

Accountability Report Transmittal Form

Agency Name: Patriots Point Development Authority

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SECTION I — EXECUTIVE SUMMARY

1. MISSION AND VALUES

The primary aspects of the Authority’s mission, drawn directly from the enabling legislation, are:

1. To develop and improve the Patriots Point area to provide a place of education and recreation to foster among the people pride and patriotism in our nation and its heritage;
2. To establish and develop a National Naval Museum of ships, naval and maritime equipment, artifacts, books, manuscripts, art and historical materials for the education and enjoyment of the people of our nation and to instill in them a knowledge of our naval and maritime history; and of the importance of sea power to our economy and defense;
3. To foster and stimulate national and international travel to and participation in the development of Patriots Point by acquiring, constructing, equipping and maintaining museum buildings, sea-quariums and laboratories, public exhibits and entertainment facilities, historical monuments and sites and providing lodging and accommodation for travelers by land or water to Patriots Point. . .

To meet the demands of this mission, the Authority has identified the following as core values:

- **Preservation and Conservation.** Protecting our heritage for the future through careful stewardship of the ships, artifacts and archives of the Patriots Point Naval & Maritime Museum and sound management of the lands under the Authority’s care.
- **Education.** Fostering life-long learning with regard not only to the narrower military and patriotic themes envisioned in the museum’s original charter but also to more general historical, scientific and environmental concerns of the state and nation.
- **Professionalism.** Maintaining the highest level of professionalism and ethical behavior in all areas of the Authority’s mission.
- **Fiscal Responsibility.** As Patriots Point is an “enterprise agency”, supporting itself without any operating appropriation from state general funds, sound fiscal policy is key to the success of all other values and strategic goals. As a result, a major focus of its policies, strategic planning and metrics is the development of its financial resources in support of the legislatively mandated mission directly through operations of the Authority itself or indirectly through fund-raising endeavors of the supporting Patriots Point Foundation.

2. MAJOR ACHIEVEMENTS OF FY 2007:

- Opening of a completely rebuilt Congressional Medal of Honor exhibit aboard USS YORKTOWN. Funded jointly by the Authority, the Congressional Medal of Honor Society, the Congressional Medal of Honor Society Foundation and the Patriots Point Foundation, with its state-of-the-art interactive museum exhibits this exhibit sets the standard for future exhibits elsewhere at the museum and provides significant additional value for museum visitors. Grand opening events gained national and even international attention for the museum and its mission.
- Installation of an elevator to give handicapped access to four decks of USS YORKTOWN, including most areas housing exhibits and support offices. By utilizing an existing shaft for a World War II bomb elevator this construction was completed without substantial modification of the historic structure of the ship.
- Acquisition of an S-3 Viking aircraft from the Navy to augment the aviation exhibits on the flight deck of USS YORKTOWN.
- Opening of several exhibits aboard USS YORKTOWN completely designed and constructed by museum staff, including a new exhibit devoted to USS HANCOCK.
- Expansion of co-operative education programs, including a PACT-oriented program involving every fifth-grade student in the Charleston County Public School District.
- Completion of RFP and contract award for a new ticketing, scheduling, membership and point of sale system that, when fully implemented, will unify 95% of the Authority's income streams in a single system for better planning and financial management.
- Revivification of the Patriots Point Foundation with a dozen new trustees personally committed to fund-raising for the museum and a full-time professional fund-raiser as Foundation Director. During FY 2007 the new foundation received a \$200,000 competitive grant to support reconstruction of the Congressional Medal of Honor exhibit and raised a third of the funds required for installation of the handicapped elevator.

3. KEY STRATEGIC GOALS

- Completion of major repairs to external structures of USS YORKTOWN, including the final stage of the flight deck repairs, renovation of catwalks and external metalwork and complete repainting of the hull.
- Installation of updated fire and smoke alarm systems throughout the exhibit and administration areas of the museum ships.
- Updating of narrative exhibits to modern museum standards and expansion of the interactivity in the Congressional Medal of Honor exhibit to other areas of the museum.
- Educational outreach for expanded co-operative projects with school districts and other educational entities.

- Full implementation of new computer systems for management of admissions, youth camping, membership and retail operations.
- Completion of a comprehensive Master Plan for the land under the Authority's purview, using the guidance of nationally ranked land planners with input from all stakeholders to build out the Patriots Point property in the manner best calculated to accomplish the Authority's legislatively mandated mission.

4. OPPORTUNITIES AND BARRIERS

- The location of Patriots Point on Charleston Harbor is, as has been often noted before, both an opportunity and a challenge. While it is essential to Patriots Point's success as a tourist destination, it also exposes the museum and lease properties to the vagaries of weather, particularly during hurricane season. While there was relatively little storm activity during FY2007, the Authority could be physically and financially devastated by a single severe weather event like that which struck the battleship ALABAMA in 2005 and resulted in the museum's being closed to all visitors for four and a half months.
- Funding is an ongoing challenge, as Patriots Point is an "enterprise agency" receiving no operational funding from general state revenues. Operational budgets have been kept in balance through tight financial management, but capital maintenance requirements currently outstrip resources available from the landside revenues allocated to support capital projects. The Authority conserves resources where possible by performing maintenance tasks in house rather than outsourcing them. However, projects which are time-sensitive and/or require specialized skills often must be outsourced. When the project is the result of unforeseen standards modifications or system failures, as is the case with the upgrades to the existing alarm systems, funding outsourcing becomes vital.
- Staff shortages at the Budget and Control Board and consequent delays in approval of pending contracts, requests for proposal and/or capital improvements continued to exact a toll on the Authority, both in the direct cost of projects and in the amount of time spent by Patriots Point staff in liaison and oversight activities rather than actual work on smaller but equally critical maintenance projects. In at least one case delays resulting from negotiation of changes to standard vendor contracts produced delays of more than four months from the time the contract was let, required postponing a time-sensitive project to FY2008 with an implementation date more than ten months later than originally specified.

5. USE OF ACCOUNTABILITY REPORT

Unfortunately, management has found that the Accountability Report as currently constituted has added little to the process of improving organizational performance at the Authority. A majority of the financial and statistical metrics used for the Report were being collected and used by staff for long-term and short-term planning and operational control prior to the recasting of the Accountability Report according to the guidelines for the Malcolm Baldrige National Quality Award. Many of the additional process metrics have proved either counterintuitive or irrelevant to the day-to-day management of a non-industrial non-profit operation.

SECTION II — ORGANIZATIONAL PROFILE

1. PRIMARY PRODUCTS AND SERVICES

- The Patriots Point Naval & Maritime Museum, featuring four museum ships (USS YORKTOWN CV-10, USS CLAMAGORE SS-343, USS LAFHEY DD-724, USCGC INGHAM WHEC-35) and a replica Vietnam-era Advanced Tactical Support Base.
- Youth camping programs on USS YORKTOWN which allow organized youth groups to stay in crew's berthing, experience varied educational programs and visit educational partners in the Charleston area such as Fort Sumter or the South Carolina Aquarium.
- Museum field trips and educational outreach programs offered to local and regional schools and other educational partners.
- Lease functions at museum venues for veterans' groups, educational groups, other non-profits and private entities.

2. KEY CUSTOMERS/SEGMENTS

- Individual and group visitors to the Patriots Point Naval & Maritime Museum.
- Local and regional schools and school districts.
- Participants in organized youth camping and educational programs.
- National and regional veterans' groups, reenactment organizations and military units and attendees at lease function events held Patriots Point..
- Visitors to the National Park Service site at Fort Sumter who utilize parking, gift shop and other convenience facilities provided by the Museum.
- Local citizens and tourists from the United States and abroad who utilize the public golf facilities of the Patriots Point Links, the Charleston Harbor Resort Hotel, the Patriots Point Marina and the athletic and recreational facilities of the College of Charleston and Town of Mount Pleasant at Patriots Point.

3. KEY STAKEHOLDERS

- The people of the State of South Carolina.
- Individual and organizational donors who have supported the museum financially and with gifts in kind, including the U.S. Navy, Coast Guard and other military entities that have provided the museum ships and hundreds of historical artifacts to Patriots Point.
- An active group of volunteers who provide thousands of man-hours of time to museum programs.

- The Town of Mount Pleasant which derives secondary tourism income from visitation to the property.
- Conservation and environmental groups supporting the Authority's program of planned development to preserve green space at Patriots Point.

4. KEY SUPPLIERS AND PARTNERS

- The Town of Mount Pleasant which co-sponsors annual Fourth of July fireworks and other events at Patriots Point and maintains major athletic facilities on the property.
- The College of Charleston which maintains baseball, soccer, tennis and sailing facilities at Patriots Point under a long-term lease with the Authority.
- The Congressional Medal of Honor Society whose national museum is co-sited aboard USS YORKTOWN at Patriots Point.
- Several master lease holders for the resort facilities, Patriots Point Links and Patriots Point Marina.
- Service franchisees for catering and other support operations at the Patriots Point Naval & Maritime Museum.

5. OPERATING LOCATIONS

The Authority has a single operating location at Patriots Point. Museum has exhibits aboard the four museum ships and in a replica Vietnam Naval Support Base landside. Retail operations are located in a landside gift shop pavilion which hosts ticket sales for the museum and Fort Sumter Tours as well as customer convenience services. Museum offices are divided between USS YORKTOWN, the Gift Shop Pavilion and a temporary structure landside. The remainder of the Authority's property is leased to tenants selected for their ability to carry out specific elements of the of the Authority's mission as mandated in the enabling legislation. (See Key Suppliers and Partners above.)

6. EMPLOYEES

Full-time permanent employees include the Executive Director (agency head) and 79 classified employees. Approximately 25 temporary/part-time employees are added to this number during the summer tourism season. (Temporary employees are largely comprised of seasonal employees fulfilling direct customer service roles in the museum and gift shop at peak periods.) In addition, the active volunteer program at the Patriots Point Naval & Maritime Museum provides hundreds of unpaid man-hours each month.

7. REGULATORY ENVIRONMENT

The primary features of the regulatory environment at Patriots Point, apart from the mission requirements set by the enabling legislation, relate to safety and security. Given the nature of the museum ships, despite the fact that the primary activity at Patriots Point is museum-related there are extensive OSHA requirements for safety training and accident prevention as well as marine requirements imposed by the Coast Guard and the Department of Natural Resources for protection of the fragile coastal environment around Patriots Point. In addition, Patriots Point works closely with the Town of Mount Pleasant Fire Department and the State Fire Marshal to set and meet appropriate safety standards for the on-ship youth camping programs and other events.

