 17 percent. The Hawks Nest Golf Course budget is separate from Hawks Nest State Park budget but the operating expenditures and capital expenditures continue to absorb an annual average of over \$200,000 from the Park System.

Hawks Nest has one full-time employee and four seasonal employees whose annual salaries and benefits total \$120,000. According to the lease agreement signed in 2000, the lessee may terminate the lease for good cause. If all personnel were removed according to Hawks Nest State Park records, the annual savings would be \$170,000 to \$180,000.

If only the part-time staff was eliminated and the full-time position was moved to another capacity at Hawks Nest, the annual savings would be \$118,000 to \$130,000. The cost savings to the Park System by terminating all personnel over the course of five years is approximately \$900,000, while only removing the part-time staff can save the system up to \$650,000. According to the park superintendent, terminating the lease will also save the park from future costly infrastructure improvements to meet federal and state regulations at the course by updating the public restrooms, inserting facility-wide electrical upgrades, becoming ADA compliant and constructing a new golf course parking lot with lighting. **In order to remove the cost to the Park System, consideration should be given to eliminating the lease agreement.**

Entrance Fees Are an Important Revenue Source for Most States Parks

Although the Park System is above the national average of self-sufficient state park systems, West Virginia's state parks need additional revenue to make repairs that are being deferred in many parts of the system. In order to raise additional maintenance revenue, the State could consider implementing an entrance fee at certain state parks. The Park System established a pilot entrance fee program at Stonewall Jackson State Park in 1989. The fee continued through the transition to private management and is still collected by management at Stonewall Jackson. The Park System does not receive any revenue from the entrance fee since it is privately managed. Entrance fees have become widely accepted as a means to maintain state park systems. The National Park System also charges entrance fees. West Virginia is one of 10 states that do not charge day-use, or entrance fees (see Appendix D), while 40 state park systems have implemented entrance fees. **States utilizing entrance fees receive over one-quarter of their operating funds from entrance fees⁴.** States take a variety of approaches, charging vehicle rates and rates per person. California and Colorado utilize a flat-rate fee per vehicle. California's fees range from \$2 to \$10 per vehicle based on the particular park used. Colorado's fees range from \$3 to \$7 per vehicle. New Mexico uses a flat fee of \$5 per person. Wisconsin charges a flat-rate fee per vehicle but distinguishes between residents and non-residents. Wisconsin residents are charged \$5 to \$7 per vehicle, while non-residents are charged \$5 to \$10 per vehicle and buses are charged up to \$14. Of the \$10.9 million obtained

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Entrance fees have become widely accepted as a means to maintain state park systems.

⁴Wells, Margaret. 2009b. "Parks and Recreation in the United States: The National Park System," RFF Backgrounder (January 2009).

from park-generated revenue in New Hampshire, over \$4 million is from park entrance fees.

Since FY 2004, attendance has declined within the West Virginia state park system (see Table 10). According to Parks, attendance rates are calculated using an attendance calculation formula developed by a West Virginia University statistics professor. Overnight guest counts in cabins, lodge rooms and campsites are used with traffic surveys which are conducted every five years at each park. The formula is then used for the next five years to obtain an estimated monthly park attendance. Based on West Virginia park attendance data, a flat fee of \$1.00 per person at certain state parks could have generated gross revenue of over \$1 million during FY 2008.

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Fiscal Year	State Parks	State Forests	Wildlife Management Areas	Total
2004	5,916,986	839,805	472,578	7,229,369
2005	5,977,556	847,562	469,744	7,294,862
2006	5,660,234	724,516	340,433	6,725,183
2007	5,490,190	701,293	239,460	6,430,943
2008	5,762,883	675,424	259,300	6,697,607

Source: West Virginia Division of Natural Resources Parks and Recreation Section

Flexible fees can be implemented according to the day of the week, time of the year or the particular park. Free access could be permitted for children under a certain age and for senior citizens, or for all attendees on certain days. The Park System could also provide annual passes, similar to the National Park System, for a set fee.

