

Accountability Report Transmittal Form

Agency Name — Patriots Point Development Authority

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Agency Director — David P. Burnette

Agency Contact Person — Eleanor L. Wimett

Agency Contact's Telephone Number — 843-881-5999

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:

- **Education.** Fostering life-long learning in the various communities the Authority serves by focusing not only on the narrower military historical themes envisioned at the time the Museum was originally established but also on more general historical, scientific and environmental education related to the State of South Carolina and the region in which it lies.
- **Preservation and Conservation.** Preserving the heritage of our past for the inheritors of our future, not only by careful stewardship of the ships, artifacts and archival materials associated with the Patriots Point Naval & Maritime Museum, but also by environmentally sound management of the lands entrusted to the Authority’s care.
- **Fiscal Responsibility.** Developing the financial resources necessary for fulfillment of the legislatively mandated mission, whether directly through actions of the Authority itself or through fund-raising endeavors of the supporting Patriots Point Foundation. As Patriots Point is an “enterprise agency”, supporting itself without any operating appropriation from state general funds, this value is key to the success of all other values and strategic goals.
- **Professionalism.** Maintaining the highest level of professionalism and ethical behavior in all areas of the Authority’s mission.

2. MAJOR ACHIEVEMENTS OF FY 2005:

- Reorganization of the paid and volunteer staff to facilitate more efficient utilization of personnel resources with a greater emphasis on performance and professionalism in all areas. Both volunteers and youth education now join curriculum-based classes under the Director of Education, facilitating coordinated planning and implementation of improvements to tours, overnight camping and other educational programs. Public Safety functions are now under the Director of Operations so all staff responsible for the safety and security of the museum ships and those who visit them now fall under one umbrella. At the same time, Operations added a General Maintenance Superintendent to improve quality control, coordination between shops, and work prioritization/scheduling for the trade shops responsible for maintaining the fabric of the ships and a Tour Route Maintenance Superintendent who performs the same functions for restored shipboard areas and replica structures in the Vietnam Support Base landside.
- Completion of 60% of the design and implementation of the replacement of the flight deck fabric of USS YORKTOWN.
- Completion of 95% of the repair and painting of the island of USS YORKTOWN.
- Relocation and complete redesign of the exhibits honoring USS YORKTOWN CV-5 and USS FRANKLIN CV-13 to meet new standards geared towards better educating the visiting public while honoring the men and women who participated in historic events.
- Installation of a state-of-the-art video security monitoring system and an intrusion detection system aboard the museum ships. The initial installation covers the museum's most vulnerable areas, but can be expanded in the future to the remainder of the museum.
- Launch of a comprehensive museum membership program, marketed solely through the Patriots Point web page.
- Increasing the attendance at co-operative history/science classes by 358% and overall student attendance by 20%.
- Completion of a history/science syllabus integrated into the fifth-grade curriculum of Charleston County School District. When that syllabus is implemented during the 2005 – 2006 school year, every fifth-grade student in the Charleston County Public Schools will have the opportunity to participate at Patriots Point.
- Retaining by the National Park Service of an East Cooper departure site for visitors to Fort Sumter.

3. KEY STRATEGIC GOALS

In addition to the key objectives for FY 2005 noted in the Strategic Planning Chart below, key long-term goals for FY 2006 and beyond include:

- Revival of the Patriots Point Foundation with board members drawn from local and regional leadership and an aggressive fund-raising campaign to provide capital funding and long-term endowments for the support of the museum ships.
- Full implementation of the membership program not only to provide financial support for the museum but also to draw in greater community support for its programs.
- Aggressive pursuit of grants to support education, conservation and preservation projects throughout the museum.
- Expansion of the fifth-grade initiative to Dorchester and Berkeley counties and to other regional school districts.
- Increasing the number of museum visitors who participate in docent-led tours of the museum ships.
- Relocation and redesign of key exhibits aboard USS YORKTOWN, USS LAFFEY and USS CLAMAGORE in accordance with new museum standards and methodologies.
- Completing flight deck repairs aboard USS YORKTOWN.
- Completing the painting and restoration of the hull of USS YORKTOWN, including cleaning the hull to bare metal and applying a completely new coating system.
- Completing structural repairs to the turtleback and total hull coating restoration of USS CLAMAGORE.
- Completing exterior painting and restoration of USS LAFFEY and USCGC INGHAM.

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. This was particularly notable during FY 2005 when physical damage to the properties from tropical weather was relatively light, but financial damage from loss of visitation was significant.
- FY 2005 marked a concerted effort to leverage opportunities not only to revitalize the Patriots Point Foundation but also to aggressively solicit federal grant funding to meet the ongoing financial requirements of projects at Patriots Point. However, funding is always a challenge, given Patriots Point's status as 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 vastly outstrip the resources available from the landside revenues allocated to support capital projects. As of the end of FY 2005 the financial resources required to clear the backlog for “must do” projects easily exceeds \$13 million. Progress in attempts to conserve resources by bringing maintenance tasks back in house from more expensive outsourcing have been hindered by critical staff shortages. Moreover, lack of specialized technical skills limit the degree to which necessary work, e.g., the critical coatings work ongoing on the museum ships, can be done using only existing permanent staff.

- The rigidity of state purchasing regulations has been a definite challenge during FY 2005. On several occasions, staff shortages at the Budget and Control Board critically delayed approval of pending contracts, requests for proposal and/or capital improvements with resulting losses to the Authority. In addition, requirements for separating bidding on design and construction had a negative impact on several capital projects, particularly the Congressional Medal of Honor Museum renovation and the YORKTOWN flight deck repair. Separation of design consultants from actual work in the latter case required a significantly higher amount of time spent by Patriots Point staff in liaison and oversight activities rather than actual work on smaller but equally critical maintenance projects. That separation also decreased the feasibility of design modifications during the progress of this crucial project. As a result, although the first phase of the flight deck renovation is nearly complete, the final result is not as structurally-sound as anticipated. Due to enormous stresses in the steel deck, several minor repairs to the deck have already been required in areas where welds have broken free. Additionally, water diverted during periods of heavy rain to areas of the flight deck not yet renovated has caused significant damage to berthing compartments under those areas of the deck.

SECTION II — BUSINESS OVERVIEW

As an “enterprise agency”, the Patriots Point Development Authority is entirely self-funded, receiving no operating appropriation from general funds. Primary sources of operating revenue are museum admissions, sales at the museum gift shop, educational programs such as the youth education and camping programs, and commissions from lease functions, on-site vending franchises and the Patriots Point Links. Additional income from landside leases has for some years been dedicated to a capital fund for maintenance of the historic museum ships and other capital projects at Patriots Point.

EMPLOYEES

Paid staff included 80 full-time permanent employees and 38 temporary/part-time employees. Temporary employees are largely comprised of seasonal employees fulfilling direct customer service roles in the museum and gift shop during the summer tourism season. In addition, the active volunteer program at the Patriots Point Naval & Maritime Museum provides hundreds of unpaid man-hours each month, the majority of which are in areas which directly serve our customer base, such as school outreach programs, museum tours, handicapped assistance, etc.

OPERATION LOCATIONS

All operations are located at Patriots Point. Museum exhibits are located aboard the four museum ships (USS YORKTOWN CV-10, USS CLAMAGORE SS-343, USS LAFFEY DD-724, USCGC INGHAM WHEC-35) and in a replica Vietnam Naval Support Base landside. Retail operations are located in a gift shop pavilion landside 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.

EXPENDITURES/APPROPRIATIONS

Base Budget Expenditures and Appropriations

Major Budget Categories	03-04 Actual Expenditures		04-05 Actual Expenditures		05-06 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	\$2,513,604	\$0	\$2,508,204	\$0	\$2,898,300	\$0
Other Operating	\$3,428,677	\$0	\$3,026,410	\$0	\$3,429,000	\$0
Special Items	\$0	\$0	\$0	\$0	\$0	\$0
Permanent Improvements	\$2,002,469	\$0	\$2,911,863	\$0	\$180,000	\$0
Case Services	\$0	\$0	\$0	\$0	\$0	\$0
Distributions to Subdivisions	\$0	\$0	\$0	\$0	\$0	\$0
Fringe Benefits	\$745,474	\$0	\$719,621	\$0	\$825,000	\$0
Non-recurring	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$8,690,224	\$0	\$9,166,098	\$0	\$7,332,300	\$0

Other Expenditures

Sources of Funds	03-04 Actual Expenditures	04-05 Actual Expenditures
Supplemental Bills	\$0	\$0
Capital Reserve Funds	\$0	\$0
Bonds	\$0	\$0

Major Program Areas

Program Number and Title	Major Program Area Purpose (Brief)	FY 03-04 Budget Expenditures			FY 04-05 Budget Expenditures			Key Cross References for Financial Results*
		State:	Federal:	Other:	State:	Federal:	Other:	
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:			State:			7.3.6, 7.3.7, 7.3.8, 7.3.11, 7.3.12
		Federal:			Federal:			
		Other:			Other:	\$	2,354,970	
		Total:			Total:	\$	2,354,970	
		% of Total Budget:			% of Total Budget:		33%	
Retail Operations	Manages the day-to-day operation of the retail gift shop and admission/ticket sales for the Museum.	State:			State:			7.3.4, 7.3.5
		Federal:			Federal:			
		Other:			Other:	\$	1,505,854	
		Total:			Total:	\$	1,505,854	
		% of Total Budget:			% of Total Budget:		21%	
Education/ Overnight Camping	Operates an overnight camping program aboard USS YORKTOWN for schools, youth groups and scouts.	State:			State:			7.3.3
		Federal:			Federal:			
		Other:			Other:	\$	996,499	
		Total:			Total:	\$	996,499	
		% of Total Budget:			% of Total Budget:		14%	
Administration	Provides leadership, policy development/review, financial services, facilities management, information services, communication/marketing and other related services.	State:			State:			7.3.1, 7.3.2, 7.3.6, 7.3.7, 7.3.8, 7.3.9, 7.3.10
		Federal:			Federal:			
		Other:			Other:	\$	1,011,112	
		Total:			Total:	\$	1,011,112	
		% of Total Budget:			% of Total Budget:		14%	
Visitor Services	Manages admissions, guest relations, public safety and all other aspects of the customer experience other than those specifically noted above.	State:			State:			
		Federal:			Federal:			
		Other:			Other:	\$	1,138,703	
		Total:			Total:	\$	1,138,703	
		% of Total Budget:			% of Total Budget:		20%	

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

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

Remainder of Expenditures:	State:		State:		
	Federal:		Federal:		
	Other:		Other:	\$	145,162
	Total:		Total:	\$	145,162
	% of Total Budget:		% of Total Budget:		2%

* Key Cross-References are a link to the Category 7 - Business Results. These References provide a Chart number that is included in the 7th section of this document.

