

D17B0151
Historic St. Mary's City Commission

Executive Summary

The mission of the Historic St. Mary's City Commission (HSMCC) is to preserve and protect the archaeological and historical record of Historic St. Mary's City and to develop the site for the education, enjoyment, and benefit of the public.

Operating Budget Data

(\$ in Thousands)

	<u>FY 18</u> <u>Actual</u>	<u>FY 19</u> <u>Working</u>	<u>FY 20</u> <u>Allowance</u>	<u>FY 19-20</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$2,684	\$2,927	\$2,929	\$2	0.1%
Adjustments	0	17	64	47	
Adjusted General Fund	\$2,684	\$2,944	\$2,993	\$49	1.7%
Special Fund	500	820	871	51	6.2%
Adjustments	0	2	3	1	
Adjusted Special Fund	\$500	\$822	\$874	\$52	6.3%
Federal Fund	0	0	118	118	
Adjustments	0	0	0	0	
Adjusted Federal Fund	\$0	\$0	\$118	\$118	
Adjusted Grand Total	\$3,184	\$3,767	\$3,986	\$219	5.8%

Note: The fiscal 2019 appropriation includes deficiencies, a one-time \$500 bonus, and general salary increases. The fiscal 2020 allowance includes general salary increases.

- The fiscal 2020 allowance for HSMCC increases by \$219,346, or 5.8%, over the fiscal 2019 working appropriation. However, the allowance includes \$118,326 for a federal grant that the commission did not submit. Excluding those funds, the allowance increases by \$101,020, or 2.7%.

Note: Numbers may not sum to total due to rounding.

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Personnel Data

	<u>FY 18</u> <u>Actual</u>	<u>FY 19</u> <u>Working</u>	<u>FY 20</u> <u>Allowance</u>	<u>FY 19-20</u> <u>Change</u>
Regular Positions	29.00	31.00	31.00	0.00
Contractual FTEs	<u>12.15</u>	<u>14.83</u>	<u>20.08</u>	<u>5.25</u>
Total Personnel	41.15	45.83	51.08	5.25

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	0.00	0.01%
Positions and Percentage Vacant as of 12/31/18	0.00	0.00%

- While HSMCC has added 2 regular positions, a Department of Legislative Services analysis identified a need for 2 additional positions: a groundskeeper and a gifts and grants officer.
- The fiscal 2020 allowance includes an increase of 5.25 contractual positions, a portion that will be funded by a grant from St. Mary’s County. However, federal funds intended to fund 2 of the positions will not be granted to the commission.

Key Observations

- Four straight years of declining attendance at Historic St. Mary’s City have led to a reduction in earned revenue which, in turn, requires greater general fund support.

Operating Budget Recommended Actions

	<u>Funds</u>
1. Delete federal funds due to the Historic St. Mary’s City Commission not receiving a federal grant.	\$ 118,326
Total Reductions	\$ 118,326

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Historic St. Mary's City Commission

Operating Budget Analysis

Program Description

Historic St. Mary's City is an outdoor history and archaeology museum that preserves, researches, and interprets the site of Maryland's first capital. In 1997, the Historic St. Mary's City Commission (HSMCC) became an independent unit of State government, removing it from the Department of Housing and Community Development. HSMCC is also part of the multi-year capital improvement project with St. Mary's College of Maryland, known as the Maryland Heritage Project.

The mission of HSMCC is to preserve and protect the archaeological and historical record of Maryland's first capital and to appropriately develop the historic and scenic site for the education, enjoyment, and general benefit of the public. The goal of the commission is that the archaeological sites and collections, scenic views, and rural character of the historic city be safeguarded by preservation and research practices consistent with its status as a National Historic Landmark District.

