



PEER
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No Walk in the Park

Dismantling the Tennessee
State Park System

March 2002

About PEER

Public Employees for Environmental Responsibility (PEER) is an association of resource managers, scientists and biologists, law enforcement officials and other government professionals committed to upholding the public trust through responsible management of the nation's environment and natural resources.

PEER advocates sustainable management of public resources, promotes enforcement of environmental protection laws, and seeks to be a catalyst for supporting professional integrity and promoting environmental ethics in government agencies.

PEER provides public employees committed to ecologically responsible management with a credible voice for expressing their concerns.

PEER's objectives are to:

1. **Organize** a strong base of support among employees with local, state and federal resource management agencies;
2. **Monitor** land management and environmental protection agencies;
3. **Inform** policymakers and the public about substantive issues of concern to PEER members; and;
4. **Defend** and strengthen the legal rights of public employees who speak out about issues of environmental management.

PEER recognizes the invaluable role that government employees play as defenders of the environment and stewards of our national resources. PEER supports resource professionals who advocate environmental protection in a responsible professional manner.

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About This Report

This white paper is an account told by a score of current and former employees within Tennessee State Parks. *No Walk in the Park* is an attempt to tell the public from the inside about the effects of closures, cutbacks in operating hours, lay-offs and other changes made in the Parks system during the past two years.

Tennessee Department of Environment and Conservation Commissioner Milton Hamilton's plans to reconfigure public parks are the main backdrop for this white paper. In *No Walk in the Park*, employees explain some of the motivations for this shift of mission and burst the myths and "spin" Commissioner Hamilton's office has used in its campaign to shrink and privatize a public park system.

No Walk in the Park does not represent the official views of the Tennessee Department of Environment and Conservation. Quite the contrary, this white paper is meant to articulate a dissenting opinion from the official company line — a dissenting opinion no longer tolerated within the Department.

While some may dismiss these accounts as sour grapes, this white paper articulates the insights of seasoned professionals who have dedicated their careers to Tennessee Parks and who value the state's unique natural, cultural and historic resources. They

are not short-term political appointees like Commissioner Hamilton. Their views are a distillation of decades of experience.

The contributors to this white paper hope to stimulate a public discussion of the serious concerns about abandoning protection of the state's broad heritage of cultural and natural resources in favor of operating profit-centers at a few resort destinations. The contributors also offer steps they believe need to be taken to restore the Tennessee Parks system. PEER would like to thank the contributors to this report, including Ron Castle for his editorial assistance.

As with previous employee-authored PEER white papers, the contributors remain anonymous in order to avoid career repercussions and to allow the information in this white paper to speak for itself. The authors invite independent reviewers to examine the public record and draw their own conclusions.

PEER is proud to assist conscientious public servants who have dedicated their careers to the protection of natural resources and the faithful execution of environmental laws.

Jeff Ruch
PEER Executive Director

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I. Executive Summary

Prompted in large part by an on-going budget shortfall, Commissioner Milton H. Hamilton and his upper level staff at the Tennessee Department of Environment and Conservation (TDEC) has undertaken a campaign to systematically dismantle the Tennessee Parks system. In the name of economy, TDEC has closed 14 state parks and ordered all but three of the remaining parks to close two days a week — on Mondays and Tuesdays.

These actions have not only disrupted the parks but have also inconvenienced the public and seriously damaged the long-term viability of the Tennessee Parks system. At the same time, the closures have produced no real savings, cost the state revenue, and deferred long-term costs to future taxpayers.

Less visible, but perhaps as significant, have been the losses stemming from cuts in central state park operations and support. The Trail Maintenance Crew, the Film Loan Library, and the Parks Surveyor position have been cut, and the administration has disbanded the Program Services and Exhibits sections as well. In addition, the elimination of area support offices for parks means that each park must now function virtually entirely on its own. Consequently, Tennessee parks is no longer a coherent, cohesive organization.

Commissioner Hamilton and his political staff have made a philosophical reversal in the mission of Tennessee Parks. This new parks philosophy places an emphasis on profits over preservation, on net rev-



SIGN OF THE TIMES: Park Closure Sign reads "Due to Budget Restraints." Even vowels have felt the budget crunch.



Tennessee State Parks

enue above nature, and privatization of what are supposed to be public resources.

To further this new philosophy, natural management and historical areas have been the units selected for closure. The only parks to have been spared from cutbacks were three "resort parks" featuring golf courses and conference centers.

Commissioner Hamilton's emphasis on profit-making resorts has caused a "Disney-fication" of Tennessee Parks. Unfortunately, the management expertise of the Disney Corporation does not also reside within TDEC headquarters. The bottom line gains for the state from this "parks as profit centers" approach are proving largely illusory. Not only are the real costs of resort operation not being counted but other costs are being incurred. For example, the federal government has withheld at least \$715,000 from the state because the closures violate agreements with the National Park Service Land and Water Conservation Fund.

Meanwhile, campers, hikers, bird watchers and other low-impact users are being driven away from the park system. Potential donors of land and other property are also looking elsewhere because they now doubt that Tennessee Parks will maintain their gifts. Even the popular magazine, *Tennessee Conservationist*, has been notified that it will be shut down if it does not become self-sufficient.

This philosophic shift has been imposed from above with zero tolerance of dissent. Park managers who voiced opposition to these sweeping changes have been transferred, demoted or fired. Park operational changes are ordered without consultation with, and in some cases without even advance notice to, affected employees.

Interviews with employees in parks scattered from one end of Tennessee to the other reveal a profoundly dispirited and demoralized workforce. Employees openly mourn the death of what they called "the old park system," an institution meant to protect nature and history while providing an educational and recreational experience for visitors. Most employees thought that once an area achieved "State Park" status, it was protected "in perpetuity," as required by Parks' mission statement. They did not realize that this designation could be taken away on a political whim. Parks employees say the new system makes no sense, and is incredibly mean spirited. Consequently, professional staff members are leaving for better work, retiring, or hunkering down with a siege mentality.

