

*City of Newport, Rhode Island  
Popular Annual Financial Report, 2017*



*For the Period  
July 1, 2016 ~ June 30, 2017*

*Issued by:  
The City of Newport's Finance Office*

## TABLE OF CONTENTS

<i>PURPOSE OF REPORT</i>	1
<i>AWARDS</i>	2
<i>GOV'T STRUCTURE, LOCAL ECONOMIC CONDITION &amp; OUTLOOK</i>	3
<i>COMMUNITY PROFILE AND DEMOGRAPHICS</i>	8
<i>STRATEGIC PLAN</i>	11
<i>FINANCIAL HIGHLIGHTS</i>	
<i>Revenues, General &amp; Capital Projects Funds</i>	13
<i>Expenditures, General Fund</i>	14
<i>Expenditures, Combined City &amp; School General Funds</i>	15
<i>Expenses, Capital Projects Fund</i>	16
<i>Revenues, Major Enterprise Funds</i>	17
<i>Expenses, Major Enterprise Funds</i>	18
<i>Capital Assets</i>	19
<i>Long-term Obligations</i>	20
<i>Organization Chart</i>	21
<i>Principal Officials</i>	22



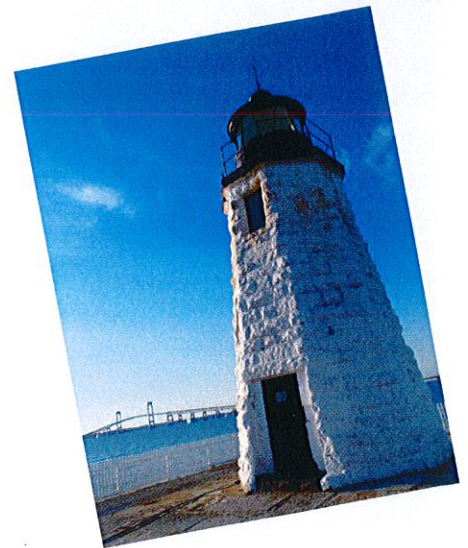
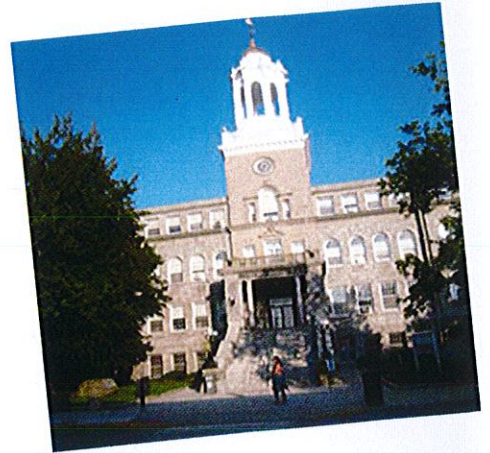
# PURPOSE OF REPORT

The Popular Annual Financial Report (PAFR) is an unaudited summary report of the financial activities of the City and is prepared primarily from detailed information contained in the City's 2017 Comprehensive Annual Financial Report (CAFR), with selected information from CAFRs prepared for earlier years. The focus of the PAFR is on the funds of interest to most citizens: the General Fund, the Capital Project Fund, and the City's two major enterprise funds, the Water Fund and the Water Pollution control Fund.

The financial review section features financial information adapted from the City of Newport's Comprehensive Annual Financial Report (CAFR) for the fiscal year end June 30, 2017. The CAFR is produced by the City's Department of Finance. It provides detailed information regarding the City's financial performance. The CAFR is presented in accordance with generally accepted accounting principles (GAAP) and is audited by the firm Blum, Shapiro & Company, P.C. A copy of the complete CAFR may be downloaded from the City's website.

The information in the CAFR by its nature can be technical and complex and as such not as useful to citizens wishing to gain an overview of the City's finances. The PAFR has been prepared to simplify the information in the CAFR and better inform the public about the overall financial condition of the City, without the heavy use of technical accounting terms or excessive detail. The PAFR is not intended to provide a complete financial picture of the City in accordance with GAAP.

Questions or feedback concerning any of the information provided in this report or requests for additional financial information may be directed to the Department of Finance via mail to 43 Broadway, Newport, RI 02840, via email to [esceppa@cityofnewport.com](mailto:esceppa@cityofnewport.com) or via telephone at 401-845-



***Copies of both the PAFR and CAFR are available online at:  
[www.cityofnewport.com/departments/finance](http://www.cityofnewport.com/departments/finance) under the  
City Finances, Financial Reports Section.***



# AWARDS



The Government Finance Officers Association of the United States and Canada (GFOA) has given its Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) to the City of Newport, RI for three consecutive years, beginning with its inaugural PAFR for the fiscal year ended June 2014. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal. We believe this PAFR conforms to the program requirements. It, too, will be submitted to the GFOA awards program.

The City of Newport, RI was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada for its comprehensive annual financial report for the year ended June 30, 2016. This was the 12<sup>th</sup> consecutive year that the City has achieved this award. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our comprehensive annual financial report continues to conform to the Certificate of Achievement program requirements, and we are submitting our comprehensive annual financial report for the year ended June 30, 2017 to the GFOA.

The City of Newport, RI was also awarded the Distinguished Budget Presentation Award by the Government Finance Officers Association of the United States and Canada for its annual budget for the fiscal year beginning July 1, 2017. This was the 13<sup>th</sup> consecutive year that the City has achieved this recognition.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



# GOVERNMENT STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK

**Newport** is a seaside city on Aquidneck Island in Newport County, Rhode Island, United States. It is located 23 miles (37 km) south of Providence, and 61 miles (98 km) south of Boston. The City has a year-round population of about 25,000, which grows substantially during the summer months. The City is also visited by over 3,000,000 people annually.



Newport was founded in 1639, incorporated as a City in 1784, and rechartered in 1853. The City operates under a Home Rule Charter, granted by the State of Rhode Island. This charter grants to the City the ability to pass laws to govern themselves as they see fit (so long as they obey the state and federal constitutions). Newport's Charter was adopted in 1952. It provides for a council/city manager form of government. All lawmaking powers of the City are entrusted to the City Council by the Charter, including the ordering of any tax, making appropriations, and transacting any other business relating to the financial affairs of the City.

## Description of Government



John F. Florez At Large   Kathryn E. Leonard Third Ward   Susan D. Taylor First Ward   Henry F. Winthrop Mayor   Lynn Underwood Ceglie Second Ward & Vice-Chair   Jeanne-Marie Napolitano At Large   Jamie Bova At Large

There is a seven-member City Council headed by its Chairperson, who is elected by the Council and also holds the title of Mayor. Four members of the City Council are elected at large and the remaining three members are elected from the three wards, all for a two-year term. The new council was elected in November, 2016. The

City's Charter grants to the City Council all powers to enact, amend, or repeal ordinances relating to the City's property, affairs and government, including the power to create offices, departments or agencies of the City, to preserve the public peace, health and safety, to establish personnel policies, to authorize the issuance of bonds, and to provide for an annual audit.





The City Manager is appointed by a majority vote of the City Council. The City Manager is the chief administrative officer. The Charter grants to the City Manager the authority to appoint or remove all officers or employees of the City, to prepare and submit to the City Council the annual budget and annual report of the City, to recommend pay schedules for City employees, and to recommend to the Council the adoption of such measures as they may deem necessary for the health, safety or

welfare of the City. At the April 13, 2016 Newport City Council meeting, the City Council appointed Joseph J. Nicholson, Jr., Esq. to serve as Newport's City Manager.

### ***Economic Condition and Outlook***

Surrounded by a sprawling waterfront, Newport was fittingly titled the "Birthplace of the Navy." The U. S. Navy, beginning with the founding of the Naval War College in 1884, influenced the development of the City and continues to do so as one of the major contributors to the local economy. Since its establishment as a city, this highly visited community has enjoyed a history of progress and success. In fact, Newport has more standing buildings built before 1830 than any other American community. It offers beaches, cruises, excursion boats, city tours, golf, and fishing among other things for visitors making it one of the most desired tourist destinations in the country. The City is known for its world-class sailing and sailing events. From its early years when commerce involved the whale-oil trade, to today's highly sophisticated research in electronic submarine warfare, the seaport has continued to play a vital role in Newport's economy.

Newport's location, natural and cultural resources, and sense of history are responsible for the growth of tourism into a primary source of revenue. The third largest economic factor in Newport, the service sector, has benefited from both the defense and tourism industries.