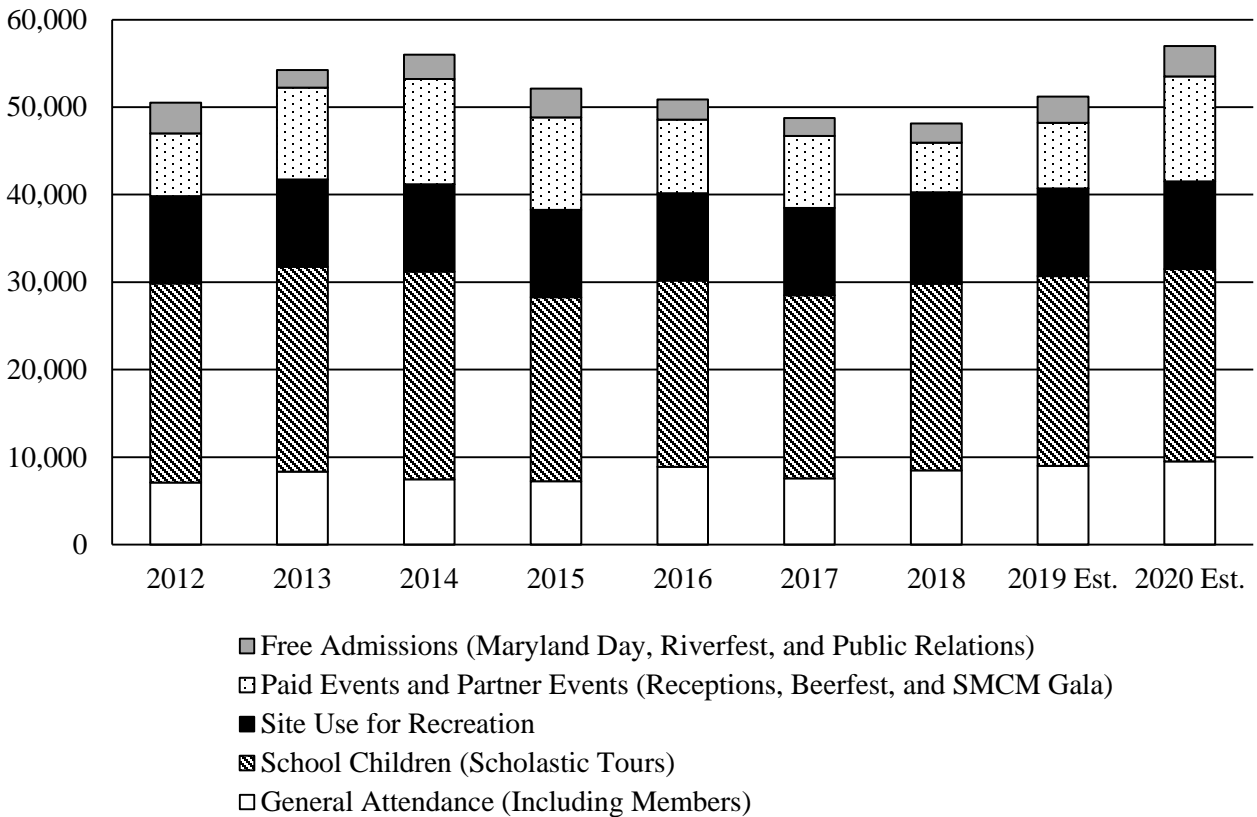
Performance Analysis: Managing for Results

1. Attendance Levels Declining

HSMCC aims to educate the public by increasing the number of visitors to its site. **Exhibit 1** shows attendance levels from paid general attendance, paid member attendance, scholastic tours, paid events, and free admission days. Total attendance declined by 1.3% in fiscal 2018, the fourth straight year of declining attendance at Historic St. Mary's City. The attendance decline at Historic St. Mary's City is in contrast to tourism growth in the county as a whole since 2014 in both the number of visitors and spending.

The commission attributes most of the decline in Historic St. Mary's City attendance to a reduction in facility rentals which, in turn, were caused by construction of Anne Arundel Hall, competition from other area venues, and the resignation of the events manager. Since the hiring of a new events manager, bookings for fiscal 2019 and 2020 have increased. The facility had its largest bridal show ever in fiscal 2018 and anticipates a larger show in fiscal 2019 and has seen an increase in deposits on future events, leading the facility to anticipate a turnaround in attendance.

Exhibit 1
Historic St. Mary’s City Visitors
Fiscal 2012-2020 Est.