8. KEY STRATEGIC CHALLENGES

- Maintaining a consistent operating income in a period of generally declining visitation at attractions in the Charleston area coupled with a greater number of attractions providing more competition.
- Funding repairs to the museum ships and other essential portions of the infrastructure at Patriots Point as well as urgent upgrades to safety and support systems such as fire alarms. To date there has generally been a lack of adequate support for non-recurring appropriations to fund capital projects required due to the age of the museum ships.
- Raising funds to provide long-term endowments for maintenance of the museum ships and support of ongoing museum programs.
- Updating exhibits, educational programs and museum services to meet the needs of a new generation without alienating long-term museum supporters of an older generation.
- Replacing the vanishing pool of World War II, Korea and Vietnam War veterans who have formed the core of the volunteer program at Patriots Point since its foundation.
- Expanding educational programs without concomitant increases in funding for additional staff.
- Retaining key employees with highly marketable skills within a constrained operations budget and the restrictions of state personnel regulations.

9. PERFORMANCE IMPROVEMENT SYSTEM

Patriots Point uses a variant of the standard state EPMS program with a fixed annual evaluation date in January of each year.

10. ORGANIZATIONAL STRUCTURE

- Overall governance is vested in a Board of Directors which meets regularly to approve revisions to development plans and contracts, long-term leases, amendments to the strategic plan and other issues with budgetary implications. Three members of the Board, including its chairman, are selected by the governor, one by joint recommendation of the Chairman of the House Ways and Means Committee and the Speaker of the House and one by joint recommendation of the Chairman of the Senate Finance Committee and the President Pro Tempore of the Senate. The mayor of the Town of Mount Pleasant is also an *ex officio* member of the Board.
- The Executive Director, reporting to the Board of Directors and working closely with its chairman, has overall responsibility for both long-term planning and day-to-day management for all agency activities, including the museum and landside development.
- Each functional division (Administration, Operations, Education, Communications, etc.) has a department head who reports directly to the Executive Director. Organizational structures within each department vary according to the scope and complexity of their function. Where required, deputy department heads or team managers provide an intermediate planning and management layer between the department head and line staff.
- In cases where functional responsibilities involve more than one division, the Executive Director may establish specialized planning committees of qualified staff from different departments to participate on an advisory basis in strategic and tactical planning. Such committees do not normally replace the normal “chain of command” for daily operations.

11. EXPENDITURES/APPROPRIATIONS

Accountability Report Appropriations/Expenditures Chart

Base Budget Expenditures and Appropriations

Major Budget Categories	FY 05-06 Actual Expenditures		FY 06-07 Actual Expenditures		FY 07-08 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	\$2,502,233	\$0	\$2,520,768	\$0	\$2,898,300	\$0
Other Operating	\$3,411,426	\$0	\$3,410,715	\$0	\$3,429,000	\$0
Special Items	\$0	\$0	\$0	\$0	\$0	\$0
Permanent Improvements	\$0	\$0	\$0	\$0	\$0	\$0
Case Services	\$0	\$0	\$0	\$0	\$0	\$0
Distributions to Subdivisions	\$0	\$0	\$0	\$0	\$0	\$0
Fringe Benefits	\$673,866	\$0	\$737,872	\$0	\$825,000	\$0
Non-recurring	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$6,587,525	\$0	\$6,669,355	\$0	\$7,152,300	\$0

Other Expenditures

Sources of Funds	FY 05-06 Actual Expenditures	FY 06-07 Actual Expenditures
Supplemental Bills	\$0	\$0
Capital Reserve Funds	\$0	\$0
Bonds	\$0	\$0

12. MAJOR PROGRAM AREAS

Program Number and Title	Major Program Area Purpose (Brief)	FY 05-06 Budget Expenditures	FY 06-07 Budget Expenditures	Key Cross References for Financial Results*
1312 Operations /Maintenance	Address maintenance & repair needs of all Museum facilities, buildings & grounds. Included is the maintenance and preservation of ships, exhibits & piers/mooring facilities.	State: \$0 Federal: \$0 Other: \$2,423,460 Total: \$2,423,460 % of Total Budget: 33.88%	State: \$0 Federal: \$0 Other: \$2,537,229 Total: \$2,537,229 % of Total Budget: 35.47%	7.3.8, 7.3.9
1313 Retail Operations	Manages the day-to-day operation of the retail gift shop and admission /ticket sales for the Museum.	State: \$0 Federal: \$0 Other: \$1,396,419 Total: \$1,396,419 % of Total Budget: 19.52%	State: \$0 Federal: \$0 Other: \$1,423,764 Total: \$1,423,764 % of Total Budget: 19.90%	7.3.5
1314 Education/ Overnight Camping	Operates an overnight camping program aboard USS YORKTOWN for schools, youth groups and scouts.	State: \$0 Federal: \$0 Other: \$1,009,601 Total: \$1,009,601 % of Total Budget: 14.12%	State: \$0 Federal: \$0 Other: \$1,081,639 Total: \$1,081,639 % of Total Budget: 15.12%	7.3.4
1317 Administration	Provides leadership, policy development/ review, financial services, facilities management, information services, communication/marketing and other related services.	State: \$0 Federal: \$0 Other: \$1,038,018 Total: \$1,038,018 % of Total Budget: 14.51%	State: \$0 Federal: \$0 Other: \$1,038,049 Total: \$1,038,049 % of Total Budget: 14.51%	7.3.1, 7.3.2 7.3.3, 7.3.6 7.3.7, 7.3.8
1316 Visitor Services	Manages admissions, guest relations, public safety and all other aspects of the customer experience other than those specifically noted above.	State: \$0 Federal: \$0 Other: \$1,116,118 Total: \$1,116,118 % of Total Budget: 15.61	State: \$0 Federal: \$0 Other: \$926,093 Total: \$926,093 % of Total Budget: 12.94%	7.1.1

Below: List any programs not included above and show the remainder of expenditures by source of funds.

1315 - Collections Management (Responsible for care and management of all objects, books, archives and other materials in the Museum's collections)

Remainder of Expenditures:	State: \$0 Federal: \$0 Other: \$168,684 Total: \$168,684 % of Total Budget: 2.36%	State: \$0 Federal: \$0 Other: \$145,526 Total: \$145,526 % of Total Budget: 2.03%
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SECTION III — BALDRIDGE AWARD CRITERIA

CATEGORY 1 — LEADERSHIP

- 1. How do senior leaders set, deploy, and ensure two-way communication for: a) short and long term direction and organizational priorities, b) performance expectations, c) organizational values, d) empowerment and innovation, e) organizational and employee learning, and f) ethical behavior?**

Senior leadership, with the assistance of the Board of Directors where appropriate, formulate strategic and tactical plans and formulate appropriate implementation initiatives. Management then communicates implementation plans with underlying goals on a departmental basis to team managers who relay to their work group all aspects of the action plan affecting their team.

One-on-one sessions between team managers and line staff historically have created a strong sense of organizational values, tasks and performance expectations for individuals and work groups. Informal techniques parallel to those used in the military for promoting team consciousness and shared responsibility for meeting goals for quality, timeliness and productivity within the work group have worked well in many departments, particularly in Operations where many work groups consist largely of former enlisted personnel and non-commissioned officers.

Members of management from the Executive Director down to the leader of the smallest work group “lead by example”. This has worked particularly well in inculcating professional, ethical and “best practices” standards in line staff and middle managers.

- 2. How do senior leaders establish and promote a focus on customers and other stakeholders?**

All managers regularly emphasize to staff that the primary task of every employee at Patriots Point, no matter what their formal job description, is to “delight the customer”. Experience has demonstrated that leading by example has been highly effective in that regard. When a member of junior staff sees the Executive Director routinely picking up litter or answering a visitor’s questions, they find it difficult to say that a customer-oriented task “isn’t in the job description”.

- 3. How does the organization address the current and potential impact on the public of its products, programs, services, facilities and operations, including associated risks?**

Management automatically considers current and potential benefits and risks to the public when planning new programs or services. For instance, staff evaluate new museum exhibits for their relevance and accessibility to the primary demographic elements of our visitor base (e.g., general visitors, veterans, schoolchildren, handicapped visitors, non-English-speaking visitors). Compromises are often necessary when implementing such new programs. For example, the designation of the museum ships as National Historic Landmarks places limits on modifications to increase wheelchair accessibility to some areas. However, senior management insists that plans include every effort to accommodate as wide a segment of the general public as possible. In all cases, the safety of the general public is a primary consideration.

4. How do senior leaders maintain fiscal, legal, and regulatory accountability?

The Executive Director, the Chief Financial Officer and the Director of Operations in conjunction with the Board of Directors review financial data monthly, adjusting budgeted expenditures to meet changes in anticipated income. They follow similar procedures to ensure legal accountability, particularly liability and contractual issues involving the Authority's customers and leaseholders. As many of the regulatory issues the Authority faces involve occupational safety or environmental issues, the Authority employs a full-time OSHA officer responsible not only for staff training but also for monitoring compliance to safety regulations and for assisting the Director of Operations in meeting the environmental requirements of state and federal entities, such as the Department of Natural Resources and the Coast Guard.

5. What key performance measures are regularly reviewed by your senior leaders? (Actual results are to be reported in Category 7).

The Board of Directors, the Executive Director and senior management regularly review key financial metrics and attendance statistics, such as overall revenue, revenue for the Capital Fund, overall expenditures, budget versus actual figures for revenue and expenditures, overall attendance and attendance by type (e.g., general visitation, lease functions, camping, etc.).

The Executive Director and relevant department heads review expenditures by department, project progress and completion by department and department-specific statistics such as number of media placements, employee compensation and turnover, etc.

6. How do senior leaders use organizational performance review findings and employee feedback to improve their own leadership effectiveness and the effectiveness of management throughout the organization? How do their personal actions reflect a commitment to the organizational values?

Senior management has always found it difficult to translate "up the line" feedback into improved leadership and management effectiveness, perhaps because it tends rather in most cases to be generalized or relate to areas which may not be fully under the control of management (e.g., hiring freezes or lack of general raises due to decisions outside the Authority). Given the high proportion of staff at all levels with military backgrounds, many employees feel more comfortable with a "top down" leadership model on the military model which tends to limit concrete suggestions for organizational reform. However, since senior management has for some years stressed the "lead by example" approach to inculcating organizational values, such as customer service, educational outreach, fiscal management, etc., personal actions reflecting organizational values is a daily reality even in small matters like picking up litter and courteously assisting a museum visitor to find the nearest rest rooms.

7. How do senior leaders promote and personally participate in succession planning and the development of future organizational leaders?