The Park System evaluated the use of park entrance fees in 2004 in order to predict the amount of revenue that could be generated. Traffic counter numbers from FY 2003 were used to compile information on two possible levels of entrance fee implementation. The methodology used by the Parks System was to calculate the number of overnight guests entering a park and subtract this number from the total attendance at the

park. Parks also subtracted day-use golfers (based on the number of rounds played) and restaurant patrons (based on staff observation). The assumptions of the study were that no fee would be charged for overnight lodge, cottage or camping guests, daily golf or restaurant users.

The Park System estimated net revenue in locations with high attendance, high non-resident visitation, no “back door” or easily “closed” access, a single entry point already in place, and parks where the entry point could be easily constructed. The first scenario charged \$3 per vehicle at four parks (Blackwater Falls State Park, Cacapon State Park, Coopers Rock State Forest and Pipestem State Park). After estimated expenses including the cost of a gate attendant, uniforms, workers compensation, utilities, engineering services and in-house construction, the estimated net revenue was over \$600,000. The second scenario increased the number of parks, wildlife management areas and state forests to 12 (Babcock State Park, Bluestone State Park, Camp Creek State Park, Chief Logan State Park, Little Beaver State Park, North Bend State Park, Twin Falls Resort, and Valley Falls State Park). The estimated net revenue using both scenarios was over \$1.2 million. Since the last study was based on expenses that existed five years ago, Parks should conduct another study to determine the estimated net revenue using current expenses.

The state Park System has maintained a self-sufficiency rate of nearly 60 percent for several years, for which the park administration and its staff should be commended. However, this level of self-sufficiency and the level of legislative appropriations have been insufficient to keep pace with maintenance needs, thus resulting in deferred maintenance for several years.

Conclusion

The Park System needs an additional \$3 million annually for significant park maintenance needs. The Legislative Auditor’s review of some parks suggests that there are areas in the Park System that present a poor appearance to visitors, risks to historic structures and safety concerns to visitors, which indicates a need for increased investment in repairs and renovations. In the present economic climate, with the possibility of increased state budgetary restrictions in the future, the Parks System cannot rely on special appropriations to fix its most serious maintenance problems. Instead, it must strive toward as much self-sufficiency as possible. The state Park System has maintained a self-sufficiency rate of nearly 60 percent for several years, for which the park administration and its staff should be commended. However, this level of self-sufficiency and the level of legislative appropriations have been insufficient to keep pace with maintenance needs, thus resulting in deferred maintenance for several years. The Legislative Auditor has presented several options to increase revenue for park maintenance, including raising the annual appropriation, changing state Code to allow for sale of land and assets,

closing parks, eliminating Hawks Nest golf course and enacting entrance fees. The most viable of these options are the elimination of the Hawks Nest golf course, which would provide an ongoing savings to the Park System, and the implementation of entrance fees. Amending the agency's statutory authority to allow for the sale of park property and to close state parks would give the agency greater flexibility in addressing budgetary issues.

Recommendations

- 1. The Legislative Auditor recommends that the West Virginia Division of Natural Resources Parks and Recreation Section cancel the lease agreement of the Hawks Nest Golf Course facility and turn the operations back to the owner.*
- 2. The Legislative Auditor recommends that the West Virginia Legislature consider implementing the options identified in this report that will increase revenue to meet the maintenance needs of the Parks System and allow greater flexibility to parks administration in managing its budget.*

ISSUE 2

The Parks and Recreation Section of the Division of Natural Resources Has Made Progress in Complying with Previous Recommendations

Issue Summary

PERD has previously evaluated the Parks and West Virginia Recreation Section of the Division of Natural Resources in 1996, 1999 and 2001. Both reports conducted in 1999 and 2001 were compliance reviews of the 11 recommendations from the 1996 report. By 2001, all but two original recommendations were deemed to be in compliance. This issue is an update of the Compliance Review of the Division of Natural Resources Parks and Recreation Section November 2001 report. It is conducted in accordance with *WVC* § 4-2-5.

The purpose of this update is to determine whether or not the agency has complied with the remaining two recommendations that were not deemed to be in planned compliance as of 2001. The 2001 compliance update identified the Parks System was in planned compliance on the following issues from the original 1996 report:

- Issue 1: The Parks System Needs to Operate Its Lodges on a More Business-like Basis.
- Issue 2: The Chief, Deputy Chief, and District Administrators Have Managed the Parks System by Monthly Reports and Few Site Inspections.

