

**STATE OF WEST VIRGINIA**

**Update of the  
PRELIMINARY PERFORMANCE REVIEW OF THE**

**Division of Natural Resources  
Parks and Recreation Section**

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**Division of Natural Resources  
Parks and Recreation Section  
is in Planned Compliance with  
Recommendations 4 and 7**

**In Compliance with  
Recommendations 1 and 10**

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**OFFICE OF LEGISLATIVE AUDITOR  
Performance Evaluation and Research Division  
Building 1, Room W-314  
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**CHARLESTON, WEST VIRGINIA 25305  
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**November 2001**

**PE01-20-219**

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November 2001

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John Sylvia  
Director

November 11, 2001

The Honorable Edwin J. Bowman  
State Senate  
129 West Circle Drive  
Weirton, West Virginia 26062

The Honorable Vicki V. Douglas  
House of Delegates  
Building 1, Room E-213  
1900 Kanawha Boulevard, East  
Charleston, West Virginia 25305-0470

Dear Chairs:

Pursuant to the West Virginia Sunset Law, we are transmitting an Update of the Preliminary Performance Review of the *Division of Natural Resources - Parks and Recreation Section*, which will be presented to the Joint Committee on Government Operations on Sunday, November 11, 2001. The issues covered herein are "The Division of Natural Resources - Parks and Recreation Section is in Planned Compliance with Recommendations 4 and 7;" and "In Compliance with Recommendations 1 and 10".

We transmitted a draft copy of the report to the Division of Natural Resources on November 1, 2001. We conducted an exit conference with the DNR on November 6, 2001. We received the agency response on November 9, 2001.

Let me know if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "John Sylvia".

John Sylvia

JS/wsc

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*Joint Committee on Government and Finance*

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## Executive Summary

This report is an update of the Preliminary Performance Review of the Division of Natural Resources- Parks and Recreation Section January 1999 report. It is conducted in accordance with the West Virginia Sunset Law, West Virginia *Code*, Chapter 4, Article 10, Section 5a. The purpose of this update is to determine whether or not the agency has complied with recommendations made in the original evaluation.

The January 1999 review identified the following issues:

- Issue 1:** 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
- Issue 3:** Parks has failed to standardize or complete inspection reports
- Issue 4:** Internal controls governing revenues are weak and the sparse field inspections create weekly controlled revenue environment with potential loss of assets

This update examines issues 1, 2, and 4. It uses the following designations of levels of compliance.

<b>TABLE 1</b> <b>Levels of Compliance</b>
<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 is in **Planned Compliance** with Recommendations 4 and 7, and **In Compliance** with Recommendations 1 and 10.





**Issue 1: Parks System Needs to Operate its Lodges on a More Business Like Basis**

**Recommendation 1:**

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

**Level of Compliance: In Compliance**

The Parks Section hired a Resort/Lodge District Administrator who meets the experience prerequisites as set by the Division of Personnel. Although the District Administrator does not have an educational background in resort/hotel/management, he does have vast resort/management/hotel experience in the private sector.

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**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: Planned Compliance**

DNR marketed its lodges and resorts to hunters and fishermen during the last update, however, a review of current brochures and marketing data found no special marketing for hunters or fishermen. Information from the director of DNR indicates that attempts to offer sportsman packages to hunters and fishermen as well as other special events focusing on sportsmen have been made. Consequently, due to limited growth of these packages, they were discontinued. Regardless of the limited growth of sportsmen packages, a 20% discount is currently offered to hunters and fishermen during the month of October.

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As you can see in Appendix A, the average occupancy rate during prime season in fiscal year 2000 was **72%** and drops drastically to **40.4%** during off-season months. Winter occupancy rates are significantly lower than the national average of 67-70 %<sup>1</sup>.

West Virginia's hunting season coincides with the slow off- season winter months of West Virginia's park lodges which are located within a short distance of West Virginia's hunting areas. The Legislative Auditor recommends that DNR continue attempts to market its lodges and resorts to hunters and fishermen.

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<sup>1</sup>The National Travel Data Research Inc.

**Issue 2: The Chief, Deputy Chief, and District Administrators Have Managed the Parks System by Monthly Reports and Few Site Inspections**

**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: Planned Compliance**

An analysis of park visits by the Chief and Deputy Chief shows improvement from the last update conducted in 1999. Table 1 below provides the number of visits conducted by the Chief and Deputy Chief.

**Table 2**

<b>Park Visits For Chief and Deputy Chief</b>					
	<b>Parks in System</b>	<b>FY 2002 Parks Visited</b>	<b>FY 2001 Parks Visited</b>	<b>FY 2000 Parks Visited</b>	<b>FY 1999 Parks Visited</b>
<b>Visits</b>	<b>49</b>	19	28	13	19

*NOTE: The former Parks Chief had limited visits to parks over the past three years due to extended illness.*

Since the appointment of a new Chief on February 1, 2001 the majority of parks have been visited. Given the increase and rate of visits during fiscal year 2002 and the fact that eight months remain in the fiscal year it appears most, if not all, parks can be visited.



