

D17B0151
Historic St. Mary's City Commission

Operating Budget Data

(\$ in Thousands)

	<u>FY 11</u> <u>Actual</u>	<u>FY 12</u> <u>Working</u>	<u>FY 13</u> <u>Allowance</u>	<u>FY 12-13</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$2,011	\$1,871	\$1,949	\$78	4.1%
Adjusted General Fund	\$2,011	\$1,871	\$1,949	\$78	4.1%
Special Fund	869	880	923	43	4.9%
Adjusted Special Fund	\$869	\$880	\$923	\$43	4.9%
Federal Fund	122	67	150	83	122.7%
Adjusted Federal Fund	\$122	\$67	\$150	\$83	122.7%
Adjusted Grand Total	\$3,001	\$2,819	\$3,022	\$203	7.2%

- The Historic St. Mary's City Commission (HSMCC) budget grows \$203,429. Federal grants increase the most, \$82,644, followed by general funds, which grow \$77,524.
- Special fund revenue, which comes from ticket sales, site rentals, and now a bed and breakfast, grows \$43,261.

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

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Personnel Data

	<u>FY 11 Actual</u>	<u>FY 12 Working</u>	<u>FY 13 Allowance</u>	<u>FY 12-13 Change</u>
Regular Positions	32.00	32.00	32.00	0.00
Contractual FTEs	<u>16.54</u>	<u>14.48</u>	<u>18.23</u>	<u>3.75</u>
Total Personnel	48.54	46.48	50.23	3.75

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	1.05	3.29%
Positions and Percentage Vacant as of 12/31/11	5.00	15.63%

- The allowance adds 3.75 contractual full-time equivalents for grounds keeping, maintenance, a bed and breakfast manager, a federally funded researcher, and a director of the HSMCC Foundation, which is supported with special funds from the HSMCC Foundation.
- The agency has a current vacancy rate of 15.6%, or 5.0 positions but a budgeted turnover rate of 3.3%, or 1.1 positions.

Analysis in Brief

Major Trends

Special Fund Revenue: HSMCC earns revenue through ticket and gift shop sales, rent paid on commission-owned properties, food sales, and an on-site bed and breakfast. As special funds grow, the commission is able to be less reliant on State funding. Special fund revenues have fluctuated significantly in recent years but grew nearly \$400,000 between fiscal 2010 and 2011. HSMCC expects this higher level of special fund revenues to be maintained in fiscal 2012 and 2013. **HSMCC should comment on how this higher level of earned special funds will be maintained.**

Issues

Museum Membership Moves Markedly: In addition to increasing visitors, growing the membership base will also help increase HSMCC’s special fund revenues. A concerted effort in fiscal 2011 grew membership by 15%, although a more modest 4% is projected for fiscal 2012 and 2013. **HSMCC should comment on growing the membership of Historic St. Mary’s City.**

Recommended Actions

	<u>Funds</u>
1. Increase turnover from 3.29 to 7.80%.	\$ 70,668
Total Reductions	\$ 70,668

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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 (SMCM), known as the Maryland Heritage Project.

The mission of HSMCC is to appropriately develop and use this historic and scenic site for the education, enjoyment, and general benefit of the public. It is the goal of the commission 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

HSMCC sets three overarching goals that cover the interrelated aspects of the commission's mission: research and preservation, education, and management.