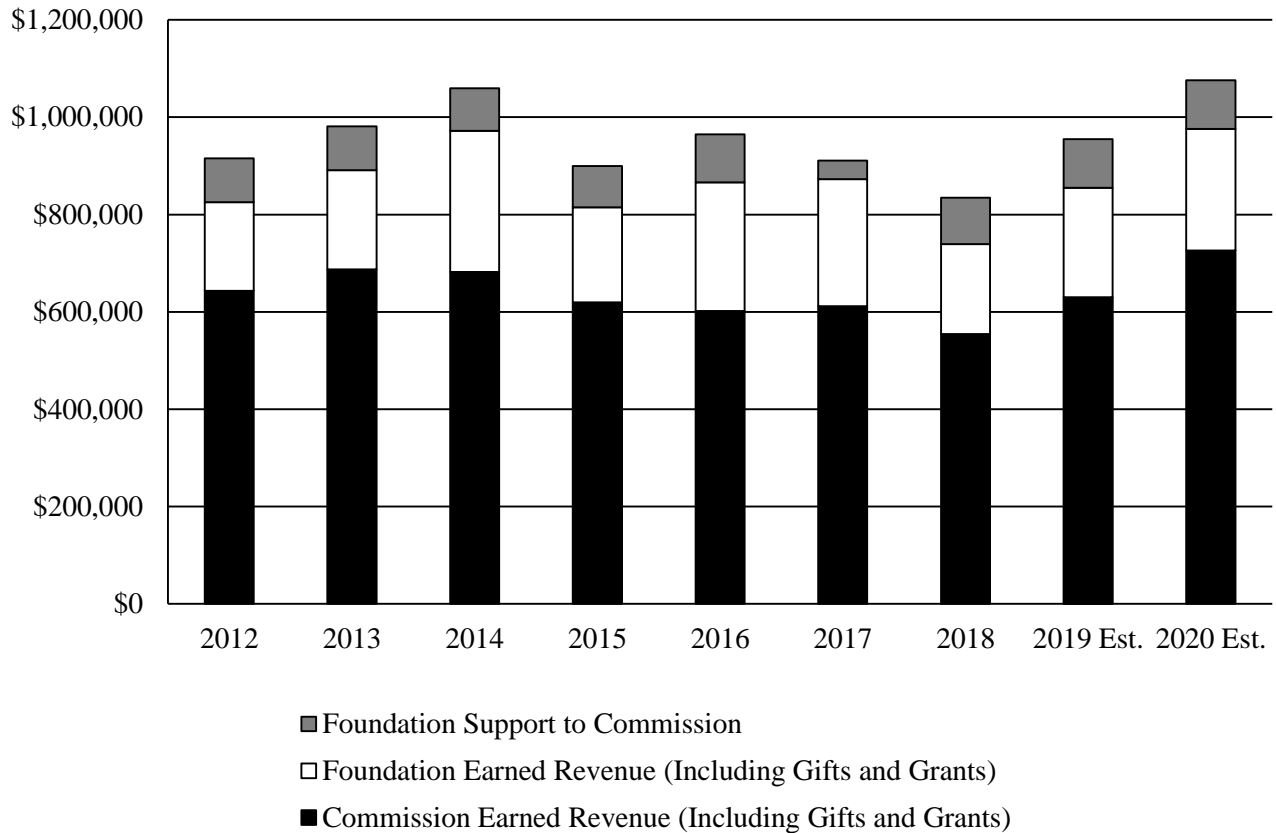
SMCM: St. Mary’s College of Maryland

Source: Historic St. Mary’s City Commission

2. Earned Special Funds

The decline in attendance has a negative impact on the commission’s earned special fund revenue which, in turn, increases HSMCC’s need for general fund support. **Exhibit 2** shows commission-earned special funds, including foundation support, from fiscal 2012 through 2020. Consistent with the decline in attendance, revenues also declined in fiscal 2018 to \$834,889, down from a peak of just over \$1 million in fiscal 2014. Despite the attendance and revenue declines since fiscal 2014, the commission’s special fund fiscal 2019 working appropriation and fiscal 2020 allowance are increasing. **The commission should comment on its revenue estimates and its contingencies if revenues do not meet estimates.**

Exhibit 2
Earned Special Funds
Fiscal 2012-2020 Est.