KEY CUSTOMERS

Key customers include:

- Individual and group visitors to the Patriots Point Naval & Maritime Museum. During FY 2005 nearly 250,000 visitors enjoyed more than a hundred exhibits devoted to historical events and naval/maritime life at the four museum ships (USS YORKTOWN CV-10, USS CLAMAGORE SS-343, USS LAFFEY DD-724, USCGC INGHAM WHEC-35), the replica Vietnam Naval Support Base and the Congressional Medal of Honor Museum.
- Local and regional schools and school districts who participate in organized Museum field trips and educational outreach programs serving more than 28,000 students during FY 2005.
- Participants in organized youth camping and educational programs who sleep aboard USS YORKTOWN and are exposed to structured educational curricula designed to inculcate patriotism, historical knowledge and leadership skills. These programs served over 22,000 young people and accompanying adults in FY 2005.
- National and regional veterans' groups, reenactment organizations and military units which use the museum as a venue for reunions, educational programs and ceremonial functions.
- Other attendees at lease function events held Patriots Point.
- Visitors to the National Park Service site at Fort Sumter who embark from the Patriots Point pier, utilizing parking, gift shop and other convenience facilities provided by the Museum.
- The College of Charleston and Town of Mount Pleasant and those who use their recreational and athletic facilities.
- Local citizens and tourists from the United States and abroad who utilize the public golf facilities of the Patriots Point Links, the Hilton Resort Hotel and the Patriots Point Marina which provide "destination tourism" facilities as envisioned in the enabling legislation.
- Individuals and educational entities provided historical information via the Patriots Point web page or through customized research assistance provided by the museum's professional staff.

Key stakeholders and suppliers include:

- The people of the State of South Carolina.
- Individual and organizational donors who support the museum, including the U.S. Navy, Coast Guard and other military entities that have placed the museum ships and significant historical artifacts on loan to Patriots Point. This group also includes an active group of volunteers who provide thousands of man-hours of time to museum programs.

- Service franchisees and landside development leaseholders such as Fort Sumter Tours, the College of Charleston and master lease holders for the resort facilities, Patriots Point Links and Patriots Point Marina.
- The Town of Mount Pleasant which derives secondary tourism income from visitation to the property and co-sponsors with Patriots Point an annual Fourth of July celebration and a number of special events.
- The Congressional Medal of Honor Society whose national museum is co-sited aboard USS YORKTOWN at Patriots Point.
- Conservation and environmental groups supporting the Authority's program of planned development to preserve green space at Patriots Point.

ORGANIZATIONAL STRUCTURE

Through the enabling legislation as modified in 1990, the legislature has vested overall governance of the Authority in a Board of Directors appointed by the governor with each member serving a term of four years. 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 an *ex officio* member of the Board, 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.

The Executive Director, reporting to the Board of Directors and working closely with its chairman, has overall responsibility for both day-to-day management of and long-term planning for the Authority's activities, including the museum and all of its ancillary services.

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 may 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.

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, 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. Using the military “chain of command” model with which a majority of the line staff and managers are most comfortable senior management communicates the implementation plans with their underlying goals on a departmental basis to team managers who then relay to their work group all aspects of the action plan which will affect their team.

One-on-one sessions between line staff and their team managers has been quite effective in creating a stronger 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 where in Operations where many work groups consist largely of former enlisted personnel and non-commissioned officers.

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”. Such leadership 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?**

The Executive Director and other senior managers regularly emphasize to all staff that the primary task of every employee at Patriots Point is to “delight the customer” no matter what their formal job description. The Authority has found that leading by example has also been successful in leading staff to focus more emphatically on its customers. When a member of junior staff sees the Executive Director routinely picking up litter from the pier leading to the museum ships or directing a visitor to a specific location in the museum, it is much harder to say that a customer-oriented task “isn’t in the job description”.

- 3. 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 on a routine basis, adjusting budgeted expenditures to meet changes in anticipated income. Similar procedures are followed to ensure legal accountability, particularly liability and contractual issues involving the Authority’s customers and leaseholders. As a large proportion of the regulatory issues that the

Authority faces involve occupational safety and or environmental issues, the Authority employs a full-time OSHA safety officer who is responsible not only for training staff but for monitoring regulatory compliance for safety issues and for assisting the Director of Operations in meeting environmental requirements set by state and federal entities, such as the Department of Natural Resources and the Coast Guard.

4. 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 other senior leaders 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.

5. 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?

This is still a problem area at Patriots Point, despite strenuous efforts by senior leadership to keep the upward flow of information and commentary as strong as the downward flow. Unfortunately, the level of formal and informal feedback “up the line” tends to be very generalized and therefore difficult to translate into concrete action. It is perhaps unsurprising in an environment so permeated with naval tradition that “scuttlebutt” often runs rampant at Patriots Point, but often reflects only generalized concerns that can only be met with more information or a refutation of incorrect reports by management.

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

The general public is the heart of the customer base at Patriots Point. As a result, current and potential benefits and risks to the public are automatically considered when planning new programs or services. For instance, new exhibits at the Museum are evaluated for their relevance and accessibility to the each of 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.

7. How does senior leadership set and communicate key organizational priorities for improvement?

As with other strategic and tactical areas, 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.

8. How does senior leadership actively support and strengthen the community? Include how you identify and determine areas of emphasis.

As an organization, Patriots Point is very 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”. Areas of emphasis are generally determined by a combination of factors including 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.

Among the more notable activities in support of the local community are the Fourth of July celebration annually presented by the Authority in conjunction with the Town of Mount Pleasant to host a family-oriented Fourth of July fireworks celebration, the special Memorial Day educational presentation coordinated with the Charleston County School District and Veterans Day programs generally co-hosted with the Congressional Medal of Honor Museum.

Institutionally, Patriots Point also supports the United Way and a number of other fund-raising initiatives, most notably the Juvenile Diabetes Foundation and the Boy Scouts of America. Members of senior management also fill local and regional civic organizations. Senior management also strongly encourages interested staff to support veterans’ groups, churches and other local non-profits on an individual basis.

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, in many cases filling oversight roles in these organizations.

Senior managers also regularly serve as officers of professional and community groups. For instance, the Executive Director currently serves on the Board of Directors of the Historic Naval Ships Association, the Boy Scouts Council and the Board of Governors of the Charleston Area Convention and Visitors Bureau. Other senior staff members serve as representatives in the leadership of the Charleston Area Convention and Visitors Bureau, East Cooper Meals on Wheels, the Southeast Registrars’ Association and as members of local planning commissions and boards.

CATEGORY 2 — STRATEGIC PLANNING

- 1. What is your Strategic Planning process, including KEY participants, and how does it account for: a. Customer needs and expectations; b. Financial, regulatory, societal and other potential risks; c. Human resource capabilities and needs; d. Operational capabilities and needs; e. Supplier/contractor/partner capabilities and needs**

The formal strategic planning process generally involves the Board, the Executive Director and senior management. Subcommittees of the Board and individual members of senior management are tasked with acquiring necessary inputs customers, franchisees, architects, financial analysts, legal counsel, suppliers, human resource specialists, 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. When time and confidentiality issues allow, major initiatives are discussed with relevant members of middle management and representatives of line workers as well.

- 2. What are your key strategic objectives? (Address in Strategic Planning Chart)**

- 3. What are your key action plans/initiatives? (Address in Strategic Planning Chart)**

Strategic Planning			
Program Number and Title	Supported Agency Strategic Planning Goal/Objective	Related FY 04-05 Key Agency Action Plan/Initiative(s)	Key Cross References for Performance Measures
Education	Development and Expansion of Co-Operative Programs for Youth Education	Increase by at least 50% youth group attendance in History and Science co-operative curricula. Design joint curriculum with Charleston County for all fifth grade students.	7.2.5
Operations	Preservation of Museum Ships	Complete renewal of replacement of at least 50% of Yorktown Flight Deck. Complete repair and painting of Yorktown Island.	7.2.6; 7.3.11; 7.3.12
Executive	Expansion of Fund-Raising Projects	Revive Patriots Point Foundation. Initiate Museum Membership Program.	7.5.1

Operations /Education/ Administration	Reorganize staffing “chain of command” for greater efficiency and professionalism	Complete reorganization of all education-related functions into a single department. Plan and implement at least 75% of reorganization of operations functions into a single department.	7.4.1; 7.4.2
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**4. How do you develop and track action plans that address your key strategic objectives?
Note: Include how you allocate resources to ensure accomplishment of your action plans.**

Creation of action plans for the implementation of strategic objectives is an inherent part of the design process. Except in the case of landside development, where Board participation is generally fairly intense, implementation plans are usually created by senior management and key staff who will be directly involved in the implementation process. This not only increases “buy in” from the relevant staff, but also guarantees the feasibility of the implementation plan from a technical, financial and human resources standpoint.

5. How do you communicate and deploy your strategic objectives, action plans and 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.

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 in the process of being completely revised to accommodate modifications to the master plan to reflect the new Patriots Point Boulevard and the Ravenel Bridge access as well as update the maintenance goals and remove all contingencies relating to the prospective Hunley Museum, now slated to reside in North Charleston rather than at Patriots Point. As a result, it has not been posted to the Authority’s web page. When it is available, it will appear at www.patriotspoint.org.