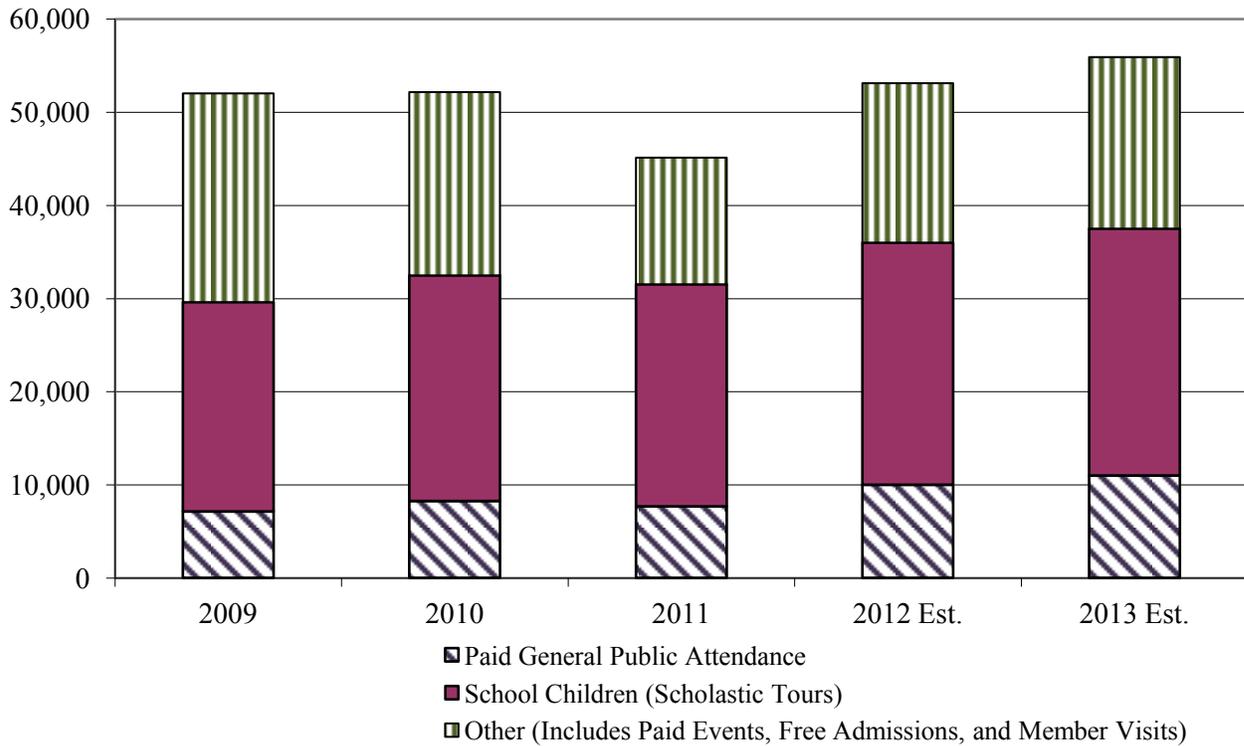
Research and Preservation

As a museum and active archeological site, part of the HSMCC mission is to produce original research and catalogue artifacts that are found on the site. Over 1,000 cubic feet of soil was investigated in both fiscal 2010 and 2011, well above the commission's goal of 500 cubic feet a year. In addition, over 50,000 artifacts were cataloged and added to the commission's computer database during that time. The goal is to catalogue at least 20,000 artifacts a year.

Education

HSMCC aims to educate the public by increasing the number of visitors to its sites. **Exhibit 1** shows attendance levels from paid general attendance, school tours, and other events such as Maryland Day or weddings that are held on the site. Between fiscal 2009 and 2011, the numbers for general attendance and school tours are relatively steady. The "other" category declines significantly, however, by 39.3%. HSMCC reports that due to the struggling economy, regular corporate events were on a smaller scale than in prior years or were cancelled altogether, and that the size of weddings was also smaller. The commission is expecting growth in fiscal 2012 and 2013 as it is actively soliciting tour groups to visit, working to attract new audiences, and taking over the operation of an on-site bed and breakfast.

Exhibit 1
Visitors to Historic St. Mary’s City
Fiscal 2009-2013 Est.

