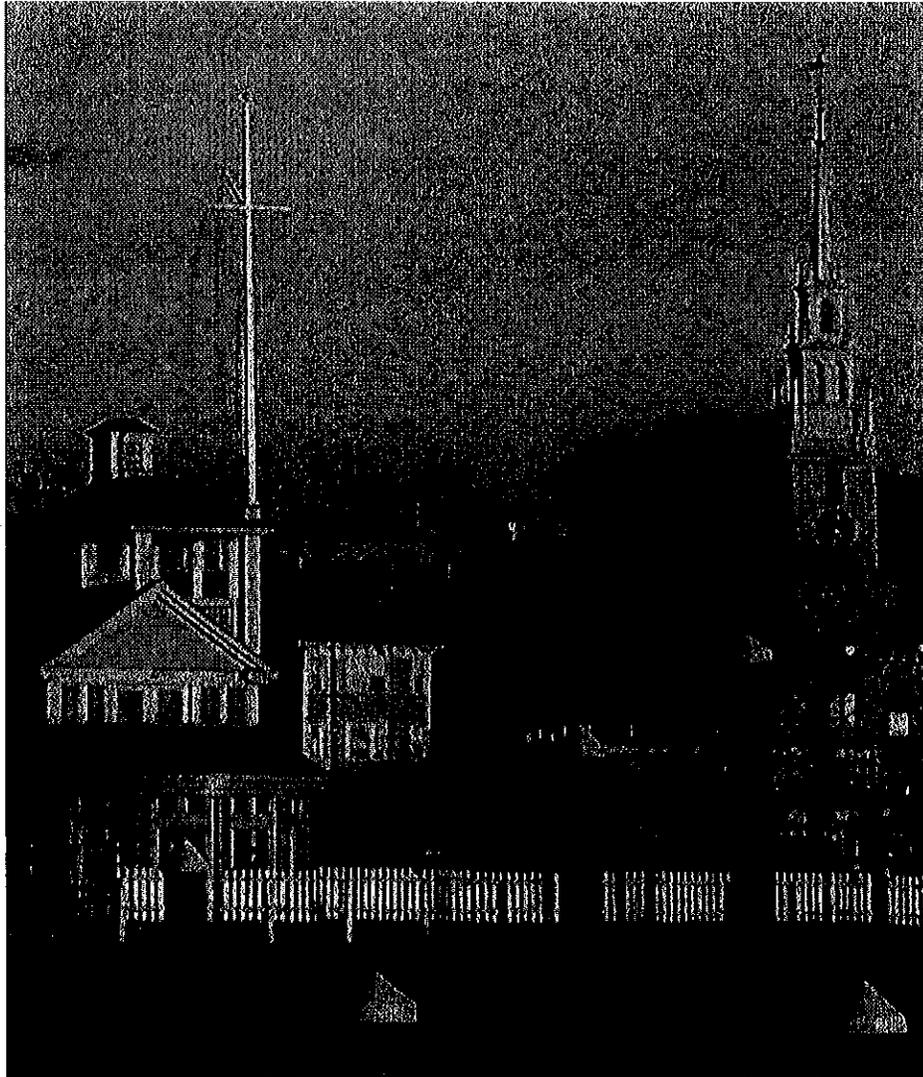


City of Newport, Rhode Island
First Annual Performance Report



Year ending June 30, 2007

*Funding for this report was provided by the
National Center for Civic Innovation*

CITY OF NEWPORT, RI
First Annual Performance Report
Year ending June 30, 2007

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FIRST ANNUAL PERFORMANCE REPORT ON DELIVERY OF CITY SERVICES FOR FY 2007
 INFORMATION ON HOW TO GET A COPY OF THIS REPORT – SEE BELOW

PURPOSE OF THIS REPORT

This is the City of Newport's first *Service Efforts and Accomplishments* (SEA) Report. The purpose of this report is to:

- Provide citizens, city staff and community leaders with information relating to the city's performance and thereby improve public accountability;
- The information contained in this report helps city management make more efficient and effective decisions regarding the allocation of finite resources and improves the customer service residents receive from city staff by improving communication and increasing responsiveness.
- It contains information on the basic scope of operations, the key goals, and the level of accomplishment for a majority of the City's service delivery departments. This report is intended to improve public accountability of the city government by sharing information with all residents about its activities and investments of resources over the past year. Where possible, accomplishments and costs of those activities are described.
- Recent survey results indicate that our citizens want better communication from their local government. This report is intended to address those concerns. It is similar to a business corporation's annual report to shareholders, because it tells the City's taxpayers (its shareholders) what they received in exchange for their investments of taxes and fees.

A copy of this report can be:

- Seen at and printed from the City website: www.cityofnewport.com/departments/finance/home.cfm
- Seen at the Newport Public Library
- Mailed to you by phoning Elizabeth Sceppa, Budget & Financial Analyst, at (401) 845-5392

A copy of the citizen survey can be seen at and printed from the City website: www.cityofnewport.com/links.cfm

NOTE: Throughout this report, text that is *italicized and underlined* are terms defined in the glossary.

SCOPE AND LIMITATIONS OF THIS REPORT

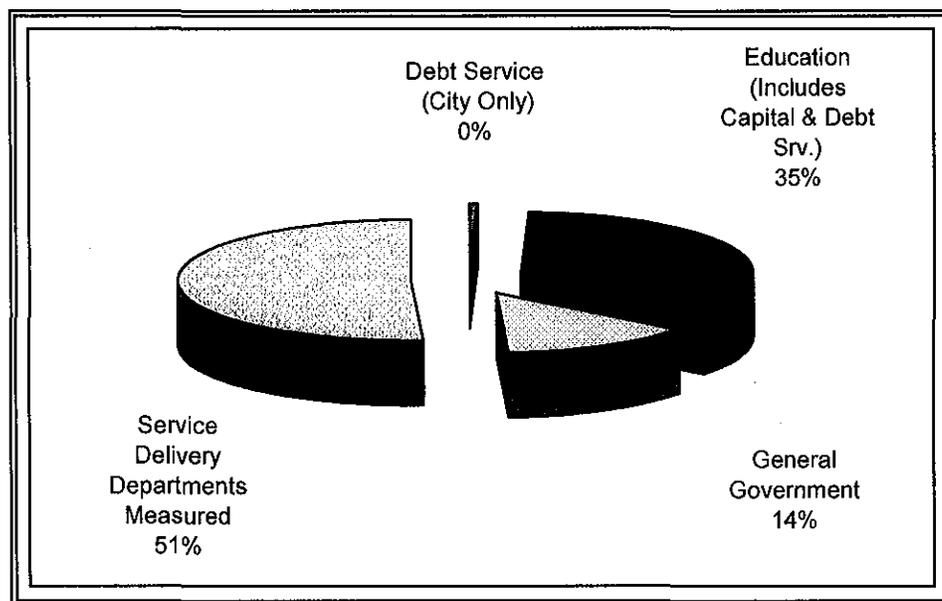
This inaugural report includes most of the departments that deliver services directly to Newport's citizens. These Departments/Divisions include: Human Resources, Canvassing, City Clerk, Finance, Police, Fire, Public Works, Planning, Zoning, Development & Inspections, and Parks, Recreation & Tourism. These areas of the organization comprise 50.80% of the City's total *General Fund Actual Expenditures* for the *Fiscal Year 2006-2007 Budget*. Also included are the following Enterprise Funds: Maritime, Parking, Easton's Beach, Water Pollution Control, and Water.

		<u>% of Actual FY 07 Expenditures</u>	<u>Staffing (FTEs)</u>
Human Resources	264,108	0.36%	2
City Clerk	518,397	0.70%	6
Finance	2,144,294	2.91%	21
Police Dept.	13,505,333	18.36%	112.5
Fire Dept	14,058,226	19.11%	99
Public Works	4,034,738	5.48%	18.6
Planning, Zoning & Dev.	1,151,803	1.57%	13
Recreation & Parks	1,699,845	2.31%	16.28

For the departments that are covered in this report, the measures of performance targeted for reporting are those that each department identified as the key measures critical for *evaluating* their service delivery and also that directly impact the City's long-term *goals*. Whenever possible, *comparative* data has been provided to give readers of this report some context for better understanding *departmental* operations, performance, and challenges.

This report does not include information on every program or service delivered by the City government. Most importantly, the School Department, while a key component of the City's overall budget at a total of 35% of the total (including Capital and Debt Service), is a separately governed entity and so is not considered in this report.

Service Delivery Measured ~ 51% of Total Actual Expenditures



The City Manager's office is not included as a distinct department, but instead intends to be assessed for performance by readers of this report by considering the results of all the areas that report back to that office. Information Technology, while critical in its support function to overall organizational performance, was not included at this time because of its lack of direct impact on citizens. Next year's report will incorporate this key area. Finally, the office of the City Solicitor was not included because its services are directly appointed by, and report to, City Council.

In considering the scope and limitations of this report, it is important for readers to understand that this is the first report of its kind for the City, and that measuring performance of city departments is in its rudimentary stage of development. However, the City has been establishing goals since approximately 1996. Prior to this effort, there had not been a consistent methodology used throughout the organization for setting targets for annual performance or tracking data on performance results.

Additionally, software specific to supporting such efforts has not yet been implemented. Therefore, the data on performance measures that is reported herein is the baseline of information from this point forward. The way performance is assessed may change as this measurement effort and its reporting evolve.

RELIABILITY OF DATA

All departments maintain internal data throughout the year for reporting purposes. These measures are currently not subject to audit, but provide a general overview of inputs, outputs, and outcomes for all service areas.

Given the size of Newport, and its limited resources, there is no internal audit department, which typically would oversee such an effort. Therefore, much of this information has been gathered from internal department sources, with no outside verification for the most part.

Overall, these factors do not reflect unprofessional standards, but, rather, more limited resources of a smaller city in the smallest of states, as well as the newness of the concept of reporting government performance results at all. From this initial reporting process, standards for data collection for the future can be established. As well, avenues for outside verification of information can be explored. An example of this is a possible review by the audit firm contracted by the City for financial reporting.

It is through efforts like this report that the city government continues to challenge itself to improve its operations through increasing its understanding of what it does and how well it does it. Through involving citizens and other stakeholders in reviewing and evaluating this process, our efforts, hopefully, will better reflect their voices.

A copy of the city's annual budget is available on the city website:
www.cityofnewport.com/departments/finance/cafr.cfm

PERFORMANCE MEASUREMENT BACKGROUND

All departments are required to submit performance data information for inclusion in the annual budget. However, budget measures are not identified in the budget document according to measure type and departments are not required to submit measures for each category (*input*, *output*, *outcome* and *efficiency*). All departments also provide monthly activity reports to the City Manager.

The City is participating in The New England States Performance Measurement Pilot Project (NESPMP), an initiative to integrate performance measurements across the six New England States. As a charter member of this initiative, the City of Newport, representing the State of Rhode Island, has been given a unique opportunity to be on the cutting edge of Performance Measurement benchmarking on a regional basis. As a member of Phase 1 (Feasibility Study), we determined that this vision of regional performance comparisons is not only feasible, it is one that fosters a culture of service excellence in municipal government.

Under the NESPMP we will develop universal Cost Measures for valid efficiency comparisons. These comparisons will allow us to document the current level of effectiveness and efficiency of the City against other municipalities while creating a database of best practices. These metrics will follow a "balanced scorecard" approach, including effectiveness, efficiency and quality.



REPORT INTRODUCTION

By many measures, the City of Newport has met the challenges it faces with relative success. For overall image, Newport was seen by 87.3% of the 2006 Citizen Survey (See Appendix A, Executive Summary, page 35) as a “good” or “excellent” place to live. Further measures of citizen satisfaction will be explored within the departmental reports.