**Issue 4: Internal Controls Governing Revenues are Weak and the Sparse Field Inspections Create a Weakly Controlled Revenue Environment with Potential Loss of Assets**

**Recommendation 10:**

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

**Level of Compliance: In Compliance**

DNR has an Operations and Policy Manual documenting accounting and managerial procedures.



**APPENDIX A**

**Transmittal Letter to Agency**





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John Sylvia  
Director

November 2, 2001

Ed Hamrick, Director  
Division of Natural Resources  
Building 3, Room 669  
1900 Kanawha Blvd., East  
Charleston, WV 25305-0660

Dear Mr. Hamrick:

This is to transmit a copy of the Preliminary Performance Update of the Division of Natural Resources - Parks and Recreation Section. We would appreciate your response by Wednesday, November 7, 2001. If you have questions related to factual errors or need clarification on any part of the report, please let me know.

Thank you for your cooperation.

Sincerely,

A handwritten signature in cursive script that reads "David Mullins".

David Mullins  
Research Manager

c: John Pope, Jr.,  
Chief

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*Joint Committee on Government and Finance*

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**APPENDIX B**

**Lodge Occupancy Rates**



## FY 2000 Lodge Occupancy Rates

### Prime Season Occupancy Rates

	July	August	September	October	April	May	June	Average
Blackwater Falls	82.4%	81.6%	73.3%	82.9%	74.0%	61.8%	75.6%	76.0%
Cacapon	73.3%	62.1%	62.8%	65.3%	45.7%	70.6%	67.6%	63.9%
Hawks Nest	95.3%	90.5%	75.6%	94.9%	67.0%	62.3%	87.7%	81.9%
North Bend	69.7%	61.2%	50.7%	63.7%	39.2%	48.1%	60.7%	56.2%
Pipestem	91.7%	77.9%	74.6%	87.2%	72.8%	64.9%	77.2%	78.0%
Twin Falls	89.8%	72.3%	75.2%	79.5%	70.2%	70.0%	73.2%	75.7%
<b>Monthly Averages</b>	<b>83.7%</b>	<b>74.3%</b>	<b>68.7%</b>	<b>78.9%</b>	<b>61.5%</b>	<b>62.9%</b>	<b>73.7%</b>	<b>72.0%</b>

### Off-Season Occupancy Rates

	November	December	January	February	March	Average
Blackwater Falls	49.4%	28.9%	41.2%	42.6%	50.5%	42.5%
Cacapon	50.6%	25.4%	24.7%	25.2%	38.4%	32.9%
Hawks Nest	65.2%	41.8%	33.9%	37.4%	62.3%	48.1%
North Bend	44.4%	26.8%	26.4%	39.0%	49.6%	37.3%
Pipestem	48.0%	24.5%	31.4%	50.0%	56.9%	42.2%
Twin Falls	50.8%	26.6%	28.6%	43.6%	48.2%	39.6%
<b>Monthly Averages</b>	<b>51.4%</b>	<b>29.0%</b>	<b>31.0%</b>	<b>39.6%</b>	<b>51.0%</b>	<b>40.4%</b>

## FY 1999 Lodge Occupancy Rates

### Prime Season Occupancy Rates

	July	August	September	October	April	May	June	Average
Blackwater Falls	78.4%	76.5%	69.6%	76.3%	28.4%	64.8%	56.5%	64.4%
Cacapon	79.7%	78.6%	64.4%	74.9%	51.0%	71.7%	74.1%	70.6%
Hawks Nest	98.1%	90.8%	82.4%	92.1%	64.4%	61.6%	88.2%	82.5%
North Bend	71.8%	57.1%	56.5%	71.3%	49.4%	44.4%	64.5%	59.3%
Pipestem	93.7%	89.2%	74.3%	86.6%	68.8%	58.6%	75.4%	78.1%
Twin Falls	75.7%	81.8%	77.0%	88.6%	47.3%	67.4%	74.5%	73.2%
<b>Monthly Averages</b>	<b>82.9%</b>	<b>79.0%</b>	<b>70.7%</b>	<b>81.6%</b>	<b>51.6%</b>	<b>61.4%</b>	<b>72.2%</b>	<b>71.3%</b>

### Off-Season Occupancy Rates

	November	December	January	February	March	Average
Blackwater Falls	46.8%	29.5%	45.8%	39.0%	40.3%	40.3%
Cacapon	38.4%	22.8%	16.4%	25.1%	34.1%	27.4%
Hawks Nest	56.6%	31.8%	31.5%	54.7%	56.5%	46.2%
North Bend	60.6%	29.0%	21.4%	34.8%	58.2%	40.8%
Pipestem	51.1%	39.3%	34.7%	52.3%	52.3%	45.9%
Twin Falls	50.3%	27.6%	24.7%	40.0%	46.3%	37.8%
<b>Monthly Averages</b>	<b>50.6%</b>	<b>30.0%</b>	<b>29.1%</b>	<b>41.0%</b>	<b>47.9%</b>	<b>39.7%</b>

