

City of Newport, Rhode Island

*Second Annual Performance Report
Delivery of City Services*



Year ending June 30, 2008

CITY OF NEWPORT, RI
First Annual Performance Report
Year ending June 30, 2008

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**CITY OF NEWPORT
SECOND ANNUAL PERFORMANCE REPORT
FISCAL YEAR 2007-2008**

EXECUTIVE SUMMARY

Findings this year on the governmental performance of the City of Newport still offer good news for the city organization and the greater community, both in terms of recognition of successes and insights into areas for improvement.

One of the most important measures of a city's financial strength is the level of its fund balance. Fund balance is defined as the excess of an entity's assets over its liabilities also known as excess revenues over expenditures or net assets. Fund balance comes about when and if a municipality's actual revenues exceed actual expenditures in a given year. Fund balance is often known as a reserve, and it allows the City to continue to provide services in the event of revenue shortfalls or unanticipated events. It is also important to preserving the City's bond rating which is currently a Aa3 by Moody's. The goal in the general fund is to maintain at least 10% of budgeted expenditures in reserve. Fiscal year 2008 ended with an audited general fund balance of \$6,835,238, which was 9.70% of the operating expenditures.

The City continued its efforts to promote development and enhancement of the *North End*. During FY 2008, the City purchased a 5.4 acre parcel of land abutting Connell Highway from the R.I. Department of Transportation. The property is currently being marketed for development. The U.S. Navy recently announced plans to both expand operations and sell surplus property. One of the properties expected to be excessed is an eight-acre parcel in the North End Development area. The property is the site of the former Naval Hospital and enjoys significant frontage on Narragansett Bay. The City is working with the Aquidneck Island Planning Commission, other Aquidneck Island communities, the U.S. Navy, the State of Rhode Island and other local groups to determine the most productive uses for these properties. Efforts will continue in the refinement of the North End plan, with a focus on integrating those designs with the considerable expertise already invested in the previous central business district conceptual design projects.

Through a comprehensive strategic planning model, the City is addressing major infrastructure needs, including: (1) school facilities, (2) traffic systems, (3) water infrastructure and (4) 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.

The City has been and continues to work towards solutions to the burdens on the Water Pollution Control (WPC) infrastructure. The complex WPC system services Newport, Middletown, and the U.S. Navy. A looming expense for the City is improvements to the waste water system which, based on current engineering studies, may reach \$100 million.

A request was made to the Rhode Island Public Utilities Commission to approve an increase in water rates, most of which is for capital projects (infrastructure improvements and upgrades). This year we also increased Water Pollution Control usage-based rates as well as a new fixed rate to cover sewer capital needs. The fixed fee was allocated strictly for combined sewer

to search out these types of agreements, as well as explore potential growth in other known revenue streams. The successful Hope VI project, well into development, added new revenues to the City's coffers. A PILOT formula for the mixed-use residential scheme provided the City with revenues of 8% of gross rental income. An important element in this neighborhood design is to provide housing for residents of varying income levels. Sliding-scale rental agreements will consider the income levels of occupants. Realized income to the City was \$123,619 during FY08.

Funds were reserved during the last several budget cycles to support the acquisition and implementation of a new Enterprise Resource Planning (ERP) System for the City and School. The ERP program replaced older, and in many cases, unsupported software used by the City for accounting, payroll, human resources and other integrated functions. City staff, with the assistance of a professional implementation team successfully went live with the general ledger and financial suites on April 15, 2008. Difficulty with conversions and in system design has postponed Payroll and Human Resources until the new year. When fully implemented, the new system will mitigate many of the areas of concern that now exist, including that the financial system will break down beyond repair. The new system will also include workflow processes that will eliminate many of the functions where the same data is entered by more than one person. Workflow processes will also be used to enhance citizen, employee and applicant self-service functions.

The City of Newport has established an Other Post Employment Benefits (OPEB) Trust to reserve funds for future retiree health and life insurance benefits, where applicable. The City made a contribution of \$1,750,000 in FY2008 and, by resolution, all City premium-shares paid by employees are forwarded to the OPEB Trust. The School Department contributes the contractually required contribution of teachers who participate in the School's Extended Benefits program. This program allows participating teachers to maintain their current health plan after they reach age 65.

Municipal government infrastructure is the stabilizing underpinning of local communities. The current economy, and in a broader sense, our rapidly changing society, mandates that in order to retain its stabilizing value local government must be strategic in planning, dynamic in action, and efficient in service delivery. Continuous self examination is necessary to ensure the most effective use of limited public funds. Much like private industry competes for expanded territory, municipalities must seek out new and expanded revenue streams to support the costs of increasingly sophisticated public service demands. The City of Newport embraces the competitive spirit of entrepreneurial management tempered with cost-controlling integrity. While annually maintaining a healthy fund balance, City leaders are continuously pursuing an expanded municipal revenue base to offset ambitious growth and improvement strategies. A broader revenue foundation creates greater stability. Continuous investment in capital assets increases the viability and attractiveness of the community. Newport has adopted a fiscal strategy that allocates funds for maintenance and upgrades to capital assets, reduction to long-term debt, and investment in development for the future. This three-pronged approach ensures protection of historic assets, continuous improvements in the City's fiscal condition for the benefit of future generations, and aggressive pursuit of opportunities for expansion and growth. Balanced with continuous self examination, the City strives to meet and exceed public service expectations in a cost effective and professional manner.

SCOPE AND LIMITATIONS OF THIS REPORT

Most of the departments that deliver services directly to Newport’s citizens are considered within the body of this report. These Departments/Divisions include: Human Resources, Canvassing, City Clerk, Finance, Police, Fire, Public Works, Planning, Zoning, Development & Inspections, and Recreation. These areas of the organization comprise 52.87% of the City’s total *General Fund Actual Expenditures* for the *Fiscal Year 2007-2008 Budget* (50.80% of the fiscal year 2007 budget). Also included are the following Enterprise Funds: Maritime, Parking, Easton’s Beach, Water Pollution Control, and Water.

	2007-2008 Actual Expenditures	% of Actual FY 08 Expenditures	Staffing (FTEs)
Human Resources (under City Manager)	\$ 282,614	0.38%	2
Canvassing	191,650	0.26%	2
City Clerk	533,318	0.72%	6
Finance	2,505,608	3.40%	23
Police Dept.	13,735,517	18.61%	111.5
Fire Dept	13,656,533	18.51%	99
Public Services	6,407,813	8.68%	39
Planning, Zoning, Development & Inspection	1,169,281	1.58%	13
Recreation	527,444	0.71%	4
Service Delivery Departments measured	\$ 39,009,778	52.87%	299.5

For the departments that are covered in this report, the measures of performance targeted for reporting are those that each department identified as the two to three key measures critical for assessing their area 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 35% of the total budget (including Capital and Debt Service), is a separately governed entity and so is not considered in this report.

The City Manager’s office is not included as a distinct department, but instead can 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. Future reports likely will incorporate this key area. Finally, the office of the City Solicitor was not included because these services are subcontracted through City Council appointment.

This report reflects the results of a departmental reorganization which became effective July 1, 2007. Three City Departments were realigned during the reorganization, including the Department of Administrative Services, the Department of Parks, Recreation and Tourism and the Department of

Overall, the limitations of this report do not reflect unprofessional standards, but more the limited resources of a smaller city in a small state, as well as the newness of the concept of reporting government performance results at all. From these initial reporting processes, standards for data collection for the future are being established.

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 will better reflect their voices.

A copy of the city's annual budget is available on the city website: www.cityofnewport.com

BACKGROUND INFORMATION ON THE CITY OF NEWPORT, RI

Did you know ...

According to the 2000 Census, Newport's:

- ◆ Population was 26,475, representing a 6.21% decrease from 1990;
- ◆ Population ranked 13th among Rhode Island's 39 communities;
- ◆ Median Age was 34.9;
- ◆ Population Density was 3,336 persons per square mile of land area (7.7 square miles).
- ◆ The City swells by over 3,000,000 visitors annually.