TABLE 11
Levels of Compliance
<u>In Compliance</u> - The Division has corrected the problems identified in the final draft of the audit report.
<u>Partial Compliance</u> - The Division has partially corrected the problems identified in the final draft of the audit report.
<u>Planned Compliance</u> - The Division has not corrected the problem but has provided sufficient documentary evidence to find that the agency will do so in the future.
<u>In Dispute</u> - The Division does not agree with either the problem identified or the proposed solution.
<u>Non-Compliance</u> - The Division has not corrected the problem identified in the final draft of the audit report.

The Division of Natural Resources Parks and Recreation Section are **In Compliance** with Recommendation 4 and in **Partial-Compliance** with Recommendation 7 at the present time.

The Parks System Needs to Operate Its Lodges on a More Business-like Basis

The Legislative Auditor released a report on the Parks System in 1999 containing several recommendations. In 2001, the Legislative Auditor completed a compliance review of the 1999 report and found the Parks System to be in compliance with two recommendations and in partial compliance with two recommendations. While reviewing the Parks System during the course of this audit the Legislative Auditor revisited two recommendations deemed to be in planned compliance from the 2001 compliance review that would be beneficial in helping the Parks System deal with financial shortfalls and deferred maintenance issues.

While reviewing the Parks System during the course of this audit the Legislative Auditor revisited two recommendations deemed to be in planned compliance from the 2001 compliance review that would be beneficial in helping the Parks System deal with financial shortfalls and deferred maintenance issues.

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.

Level of Compliance: In Compliance

While the Parks System has taken steps to comply with the above recommendation, there has been no uniform effort and most attempts have been unsuccessful. DNR has established a game checking station at 12 areas (North Bend State Park, Camp Creek State Park, Plum Orchard Wildlife Management Area, Greenbrier State Forest, Kanawha State Forest, Chief Logan State Park, Panther State Forest, Laurel Lake Wildlife Management Area, Seneca State Forest, Watoga State Park, Kumbrabow State Forest and Bluestone State Park). Parks Systems officials have indicated that there is a preference not to infringe or take away business from local game checking stations and that “...*there is just not that much benefit to having game checking stations at parks.*” Blackwater Falls and Pipestem have both attempted early breakfast hours but the attempts were not successful due to a lack of customers between early breakfast hours and the normal time that other guests arrive for lunch. North Bend’s restaurant is open early the first three days of hunting season but loses money.

Hunting packages have been implemented at Pipestem but the majority of the lodge parks are not in prime hunting areas.

Hunting packages have been implemented at Pipestem but the majority of the lodge parks are not in prime hunting areas. Parks Systems officials stated that North Bend always sells out during deer gun hunting season. Officials also stated that “*cabins appear to be much more popular (than lodge rooms)...*” Stonewall Jackson State Park will be having another controlled deer hunt this year to thin the deer population around the park. If the event is successful, similar controlled hunts will be developed at other parks.

Some parks do have game storage facilities. Twin Falls, North Bend, and Pipestem have game storage facilities available. North Bend has a shelter, Pipestem will make some storage coolers available upon request and according to the Parks Chief, Twin Falls has storage facilities available but requests have never been made.

Most lodge employees are not trained to be knowledgeable about hunting and fishing but they do have some basic knowledge. The exceptions are Cacapon and Pipestem; clerks at Cacapon are educated about local hunting areas and also sell hunting and fishing licenses. Front desk staff at Pipestem has been made very familiar with fishing opportunities in the area. There is no public hunting area within an hour drive of Twin Falls. As a result, Parks System officials feel that there is no need to train employees there about hunting and fishing opportunities

within the region. Parks Systems officials stated that this recommendation was not practical *“because it would be very difficult to attain the level of knowledge needed to captivate the interest of true hunter.”*

DNR has in the past or does currently offer hunting seminars at most state park lodges, usually in cooperation with DNR Wildlife and Law Enforcement. These events are not held during peak season because it is generally a busy time for these DNR employees. The events are usually held during the day and generate little revenue at the park.

