MEMORANDUM

Date: September 9, 2013

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

Re: **Colossal Cave Mountain Park Proposed Performance Audit**

On August 19, 2013, a request was made by District 4 Supervisor Ray Carroll to the Board of Supervisors to conduct a performance audit for various reasons on the operations and contract deliverables of Colossal Cave Mountain Park (Attachment 1). The Board agreed to continue this item to their September 10, 2013 meeting.

Supervisor Carroll's memorandum to the Board requested the County Administrator prepare a plan to conduct such an audit. Attached for your consideration is the proposed performance audit action plan (Attachment 2).

The following are the parameters within which the committee will be formed and the audit conducted:

1. The audit committee will be appointed by the County Administrator.
2. The committee will be comprised of tourism, academic and community leaders, as well as professionals in natural resources and wildlife management.
3. The audit committee's deliberations will not be subject to Arizona's Open Meeting Law due to the appointment process.
4. The County Administrator will request $25,000 from the Contingency Fund for professional assistance to facilitate the audit action plan.
5. The committee will prepare a report to the County Administrator, who will submit the report to the Board of Supervisors for review and approval.

CHH/mjk

Attachment

c: Hank Atha, Deputy County Administrator for Community and Economic Development
Tom Moulton, Director, Economic Development and Tourism

ATTACHMENT 1

PIMA COUNTY BOARD OF SUPERVISORS
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RAY CARROLL
COUNTY SUPERVISOR
DISTRICT 4

Memorandum

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: Ray Carroll, Supervisor, District 4 Ray Carroll

Date: August 19, 2013

Subject: The Future of Colossal Cave Mountain Park

The Shooting of the Mountain Lion

Three men were recently charged with various misdemeanor infractions in the shooting of a female mountain lion on the grounds of the County's Colossal Cave Mountain Park. Two of the three men have direct connections with the company that operates the Park under a lease arrangement with the County.

If found guilty, each man faces up to four months in jail. Seven citations were issued among the three men, with fines up to $750. In addition, Mark Hart, a spokesman for the Arizona Game and Fish Department, said the men might also be liable for civil penalties of up to $1,500 imposed by the Game and Fish Department for the unauthorized taking of wildlife.

I think the shooting of a mountain lion on County lands by employees or subcontractors of Escabrosa, the company we entrusted, by lease, to manage the Park, is a travesty. Our lease clearly states that it is the obligation of the manager to protect wildlife from destruction on Park grounds (Paragraph 17.2). The lease directs the manager to forbid hunting except by licensed hunters (Paragraph 17.6). The lease also directs the manager not to permit any activity in the Park that conflicts with any federal, state or local law, statute, ordinance or government regulation (Paragraph 17.3).

I have read the investigative report from the Arizona Game and Fish Department and the statements by the accused are inconsistent, confusing, contradictory and obviously, in some cases, a perversion of the truth.

Since the two men who actually fired the shots that killed the mountain lion have admitted doing so, and the cases of all three defendants are now being adjudicated, it is not my intention to discuss their guilt or innocence of the specific charges leveled against them.

It is my intention to focus attention on the current operation of Colossal Cave Mountain Park, and what this Board can do to improve it; not only in the management of wildlife, but in the performance of the park as a Pima County tourist attraction.

The Lease

The Current lease with our Park manager, Escabrosa, is for five years, ending on August 21, 2015. The leaseholder has the right to request two 5-year extensions. The County Administrator would then seek approval for the extension(s) from the Board of Supervisors. The first extension can be sought no earlier than August 21, 2014, one year before the lease expiration.

Park Performance—Attendance and Income

I have reviewed the attendance figures for the 3-year period 2010 through 2012. (Note: The current lease became effective for the last four months of 2010, but the manager was involved in the operation prior to that time.) The figures show the following:

Year	Attendance	Change from Prev. Year
2010	50,057	(9,278)
2011	48,273	(1,784)
2012	37,824	(10,449)

These figures do not include students on school bus tours, but do represent the number of people entering the gates in all other vehicles.