Newport is located at the southern end of Aquidneck Island in Narragansett Bay, about 30 miles southeast of Rhode Island's capital of Providence. The City is bounded by the Atlantic Ocean on the east and the south, Narragansett Bay on the west, and by the Town of Middletown on the northeast. Newport is 11 square miles in size, with 7.7 square miles of land and 3.3 square miles of inland water. Location is readily accessible to the west by Interstate 95 via the Jamestown and Pell Bridges, and to the north by Routes 24 and Interstate 195 via the Mount Hope Bridge and the Sakonnet River Bridge.

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.

Changes in the City's departmental configuration were designed to increase a focus on the economic and service demands of the City's efficiency in the expenditure of funds, and to intensify efforts to maximize existing revenue streams. Enterprise funds, in particular, offer the opportunity for growth, searching for new funding sources, and improving and expanding opportunities and attractions to bring visitors to Newport.

The City of Newport employs approximately 374 Full Time Equivalent (FTEs).

The charts on the following page further illustrate the reorganization of the city.

external stakeholders should be informed of the results in an understandable format. To that end, you will find Performance Measures throughout this Performance Report. Comparative efficiency measures can also be found on the initial pages of each department's budget section within the FY 2008 Adopted Budget. Effectiveness and output measures follow those pages. Input measures of full time equivalents and total operating and maintenance expenditures are located within the individual divisions of each department's budget.

The City continues to participate 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 have developed universal Cost Measures for valid efficiency comparisons in EMS/Dispatch and Snow/Ice removal. 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

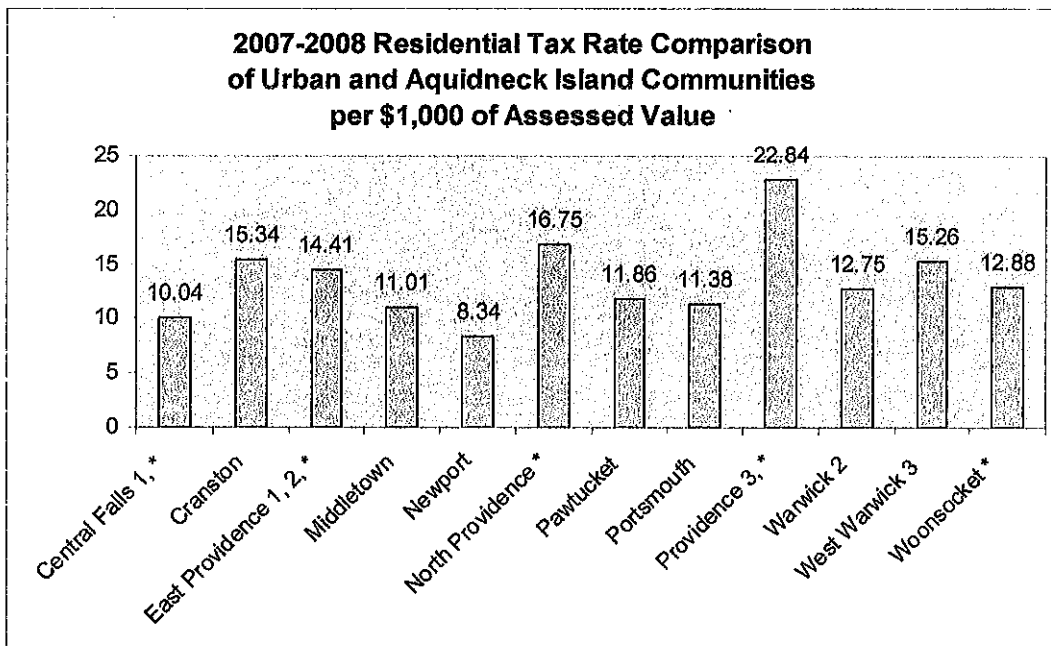
By many measures, the City of Newport has met the challenges it faces with relative success. For overall image, Newport was seen by 87.3% of respondents to the 2006 Citizen Survey (See Appendix A, Executive Summary, page 54) as a "good" or "excellent" place to live. Further measures of citizen satisfaction 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 and, where possible, to compare their results with other cities."⁵

The City of Newport was awarded a grant by the National Center for Civic Innovation to fund the preparation of both this year's and last year's inaugural performance measurement report using the GASB suggested criteria. Newport continues to be one of a handful of Northeast municipalities to undertake such an effort. Without this funding, a municipality like Newport would not have had financial resources to undertake an effort of this magnitude. The grant was used primarily to fund citizen focus groups, which were facilitated by a professional research firm in May, 2008. 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 58.

⁵ Ammons 3

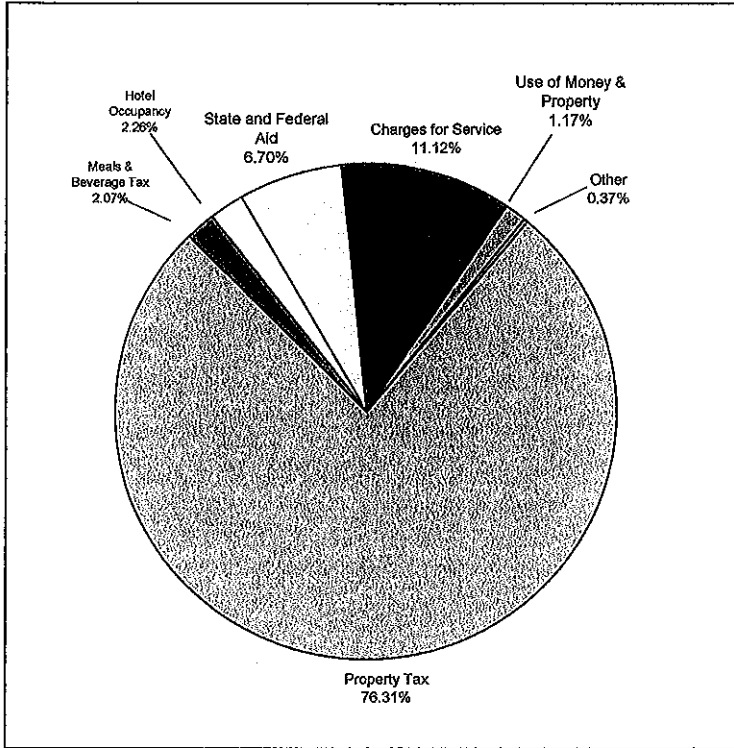
Attracting new revenue sources is a continual challenge. To enhance the City’s capabilities in grants writing and research, the role of Redevelopment Agency Director expanded from a part-time to full-time position in 2007, adding the function of grants writer. This enhancement was designed to coordinate 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 \$3,193,214 during FY 2008.



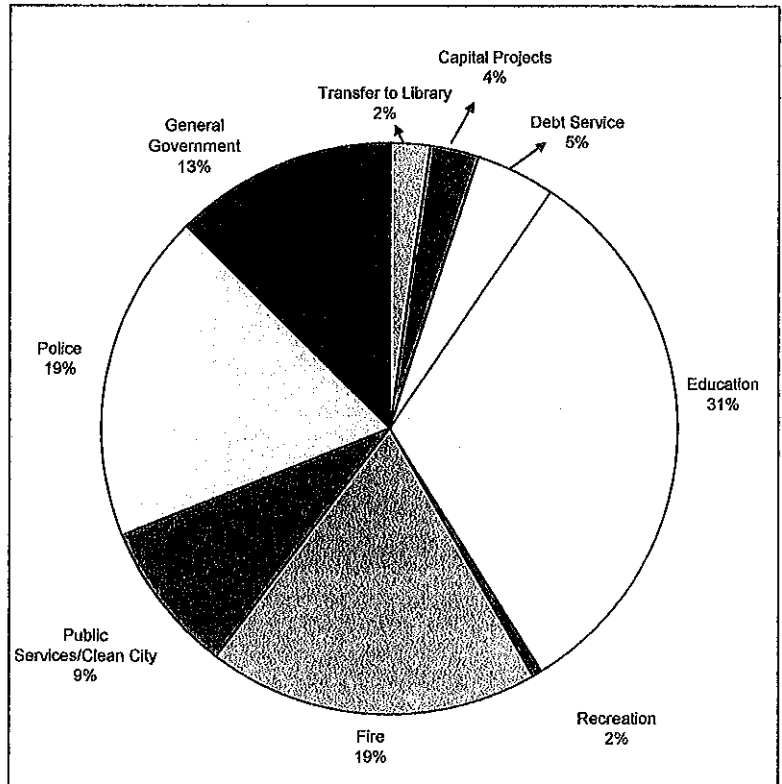
* Denotes Homestead Exemption Available; 1) Rates support fiscal year 2007
 2) Municipality had a revaluation effective 12/31/06; 3) Municipality had a statistical update effective 12/31/06