Performance reports like this are part of an ongoing trend among governments to measure and report performance results to citizens. Starting in the 1970’s, as the idea developed in the private sector, the concept of measuring performance for governments also began to be considered and it has evolved ever since. It wasn’t until the 1990’s, when the Government Accounting Standards Board (GASB) and associated organizations became more deeply involved in the performance measurement movement for government, that “changes began to occur ... GASB encouraged cities to measure their service efforts and accomplishments.

Awarded a grant by the National Center for Civic Innovation to fund producing this performance measurement report using the GASB suggested criteria, Newport is one of a handful of Northeast municipalities to undertake such an effort. Without this funding, a municipality like Newport would not have the financial resources to undertake an effort of this magnitude. This grant will be used primarily to fund citizen focus groups, which will be facilitated during the next fiscal year by a professional research firm. For this report to develop into a truly useful instrument for reporting on performance, ongoing citizen feedback will be key. A form to be completed by readers of this report for comments and feedback, with instructions, can be found on page 41.

RESIDENT SATISFACTION SURVEYS

Citizens were involved in the data collection and reporting via the City’s 2006 Citizen Survey. In this survey, 851 residents responded to questions about quality of life, city services and demographics. Citizens were also given the opportunity to provide written comments as a part of the resident survey.

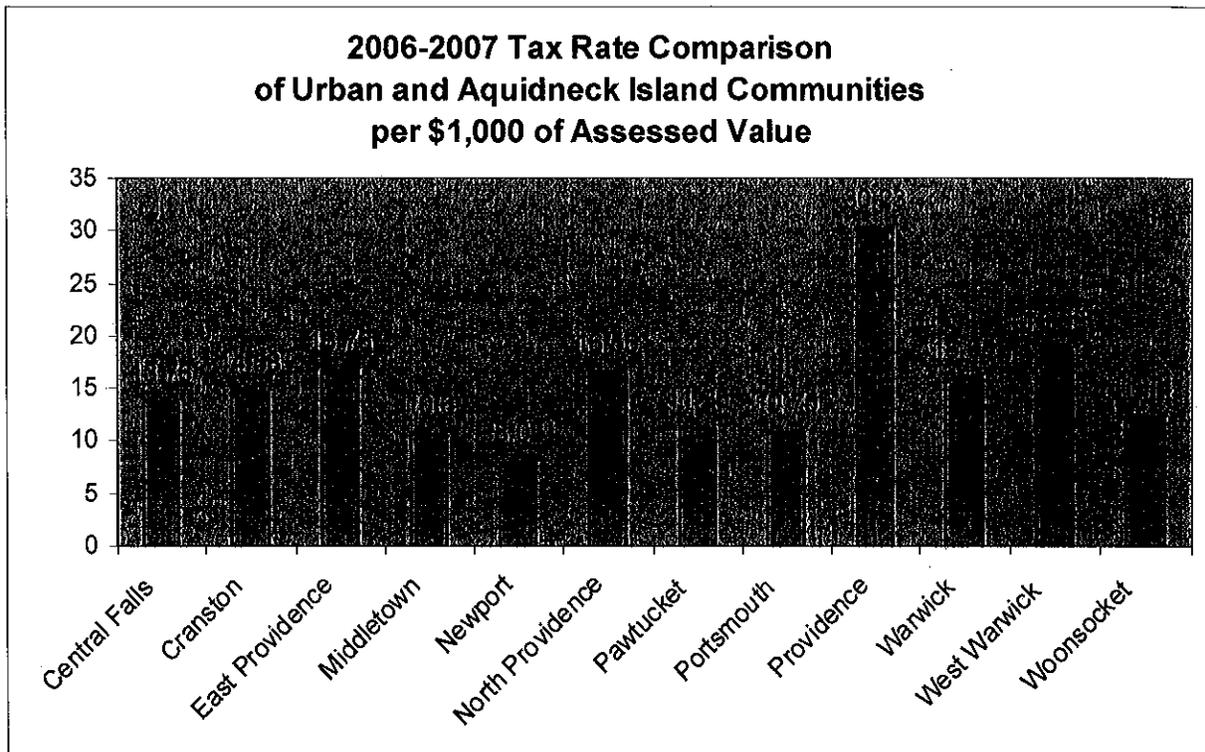
Once the survey data was gathered and reviewed, a citizen survey report was compiled and the results were made available to city staff, council, and residents. Funds will be budgeted for a follow-up survey during fiscal year 2008-2009.

CITY RESOURCES

The City’s General Fund is supported by *ad valorem* (property) tax, meals and beverage tax, hotel rooms tax, state aid, zoning and development fees, permit fees, fines and other charges, recreation fees, and other miscellaneous revenue sources. General fund expenditures support the following major functions: police, fire, public works, parks and recreation, planning, zoning, inspections, community development, municipal court, and other general governmental services. The City of Newport serves approximately 26,475 citizens.

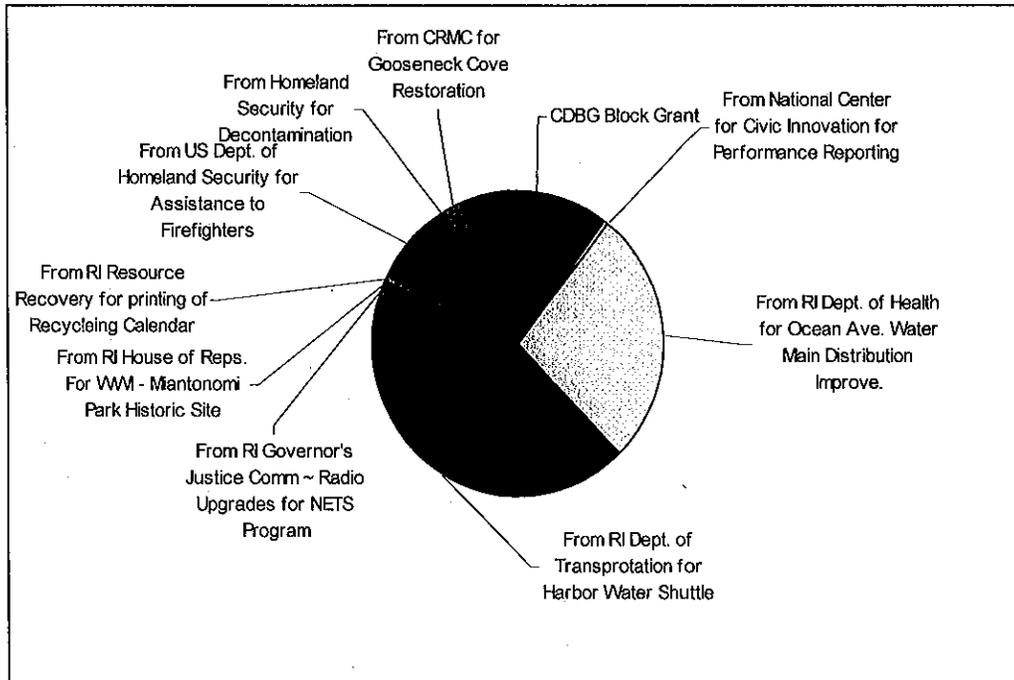
The city’s tax base is significantly residential in nature. Residential real property (land and buildings) accounts for 76% of total values. Commercial real property (land and buildings), accounts for 21% of total values. The remaining 3% tax base is comprised of motor vehicles and tangible property. Local taxes generate 80% of general fund revenues.

Property taxes of \$55 million, plus state aid and other revenues total to \$74 million in General Fund revenues (FY 2007 budget). Of those dollars, 63% or just over \$46,852,171 is dedicated to City services, for a *Per capita* cost of \$1,769.68. The remaining funding is allocated to Newport Public Schools and the Newport Public Library.