<b>Historical populations</b>		
<b>Census</b>	<b>Pop.</b>	<b>% +/-</b>
<b>1790</b>	6,716	-
<b>1800</b>	6,739	0.3%
<b>1810</b>	7,907	17.3%
<b>1820</b>	7,319	-7.4%
<b>1830</b>	8,010	9.4%
<b>1840</b>	8,333	4.0%
<b>1850</b>	9,563	14.8%
<b>1860</b>	10,508	9.9%
<b>1870</b>	12,521	19.2%
<b>1880</b>	15,693	25.3%
<b>1890</b>	19,457	24.0%
<b>1900</b>	22,441	15.3%
<b>1910</b>	27,149	21.0%
<b>1920</b>	30,255	11.4%
<b>1930</b>	27,612	-8.7%
<b>1940</b>	30,532	10.6%
<b>1950</b>	37,564	23.0%
<b>1960</b>	47,049	25.3%
<b>1970</b>	34,562	-26.5%
<b>1980</b>	29,259	-15.3%
<b>1990</b>	28,227	-3.5%
<b>2000</b>	26,475	-6.2%
<b>2010</b>	24,672	-6.8%



### ***Newport's Schools***

A seven-member School Committee, all elected at large, is entrusted with independent legislative authority over the public school system. Members of both the City Council and School Committee are elected to non-partisan biennial terms. Newport's school district includes the William S. Rogers High School and Newport Area Career & Technical Center (Grades 9 - 12), the Frank E. Thompson Middle School (Grades 5 - 8), and the Claiborne Pell Elementary School (Grades PK-4).

Through its School Committee, the Newport School Department submits a budget request to the City Council. The School's fiscal year 2016-2017 budget request asked for and received a 4.0% increase, equal to \$972,490. The City Council funded the schools at \$25,284,733, in addition to issuing \$3,000,000 in bonds to fund the replacement of sections of the roof at Rogers High School.

### ***Looking Forward***

The City's fiscal year 2016-2017 capital budget for governmental activities authorized spending of \$9,205,460, including \$1,005,500 from the Equipment Replacement Fund. Most of the projects that received funding were continued projects from the previous fiscal years. New appropriations this year included funding to cover costs associated with security cameras, police body cameras and the replacement of an apparatus ramp. Annual funding was included for road improvements, Bellevue Avenue concrete repair, sea walls improvements and appropriations to maintain the City's decorative lighting system. In addition, \$675,000 of facility improvements were proposed to be funded by bond proceeds. The City continued its on-going major repairs and improvements to infrastructure and facilities in the Water Pollution Control System and the Water System in the amounts of \$14,107,500 and \$3,384,200 respectively.

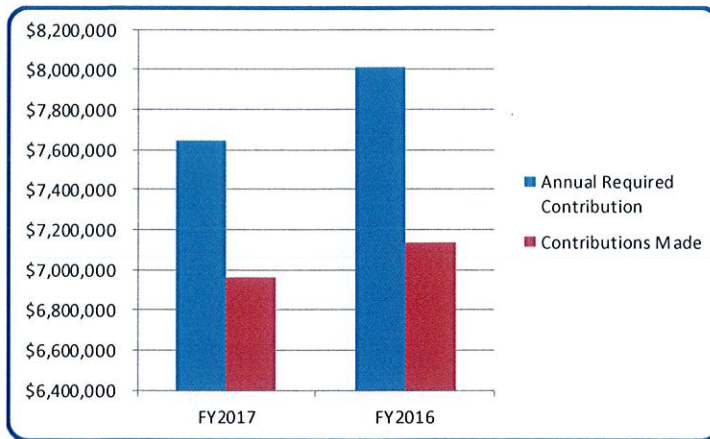
### ***Long-Term Liabilities***

The City was the first municipality in Rhode Island to establish a Trust for the funding of other post-employment benefits (OPEB) in order to honor long-term promises to its employees. The budget included funds in the amount of \$6,964,280 or 91.1% of the actuarially required contribution. The City's OPEB Trust Fund had market value assets of \$41,855,316 as of June 30, 2017. The unfunded accrued OPEB liability for all City departments and school employees is \$76,344,944.



# WHAT WE'VE PROMISED

## Comparative Funding of OPEB Annual Required Contribution (ARC)



City of Newport employees and Newport Public School employees participate in one of five pension plans. Teachers are required to participate in the Employee's Retirement System of Rhode Island (ERSRI), a cost-sharing plan. Newport teachers also participate in a State offered Survivors Benefits Plan. All other school, municipal employees and police officers hired after January 1, 2015 are required to participate in the Municipal Employee's Retirement System of Rhode

Island (MERS). The plans are hybrid meaning they provide both a defined benefit (guaranteed pension amount) and a defined contribution plan (similar to a 401-K). Employees and employers both contribute to the plans.

Uniformed public safety personnel, other than police officers hired after January 1, 2015, must participate in either the City owned police pension plan or the fire pension plan. Both are defined benefit plans and contributions come from both employees and employer.

The City implemented Statement No. 68 of the Governmental Accounting Standards Board entitled Accounting and Financial Reporting for Pensions, which applies to all pension plans. The major effect of implementing Statement No. 68 was to increase beginning (July 1, 2014) liabilities on the Statement of Net Position by \$128,917,467. The City also implemented Statement No. 74 entitled, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, providing for additional disclosures in the footnotes.

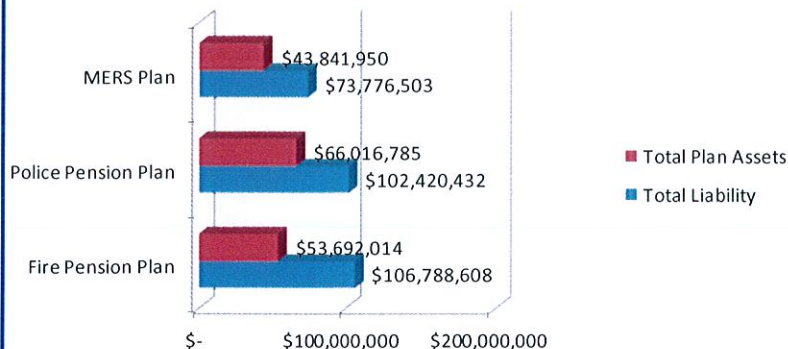
### Pension Funding Information as of June 30, 2017

	Total Liability	Total Plan Assets	Percent Plan Is Funded
Fire Pension Plan	\$ 106,788,608	\$ 53,692,014	50.3%
Police Pension Plan	\$ 102,420,432	\$ 66,016,785	64.5%
MERS Plan	\$ 73,776,503	\$ 43,841,950	59.4%
ERSRI Plan (City % only)	\$ 28,335,774	N/A	54.1%
Teacher's Survivor Benefits Plan (City's % only)	N/A	\$ 3,284,559	146.6%



## City of Newport Pension Plans

### FY2017 Pension Plan Funding



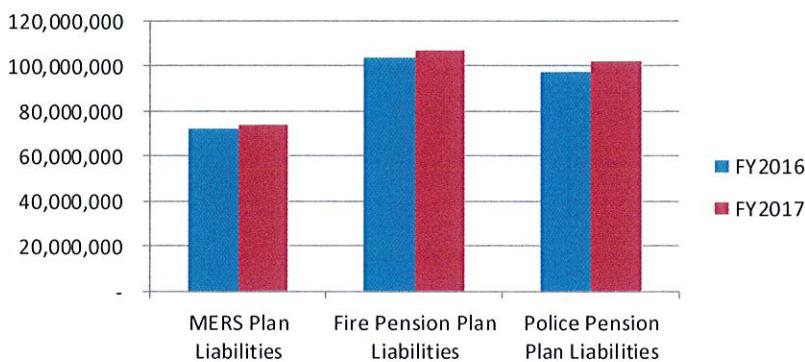
***Pension Plan Funded Status = Plan Assets – Projected Benefit Obligations (Liabilities)***

*A pension plan has two primary elements:*

- *The future liabilities created by employee service*
- *The pension fund assets, used to pay for retiree benefits*

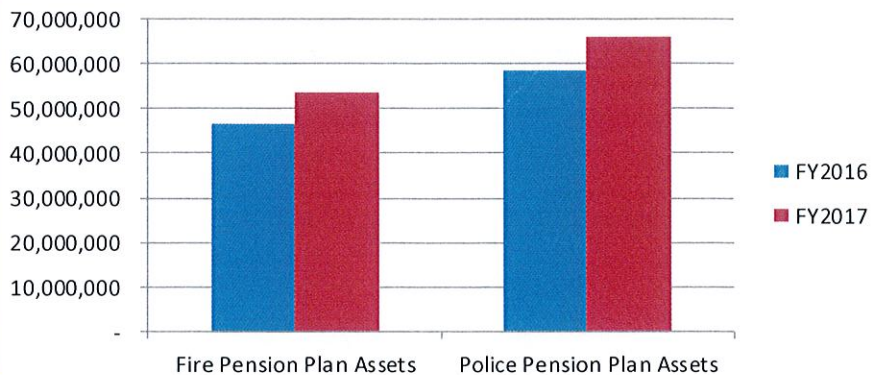
The graph to the right shows that police, fire and MERS pension plan liabilities increased slightly in FY2017 due to differences between assumed and actual results.