SECOND ANNUAL PERFORMANCE REPORT ON DELIVERY OF CITY SERVICES FOR FY 2008
 INFORMATION ON HOW TO GET A COPY OF THIS REPORT – SEE PAGE 1

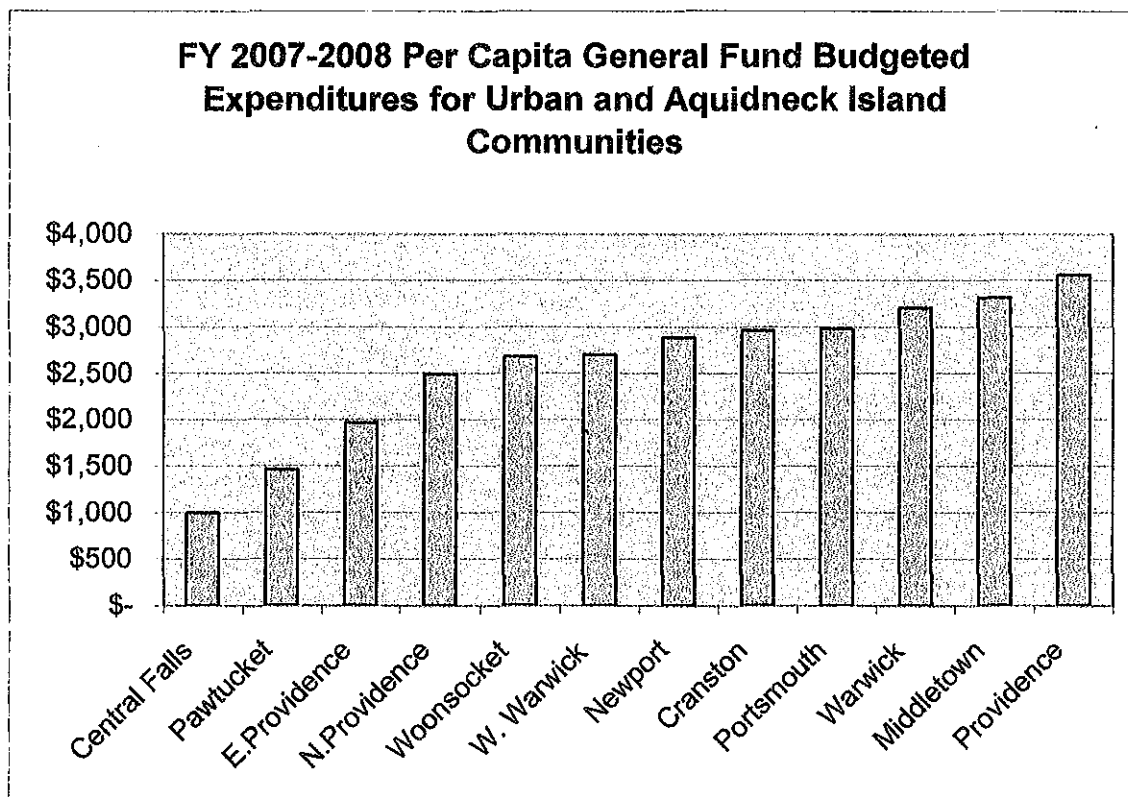
GENERAL FUND ACTUAL REVENUES FY 2008
\$75,364,960



GENERAL FUND ACTUAL EXPENDITURES FY 2008
\$73,666,150



A comparison of Fiscal Year 2008 budgeted expenditures for like communities shows that the City of Newport's residents pay slightly higher per capita costs than the average of all compared communities.





PUBLIC HEALTH, SAFETY AND QUALITY OF LIFE

- 1. Protect the health and safety of residents and visitors**
- 2. Promote Clean City, streetscape and zoning programs to proactively address nuisance issues and the appearance of the City**
- 3. Evaluate and address traffic, pedestrian safety and parking needs**

- 4. Address issues of deferred maintenance on City and School infrastructure, facilities and parks**
- 5. Maintain a fair balance between resident, commercial enterprise and tourism needs**



PRESERVATION OF ASSETS

- 1. Preserve historic and natural assets of the City**
- 2. Protect the harbor and promote resident and visitor use and enjoyment**
- 3. Actively pursue federal, state and local grants to maintain historic and natural assets**



RECREATION, ARTS & TOURISM

- 1. Provide additional restrooms throughout the City**
- 2. Provide additional restrooms throughout the City**
- 3. Improve and expand facilities for youth activities**
- 4. Encourage and promote the Visual and Performing Arts community**
- 5. Promote the use of the harbor for national and international events**



REDEVELOPMENT

- 1. Actively promote redevelopment in the north end**
- 2. Evaluate and promote the redevelopment of the Long Wharf and Central Newport areas**
- 3. Actively plan and promote redevelopment of the Gateway Visitor's Center**

DEPARTMENT OF PUBLIC RECORDS (continued)

FY 2008 Goal: To organize and preserve an additional 20% of permanent hard copies of City records in a safe facility

Accomplishments: Plans moved forward with the installation of space-saving shelving in the Land Evidence Office this year. Funds from the Archival Trust are being used for this project rather than taxpayer dollars.

Current outdated and efficient
Storage in Land Evidence



The Dept. of Public Records collected \$291,273 more in revenue than its cost of operation.

DEPARTMENT OF FINANCE (continued)

Additional Performance Data:

FY 2008 Goal: Adopted Budget is awarded the Government Finance Officers Association’s (GFOA) Distinguished Budget Presentation Award and is posted to the City’s website within 90 days following the budget approval.

GFOA's Distinguished Budget Presentation			
Fiscal Year	Date Council Approved	Date Submitted	Award Received
2008	6/13/2007	9/10/2007	Yes
2007	6/14/2006	9/8/2006	Yes
2006	6/22/2005	9/19/2005	Yes

The City’s *Comprehensive Annual Financial Report (CAFR)* is awarded GFOA’s Certificate of Achievement for Excellence in Financial Reporting and is posted to the City’s website by Dec. 31, 2008.

GFOA's Cert. of Achievement for Excellence in Financial Reporting		
Fiscal Year	Date Submitted	Award Received
2008	1/14/2009	Unknown
2007	12/27/2007	Yes
2006	12/28/2006	Yes
2005	12/28/2005	Yes

FY 2008 Goal: Implement a customer service satisfaction card in Collections and Assessment. These will be used to start measuring customer satisfaction.

PERFORMANCE MEASURES	FY 2008 ACTUAL
Number of Collections citizen survey cards completed at 06/30/08	116
Percent scoring Excellent in all six areas of satisfaction	91.38%

PERFORMANCE MEASURES	FY 2008 ACTUAL
Number of Assessing citizen survey cards completed at 06/30/08	17
Percent scoring Excellent in all six areas of satisfaction	94.12%

POLICE DEPARTMENT
(continued)

Directed Enforcement (Jan.08-Sept.08)

- Traffic = 15
- Parking = 9
- Strategic Variable Message Sign (VMS) Placement = 33

Youth Programs/ Quality of Life Issues

- Traffic Sergeant attended meetings concerning young drivers and Reducing Youthful Dangerous Driving (RYDD) program.
- Traffic Sergeant paired with Highway Safety's "Young Driver" Coordinator to prepare a month-long seatbelt safety awareness initiative, including advertisement, warning, and ticketing schedules.
- Traffic Sergeant participated in a Substance Abuse Prevention Task Force training, which was geared toward underage drinking and fraudulent identification detection.

Additional Quality of Life Issues

- Traffic Sergeant attended meetings regarding parking on Cranston and Calvert Streets in order to alleviate resident concerns.
- Traffic Sergeant attended various Parking and Community Services meetings, where a variety of resident concerns were brought up and addressed by Sgt. Barker.
- Traffic Sergeant has continued his participation on the Attorney General's DUI Task Force, attending meetings and implementing Directed Enforcements made available through Highway Safety Grants.
- In response to residents' concerns regarding loud motorcycle noise, the Traffic Sergeant took a proactive approach and initiated directed enforcements for muffler noise violations.
- Traffic Sergeant initiated a new Traffic Aide hiring program, which included two full days of interviewing. Thirty-seven (37) applicants were interviewed and eleven (11) new hires were appointed. This resulted in an increase in enforcement, and a reduction in complaints.
- Traffic Sergeant met with Newport Energy and Environment Committee, in order to promote education and enforcement of the recent anti-diesel idling ordinance. Enforcement was carried out and inquiries regarding the ordinance were addressed.