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 fairly simply defines its key customers and stakeholders. During each examination of the strategic plan, the Executive Director and senior management review previous identifications to determine whether any relationship has changes and if all relationships are still relevant. Identifying the key requirements of our customers has been more problematic as the demographics of most of our customer base have been fairly radically transformed over the last decade. Periodic trend analysis using customer satisfaction and

demographic surveys is used to fine tune information on visitors to the Museum and participants in its various educational programs. For leaseholders and franchisees, determining key requirements for both parties are usually part of the lease negotiation and/or RFP process.

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

Professional personnel from marketing, administration, collections management and other departments regularly attend conferences not only to hone professional skills in their particular fields, but also to network with other professionals and update techniques for 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. at least once a year.

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?

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 the greatest responsibility for measuring satisfaction, staff members in all departments are expected to gather customer/stakeholder feedback and formulate plans based on the insights so obtained.

For instance, comprehensive surveys provided to each group of participants in the overnight camping program assist in determining their level of satisfaction with the educational program and materials, accommodations and catering provided, as well as any suggestions they might have for enhancing the experience for future campers. Virtually every group of campers responds to this detailed survey. More than 96% of those returned in FY 2005 had overwhelmingly positive comments on the program. (The large number of scout and youth groups who repeat their visits annually or biennially reinforces this result.) Responses are circulated among relevant departments who are expected to respond promptly to negative comments with remediation plans. 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 with other aspects of the visitor experience, including exhibits, facilities and informational materials. Such feedback is promptly transmitted to appropriate department heads and/or the Executive Director for appropriate action.

The Communications department, internally or in conjunction with the Charleston Convention and Visitors Bureau, also periodically conducts "exit surveys" of visitors to the museum 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. Feedback from these surveys is not only used to fine tune marketing for the museum and other attractions at

Patriots Point but is also digested and forwarded to appropriate department heads for use in revising existing programs and planning new ones.

Communications and Executive staff also review the overall view of the 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. This allows senior management to take the “pulse” of public opinion in the local and regional area. While the Authority has no intention of succumbing to a “poll result: mentality, such information has often 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.

The Patriots Point method of building positive relations with customers and stakeholders is to “delight the customer” whenever possible. In many cases Patriots Point has only one opportunity to create a positive response in a visitor and must do so in only a few hours or 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 general rule is that “the visitor comes first” at Patriots Point. Exceptions to that rule usually involve cases where accommodating the visitor would involve a violation of generally accepted professional or ethical standards which are considered by the staff the only valid reason to make a distinction between the requests for different customer groups.

CATEGORY 4 — INFORMATION AND ANALYSIS

1. How do you decide which operations, processes and systems to measure for tracking financial and operational performance?

The Board of Directors and senior management select processes for the strategic “dashboard” based on the priorities set during the strategic planning process and monitor those on a monthly and quarterly basis.

2. What are your key measures?

The core metrics for the development, marketing, preservation and visitation programs of the Authority strongly favor diachronic comparisons (e.g., year-to-year attendance in various programs, comparative income and expenditures for both operational needs, capital projects and retail operations) or measures of performance against pre-determined desiderata (e.g., budget versus actual financial figures).

Peripheral metrics on the strategic “dashboard” include standard external measurement criteria such as the proportion of resources devoted to program-related activities as opposed to administration and “alarm lights” provided by negative customer satisfaction surveys, increased employee turnover or absenteeism, etc.

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

Most key metrics derive directly or indirectly from computer-based systems located on the Authority's secure local network. Access to data based on need determined by senior management is secured by both network and system passwords managed by Information Systems staff. All data, centrally stored on mirrored network drives, is backed up and verified daily to ensure completeness and availability of data on a long-term basis. Redundancy in network planning and data recovery systems guarantee high availability of all systems linked to key metrics. 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.

Key computer systems currently include 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. Both software performance and departmental procedures are reviewed on an annual basis and modified where necessary and feasible.

4. How do you use data/information analysis to provide effective support for decision making?

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

5. How do you select and use comparative data and information?

Internal comparisons of financial and attendance figures are selected and utilized as noted above. The Authority has found it difficult in the past to validate external metrics due to the unique nature of the Authority as compared to other state entities in South Carolina or other states. For many purposes, senior management has found the most useful comparisons to be trending comparisons in visitation and/or income derived from visitation, gift shop sales, etc. from other tourist attractions or museums of similar type and size. However, experience has shown that absolute numbers often do not translate into valid comparisons since the underlying assumptions often differ to such a degree as to create significant distortions. To take but one example, the maritime museums most similar in size and type comparable to the Patriots Point Naval & Maritime Museum are located in New York City and directly off I-95 between New York and Boston so that higher visitation is largely a function of a larger population base. Similarly, attempts to create valid comparisons of attendance numbers and visitor demographics with the

South Carolina Aquarium and other Charleston attractions proved less than successful given the extreme disparity in definitions of various categories of visitor and indeed of visitation itself.

6. How do you manage organizational knowledge to accomplish the collection and transfer and maintenance of accumulated employee knowledge, and identification and sharing of best practices?

The methodology used varies 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.

CATEGORY 5 — HUMAN RESOURCES

1. How do you and your managers/supervisors encourage and motivate employees (formally and/or informally) to develop and utilize their full potential?

Team managers regularly hold one-on-one sessions with line staff to encourage and motivate employees to excellence in all areas of their job function. 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.

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 professional ethical and "best practices" standards for line staff and middle managers.

2. 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?

Identification of training needs happens on both a bottom-up and top-down basis. In the former case, 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. Areas of particular concern for safety training are regularly raised by the Safety Committee which meets on a monthly basis. In the latter case, middle or senior management or the personnel department may 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 for training for the appropriate employees.

Detailed skills training is generally managed on a departmental basis. However, safety officers 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 standard training materials made available on the user's desktop and one-on-one training by help desk staff in response to 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 safety training staff. 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 handbook 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.

3. How does your employee performance management system, including feedback to and from employees, support high performance?

The Authority continues to try and improve the level of feedback to and from employees by modifying the standard EPMS form to a shorter and more relevant document that reflects more accurately the needs and concerns of employees and managers at the Authority. Though not yet complete at the end of FY 2005, the process has provided a great deal of excellent feedback on from employees on their motivations and appropriate incentives for improving performance in all functional areas. As part of this process senior management has rewritten from scratch the often outdated job descriptions for most employees, particularly those at the line and middle management level.

4. What formal and/or informal assessment methods and measures do you use to determine employee well being, satisfaction, and motivation?

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. In addition, employee suggestion boxes allow anonymous suggestions for improvement and/or comments on various aspects of life at Patriots Point. Finally, 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 critical to employees at Patriots Point.

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

The Authority has full-time safety staff dedicated solely 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. They also provide 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.

6. What activities are employees involved with that make a positive contribution to the community?

Many employees are extremely active on an individual basis in local churches, school groups, reenactment organizations and other community-based activities. On a corporate basis, the Authority formally supports employee donations to the United Way through payroll deductions and informational programs in the workplace. Traditionally, the Authority and many of its staff also support organized fund-raising efforts for the Juvenile Diabetes Foundation as well as various military and disaster relief endeavors.

CATEGORY 6 — PROCESS MANAGEMENT

1. What are your key processes that produce, create or add value for your customers and your organization, and how do they contribute to success?

Key process categories include development, administration, education, visitor relations, maintenance, exhibits, information technology, communications and museum collections. In some cases, these categories align with a single functional department, but often the design and implementation of such processes will involve personnel from more than one department, either as members of standing committees or ad hoc committees created for a specific project and dissolving when that project is complete. In the latter case, the task of monitoring the metrics for the process thus created will be delegated to one or more members of senior management and a specified middle manager. For example, maintenance of a new exhibit aboard the museum ships might be delegated to the Director of Operations and the Tour Route Maintenance Manager.

2. How do you incorporate organizational knowledge, new technology, changing customer and mission-related requirements, cost controls, and other efficiency and effectiveness factors 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. Changes in information systems or other technology that are required are assessed and incorporated at that time.

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 parameters 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 on a monthly basis. 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. 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), maintenance 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.

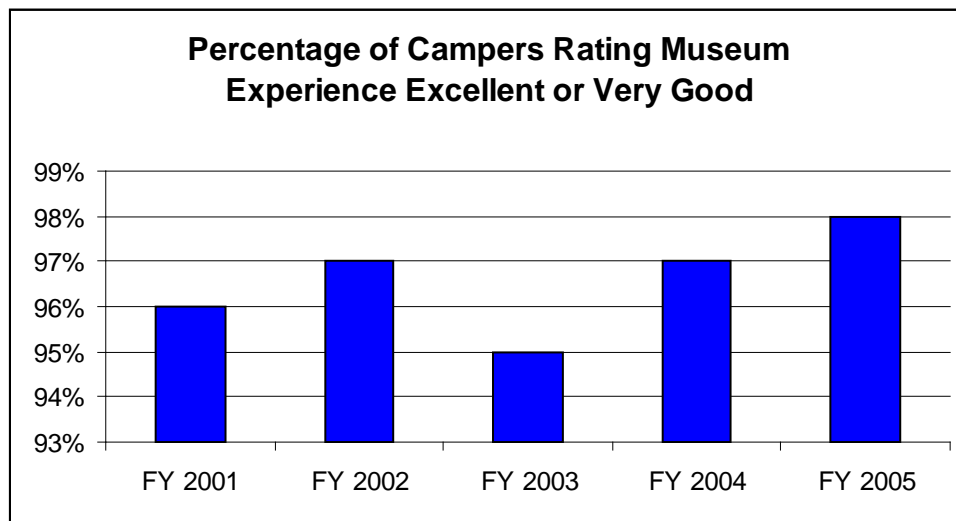
5. How do you manage and support your key supplier/contractor/partner interactions and processes to improve performance?

Generally speaking, management and support for key supplier/contractor/partner interactions are primarily allocated to the same departments responsible for other key support processes and are handled in a similar manner. Thanks to the large-scale outsourcing operations in support of the painting of the island and the repair of the flight deck of USS YORKTOWN, during FY 2005 the Director of Operations and his staff spent a considerably larger proportion of their time on this aspect of process management, with one or more middle managers from Operations specifically assigned as liaison to a specific aspect of the outsourced operations, providing oversight, assistance in research and information flow and problem resolution as required.