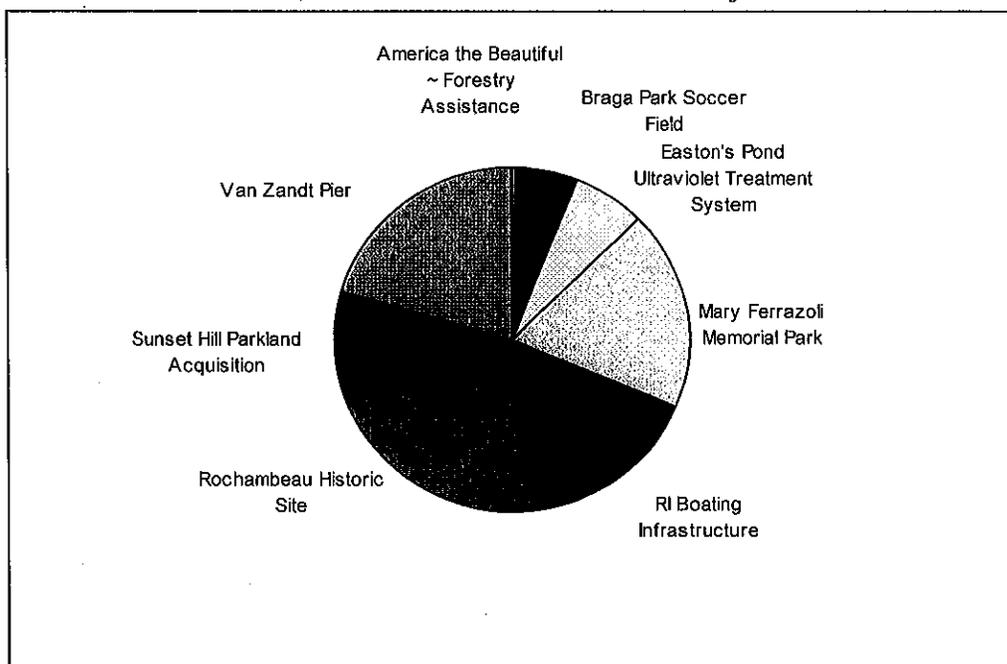


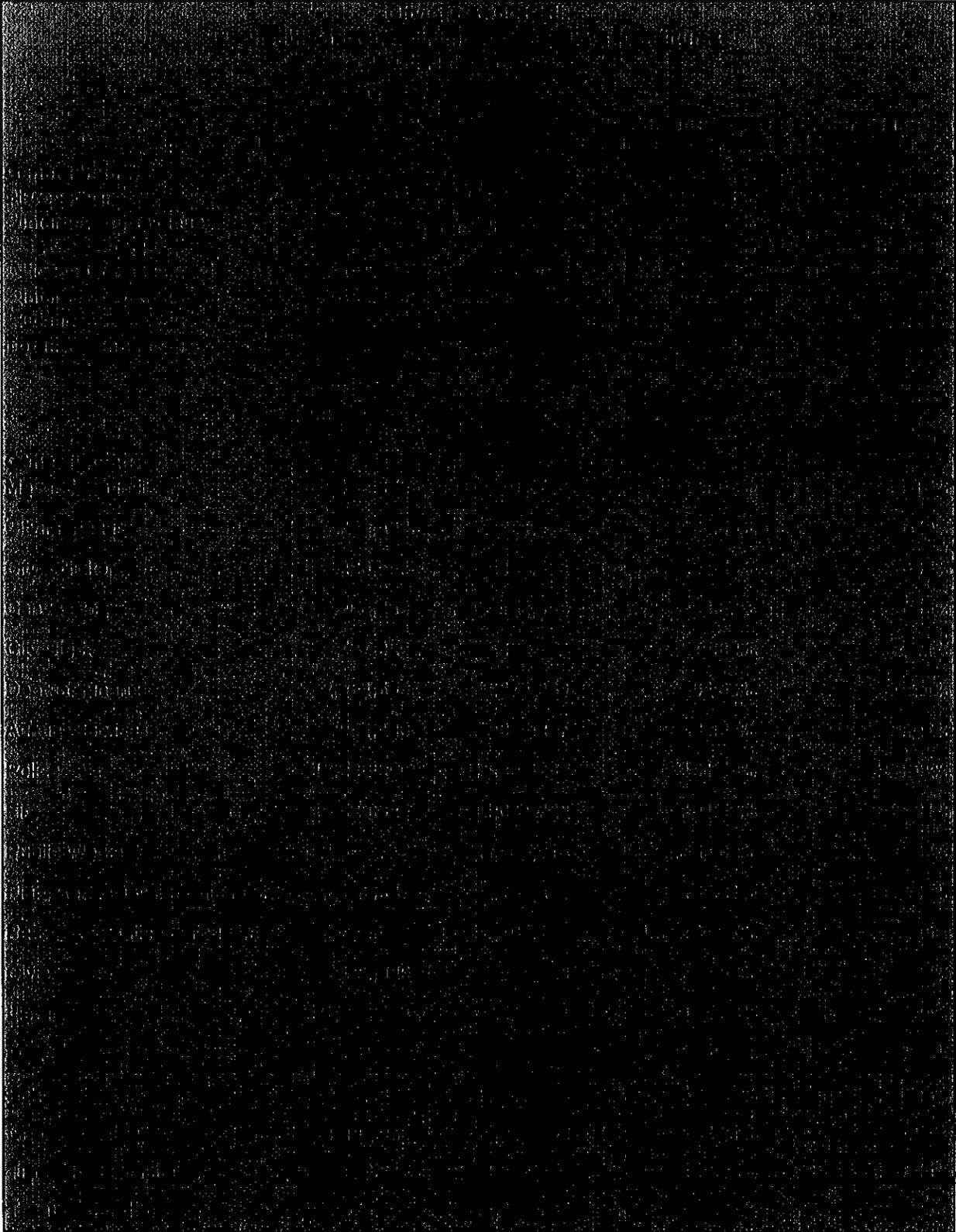
Attracting new revenue sources is a continuing challenge. To enhance the City’s capabilities in grants writing and research, the role of Redevelopment Agency Director expanded from a part-time to full-time position, adding the function of a grant writer. This enhancement was designed to coordinate local program development and state and federal grants research. The Redevelopment Agency and the General Fund share the cost of the upgraded position. Through the efforts of many Department Directors and the Redevelopment Agency Director, the City of Newport was awarded over \$3,230,282 during FY 2007.

\$2,498,803 from Multiple Sources for Various Projects

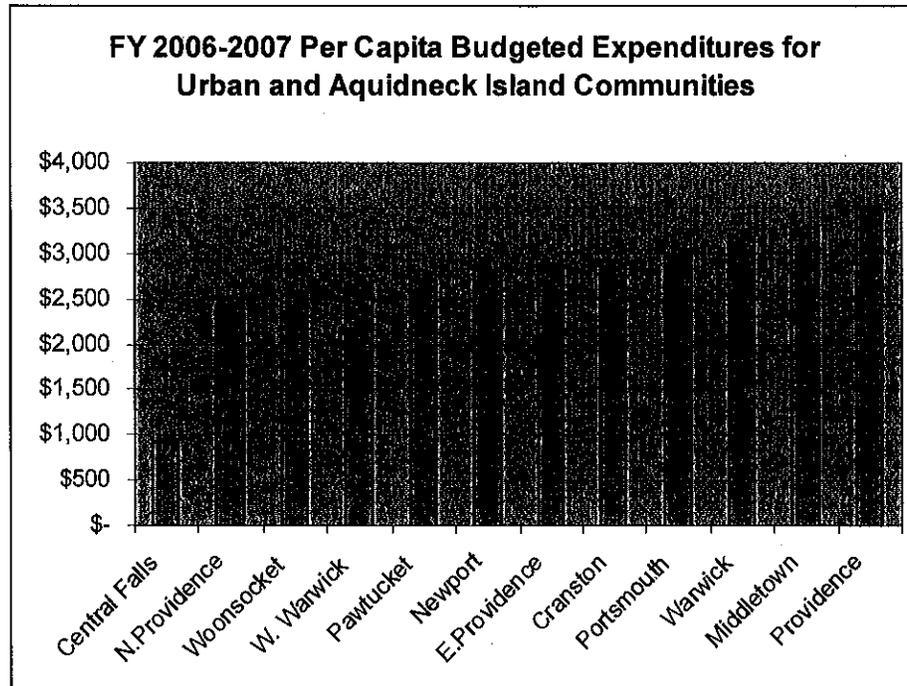


\$731,479 from DEM for Various Projects





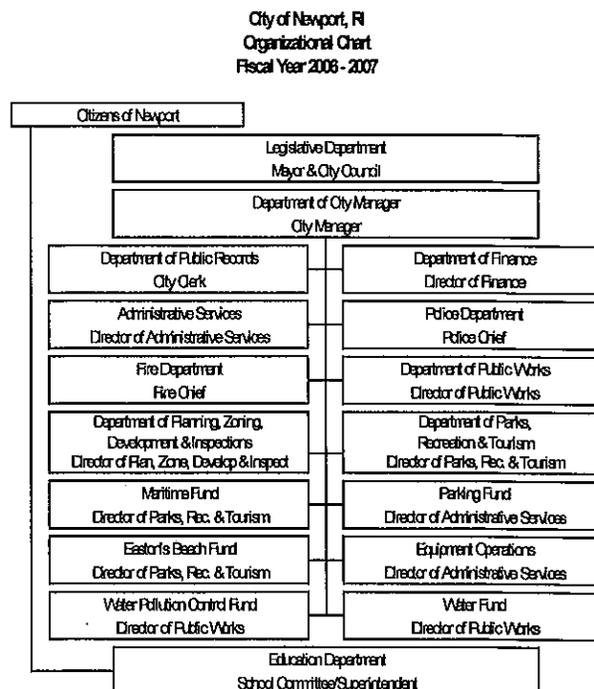
A comparison of Fiscal Year 2007 budgeted expenditures for like communities shows that the City of Newport’s residents pay taxes equal to the average of all compared communities.

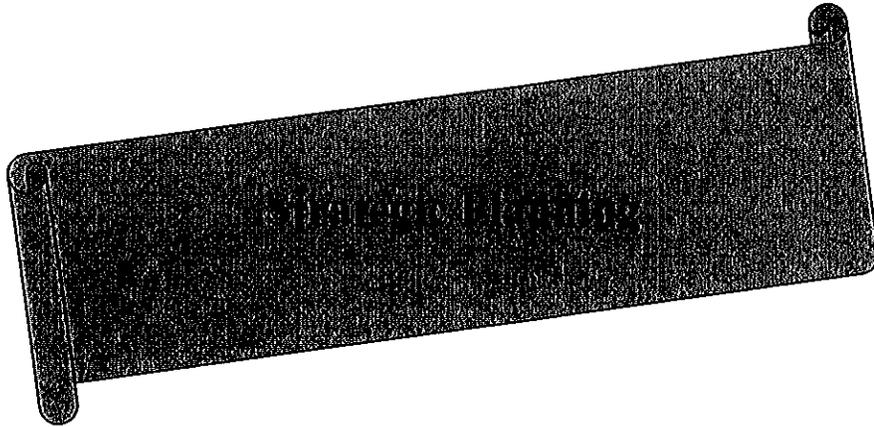


Municipal Organization & Staffing

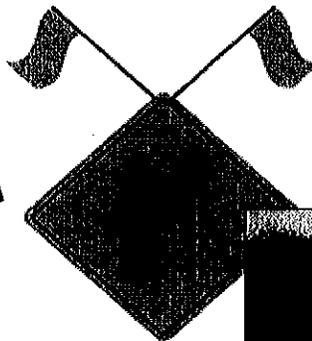
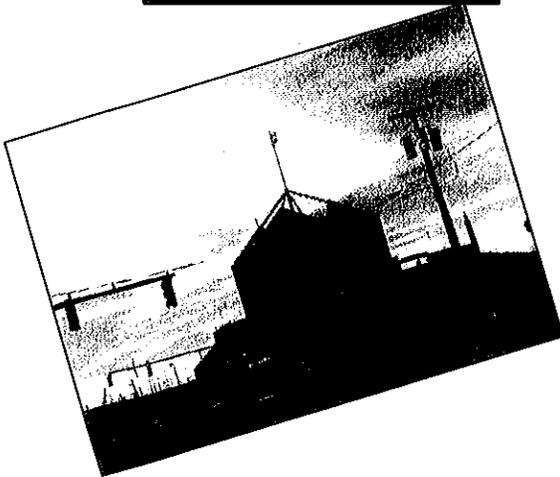
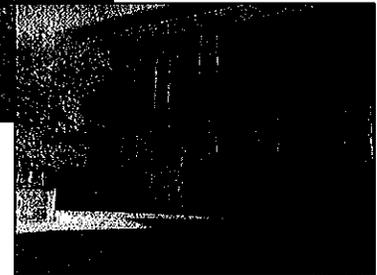
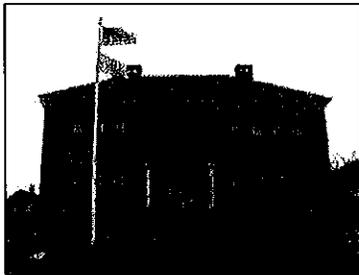
Newport operates under a Home Rule Charter, adopted in 1953, providing for a council/city manager form of government. There is a seven-member City Council headed by its Chairperson, who is elected by the Council and also holds the title of Mayor. All legislative powers of the City are vested in the City Council by the Charter, including the ordering of any tax, making appropriations, and transacting any other business pertaining to the financial affairs of the City.

The chart to the right further illustrates the organization of the city.





Through a comprehensive strategic planning model, Newport is addressing major infrastructure needs, including: (1) school facilities, (2) traffic systems, and (3) waste water infrastructure management. Additionally, municipal building maintenance, enterprise funds, and seawall and statuary preservation are also under review. The three former elements, schools, traffic, and waste water, are being measured for their criticality, in order of importance. A \$12 million road bond referendum was passed at the election in Nov., 2006. Voter approval and implementation of its three-year road improvement project obligated a 20-year debt estimated at \$1 million per annum. At the same time, plans were under review for the development of a multi-level parking garage on the site of the Mary Street parking lot.



CITY CLERK



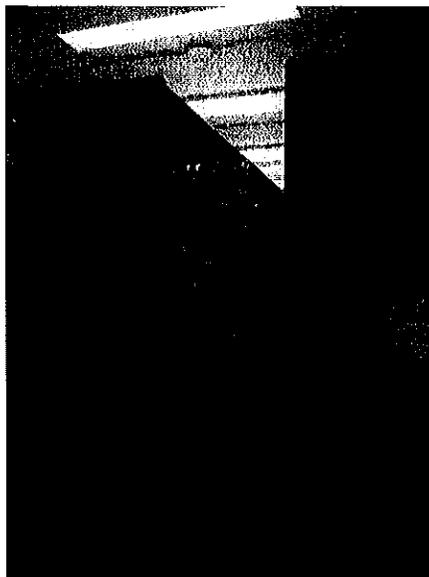
City Clerk serves as Clerk of the Council, Clerk of the Board of License commissioners, Probate Clerk, Registrar of Vital Statistics, Recorder of Deeds, and Clerk for other State-mandated functions.