### Comparative Pension Plan Liabilities FY2016 and FY2017



The graph to the right shows that the Public Safety FY2017 pension plans assets have increased over FY2016. They increased a total of \$14,383,418 (13.66%). The City plans had an annual money-weighted rate of return, net of investment expense of -13.83%

### Comparative Pension Plan Assets FY2016 and FY2017



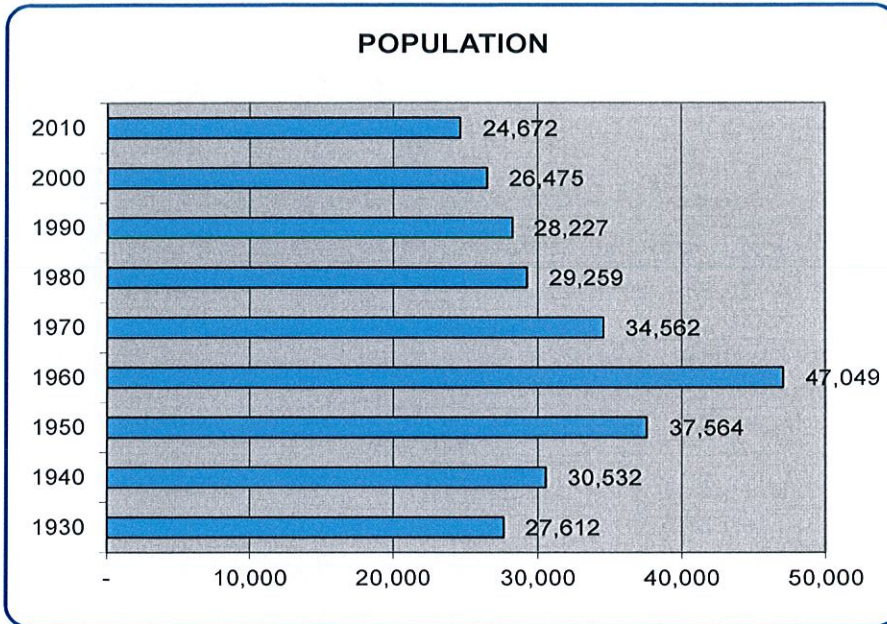
# COMMUNITY PROFILE

<b>Newport's date of incorporation (town)</b>	1639
<b>Newport's date of incorporation (city)</b>	1784
<b>Form of government</b>	Council/City Manager
<b>Population</b>	24,672
<b>Approximate Number of Visitors Served Annually</b>	3,000,000
<b>Bond Rating</b>	
Standard & Poor's	AA+
<b>Area of City of Newport</b>	
Latitude	N41° 29' 17"
Longitude	W71° 18' 45"
Elevation	30' above sea level
Total area	11.4 sq miles
Total land	7.7 sq miles
Total water	3.7
<b>Personal Income per Capita (2015-latest available)</b>	\$61,666
<b>Median Home Selling Price (June, 2016)</b>	\$366,225
<b>Key Services Provided by the City</b>	
Public Safety	Beach
Planning, zoning and economic development functions	Harbor
Solid waste & recyclables collection and disposal	Recreation
Street & sidewalk maintenance	Tourism/Parking Operations
Potable water & wastewater collection, treatment & distribution	
<b>Roads/Sidewalks</b>	
Lane miles of streets	96.8 lane miles
Sidewalk miles	82
Miles of water mains	175 miles
Miles of sanitary sewers	90.2 miles
Miles of storm sewers	50.1 miles
Number of street lights	1,940
Number of traffic signals	5
<b>City Employees</b>	
Number of full-time City employees	354
Number of full-time education employees	354
<b>Elections</b>	
Number of registered voters	15,128
Number of votes cast in last federal/state/municipal election	9,028
Percent of registered voters voting in last election	65.05%
<b>Parks and Recreation</b>	
Acreage of public parks and open space	427 acres
Number of playgrounds	16
Number of multi-purpose playing fields	16
Number of tennis courts	16
Number of community centers	1



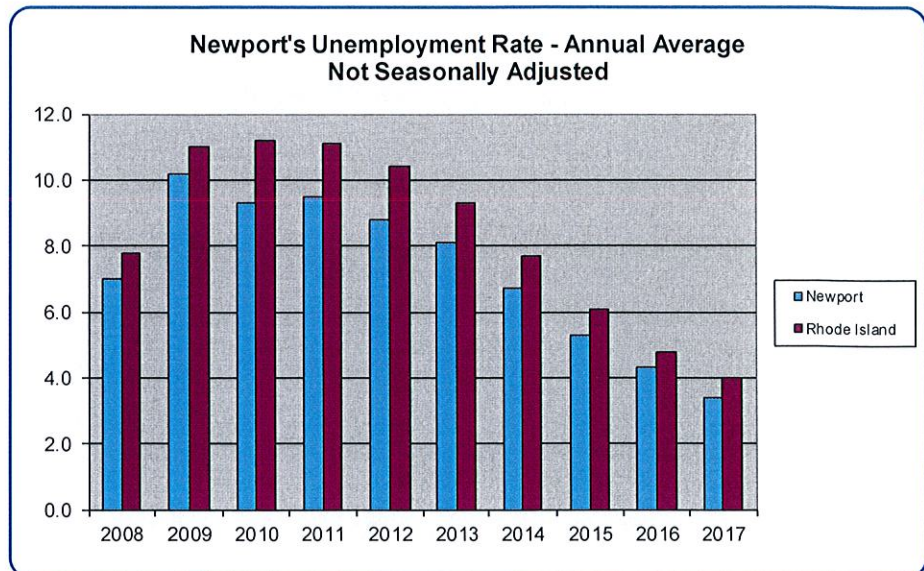
# DEMOGRAPHICS

## HOW WE'VE CHANGED



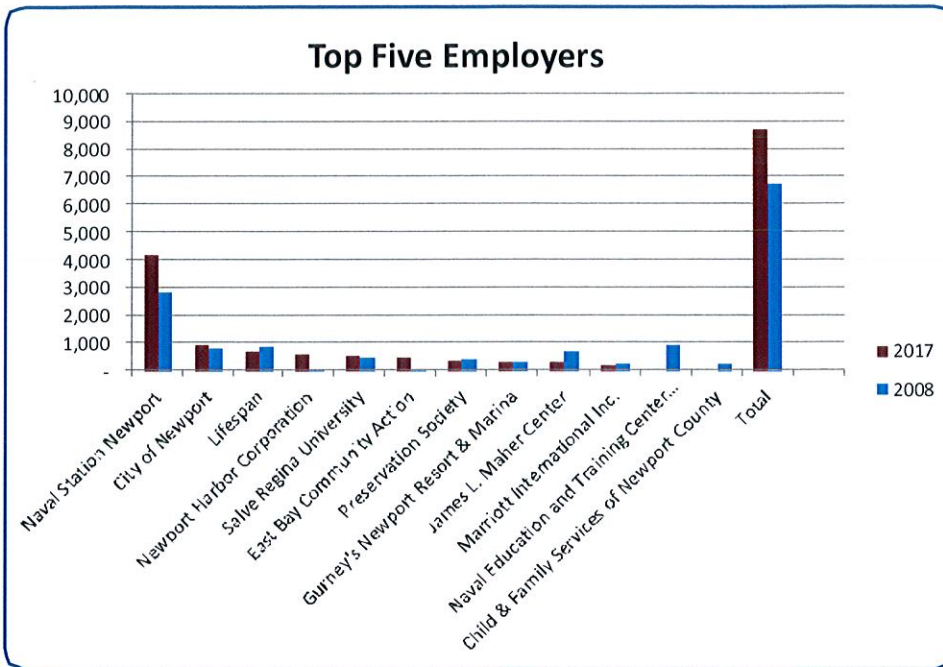
*The population trend shown to the left indicates that Newport currently has 24,672 people living within its boundaries, essentially the same population as in 1930, after an increase of 70.39% between 1930 & 1960. The dramatic decline in population during the 1970's was due to the removal of the naval fleet.*

*In 2017, Newport showed an unadjusted annual unemployment rate of 3.4% which was 0.6% lower than the state average of 4.0% (Both rates are as of June 2017)*