CATEGORY 7 — RESULTS

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

Over the past few years Patriots Point has been experimenting with various new survey models to allow better measurement of the satisfaction levels of casual visitors to the Patriots Point Naval & Maritime Museum as well as those participating in lease functions and non-camping educational programs at Patriots Point. While general responses have been positive, the surveying methodology has not been consistent enough nor the sample base large enough to present graphically. On the other hand, the surveys used to test satisfaction with the youth camping program have been fairly consistent for more than half 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 percentage points over the past five years.

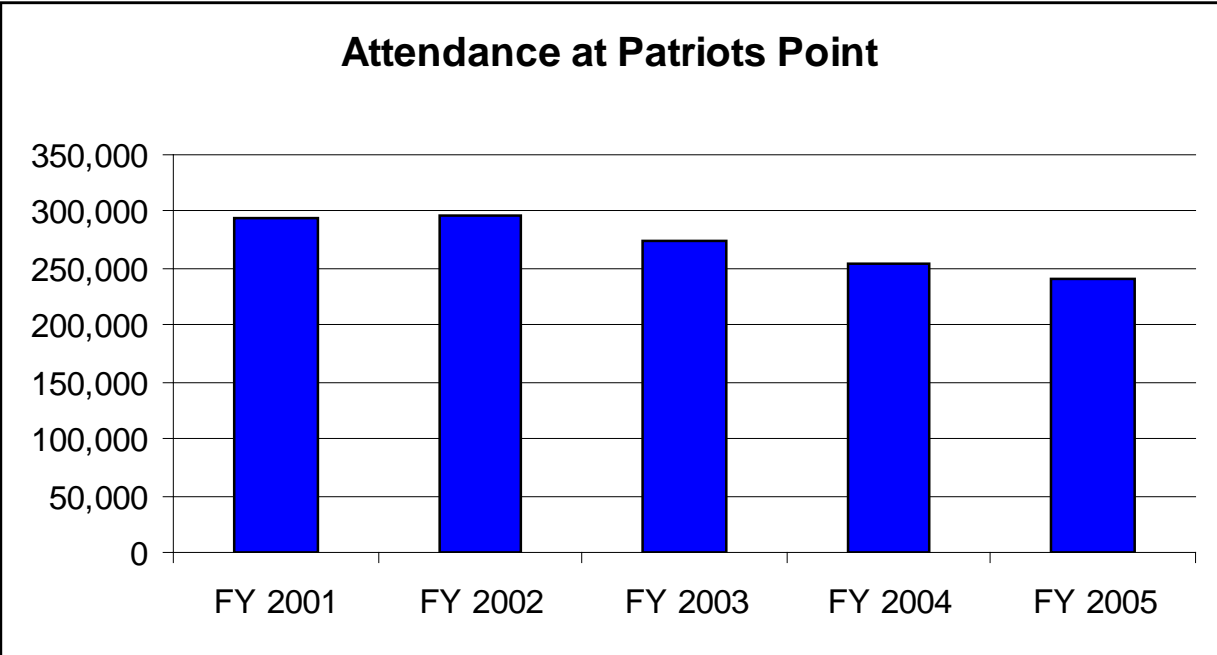


7.1.1

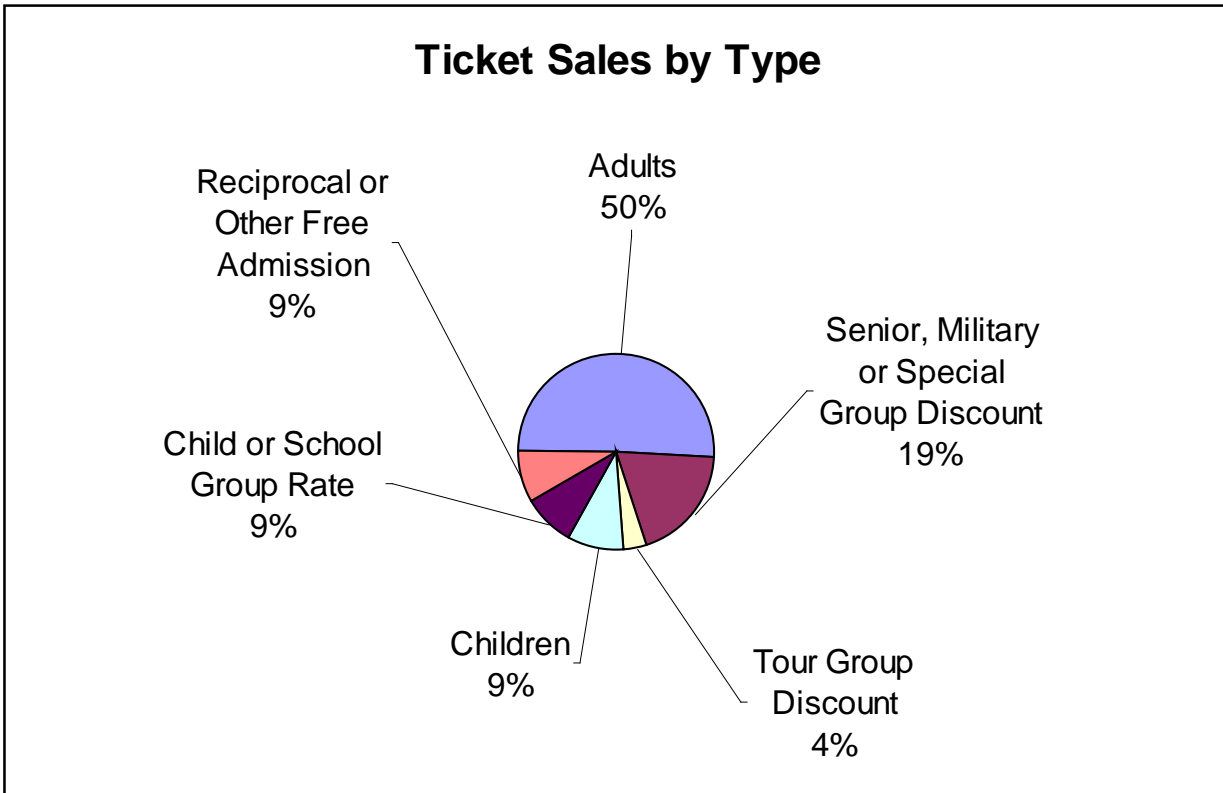
Senior management has traditionally considered attendance levels an important measure of customer satisfaction, but the external circumstances over the past three years (see below) have made this a less reliable tool.

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

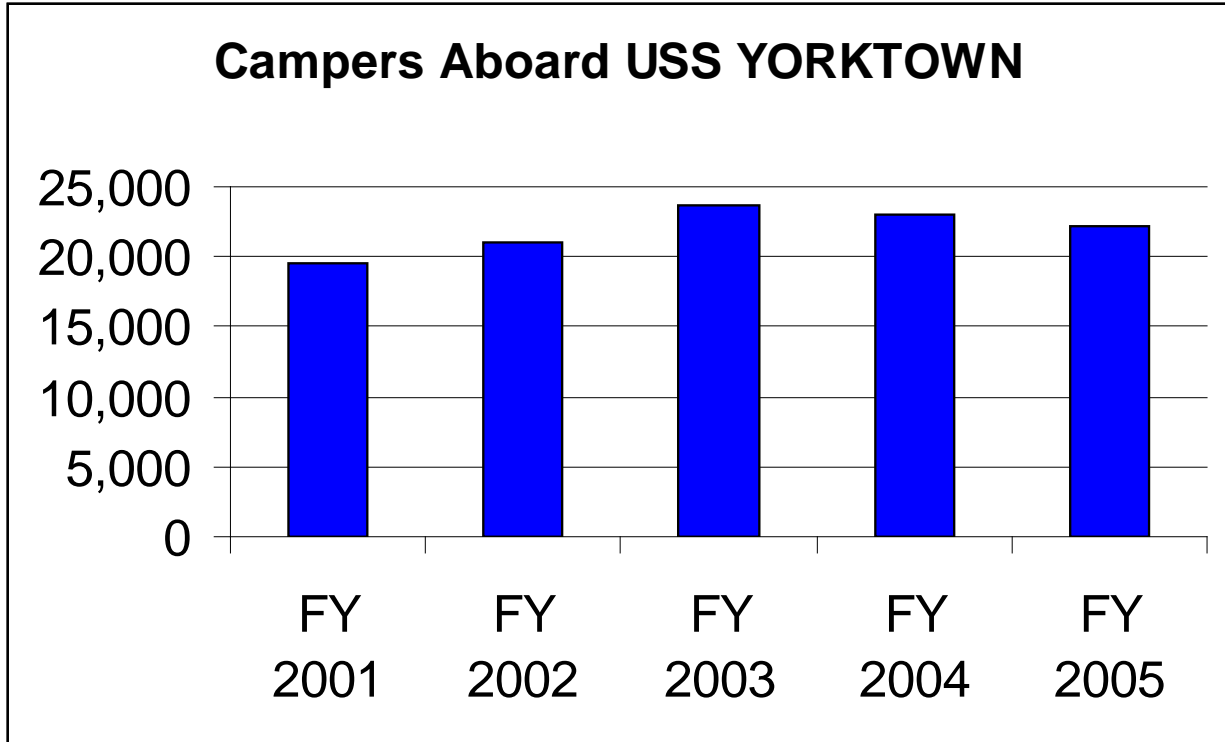
Traditionally, the most important metrics for judging effectiveness in mission fulfillment have been linked to attendance at the various museum programs, including general attendance, camping attendance and participation in non-camping educational activities. It should be noted that during FY 2005 both general attendance and camping attendance were negatively affected during the first half of the fiscal year by the extremely active hurricane season which not only required closure of the museum for several days but also caused many visitors to avoid the Charleston area while the museum was open but under threat. Compounding this problem, rising fuel prices in the latter months of FY 2005 stilled a rebounding attendance.