FIRE DEPARTMENT

Contact info:

Harry Hallgring, Fire Chief

Email: hhallgring@cityofnewport.com

Telephone: (401) 845-5911



Scope of Operations: 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.

Use of Resources: The Fire Department employs 99 full time employees. Of the City's total General Fund expenditures, the Fire Department utilizes 18.53% (19.13% in FY 2007) to perform their duties – or a per capita cost to citizens (per 2005 census) in FY 08 of \$\$538.93 (\$554.13 in FY 2007). In terms of a median home valued at \$350,000, \$540.89 of the annual property tax bill in 2008 of \$2,919 funded the Fire Department.

86% of citizens responding to our Citizen Survey were satisfied with the overall quality of fire services.

MEASURING GOVERNMENT PERFORMANCE: FIRE & EMS

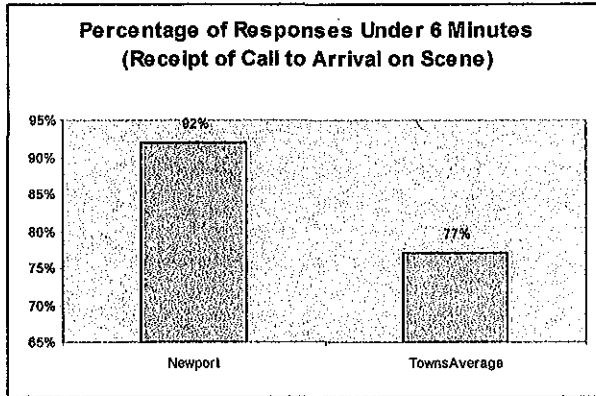
In 2008, the New England States Government Finance Officers Association (NESGFOA) initiated a project to develop and implement a government performance measurement project that would serve as a catalyst for service improvement in participating local governments throughout its six-state jurisdiction.

The goal of this project is to expand the adoption of performance measurement practices at the local level by regularly collecting and reporting timely data on service delivery that is accurate and reliable. The project's overall goal is to improve service delivery and to make government more responsive to its citizens.

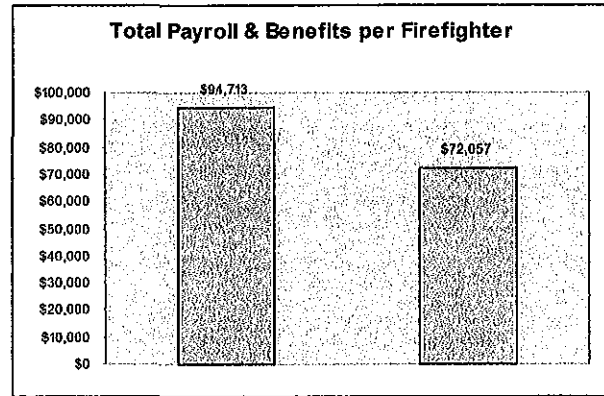
The first government performance benchmarking report was completed in May, 2009 as part of the New England States Performance Measurement Project. It reported data for Fire, Emergency Medical Services (EMS) for Newport, and also reported Dispatch Services for other participating municipalities. This data was for the fiscal year 2008. With the results contained in this report, the participating municipalities have a baseline of their own performance by which to measure future improvement, learn how other municipalities are providing the same service, and use this information to promote improvement in their own operations.

FIRE DEPARTMENT (continued)

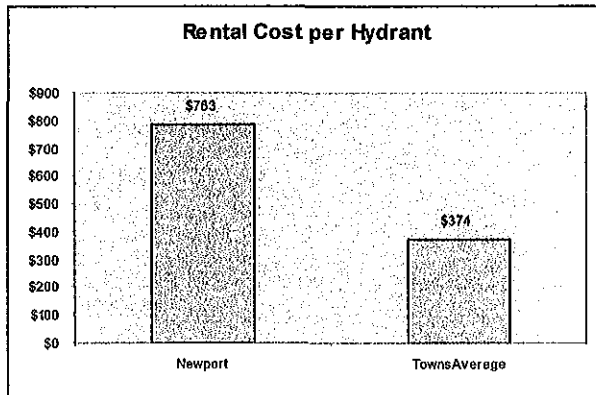
Effectiveness Measure



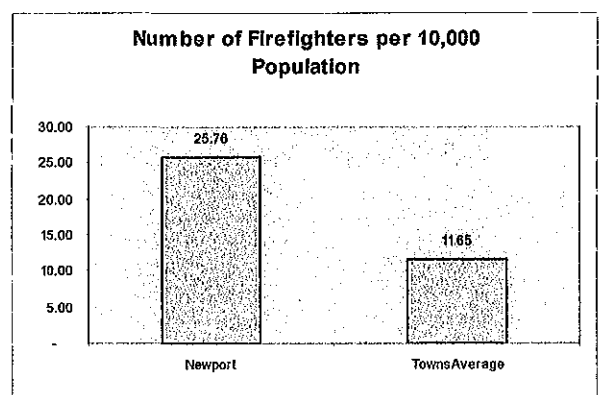
Efficiency Measure



Efficiency Measure



Efficiency Measure



EXPLANATORY INFORMATION

A. Service Level and Delivery. The City of Newport was incorporated in 1639. It is presently home to over three-hundred pre-revolutionary homes, more than any other community in the United States. The majority of the downtown area was developed during the 17th, 18th and 19th centuries. Many of the buildings are of wooden construction and located in close proximity to one another. This building construction coupled with an antiquated roadway system proves challenging when responding to fire emergencies. Quite often modern fire apparatus cannot access narrow side streets and firefighters have to carry hose, tools and equipment to the site of the fire or emergency.

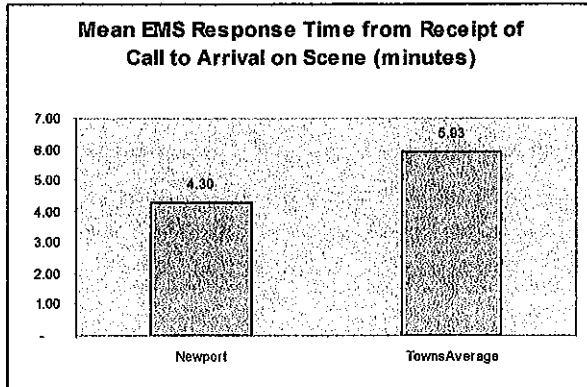
B. Conditions Affecting Service, Performance and Costs

1. Costs do not include actuarial accrued liability for *Contribution to Pension* for prior years' service for both active and retired firefighters;

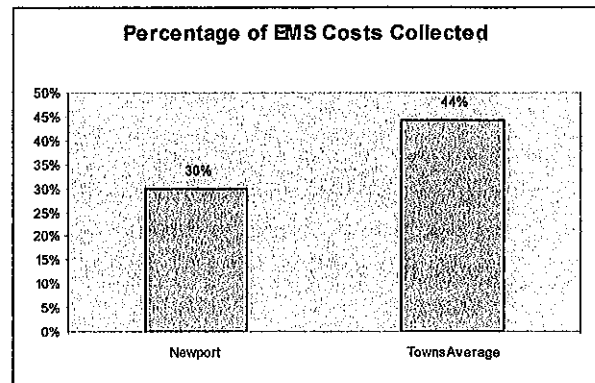
**FIRE DEPARTMENT
 (continued)**

EMS SERVICES – BENCHMARKING (Continued)