This white paper concludes with employee recommendations for restoring Tennessee Parks by creating a dedicated structure headed by park professionals. Implementation of these recommendations requires a re-dedication from both the public and policymakers to safeguard Tennessee's rich natural and cultural and historic heritage.



II. Introduction: Why Have Parks?

"Recreational development is a job not of building roads into lovely country, but of building receptivity into the still unlovely human mind."

Aldo Leopold, Sand County Almanac

Tennessee is an extremely diverse state, and this diversity is reflected in its spectacular park system. From the bottomland hardwoods along the Mississippi at Meeman Shelby to the beautiful cove hardwoods nestled in along the foot of the Roan Mountain, the Tennessee State Park system has preserved within its borders some of the most varied forests in the temperate world. The state also has the greatest diversity of inland fisheries in the United States, as well as the largest number of freshwater mussel species in the world.

Tennessee's cultural history is just as rich. Preserved within Tennessee are sites where early humans hunted ice age mastodon, and, millennia later, where Native Americans built one of the largest ceremonial mounds of the Woodland period. And thousands of years later still, after the first Europeans encroached onto Cherokee land, that struggle is vignettted at what is now the site of Fort Loudon State Historic Area.

The Cherokee's last meeting place, before they were herded out to the Oklahoma Territories, is preserved at Red Clay State Park. And Tennessee was the first state in the nation to designate that dark path "along which they cried," the Trail of Tears, as a historic trail.

Sycamore Shoals was the gathering place for the Overmountain Men as they headed for their storied battle with the Tories and Patrick Ferguson at King's Mountain.

According to the National Conference on State Parks in guidelines issued circa 1921, a state park "is a relatively spacious area of outstanding scenic or wilderness character, often times containing also significant historical, archeological, ecological, geological, and other scientific values, preserved as nearly as possible in their original or natural condition and providing opportunity for appropriate types of recreation where such will not destroy or impair the features and values to be preserved. *Commercial exploitation of resources is prohibited*".

Established in 1937, the Tennessee State Park system was created to preserve examples of Tennessee's cultural and natural history. In so doing, it strove to attract both tourists and residents by acting as a state counterpart to the National Park System. The 1937 enabling legislation made this mission clear:

"[T]he term 'park' shall mean and include any and all areas of land...acquired by the State, which by reason of having natural and historic features, scenic beauty of location, possesses, natural, or potential physical, aesthetic, scientific, creative, social, or other recreational values; and is dedicated to and forever reserved ...for recreational and cultural use and enjoyment of the people" [emphasis added].

The legislation goes on to clarify the types of uses intended in parks:



Tennessee Photographic Services

Tennessee State Parks

"Be it further enacted, that every park under the provisions of this Act shall be preserved in a natural condition so far as may be consistent with its human use and safety and all improvements shall be of such character as not to lessen its inherent recreational value." (Tennessee Public Acts of 1937, Chapter No. 266, sections 1 and 2.)

In other words, the system of Tennessee State Parks was designed as a system of both preservation and recreation, with a fine balance meant to be maintained between the two. Since the system was created more than sixty years ago, state parks have tried to provide a balance between recreation and resource protection. The resource protection in the past has ranged from Cedar Glade Natural Areas to Davy Crockett's birthplace. Recreation has included everything from hiking, bird watching, and canoeing, to more developed urban recreation such as golf, swimming, and tennis courts. Today, Tennes-

see State Parks collectively generate more than 33 million visitors each year, more than three times more than the Great Smoky Mountain National Park.

Park planners have historically watched for potential conflicts between rustic and developed recreation in the Tennessee system, and over the decades they have negotiated a number of compromises. In recent years, however, that balance has gone terribly askew. The current administration, under the Tennessee Department of Environment and Conservation (TDEC) Commissioner Milton Hamilton has ignored this mission statement. The preservation role of more primitive parks has been abandoned in favor of profit generating resort parks. The new thinking is that smaller historic areas, natural areas, and rustic parks are like crusty old barnacles clinging to the newly streamlined hulls of gleaming resorts parks — developed facilities featuring hotels, restaurants, convention centers and golf courses.

III. How to Dismantle a Park System

*The parks slated for closure
"wouldn't be the big parks where
we're making money, it would be the
little parks where people go to
see the nature and walk the trails."*

Commissioner Milton Hamilton, as quoted on Jan. 19 2000, in the Memphis Commercial-Appeal, testifying on which parks to close before the House Conservation and Environment Committee.

Governor Don Sundquist's administration began on an upbeat note with regard to Parks administration. His first Parks Directors, Dale Truitt and Walter Butler, were respected within the system and worked hard to promote the Parks mission. Early TDEC Commissioner Justin Wilson was another a capable leader. But by the latter half of the 1990s, TDEC appointees, Hamilton foremost among them, did not seem to be working in the interests of the Parks.

On August 29, 2001, Governor Don Sundquist announced the closure of 14 of 54 Tennessee State Parks and a reduction in the number of days that most other parks are open, closing on Mondays and Tuesdays beginning September 2001. In his announcement, Governor Sundquist stated, "One of Tennessee's most valuable resources is our beautiful landscape. I am disappointed that we must limit our citizens' access to our diverse parks across the state because the Legislature refused to invest the money necessary to keep them open."

An August 29, 2001, a press release from TDEC quickly blamed the action on a dwindling state budget. According to the release, the General Assembly has "arbitrarily" reduced appropriations for State Parks by \$2.5 million. Combined with a decrease in resort park visitation and revenues and unexpected increases in expenses for utilities and other items, the

result is a projected budget shortfall of \$3.5 million at the end of the current fiscal year.

There has been much speculation around why this extremely unpopular decision was made. While the Governor's office contends that the closings are sincere attempts to trim money from an ailing state budget, critics speculate they were meant to put pressure on a citizen base that resisted the idea of a state income tax. (Tennessee is one of the few states without a state income tax. Governor Sundquist, a Republican in his second term, has made the imposition of an income tax his most notable initiative). Perhaps the Administration thought it could use the closings as a pretext to get rid of problem employees through the Reduction-In-Force (RIF) mechanism, rather than the complex Performance Evaluation System. [See the sidebar story, "It's not about money"].