The Parks System is taking steps to better promote and market the lodges within the system, such as special rates and packages, but implementation is generally left up to individual superintendents. As a result, there are special discounts and packages available at some parks but not at others. Blackwater Falls has implemented a special year-round “Armed Services R&R Package.” No other park has implemented this package yet. Some parks also have special anniversary and honeymoon packages or outdoor adventure packages consisting of rafting, canoes, or horseback rides, while others, such as Hawk’s Nest, offer no packages at all.

The Parks System is taking steps to better promote and market the lodges within the system, such as special rates and packages, but implementation is generally left up to individual superintendents.

The Chief, Deputy Chief, and District Administrators Have Managed the Parks System by Monthly Reports and Few Site Inspections

In the 1999 report, the Legislative Auditor stated that the Park Chief, as well as the District Administrators, managed the parks more by reports than by inspections. The Legislative Auditor made the following recommendation:

Recommendation 7:

The Chief and/or Deputy Chief should be required to visit each park at least once per year with additional visits to parks that have decreasing self-sufficiency rates or have a low customer 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.

Level of Compliance: Partial Compliance

Fully implementing this recommendation has proven difficult for the park administration.

Recommendation 7 of the original 1999 report was based on a valid concern and that concern remains valid. However, fully implementing this recommendation has proven difficult for the park administration. An analysis of park visits by the Chief shows field visits have increased since the 1999 report. Table 12 below provides the number of visits conducted by the Chief. It does not include Wildlife Management Areas and Forests managed by the Parks System.

Table 12 Parks Visits for Chief							
	Parks in System	FY 2008 Field Visits	FY 2007 Field Visits	FY 2006 Field Visits	FY 2005 Field Visits	FY 2004 Field Visits	FY 2003 Field Visits
Visits	35	11	12	13	7	5	8

The Parks System has three District Administrators (DAs) who are responsible for managing their respective districts. The position of Deputy Chief has been eliminated. Two districts are regional and one district is the lodge park system. While the DAs visit the parks more often than the Chief does, there are still several parks that have not been visited by either the Chief or DAs during certain years.

Neither the Chief nor a DA visited Twin Falls during FY 2007 or Stonewall Jackson in FY 2005 or FY 2006. The Chief has not visited Audra, Babcock, Beartown, Blennerhassett Island, Carnifex Ferry, Cass, Tu Endie Wei, and several other parks in consecutive years. Capacon, Hawk's Nest, Stonewall Jackson, and Twin Falls were not visited by a DA in FY 2007 or FY 2006. Canaan Valley has not been visited by a DA since FY 2004.

The Legislative Auditor recognizes the difficulties the parks administration has in complying with recommendation 7. The Parks and Recreation Section is a relatively small administrative office compared to similar state park systems. According to data on state central office staffing, other similar states have an average of 17 professional staff positions compared to West Virginia's 6 professional staff positions. The elimination of the positions of deputy chief, operations chief, and chief of grants and special operations has saved the Parks System money, but it has placed these positions' responsibilities on other staff, primarily on the chief position. Furthermore, DA positions have had long vacancies or reassignments at times that have affected visitations of state parks. The park administration has acknowledged the importance of park visitations and indicated that it will attempt to comply with recommendation 7 to the extent it is possible.

The Legislative Auditor recognizes the difficulties the parks administration has in complying with recommendation 7. The Parks and Recreation Section is a relatively small administrative office compared to similar state park systems.

Conclusion

The Parks System markets itself to hunters and fishermen where applicable. Some attempts have been made to better market to hunters and fishermen but have been largely unsuccessful. Attempts at managing the lodge parks more like businesses are generally left up to individual superintendents to decide. Some parks offer numerous special rates and packages while others offer few or none resulting in a general lack of uniformity across the entire Parks System.

Although progress has been made and the number of field visits has improved, the Legislative Auditor acknowledges that the parks chief and the district administrators are unable to visit each parks at least annually as recommended. Several parks have gone consecutive years without visitations by administrative staff. The Legislative Auditor still contends that it is not in the best interest of the Parks System to have extended periods of time without visitations by administrative staff. However, under the current central office staffing levels, the Legislative Auditor recognizes that the park administration is doing the best it can under the current circumstances and will strive to meet the intent of recommendation 7 to the extent it is possible.