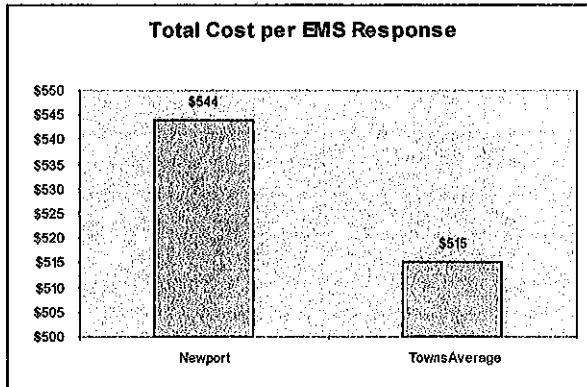
Effectiveness Measure



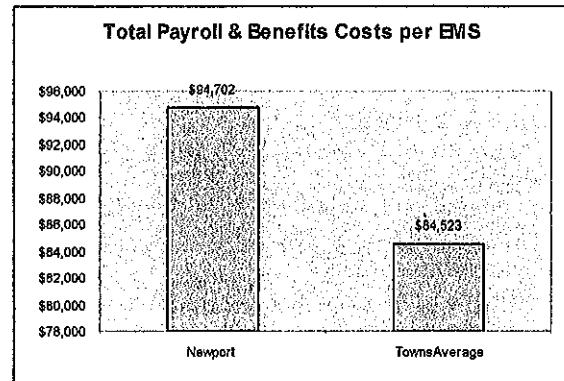
Effectiveness Measure



Efficiency Measure



Efficiency Measure



EXPLANATORY INFORMATION

A. Service Level and Delivery. The City of Newport was incorporated in 1639. It is presently home to over three-hundred pre-revolutionary homes, more than any other community in the US. The majority of the downtown area was developed during the 17th, 18th and 19th centuries. Many of the buildings are of wooden construction and located in close proximity to one another. This building construction coupled with an antiquated roadway system proves challenging while responding to EMS emergencies. Quite often EMS personnel have to confront access limitations, carry equipment to the scene, and transport the patient(s) back to the rescue vehicles. Delays could lead to catastrophic results.

DEPARTMENT OF PUBLIC SERVICES

Contact info:
 William Riccio, Jr., Dir. of Public Services
 Email: WRiccio@cityofnewport.com
 Telephone: (401) 845-5841



Scope of Services: The Department of Public Services is responsible for maintaining the City's infrastructure and providing essential services. Under the City's new organization chart, the Department of Public Services is also responsible for urban tree management and grounds maintenance.

Use of Resources: The Department of Public Services employs 38 full time employees. Of the City's total General Fund expenditures, the Department of Public Services utilizes 8.69% to perform their duties – or a per capita cost to citizens (per 2005 census) in FY 08 of \$252.87. In terms of a median home valued at \$350,000, \$253.66 of the annual property tax bill in 2008 of \$2,919 funded the Department of Public Services.

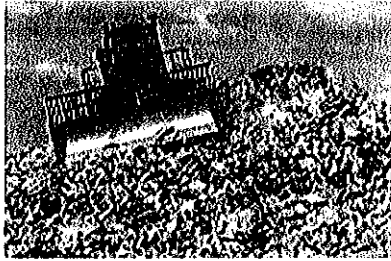
Only 42.5% of citizens responding to our 2006 Citizen Survey were satisfied with the overall quality of Public Works, citing maintenance of streets and sidewalks as their biggest concern.

FY 2008 Goal: Provide a paved road system that has a pavement condition index that meets municipal objectives.

Accomplishments: Roadway Improvements completed (4.16 miles) reflecting FY2008 expenditures:

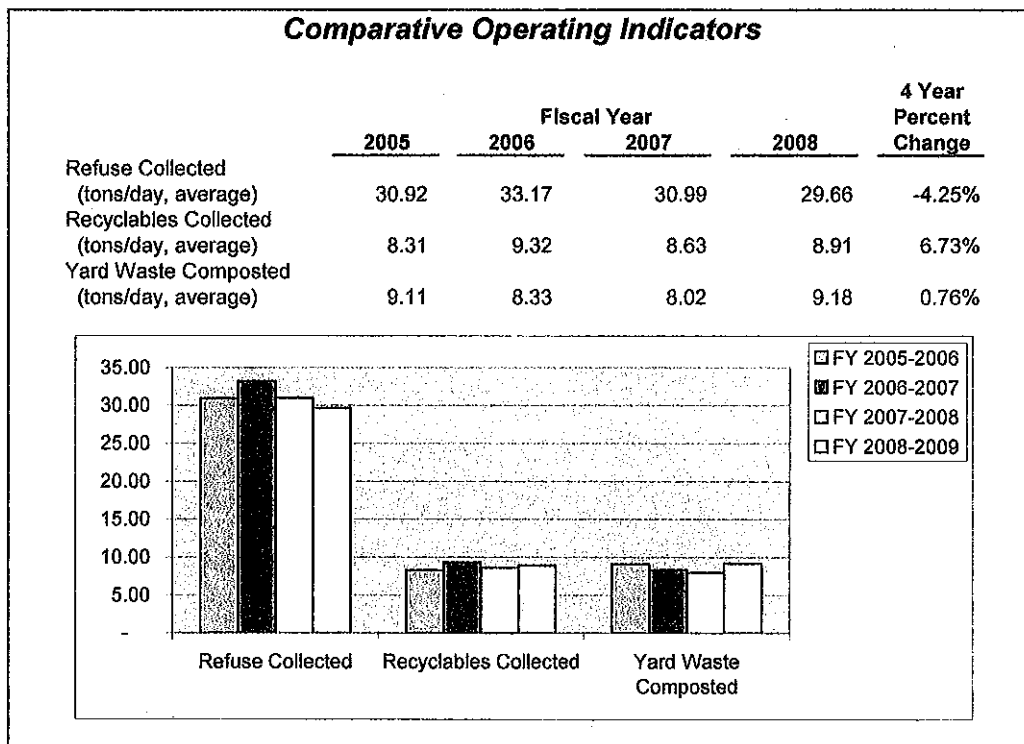
Street/Road	No. of Feet	Street/Road	No. of Feet
Broadway (Powel Int.)	93	Liberty St.	638
Carey St.	857	Malbone Road	747
Clay St.	846	Mill St.	1731
Dartmouth St.	481	Old Beach Road	1815
Eastnor Rd.	994	Perry St.	953
Findlay Place	386	Rhode Island Ave.	1340
Gibbs Ave. (Ellery to Kay)	626	Slocum St.	555
Harrison Lane	437	Weaver Avenue	610
Kay St. (Ayrault Int.)	113	Webster St.	900
Lakeview Ave.	802	Xavier Terr.	160

DEPARTMENT OF PUBLIC SERVICES
(continued)



FY 2008 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.

Accomplishment: Average daily reduction of 1.33 tons of waste for which the City pays a tipping fee of \$32/ton was realized in FY 2008.



FY 2008 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 ACTUAL	FY 2007 ACTUAL	FY 2008 ACTUAL
Tons of leaves and yard waste diverted to composting	1,041.64	1002.64	1194.75

DEPARTMENT OF PUBLIC SERVICES
Division of Urban Tree Management
(continued)

Challenges:

- *We are seeing more structural failures from decay in beech trees. Most of our specimen beeches have reached old age. A fungus called Phytophthora is attacking many of them. These beeches are vulnerable because they are weakened by age, and also because buildup on former estates is squeezing into their growing space.*

Four Standards of Tree City USA:

1. A Tree Board or Department
 - a. *Newport Tree and Open Space Commission*
 - b. *Division of Urban Tree Management*
2. A Tree Care Ordinance
 - a. *Chapter 12.36*
3. A Community Forestry Program With an Annual Budget of at Least \$2 Per Capita
 - a. *Of the City's total General Fund expenditures, the Division of Urban Tree Management utilized 0.25% (0.26% in FY 2007) to perform their duties – or a per capita cost to citizens (per 2005 census) in FY08 of \$7.37 (\$7.42 in FY 2007).*
4. An Arbor Day Observance and Proclamation
 - a. *The Department of Environmental Management held the state's Arbor Day ceremony on Friday, April 25 at Goddard Memorial State Park in Warwick.*