7.2.1

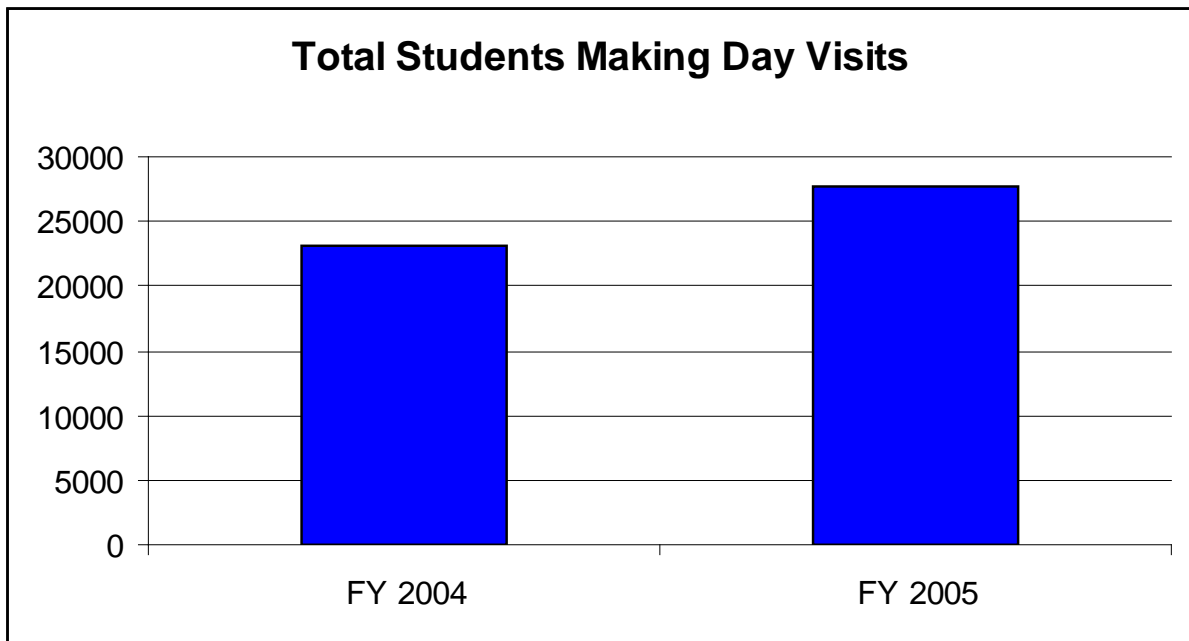


7.2.2



7.2.3

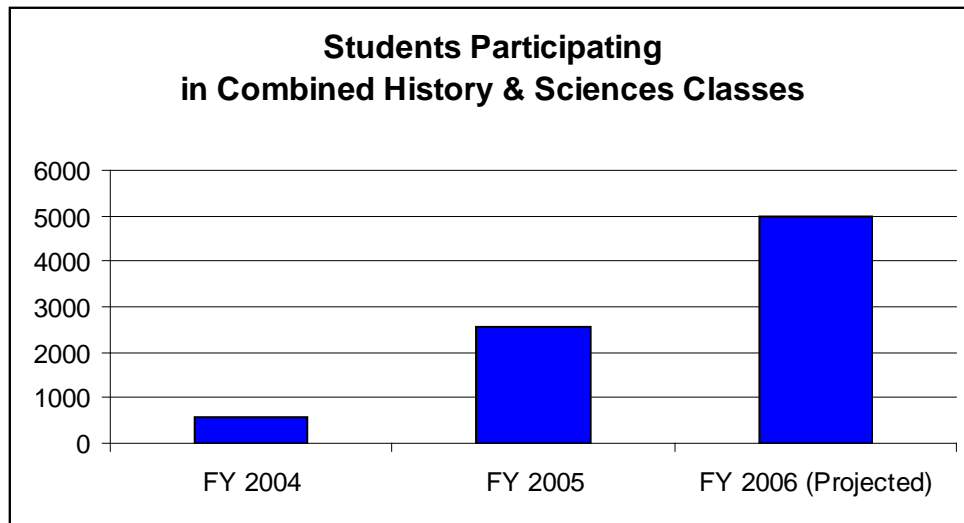
A radical reorganization of the Education program to place overnight camping, group tours, volunteer outreach and docent programs and co-operative educational classes under a single umbrella facilitated ambitious goals for increasing the number and quality of educational programs at Patriots Point.



7.2.4

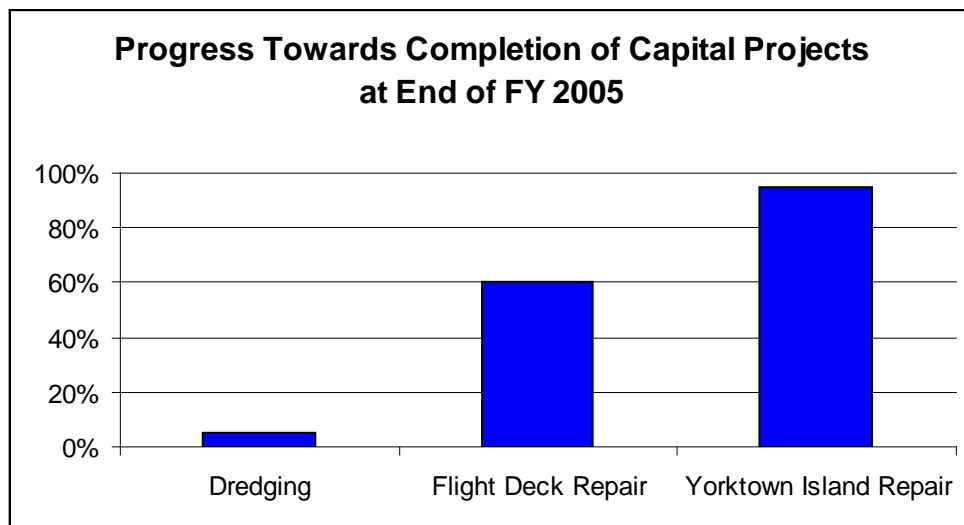
A particular goal for FY 2005 was to increase by at least 50% participation in existing history and science programs developed in co-operation with Charleston Explorers to meet the new demands of PACT testing and standards-based education.

Patriots Point developed a science and history program tightly bound to the Charleston County School District's fifth-grade curriculum during FY 2005. Starting in FY 2006, every fifth-grade student in Charleston County will have the opportunity to visit Patriots Point to experience hands-on history and marine science in the context of Charleston's unique coastal ecology.



7.2.5

Various methods are used to measure progress towards mission goals relating to the preservation of the museum ships and the property at Patriots Point, but most of these tend towards the "alarm light" or narrative mode. However, with major projects, particularly those planned for completion over several years, such as the flight deck repairs, measuring percentage of completion at specified break points has proved very useful.



7.2.6

During FY 2005 Patriots Point partnered with the Department of Economics and Finance and the Department of Hospitality and Tourism at the College of Charleston to develop metrics to measure the economic impact of Patriots Point upon both the Charleston area and the State of South Carolina as a whole. Since fostering tourism and economic development was a major component of the legislatively mandated mission of the Patriots Point Development Authority, such metrics seemed long overdue. While long-term results are still pending, tentative figures for the Charleston area during FY 2005 indicate that a significant positive economic impact for the immediate Charleston area at least:

**ECONOMIC IMPACT OF PATRIOTS POINT AREA
ON CHARLESTON COUNTY**

Category	Total Visitors	Direct Impact	Total Impact	Personal Income Impact	Total Jobs
Maritime Museum (casual admissions, gift shop)	174, 976	\$4,369,0 00	\$6,422,0 00	\$2,700,0 00	1 30
Military Reunion Groups (includes area spending)	45,8 35	\$21,776, 000	\$32,000, 000	\$13,500, 000	4 02
Sports Tourists (includes area spending)	9,68 0	\$2,300,0 00	\$3,380,0 00	\$1,400,0 00	4 1
Athletes/Teams	10,3 20	\$3,680,0 00	\$5,411,0 0	\$2,281,0 00	6 7
Other Earned Income	n/a	\$1,170,0 00	\$1,719,0 00	\$725,00 0	3 4
Total	240, 811	\$33,295, 000	\$48,932, 000	\$20,606, 000	6 74

Total Impact represents the direct spending times the multiplier for Charleston County.

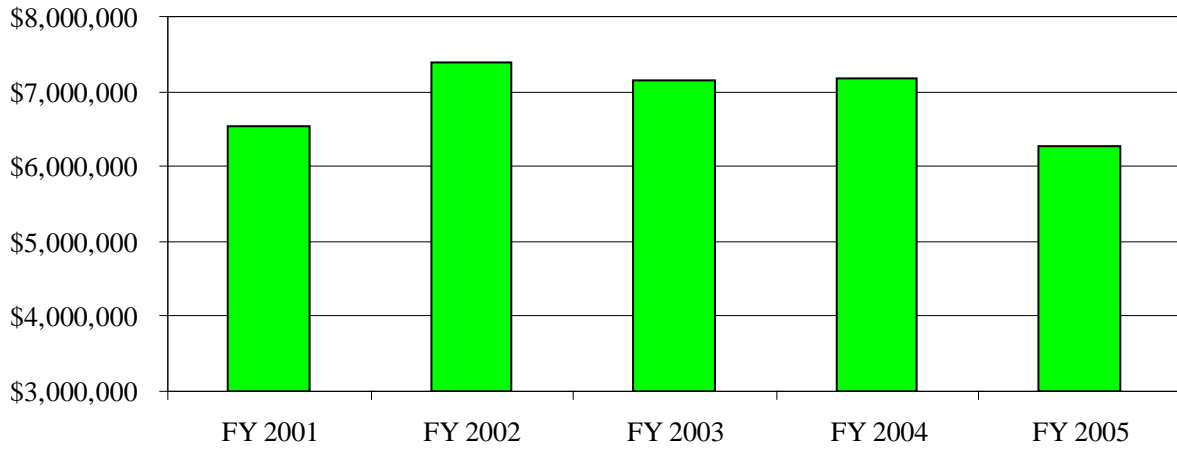
Personal Income Impact is the total multiplier effect on personal income for the County.

Jobs are measured as full time equivalents (FTE) and include both direct and multiplier effects.