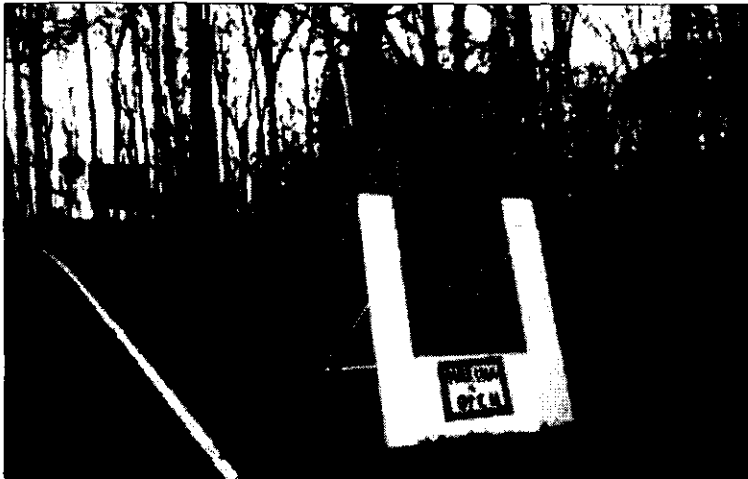
Two -Day Closures

As part of this emergency economy drive, forty-three Tennessee Parks were ordered to close on Mondays and Tuesdays last fall. In a remarkably un-savvy move, the first Monday closure was scheduled for Labor Day, 2001. Several of the state's television stations showed news footage of rangers reluctantly escorting campers out of Harrison Bay and other parks on one of the busiest weekends of the year. This closure policy continued throughout the beautiful autumn months, when every Monday morning the gates were shut, and unhappy campers herded out.

If this closure policy was designed to save the parks money, the Department should have done a better job calculating. The policy has actually resulted in a net loss of revenue to the state, with the biggest loss stemming from lost camping fees and cabin rentals. At Rock Island and Chickasaw State Parks, as well as other parks around the state, park work-



Tennessee State Parks



SCHEDULE YOUR FUN: *Partial Closures at Edgar Evins State Park*

ers had to call hundreds of people with reservations and tell them their cabins would no longer be available on Sunday, Monday, or Tuesday nights. Most of these tourists subsequently canceled their entire reservation and moved their holiday plans elsewhere. Campers also canceled their weeklong trips, offended at the thought of being forced out of their campsites on Sunday evening.

Most of the parks closed on Monday and Tuesdays have lost money. The total amount will be in the hundreds of thousands, perhaps even millions of dollars when one factors in the long-term cost of customers who will never return to state parks. This does not even account for the loss of sales tax from surrounding businesses that depend on the tourist dollars brought in by park visitors.

The two-day closures have not saved the state money in reduced worker hours, either. Rangers continue to work on Mondays and Tuesdays, because they are ordered to write trespass tickets to citizens who enter the parks to walk their dog, take their kids on a bike ride, go bird watching, or enjoy a jog. Writing tickets is not only distasteful to the rangers, it destroys the public's perception of them and the parks. Even some office and maintenance workers continue to work throughout the week, regardless of the closed days.

Closing Fourteen Parks

It is difficult to estimate the savings, if any, gained from the closing of 14 state parks. So far, the state has only eliminated four ranger positions. At least one of those employees reportedly has rehire rights should his park reopen soon. The other rangers or park managers have been transferred into vacant positions elsewhere, or have "bumped" other managers or rangers in a game of bureaucratic musical chairs into other positions. The manager of Frozen Head State Park transferred over to a different division within TDEC;

perhaps a savings to Parks, but no overall savings to the state. In addition, the "bumping" procedure has undermined employee morale by setting up an ugly game of job-survival.

Compounding the negative economic effects of closures, the federal government has withheld at least \$715,000 from the state, contending that Tennessee violated a partnership contract in closing the parks that were built with Federal money. The federal government is threatening to cut off even more funds, and in some instances, to demand repayment if the parks do not reopen.

There are a number of other unforeseen costs stemming from the closures. It is expensive to patrol the vacant parks from a distance. Since the gates closed last December, rangers have turned in large overtime hours as they drove long distances from park to park, with big paychecks for some a result. In addition, the state must pay for the rangers' mileage, which increased from an average of 50 miles a day to over 400 miles per day, in some instances.

The long workdays are beginning to take their toll on employees as well. One ranger has already been injured in a car accident as she drove her long rounds. Another was stuck on the Interstate for hours after a state vehicle broke down, leaving her stranded.

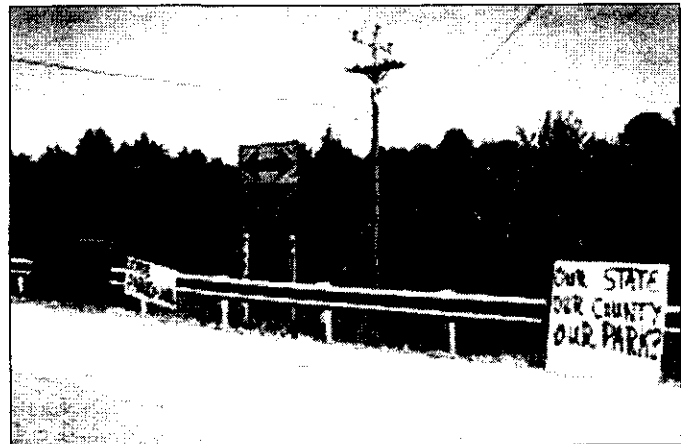


Driving Patrons and Donors Away

A sizable portion of park supporters, including bird watchers, hikers, and bikers are already finding new places to go. It will be difficult to restore the public's confidence in the Parks system.

Over the long term, these penny-wise and pound-foolish closures will start to cause a drop-off in donations of both land and money from the private sector. What private donor would want to give to the state government, knowing that their gift might be summarily sold, given away, or closed? Insiders at the Bridgestone Corporation say that State Parks were quickly dismissed as the recipient of their beautiful wilderness area in White County, because of their fear that Parks could not take care of it. Instead, the company gave it to the Tennessee Wildlife Resources Agency.