Source: Governor’s Fiscal 2020 Budget Books

Fiscal 2019 Actions

Proposed Deficiency

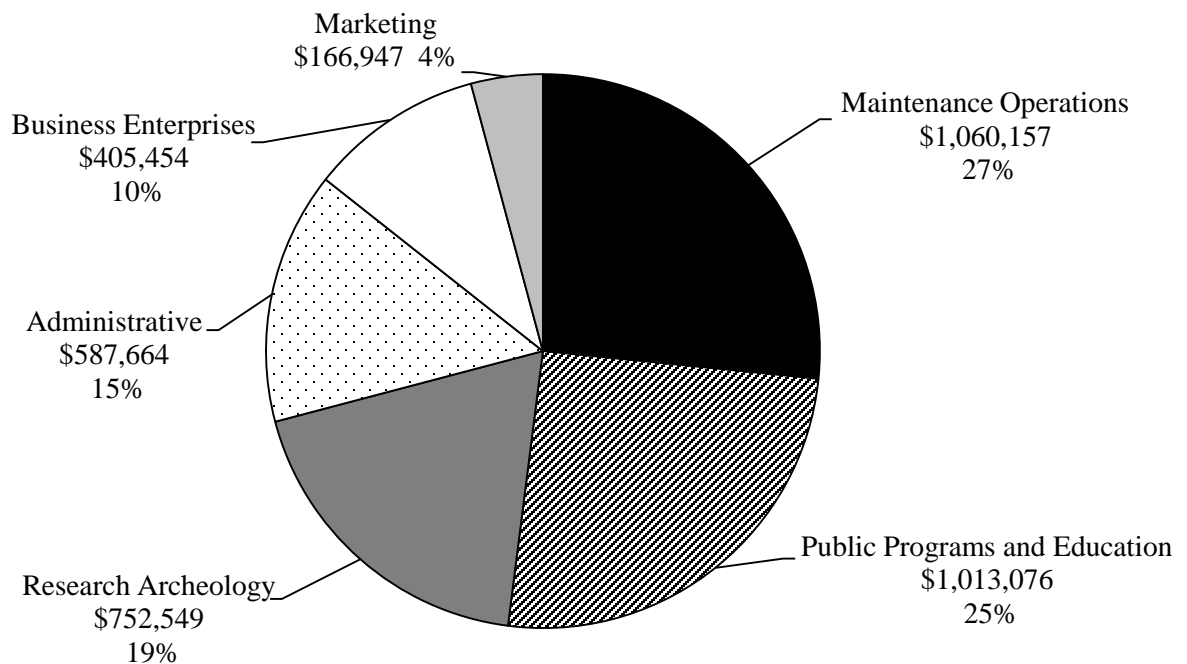
The fiscal 2020 budget includes fiscal 2019 deficiency appropriations for the 0.5% general salary increase and one-time \$500 bonus. The HSMCC share of these amounts is \$16,648 for the bonus and \$2,473 for the salary increase.

Fiscal 2020 Allowance

Overview of Agency Spending

HSMCC is organized into six primary functions. As shown in **Exhibit 3**, the majority of the fiscal 2020 allowance is for maintenance of the facility and public outreach, which each receive slightly more than \$1 million in the allowance.

Exhibit 3
Programmed Expenditures by Purpose
Fiscal 2020



Source: Governor’s Fiscal 2020 Budget Books

Proposed Budget Change

The fiscal 2020 allowance increases by \$219,346 compared to the working appropriation, as shown in **Exhibit 4**, a 5.8% increase.

Exhibit 4
Proposed Budget
Historic St. Mary’s City Commission
(\$ in Thousands)

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Total</u>
Fiscal 2018 Actual	\$2,684	\$500	\$0	\$3,184
Fiscal 2019 Working Appropriation	2,944	822	0	3,767
Fiscal 2020 Allowance	<u>2,993</u>	<u>874</u>	<u>118</u>	<u>3,986</u>
Fiscal 2019-2020 Amount Change	\$49	\$52	\$118	\$219
Fiscal 2019-2020 Percent Change	1.7%	6.3%		5.8%

Where It Goes:

Personnel Expenses

Fiscal 2020 general salary increase plus annualization of fiscal 2019 0.5% general salary increase.....	\$65
Employee and retiree health insurance	49
Employee retirement contributions.....	25
Regular earnings including the annualization of the fiscal 2019 2% general salary increase	20
Turnover adjustments	9
Social Security contributions.....	1
Fiscal 2019 \$500 bonus	-17
Workers’ compensation premium assessment.....	-77

Other Changes

Contractual costs, including 5.25 additional contractual positions.....	187
Travel costs.....	18
Supplies	-21
Recreation and trail grant not awarded.....	-30
Other.....	-10

Total **\$219**

Note: Numbers may not sum to total due to rounding.

Personnel

Overall, personnel costs increase by \$74,828, driven by statewide salary increases in fiscal 2019 and 2020. Those increases are partially offset by a \$77,338 reduction in workers’ compensation premiums after the commission completed several large payouts for an injured worker.

A staffing study performed by the Department of Legislative Services identified the need for 4 new positions at HSMCC. While the commission did add a conservator and external relations manager in fiscal 2019, there is no groundskeeper or gifts and grants officer in the fiscal 2020 allowance. The commission is, however, adding 5.25 contractual full-time equivalent positions (a 35% increase) in fiscal 2020, driving an increase in contractual costs of \$251,665. A grant from St. Mary’s County to enhance the visitor experience will fund 1.6 positions, while other positions will perform site mitigation work to prepare for construction of the Maryland Heritage Interpretive Center. However, a federal grant intended to provide the funding for 2 of the contractual positions was not submitted. **HSMCC should comment on its unmet personnel needs and the decision to increase contractual staff by 35%.**

Operating Budget Recommended Actions

	<u>Amount Reduction</u>
1. Delete federal funds from a grant that the commission will not receive.	\$ 118,326 FF
Total Federal Fund Reductions	\$ 118,326