7.3 What are your performance levels for the key measures of financial performance?

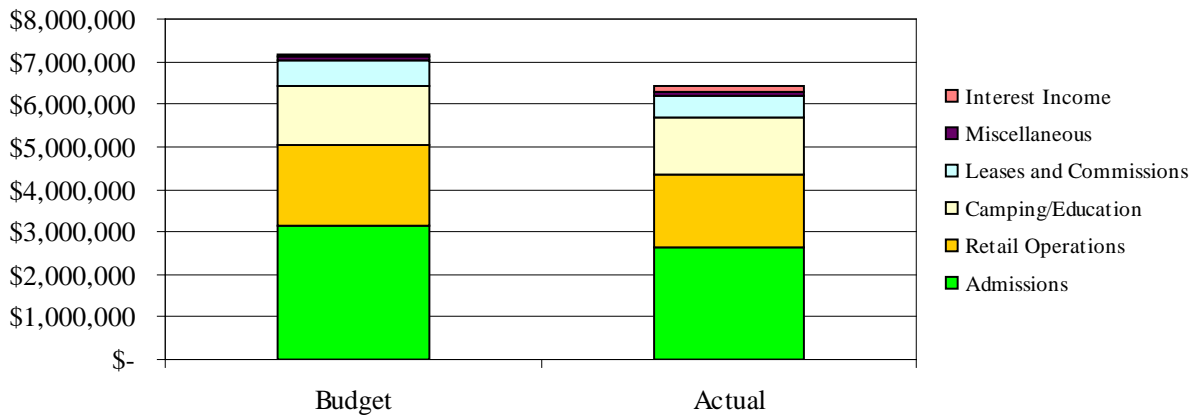
Key financial metrics measure income from various revenue streams, track operating and capital expenditures and compare budget versus actual figures for both income and expenses. It should be noted that the drop in income is directly attributable to the reduced attendance in all categories due to the weather and fuel cost challenges noted above.