Given the small size of many departments and workgroups, succession planning and promotion from within is something of a challenge for the Authority. Senior management coaching assists middle managers in fostering initiative and leadership to allow promotion of line staff to middle management positions from within the Authority. However, the small number of those positions which fall open in any give period means that those who would be natural organizational leaders at

the middle management level frequently leave the Authority before an appropriate opening occurs. Similarly, the professional and technical requirements for the relatively small number of senior management positions and the limited number of professional and technical job slots available to the Authority tends to militate against internal promotion compel widespread external job searches when one of the professional senior management slots falls open.

8. How do senior leaders create an environment for performance improvement, accomplishment of strategic objectives, and innovation?

Senior leadership determines priorities and implementation plans and communicates these on a departmental basis to team managers who are responsible for communicating all aspects of the initiatives to their work group. The entire “doing more with less” environment at Patriots Point tends to encourage innovation at all levels and members of senior management often find themselves compelled less to encourage innovation than to validate the feasibility of the innovations proposed by staff.

9. How does senior leadership actively support and strengthen the communities in which your organization operates? Include how senior leaders and employees contribute to improving those communities.

Patriots Point is firmly rooted in its community and many of its activities are geared towards serving the immediate community and drawing the community into the Patriots Point “family”: activities of special relevance to the mission of the museum (e.g., veterans memorials, local educational initiatives, etc.), activities involving core customers and stakeholders (e.g., sports events on the Patriots Point properties) or co-operative efforts with other local and state entities. Notable recent activities include the annual Fourth of July celebration in conjunction with the Town of Mount Pleasant and special Memorial Day and Veterans Day programs as well as the fifth grade student classes aboard USS YORKTOWN, all coordinated with the Charleston County School District.

Patriots Point institutionally supports a number of professional organizations, including the American Association of Museums, the Southeastern Museums Conference, the South Carolina Federation of Museums, the Historic Naval Ships Association, the Charleston Archives, Libraries and Museums Council, the South Carolina Information Technology Directors Association, the South Carolina Public Records Association, the Southeast Registrar’s Association, the South Carolina Archival Association and the Charleston Area Convention and Visitors Bureau, with senior staff in many cases serving as officers in these organizations.

Institutionally, Patriots Point also supports numerous non-profit organizations through the United Way as well as directly aiding a number of other organizations. Members of senior management and staff are active in local, regional and national veterans’ organizations, benevolent and fraternal groups and church and educational organizations. Such activities are strongly encouraged within the restrictions imposed by state personnel policies

CATEGORY 2 — STRATEGIC PLANNING

- 1. What is your Strategic Planning process, including KEY participants, KEY process steps, and how does it address: a. Your organization’s strengths, weaknesses, opportunities and threats; b. Financial, regulatory, societal and other potential risks; c. Shifts in technology or the regulatory environment; d. Human resource capabilities and needs; e. The opportunities and barriers you described in the Executive Summary; f. Business continuity in emergencies; g. Your ability to execute the strategic plan.**

The formal strategic planning process generally involves the Board, the Executive Director and senior management. These groups are responsible for overall consideration of the institutional strengths and weaknesses, opportunities and barriers, and potential risks confronting the Authority. Subcommittees of the Board and individual members of senior management acquire and summarize relevant inputs from customers, franchisees, architects, financial analysts, legal counsel, suppliers, human resource specialists and museum planners. Depending on the nature of the issues and the inputs required, this may be done through a formal advisory or survey process, but is frequently done on a relatively informal basis, particularly when rapid response to an emerging issue is required. They are also responsible for researching and presenting suggested action plans to meet specific risks, such as interruption of business from weather or other emergency, modifications in technology or regulatory requirements, and modifications to the ability to execute strategic initiatives through unanticipated changes to personnel or financial resources. When time and confidentiality issues allow, major initiatives are discussed with relevant members of middle management and representatives of line workers as well.

- 2. How do you develop and track action plans that address your key strategic objectives?
Note: Include how you allocate resources to ensure the accomplishment of these plans.**

Management creates action plans for the implementation of strategic objectives as an inherent part of the design process. Except in the case of landside development, where Board participation is generally fairly intense, senior management and key staff directly involved in the implementation process create the actual implementation plan. This not only increases “buy in” on the part of the relevant staff, but also ensures the feasibility of the implementation plan from a technical, financial and human resources standpoint.

- 3. How do you communicate and deploy your strategic objectives, action plans and related performance measures?**

As with all other aspects of strategic and tactical planning, senior leadership communicates the objectives, implementation plans and performance goals to team managers who then relay to their work group all aspects of the action plan which will affect their team.

- 4. How do your strategic objectives address the strategic challenges you identified in your Organizational Profile?**

While some challenges, particularly those involving funding for current and future projects, management is still reviewing others (most notably the staffing issues involving permanent staff and volunteers) to determine the best strategic responses.

5. How do you evaluate and improve your strategic planning process?

The Board and Executive Director have been largely responsible for fine-tuning the strategic planning process in recent years. This has been done through Board retreats, subcommittee working sessions and *ad hoc* discussions at Board meetings, particularly with regard to Master Planning.

6. If the agency’s strategic plan is available to the public through the agency’s internet homepage, please provide an address for that plan on the website.

The Authority’s strategic plan is not currently available on the web page. When it is available, it will appear at www.patriotspoint.org.

Strategic Planning			
Program Number and Title	Supported Agency Strategic Planning Goal/Objective	Related FY 06-07 Key Agency Action Plan/Initiative(s)	Key Cross References for Performance Measures
Operations	Preservation of Museum Ships	<p>Completely rebuild interior and exterior of Congressional Medal of Honor exhibit with modern interactive technology.</p> <p>Improve handicapped accessibility by installation of an elevator aboard USS YORKTOWN</p> <p>Initiate in-house program for renovation and painting of YORKTOWN hull.</p>	<p>7.1.5</p> <p>7.3.6</p> <p>7.3.7</p> <p>7.3.9</p>
Education	Expansion of Youth Education Programs	<p>Expand options and attendance in History and Science co-operative curricula.</p> <p>Implement joint curriculum with Charleston County for all fifth grade students.</p>	<p>7.1.3</p> <p>7.1.4</p>

Administration /Retail Operations	Improved Financial Management of Museum Income Streams	Complete planning, RFP and contractual phases for new integrated computer systems for management of admissions, youth camping, membership and retail operations. Maintain museum admissions and event income in the face of generally declining visitation to Lowcountry attractions.	7.1.1 7.1.2 7.1.3 7.1.4 7.3.1 7.3.2 7.3.3 7.3.4 7.3.5 7.3.6 7.3.7 7.3.8 7.3.9
Executive	Expanded Capital Funding for Museum Projects	Aggressively pursue grant funding for major projects. Acquire “fund-raising board” and full-time director for Patriots Point Foundation. Hold at least one major fund- raising event.	

CATEGORY 3 — CUSTOMER FOCUS

1. How do you determine who your customers are and what their key requirements are?

The statutory mission of the Authority defines its key customers. During the strategic planning process, the Executive Director and senior management review all relationships to determine their relevance and identify any significant changes. Identifying key requirements has been more problematic as the demographics of our customer base have changed radically in recent years. Management fine tunes information on visitors to the Museum and participants in its various programs using customer satisfaction and demographic surveys.

2. How do you keep your listening and learning methods current with changing customer/business needs and expectations?

When travel budgets allow members of the professional staff from marketing, administration, collections management and other departments attend periodic conferences not only to hone professional skills in their particular fields, but also to network with other professionals and update techniques for creating and measuring customer satisfaction. Using the techniques derived from this ongoing learning process, they periodically revise customer satisfaction metrics, including detailed queries on questionnaires and surveys, goals for focus groups, etc.

3. How do you use information from customers/stakeholders to keep services or programs relevant and provide for continuous improvement?

4. How do you measure customer/stakeholder satisfaction and dissatisfaction, and use this information to improve?

The techniques used to measure customer/stakeholder satisfaction and the use of the information to improve services and programs are so tightly integrated that these questions really must be answered together. While certain departments work more directly with our customers and therefore bear greater responsibility for measuring satisfaction, staff members in all departments are expected to gather customer/stakeholder feedback and use it to formulate plans for improvement.

For instance, comprehensive surveys to which overnight camping participants respond provide a direct measure of satisfaction with educational programs and materials, accommodations and catering, as well as concrete suggestions for enhancing the experience for future campers. Management circulates these responses among relevant departments with a deadline for remediation plans to address negative comments. Weekly planning meetings of camping and lease function staff also review suggestions and discuss trends in questionnaire commentary.

Guest relations staff, volunteers and other staff with direct one-on-one contact with the public informally survey visitors daily not only to gauge visitor satisfaction in their own areas, but also to measure satisfaction with other aspects of the visitor experience, including exhibits, facilities and informational materials. They then forward the results to the appropriate department heads and/or the Executive Director for appropriate action.

Communications staff periodically conducts “exit surveys” of visitors to the museum, internally or in conjunction with the Charleston Convention and Visitors Bureau, to determine their general level of satisfaction with the visit, what led them to visit Patriots Point, what portions of the museum experience they enjoyed the most and least, etc. They then use the results not only to fine tune marketing for the museum and other attractions at Patriots Point but also forward them to appropriate department heads for use in revising existing programs and planning new ones.

The Executive Office and Communications staff measure the community view of Patriots Point and its various operations by maintaining “clipping books” of local, state and national media, letters to the editor and general mailings and correspondence, allowing the Board and senior management to take the “pulse” of public opinion. Such information has in the past provided invaluable insights for the strategic and tactical planning process.

5. How do you build positive relationships with customers and stakeholders? Indicate any key distinctions between different customer groups.

This can sometimes be difficult as the Authority often has only a single opportunity to create a positive response in a visitor and must do so in only a few hours sometimes without even meeting the customer, as is the case with visitors to our web site. Usually the same methods of doing so will apply to all customer groups.

The Patriots Point approach to building positive relations is to “delight the customer” whenever possible. All departments are aware that “the visitor comes first” at Patriots Point. Staff consider the only valid situations in which to make a distinction between different customer groups the rare cases where accommodating the visitor would create a safety or security hazard or involve a violation of generally accepted professional or ethical standards.

CATEGORY 4 — MEASUREMENT, ANALYSIS, AND KNOWLEDGE MANAGEMENT

1. How do you decide which operations, processes and systems to measure for tracking financial and operational performance, including progress relative to strategic objectives and action plans?

The Board of Directors and senior management select strategic “dashboard” processes to monitor monthly or quarterly based on e priorities set during the strategic planning process.

2. How do you use data/information analysis to provide effective support for decision making throughout your organization?