FY 2007 Goal: To organize and preserve an additional 20% of permanent hard copies of city records in a safe facility

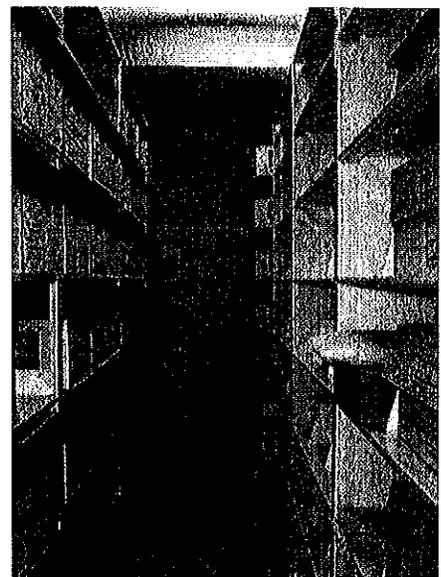
Accomplishments: *An old vault was recently converted to a storage area with rolling shelves for the use of the City Clerk's Office.*



← Photos of Old Vault →



← Photos of New Vault →



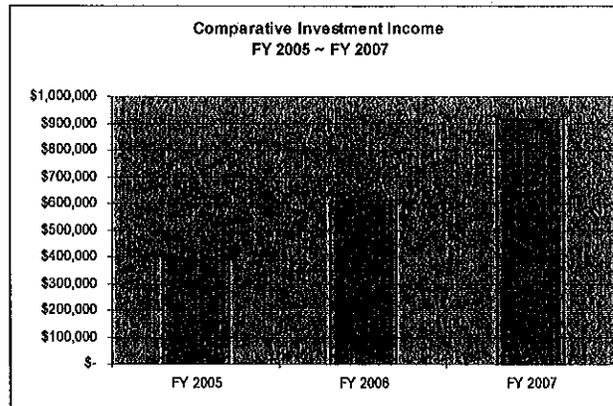
FINANCE DEPARTMENT



Under the supervision of the Finance Director, the Finance Department is responsible for the overall administration of its divisions which include Finance Administration, Assessing, Billing & Collections, Accounting, Payroll and Management Information Systems.

FY 2007 Goal: To achieve an additional \$50,000 in investment income by using a cash flow model.

Accomplishment: *FY 2007 investment income increased \$303,274 over that of FY 2006.*



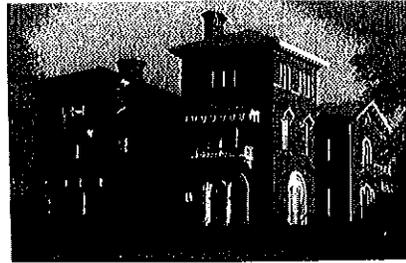
FY 2007 Goal: Select Vendor and finalize contract for new Enterprise Resources Program (ERP) system.

Accomplishment: *In its Resolution #2007-75 City Council awarded a contract to Lawson Software and Velocity Technology Solutions to purchase and implement the new software plus pay for ASP services.*

Additional achievement:

Distinguished Budget Presentation			
Fiscal Year	Date Council Approved	Date Submitted	Award Received
2007	6/14/2006	9/8/2006	Yes
2006	6/22/2005	9/19/2005	Yes

ADMINISTRATIVE SERVICES



The Department of Administrative Services oversees Purchasing, Facilities Management, Parking, and Fleet Operations.

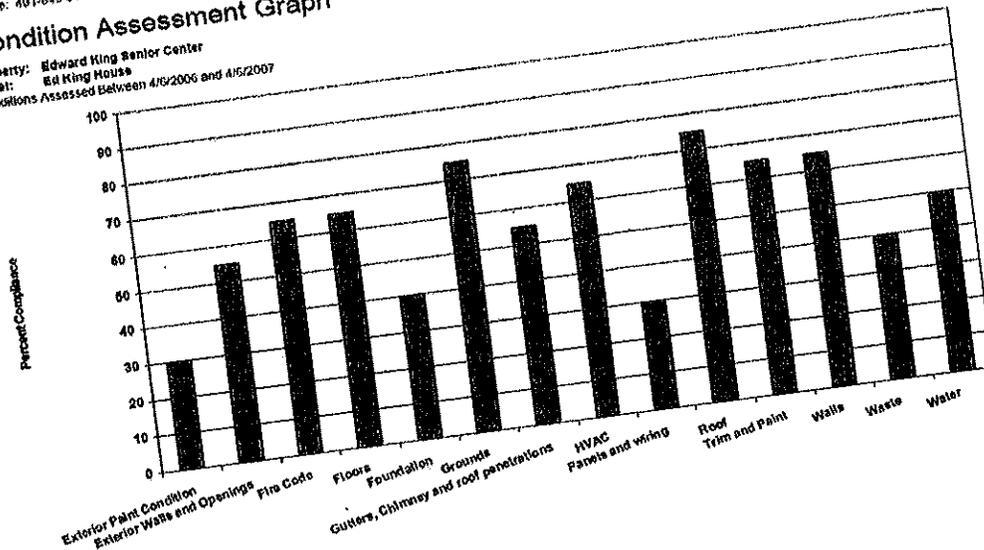
Facilities assets are assessed annually for condition and capital planning. The resulting findings are applied to the CIP. This process ensures that Newport property is operationally sound.

City of Newport
 48 Broadway
 Newport, RI 02840
 Phone: 401-845-5413

Fax: 401-846-8181

Condition Assessment Graph

Property: Edward King Senior Center
 Asset: Ed King House
 Conditions Assessed Between 4/9/2006 and 4/5/2007



FY 2007 Goal: To repair, maintain and preserve city-owned facilities.

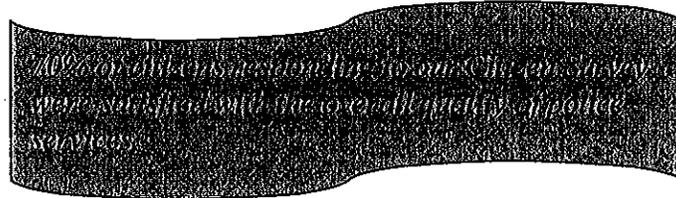
Accomplishments:

PERFORMANCE MEASURES	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 TARGET	FY 2007 ACTUAL
Average scores on condition of city buildings	80%	80%	80%	75.50%
Average scores on cleanliness of city buildings	80%	80%	80%	88%

POLICE DEPARTMENT

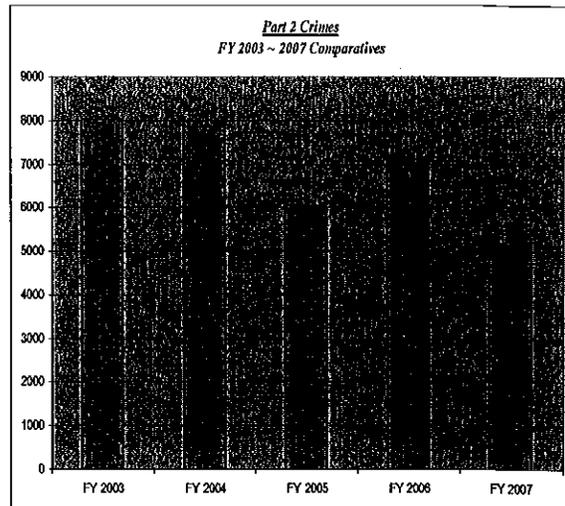
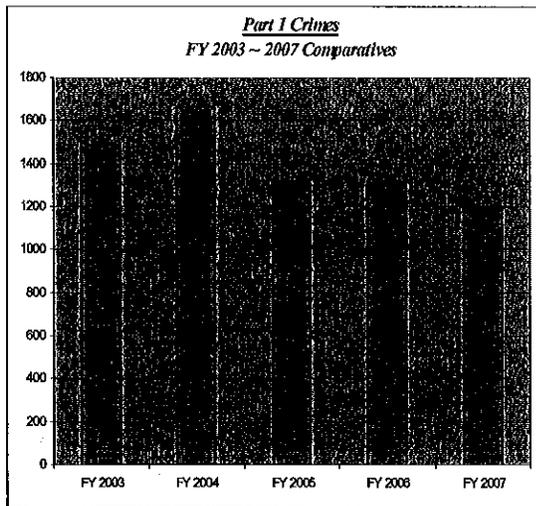


The mission of the Newport Police Department is to provide excellence in police service through aggressive pursuit of violators of the law and the prevention of crime and disorderliness.



FY 2007 Goal: Achieve excellence in the delivery of municipal services through progressive management and utilization of personnel and other department resources.

Accomplishments: *Maintained nation law enforcement accreditation under the Commission for Accreditation of Law Enforcement Agencies (CALEA); Continued following national law enforcement standards as set forth by CALEA.*



FY 2007 Goal: Improve the quality of life for citizens and visitors through enhanced traffic safety and increased compliance with traffic safety laws.

Measure: Use of directed patrols, advertising, and selective enforcement to reduce risk, accident and injury.

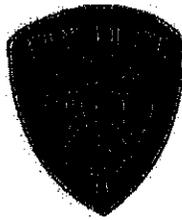
- *Several motorcycle enforcement details were conducted in which 12 tickets were issued for illegal motorcycle exhaust*

POLICE DEPARTMENT

(continued)

- *Twenty (20) DUI details were staffed and funded by Operation Blue RIPTIDE (a federal grant that fund DUI details) a total of 98 vehicles were stopped and operators checked for sobriety. Officers reported most vehicles stopped were being operated by designated drivers.*
- *Thirteen speed enforcement details were staffed, forty-one operators stopped and investigated for speeding.*
- *A two week directed speed enforcement effort was conducted on Third Street near the Navy Hospital after a complaint was lodged about speeding vehicles in the area. A total of 34 cars were stopped.*
- *A one week directed enforcement effort was conducted on Rhode Island Avenue after a complaint was received about speeding in the area. A total of 20 vehicles stopped for speeding and other violations.*
- *A one week directed enforcement effort was conducted on Bedlow Avenue after several complaints of speeding in the area. The SMART VMS trailer was employed on the street, the trailer's computer system indicated that 85% of the traffic was traveling between 24 and 26 mph. Officer also monitored the area and issued warnings for speeding. At the conclusion of the effort the complainant indicated that traffic appeared to have slowed.*
- *The traffic sergeant and other officers informed incoming freshman students at Salve Regina University of pertinent traffic regulations and the need for them to respect the regulations and the citizens that live in the schools area.*
- *In conjunction with the freshman orientation the SMART VMS trailer was utilized on Annandale Avenue near Ward Avenue.*
- *The traffic sergeant and other officers were posted at public and private school zones during the first three weeks of the school year to emphasize the speed regulations in the zones.*
- *The traffic sergeant and community police officers met with business owners and residents of the Bellevue Avenue and Mill Street area to work on parking issues.*
- *The traffic sergeant worked with other city employees and private entities to improve pedestrian safety and parking availability in the Washington Square during the reconstruction.*
- *The traffic sergeant helped to get a handicapped parking space for a resident of 12 Calvert St.*
- *Traffic Aides were given access to a city owned car in order to efficiently monitor parking restrictions in outlying areas in the city.*
- *Traffic sergeant has continued his participation on the Attorney General's DUI Task Force*

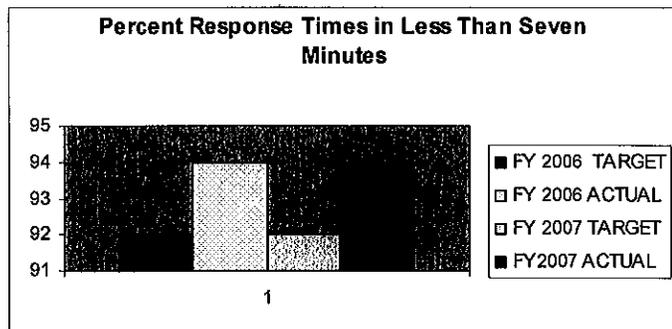
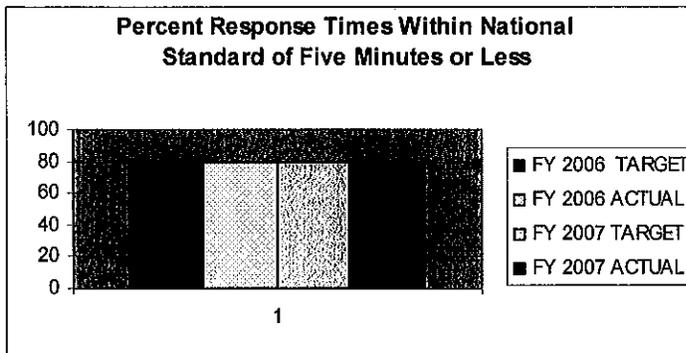
FIRE DEPARTMENT



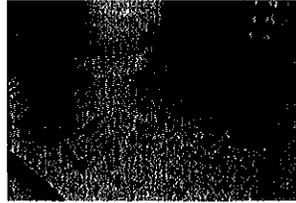
The mission of the Newport Fire Department is to preserve lives and property within the community by providing services directed at the prevention and control of fires, accidents, and other emergencies, while maintaining the highest standards of professionalism, efficiency, and effectiveness.