The Commissioner's office has used a statewide budget crisis to justify the reinterpretation of the Parks' mis-



WHOSE PARK? A Protest Outside Henry Horton State Park, where the cabins are closed but the golf course is open.

sion, but this tactic appears to be disingenuous. Most Parks employees would support belt-tightening fiscal sacrifices if the state would increase the savings across all departments and agencies. In the current situation it seems clear that the state has put its parks on the chopping block simply to advance other political agendas, including the creation of a statewide income tax.

It's not about money

In the spring of 2000, soon after news surfaced that the state was considering closing some parks to save money, a small group of citizens, active in conservation efforts, asked to meet with Commissioner Hamilton. Their plan was to launch a long-term fundraising campaign with proceeds designed to support and keep open the parks. When the meeting took place, the commissioner didn't show and the citizens were left instead to meet with an assistant, Deputy Commissioner Rick Sinclair.

As the meeting progressed, it became obvious that the administration was not interested in any fundraising proposal. Sinclair explained that part of the problem was that the state simply controlled too many parks and owned too much land, and needed to get rid of some. When pressed on the issue of private funding to keep the parks system intact, the baffled citizens were told, "It's not about money." Meeting participants were left to wonder whether the park closures were meant to force the administration's income tax plan, or to get rid of state owned land, or both.



IV. Fuzzy Math: The Actual Cost of Resort Parks

"I am embarrassed to ask the legislature for \$21 million to run parks."

Commissioner Hamilton

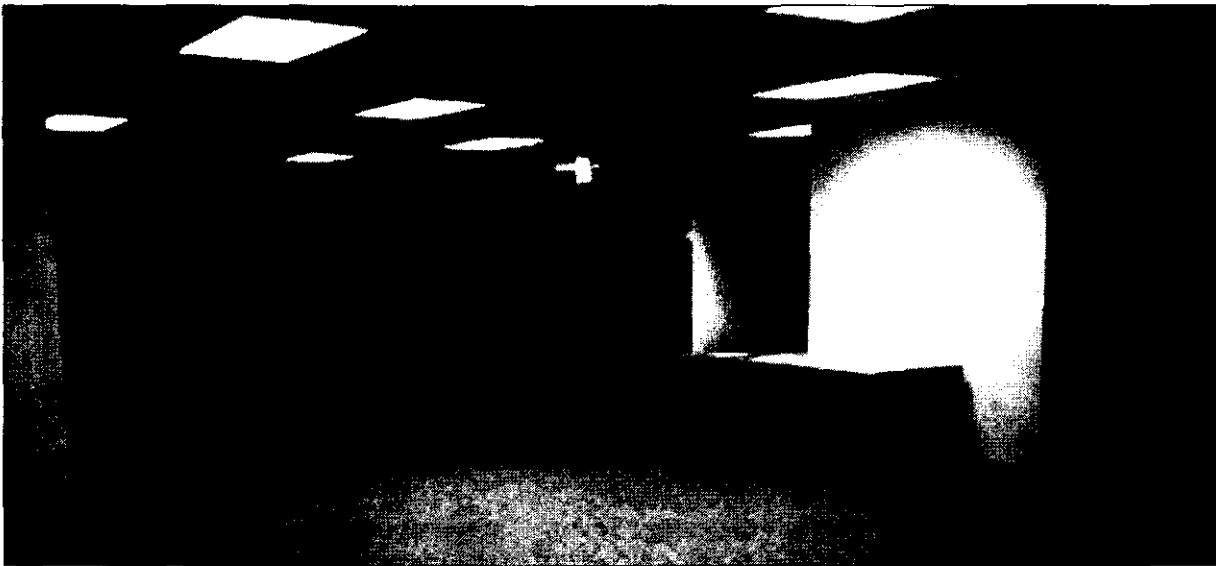
Hamilton's philosophy was clear early on. In many different settings, he told the people of Tennessee, "I am embarrassed to ask the legislature for \$21 million to run parks." The only variation was the amount of money he cited, depending on the latest collection figures from parks.

Elected officials have not publicly questioned the rationale behind this statement. Out of Parks' \$60 million budget, the system generates around \$33 million a year through direct user fees, including admissions, hotels and restaurant costs. The commissioner is "embarrassed" that the Parks are not 100% self sufficient, but the state would never ask that schools or prisons pay for themselves, nor would the Highway Patrol be expected to operate only on the revenue from speeding tickets.

Few other state programs come close to the 55% self-sufficiency ratio that Parks generate. In fact the only other state agencies that exceed Parks in this regard are the Tennessee Wildlife Resources Agency, an independent agency able to raise money through hunting and fishing licenses, and certain universities within the state system.

To be fair, this attitude toward Parks' mission did not originate with the Sundquist Administration or with Commissioner Hamilton. The emphasis on resort parks, golf courses, and other moneymaking ventures began in the McWherter Administration. In this earlier era, Parks Director Gerald McKinney loved to say that the parks have to be a little bit of everything, to a lot of different people. The result was a lack of focus throughout the system.

Commissioner Hamilton has taken advantage of this lack of focus, and has used it as an excuse to push his agenda and his clear disdain for parks that do not bring in money. For this reason, he holds up the resort parks as models, and has abandoned the parks



YOUR TAX DOLLARS AT WORK: *The film loan library is abandoned, but the rent must still be paid*



geared toward open space and low impact recreation, including such popular activities as hiking, bird watching, canoeing, caving, and rock climbing. Of the fourteen parks that were closed on December 1, 2001, the majority were rustic parks.

Commissioner Hamilton has also found creative ways to reduce, on paper, the costs of maintaining parks by simply transferring job duties to other state agencies or ignoring them completely. Traditional park tasks, such as managing natural areas, have been pushed off onto the Division of Natural Heritage. There is no net savings of tax revenue as DNH expands its focus, hiring regional naturalists and acquiring land — all this while its sister agency in TDEC is closing state park natural areas. As TDEC lays off rangers in the Parks division, DNH is hiring field naturalists for the Heritage Division.