2008 Tree of the Year

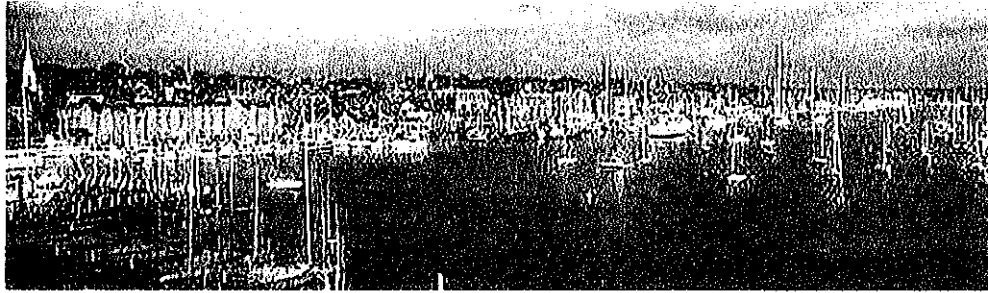
The Newport Tree & Open Space Commission has chosen Newport's 2008 Tree of the Year



This beautiful beech was nominated by Kelley Coen, who said: *"This tree is in front of McCauley Hall on Salve Regina University's campus. I think it is the heart of campus. To me the tree represents the rich history of Newport, the mystery of the many years gone by and the strength to endure of all the "weather" life can have."*

Further information on Newport's trees can be found at www.thenewporttreesociety.org and at www.ritree.org

DEPT. of PLANNING, ZONING, DEVELOPMENT and INSPECTIONS
(Continued)



The Department of Planning, Zoning, Development and Inspections has previously identified Newport's waterfront as a key land and water area needing more detailed planning. As a result, it has partnered with the American Institute of Architects and the University of Rhode Island Coastal Resources Center to address priorities. Two charette meetings were held in the fall of 2007 at the International Yacht Restoration School to gather public comments.

The findings of these sessions were presented to the City Council. A summary of the meetings and outlined priorities can be found on the City's Website. Grant funds have been sought and allocated towards this effort. The Department is hopeful that language from this process can be developed and added to the Comprehensive Plan and Zoning Ordinance in the future.

Additional Achievements:

- *Lenthal School planning, redevelopment, negotiation and sale*
- *Traffic signal request and approval for Chafee Boulevard and J.T. Connell Highway for BankNewport and CCRI*
- *Development and RIDOT approval of engineering plans for Perrotti Park and Ann Street Pier improvements plus federal and state permitting*
- *Issuance of RFP for development of city-owned land on J.T. Connell and discussions with potential tenant*
- *Sheffield School initial planning, comprehensive plan amendment in preparation for commercial development.*
- *CDBG application submitted to state with award of \$606,300*
- *Initiated Base Realignment and Closure (BRAC) planning efforts with federal government*
- *Worked with CRMC to develop a Special Area Management Plan (SAMP)*
- *Plat maps were improved with a new parcel map overlay which aligns with state's coordinate system*
- *New departmental website created offering public information and applicant forms*
- *Received RIPTA grant for bike racks and benches for the downtown.*
- *Secured \$50,000 Aquidneck Land Trust grant for Gooseneck Cove Project*
- *Waterfront Planning effort in partnership with AIA, URI, and local leaders*
- *North End Master Plan conceptual approval*
- *Finalized Pell Bridge ramp realignment designs in conjunction with RIDOT*
- *Zoning Amendment language development for signage, historic district, and stormwater management*

DEPARTMENT OF PARKS, RECREATION & TOURISM

Contact info:

Susan F. Cooper, Director of Recreation

Email: SCooper@cityofnewport.com

Telephone: (401) 845-5801



Scope of Operations: The Department of Recreation, downsized from the Department of Parks, Recreation and Tourism, is responsible for all recreation programming and activities management. It actively services the entire community through its various recreation and sports activities, & sports facilities, overseeing Martin Recreation Center, Cardines Baseball Field, Freebody Park sports complex, and an outdoor skatepark.

Use of Resources: The Department of Recreation employs 4 full time employees. Of the City's total General Fund expenditures, the Department of Recreation utilized 0.71% (2.32% in FY 2007) to perform their duties – or a per capita cost to citizens (per 2005 census) in FY08 of \$20.81 (\$67.18 in FY 2007). In terms of a median home valued at \$350,000, \$20.72 of the annual property tax bill in 2008 of \$2,919 funded the Department of Recreation.

62.8% of citizens responding to our 2006 Citizen Survey were satisfied with the overall quality of Parks, Recreation & Tourism services, with the biggest concern being the condition of City beaches.

FY 2008 Goal: To provide healthy and positive recreation programs and community events that will meet the leisure needs of the citizens of Newport; To provide oversight to the scheduling of all sports and facilities and city parks in a safe, financially sound, and responsible manner.

Accomplishments:

- *Increased sponsorships for Recreation Department organized community special events (19 sponsors FY 07- 31 events. 21 sponsors FY 08 -32 events)*
- *Increased participation at Recreation Department organized community special events (Paid events: 375 participants FY 06-07, 600 participants FY 07-08. Free Events: 4500 participants FY 06-07, 5000 participants FY 07-08)*
- *Donations secured scoreboard for Girls softball field at King Park (value \$3,400)*
- *Department worked with Preservation Society to donate all labor to reconstruct King Park bandstand pillars which suffered severe wood-insect damage prior to summer concert series- value 300 man-hours*
- *Increased after-school programming at elementary schools: 2 programs in FY07; 6 programs in FY08.*

DEPARTMENT OF ECONOMIC DEVELOPMENT

Contact info:

Jonathan Stevens, Dir. Of Economic Development

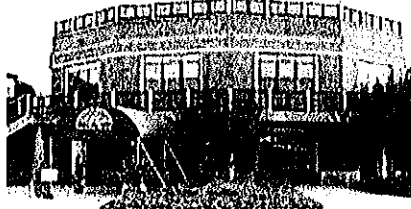
Email: JStevens@cityofnewport.com

Telephone: (401) 845-5413

Created by ordinance in 2007, the Department of Economic Development is responsible for managing three of the City's enterprise funds. These three are the Maritime/Harbor Fund, the Easton's Beach Fund and the Parking Fund. The Department of Economic Development is also the City's liaison to the local business community and is an advocate for programs and projects enhancing Newport's value as a heritage tourism destination.

The Department of Economic Development manages the revenue-generating properties below.

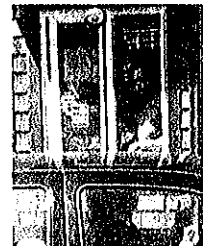
- The Easton's Beach and the Easton's Beach Rotunda Ballroom;



- The City's Harbor Facilities;



- King Park Auto & Trailer Parking, Boat Launch and Permit Information;

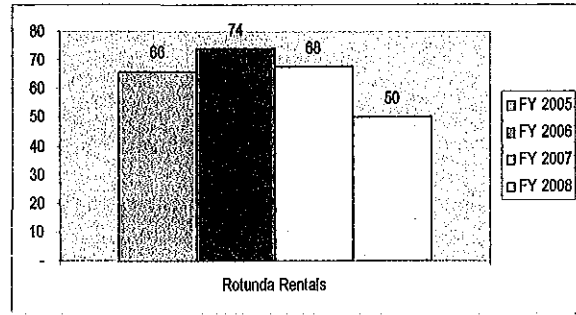
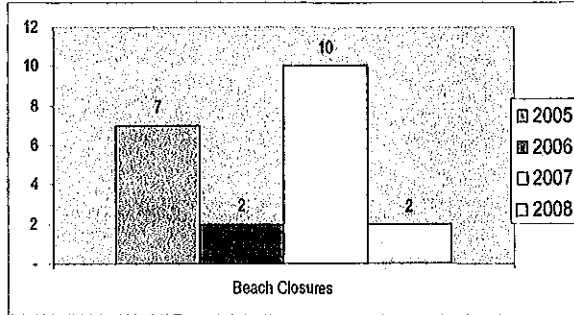


- The Mary Street Parking Lot, Gateway Visitor's Center & Garage

- Permits for Movie, Television and Photography Productions.