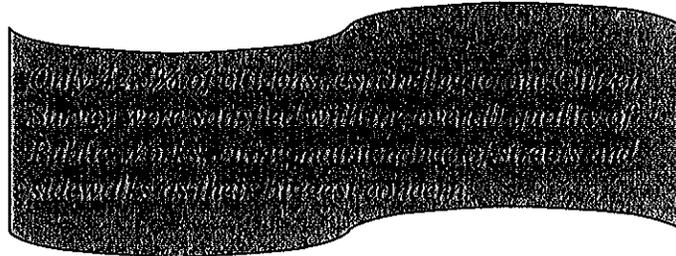
FY 2007 Goal: To minimize loss of life and property through efficient response and effective use of suppression forces to an incident.



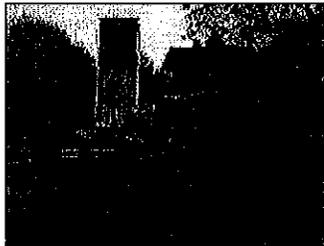
PUBLIC WORKS



The Department of Public Services is responsible for maintaining the City's infrastructure and providing essential services.



Resolution #2006-169, City Council authorized the issuance of \$12,000,000 bonds and/or notes to finance the design, construction, repair, rehabilitation and improvement of streets and sidewalks in the City, including but not limited to, traffic control devices, landscaping and construction management services.



FY 2007 Goal: Provide a paved road system that has a pavement condition that meets municipal objectives.

Accomplishments: As of February, 2007 44.5 miles of the 94 miles of roads had an acceptable PCI (≥ 70). An additional 1.5 miles of roads were targeted for capital improvements in the 2007 Roadway Improvement Program which began in May 2007. Also, approximately 11 miles of roads were crack sealed in Spring 2007.

Additional Achievements:

- 2007 Roadway Improvement Program #07-050 contract award March 2007 1.6 miles of roadway
- Bellevue Ave. Concrete Joint Repair #07-013- Phase 2 contract award September 2006
- Sidewalk Repair Contract # 07-048 award March, 2007. Repair 818 SY of sidewalk.
- Cracksealing Contract using Rhode Island Department of Transportation (RIDOT) bid
- Design for future phases of Washington Square finalized (RIDOT Enhancement Project)
- Phase 2 bidding proposed Fall, 2007

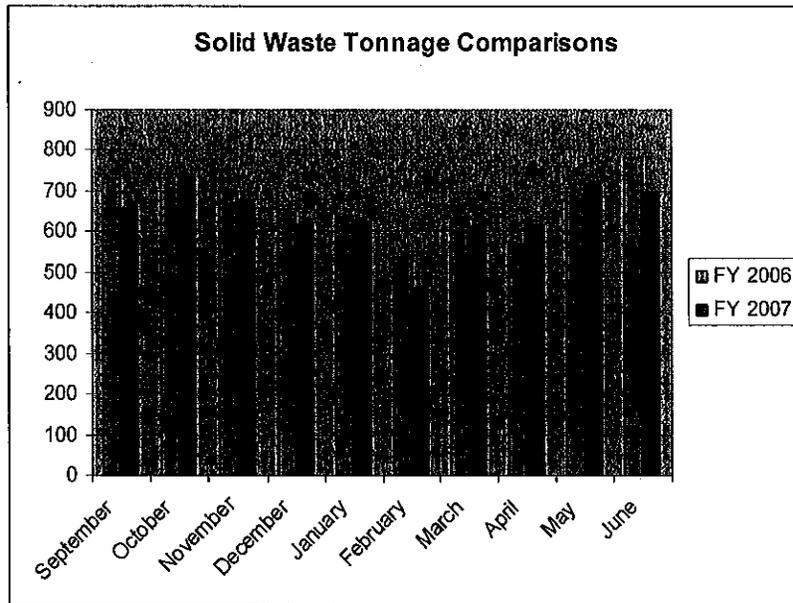
PUBLIC WORKS
(continued)

Challenges

- *Van Zandt Bridge Repair Construction Contract not awarded. Waiting for final approval from (RIDOT).*
- *Southern Thames St Enhancement Project on hold due to funding from RIDOT*



FY 2007 Goal: To decrease the amount of waste for which the city pays a tipping fee of \$32/ton at Rhode Island Resource Recovery Corporation by researching and implementing programs to increase the amount of yard waste diverted to composting.



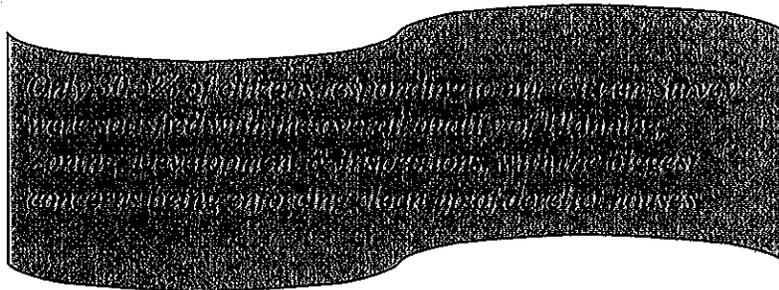
FY 2007 Goal: Increase the amount of leaves and yard waste disposed of through a composting program by 10%, from 1100 tons diverted to composting to 1200 tons composting.

PERFORMANCE MEASURES	FY 2006 TARGET	FY 2006 ACTUAL	FY 2007 TARGET	FY 2007 ACTUAL
Tons of leaves and yard waste diverted to composting	1,253.00	1,041.64	1,200.00	1002.64

PLANNING, ZONING, DEVELOPMENT and INSPECTIONS



The mission of the Department of Planning, Zoning, Development, and Inspections is to plan for orderly growth and development, ensure compliance with construction, zoning and nuisance codes and to protect public health, safety and welfare within the community. The Department serves as a one-stop shop for land development review and regulations for building, housing, electrical, plumbing, mechanical, zoning (certificates, variances, special uses and historic), subdivisions, site plans and development plan proposals within the City of Newport.



FY 2007 Goal: Increase number of municipal inspections by 10%.

PERFORMANCE MEASURES	FY 2006 TARGET	FY 2006 ACTUAL	FY 2007 TARGET	FY 2007 ACTUAL
Percent increase of municipal inspections	10%	10%	10%	10.39%

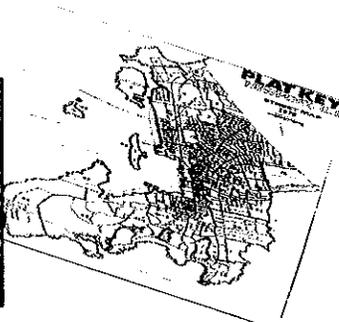
FY 2007 Goal: Increase number of housing inspections by 10%.

PERFORMANCE MEASURES	FY 2006 TARGET	FY 2006 ACTUAL	FY 2007 TARGET	FY 2007 ACTUAL
Percent increase of housing inspections	10%	10%	10%	12.93%

PLANNING, ZONING, DEVELOPMENT and INSPECTIONS
(Continued)

Additional Achievements:

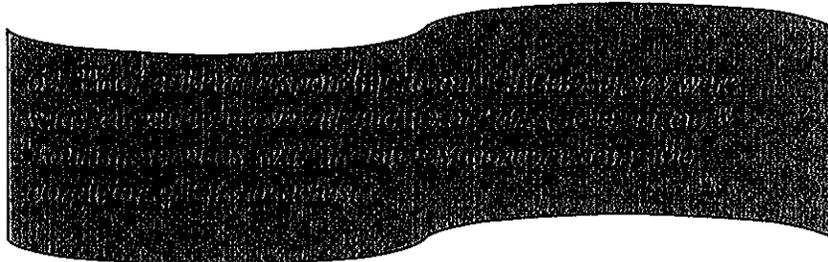
- *Abruzzi Field improvements*
- *Arts & Entertainment District Certificates*
- *Updated Historic District Application & procedure*
- *Rezoning and sale of Lenthal School for \$2.2 million*
- *Bank Newport long-term lease*
- *CDBG \$415,375*
- *Scenic Roadways Program*
- *Acquisition of Sunset Hill Parcel*
- *Digitizing of Plat Maps available on City's web site*
- *Zoning, Planning, Critical Area & Historic District Boards staff support*
- *North End Master Plan process and draft*
- *Draft North End Commercial Guidelines*
- *West Side Master Plan approval*
- *Harbor Shuttle programming*
- *Acquisition of RIDOT parcel and RFP*
- *Increased number of municipal and housing inspections addressing nuisances, vegetation, junk vehicles, garbage, overcrowding, signs and zoning.*



PARKS, RECREATION & TOURISM



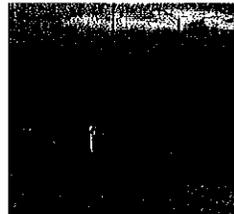
The Department of Parks, Recreation and Tourism is responsible for recreation activities, urban tree management, grounds maintenance and the operation and maintenance of the City's public beach facilities at Bailey's East Beach and the restrooms at King Park.



FY 2007 Goal: To provide safe and attractive parks, athletic fields, and beaches; to encourage residents and visitors to enjoy the natural beauty of the community.

Accomplishments: *Increased by four the number of public outdoor Americans with Disabilities Act (ADA) compliant accessible sites or assets:*

- *Abbruzzi complex restrooms*
- *Abbruzzi complex sidewalk*
- *Miantonomi playground*
- *Cardine's Field*



2007 Goal: To renovate 1-2 athletic or recreational facilities

Accomplishments:

- *Cardines fencing and bleacher safety upgrades*
- *Completed bid specifications for Braga Park soccer*



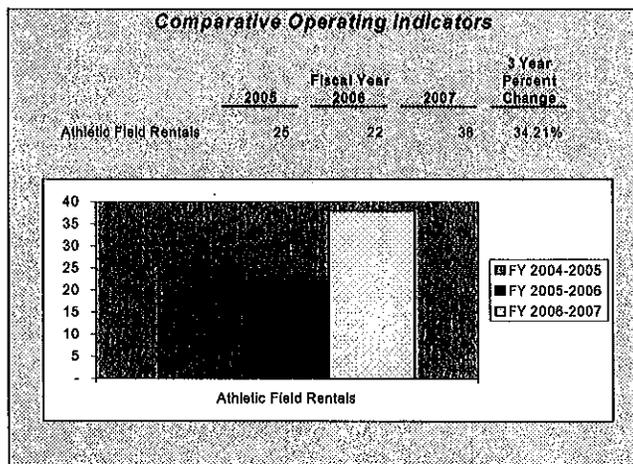
* See Easton's Beach (p. 226) and Water Pollution Control (p. 28) sections for explanation

**PARKS, RECREATION and TOURISM
 (Continued)**



Additional Achievements 2006-2007

- Completed safety improvements to Cardines Field utilizing grant funds and in-house labor where possible. Insurance Trust had identified areas to be improved, which was done without losing historic character
- Bid work to begin shortly after fiscal year ends on Braga Park soccer field, and Long Wharf Pocket park, using grants funds. Bid to work on Rochembeau area to go out in summer- also grant funded
- Parks in Bloom program continued to beautify the northern entrance to Newport through a generous donation and efforts of city and agency staff and volunteers



MARITIME FUND



The Maritime Fund provides for the operation of the Newport Harbor. It is responsible for enforcement of ordinances and state and federal boating laws pertaining to the operation of commercial and pleasure craft within the harbor and surrounding public waters. This fund operates the public piers and public dinghy docks throughout the harbor. It also operates the Perrotti Park ferry, cruise ship docks and the Harbormaster building with public restrooms.