While Commissioner Hamilton holds partial privatization to be one answer to the state's budget woes, a careful analysis shows that his prized "resort parks," are not as fiscally sound as he would have the public believe. High overhead costs and questionable private partnerships have cast a pall over this trend. What the Administration lacks in Disney-like talent for resort management, they make up for with Enron-like accounting and management methods.

Golf Course Economics

Before leaving office in 1995, Governor McWherter signed into law a bill that appropriated more than \$20 million for the construction of golf courses in Cumberland Mountain, Harrison Bay, Chickasaw, and Tims Ford State Parks. The state was to finance the construction under the guidance of a private corporation, Tennessee Golf L.L.C., and the company would manage the golf courses under the name of Bear Trace. The idea was that the company would make enough money to pay back the multi-million dollar bond with interest, and then turn back the golf courses to state ownership after 25 years. These privately-built courses are in addition to six older golf courses built in parks across Tennessee.

The plan generated controversy around the state. In particular, the critics immediately pointed out that the economic risk was borne by taxpayers: if Tennessee Golf defaulted on their loans at any time, the state would be left holding the bag. Opponents of the Bear Trace system noted that there was no mechanism to ensure that the courses would be constructed with a reasonable budget, or run in a matter compatible with the state parks mission, pay scales, and ethical rules.

Without adequate oversight, critics contended, the company could inflate the construction costs, and then structure the actual operating expenses to suit themselves. It would take a tremendous amount of oversight through the comptroller's office, or through parks, to police the finances of all these projects.

All the while, the underlying question remained unanswered: if the venture was financially sound, why did the private sector need the state to finance it? Meanwhile, the numerous private golf courses located near state parks are faced with a new form of government sponsored, tax-exempt competition.

Today, and without much surprise, Tennessee Golf L.L.C. is behind in repayment, and has asked the state for five more years to pay off the bonds. Their "loan" was extended by the state without question from 25 years, to 30 years. Up to this point, only one payment of \$225,000 has been made. Amazingly, the renegotiation also included a concessions agreement that allowed Tennessee Golf L.L.C. to pursue the building of more Bear Trace courses in other parks.

Now officials at Tennessee Golf are claiming that the four golf courses were really meant to be a system of eight or nine courses, and that all of the courses will become profitable if they are allowed to build four or five more. The theory behind this notion was that there has to be enough courses in the system so golfers will want to travel the circuit—a "collect them all" idea. So, the theory goes, the fact that existing courses are not doing well financially can be explained by the fact that there are just not enough of them yet.



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Meanwhile, a fifth Bear Trace has just been constructed at a new state park near Clifton. Originally, the entire park was to be built with private money, but now the financiers are attempting to finance that project, too, with state bonds.

From the beginning, the courses have been steeped in politics. One anecdote circulating within the Division of Forestry about the location of the Golf Course at Chickasaw goes like this:



FORE!-Warned: *Erosion at the Chickasaw Golf Course*

The state official handling the building of the courses for parks, Erskin Bonds, showed the Forestry employees where the golf course was to be situated. When the employees protested, saying the timberland was too good to give up, Bonds' response was reported to be "You don't have a choice. This is [Lt. Governor John] Wilder's golf course." Soon after, Bonds left his government job to work for Tennessee Golf.

The snafus did not end there. At the same time, a state water quality employee, while driving by the construction site, noticed that they were also bulldozing through a wetland, and issued a notice of violation. Red-faced state officials tried to sweep it under the rug, but EPA got wind of the violation and levied a fine against TDEC.

The Hospitality Management System

Despite the state's budget problems, the 6 resort parks installed a \$4.8 million operating system known as the Hospitality Management System (HMS) in late 2000. The system is designed to electronically manage everything from the way bills are paid to the way that servers take orders and relay those orders back to the kitchen. From the beginning, the HMS has been riddled with problems not befitting its hefty price tag

Although the people installing these systems boasted about how smooth the transition to the new sys-

tem would be, the park workers tell a different story. Lines were backed up, reservations were lost, and daily cash checkouts could not be reconciled. At certain parks, accountants were told not worry about the balance discrepancies, since there were still "bugs" in the system.

It took months for the bugs to get worked out, mostly because the system was designed for a major hotel chain, not a park system. Park workers report that only now, more than a year after HMS was installed, are they getting back to the same speed and accuracy levels that they had without the system. Many park employees question the wisdom of buying such an expensive system at a time when parks are under an incredible budget stress.

In one of the most questionable parts of the contract, parks pay a monthly per-room fee for a contractor to take care of the reservations at these seven resort parks. The state must pay this fee, about \$60 a month per room, whether or not the room is rented. How the contract reflects closed park units remains unclear:

- ▶ During the three-month closures of Montgomery Bell State Park and Natchez Trace State Park, taxpayers may be liable for paying for the contractor to manage the reservations of rooms that



No Walk in the Park

cannot be rented because the resorts are not even open; and

- ▶ At Henry Horton State Park, the taxpayers may be paying to rent rooms at a hotel that is now closed and is scheduled to be leased to a private group.

The current Administration has been able to recast the mission of Tennessee Parks while ignoring public

complaints and opposition. The concept of a park system with a healthy balance of uses is now badly askew, as Commissioner Hamilton and his staff have transformed public parks into profit centers. Even if this alteration was a worthy goal, an unbiased analysis of parks as profit centers reveals a pattern of poor decision-making, political interference and distorted or misrepresented data that masks the un-profitability of these state-run resorts.

How Indebted are the Resort Parks?

NOTE: Commissioner Hamilton has put forth, and others have accepted, that the resort parks should stay open at the expense of non-resort parks, such as the Natural Areas, and the Historic Areas. The premise behind this assertion is that the resort parks pay for themselves. Significantly overlooked in this equation are the huge bond debts carried by most of these resort parks flowing from recent, politically motivated, expansions.