The figures encompass the Great Recession which affected all tourism activity. However, a drop of more than 24% is certainly worrying. This is particularly so when we consider that in 2012 Pima County had more than $2.6 billion in direct tourism spending according to the Arizona Office of Tourism. The attendance decline at Colossal Cave Mountain Park is even more difficult to understand when we realize that according to a 2012 Visitor Survey conducted by Visit Tucson, the natural environment and outdoor/desert activities were cited by visitors as Pima County's greatest attractions.

The income figures for the Park appear to be equally discouraging. The manager states that the Park has not made a profit since 2006. Gross income has fallen from $842,561 in 2007 to $726,112 in 2012. Net losses for those six years according to the manager's figures, range from a high of $92,392 in 2008 to a low of $42,371 in 2012.

Performance

It is apparent to me that Colossal Cave Mountain Park is not performing as might be expected, even given the past difficult economic times. Part of the current lease called upon Escabrosa to prepare and execute a business plan (Paragraph 10.6.1). Given the attendance and income figures, I would like to know how this plan has been implemented. This is particularly important

since the lease calls for the next business plan to be presented to the County by November 15, 2013 (Paragraph 10.6.2).

While it is difficult to compare attendance figures between disparate tourist attractions, I reviewed the attendance figures for the Titan Missile Base for 2010-2012, since this attraction is basically a single event visit similar to the single event of visiting the Cave. The figures show the following:

Year	Attendance	Change from Prev. Year
2010	51,213	1,296
2011	49,404	(1,749)
2012	51,004	1,540

These figures show a flat attendance in spite of the effects of the Great Recession. This is in sharp contrast to the 24% decline shown by Colossal Cave during the same time period.

Conclusion

Pima County's three mountain parks are one of our outstanding conservation and recreation achievements. I do not believe there is a better mountain park system in the nation. God has blessed us with these beautiful mountains and our County has had the foresight to acquire and preserve them, with all their flora and fauna, starting in 1929 when The Pima County Board of Supervisors acquired Tucson Mountain Park.

I know that this Board shares my pride in what has been done for all the people of Pima County. I am concerned for the taxpayers by what has happened at Colossal Cave Mountain Park. It is for this reason that I make these recommendations.

Recommendations:

I recommend that the Board direct the County Administrator to create a Special Committee to conduct a performance audit of the operations at Colossal Cave Mountain Park, including a review of the lease activities undertaken by the present leaseholder. Such review to include, but not be limited to, the education, training and supervision of employees and subcontractors with regard to the stewardship of the Park environment, especially its wildlife; the execution of the business plan as required by the lease, especially, the marketing of the Park as a premier tourist attraction; an analysis of the audited financial statements for the years 2010 and 2012 as required by the lease; and any other such information as the County Administrator may deem necessary to enhance the operation of Colossal Cave Mountain Park.

Further, I recommend that the Board direct the County Administrator to advise the Special Committee to complete its work by November 1, 2013, and to make recommendations to the Board and County Administrator on implementing any recommendations it may make.

I appreciate the Board's consideration of my request and thank it for its attention to this important matter.

c: C.H. Huckelberry, County Administrator
Chris Cawein, Interim Director of Natural Resources, Parks and Recreation
Tom Moulton, Director, Economic Development and Tourism Department

ATTACHMENT 2

PERFORMANCE AUDIT PLAN FOR COLOSSAL CAVE MOUNTAIN PARK FOR THE YEARS 2000 THROUGH 2012

Colossal Cave Mountain Park Mission

The management and staff of Colossal Cave Mountain Park (CCMP; Park), through a cooperative management agreement with Pima County and on behalf of the residents of Pima County, have a core responsibility to conserve, protect and manage the cultural and natural heritage within the boundaries and protected areas of CCMP. Management is also responsible for making CCMP available for the public's enjoyment.

Performance Audit Objectives

- The performance audit will determine how well the CCMP team meets its overall management responsibilities.
- The performance audit will analyze how the business operation has been conducted in conjunction with creating activities and programs that generate public interest.
- The audit will focus on the following three areas:

1. Business and Financial

   A. The history of CCMP from its inception to the present management agreement.

   B. An analysis of the financial statements for the years from 2002 through 2012.

   C. Analysis of the current business and marketing plans, include the status of each task, the method for task completion, and why particular tasks have not been completed.

   D. Competitive analysis of other Pima County/southern Arizona attractions and similar cave operations in the western United States.