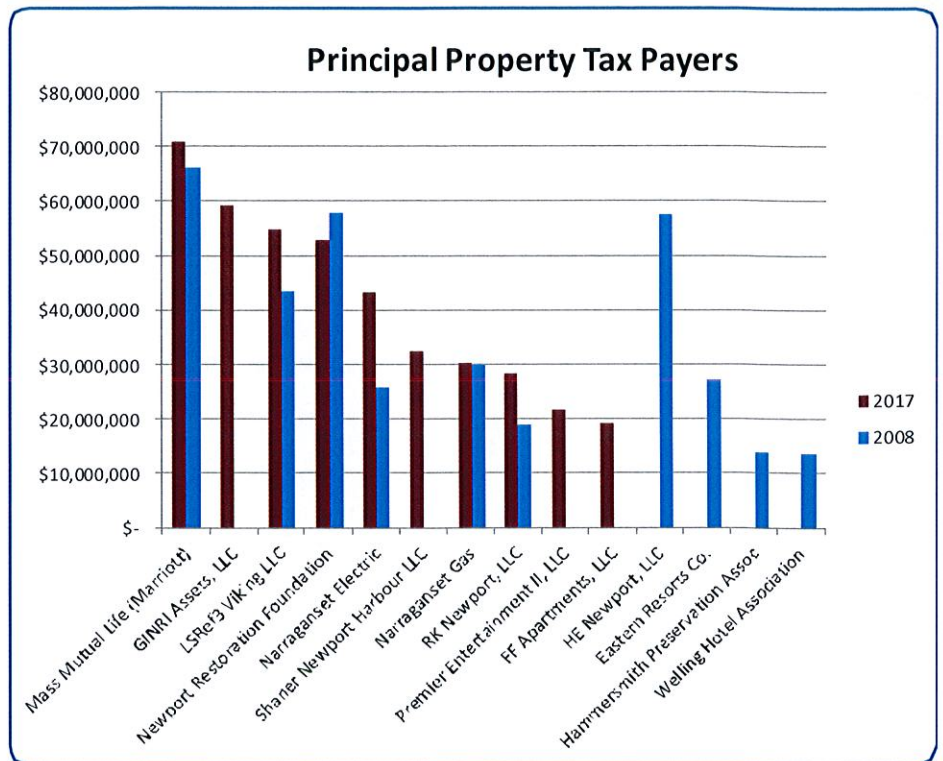
# DEMOGRAPHICS

HOW WE'VE CHANGED (continued)



*The top five employers of the City of Newport and the number of their employees in 2017 and ten years prior, are shown at the left.*

*The top ten property tax payers of the City of Newport and the amount of taxes paid to the City in 2017 and ten years prior, are shown at the right.*





### Vision Statement

The vision of Newport is to be the most livable and welcoming city in New England.

### Mission Statement



To provide leadership, direction and governance that continuously improves our community and to be stewards of our natural resources while preserving our cultural, historic and maritime heritage;



to ensure Newport is a safe, clean and enjoyable place to live and work and our residents enjoy a high quality of life;



to exercise the prudent financial planning and management needed to achieve our strategic goals;



to achieve excellence in everything we do, invest in the future of our community, especially the education of our children, and work closely with our businesses and institutions to sustain a healthy economic and tourism climate;



to promote and foster outstanding customer service for all who come in contact with the City;



to deliver quality and cost effective municipal services to our residents, businesses, institutions and visitors that result in the highest achievable levels of customer satisfaction.

### **City Council's Four (4) Tactical Priority Areas**

Each of the strategic objectives complement the others to accomplish the vision and mission as stated by the City Council. The application of these strategic objectives relate to the following four (4) tactical priority areas:

#### **Infrastructure**



Providing a strong, well-managed public infrastructure is key to enhancing quality of life and economic stability to our community.

#### **Communication**



Providing effective 2-way communication with the community through a unified council operating as a team and interactions with City staff productively.

#### **Transportation and Mobility**



Encourage and promote multi-modal transportation alternatives (bus, trolley, harbor shuttle, light rail, bicycles and walking paths) within the City and improve connections to the region.

#### **Economic Development**



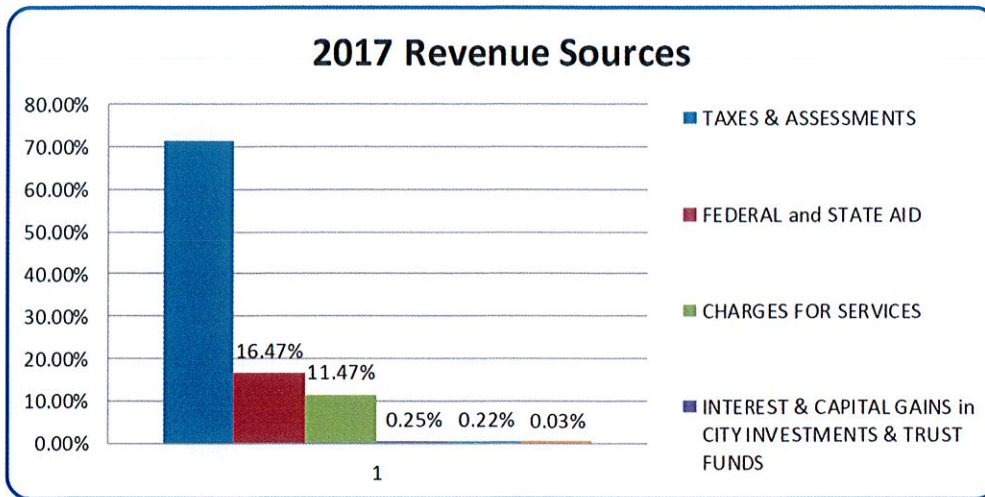
Providing an economically thriving and financially sound community for all its citizens and a supportive environment for business and visitors.



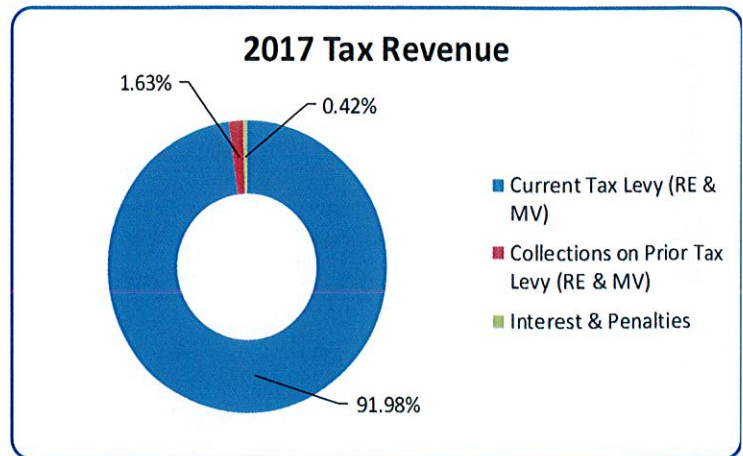
# REVENUES FOR THE GENERAL & CAPITAL PROJECT FUNDS

## WHERE DOES THE MONEY COME FROM?

REVENUE		2017	2016
TAXES & ASSESSMENTS	71.56%	\$ 77,505,920	\$ 75,173,854
FEDERAL and STATE AID	16.47%	17,840,908	17,142,809
CHARGES FOR SERVICES	11.47%	12,426,685	11,369,911
INTEREST & CAPITAL GAINS in CITY	0.25%	267,855	652,449
CONTRIBUTIONS	0.22%	243,568	257,199
OTHER REVENUES	0.03%	27,974	8,856
	100.00%	\$ 108,312,910	\$ 104,605,078



Taxes		2017	2016
Current Tax Levy (RE & MV)	91.98%	\$ 71,288,072	\$ 69,047,964
Collections on Prior Tax Levy (RE & MV)	1.63%	1,265,383	1,207,944
Interest & Penalties	0.42%	323,278	310,824
Tax Lien Fees		24,030	22,427
Meals & Beverage Tax		2,249,844	2,266,128
Hotel Occupancy Tax		2,355,313	2,318,567
		\$ 77,505,920	\$ 75,173,854

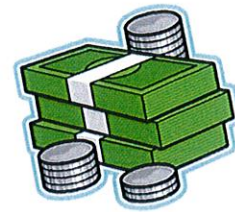


Total general and capital projects funds revenues received in 2017 were \$108,312,910. Revenues in the graph above are shown by source. To the right, tax revenues are further separated by category.