## FY 1998 Lodge Occupancy Rates

### Prime Season Occupancy Rates

	July	August	September	October	April	May	June	Average
Blackwater Falls	74.3%	86.1%	69.6%	78.4%	47.5%	58.0%	68.4%	68.9%
Cacapon	82.2%	80.7%	66.0%	71.2%	54.2%	70.5%	69.9%	70.7%
Hawks Nest	99.3%	92.5%	80.7%	94.3%	51.6%	72.5%	89.6%	82.9%
North Bend	71.2%	70.0%	42.8%	61.0%	36.8%	41.9%	52.7%	53.8%
Pipestem	89.5%	88.0%	76.0%	86.8%	68.3%	70.1%	76.1%	79.2%
Twin Falls	87.9%	78.7%	67.2%	65.7%	63.2%	71.1%	74.8%	72.7%
<b>Monthly Averages</b>	<b>84.1%</b>	<b>82.7%</b>	<b>67.0%</b>	<b>76.2%</b>	<b>53.6%</b>	<b>64.0%</b>	<b>71.9%</b>	<b>71.4%</b>

### Off-Season Occupancy Rates

	November	December	January	February	March	Average
Blackwater Falls	37.4%	29.3%	43.0%	40.0%	38.6%	37.6%
Cacapon	28.6%	19.9%	16.7%	22.2%	32.5%	24.0%
Hawks Nest	44.6%	30.5%	66.8%	37.7%	37.5%	43.4%
North Bend	61.2%	24.8%	51.8%	30.8%	35.9%	40.9%
Pipestem	48.6%	31.8%	67.6%	47.0%	42.1%	47.4%
Twin Falls	42.3%	31.8%	57.2%	37.0%	37.4%	41.1%
<b>Monthly Averages</b>	<b>43.8%</b>	<b>28.0%</b>	<b>50.5%</b>	<b>35.8%</b>	<b>37.3%</b>	<b>39.1%</b>





**APPENDIX C**  
**Agency Response**





**DIVISION OF NATURAL RESOURCES**

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**Bob Wise**  
*Governor*

**Ed Hamrick**  
*Director*

November 5, 2001

David Mullins, Research Manager  
West Virginia Legislature  
Performance Evaluation and Research Division  
Building 1, Room W-314  
1900 Kanawha Blvd., East  
Charleston, WV 25305-0610

Dear Mr. Mullins:

Thank you for the opportunity to provide an official response to the Preliminary Performance update of the Division of Natural Resources, Parks and Recreation Section. Since full compliance has been recognized on two of the four outstanding recommendations and planned compliance credit given on the remaining two, my comments will be brief and limited to the latter.

**Issue 1, Recommendation 4** — In your analysis you state that "winter occupancy rates are significantly lower than the national average of 67-70%." This statement implies that the hotel/motel industry national average of winter occupancy is 67% to 70%. This is incorrect and somewhat misleading in that the figure you cite is an annual occupancy figure rather than a seasonal one. Furthermore, your baseline figure appears to be quite dated. Information we just obtained from Smith Travel Research shows that year 2000 United States hotel and motel annual occupancy percentage was 63.7% with the 2001 percentage forecast set at 60.7%. In addition, your annual benchmark figure is based upon all hotel/motel operations and so is not an "apples to apples" comparison of WV State Park occupancies to other state park systems in our region. A recent informal survey conducted by DNR/Parks showed that WV State Park lodges and cabins enjoy the highest occupancy of any state park system in the southeastern United States including excellent systems in nearby Kentucky and Ohio as well as in the sunbelt states of Tennessee, Georgia, and Alabama.

It can be concluded that West Virginia State Parks compare quite nicely with national occupancy percentages of lodging facilities of all types and out perform most other

David Mullins  
Page Two  
November 5, 2001

state park systems including all 12 others in the southeastern region. Regardless, we will continue in our attempts to enhance occupancy with particular attention being paid to the winter months and shoulder seasons. I should point out, however, that the most difficult months for West Virginia State Parks are January, February, and March. These months offer little hunting of significance in West Virginia and makes somewhat dubious the claim that hunting related promotions can help park winter occupancy.

**Issue 2, Recommendation 7** — We appreciate your recognition of the effect of the prior Chief's chronic illness on visitation totals of the past few years as well as your recognition of progress in FY01-02. I believe, however, that a goal of every area visited within any two year period would be much more feasible given Parks low central office staffing as well as my need as DNR Director to assure sufficient management coverage in Charleston to handle day-to-day challenges.

In summary I thank you for the favorable review and appreciate the work of you and your dedicated staff.

Sincerely,



**Ed Hamrick**  
Director

EH:pcc

cc: J. R. Pope, Chief