Appendix A: Transmittal Letter

WEST VIRGINIA LEGISLATURE *Performance Evaluation and Research Division*

Building 1, Room W-314
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305-0610
(304) 347-4890
(304) 347-4939 FAX



John Sylvia
Director

August 5, 2009

Mr. Ken Caplinger, Chief
West Virginia Parks and Recreation
Division of Natural Resources
324 Fourth Avenue
South Charleston, WV 25303

Dear Mr. Caplinger:

The report on the West Virginia Parks and Recreation Section of the Division of Natural Resources will be presented to the Joint Committee on Government Operations and Joint Committee on Government Organization on Wednesday, August 12, 2009. The meeting will take place from 2 pm to 4 pm in the House Chamber. A representative of your agency is expected to be present at the meeting to respond to the report and to answer any questions by the Committees. If you have any questions, please feel free to call me at 304-347-4890.

Sincerely,

A handwritten signature in blue ink that reads "John Sylvia".

John Sylvia

CC: Frank Jezioro, Director
Division of Natural Resources

JS/bb

Joint Committee on Government and Finance

Appendix B: State Park Self-Sufficiency Ratings

State Park Self-Sufficiency Ratings*				
State	Park Generated Revenue	Appropriated Funds	Total Operating Expenses	Self Sufficiency
New Hampshire	\$7,370,936.00	\$0.00	\$7,370,936.00	100%
Vermont	\$6,703,054.00	\$932,694.00	\$7,665,748.00	87%
Indiana	\$40,127,500.00	\$12,845,859.00	\$52,973,359.00	76%
Michigan	\$33,303,683.00	\$11,272,817.00	\$44,576,500.00	75%
Wisconsin	\$14,723,900.00	\$6,438,010.00	\$21,161,910.00	70%
Kentucky	\$61,996,680.00	\$27,978,400.00	\$89,975,080.00	69%
Nebraska	\$12,946,329.00	\$6,750,361.00	\$19,696,690.00	66%
Alabama	\$24,790,768.00	\$14,813,208.00	\$39,603,976.00	63%
South Carolina	\$17,157,193.00	\$9,965,353.00	\$27,122,546.00	63%
South Dakota	\$8,775,785.00	\$5,277,528.00	\$14,053,313.00	62%
West Virginia	21,229,122	14,102,127	35,331,249	60%
Delaware	\$12,984,550.00	\$10,156,291.00	\$23,140,841.00	56%
Georgia	\$35,271,558.00	\$27,435,924.00	\$62,707,482.00	56%
Florida	\$42,807,854.00	\$35,212,620.00	\$78,020,474.00	55%
Oklahoma	\$24,503,458.00	\$21,704,714.00	\$46,208,172.00	53%
Colorado	\$20,851,112.00	\$17,709,729.00	\$38,560,841.00	54%
Mississippi	\$7,373,395.00	\$6,792,469.00	\$14,165,864.00	52%
Maryland	\$16,694,265.00	\$17,102,730.00	\$33,796,995.00	49%
Kansas	\$4,723,385.00	\$5,784,652.00	\$10,508,037.00	45%
Tennessee	\$37,638,000.00	\$46,954,300.00	\$84,592,300.00	44%
Ohio	\$29,885,203.00	\$43,904,212.00	\$73,789,415.00	41%
Illinois	\$23,493,000.00	\$33,628,100.00	\$57,121,100.00	41%
North Dakota	\$1,355,211.00	\$2,019,704.00	\$3,374,915.00	40%
Oregon	\$17,187,021.00	\$30,443,393.00	\$47,630,414.00	36%
Montana	\$3,218,873.00	\$5,742,611.00	\$8,961,484.00	36%
Virginia	\$10,877,599.00	\$20,355,759.00	\$31,233,358.00	35%
Arizona	\$8,593,872.00	\$16,189,089.00	\$24,782,961.00	35%
Arkansas	\$15,267,135.00	\$31,003,699.00	\$46,270,834.00	33%
Texas	\$28,701,052.00	\$58,461,528.00	\$87,162,580.00	33%
Utah	\$9,484,109.00	\$21,696,768.00	\$31,180,877.00	30%
Connecticut	\$5,104,312.00	\$11,953,650.00	\$17,057,962.00	30%
Minnesota	\$10,213,000.00	\$24,704,000.00	\$34,917,000.00	29%
Alaska	\$2,269,400.00	\$5,647,200.00	\$7,916,600.00	29%
California	\$122,125,000.00	\$304,501,000.00	\$426,626,000.00	29%
New York	\$57,907,300.00	\$145,927,700.00	\$203,835,000.00	28%
Hawaii	\$2,785,437.00	\$7,283,074.00	\$10,766,011.00	26%
Idaho	\$4,392,800.00	\$12,893,700.00	\$17,286,500.00	25%
Iowa	\$3,863,566.00	\$11,549,512.00	\$15,413,078.00	25%