Revenue for Operating Fund



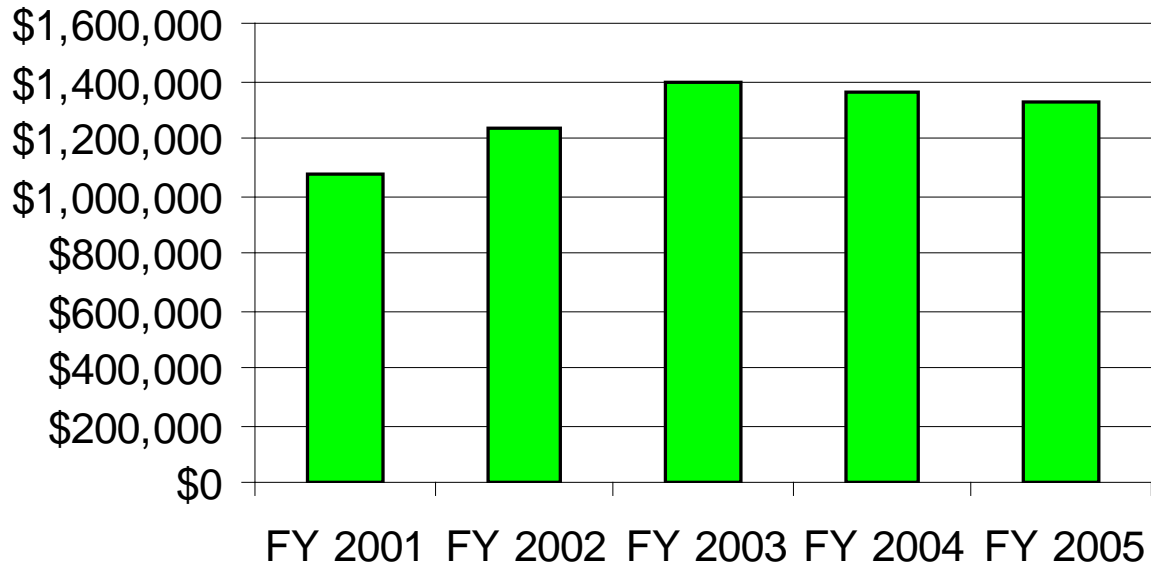
7.3.1

Budget vs. Actual Revenues for Operating Fund



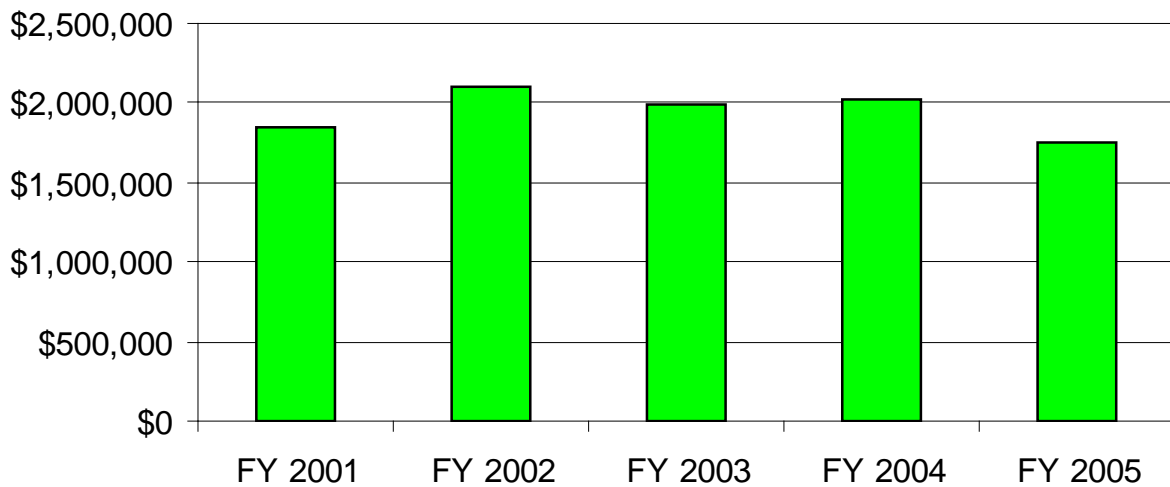
7.3.2

Yorktown Camping Revenues

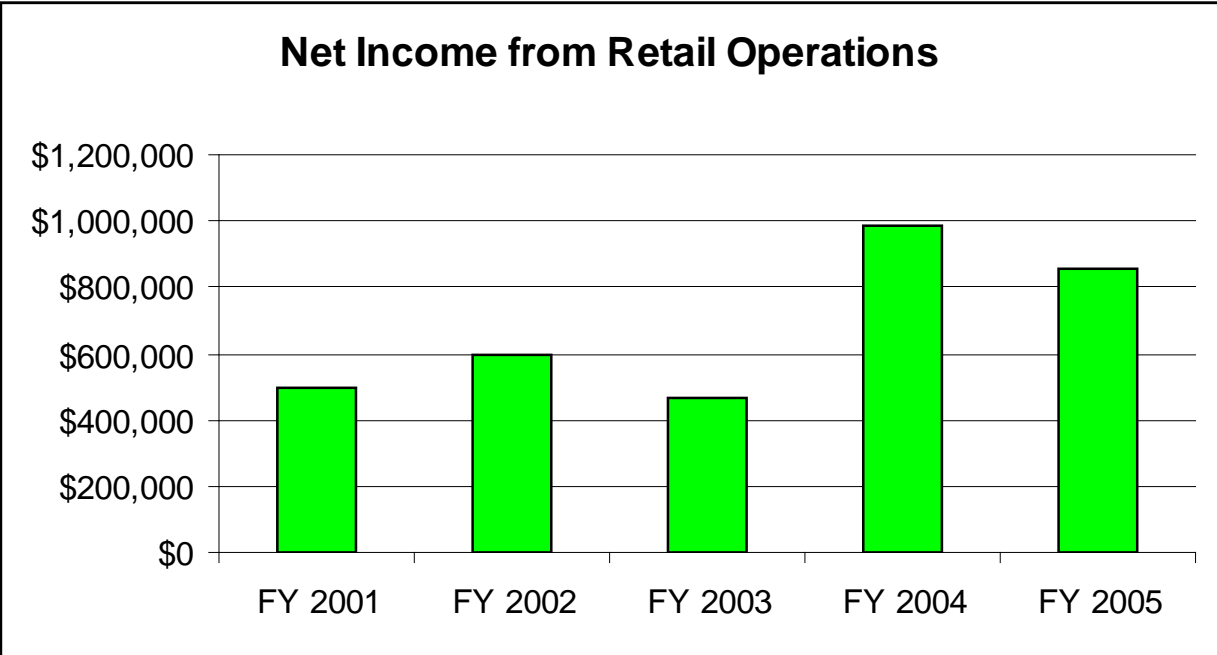


7.3.3

Gross Revenues from Retail Operations

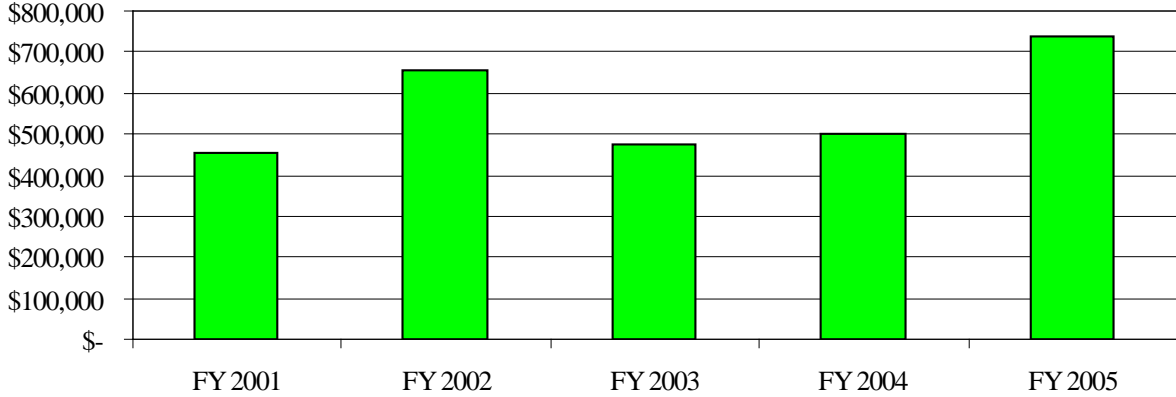


7.3.4



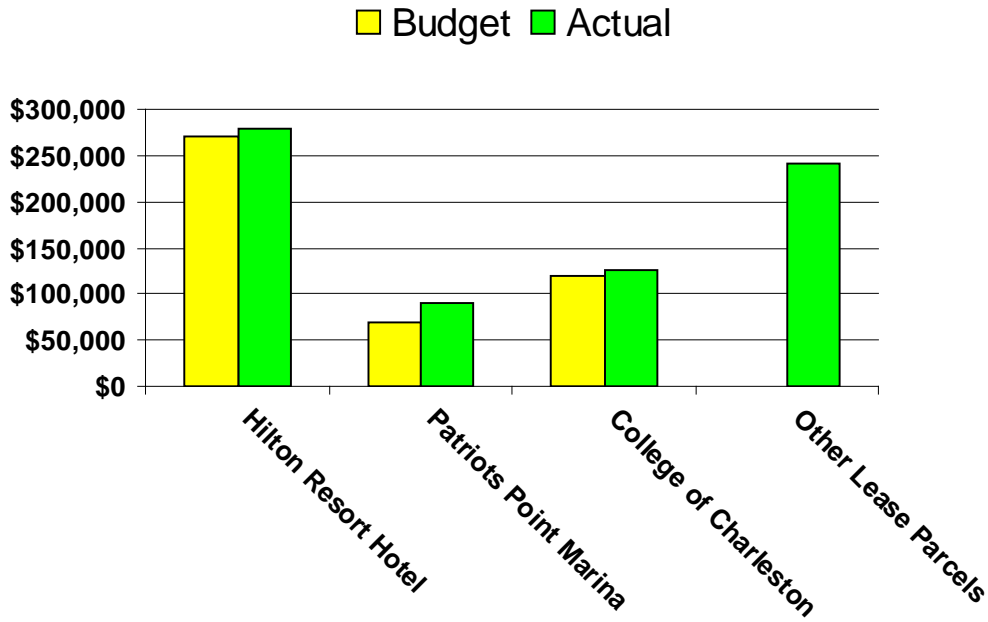
7.3.5

Capital Fund Revenue from Development



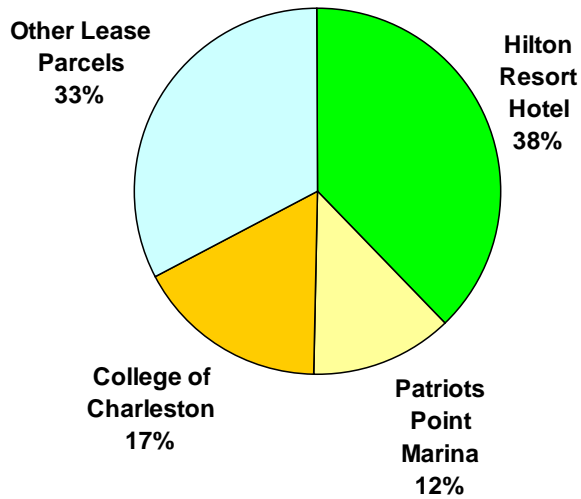
7.3.6

Budget vs. Actual Revenues for Capital Fund



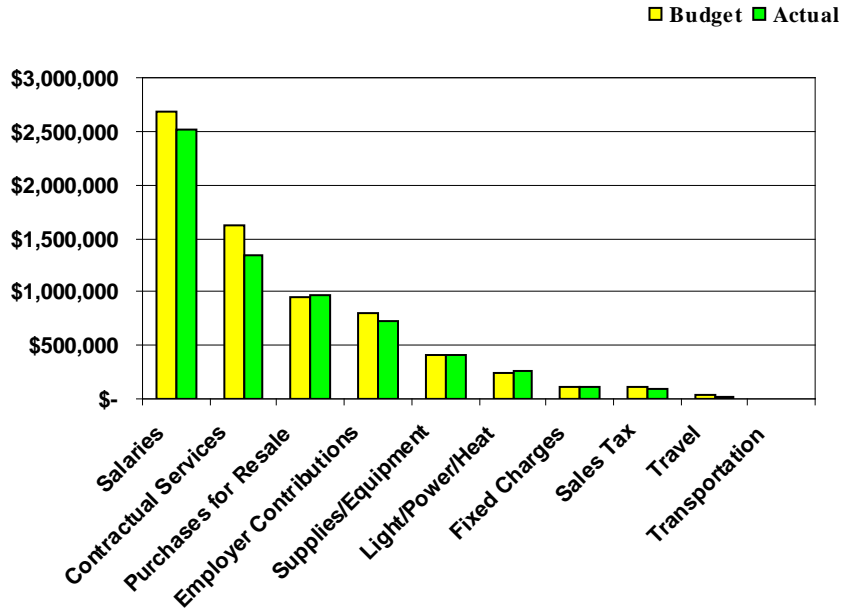
7.3.7

Sources of Capital Fund Revenue

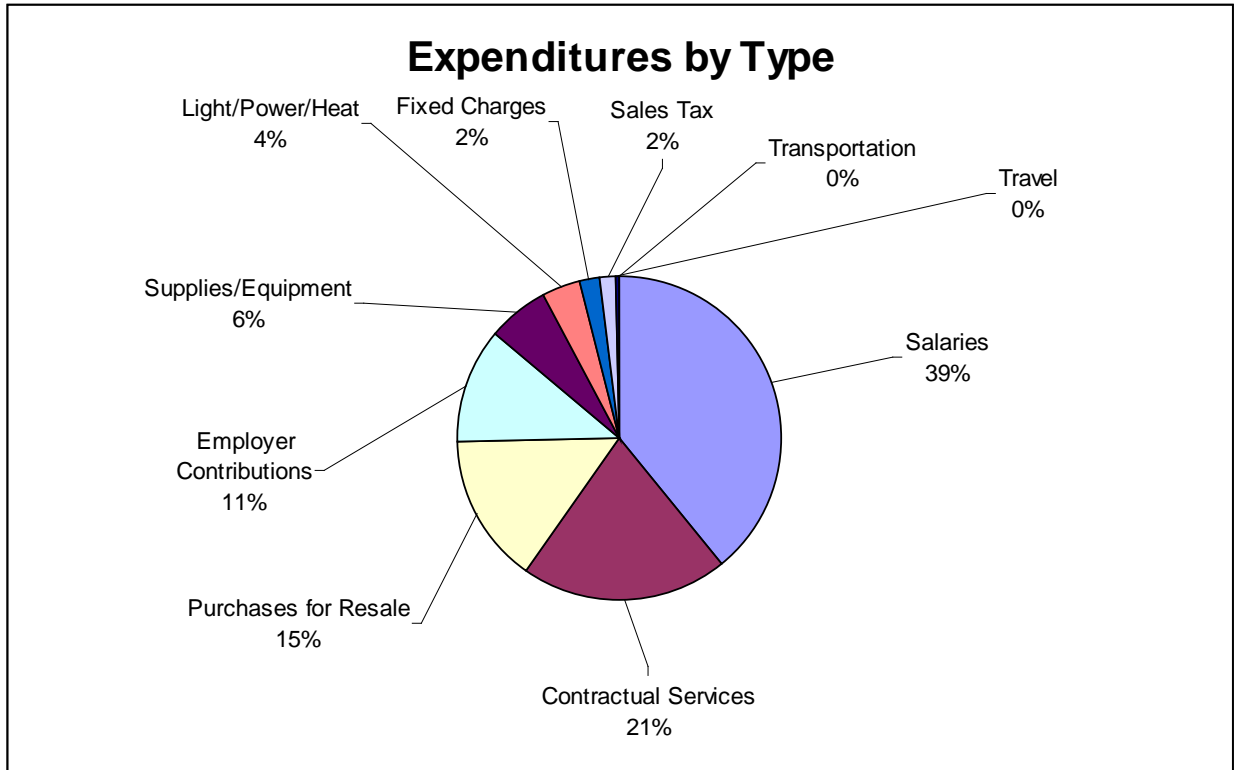


7.3.8

Budget vs. Actual Operating Expenditures

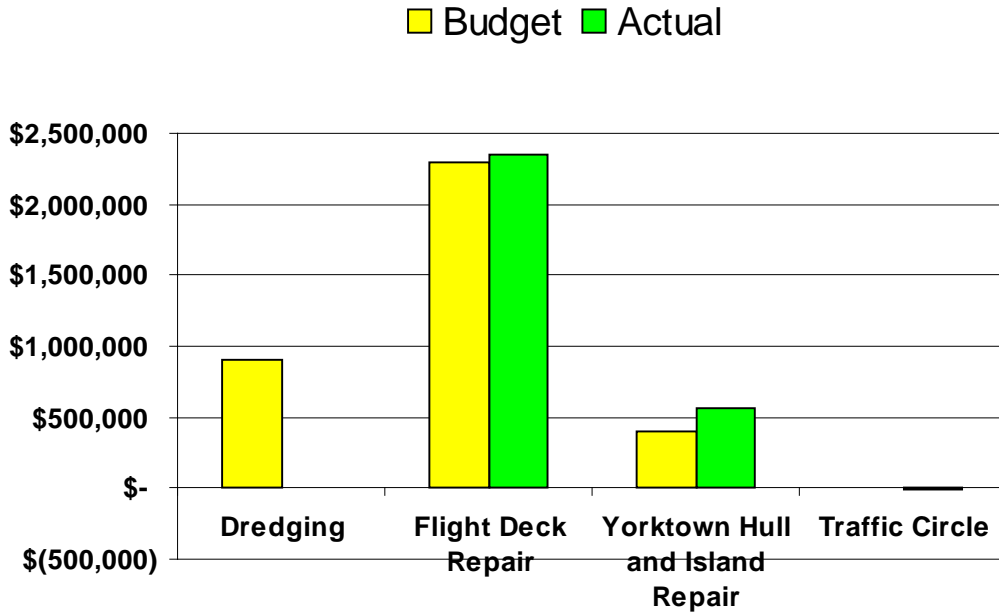


7.3.9

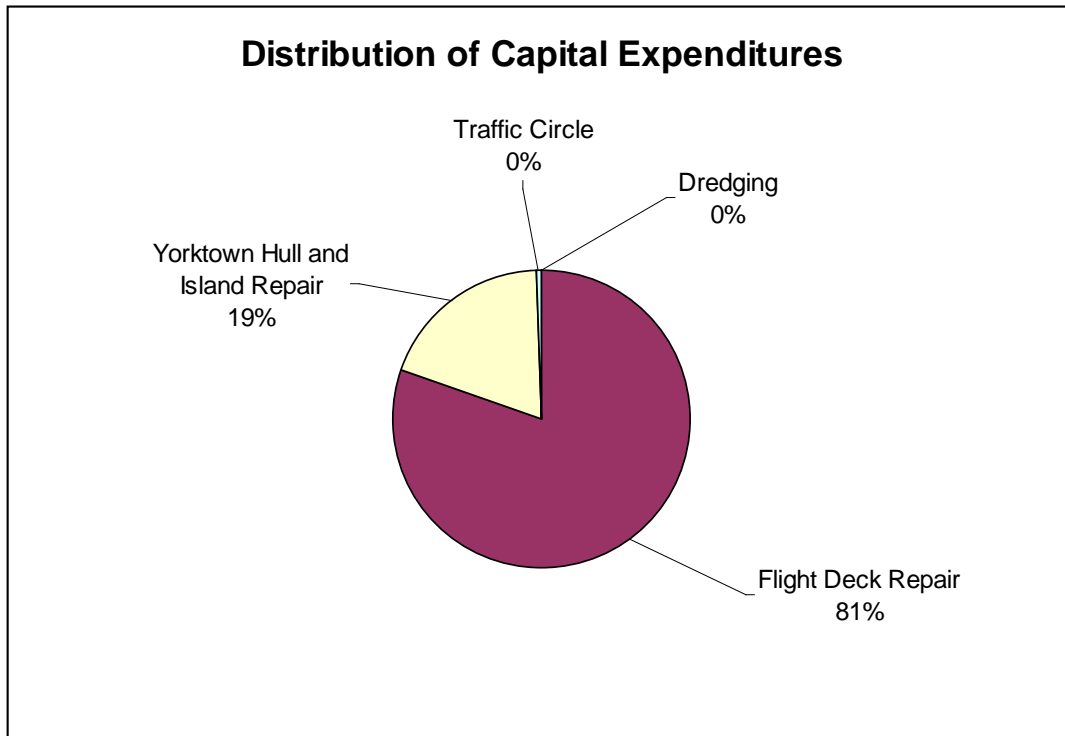


7.3.10

Budget vs. Actual Expenditures from Capital Fund



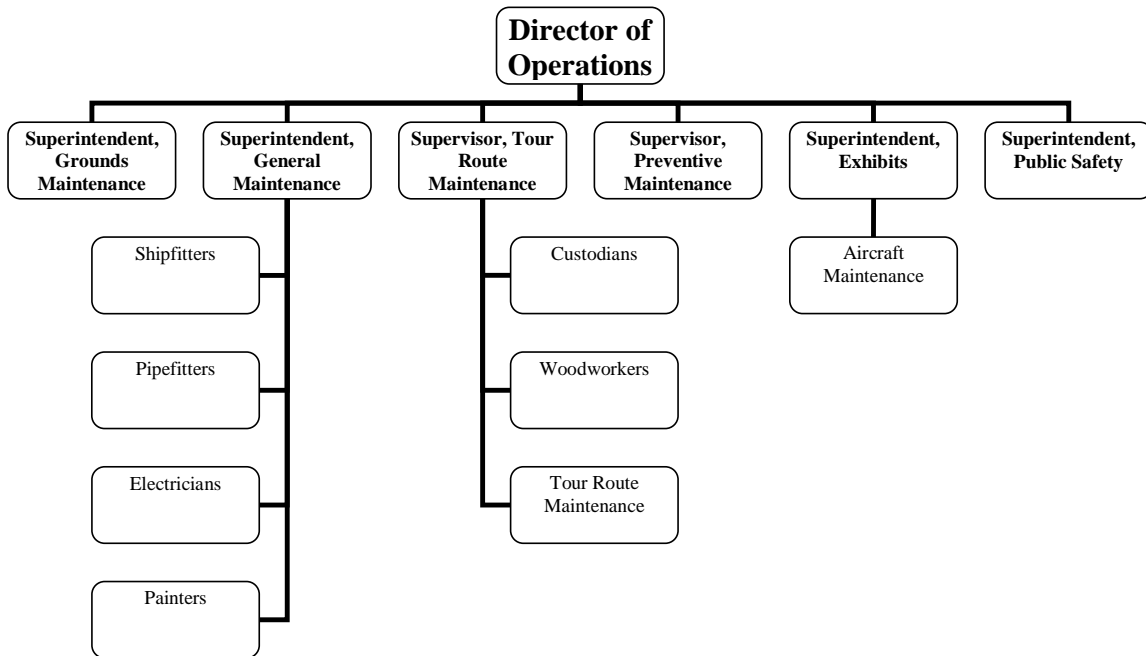
7.3.11



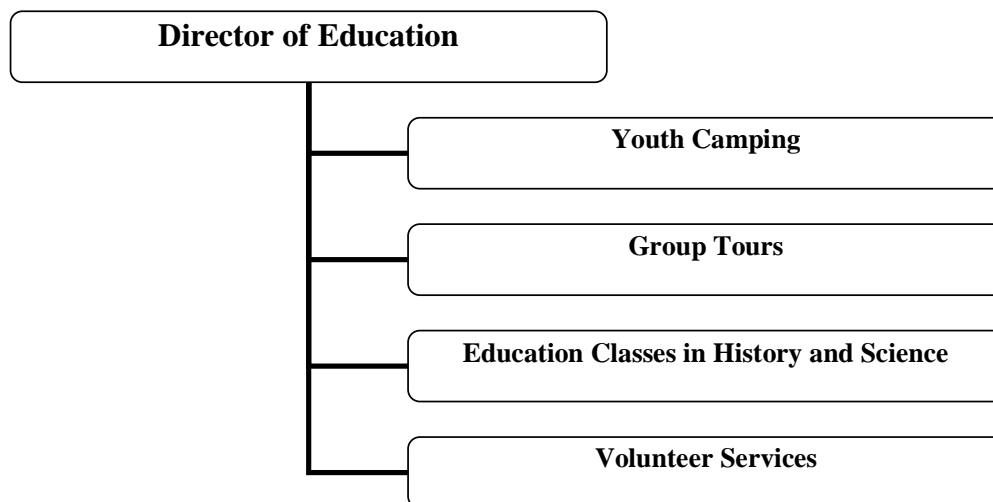
7.3.12

7.4 What are your performance levels and trends for the key measures of Human Resource Results (Includes: performance measurement, employee satisfaction, well-being learning and development, employee diversity and retention)?

As noted above, since Patriots Point is such a small agency with a strong tradition of one-on-one interaction for evaluating performance, satisfaction, training needs, etc., it is difficult to use mathematically based metrics to express results in the Human Resource sphere. However, Patriots Point has found the use of visual charting of organization to be an excellent method for expressing and focusing changes