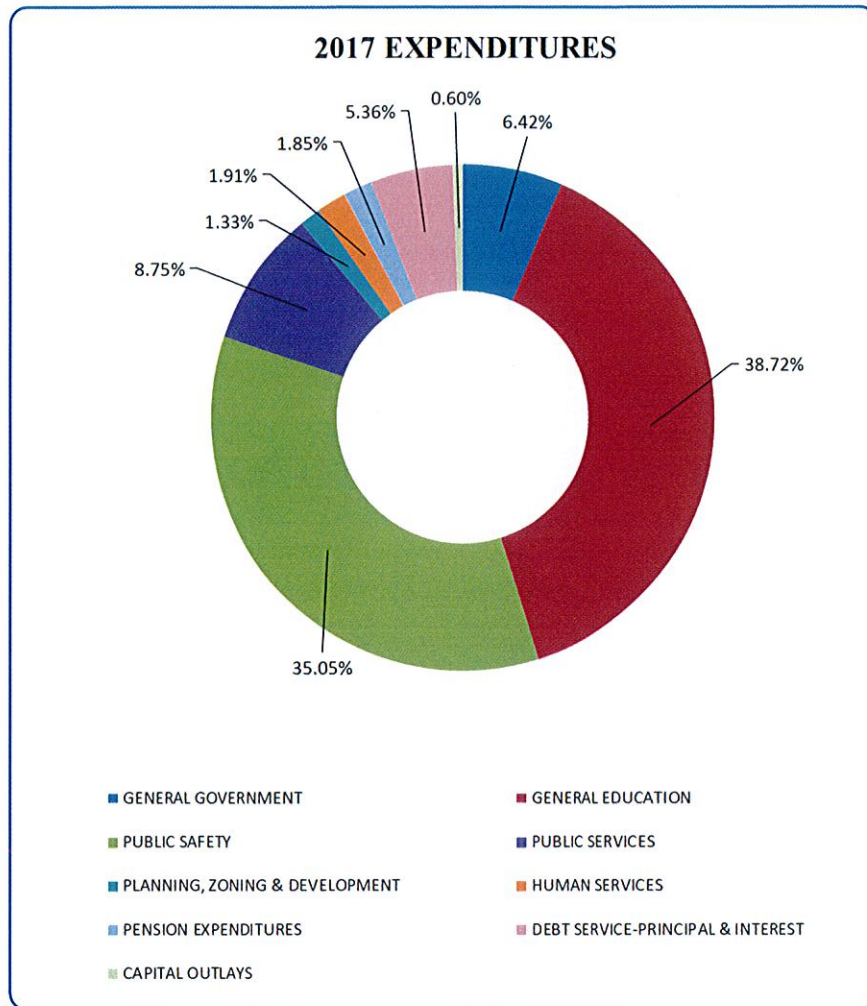
The largest revenue source comes from the Taxes and Assessments (71.56%) followed by State and Federal Aid (16.47%). Primarily all intergovernmental revenue comes from the State of Rhode Island, \$13,541,210 of state aid goes to the Newport Public Schools for education aid. The balance of \$4,299,698 is primarily for tax-exempt property (PILOT) such as Newport Hospital, Salve Regina University, and other nonprofit educational properties. The other sources of revenue are the City's share of meals & beverage taxes, hotel occupancy taxes, charges for services & permits, interest on available cash, contributions and miscellaneous sources. The amounts reflected are the total general fund revenues for the City, including Newport Public Schools.

# EXPENDITURES FOR THE GENERAL FUND

## WHERE DOES THE MONEY GO?



GOVERNMENTAL FUNDS, EXPENDITURES		2017	2016
GENERAL GOVERNMENT	6.42%	\$ 6,635,035	\$ 6,280,935
GENERAL EDUCATION	38.72%	40,019,211	37,977,318
PUBLIC SAFETY	35.05%	36,230,185	35,140,780
PUBLIC SERVICES	8.75%	9,045,503	9,057,691
PLANNING, ZONING & DEVELOPMENT	1.33%	1,376,875	1,296,558
HUMAN SERVICES	1.91%	1,973,861	1,921,223
PENSION EXPENDITURES	1.85%	1,914,981	1,448,234
DEBT SERVICE-PRINCIPAL & INTEREST	5.36%	5,539,043	5,319,909
CAPITAL OUTLAYS	0.60%	625,251	1,282,034
<b>TOTAL EXPENDITURES</b>	<b>100.00%</b>	<b>\$ 103,359,945</b>	<b>\$ 99,724,682</b>



Shown in the above graph are the City of Newport’s general fund expenditures during 2017. Education accounted for the largest part of the expenditures at \$40,019,211 or 38.72% of the total expenditures. General Government accounted for \$6,635,035 or 6.42% of the total expenditures, while Public Services accounted for \$9,045,503 or 8.75% of the total expenditures. The following page illustrates expenditures in further detail by department for Public Safety within the General Fund as well as expenditure comparisons from 2016 and 2017. The amounts reflected are the total general fund expenditures for the City and School. The Newport School Department is governed by its School Committee, a separately elected governing body.



# EXPENDITURES FOR THE COMBINED CITY & SCHOOL GENERAL FUNDS

## WHERE DOES THE MONEY GO?

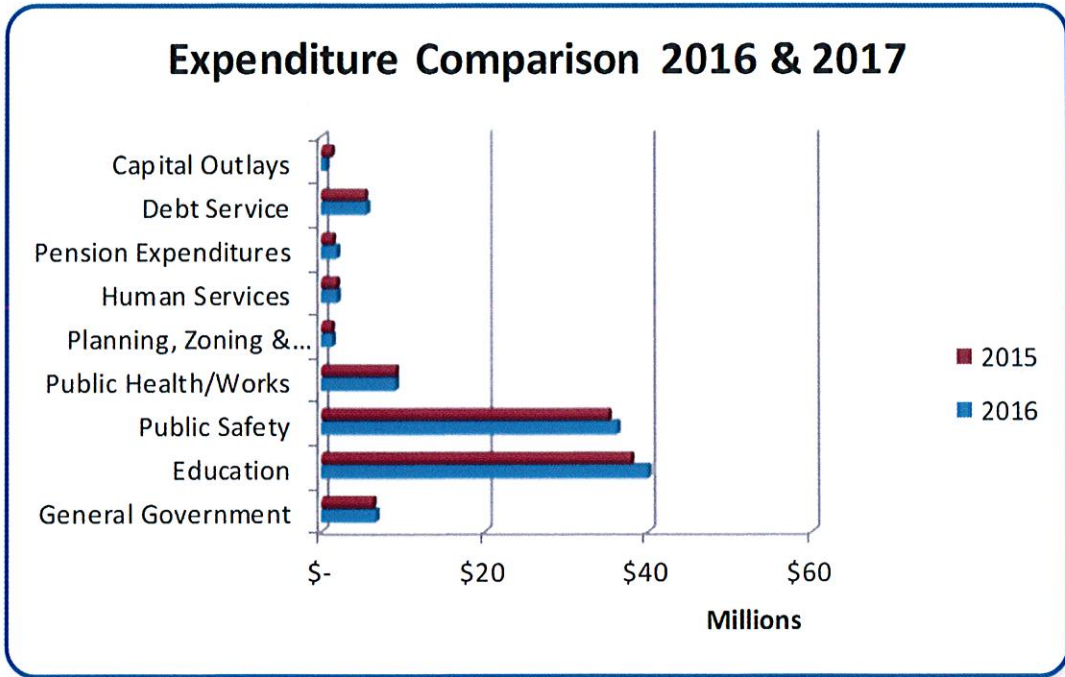
### PUBLIC SAFETY EXPENDITURES 2017

POLICE DEPARTMENT	\$ 17,537,047
FIRE DEPARTMENT	18,693,138
	\$ 36,230,185



The photograph above depicts a crash test dummy test driving a police motorcycle. Below is a picture of a recently purchased Newport Fire Department's Alarm Truck.

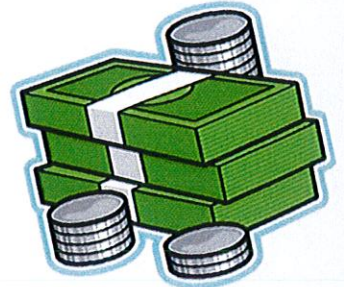
Expenditure Comparison	2017	2016
General Government	\$ 6,635,035	\$ 6,280,935
Education	40,019,211	37,977,318
Public Safety	36,230,185	35,140,780
Public Health/Works	9,045,503	9,057,691
Planning, Zoning & Development	1,376,875	1,296,558
Human Services	1,973,861	1,921,223
Pension Expenditures	1,914,981	1,448,234
Debt Service	5,539,043	5,319,909
Capital Outlays	625,251	1,282,034
	\$ 103,359,945	\$ 99,724,682