Nevada	\$3,511,184.00	\$11,467,318.00	\$14,978,502.00	23%
Washington	\$15,861,313.00	\$53,667,603.00	\$69,528,916.00	23%
Pennsylvania	\$16,609,000.00	\$66,814,000.00	\$83,423,000.00	20%
Missouri	\$5,300,959.00	\$24,113,276.00	\$29,414,235.00	18%
New Mexico	\$4,829,900.00	\$23,050,700.00	\$27,880,600.00	17%
North Carolina	\$5,317,442.00	\$33,208,831.00	\$38,526,273.00	14%
New Jersey	\$4,359,249.00	\$34,308,000.00	\$38,667,249.00	11%
Massachusetts	\$7,189,516.00	\$70,274,037.00	\$77,463,553.00	9%
Louisiana	\$338,066.00	\$30,874,537.00	\$31,212,603.00	1%
Average	\$18,553,469.06	\$30,530,059.30	\$49,099,007.09	42%

*Maine, Rhode Island and Wyoming State Parks deposit all revenue generated by the Parks into their General Revenue Fund and are not included in this table.

Source: National Association of State Park Directors. Self-sufficiency calculated by the Legislative Auditor.

Appendix C: FY 2008: United States Lodge Park Facility Information

FY 2008: United States Lodge Park Facility Information			
State	Number of Lodges	Number of Rooms	Lodge Occupancy Rate
Kentucky	18	920	50%
West Virginia	12	868	52%
Ohio	9	818	43%
Illinois	9	589	54%
*Indiana	7	612	65%
Georgia	7	347	48%
South Dakota	6	123	25%
Tennessee	6	669	43%
Missouri	6	115	46%
Arkansas	5	278	54%
Oklahoma	5	266	47%
Alabama	5	230	38%
**New York	4	214	-
**Mississippi	3	60	-
**Nebraska	2	88	-
Texas	1	39	63%
Maryland	1	215	55%
South Carolina	1	82	35%
Florida	1	27	64%
Minnesota	1	19	83%
Alaska	0	0	0
Arizona	0	0	0
California	0	0	0
Colorado	0	0	0
Connecticut	0	0	0
Delaware	0	0	0
Hawaii	0	0	0
Idaho	0	0	0
Iowa	0	0	0
Kansas	0	0	0
Louisiana	0	0	0
Maine	0	0	0
Massachusetts	0	0	0

Michigan	0	0	0
Nevada	0	0	0
New Hampshire	0	0	0
New Jersey	0	0	0
New Mexico	0	0	0
North Carolina	0	0	0
Oregon	0	0	0
Pennsylvania	0	0	0
Rhode Island	0	0	0
Utah	0	0	0
Virginia	0	0	0
Vermont	0	0	0
Washington	0	0	0
Wisconsin	0	0	0
Wyoming	0	0	0