The Executive Director and the Chief Financial Officer use financial metrics, such as actual income and attendance to adjust financial expectations and operational expenditures throughout the fiscal year. The Board of Directors and senior management also utilize indicators for income from areas of landside development which have been dedicated to capital expenditures in determining the feasibility of short-term and long-term capital projects. Automated “alarm buttons” based on survey results and other key indicators notify senior management of potential problems which may require program modifications

3. What are your key measures, how do you review them, and how do you keep them current with organizational needs and direction?

Key metrics for development, marketing, preservation and visitation programs are year-to-year attendance in various programs, comparative income and expenditures for both operational needs, capital projects and retail operations, and budget versus actual financial figures. Other metrics on the strategic “dashboard” include “alarm lights” provided by negative customer satisfaction surveys, increased employee turnover or absenteeism, etc.

The Chief Financial Officer provides a monthly compilation of financial reports and operational statistics with financial implications (e.g., attendance) at each monthly Board meeting, with interim reports as required by Board subcommittees or senior staff. “Alarm” indicators such as negative customer satisfaction surveys are immediately circulated to relevant staff as noted above. The Executive Director and Chief Financial Officer review all metrics quarterly to make sure they are still fully relevant to the Authority’s strategic plans and operational initiatives.

4. How do you select and use key comparative data and information to support operational and strategic decision making and innovation?

Experience has demonstrated that the most useful metrics for operational and strategic decision making are diachronic comparisons (e.g., annual attendance figures and comparative income and expenditures) or measures of performance against pre-determined desiderata (e.g., budget versus actual figures). For diagnosis of nascent problems management has also found useful such peripheral metrics such as negative customer satisfaction surveys, increased employee turnover or absenteeism, decrease in the proportion of resources devoted to program-related activities as opposed to administration, etc.

5. How do you ensure data integrity, timeliness, accuracy, security and availability for decision making?

Management derives most key metrics directly or indirectly from computer-based systems located on the Authority's secure local network. Key computer systems during FY2007 included an accounting system integrated into the S.T.A.R.S. system for financial and personnel management, a Windows-based system for ticket sales, a Windows-based point of sale system for retail operations in the gift shop, and a collections management system that not only allows close inventory control of historical artifacts, archives and library volumes but also handles the details of loan relationships with major stakeholders. Data quality and reliability in these systems are guaranteed by standardized data entry procedures and audit trails.

Information Systems staff manage password-protected access to data based on need as determined by senior management. Redundancy in network planning and data recovery systems guarantee high availability of all systems linked to key metrics. Data is centrally stored on mirrored network drives and is backed up and verified daily to ensure completeness and availability of data on a long-term basis. The information systems disaster preparedness plan allows for relocation and recreation of all critical systems to an alternate business location within twenty-four hours, if necessary. Information Systems staff review both software performance and departmental procedures annually and modify them where necessary and feasible.

6. How do you translate organizational performance review findings into priorities for continuous improvement?

The Board of Directors and senior management set new priorities for improvement of staff performance and systems function as part of the overall strategic planning process. Feedback from surveys and other external feedback mechanisms are an integral part of strategic and tactical planning so no separate "translation" is necessary.

7. How do you collect, organize and maintain organizational and employee knowledge? How do you identify and share best practices?

Methods used according to the nature of the knowledge and the area in which it will be used. The Authority's computer network is used to circulate and store operational directives, regulatory information, employee policies and procedures through centrally stored files, public folders on the internal Exchange server and emails circulated on a departmental or "all employees" basis. Best practices in some areas are also literally programmed into the software used on a day-to-day basis. For instance, state accounting policies as practiced in S.T.A.R.S. are incorporated into the

accounting software and the collections management software requires the use of standard nomenclature as defined by museum best practices. Formal training in policies and best practices is also provided by the Safety Department which not only provides new employee orientation but training in best practices on a monthly basis throughout the year. Additionally, in some areas, particularly among the trades workers in Operations, mentoring programs serve to pass on detailed technical knowledge and specialized best practices. When possible, professional staff attend conferences and training workshops to assist in identifying changes in best practices for their area of expertise, although such training has been somewhat impeded in recent years by state restrictions on employee travel.

CATEGORY 5 — WORKFORCE FOCUS

1. How do you organize and manage work: to enable employees to develop and utilize their full potential, aligned with the organization’s objectives, strategies, and action plans; and to promote cooperation, initiative, empowerment, innovation and your desired organizational culture?

Informal techniques for promoting team consciousness and shared responsibility for meeting goals for quality, timeliness and productivity within the work group have proved far more effective in most departments than theory-based formal training. The most effective approach for organizing and managing workgroups has been for team managers to hold regular one-on-one sessions with line staff to encourage and motivate them to excellence in all areas of their job function.

In addition, all members of management from the Executive Director down to the leader of the smallest work group are tasked with “leading by example”. This has been particularly effective in inculcating an organizational culture which fosters professional ethical and “best practices” standards for line staff and middle managers.

2. How do you evaluate and improve your organization’s human resource related processes?

The Personnel Officer and the Chief Financial Officer to whom she reports self-evaluate and modify most human resource processes with the assistance of appropriate staff from the Budget and Control Board’s Office of Human Resources.

3. How do you identify and address key developmental and training needs, including job skills training, performance excellence training, diversity training, management/leadership development, new employee orientation and safety training? How do you evaluate the effectiveness of this education and training and how do you encourage on-the-job use of the new knowledge and skills?

Identification of training needs occurs on both a bottom-up and top-down basis. Frequently, individuals or their managers will express a need or desire for training to middle management, senior management, the personnel department and/or personnel responsible for specialized training in the areas of computer skills or safety procedures. Additionally, an interdepartmental Safety Committee which meets monthly also identifies areas of particular concern for safety training. Senior management or the personnel department may also identify a problem area through analysis of regular reports, including key metrics, or may note a new training program provided by the Office of Human Resources or some other entity that would be relevant for the Authority’s staff and arrange training for the appropriate employees.

Detailed skills training is generally managed on a departmental basis. However, a dedicated Safety Officer perform routine training in all areas of environmental and occupational safety, certifying or recertifying staff on an annual basis in skills relevant to their job descriptions. Information Systems also administers a budget for end-user computer skills training, providing training materials and one-on-one training by help desk staff to remedy observed gaps in required computer knowledge.

All new employees attend two-to-three day orientation classes conducted by representatives of all departments under the auspices of Human Resources and the Safety Officer. This program includes an introduction to the history, mission and values of Patriots Point, orientation to key locations at Patriots Point including the historic ships, general familiarization with the employee procedures and sources for further information on all aspects of state employment, and, where required by the individual's job description, basic training in access to the computer network and email and/or appropriate safety training classes and issuance of protective equipment.

Management evaluates the effectiveness of training by careful examination of safety and productivity metrics, by analysis of performance improvements on an individual and workgroup basis and, where appropriate, by post-training debriefing of staff.

4. How does employee training contribute to the achievement of your action plan?

Improvements in safety and technical training have contributed directly to the conservation and improvement of the infrastructure at Patriots Point by improving required technical skills and reducing the time lost due to workplace accidents. Computer training has also contributed significantly to employee productivity, particularly where email, computerized scheduling, word processing and spreadsheet use has improved internal communications, reduced lost time due to lack of project co-ordination and allowed better interdepartmental collaboration.

5. How does your employee performance management system, including feedback to and from employees, support high performance and contribute to the achievement of your action plans?

The Authority continues to try and improve the level of feedback to and from employees as part of the EPMS process. Within the past two fiscal years management has rewritten almost every position description to bring the "paper duties" for employees in line with the actual responsibilities of the position. The Operations Department in particular has integrated formal EPMS reviews of both line staff and middle managers into its tactical planning and reallocation of personnel to meet new priorities.

6. How do you motivate your employees to develop and utilize their full potential?

Middle managers regularly meet one-on-one with members of their staff to review informally performance issues and discuss opportunities for further training, both in directly job-related skills and more general areas for which employees have demonstrated an aptitude. Particularly among the trades workers, managers of work groups frequently foster an informal apprenticeship system to allow employees to become proficient in technical areas without expensive external training courses.

7. What formal and/or informal assessment methods and measures do you use to determine employee well being, satisfaction, and motivation? How do you use other measures such as employee retention and grievances? How do you determine priorities for improvement?

Given the small size of the employee base, the Authority continues to use one-on-one interaction between each employee and his managers and co-workers as a primary mechanism for measuring how employees feel about their jobs, their managers, their fellow employees and Patriots Point as a whole. These procedures have often served in the past to reduce employee turnover and have definitely provided an outlet for resolution of issues that would otherwise have resulted in an employee grievance. They also serve as a very direct mechanism for not only determining but also discussing with affected employees priorities for improvement.

Additionally, employee suggestion boxes allow anonymous suggestions for improvement and/or comments on various aspects of life at Patriots Point. Human Resources personnel periodically circulate surveys to solicit inputs on various topics of interest to the Authority's employees (e.g., training needs, potential group discounts, etc.). As response to these surveys is purely voluntary, Human Resources feels that they produce more authentic opinions on issues of concern.

8. How do you maintain a safe, secure, and healthy work environment? (Include your workplace preparedness for emergencies and disasters.)

The Authority has a full-time Safety Officer dedicated to ensuring safety in the workplace through aggressive worksite inspection and establishment of safety procedures that meet O.S.H.A. and other industry standards. He also provides recurring safety training in each area required by an employee's job description.

Where necessitated by an employee's job duties, the Authority provides appropriate safety equipment (e.g., work boots, hard hats, hearing and eye protection) at no expense to the employee. Additionally, outreach programs managed by Human Resources provides staff with opportunities to participate in free or low-cost health screening and remediation programs as well as training sessions in wellness-related areas.

The Authority has fully articulated emergency protocols for fires, hurricanes and other foul weather, environmental emergencies and other situations which could provide major threats to employees and visitors or to the fabric of the historic ships and other museum assets. These not only include evacuation procedures but also appropriate measures for securing ships and structures and limiting environmental impacts in the case of disaster.

CATEGORY 6 — PROCESS MANAGEMENT

1. How do you determine and what are your key processes that produce, create or add value for your customers and your organization? How do you ensure that these processes are used?

Key process categories include development, administration, education, visitor relations, maintenance, exhibits, information technology, communications and museum collections. In some cases, these categories only a single functional department, but more often personnel from more than one department are involved in the design and implementation of processes, either as members of standing committees or ad hoc committees created for a specific project which are dissolved when that project is complete. In the latter case, one or more members of senior management and a specified middle manager are responsible for ensuring adherence to the protocols created for a particular process.