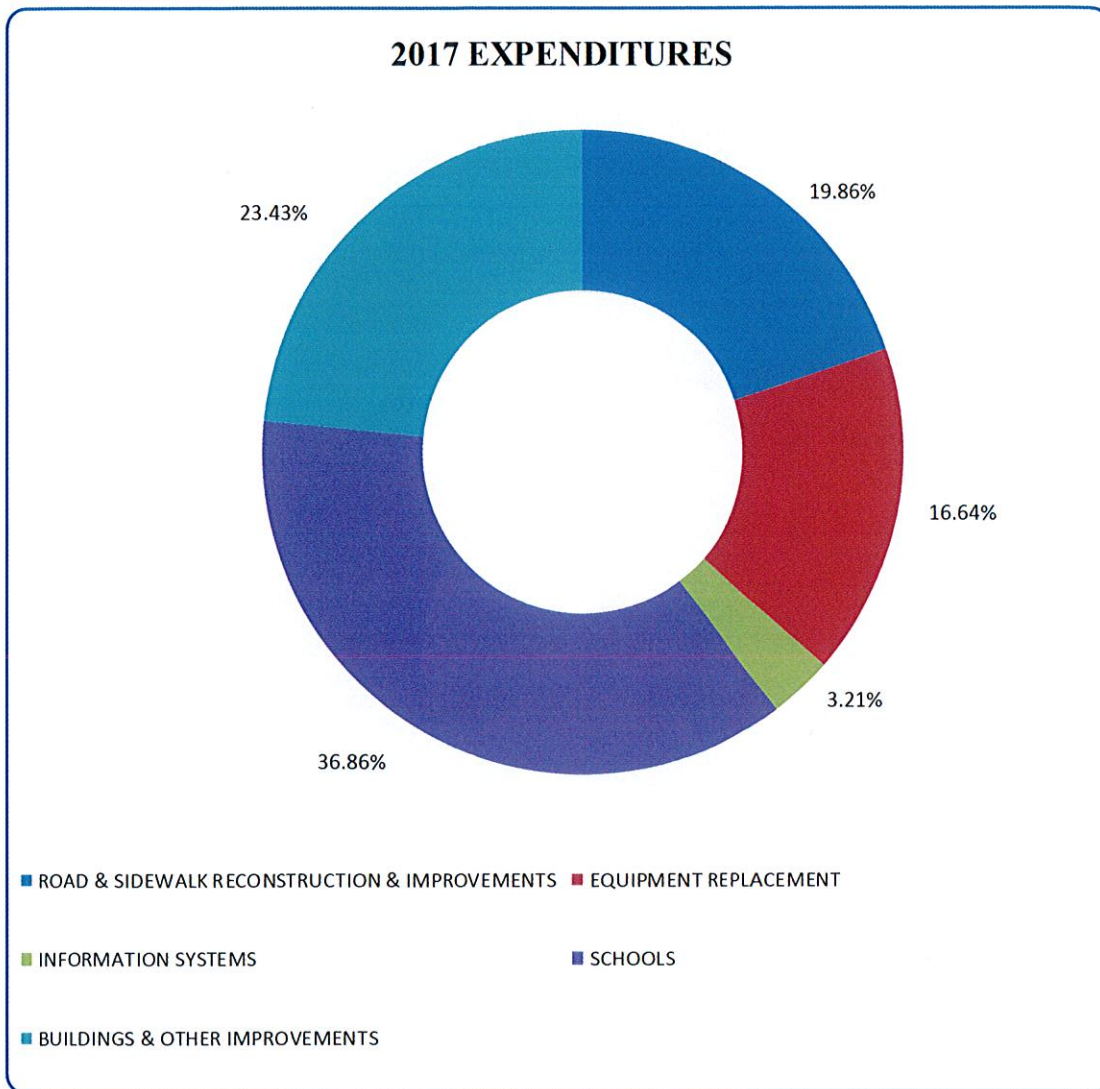
Expenditures increased during 2017 by \$3,635,263 due to an increases in debt service (new Pell School), and pension expenditures.

# EXPENDITURES FOR THE CAPITAL PROJECTS FUND

## WHERE DOES THE MONEY GO?



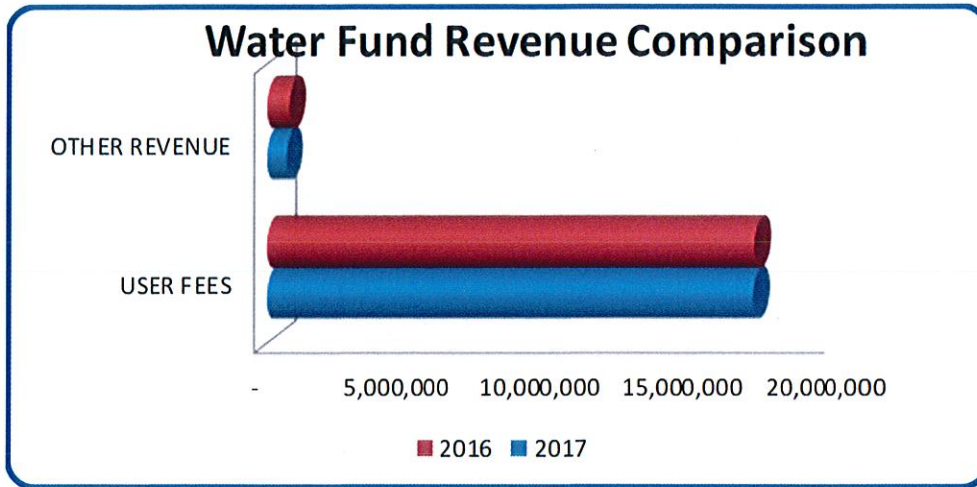
CAPITAL PROJECTS FUND, EXPENDITURES		2017		2016
ROAD & SIDEWALK RECONSTRUCTION & IMPROVEMENTS	19.86%	\$ 1,768,421	\$	2,185,095
EQUIPMENT REPLACEMENT	16.64%	1,481,595		693,656
INFORMATION SYSTEMS	3.21%	285,428		312,841
SCHOOLS	36.86%	3,281,434		236,862
ELEVATOR, CITY HALL				1,850,098
BUILDINGS & OTHER IMPROVEMENTS	23.43%	2,085,662		3,176,503
<b>TOTAL EXPENDITURES</b>	<b>100.00%</b>	<b>\$ 8,902,540</b>	<b>\$</b>	<b>8,455,055</b>



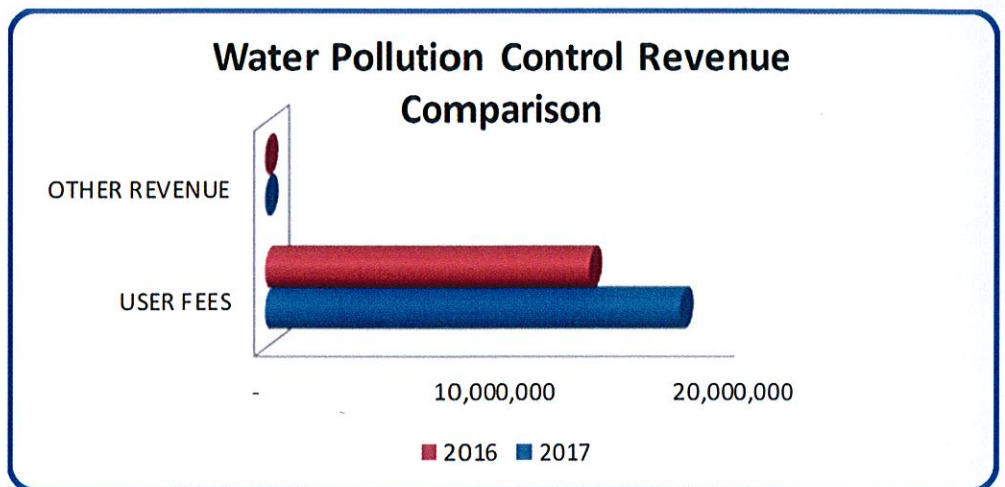


# MAJOR ENTERPRISE REVENUES (BUSINESS-TYPE ACTIVITIES)

WHERE DOES THE MONEY COME FROM?



Water Fund Revenue includes Metered Water Charges, which were less than anticipated due to conservation. Rates are set by the Rhode Island Public Utilities Commission (PUC).



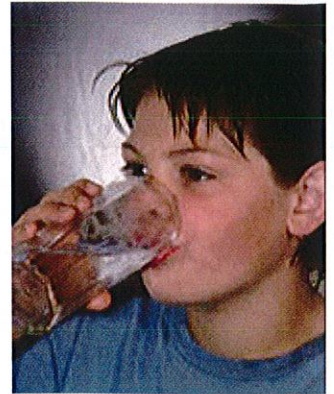
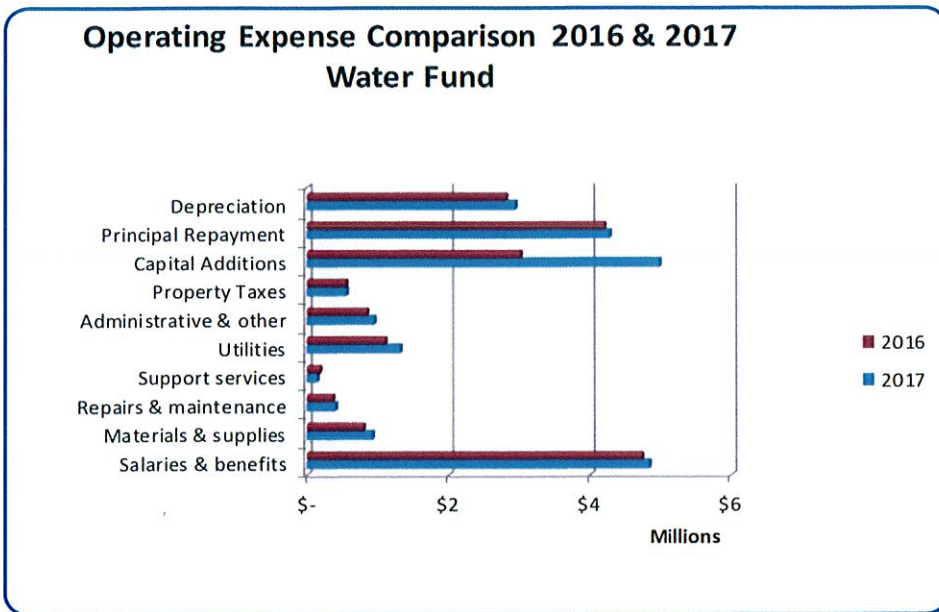
The increase in user fee revenue for Water Pollution Control reflects rate increases in order to support increased infrastructure projects.