Source: National Association of State Park Directors

** Indiana both computes their cabin and lodge occupancy together as one unit.*

*** New York, Mississippi and Nebraska did not respond.*

Appendix D: Summary of State Parks Entrance Fees

*Summary of State Parks Entrance Fees	
State	Entrance Fee
Alabama	Per person at 17 parks \$.50-\$3.00.
Alaska	No Charge
Arizona	Per person at 10 parks \$2-\$22.95, Per vehicle at 19 parks \$3-\$10.00, Up to \$4.80 per person on bus at 9 parks.
Arkansas	Per person at 11 parks \$2.50-\$8.00.
California	Per person at 34 parks \$2-\$30, Per vehicle at 174 parks \$2.00-\$10.00, at 174 parks up to \$100 per bus.
Colorado	Per person at 4 parks \$2-\$3.00, Per vehicle at 41 parks \$3-\$7.00, at 41 parks buses up to \$50.00.
Connecticut	Per person at 3 parks \$2-\$5.00, Per vehicle at 25 parks \$6.00-\$9.00 Residents, \$7.00-\$15.00 Per vehicle Non-residents, Up to \$75 per bus at 19 parks.
Delaware	Per vehicle at 13 parks \$3.00-\$4.00 Residents, \$6.00-\$8.00 Per vehicle Non-residents, up to \$48 per bus.
Florida	Per person at 119 parks \$1.00, Per vehicle at 119 parks \$4.00-\$5.00, at 119 parks up to \$40 per bus.
Georgia	Per person at 18 parks \$1.50-\$7.00, Per vehicle at 47 parks \$3.00-\$4.00 at 47 parks up to \$50 per bus.
Hawaii	Per person \$1.00 at 1 park.
Idaho	Per vehicle at 30 parks \$3.00, at 30 parks up to \$20 per bus.
Illinois	No charge.
Indiana	Per person at 32 parks \$1.00, Per vehicle Resident \$4.00-\$5.00, Non-Resident \$7-\$10.00.
Iowa	No charge.
Kansas	Per person at 2 parks \$2.50, Per vehicle at 24 parks \$3-\$4.00, up to \$4 per bus at 24 parks.
Kentucky	No charge.
Louisiana	Per person \$2 at 34 parks, Per vehicle \$1, at 34 parks up to \$60.
Maine	Per person at 33 parks \$2-\$4.50.
Maryland	Per person at 27 parks \$2-\$5 Residents, \$3-\$6 Non-residents, Per vehicle \$2-\$5 Resident, \$3-\$6 Non-resident.
Massachusetts	Per vehicle at 61 parks \$2.00-\$7.00, Per bus at 61 parks up to \$40.
Michigan	Per vehicle at 88 parks \$6-\$8.00, Per bus at 88 parks \$15.
Minnesota	Per vehicle at 71 parks \$5.00, Per bus at 71 parks \$10.00.
Mississippi	Per person at 23 parks \$.50, Per vehicle at 23 parks \$3.00-\$5.00, Per bus at 23 parks up to \$30.00.

Missouri	No charge.
Montana	Per person at 31 parks \$1-\$3.00 Non-resident, Per vehicle at 31 parks \$5.00 Non-resident, Per bus \$2.00.
Nebraska	Per vehicle at 83 parks \$2-\$5.00 Resident, \$3.00 Non-resident.
Nevada	Per person at 1 park \$1-\$2, Per vehicle at 21 parks \$4.00-\$8.00.
New Hampshire	Per person at 44 parks \$3-\$10.00, Per vehicle at 2 parks \$5-\$14, Per bus at 46 parks \$25.00.
New Jersey	Per person at 6 parks \$2.00, Per bus at 18 parks \$55 Resident and \$105 Non-Resident.
New Mexico	Per person at 34 parks \$5.00, Per vehicle at 34 parks \$5.00, Per bus \$15.00
New York	Per person at 56 parks \$3-\$10.00, Per vehicle at 213 parks \$3-\$10.00, Per bus at 213 parks \$50-\$75.00.
North Carolina	Per vehicle at 3 parks \$5.00, Per bus at 3 parks \$10.00.
North Dakota	Per vehicle at 13 parks \$5.00, Per bus at 13 parks \$10.00.
Ohio	No charge.
Oklahoma	Per vehicle at 4 parks \$4.00, Per bus at 20 parks \$20.00.
Oregon	Per vehicle at 26 parks \$3.00.
Pennsylvania	No charge.
Rhode Island	Per vehicle at 8 parks Resident \$6-\$7.00, Non-resident \$12-\$14.00.
South Carolina	Per person at 44 parks \$1.25-\$5.00.
South Dakota	Per person at 60 parks \$3-\$5.00, Per vehicle at 60 parks \$6-\$12.00.
Tennessee	No charge.
Texas	Per person at 101 parks \$1-\$10.00.
Utah	Per person Resident at 8 parks \$2.00, Per vehicle at 32 parks Resident \$5-\$10.00.
Vermont	Per person at 51 parks \$3.00.
Virginia	Per bus at 32 parks \$10-\$15.00.
Washington	No charge.
West Virginia	No charge.
Wisconsin	Per person at 17 parks Resident \$4-\$7.00, Non-Resident \$5-\$10.00, Per vehicle at 52 parks \$5-\$7.00 Resident, \$5-\$10.00 Non-resident, Per bus at 52 parks up to \$14.00.
Wyoming	Per person at 5 parks \$1.00 Resident, \$2.00 Non-Resident, Per vehicle at 9 parks \$2 Resident, \$4.00 Non-Resident.