2. How do you incorporate organizational knowledge, new technology, changing customer and mission-related requirements, cost controls, and other efficiency and effectiveness factors such as cycle time into process design and delivery?

During the annual budget process management reviews all long-term projects and programs, modifying them as required by changing customer or mission needs. They incorporate necessary changes in information systems or other technology, cost controls and changes in allocation of staff for efficiency and effectiveness at that time. Within the fiscal year senior managers and line managers periodically review factors which may affect deliverable requirements, project completion and personnel allocation and revise project timelines to retain the most efficient critical path towards strategic and tactical goals. When necessary, they will then advise the Executive Director and Board of Directors of the necessity of reallocating resources or modifying project criteria to better meet the Authority's needs.

3. How does your day-to-day operation of these processes ensure meeting key performance requirements?

The original design and any modifications include performance metrics as part of the project parameters and these are modified annually during the budget process as noted above. Procedures for monitoring performance depend on the nature of the process and the department responsible for monitoring its progress. Computerized reports allow the Chief Financial Officer and his staff to monitor key financial indicators, including attendance, gift shop sales, and income and expenditures in other areas on a day-to-day basis when necessary and reports are provided to senior management as needed. Education, information systems and museum collections staff also monitor and adjust key processes in their areas using computer systems analysis. Process management in maintenance and operations, guest relations and other manpower-intensive and frequently less quantifiable areas, although computer assisted, tends to be organized more on a work group basis with specific team members being responsible for monitoring and reporting on one or more key processes.

4. How do you systematically evaluate and improve your key product and service related processes?

The methodologies used are identical to those outlined above for development and day-to-day monitoring of production and delivery processes.

5. What are your key support processes, and how do you improve and update these processes to achieve better performance?

Key support areas include administration (including finance and personnel), communications (including marketing and public relations) and information technology. The methodologies used in those areas are identical to those used elsewhere for development and day-to-day monitoring of production and delivery processes.

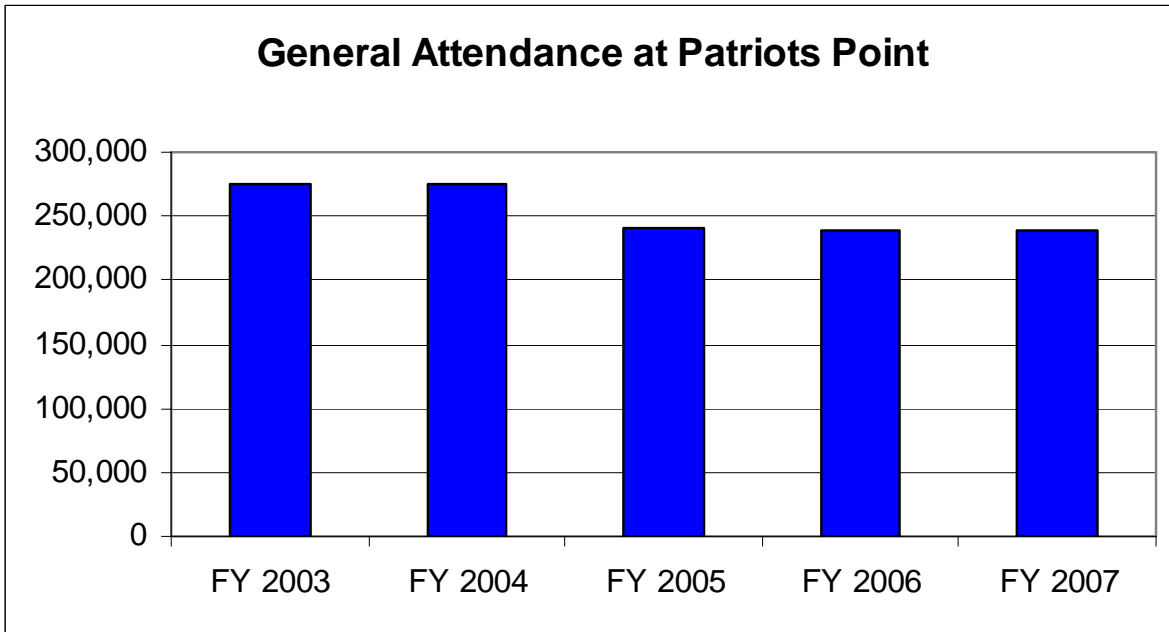
6. How does your organization determine the resources needed to meet current and projected budget and financial operations?

During the annual budget process the Board of Directors and senior management review all operational and capital areas to determine personnel and financial requirements, based on past performance and anticipated new needs as analyzed by the Chief Financial Officer and the relevant members of senior management. Within the fiscal year senior managers and line managers periodically review factors which may affect resource allocation and advise the Executive Director and Board of Directors of the necessity of reallocating resources or modifying project criteria to better meet the Authority's needs.

CATEGORY 7 — RESULTS

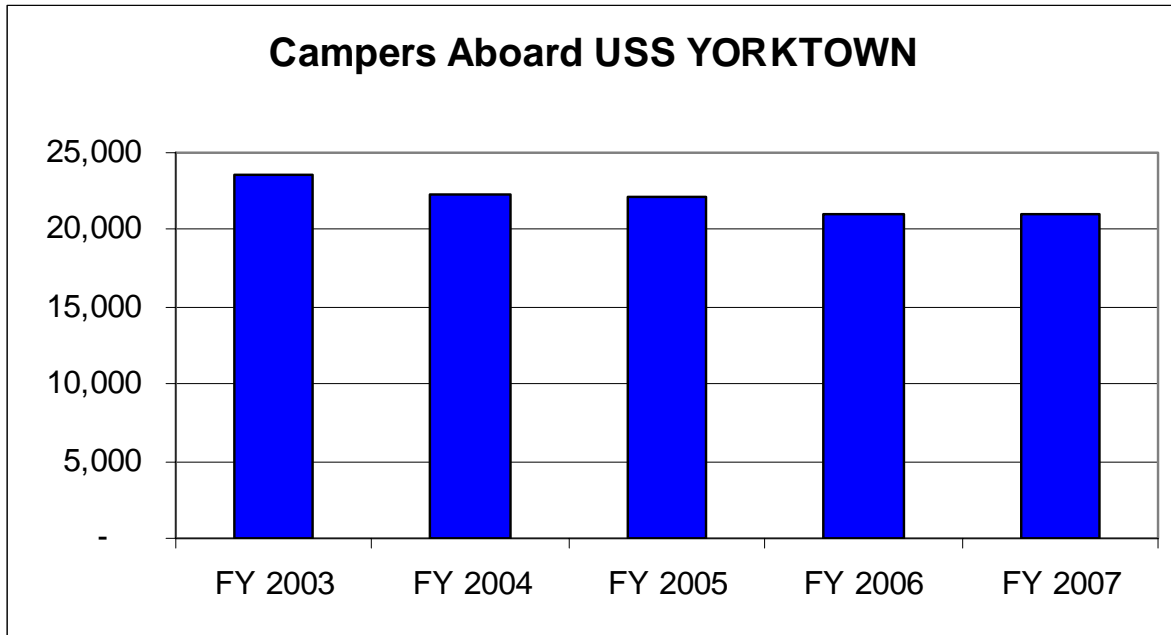
7.1 What are your performance levels and trends for the key measures of mission accomplishment and organizational effectiveness?

Patriots Point has always considered attendance a major measure of effectiveness in mission fulfillment. Overall attendance for attractions in the Charleston area dropped at a rate of more than 10% a year over the past three years thanks to fuel costs, economic uncertainty and weather concerns. In the same period Patriots Point maintained visitation at a relatively constant level with 241,622 in FY 2005, 239,721 in FY 2006 and 238,406 in FY 2007, a loss of less than 1.5%.



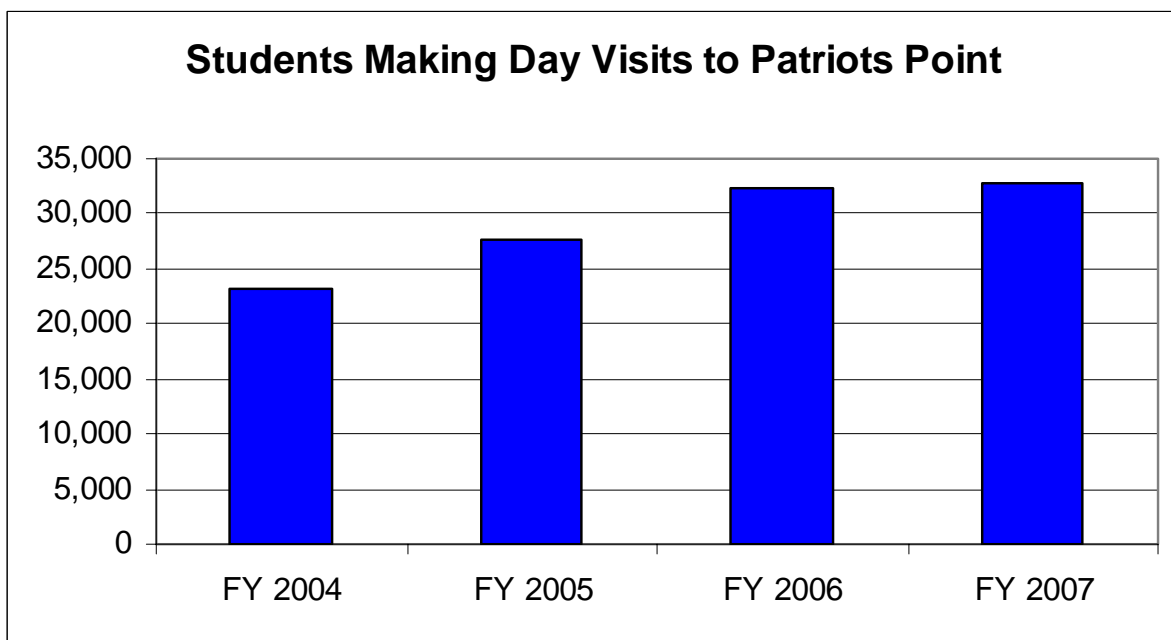
7.1.1

Similarly, although the economy, fuel costs and blacked-out weekends due to construction in berthing areas cut camping attendance from the record numbers set in FY 2003, the number of campers has remained high, demand on many weekends exceeding available space.