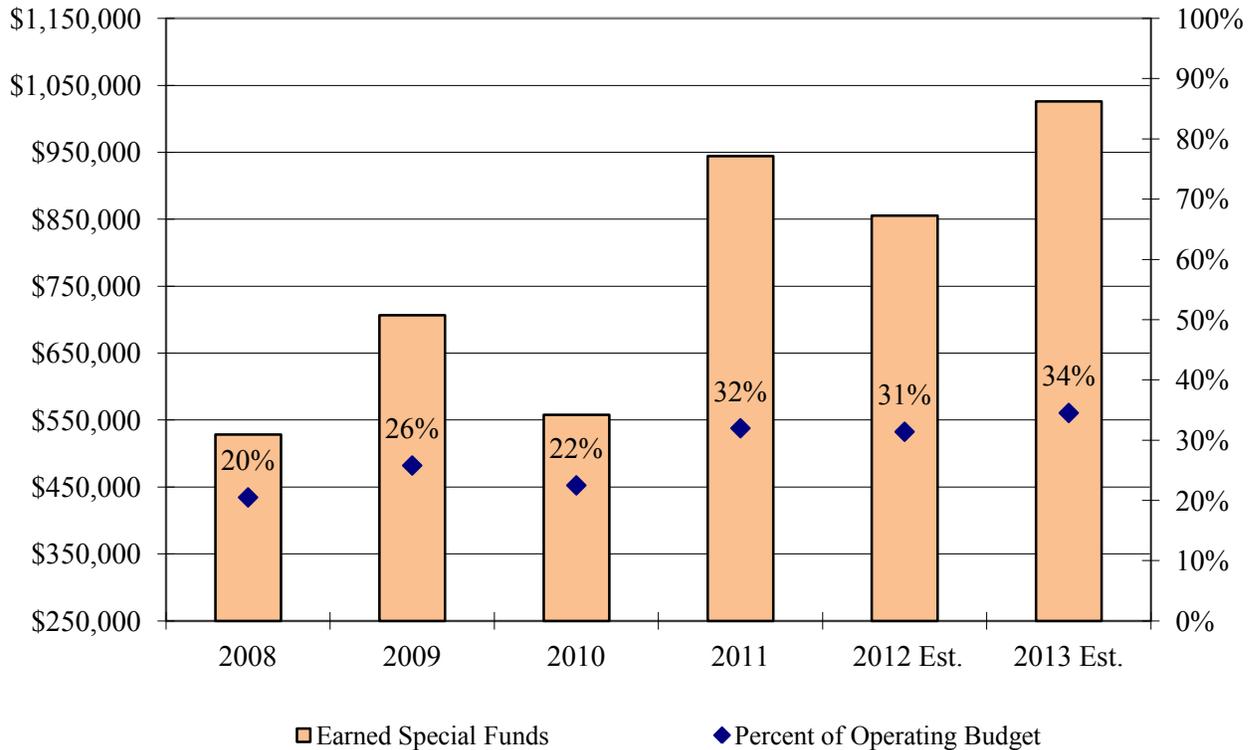


Source: Governor’s Budget Books, Fiscal 2012-2013

Management and Fund Sources

Increasing the number of visitors will increase the commission’s special fund revenue through ticket sales, gift shop sales, and stays at the on-site bed and breakfast. Rent paid on commission-owned properties and for events such as weddings also adds to HSMCC’s special funds. As the commission works to be less reliant on State funding, fluctuations in special funds are very important. **Exhibit 2** shows earned special funds as a percent of HSMCC’s total budget. Fiscal 2009 was a particularly high year from events related to St. Mary’s City’s 375th anniversary. Revenues fell 21% in fiscal 2010 before growing 69% in fiscal 2011. HSMCC reports that a strategic alliance with SMC to employ students as researchers is the reason for fiscal 2011 to be nearly \$400,000 higher than the year before. The commission expects earned special funds to remain at this elevated level through fiscal 2013. **HSMCC should comment on how this higher level of earned special funds will be maintained.**

**Exhibit 2
Earned Special Funds
Fiscal 2008-2013 Est.**



Source: Governor’s Budget Books, Fiscal 2011-2013

Proposed Budget

Exhibit 3 shows that HSMCC’s budget is increasing \$203,429 between fiscal 2012 and 2013. Under personnel costs, a \$90,011 increase related to lower turnover is offset by a \$91,497 reduction in regular salaries as a result of position reclassifications. The other major change under personnel is a \$63,719 increase in costs related to workers’ compensation. The 3.75 in new contractual full-time equivalents adds \$77,497 to HSMCC’s contractual employee expenses.

Fuel and electricity spending grows \$51,237 as expenses for the on-site bed and breakfast, Inn at Brome Howard, and its food operations now show on the commission’s budget. The only significant decline is related to the commission’s gift shop, which plans to hold less stock on hand throughout the year.