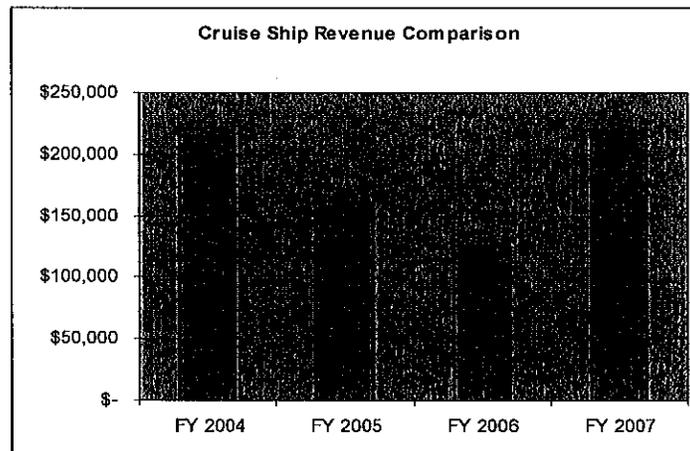
FY 2007 Goal: Initiate state mandated inspection system of vessels for discharge related infractions by inspection of 50 vessels.

Accomplishments:

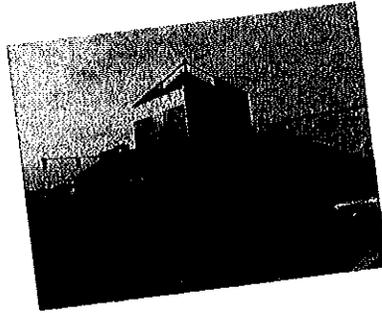
PERFORMANCE MEASURES	FY 2007 TARGET	FY 2007 ACTUAL
Number of State mandated inspections	50	60

Additional Achievements:

- *Began operation of Ann Street Pier as municipal dock. Revenues were not as high as had been expected due to late start (July) and inability in year 1 to effectively market through cruising publications*
- *Began implementation of state mandated vessel discharge inspection program. State did not require this to be mandatory in 2006 season so only 35 vessels asked for inspections. Is required in 2007 so goal of 50 vessels will be realized, either by Harbormaster or private inspectors.*
- *Infrastructure work on Elm Street pier seawall, Van Zandt pier, and Poplar Driftway underway*
- *Number of cruise ship passengers increased over 2005 season. Second highest season in past 8 years. Number of overall ships decreased to 44 with no ships visiting in June and limited numbers in May-Aug.*



PARKING FUND

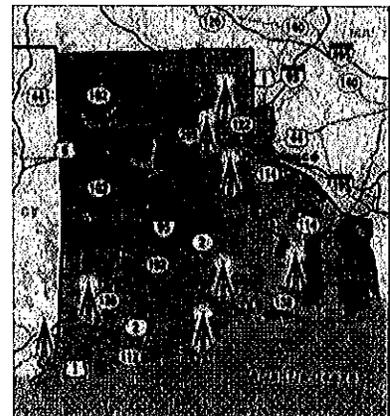
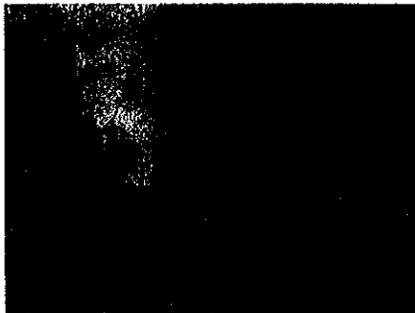


The Parking Fund oversees the parking contracts for Gateway and Mary Street public parking lots, on street meter parking, review of parking violation agreements; assistance to vendors, businesses and other agencies with occasional requests for special parking considerations; maintenance and capital improvements for the lots and associated public restrooms. Functions also include coordination of special event management related to lot and on-street parking.

The Parking Fund provides the public with safe, convenient and appropriate parking within the City of Newport. Further, it maximizes accessibility to each resident, business, and attraction with the increased availability of parking and decreased traffic congestion by controlling parking eligibility and providing public fee parking. Working as a team to ensure the effective management of this resource, efforts for this fund are shared by Police and Administrative Services.

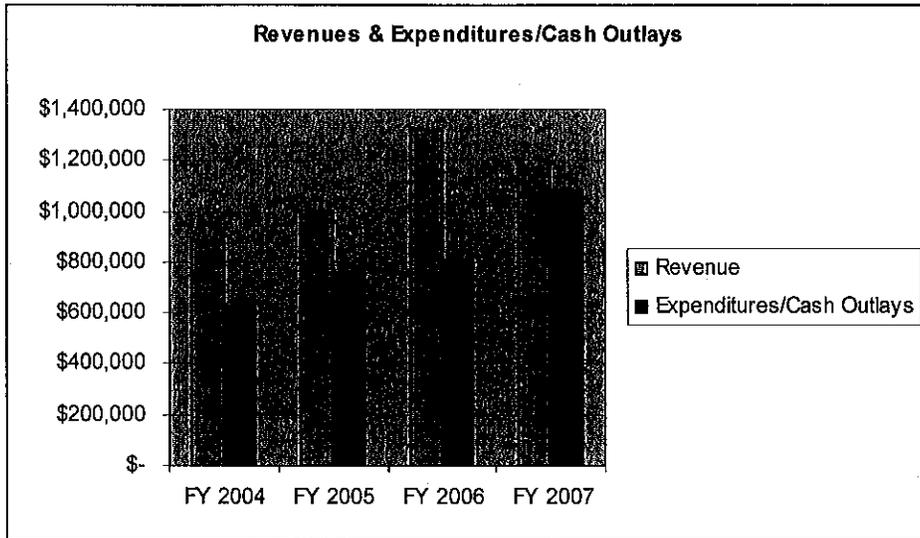
Recent projects:

- *Additional restroom and seating space in the bus waiting area, new roof and HVAC equipment at the Newport County Convention and Visitors Bureau (NCCVB) and generally improved appearance.*
- *Also, the addition of security cameras at the transportation center, both bus docks and street side and street scape improvements of bench seating and greenery in cooperation with the NCCVB's efforts.*



- *The division has been working with NCCVB, RIDOT and the Police Traffic division to promote lots and diminish traffic for both resident and visitor benefit.*

PARKING FUND
(Continued)



EASTON'S BEACH



This program provides for the operation and maintenance of the public facilities at Easton's Beach. It includes safety oversight of swimmers by state certified Lifeguards, beach cleaning and raking, and water quality testing. It also includes the rental administration of the Rotunda ballroom and the operation of the Carousel, seasonal bathhouses, beach store, and numerous community special events. Other free public amenities such as children's playground, Skateboard Park, restrooms and showers, and picnic shelter are the responsibility of this fund as well.

Easton's Beach Fund also includes the oversight of the lease of the snack bar and vending cart concessions, and the Save the Bay Aquarium and Education Center.

Beach Operations – responsibilities include operation and security of the City's public beach facilities at Bailey's East Beach and the operation and maintenance of the restrooms at King Park.

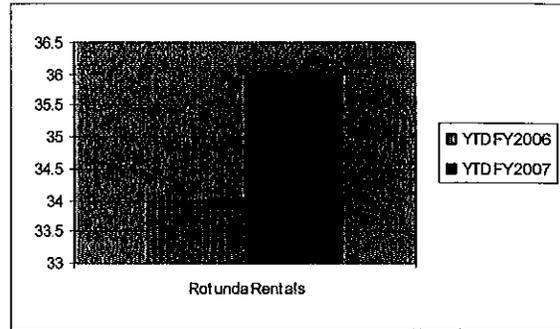
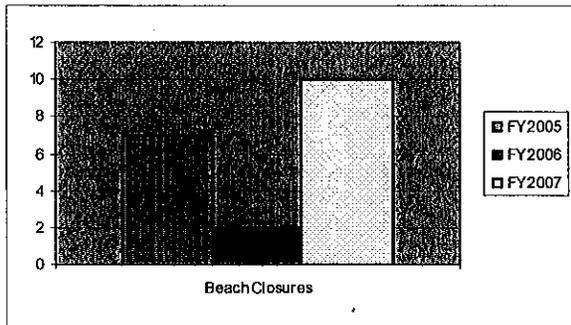


FY 2007 Goal: Increase bathhouse sales by 5%

Accomplishment: Bathhouse sales saw increase of 40 new renters, which was offset by 30 non-renewals due to the number of beach closures in 2006.



EASTON'S BEACH (Continued)



FY 2007 Goal: Increase season pass sales by 5%.

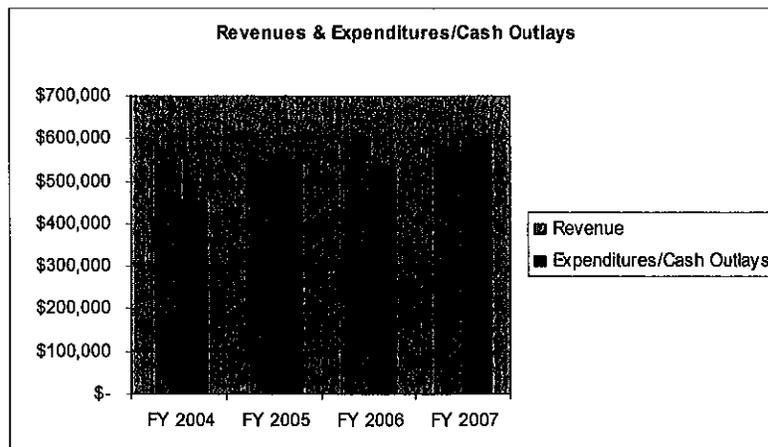
Accomplishment: *Decrease of 59 passes in spring '07. Addition of street meter revenue offset loss.*

Additional Achievements 2006-2007

- *Increased number of rotunda rentals over 2005 season despite increased fees*
- *Maintained popular Summer Concert series and sponsors for all other beach family programs throughout year*
- *Were able to staff beach with qualified surf lifeguards and no major swimming incidents were recorded*
- *Raked beach on a daily basis*
- *Continued off-season parking arrangement with International Boat Show*

Challenges 2006-2007

- *Continued swim area closings by Health Dept. due to storm runoff and Wave Ave. Pump Station discharges*
- *Concerns by families led to decrease in carousel party rentals. Revenue stable due to increase in fee to \$1*
- *Swim closings created decrease in bathhouse rentals*
- *Rotunda windows and water infiltration impacted number of rentals. Viewings done weekly and all commented on poor condition*
- *Beach wedding ceremonies lowest since 2003*



WATER POLLUTION CONTROL



The City's wastewater treatment, pumping stations, two combined sewer overflow facilities and sanitary sewers, and storm drainage system are operated and maintained by the City's contractor Earth Tech.

FY 2007 Goal: To assure a consensus with Rhode Island Department of Environmental Management (DEM) regarding approach to mitigate, with ultimate elimination of, combined sewer overflows (CSO) through an amended consent agreement that establishes timelines.