in organization to meet evolving needs and changes in resources. The charts below provide a visual context for the major reorganization of the Operations and Education divisions to provide a more coherent and more efficient organization.



7.4.1



7.4.2

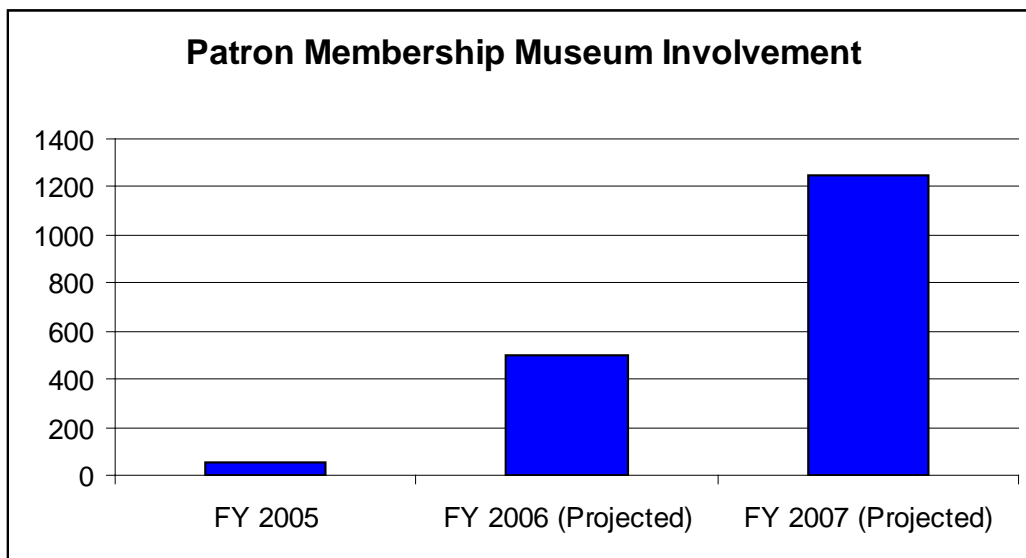
7.5 What are your performance levels and trends for the key measures of regulatory/legal compliance and community support?

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.

While the end result will undoubtedly have significant financial implications and in the long run may be more appropriately considered in the context of more traditional financial metrics, fund-raising and membership at this point are best treated as a monitor for community support of the Patriots Point Naval & Maritime Museum and other activities at Patriots Point.

During FY 2005 the Patriots Point Development Authority took major steps to revive the long-dormant Patriots Point Foundation, seeking new commitments from existing supporters and beginning the search for new Foundation directors who would take a more pro-active role in fund-raising to provide an endowment for the museum’s future preservation needs as well as support for the new educational classes and exhibits now in the planning stages at the museum.

At the same time the long-discussed museum membership program was finally launched which will not only provide ongoing support and draw members of the community into involvement with the museum but also provide a long-term metric for the community’s support of Patriots Point.



7.5.1