EASTON'S BEACH (Continued)



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

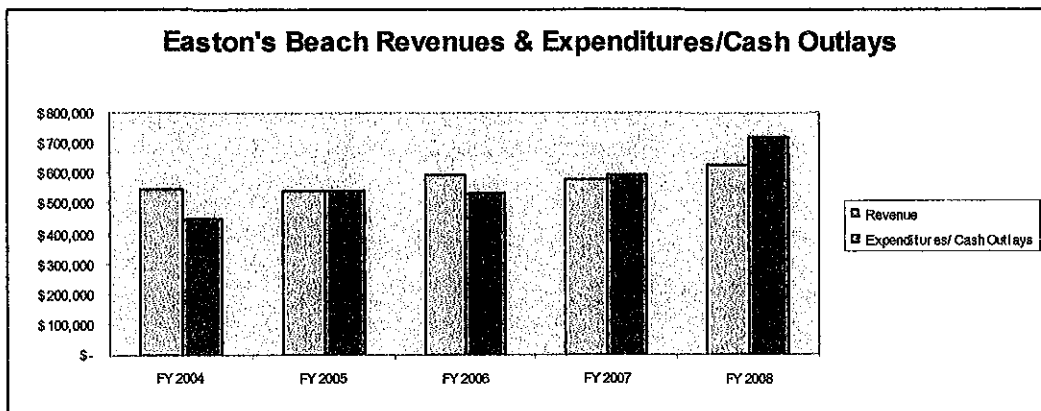
Accomplishment: An 11% decline in resident sticker sales was off-set by a 40% increase in non-resident sales.

Additional Achievements:

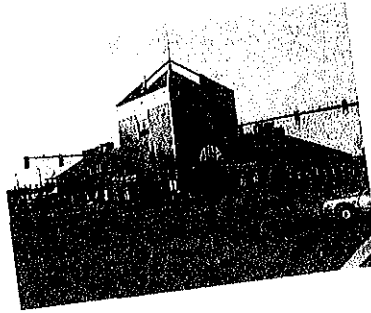
- Substantial capital improvements to Ballroom and Rotunda building included structural repairs, floors, ceiling, walls, windows, window dressing, bathrooms, lighting, and a new awning.
- Major improvements on beach complex, road, parking and signage
- City invested \$325,000 in a new algae harvester which has been ordered. Once fully operational, this prototypical machine is expected to improve the quality of experience and the reputation of potential profitability of Easton's Beach
- Upgraded Ballroom marketing and retail business.
- Raked beach on a daily basis; Only two beach closures in FY 2008

Challenges:

- Algae harvester infrastructure, creating more retail and metered parking opportunities to increase revenues
- Extensive upgrades affected the availability of Rotunda for rental purposes in FY 2008



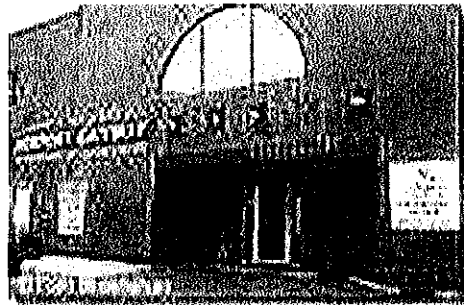
PARKING FUND



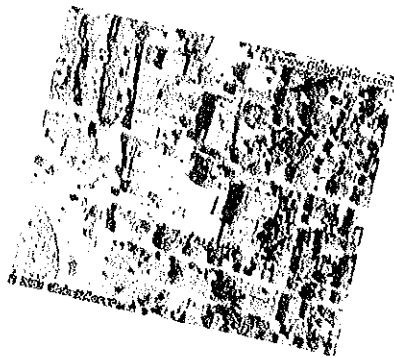
Scope of Operations: The Parking Fund oversees the parking contracts for Gateway and Mary Street public parking lots, on street meter parking, review of parking violation agreements; assistance to vendors, businesses and other agencies with occasional requests for special parking considerations; maintenance 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.

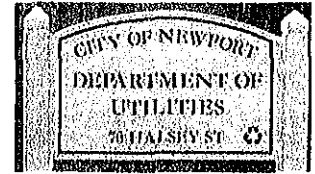
It is highly recommended that visitors park at the Newport Visitors Information Center on America's Cup Boulevard, at the gateway to the City.



The Newport Visitors Information Center has parking for 480 cars at very reasonable prices and also serves as the City's primary public transportation hub.



DEPARTMENT OF UTILITIES



Contact info:
Julia Forgue, PE, Director of Utilities
Email: JForgue@cityofnewport.com
Telephone: (401) 845-5601

Located at 70 Halsey Street, the **Department of Utilities** is comprised of two divisions, the **Water Division** and the **Water Pollution Control Division**. Both the Water Division and Water Pollution Control Division operate as enterprise funds of the City.

The Department of Utilities, although a City Department of the City of Newport, is regulated by state and federal agencies in addition to City policies and procedures. The management and operation of each Division is supported by the revenue received from its respective billings.

Certain City Departments provide services that are integral to the operation of the Department of Utilities; examples include the Finance Department and City Solicitor's Office. The City's costs associated for providing these services are allocated to both the Water Fund and Water Pollution Control Fund.

The **Water Division** operates and manages the source water reservoirs, treatment plants, storage tanks and distribution system. The City's water distribution system also services the Town of Middletown and a small portion of the Town of Portsmouth. We also sell water wholesale to the Portsmouth Water and Fire District and Naval Station Newport.

The **Water Division** is responsible for providing drinking water that meets standards established by the US Environmental Protection Agency (EPA) and the Rhode Island Department of Health (RIDOH). The Water Division is licensed by the RIDOH as a Public Water Supplier, License # 1592010. The Water Division is also required to report to the Rhode Island Water Resources Board.

The revenue and rate structure for the Water Division is regulated by the Rhode Island Public Utilities Commission. The Water Division staff is committed to providing our customers the safest and most reliable drinking water possible.

The **Water Pollution Control Division** is responsible for providing wastewater collection and treatment for the residents of Newport. In addition we provide wastewater treatment on a wholesale basis to the Town of Middletown and Naval Station Newport. The Water Pollution Control Division also manages the storm drainage system within the City.

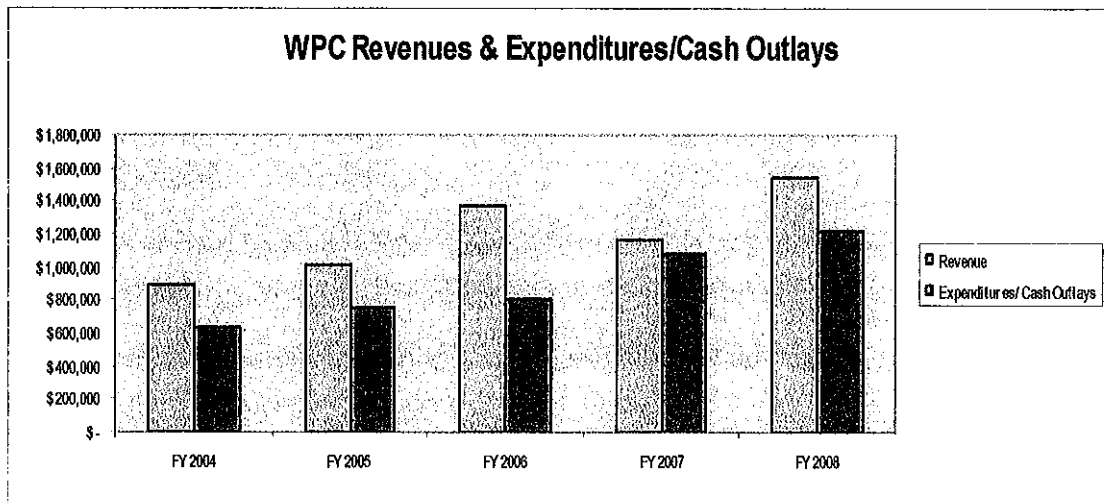
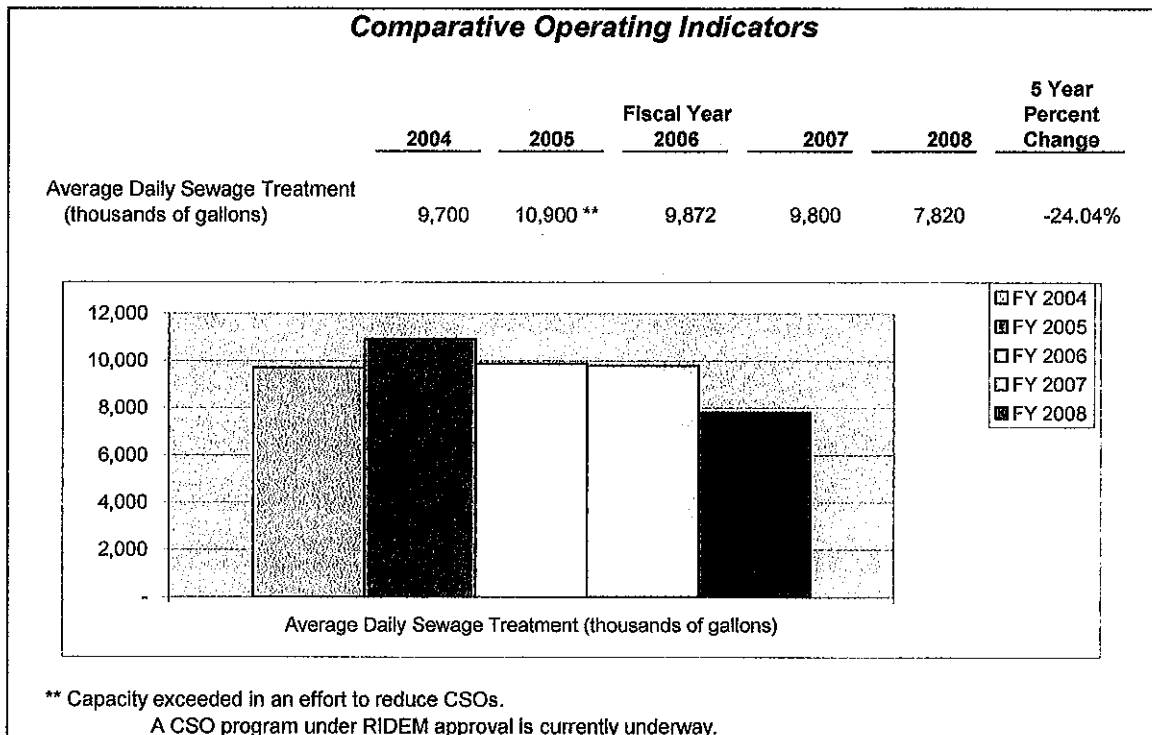
The sanitary sewer collection system and waste water treatment facility are operated and maintained in accordance with a service contract with United Water, Inc. The City and United Water are issued a Rhode Island Pollutant Discharge Elimination System (RIPDES) Permit # RI0100293 to operate the wastewater facilities.