STATE HOSPITALITY: *New Hotel at Pickwick Landing*

This debt is not figured into the operating expenses of the parks, as would be done in the private sector. Like an accounting trick to keep debt off the corporate books, the following figures represent the hidden costs of state resorts:

Recent Expansion Costs of the Inn and Convention Centers:

Montgomery Bell Inn and Convention Center:	\$12,179,844.37
Natchez Trace Inn Expansion:	\$10,573,347.28
Paris Landing Inn Expansion:	\$8,777,600.00
Pickwick Landing Inn Expansion:	\$16,927,365.99
Fall Creek Falls Inn Expansion:	\$10,239,500.00
Total for Inn Expansion and Convention Centers:	\$58,697,657.64

These figures do not include other resort park expansions such as the cabins at Fall Creek Falls, and Rock Island.

If the above listed total of expansion debt had been invested at 7% interest, it would have generated over \$4 million, enough to carry the whole parks system through the current *budget shortfall*.



V. Privatizing Public Parks: The Tennessee Resort Enterprise Bill

"What purposes do state parks serve? First, the salvation of the last remaining spots of beauty and scientific and historic meaning, which should be preserved for posterity and put to the highest possible recreation use"

Freeman Tilden, in
State Parks: Their Meaning in American Life

The "budget crisis" and the budget reductions that it forced have been used to justify legislation to effectively privatize much of the park system. The Tennessee Resort Enterprise Bill was drafted by Commissioner Hamilton's staff and introduced into the 2001 legislative session by the Sundquist Administration. The bill sought to establish a board of directors that would govern resort operations in state parks under a corporate model. Under this plan, the board of directors would run the resort operations — the inns, restaurants, and golf courses — exempt from normal state policies. For example, as state employees retired from positions at a resort, they would be replaced with non-civil service employees.

Commissioner Hamilton stated in a press release pushing the bill that:

"The problem is not in our management, but in the laws that limit our ability to control expenses. We need to be allowed to take advantage of deals on things like napkins and ketchup when we have the opportunity."

This statement is disingenuous, as state park restaurants, like their counterparts in the private sectors, buy their napkins, ketchup and food from the major wholesalers in bulk. The same wholesalers serving private

chains also supply state park restaurants. Parks have always had the right to purchase small amounts, under \$400, but for the most part they don't because there is not much money to be saved in things such as ketchup or napkins.

Commissioner Hamilton and his staff claimed that the Enterprise Bill would save the taxpayers \$10 million by 2005. This claim, however, does not hold up under scrutiny. A number of the figures used by Enterprise Bill proponents were taken grossly out of context. In his press release, Commissioner Hamilton explained that:

"Tennessee State Parks spend 47% of their revenues on the cost of food. The national average is only 33%. Personnel costs at parks' restaurants is 52% while the national average is 33%."

These seem like exorbitant costs for both labor and food, until you realize that the restaurants and hotels in state parks do not have the facilities overhead, things such as repaying notes on buildings, or interest payments, that the private sector deals with. When buying their food for resale, the State Park restaurants do not even pay taxes. When dealing with percentages, it is no wonder that the food costs in park restaurants — 47% — and the labor costs in State Parks restaurants — 52% — when added together equal 99% of the cost of running a state park restaurant. With almost no overhead in their buildings, the "proportions" of labor and food costs, not the amount, will naturally be higher than their private counterparts. The comparison defies both common sense and business realities.

Nonetheless, the Administration continues to glibly repeat these spurious figures without challenge. As late as January 2002, Administration spokesman Kim Olson erroneously reported that "[f]or every dollar

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of revenue at inn and restaurants, 50 cents goes to personnel. The national average is 25 cents. So we are paying twice as much for our employees.”

The only real savings of the Enterprise Bill would come at the expense of workers. While advocates of the bill say that the elimination of civil service protections would be gradual as employees left, the reality is that low-paid state workers, who depend on their benefits packages, could be lured out of their positions with promises of higher pay if they would become non-civil service. That is when the job cuts would begin.

As bad as it would be to strip benefits from workers, the state itself would probably only see a short-term savings. Consider Natchez Trace State Park, for example, which is located far away from any major city that could provide a stable labor pool. The crew of state park workers, who average about \$8.00 an hour, are working year after year largely for their benefits package: the medical insurance, sick leave, annual leave, and accrued retirement. The state will lose these dedicated people if they strip them of their benefits

package. In these remote communities, there is not the labor base from which to draw new employees and certainly not for jobs that offer no benefits.

Some resort operations can be run in a profitable manner now, if politics were removed from the mix. Other parks, including the inn and restaurant at Natchez Trace, or the Air Park Inn at Reelfoot Lake will likely never be profitable operations. Their original construction projects were politically motivated pork-barreling and approved over the objections of the park professionals. Now that they have been built with taxpayer money on park land, they cannot easily be abandoned.

State legislators, worried about the implications of the bill and the vigorous opposition from the Tennessee State Employees Association and others eventually tabled the bill for later “study.” After hearing of the defeat of his bill, Commissioner Hamilton reportedly stomped through the hallway and turned to tell Linda McCarty, head of the TSEA, “The son of a bitches better be doing their jobs,” referring to the state workers.



VI. Driving Out the Disbelievers

"I would like to introduce you to your new state parks director, Mark Williams. He doesn't know much about parks. He doesn't need to know much about parks. He's my bulldog."

Commissioner Milton Hamilton, to the assembled parks managers at Montgomery Bell State Park, on June 15, 2000

Commissioner Hamilton has made no bones about his "my way or the highway" approach to state administration. The recent resignation of Mike Carlton, the manager at Radnor Lake State Natural Area in Nashville, brings to six the number of park managers that have been driven out of their posts by the current administration.

The commissioner and parks director Mark Williams removed Carlton the same way they have removed all of their perceived "enemies": through a steady campaign of criticism and the proverbial "death of a thousand paper cuts" in which every procedural roadblock is utilized to ensure that the targeted manager is prevented from getting any work done. In the case of Mike Carlton, the commissioner initiated four grueling audits of his park in a two-year period. Most parks get audited about once every ten years.