Accomplishments: *A Council Workshop was held on January 17, 2007 to review the results of Phase 1, Part 2 work of the CSO Control Plan. The report was submitted January 31, 2007 to RIDEM for review and approval to proceed to Phase 2 was authorized May 23, 2007. The Phase 1, Part 3 work, which consists of the engineering for the disconnection of catchbasins from the sanitary sewer began in January 2007. The catchbasin separation project was advertised for construction in June 2007*

Additional Achievements:

- *Completed the Phase 1, Part 2 report of the CSO Control Plan. The RIDEM approved the report including work associated with Phase 2 in May 2007. The City will proceed with Phase 2. The Department staff continues to work with residents to coordinate disconnection of roof drains, yard drains and sump pumps.*
- *Limited the quantity and duration of sewer overflows to the harbor by utilizing the Narragansett Relief Sewer, additional storage capacity at the CSO facilities and pumping additional flow to the treatment plant.*
- *The consequences of pumping additional flows are the permit exceedences which have occurred at the treatment plant.*
- *Permit exceedences have been addressed with the RIDEM, by the submission of a Disinfection Study and a Flow Optimization Study in February and April 2007,, respectively*
- *Recommendations included in these reports, when approved by RIDEM, shall provide the needed flexibility to greatly reduce the number of permit exceedences until completion of the City's long-term CSO control plan*
- *Identified and proposed short and long term remedial alternatives to reduce the number of closures of Eastons Beach*

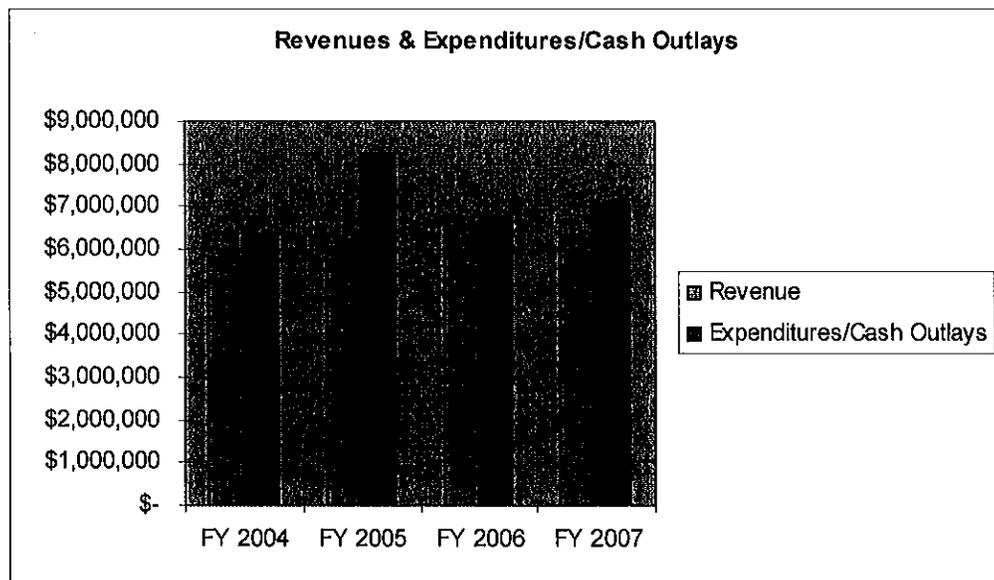
WATER POLLUTION CONTROL (Continued)

An Ad Hoc Committee on Wastewater and Stormwater System Improvements was appointed by the City Council in January 2007. The Committee's initial focus is on issues related to Combined Sewage Overflow (CSO) problems, and system issues that impact the utility and viability of the City's beaches.

The Easton Pond Dam & Moat Study reviewed and presented long term water quality alternatives for the moat outfall onto Easton Beach. The long term alternatives involve major capital improvements and construction. Based on the evaluation of the alternatives, Fuss & O'Neill recommended that the City implement a UV disinfection system to treat the discharge from the moat prior to it mixing with the water at Easton's Beach.

However, there are several variables that need to be better defined prior to proceeding with a design of the system. It was further recommended that the City conduct a pilot testing program. The purpose of the pilot testing was to confirm that UV disinfection could significantly reduce bacteria loadings being discharged from the moat as well as to collect data that would be required for final design of a full scale system.

The City amended the contract with Fuss & O'Neill in June, 2007 in order to proceed with a pilot study for a UV disinfection system. A trailer mounted UV pilot plant will be operated by Fuss & O'Neill from September through October 2007.

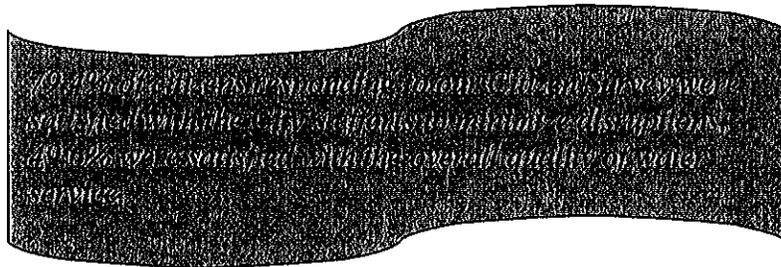


WATER FUND



The Newport Water Division (NWD) is a division of the City of Newport's Department of Utilities and is responsible for the operation and maintenance of the system. The NWD operates as an enterprise fund and is responsible for its own financial accounting independent of the overall City budget. Newport Water is regulated by the Rhode Island Public Utilities Commission.

Newport Water draws its water supply from nine surface reservoirs. The raw water is treated at one of the two water treatment facilities - Station 1 Plant in Newport or Lawton Valley Plant in Portsmouth. Newport Water maintains a distribution system which services Newport, Middletown and a small section of Portsmouth. In addition, Newport Water provides water wholesale to the Portsmouth Water & Fire District and Naval Station Newport.



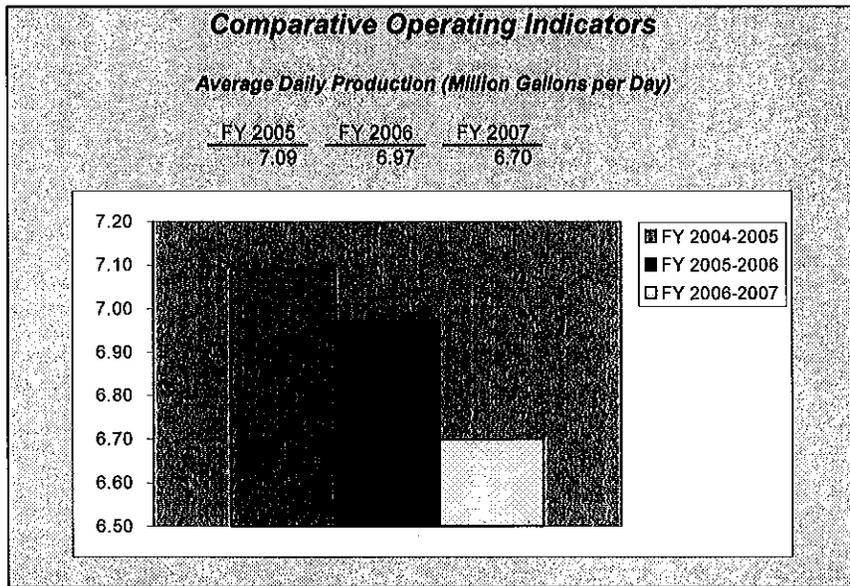
The water fund is regulated by the Rhode Island Public Utilities Commission (RIPUC). All user rates must be approved by the RIPUC. The City of Newport starts with the cost of service for a test year. A cost of service rate model is then developed for the proposed rate year. The rate request is filed with the RIPUC who, along with eligible interveners, can request additional information. A settlement may be reached and approved by the RIPUC or the request may go to a full hearing. The City filed with the PUC an application for a rate increase in January 2007. Docket 3818 will not be resolved by a settlement agreement amongst the parties. The PUC has scheduled hearings on the application to increase rates for July 24 and 25, 2007. The parties in the contested hearing were Newport Water, the Division of Public Utilities and Carriers, Portsmouth Water & Fire District and the US Department of the Navy.

The PUC requires the Water Fund to maintain restricted cash accounts for chemicals, electricity, debt service, capital, retiree accrued benefits buyout, retiree health insurance increases and a restricted repayment account. The City is required to fund the accounts on a monthly basis in an amount sufficient to pay for the cost of the respective item; if the approved amount of chemical expenditures for the year is divided by 12 and that becomes the required monthly contribution. The City can then reimburse the water fund checking account for eligible expenses also on a monthly basis. The required funding amounts are agreed to as part of the Order for Docket 3675, effective November 11, 2005.

WATER FUND (Continued)

FY 2007 Goal: Inspect one-hundred percent of our public fire hydrants and make necessary repairs within five days.

Accomplishment: *Inspections were completed during the winterization program in October and November, 2006 and the required repairs were made.*



FY 2007 Goal: Zero violations of the Safe Drinking Water Act (SDWA).

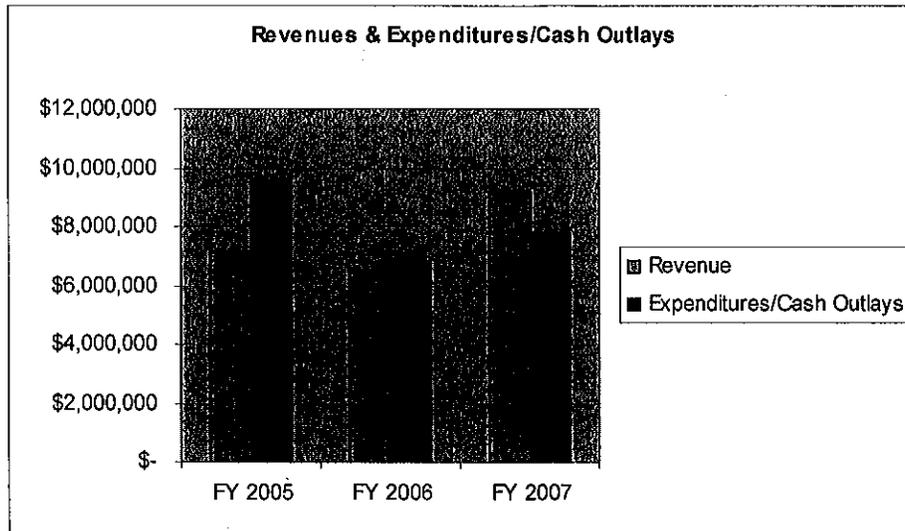
Accomplishment: *The goal of zero violations of the Safe Drinking Water Act was missed during the fourth quarter of 2006 with an exceedence of Total Trihalomethanes. The system returned to compliance during the first and second quarter of 2007.*



WATER FUND
(Continued)

Additional Achievements:

- *Completed construction of Phase 2 of the Ocean Avenue water main replacement project. Construction of the final phase is underway*
- *Completed the design and are preparing for bid, for the pH improvement project at the water treatment plants.*
- *Construction of the Lawton Valley Raw Water Main Replacement and Residuals Management project is ongoing and scheduled to be completed in December 2007*
- *Continued design and coordination of pilot testing for the Chloramine conversion project for the treatment plants.*



GLOSSARY

Ad valorem tax – A tax based on the value of real estate or personal property.

ASP - An application service provider (ASP) is a business that provides computer-based services to customers over a network. The application software resides on the vendor's system and is accessed by users through a web browser using HTML or by special purpose client software provided by the vendor.

Balanced scorecard – An approach using multiple measures to evaluate managerial performance. These measures may be financial or non-financial, internal or external, and short-term or long-term. The scorecard allows a determination as to whether a manager is achieving certain objectives at the expense of others that may be equally or more important.

Budget – Quantitative plan of activities and programs expressed in terms of assets, liabilities, revenues, expenses (or expenditures), and in some cases, outputs or outcomes. A performance-based budget may express the organizational goals in terms of specific financial and operating objectives.

CDBG – An acronym for The Community Development Block Grant, one of the longest-running programs of the U.S. Department of Housing and Urban Development, funds local community development activities such as affordable housing, anti-poverty programs, and infrastructure development.