**Appendix 1
Current and Prior Year Budgets
Historic St. Mary’s City Commission
(\$ in Thousands)**

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2018					
Legislative Appropriation	\$2,660	\$836	\$0	\$0	\$3,497
Deficiency/Withdrawn Appropriation	24	-6	0	0	18
Cost Containment	0	0	0	0	0
Budget Amendments	0	0	0	0	0
Reversions and Cancellations	0	-331	0	0	-331
Actual Expenditures	\$2,684	\$500	\$0	\$0	\$3,184
Fiscal 2019					
Legislative Appropriation	\$2,909	\$818	\$0	\$0	\$3,728
Budget Amendments	18	2	0	0	20
Working Appropriation	\$2,927	\$820	\$0	\$0	\$3,747

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. Numbers may not sum to total due to rounding.

Fiscal 2018

In fiscal 2018, the Historic St. Mary’s City Commission closed out \$312,858 below its legislative appropriation. The commission canceled \$330,514 in special funds due to falling short of expected revenue, primarily from venue rental. Withdrawn appropriations in Section 19 of the fiscal 2019 Budget Bill due to a surplus in the health insurance account reduced the general fund legislative appropriation by \$32,416 and the special fund legislative appropriation by \$5,954. However, a deficiency appropriation in the fiscal 2019 Budget Bill increased the general fund appropriation by \$56,043 due to higher than anticipated health care costs for the commission.

Fiscal 2019

The fiscal 2019 legislative appropriation increased by \$17,637 in general funds and \$1,868 in special funds for the centrally budgeted general salary increase.

Appendix 2
Object/Fund Difference Report
Historic St. Mary's City Commission

<u>Object/Fund</u>	<u>FY 18</u> <u>Actual</u>	<u>FY 19</u> <u>Working</u> <u>Appropriation</u>	<u>FY 20</u> <u>Allowance</u>	<u>FY 19 - FY 20</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
Positions					
01 Regular	29.00	31.00	31.00	0.00	0%
02 Contractual	12.15	14.83	20.08	5.25	35.4%
Total Positions	41.15	45.83	51.08	5.25	11.5%
Objects					
01 Salaries and Wages	\$ 2,249,262	\$ 2,494,420	\$ 2,520,972	\$ 26,552	1.1%
02 Technical and Spec. Fees	320,301	444,454	696,119	251,665	56.6%
03 Communication	13,684	10,440	14,400	3,960	37.9%
04 Travel	20,314	17,500	35,600	18,100	103.4%
06 Fuel and Utilities	136,293	138,460	133,203	-5,257	-3.8%
07 Motor Vehicles	34,623	35,280	34,780	-500	-1.4%
08 Contractual Services	225,050	350,282	272,081	-78,201	-22.3%
09 Supplies and Materials	151,224	191,009	170,363	-20,646	-10.8%
10 Equipment – Replacement	5,986	3,000	8,397	5,397	179.9%
11 Equipment – Additional	546	37,000	7,000	-30,000	-81.1%
13 Fixed Charges	26,573	25,536	25,536	0	0%
Total Objects	\$ 3,183,856	\$ 3,747,381	\$ 3,918,451	\$ 171,070	4.6%
Funds					
01 General Fund	\$ 2,684,097	\$ 2,927,120	\$ 2,929,274	\$ 2,154	0.1%
03 Special Fund	499,759	820,261	870,851	50,590	6.2%
05 Federal Fund	0	0	118,326	118,326	N/A
Total Funds	\$ 3,183,856	\$ 3,747,381	\$ 3,918,451	\$ 171,070	4.6%

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. The fiscal 2020 allowance does not include general salary increases.

**Appendix 3
Fiscal Summary
Historic St. Mary's City Commission**

<u>Program/Unit</u>	<u>FY 18 Actual</u>	<u>FY 19 Wrk Approp</u>	<u>FY 20 Allowance</u>	<u>Change</u>	<u>FY 19 - FY 20 % Change</u>
51 Administration	\$ 3,183,856	\$ 3,747,381	\$ 3,918,451	\$ 171,070	4.6%
Total Expenditures	\$ 3,183,856	\$ 3,747,381	\$ 3,918,451	\$ 171,070	4.6%
General Fund	\$ 2,684,097	\$ 2,927,120	\$ 2,929,274	\$ 2,154	0.1%
Special Fund	499,759	820,261	870,851	50,590	6.2%
Federal Fund	0	0	118,326	118,326	N/A
Total Appropriations	\$ 3,183,856	\$ 3,747,381	\$ 3,918,451	\$ 171,070	4.6%

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. The fiscal 2020 allowance does not include general salary increases.