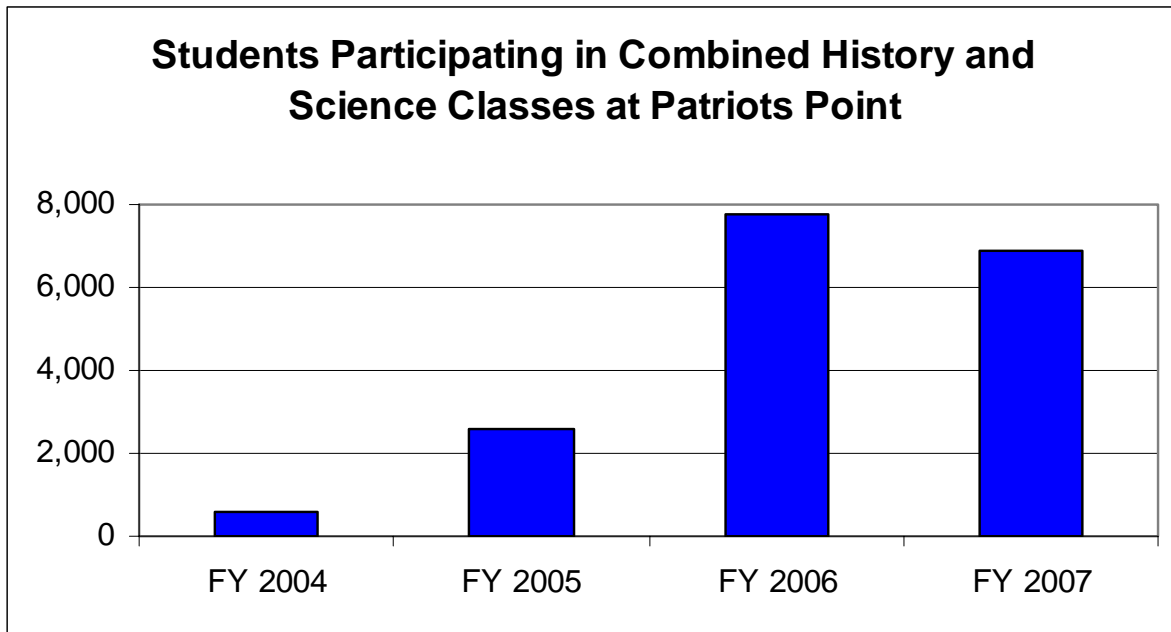
7.1.2

While camping attendance fell slightly, the number of students making day visits to Patriots Point either as part of a co-operative program with the Charleston County School District, science and history programs with other educational entities increased radically to 32,874, an increase of nearly 42% over the number of students visiting in the initial year of the current program.



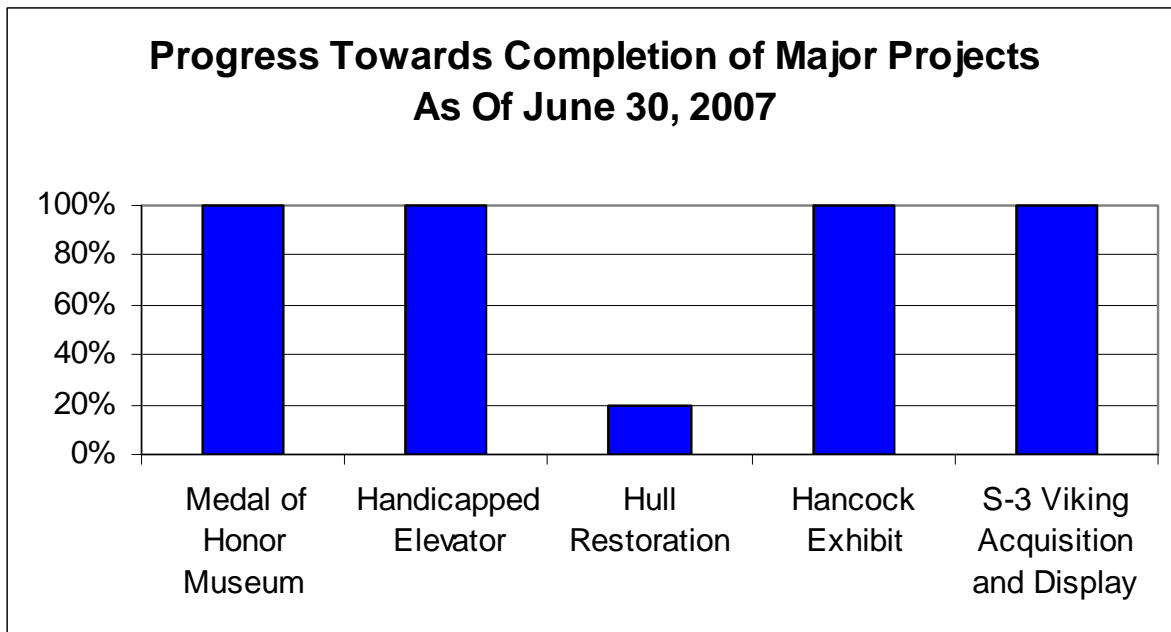
7.1.3

A major goal over the past few years has been to increase the numbers of students exposed to the museum's new co-operative programs offering hands-on history and marine science in the context of Charleston's unique coastal ecology. While late changes to school calendars and consequent scheduling problems caused a slight drop to 6,886 participating students these numbers were still 1230% of the participation in the inaugural year.



7.1.4

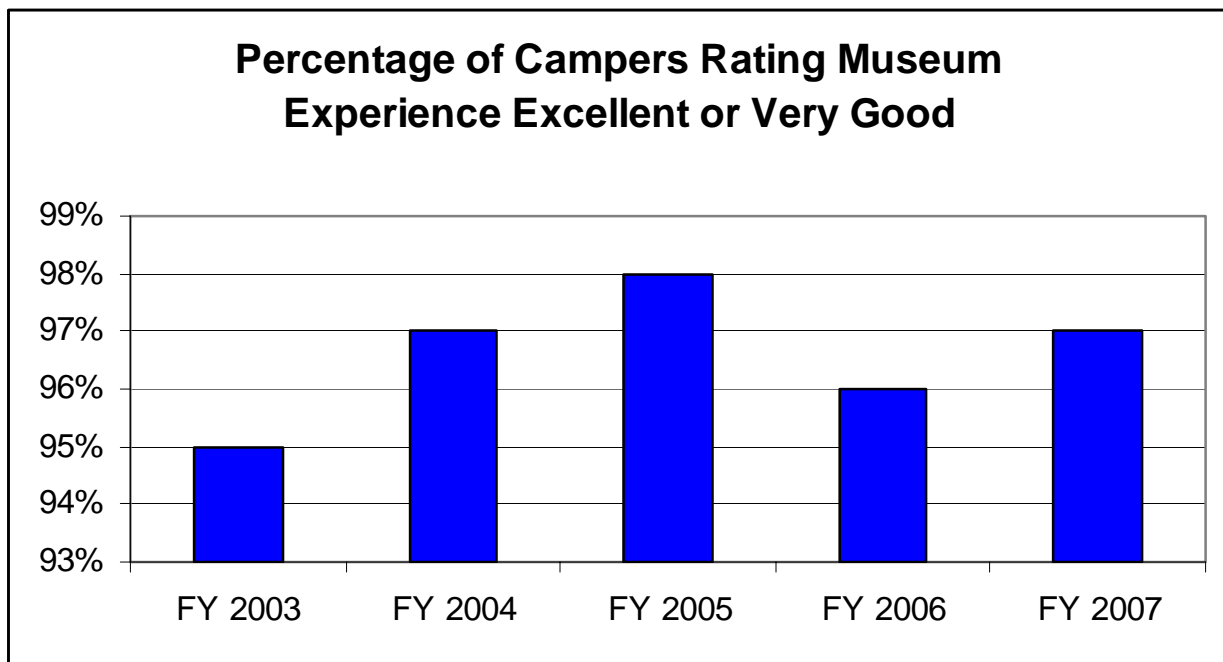
Measuring progress towards preservation of the museum ships and the property at Patriots Point is difficult to represent graphically. However, with major projects measuring percentage of completion at specified break points has proved useful.



7.1.5

7.2 What are your performance levels and trends for the key measures of customer satisfaction?

Patriots Point has experimented with various survey models, both independently and in conjunction with the Charleston Area Convention and Visitor Bureau, but the surveying methodology has not so far provided sufficiently detailed demographic data or adequately granular evaluations of the museum experience to allow graphical representation of the casual visitor's satisfaction levels beyond the generally positive. (Better capability for complex surveys at the point of sale for museum tickets and gift shop purchases was a major specification in the recently let contract for new income management systems.) On the other hand, youth camping program surveys have been fairly consistent for nearly a decade and have a high rate of return so are quite reliable, though the graphical representation represents a variance of no more than three or four percentage points over the past five years.