Source: 2008 National Association of State Park Directors Annual Information Exchange.

*Within the table if a state does not differentiate between resident and non-resident cost, the cost is documented as a dollar amount to a dollar amount. Texas is an example of where the charge of \$1-\$101 is for residents and non-residents.

Appendix E: FY 2003-2008: Parks System Revenues and Expenditures

FY 2003-2008: Parks System Revenues and Expenditures				
Fiscal Year	Park Generated Revenue	Amount of Annual Operating Subsidy	Total Operating Expenditures	Self-Sufficiency
2003	\$18,862,288	\$12,037,711	\$30,899,999	61%
2004	\$18,389,666	\$13,243,866	\$31,633,552	58%
2005	\$19,539,009	\$12,873,489	\$32,212,498	61%
2006	\$19,601,933	\$13,958,380	\$33,560,313	58%
2007	\$20,389,881	\$14,101,896	\$34,491,777	59%
2008	\$21,229,122	\$14,102,127	\$35,331,249	60%

Source: West Virginia Division of Natural Resources

Appendix F: Agency Response



DIVISION OF NATURAL RESOURCES

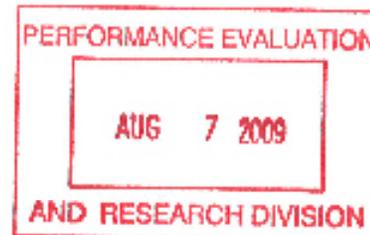
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Joe Manchin III
Governor

Frank Jazdoro
Director

August 4, 2009

John Sylvia, Director
Performance Evaluation & Research Division
West Virginia Legislature
1900 Kanawha Blvd., East
Building 1, Room W-314
Charleston, WV 25305-0610



Dear Mr. Sylvia:

The Division of Natural Resources would like to thank the Performance Evaluation and Research Division of the Legislature for its work on the performance review of the WV State Park System. We believe the audit staff has done a good job of assessing the relative strengths as well as the challenges associated with the system. We agree with the central premise of the report that the primary challenge facing our parks is adequate funding for major repairs and equipment replacement.

The report contains much food for thought as well as two specific recommendations. The recommendations and our reaction(s) are as follows:

Recommendations

1. The Legislative Auditor recommends that the WV Division of Natural Resources, Parks and Recreation Section, cancel the lease agreement of the Hawks Nest Golf Course facility and turn the operations back to the owner.
2. The Legislative Auditor recommends that the WV Legislature consider implementing the options identified in this report that will increase revenue to meet maintenance needs of the Parks System and allow greater flexibility to parks administration managing its budget.

John Sylvia
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August 4, 2009

Responses

1. DNR agrees with this recommendation.
2. There were a variety of options mentioned within the report ranging from entry fees, sale or lease of park lands, sale of mineral rights under parks, to providing DNR the authority to close areas. DNR is willing to discuss any of these things but regards them as major public policy issues requiring legislative debate and action combined with maximum public input. At this time, let it suffice to say that some of these ideas should probably only be considered as last resorts in the face of any unprecedented future fiscal crisis that might face our state. To consume and remove from the public domain the very lands and resources that make the system so important and a legacy to leave for coming generations in exchange for a one-time windfall of cash is a step that would demand the most careful deliberation. With that said, DNR will implement any and all legislation enacted by the WV Legislature now or in the future.

Respectfully,


Frank Jezioro
Director

FJ:kcc

cc: Ken Caplinger, Chief



WEST VIRGINIA LEGISLATIVE AUDITOR

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