Exhibit 3
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>
2012 Working Appropriation	\$1,871	\$880	\$67	\$2,819
2013 Allowance	<u>1,949</u>	<u>923</u>	<u>150</u>	<u>3,022</u>
Amount Change	\$78	\$43	\$83	\$203
Percent Change	4.1%	4.9%	122.7%	7.2%
 Contingent Reductions	 \$0	 \$0	 \$0	 \$0
Adjusted Change	\$78	\$43	\$83	\$203
Adjusted Percent Change	4.1%	4.9%	122.7%	7.2%

Where It Goes:

Personnel Expenses

Turnover adjustments	\$90
Workers’ compensation premium assessment	64
Employee retirement.....	17
Employee and retiree health insurance	6
Other fringe benefit adjustments.....	-1
Social Security costs	-7
One-time fiscal 2012 \$750 bonus	-23
Regular salaries.....	-91

Other Changes

Contractual employee expenses	77
Fuel and electricity costs.....	51
Supplies for living exhibits and archaeological grant support.....	20
Federal funds for to archaeology expenses	18
Less stock on hand for gift shop	-20
Other	2

Total **\$203**

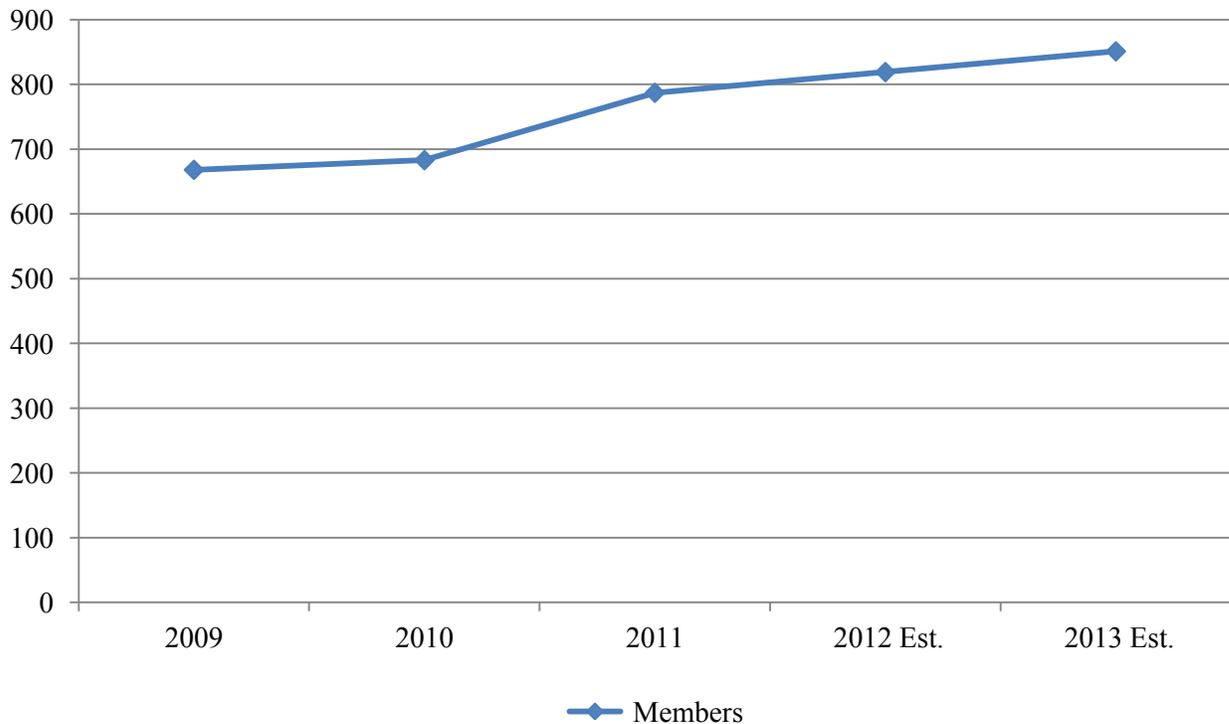
Note: Numbers may not sum to total due to rounding.

Issues

1. Museum Membership Moves Markedly

The Performance Analysis section of this analysis explains how special funds are important for the commission’s operations. Having a large membership base is a reliable source of special funds, and the numbers have grown in recent years. **Exhibit 4** shows membership numbers from fiscal 2009 through 2013. Membership has grown steadily throughout the period, including a 15% increase in fiscal 2011 attributed to a push to reclaim former members, increasing the number of renewal reminders sent, and being more responsive to prospective members. HSMCC projects 4% increases in fiscal 2012 and 2013.