CIP – Capital Improvement Program. The purpose of the CIP is to provide a realistic and predictable projection for the cost of providing facilities maintaining infrastructure, and providing equipment to meet service needs.

Department – A separate part, division, or branch of an organization, government, business or school.

DUI – Driving under the influence of alcohol is the act of operating a motor vehicle after having consumed alcohol, or other drugs, to the degree that mental and motor skills are impaired.

Effort – The amount of financial and non-financial resources (in terms of money, material, and so forth) that are applied to producing a product or providing a service (output).

Efficiency measure – The relationship between efforts (or inputs) to outputs or outcomes. Measured by indicators of the resources used or cost per unit of output or outcome. A resource-usage concept, also with a least-cost notion, that is concerned with maximizing outputs at minimal cost or using minimum resources.

Evaluation – A careful examination, analysis, or appraisal; an examination of the reasons or causes of results.

Expenditures – An outflow of current financial resources for current operations, capital outlays, or long-term debt principal retirement and interest.

Fiscal Year – A 12-month period for which an organization plans the use of its funds. The City of Newport’s Fiscal Year begins July 1st and ends June 30th. Abbreviation: FY.

General Fund – City’s primary operating fund. It accounts for all resources of the general government, except those that are required legally or by sound financial management to be accounted for in another fund.

Goal – The condition or state that one is striving to achieve. Usually long-term and may be beyond what might reasonable be expected to be achieved within one year.

HVAC – An acronym that stands for “heating, ventilating, and air conditioning”. HVAC is sometimes referred to as *climate control* and is particularly important in the design of medium to large industrial and office buildings.

Input measure – Resources (i.e. expenditures or employee time) used in producing an output or outcome.

NETS Program – Newport Emergency Telecommunications System, funded through various federal and state Law Enforcement and Homeland Security grants. Funding allows for the upgrade of the radio equipment in the Police Department’s Dispatch Center and its Emergency Operations Center.

Outcome measure – Indicators of actual impact or effect upon stated condition or problem. They are tools to assess the effectiveness of a department’s performance and the benefit derived from it. An outcome measure is typically expressed as a percentage, rate or ratio.

Output measure – Completed activities usually referring to internal activity – the amount of work done within the organization. Outputs indicate the workload of the organization. The number of people receiving a service and the number of services being delivered are often used as measures of output.

Part 1 Crimes – Include Murder, Manslaughter, Rape, Robbery, Aggravated Assault, Burglary (both Residential and Commercial), Larceny, Auto Theft and Arson.

Part 2 Crimes – Include Other Assaults, CCW, Family Offenses, Narcotics, Disorderly Conduct, Vandalism, all other crimes.

Payment in lieu of taxes (PILOT) – Payment that a property owner not subject to taxation makes to a government to compensate it for services that the property owner receives from the government that would normally be financed through property taxes.

Performance Report – An internal or external report conveying information about the results of an organization’s services and programs.

Per Capita – Used to indicate the average per person for a given statistic (e.g. income, expenditures, etc.)

PCI – The Pavement Condition Index (PCI) is based on a visual survey of the pavement and a numerical index between 0 and 100 used to indicate the condition of a roadway. The PCI index defines the condition with 100 representing an excellent pavement.

RFP – A Request for Proposal (RFP) is an invitation for suppliers, often through a bidding process, to submit a proposal on a specific commodity or service. This bidding process is one of the best methods for leveraging a company's negotiating ability and purchasing power with suppliers.

Scope – The programs or services covered by a report, or the extent of a report's coverage of an organization.

Service efforts and accomplishments (SEA) – Measures of the resources used, the effect of their use, and the efficiency with which they are used. These measures include measures of service efforts (the amount of financial and non-financial resources used), measures of service accomplishments (outputs and outcomes), and measures that relate efforts to accomplishments (efficiency).

Trihalomethane – Trihalomethanes (THMs) are chemical components in which three of the four hydrogen atoms of methane (CH₄) are replaced by halogen atoms. THMs are also environmental pollutants, and many are considered carcinogenic.

UV Disinfection – An Ultraviolet (UV) disinfection system transfers electromagnetic energy from a mercury arc lamp to an organism's genetic material (DNA and RNA). The effectiveness of a UV disinfection system depends on the characteristics of the wastewater, the intensity of the UV radiation, the amount of time the microorganisms are exposed to the radiation, and the reactor configuration.

2006 DirectionFinder®
Final Report



conducted for

Newport, Rhode Island

by

ETC Institute

725 West Frontier
Olathe, Kansas 66061
(913) 829-1215

June, 2006

2006 *DirectionFinder*® Survey

Executive Summary Report

Overview and Methodology

ETC Institute administered the *DirectionFinder*® Survey for the City of Newport, Rhode Island, to assess citizen satisfaction with the delivery of major city services and to help determine priorities for the community as part of the City's ongoing planning process.

The survey was four (4) pages long and took the average person approximately 10 minutes to complete. It was administered by mail and phone to a random sample of 851 residents during April of 2006. The overall results of the survey have a precision of at least +/-3.7% at the 95% level of confidence.

This report contains:

- an executive summary of the methodology and major findings
- charts depicting the overall results of the survey
- benchmarking data that show how the survey results for Newport compare to other communities
- importance-satisfaction analysis to help the City use survey data to set priorities
- tabular data for the overall results to each question of the survey
- a copy of the survey instrument.

Interpretation of "Don't Know" Responses: The percentage of persons who gave "don't know" responses is important because it often reflects the level of utilization of City services. For graphing purposes, the percentage of "don't know" responses has been excluded to facilitate valid comparisons with other communities. The percentage of "don't know" responses for each question is provided in the Tabular Data Section of this report. When the "don't know" responses have been excluded, the text of this report will indicate that the responses have been excluded with the phrase "*who had an opinion.*"

Major Findings

- **Residents were generally satisfied with the overall quality of life in the City of Newport.** Most of the residents surveyed *who had an opinion* were satisfied with Newport as a place to visit (93%) and as a place to live (87%). Residents were least satisfied with Newport as a place to go shopping (40%).
- **City information is communicated most often through the newspaper.** Eighty-two percent (82%) of those surveyed prefer to receive information about the City from the local newspapers and 45% prefer to receive information about the City from the City newsletter.
- **The City's efforts to promote the City were mixed.** The highest levels of satisfaction with promotion of the City, based upon the combined percentage of "very satisfied" and "satisfied" responses from residents who had an opinion, were the City's efforts to promote tourism (71%) and City sponsored special events (66%). Residents were least satisfied with the level of civic involvement in municipal affairs (35%) and how well the City communicates and shares information (27%).
- **The Street and Sidewalk bond issue was supported over all other financial initiatives.** The highest levels of satisfaction with various financial initiatives, based upon the combined percentage of "very supportive" and "supportive" responses from residents who had an opinion, were the street and sidewalk bond issue (89%), the sewer/CSO infrastructure rebuilding (71%), and the seawall restructuring program (63%). Residents were least supportive of the affordable housing financial initiative (47%).
- **Public Safety Services**
 - **Police** The highest levels of satisfaction with police services, based upon the combined percentage of "very satisfied" and "satisfied" responses from residents who had an opinion, were the responsiveness to calls for assistance (74%), the overall quality of police services (70%), and the efforts to prevent crime (65%). Residents were least satisfied with the congestion management (33%), and the vehicle noise enforcement (29%).
 - **Fire** The highest levels of satisfaction with fire services, based upon the combined percentage of "very satisfied" and "satisfied" responses from residents who had an opinion, were the responsiveness to fire emergencies (92%), the rescue services (91%), and the overall quality of fire services (86%). Residents were least satisfied with the enforcement of sprinkler codes (60%).

- **Public Works** The highest levels of satisfaction with public works services, based upon the combined percentage of “very satisfied” and “satisfied” responses from residents who had an opinion, were the curbside recycling services (77%), the trash removal (76%), and snow plowing (47%). Residents were least satisfied with the maintenance of streets (17%).
- **Planning and Zoning** The highest levels of satisfaction with planning and zoning, based upon the combined percentage of “very satisfied” and “satisfied” responses from residents who had an opinion, were residential property maintenance enforcement (37%), retail and commercial property maintenance enforcement (37%), and solicitations and promotions on public streets (38%). Residents were least satisfied with the clean-up of derelict houses and other public nuisances (25%).
- **Water** The highest levels of satisfaction with water services, based upon the combined percentage of “very satisfied” and “satisfied” responses from residents who had an opinion, were the city’s efforts to minimize water disruptions (79%), water pressure in homes (68%), and the overall quality of water services (49%). Residents were least satisfied with the taste of their tap water (34%).
- **Parks and Recreation** The highest levels of satisfaction with parks and recreation, based upon the combined percentage of “very satisfied” and “satisfied” responses from residents who had an opinion, were the City parks (81%), management of the harbor (64%), and the overall quality of parks and recreation services (63%). Residents were least satisfied with adult recreation programs (42%).
- **Public Education** The highest levels of satisfaction with public education, based upon the combined percentage of “very satisfied” and “satisfied” responses from residents who had an opinion, were the quality of elementary school education (29%), and the quality of educational facilities (23%). Residents were least satisfied with the system leadership and management (16%).
- **Administrative Services** The highest levels of satisfaction with administrative services, based upon the combined percentage of “very satisfied” and “satisfied” responses from residents who had an opinion, were feeling of safety in the City (78%), the overall quality of life in the City (67%), and the image of the City (65%). Respondents were least satisfied with the management of the influx of tourists during the summer (36%).
- **Most Emphasis over the next two years.** Residents chose public education as the city service that should receive the most emphasis over the next two years; the second choice was public works and the third choice was planning and zoning.

Comments. Residents were given an opportunity to provide any additional comments at the end of the survey. The majority of the comments fell into these three categories;

- ❖ **The infrastructure of Newport.** Residents are concerned about the quality of streets, sidewalks, water services and sewer services.
- ❖ **The management of tourism.** Residents are concerned about tourist related issues like parking, noise from bars and restaurants, and the increasing number of permanent homes becoming vacation (short-term rental) homes.
- ❖ **The quality of schools.** Residents are concerned about the quality of education received by students and about the quality and safety of school buildings.

FIRST ANNUAL PERFORMANCE REPORT ON DELIVERY OF CITY SERVICES FOR FY 2007
INFORMATION ON HOW TO GET A COPY OF THIS REPORT – SEE PAGE 1

Feedback Form

Please take a moment to complete this form and give us your feedback on this report. Please email (esceppa@cityofnewport.com), mail it to Elizabeth Sceppa, Finance Dept., 43 Broadway, Newport, RI 02840, or fax it to: 401 848-5750. Your comments will help us to improve this report in the future. Thank you!

- 1) Was it clear to you from the report why this report is being done? Circle one: YES NO
- 2) Was it clear to you from the report what areas of city government would and would not be reviewed and discussed? Circle one: YES NO
- 3) Were the goals and objectives of the City of Newport departments discussed in the report clearly stated within the report? Circle one: YES NO
- 4) Was there enough information about each City department discussed in the report for you to form a reasonably complete picture of how each department uses resources (people and money)? Circle one: YES NO
- 5) Did the report include enough information on the key measures of performance for each department: Circle one: YES NO
- 6) Was the information from the citizen survey reported on in this report understandable to you as a reader? Circle one: YES NO
- 7) Was the information from the citizen survey reported on in this report useful to you as a reader? Circle one: YES NO
- 8) Was the report overall easy for you as a reader to understand? Circle one: YES NO
- 9) Was the report overall useful to you as a reader? Circle one: YES NO

How did you learn of this report? _____

How much time did you spend reading this report? _____

What part or parts of the report were the most interesting and useful to you? Why _____

What part or parts of the report were the least interesting or useful to you? Why _____

What changes would you suggest be made to this report to improve it in the future?

What areas would you like to see measured or added to this report that were not included?