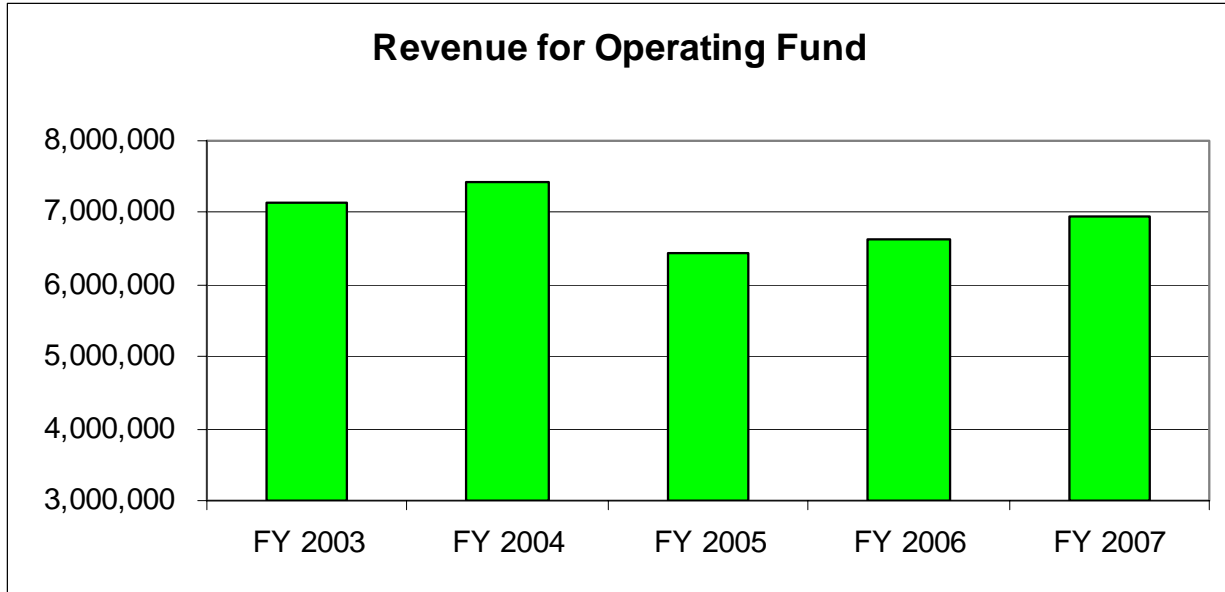


7.2.1

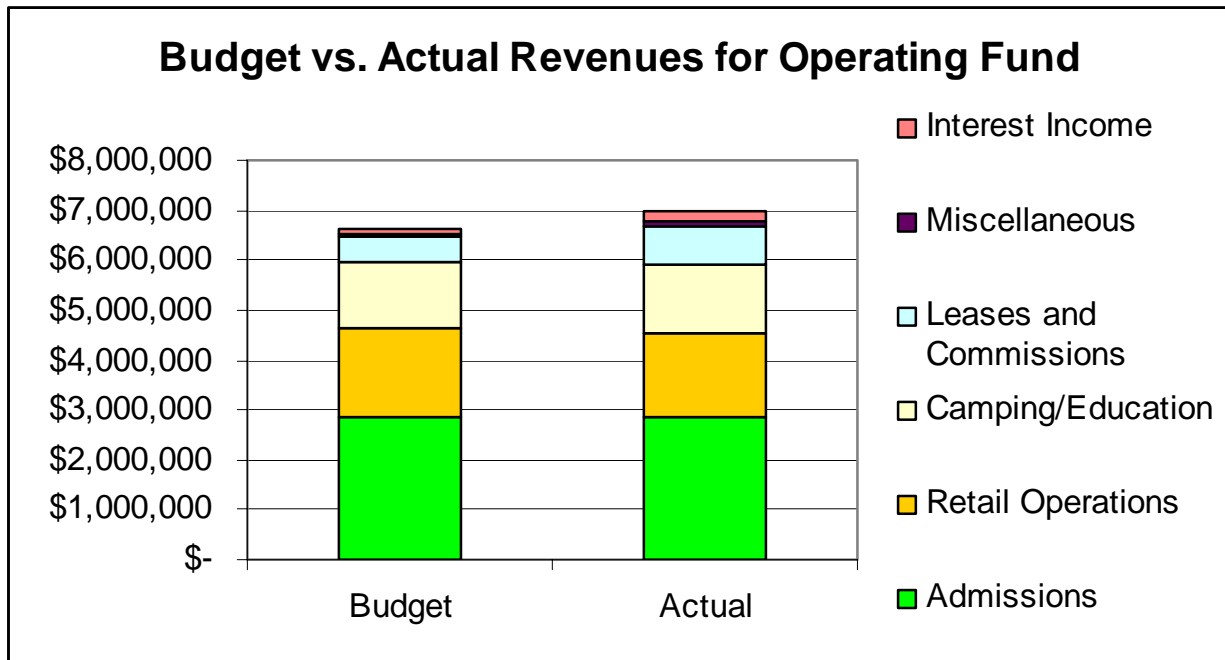
Senior management has traditionally considered attendance levels an important measure of customer satisfaction, but the external circumstances over the past three years (see above) have made this a less reliable tool.

7.3 What are your performance levels for the key measures of financial performance, including measures of cost containment, as appropriate?

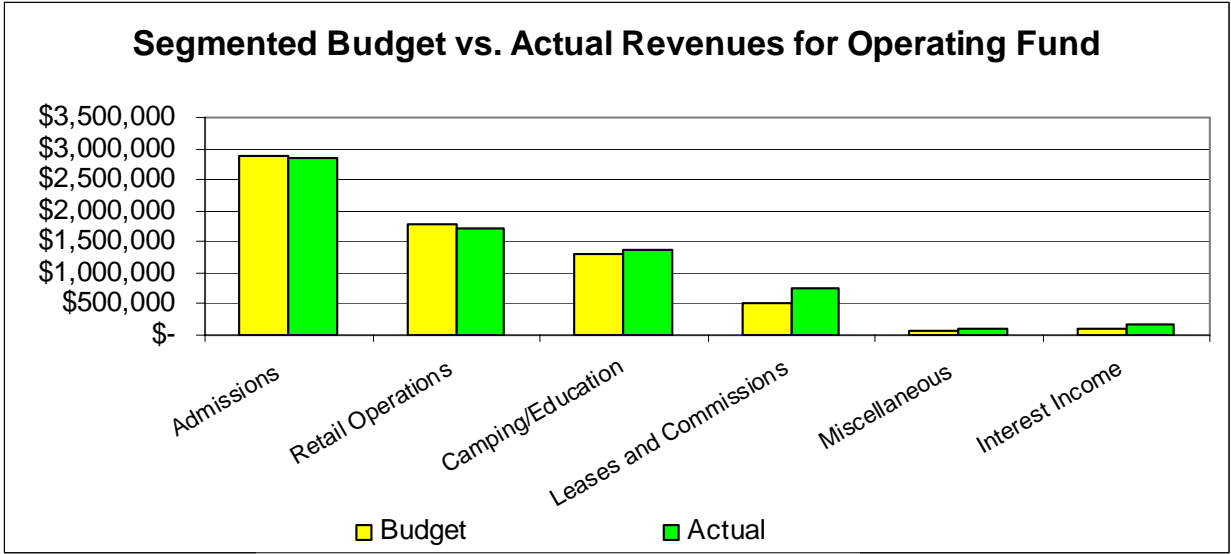
Key financial metrics measure income from various revenue streams, track operating and capital expenditures and compare budget versus actual figures for both income and expenses.



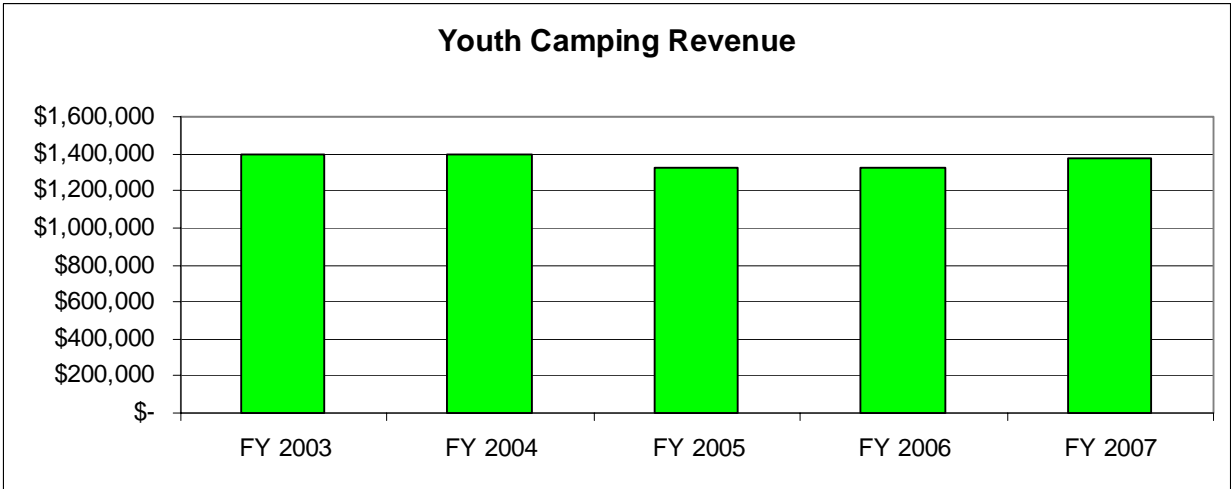
7.3.1



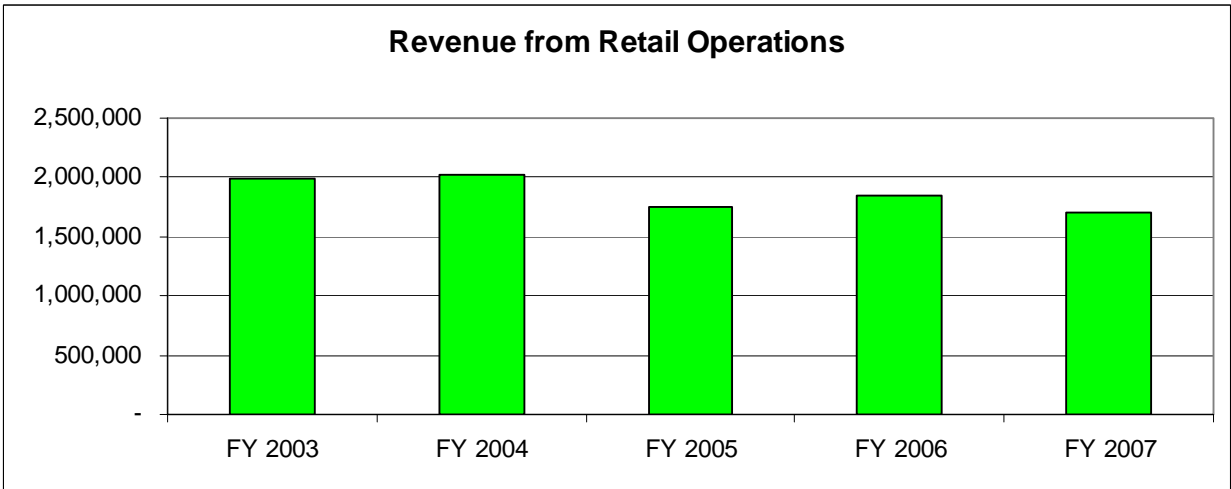
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7.3.3