Exhibit 4
Membership to Historic St. Mary’s City
Fiscal 2009-2013 Est.



Source: Historic St. Mary’s City

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HSMCC is working to build local support for the museum by increased local marketing and targeting new audiences with diverse programming, especially young families. If exhibits and programs are regularly changing, there will be more repeat visitors and a greater chance that they will become a member. Annual membership costs \$35 for an individual and \$50 for a family, and benefits include free admission to museum sites, a discount at the museum gift shop, and invitations to members-only events. **HSMCC should comment on growing the membership of Historic St. Mary’s City.**

Recommended Actions

	<u>Amount Reduction</u>
1. Increase turnover from 3.29 to 7.80%. The agency has a current vacancy rate of 5.0 positions but is budgeted with a turnover rate expecting 1.0 position vacant throughout fiscal 2013. Increasing the agency’s vacancy rate to 7.80% is equal to 2.5 positions vacant throughout fiscal 2013.	\$ 70,668 GF
Total General Fund Reductions	\$ 70,668

Current and Prior Year Budgets

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 2011					
Legislative Appropriation	\$2,011	\$706	\$0	\$0	\$2,716
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	165	122	0	287
Reversions and Cancellations	0	-2	0	0	-2
Actual Expenditures	\$2,011	\$869	\$122	\$0	\$3,001
Fiscal 2012					
Legislative Appropriation	\$1,848	\$880	\$67	\$0	\$2,795
Budget Amendments	23	0	0	0	23
Working Appropriation	\$1,871	\$880	\$67	\$0	\$2,819

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

Fiscal 2011

The legislative appropriation totaled \$2,010,515 in general funds and \$705,747 in special funds. During the fiscal year, special fund budget amendments for maintenance and utility costs added \$145,000 to the commission’s budget, in addition to \$20,000 to reflect higher spending on special events. A \$122,362 federal fund budget amendment rolled over unspent grant funding from prior years and was used for artifact conservation and administrative spending. End-of-year reversions totaled \$2,005 in special funds and \$487 in federal funds.

Fiscal 2012

The legislative appropriation was increased by \$23,467 in general funds to reflect the one-time \$750 employee bonus.

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

<u>Object/Fund</u>	<u>FY 11 Actual</u>	<u>FY 12 Working Appropriation</u>	<u>FY 13 Allowance</u>	<u>FY 12 - FY 13 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	32.00	32.00	32.00	0.00	0%
02 Contractual	16.54	14.48	18.23	3.75	25.9%
Total Positions	48.54	46.48	50.23	3.75	8.1%
Objects					
01 Salaries and Wages	\$ 1,973,673	\$ 1,914,606	\$ 1,969,042	\$ 54,436	2.8%
02 Technical and Spec. Fees	459,805	370,142	447,239	77,097	20.8%
03 Communication	10,712	13,000	11,000	-2,000	-15.4%
04 Travel	9,134	5,234	3,750	-1,484	-28.4%
06 Fuel and Utilities	117,543	97,663	148,900	51,237	52.5%
07 Motor Vehicles	49,504	47,219	29,820	-17,399	-36.8%
08 Contractual Services	233,429	219,397	264,412	45,015	20.5%
09 Supplies and Materials	118,800	129,850	117,207	-12,643	-9.7%
10 Equipment – Replacement	1,395	0	2,000	2,000	N/A
11 Equipment – Additional	6,907	0	0	0	0.0%
13 Fixed Charges	20,230	21,389	28,559	7,170	33.5%
Total Objects	\$ 3,001,132	\$ 2,818,500	\$ 3,021,929	\$ 203,429	7.2%
Funds					
01 General Fund	\$ 2,010,515	\$ 1,871,389	\$ 1,948,913	\$ 77,524	4.1%
03 Special Fund	868,742	879,755	923,016	43,261	4.9%
05 Federal Fund	121,875	67,356	150,000	82,644	122.7%
Total Funds	\$ 3,001,132	\$ 2,818,500	\$ 3,021,929	\$ 203,429	7.2%

Note: The fiscal 2012 appropriation does not include deficiencies.