   E. Analysis of economic productivity variables, such as attendance, measured in terms of surrounding influences or competitors, such as Kartchner Caverns.

2. Operations, Past and Current

   A. An inventory of the natural resources assets within the Park and the County's actions to secure and expand the land base around CCMP, including bond projects related to open space acquisitions or any open space acquisition related to riparian connectivity between CCMP and surrounding riparian habitats.

   B. Generate a summary of capital improvements that have taken place by management and Pima County.

C. Review transportation improvements on Pistol Hill Road that were designed to reduce through-traffic penetrating CCMP on Colossal Cave Road.

D. Review the training and supervision of employees and subcontractors with regard to the stewardship of the Park environment, especially its wildlife.

E. Review the overall maintenance and preventative maintenance plan for the park and its facilities.

3. Sustainability

A. Develop a new three-year business and marketing plan;

B. Develop a range of recreational opportunities that could be utilized at CCMP without exploiting or diminishing the natural resource base;

C. Develop a performance matrix that can be utilized to measure management performance.

Performance Audit Committee and Support

The County Administrator will appoint a CCMP Performance Audit Committee to be comprised of tourism, academic and community leaders, as well as professionals in natural resources and wildlife management. Below are the County Administrator's recommended Committee members, as well as the Research and Staff Administrative Support teams.

PERFORMANCE AUDIT COMMITTEE		
Name	**Title**	**Affiliation**
Armer, Wally	Parks Commissioner	Arizona State Parks
Baker, Jon	Executive Director	Southwestern Fair Commission
Baldwin, Kerry	Natural Resources Manager	Pima County Natural Resources, Parks and Recreation
Colodner, Deborah	Director of Conservation, Education and Science	Arizona-Sonora Desert Museum
Gimblett, Dr. Randy	Chair, Landscape Assessment and Analysis Program	School of Natural Resources and the Environment, The University of Arizona
McFarlin, Shela	Board Member	Cienega Watershed Partnership and formerly of the US Bureau of Land Management
Vimmerstedt, Tim	Director of Marketing	Visit Tucson
RESEARCH TEAM		

Name	Title	Affiliation
Bundrick, Gale	President	Pima County Parklands Foundation
Nordensson, Jeff	Director	Pima County Communications Office
Yarchin, Joe	Watchable Wildlife Program Coordinator	Arizona Game and Fish Department
ADMINISTRATIVE SUPPORT TEAM		
Moulton, Tom	Director	Pima County Economic Development and Tourism
Shirk, Brian	Program Manager, Operations	Pima County Economic Development and Tourism
Strickland, Catherine	Program Manager, Marketing	Pima County Economic Development and Tourism

Performance Audit Timeframe

The recommended duration of the CCMP Performance Audit is 120 days, and milestone dates for the audit process are as follows:

2013	
September 10 – 20	Creation of the Committee and Membership Confirmation
September 23	Initial Committee Meeting
October 1 14	Review of Potential Consultants
October 14	Committee's Consultant Discussion
October 28	Consultant Interviews and Selection
November 4	Study Begins
December 9	Consultant Findings Discussion (Committee)
2014	
January 6	Committee Reviews Draft Report
January 20	Committee Presents Final Audit Report to the County Administrator

Final Audit Report

The CCMP Performance Audit Committee will provide a written report to the County Administrator that includes the following elements:

- A performance appraisal of CCMP management, operations and financial activities for the years 2000, 2011 and 2012.
- Specific recommendations for continuous improvement and accountability.

- Specific objectives and priorities for park management to utilize in implementing a comprehensive plan of action to manage the cultural and natural heritage areas, as well as programs activities.

- An actionable geotourism strategic marketing plan.

- A set of performance metrics to be used by CCMP management and Pima County to measure and evaluate CCMP performance.

Cost

There are two anticipated costs associated with this audit, and the County Administrator will ask the Board of Supervisors to make a $25,000 allocation from the Contingency Fund to cover these costs.

The greatest cost will be for the retention of a consultant to analyze the operational and marketing data of CCMP, as well as to make recommendations regarding how to improve and develop new programs and activities to increase attendance at CCMP. A secondary cost may result from required collection of historical data and the compilation of reports.