**ENTERPRISE FUNDS:** Enterprise funds are used to report activities that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The City uses enterprise funds to account for its water operations, water pollution control operations, parking operations, and its maritime (harbor) operations. This report provides information for the Water Utilities Fund and for the Water Pollution Control operations, both of which are considered to be major funds of the City of Newport .

The graphs above illustrate revenue for the City's major Enterprise Funds during 2017 and 2016. User Fees accounted for the majority of the revenue in both the Water Fund and the Water Pollution Control Fund.

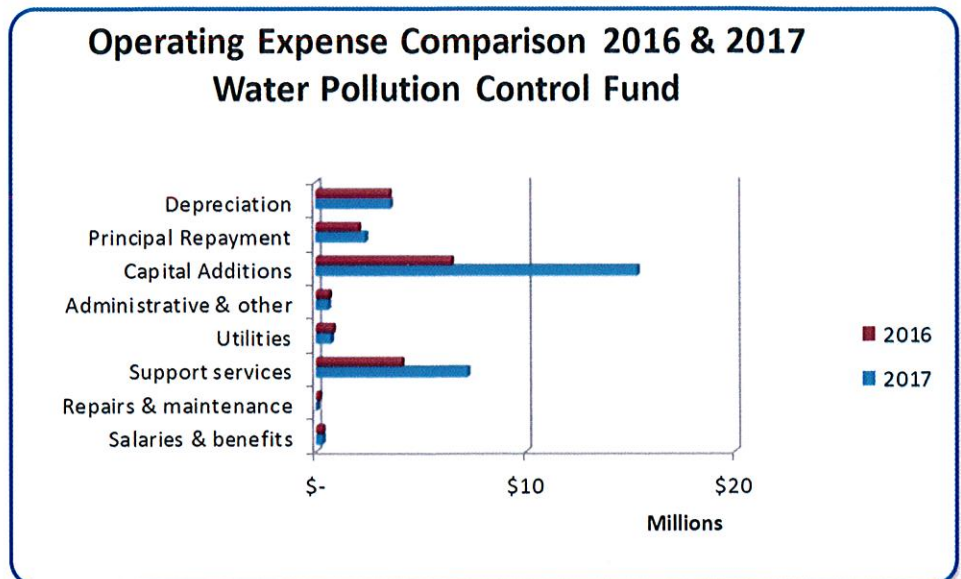
# MAJOR ENTERPRISE EXPENSES (BUSINESS-TYPE ACTIVITIES)

WHERE DOES THE MONEY GO?



Operating expenses increased \$2,716,350 due primarily to an increase in capital additions, the result of the completion of the new Lawson Valley water treatment plant and of substantial improvements at the Bliss Mine water treatment plant.

*In both the Water Fund and the Water Pollution Fund, operating expenses tell only part of the story. Most of the money raised through user fees is for capital improvements and debt principal repayment for debt associated with capital additions.*



Operating expenses increased \$12,079,363 due primarily to capital additions and debt service costs related to Combined Sewer Overflow (CSO) and other water pollution control issues.



# CAPITAL ASSETS

## WHAT DO WE OWN?

Capital Assets are defined as Property & Equipment owned by the City of Newport and purchased by each department as needed. This summary is the total dollar amount held by the City of Newport as of June 30, 2017 net of accumulated depreciation.

Category (Gov't Wide)		2017	2016
Land	3.11%	\$ 11,372,416	\$ 11,372,416
Construction in progress	6.68%	24,432,362	14,129,070
Buildings & systems	74.67%	272,898,392	269,043,901
Machinery/Equipment/Vehicles	2.37%	8,678,525	7,004,667
Infrastructure	13.16%	48,105,081	44,841,333
<b>Total</b>	<b>100.00%</b>	<b>\$ 365,486,775</b>	<b>\$ 346,391,386</b>



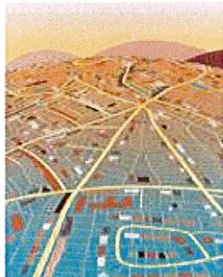
### Construction Work in Progress

The amount of incomplete construction or projects. This can include new buildings, new sewers or improvements, and building renovations



### Equipment

Includes the cost of all machinery, vehicles, office furniture, business machines, etc. that each department maintains and is responsible for.



### Land

The amount listed is the total amount of land purchased and owned by the City of Newport



### Buildings

The amount listed is the cost of the building purchase or the cost of the buildings construction.

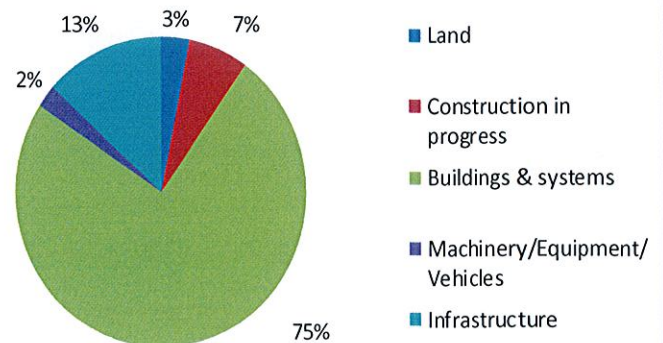
### Infrastructure

Includes the cost of all roads and lighting systems, etc.

### Capital Asset Balances

Balance as of 7/1/16	\$ 346,391,386
Purchased 2017	35,322,431
Disposed or reclassified 2017	(4,799,667)
Depreciation 2017	(11,427,375)
<b>Balance as of 6/30/17</b>	<b>\$ 365,486,775</b>

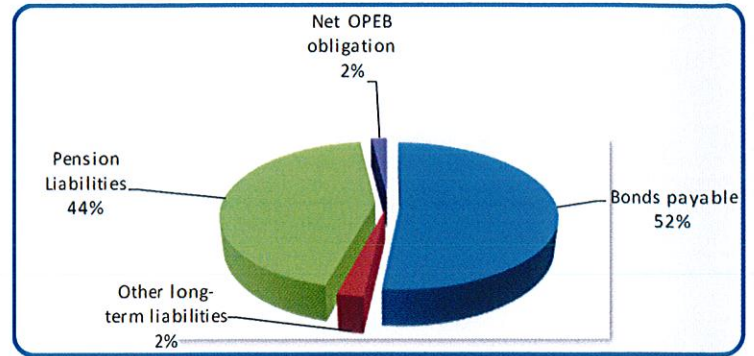
### Capital Assets, 2017



# LONG-TERM OBLIGATIONS

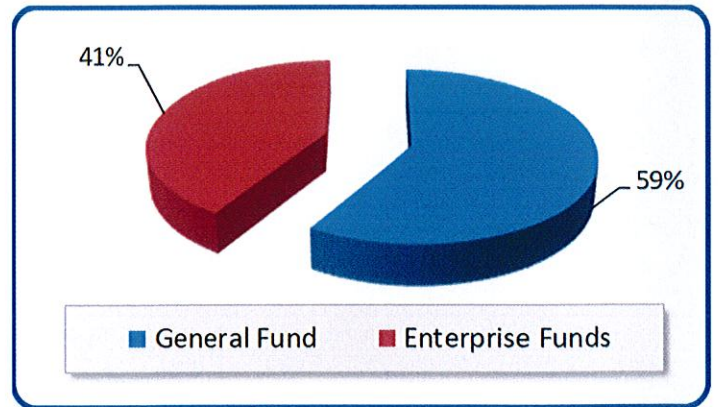
## WHAT DO WE OWE?

	2017	2016
Bonds payable	\$ 174,484,073	\$ 168,048,545
Other long-term liabilities	7,755,775	8,133,766
Pension Liabilities	147,770,568	150,563,921
Net OPEB obligation	6,710,672	6,008,776
<b>Total Debt Structure</b>	<b>\$ 336,721,088</b>	<b>\$ 332,755,008</b>