By many accounts, Commissioner Hamilton was clearly threatened by Carlton's independent nature and his relationship with the influential Friends of Radnor Lake group [See sidebar "Over My Dead Body"]. It is also known that Hamilton's lieutenant, Rick Sinclair, suggested opening up a bed and breakfast or meeting facility in Carlton's residence at Radnor.

Mike Carlton's fate is not isolated. This administration has made a habit of firing or transferring any park manager that crossed the commissioner's agenda:

- ▶ Head Accountant Sue Atwood was forced to transfer jobs after complaining that Mark Williams was misrepresenting the numbers from her office.
- ▶ Manager Bob Rees at Tims Ford State Park, was fired for disobeying orders forbidding him to communicate with his own staff. His termination came without any of the required disciplinary steps, including warnings or suspensions. While Manager Rees' termination is being appealed, he has been forced to leave the park, and the process could take a number of years.
- ▶ The forced resignation of Bobby Harvey at Pickwick Landing State Park followed a move that stripped Harvey of civil service protections so that he became an employee who could be hired or fired "at will."

The Harvey case also had implications for the way the entire Parks system is run. In order to remove Harvey, the Sundquist Administration did away with the "area system" of park supervisors and support staff. Through this administrative maneuver, all park managers were subsequently stripped of their civil service status. Not only did they lose their civil service protection, all park managers now answer directly to the one park director.

Eliminating the area system also effectively deprived park managers of much of the logistical support they have needed in running their parks, in terms of equipment, administration, or money. In many ways, each park is now on its own.

Partially due to that change as well, no park manager has had a performance evaluation of his or her work during the seven years that the Sundquist Administration has been in office. Add to that the fear that is obviously rampant in the system, and you have a situation in which there is almost no constructive communication between the field and central office.



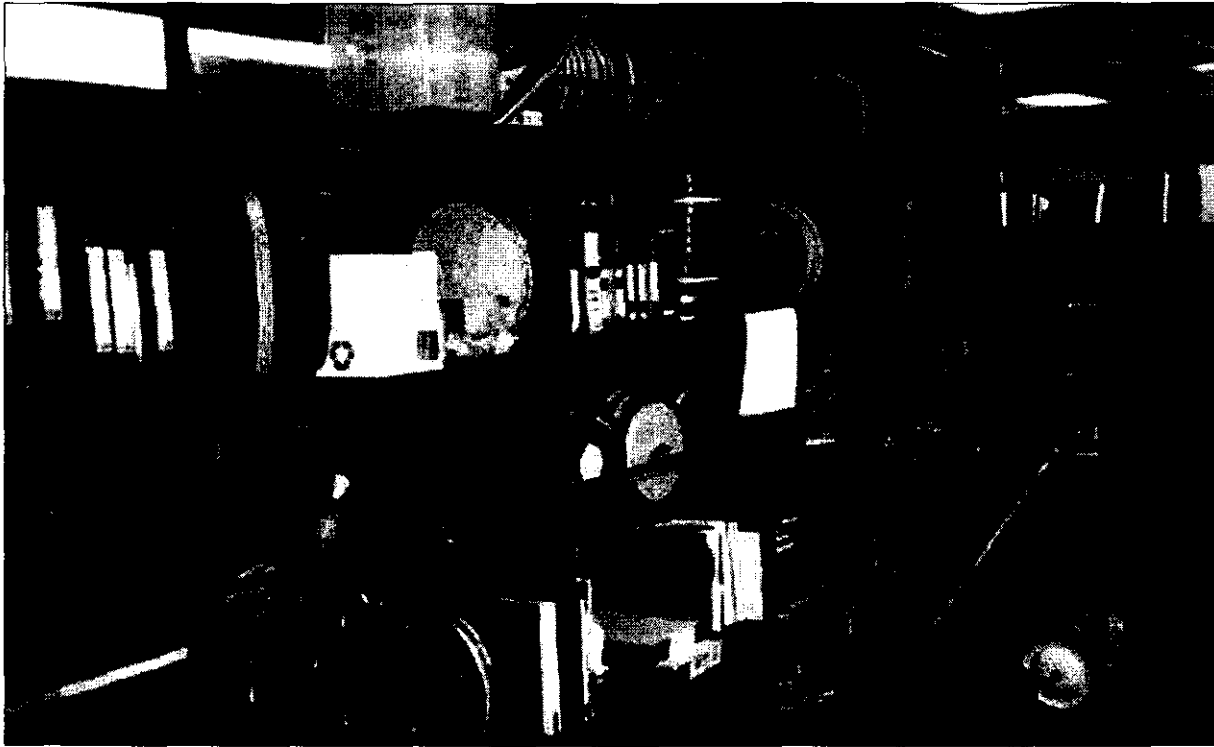
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Park managers are scared to point out problems or to ask for help.

The assault is not limited to field staff. Commissioner Hamilton and his staff have effectively gutted the central parks support staff and replaced it with marketing staff, many with political ties. Gone is the Planning Section, the Resources Management Section, the Park Surveyor, and notably, Program Services. Program Services, a very popular operation among the Tennessee public, was responsible for the thousands of programs presented every year in the parks, including the Bike Ride Across Tennessee. Because that unit contained a number of employees who actively opposed the way Hamilton altered the Parks mission, Program Services was among the first sections to go.

The Film Loan Library, which had hundreds of films and resource materials available for loan to teachers, was also abolished. The educational materials were boxed up and sent to closets around the state because parks director Mark Williams refused to provide a place to store the materials. Citing the need to save thousands of dollars in rent payments, Williams bragged about streamlining this division, though a year later the state continues to pay the rent, and the space sits nearly vacant.

Even the popular *Tennessee Conservationist* magazine is under fire. Not only is Commissioner Hamilton requiring that the magazine become self-sufficient, but his deputy commissioner, Rick Sinclair, has been put in charge of reading and editing each issue to ensure that the Commissioner's agenda is being reported properly.