The sewer use charge is established by the City Council. Services for wastewater treatment for the Town of Middletown and Naval Station Newport are invoiced in accordance with contractual agreements. The Water Pollution Control Division is responsible for operating the wastewater and storm drainage systems in accordance with regulations established by the US EPA and the Rhode Island Department of Environmental Management.

WATER POLLUTION CONTROL (Continued)

Accomplishments (Continued):

- *The City amended the contract with Fuss & O'Neill in order to proceed with a pilot study for a UV disinfection system. A trailer mounted UV pilot plant was operated by Fuss & O'Neill from September through October 2007. The results of the pilot study indicated that UV disinfection was a viable alternative to address the water quality of the moat outfall. The City proceeded with the preliminary design of the UV system which includes looking at system layout and hydraulics; the need for pretreatment; determination of subsurface conditions; and electrical power requirements.*



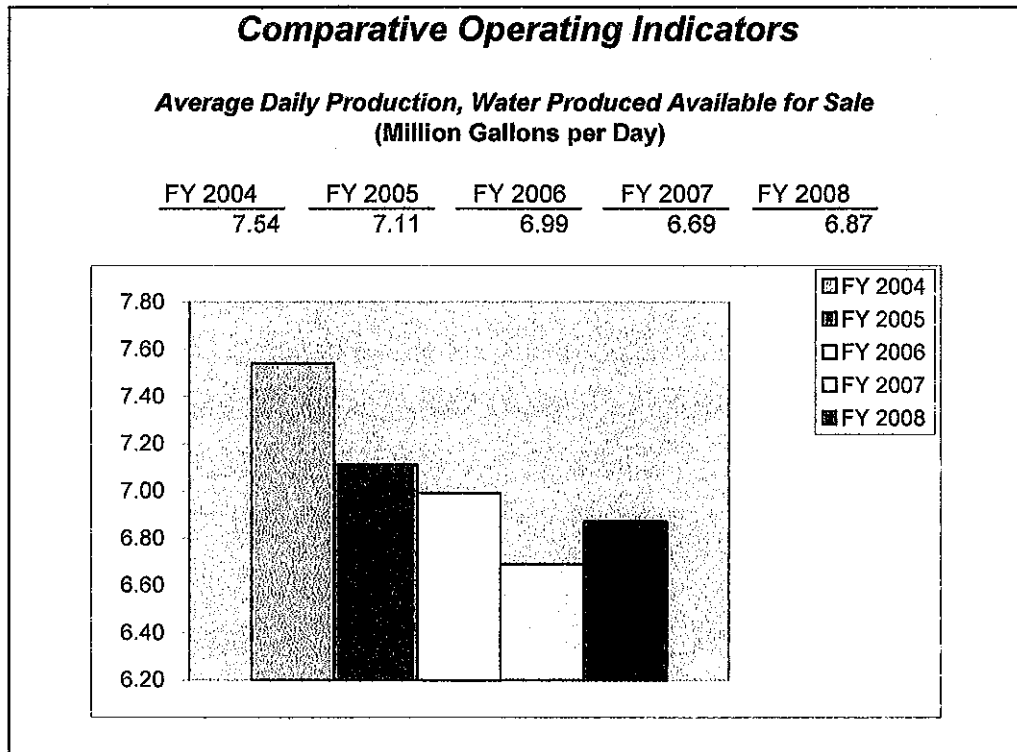
WATER FUND
(Continued)

FY 2008 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, 2007. Repairs to damaged hydrants are ongoing as discovered and on schedule.*

FY 2008 Goal: Zero violations of the Safe Drinking Water Act (SDWA).

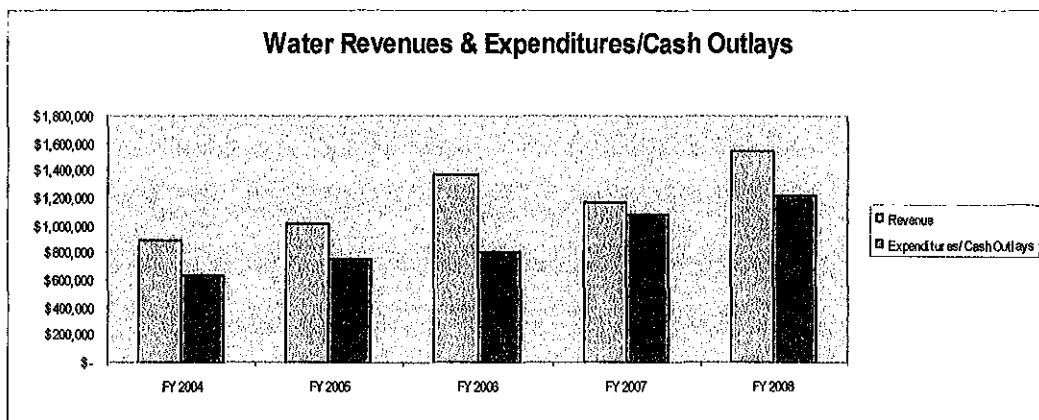
Accomplishment: *There were no violations of drinking water standards in FY2008*



WATER FUND (Continued)

Accomplishments (Continued):

- *Awarded a contract for design and preparation of bidding documents for a \$3 million water main improvement project as part of our ongoing efforts to improve the water distribution system.*
- *Awarded a contract for the conversion to a system wide Radio Read Meter System*
- *Awarded a contract to conduct bathymetric surveys of the two mainland reservoirs and completion of a safe yield analysis of the entire reservoir system.*
- *The 2007 Consumer Confidence Report (CCR) was mailed to all customers on May 31, 2008. The regulations require delivery to all customers by July 1st.*



Enterprise Resources Planning System - is a company-wide computer software system used to manage and coordinate all the resources, information, and functions of a business from shared data stores.

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 reasonably 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.

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.*"

- **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.

SECOND ANNUAL PERFORMANCE REPORT ON DELIVERY OF CITY SERVICES FOR FY 2008
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?