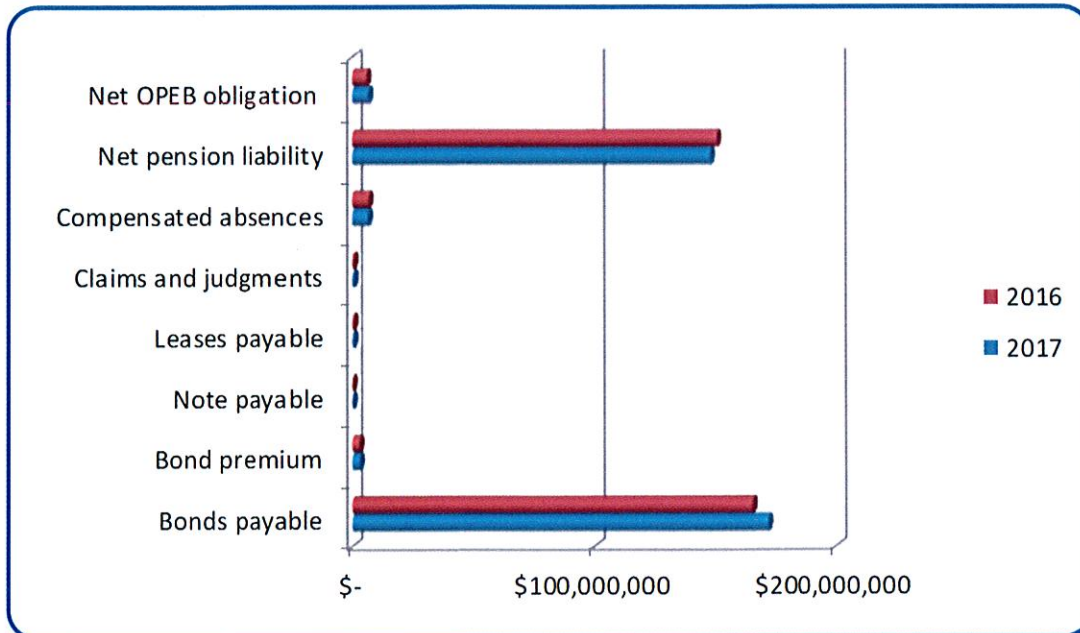


### Obligations of Governmental Funds compared to Enterprise Funds

	General Fund	Enterprise Fund
Bonds payable	\$ 40,000,000	\$ 131,420,200
Bond premium	3,063,873	-
Note payable	-	200,000
Leases payable	463,751	-
Claims and judgments	592,000	-
Compensated absences	6,500,024	-
Net pension liability	141,248,830	6,521,738
Net OPEB obligation	6,304,160	406,512
<b>Total Debt Structure</b>	<b>\$ 198,172,638</b>	<b>\$ 138,548,450</b>

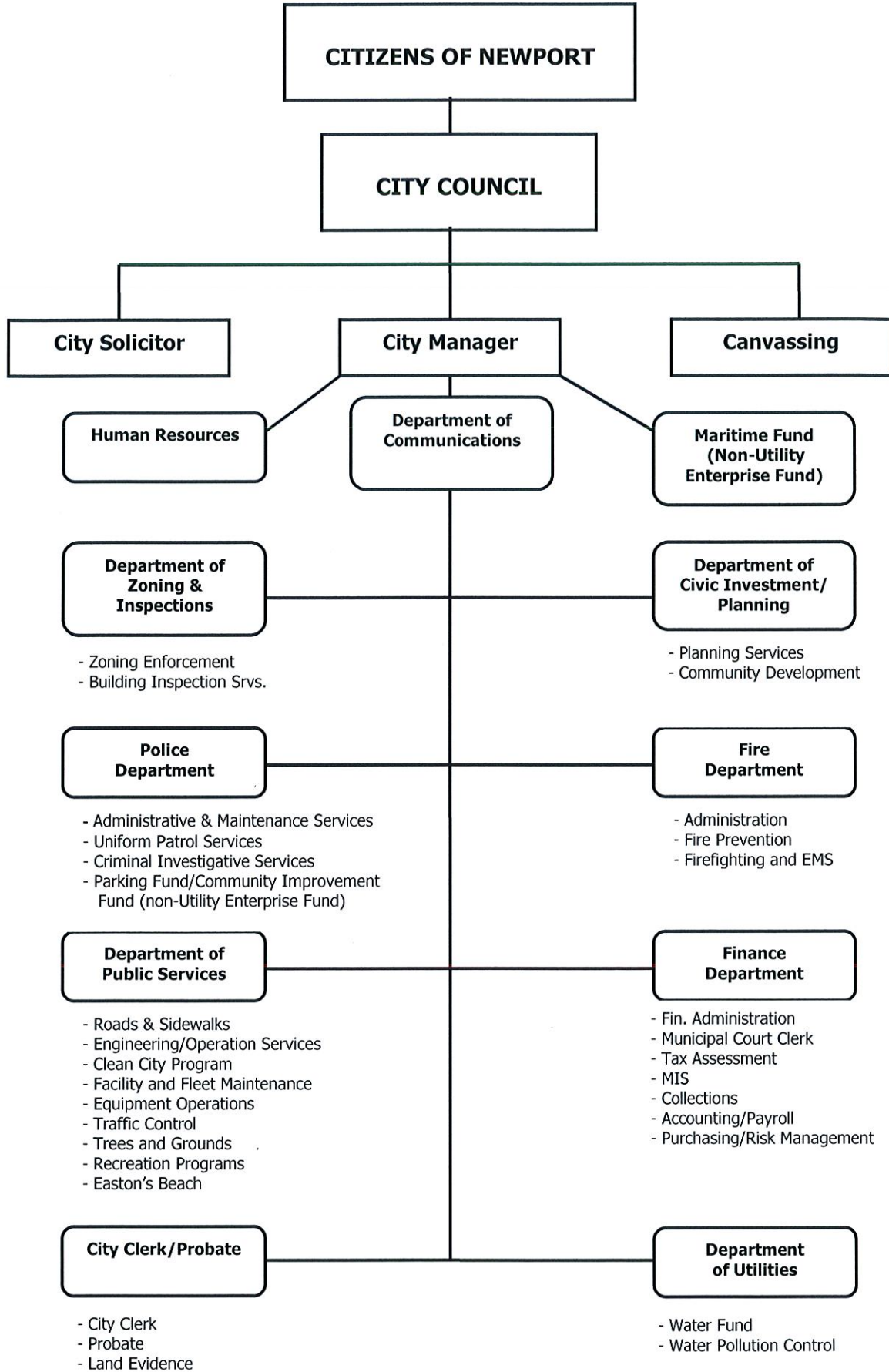


### Comparison of 2016 and 2017 Long-term obligations





# THE CITY OF NEWPORT, RI



# CITY OF NEWPORT, RHODE ISLAND

For Fiscal Year Ended June 30, 2017

## PRINCIPAL OFFICIALS

### CITY COUNCIL

Henry F. Winthrop, Mayor	<a href="mailto:hwinthrop@cityofnewport.com">hwinthrop@cityofnewport.com</a> (401) 845-5436
Lynn Underwood Ceglie, 2nd Ward Councilor, Vice Chair	<a href="mailto:lceglie@cityofnewport.com">lceglie@cityofnewport.com</a> (401) 556-4490
Susan D. Taylor, First Ward	<a href="mailto:staylor@cityofnewport.com">staylor@cityofnewport.com</a> (401) 207-1028
Kathryn E. Leonard, 3rd Ward Councilor	<a href="mailto:KateLeonard@icloud.com">KateLeonard@icloud.com</a> (401) 849-4818
Jamie Bova, Councilor-at-Large	<a href="mailto:jbova@cityofnewport.com">jbova@cityofnewport.com</a> (401) 845-5494
John F. Florez, Councilor-at-Large	<a href="mailto:jflorez@cityofnewport.com">jflorez@cityofnewport.com</a> (401) 338-2589
Jeanne-Marie Napolitano, Councilor-at-Large	<a href="mailto:jnapolitano@cityofnewport.com">jnapolitano@cityofnewport.com</a> (401) 847-5062

### ADMINISTRATION

Building Official	William Hanley	<a href="mailto:whanley@cityofnewport.com">whanley@cityofnewport.com</a> (401) 845-5463
Canvassing Clerk	Tracy A. Nelson	<a href="mailto:tnelson@cityofnewport.com">tnelson@cityofnewport.com</a> (401) 845-5384
City Clerk	Laura Swistak	<a href="mailto:lswistak@cityofnewport.com">lswistak@cityofnewport.com</a> (401) 845-5351
City Manager	Joseph J. Nicholson, Jr., Esq.	<a href="mailto:jnicholson@cityofnewport.com">jnicholson@cityofnewport.com</a> (401) 845-5430
Director of Finance	Laura L. Sitrin, CPA	<a href="mailto:lsitrin@cityofnewport.com">lsitrin@cityofnewport.com</a> (401) 845-5394
Director of Public Services	William R. Riccio, Jr.	<a href="mailto:wriccio@cityofnewport.com">wriccio@cityofnewport.com</a> (401) 845-5841
Director of Utilities	Julia Fogue, PE	<a href="mailto:jfogue@cityofnewport.com">jfogue@cityofnewport.com</a> (401) 845-5600
Economic Development Director	Paul Carroll	<a href="mailto:pcarroll@cityofnewport.com">pcarroll@cityofnewport.com</a> (401) 845-5450
Fire Chief	Peter D. Connerton, Sr.	<a href="mailto:pconnerton@cityofnewport.com">pconnerton@cityofnewport.com</a> (401) 845-5911
Harbormaster	Timothy Mills	<a href="mailto:tmills@cityofnewport.com">tmills@cityofnewport.com</a> (401) 845-5815
Police Chief	Gary T. Silva	<a href="mailto:gsilva@cityofnewport.com">gsilva@cityofnewport.com</a> (401) 845-5777