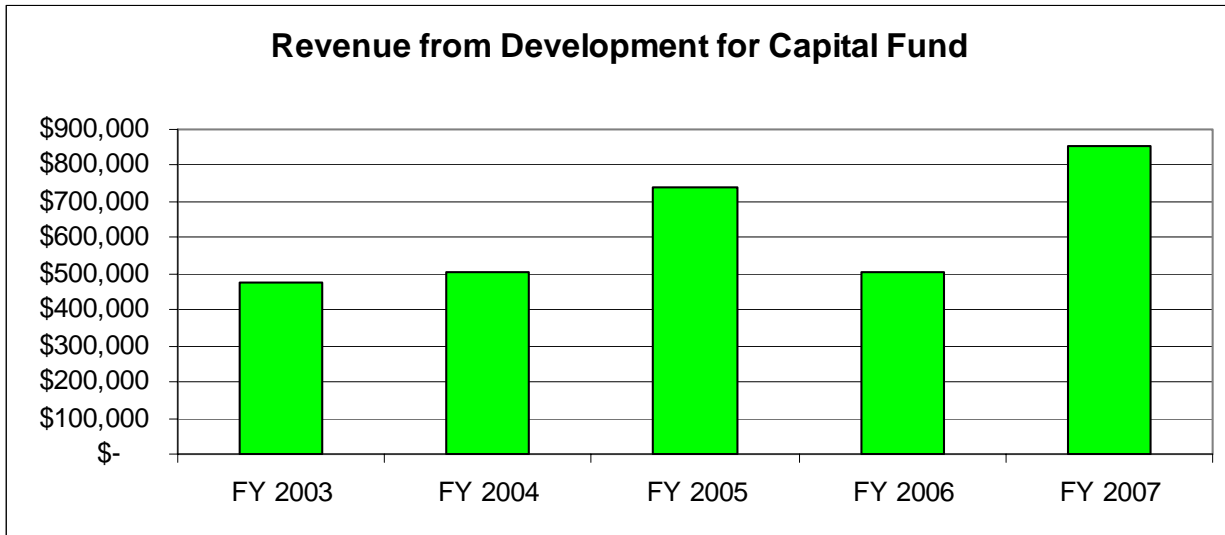


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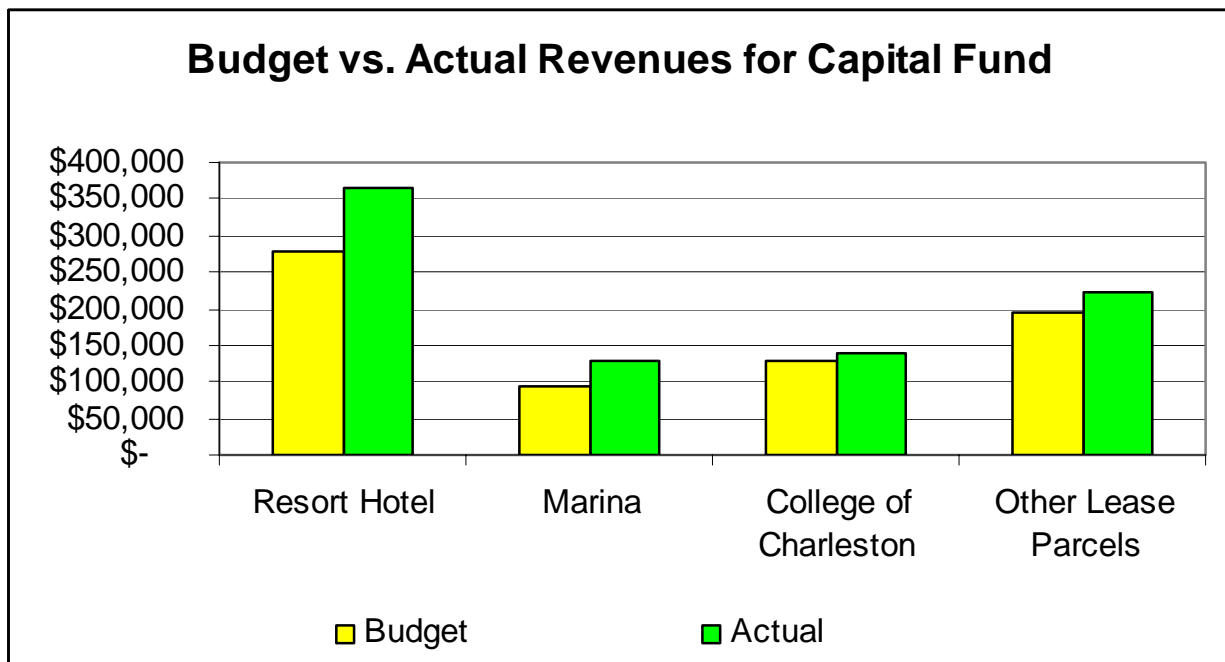


7.3.5

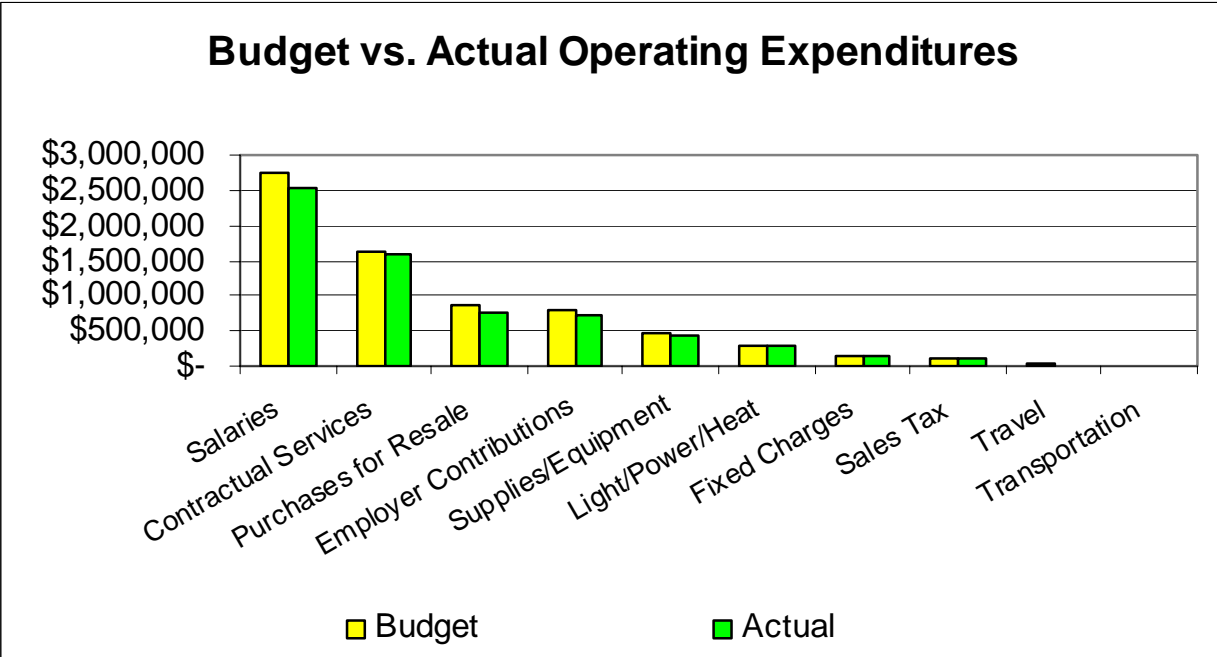
Note that the following charts include only income from development dedicated to the Capital Fund. They do not include grant funding or funds received directly or indirectly from donors in support of the Congressional Medal of Honor exhibit and the handicapped elevator.



7.3.6

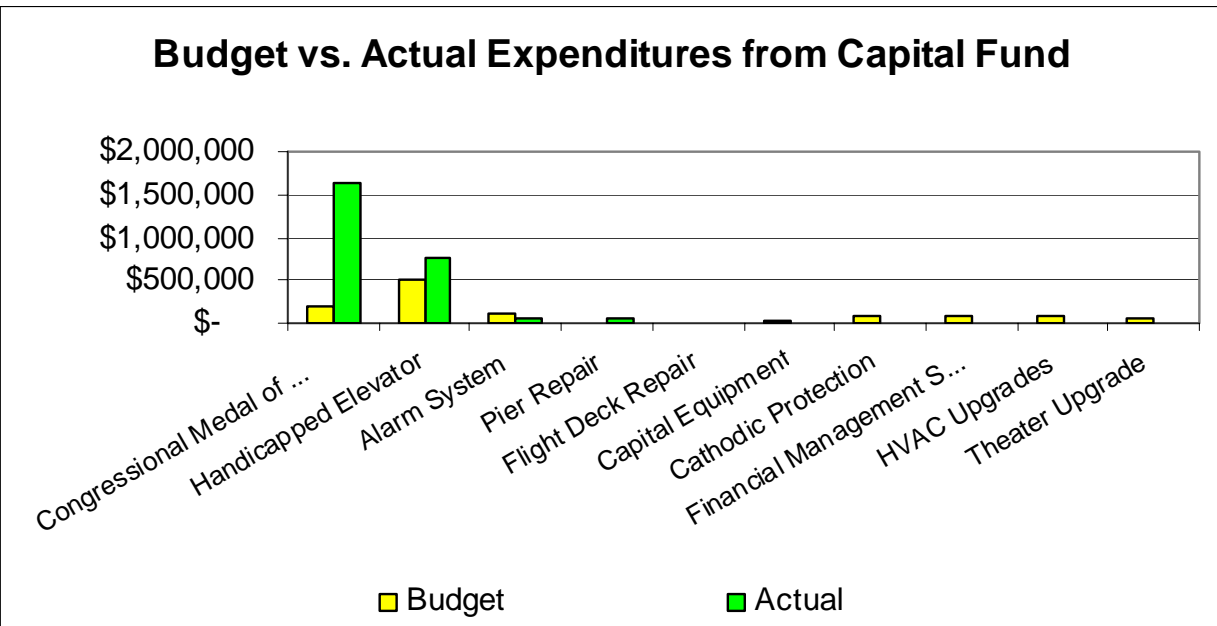


7.3.7



7.3.8

Note that the disparity between the amount budgeted from Authority funds and the amount expended for the Congressional Medal of Honor exhibit and the handicapped elevator is attributable directly to donated funds received directly by the Authority or through the medium of the Congressional Medal of Honor Society Foundation or the Patriots Point Foundation.



7.3.9

7.4 What are your performance levels and trends for the key measures of Human Resource Results (i.e., work system performance, employee learning and development, employee well-being, employee satisfaction, diversity and retention)?

As noted above, Patriots Point is a small agency with a strong tradition of one-on-one interaction for evaluating performance, satisfaction and training needs. With some departments and most workgroups consisting of no more than two or three employees, it is difficult to use graphical metrics meaningfully to express Human Resource results. Management feels that typical graphs representing employee turnover, number and type of employee grievances, number and type of promotions or internal transfers provide little useful information when the numbers involved are so low. While management does monitor turnover in key departments and uses exit interviews to try and improve retention, particularly in the case of skilled trades workers where pay and working conditions are key motivators, the information so provided does not lend itself to graphical trending.

7.5 What are your performance levels and trends for the key measures of regulatory/legal compliance and community support?

The major areas of regulatory compliance for Patriots Point relate to safety and security. The goal is to meet all OSHA requirements for safety training and accident prevention and to meet all marine requirements imposed by the Coast Guard and the Department of Natural Resources for protection of the fragile coastal environment around Patriots Point. Virtually all metrics in these areas are “alarm button” metrics triggered by negative events such as oil leaks, hazardous materials violations, etc. As such, they do not lend themselves to useful graphical representation.

Patriots Point generally treats community support as a facet of customer satisfaction and measures it by the same mechanisms used to monitor customer feedback. (See section 7.2 above.)