ABANDONED ARCHIVE: *The film loan library in better days*



Over My Dead Body

In August of 1999 Commissioner Milton Hamilton and former Senator Howard Baker dedicated Netherton Overlook at Radnor Lake State Natural area in recognition of John Netherton, a native Nashvillian who had spent 30 years working to protect Radnor Lake.

By the following spring, Netherton had become the target of Hamilton's ire when the widely respected activist, then president of Friends of Radnor Lake, became an outspoken critic of the rumors that the state was planning to close parks to gain support for a state

income tax. Netherton also challenged Commissioner's Hamilton's plans to force parks to generate a profit, particularly at the expense of natural resources, and complained that the newly-appointed director of parks, Mark Williams, was barely qualified for an entry level ranger position.

Through his advocacy of state parks, Netherton became Hamilton's arch-nemesis. One particularly heated debate was fueled by Hamilton's insistence that soft drink vending machines be installed at Radnor Lake. Netherton maintained that the machines were incompatible with a state natural area, the most wild designation in the state system. Prophetically, Netherton stated that vending machines would be installed "over my dead body."

On March 15, 2001 rangers at Radnor Lake were called to an emergency at Netherton's residence located at the northern boundary of the natural area. The first ranger to Netherton's side was his close friend, Radnor Lake manager Mike Carlton. As Tennessee State Park's only paramedic, Carlton recognized the grave nature of the situation and followed outlined medical protocols as he searched for signs of life. As it became apparent that he was dealing with a fatality, confirmed by Metro Fire Department paramedics, Carlton notified Commissioner Hamilton of the situation and then Parks Director Mark Williams.

Mr. Williams immediately offered to come directly out to Radnor Lake. The staff assumed that Williams' visit would be consistent with policies of other public safety agencies when one of their officers witness the death of a friend or co-worker by providing administrative and emotional support through a process called Critical Incident Stress Debriefing. Instead, while waiting for the medical examiner to arrive, Carlton was summoned to the Radnor Lake office to find Williams was measuring for the installation of soda machines. It was, according to Carlton, "the most disrespectful, heartless and callous action I've ever witnessed by a government official."

Within 10 days of Netherton's death, soft drink machines were installed at the park.



REFRESHINGLY COMMERCIAL: *The disputed drink machines at Radnor Lake*



VII. Recommendations: Seven-Step Plan for Putting the Tennessee Parks System Back on Track

"A strong civil service, based upon the merit principle, is now recognized as an essential factor in stable, responsible government...."

President Dwight Eisenhower

The Tennessee Park System has been so "deconstructed" that it will likely take years to get things back together again. The contributors to this white paper have a few suggestions for the rejuvenation of Tennessee State Parks:

1. Demand Experienced Leadership.

The State Parks Director should be chosen for his or her demonstrated abilities, training and experience in the field of parks. To hire a competent new director will probably entail a search committee or a board of directors that represents a wide cross section of people who have knowledge of parks. The bill introduced by Senator Joann Graves (SB 735) is a good start. It will cost a minimum amount of money to implement, and will save the taxpayers millions of dollars in the long run.

2. Rebuild the Infrastructure.

Much of the infrastructure that was gutted in this administration must be reestablished: the planning section, the program services section, the parks surveyor, the Film Loan and Resources Library, the trails administrator, the natural areas administrator, the scenic rivers administrator— all should be reestablished, all within the new headquarters.

3. Restore the Balance Between Resource Protection and Recreation.

This mission statement is as important today as when it was articulated in 1937.

4. Bring Park Management Closer to the People.

The central headquarters should be moved out of the skyscraper in downtown Nashville where it is now located, to some place more accessible around Nashville. Moving out to some more accessible site would save money and make the central office more accessible to tourists and other people seeking information about State Parks.

5. Reestablish Regional Support.

The previous "area system" should be reestablished. The area system of support was necessary for improving support and communications among the 54 parks scattered across the state, and central office. Presently, each park is virtually on its own, with little constructive communication going on with the central office and the only support being what equipment or labor individual park managers might be able to swap with neighboring parks. Reestablishing the area system would also restore the park managers' civil service protection, something needed if they are to make the tough decisions they are called on to make and to keep political whim from further damaging the park system.

6. Use "Truth in Accounting."

Truth in accounting, and generally accepted accounting principles, should be used to keep track of the true cost and financial responsibility of the Park System. Although one can justify hotels, golf courses, and other facilities in terms of projects meant to attract visitors, to increase the local tax base, or to provide cost-effective recreation for residents, the true financial cost of these facilities to the taxpayers has never really been tallied. Initial building costs are not added in, and major maintenance costs most of the time are not shown as a cost of the resort facility.



Another aspect that should be figured in when the costs of the resort facilities are analyzed would be the question of how the resort facilities affect resources protection and visitor enjoyment of the natural setting. Is building a golf course or another hotel, two things that the private sector does well, worth doing in a park if it diffuses the park's role in protecting the resources?

7. Establish an Independent Structure.

The Legislature should create a State Parks Agency, as a separate agency, along the lines of the Tennessee Wildlife Resources Agency, or combine it with TWRA, as it started out in 1937.



While public parks do compete with the private sector for some consumer recreational spending, the fundamental role and mission of the public park is not simply to generate a profit. The philosophical consensus surrounding the creation of the Tennessee Parks System recognized the special role for the

public sector to preserve, to educate, and to provide for the common good.

Colonel Richard Lieber of Indiana, Chair of the National Conference on State Parks in the 1920's said:

"State Parks are meant to be the show windows of a state. But more than that, state parks are a dedication of the soul of the land. Without vision, a land would die. Without inspiration, we remain disconnected from the immortal order of all things. Our state parks preserve the sources of our inspiration."

It is going to take much dedication and hard work by both the public and the Legislature to restore the Tennessee State Park System and raise it to new levels. The ultimate judges will be the future generations: will we leave them a priceless, broad-based system that showcases the diversity of Tennessee, or are will we bequeath a crippled mess, a poorly maintained quagmire supported by ordinary taxpayers but enriching only the politically connected? The outcome is in our hands.



