

D17B01.51
Historic St. Mary's City Commission

Operating Budget Data

(\$ in Thousands)

	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 02-04</u> <u>Change</u>	<u>FY 05</u>	<u>FY 04-05</u> <u>Change</u>
Operations	\$2,555	\$2,386	\$2,408	-\$147	\$2,251	-\$157
Contractual Services	209	202	208	-\$1	291	83
Grants	0	0	0	\$0	0	0
Adjusted Grand Total	\$2,764	\$2,588	\$2,616	-\$148	\$2,542	-\$74
General Funds	2,161	2,181	1,979	-\$182	1,992	13
Special Funds	563	346	623	\$60	550	-73
Federal Funds	39	62	14	-\$25	0	-14
Adjusted Grand Total	\$2,763	\$2,589	\$2,616	-\$147	\$2,542	-\$74
Annual % Change		-6.3%	1.0%		-2.8%	

- From fiscal 2002 through 2004 the total reduction due to cost containment was \$148,000, or 5.3%, part of which is due to a reduction of six regular positions.
- The fiscal 2005 allowance includes a general fund increase of \$13,000.

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

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Personnel Data

	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 02-04</u> <u>Change</u>	<u>FY 05</u>	<u>FY 04-05</u> <u>Change</u>
Regular Positions	41.0	38.0	35.0	-6.0	35.0	0.0
Contractual FTEs	13.0	13.0	13.0	0.0	13.0	0.0
Total Personnel	54.0	51.0	48.0	-6.0	48.0	0.0

Vacancy Data: Regular Positions

Turnover Expectancy	0.70	2.00%
Positions Vacant as of 12/31/03	0.00	0.00%

- The Board of Public Works cost containment actions on July 30, 2003, eliminated three regular positions.

Analysis in Brief

Major Trends

Historic St. Mary’s City Commission (HSMCC) Continues to Increase Non-state Fund Revenues: Historic St. Mary’s City expects nearly 22% of its operations will be funded from non-state sources through the HSMCC foundation in fiscal 2005.

Tourism Drops as Terrorist Alerts Rise, but Expected to Increase in Fiscal 2005: The number of tourists and tourist groups in fiscal 2004 are already increasing dramatically over fiscal 2003. HSMCC expects even greater gains in fiscal 2005.

Recommended Actions

1. Concur with Governor’s allowance.

Updates

Hurricane Isabel, an Unwelcome Visitor: Historic St. Mary’s City survived Hurricane Isabel but incurred significant repair costs as well as a loss of revenue from scheduled visits.

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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 plan with St. Mary's College of Maryland, 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

The mission of HSMCC is to preserve and protect the archaeological and historical record of St. Mary's City, Maryland's first capital, and to educate the public on the vital role the city played in the founding of the nation. Historic St. Mary's City, as a national historic landmark and public museum, must continually work to attract the public through new exhibits and learning opportunities while also researching and preserving historic artifacts.

HSMCC's Managing for Results (MFR) is comprised of goals that encompass the three interrelated aspects of its mission: research and preservation, education, and management. The following discussion evaluates the performance of the commission in meeting each of its three goals.

Towards the research and preservation goal of the mission, HSMCC is working to conserve and database as many artifacts as possible. While significant progress is made each year, the number of new artifacts continues to grow, which lessens the percentage conserved and databased relative to the whole. While this is a very important aspect of HSMCC's mission, the MFR measures do not accurately measure the quantity of work being done. **The Department of Legislative Services (DLS) strongly recommends HSMCC find a way to provide more consistent and useful data in this area.**

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While public attendance dropped slightly in fiscal 2002 and 2003 for all three categories of visitors (general public, adult tour groups, and school children), visitation is expected to increase in fiscal 2004 and 2005. **Exhibit 1** shows the visitation by category from fiscal 2002 through 2005 estimates.

Exhibit 1
Visitors by Category
Percent Change from Previous Year
Fiscal 2001 – 2005

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u> <u>Estimate</u>	<u>FY 2003</u> <u>Actual</u>	<u>FY 2004</u> <u>Working</u>	<u>FY 2005</u> <u>Estimate</u>	<u>Total Est.</u> <u>FY 2005*</u>
General public	11%	-15%	18%	-2%	4%	10%	10,428
Adult tour groups	48%	-30%	23%	-51%	357%	20%	1,260
Student tour groups	1%	4%	4%	-22%	46%	10%	29,260
Total							40,948

*Numbers are for individual people.

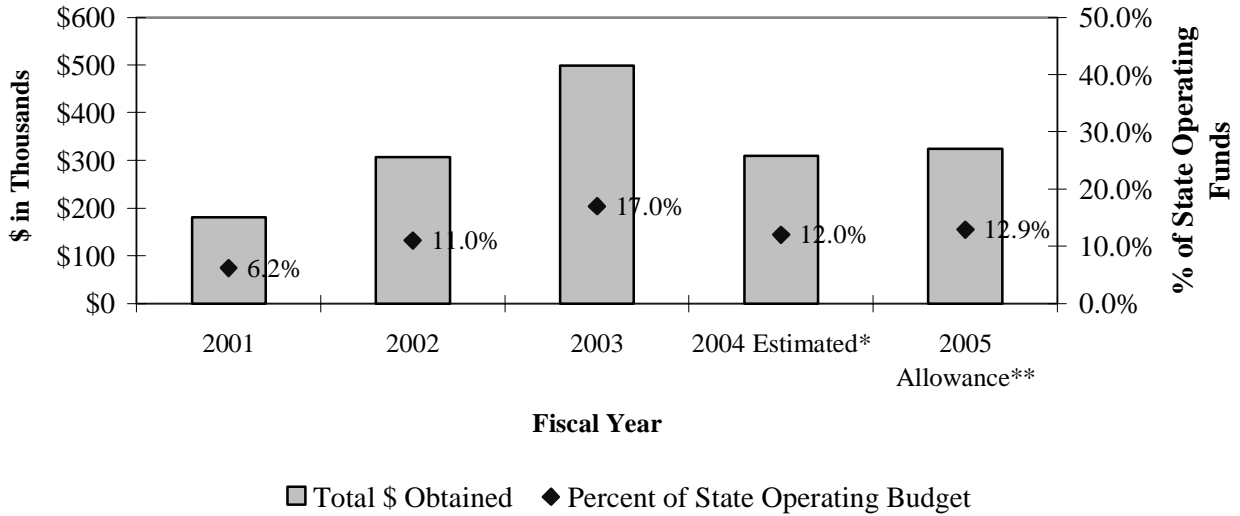
Note: 2004 numbers are compared to the same dates (July through December) in 2002 and 2003.

Source: Historic St. Mary's City Commission

The main mechanism for attracting visitors to the city is through continuous development of facilities, landscape, and interpretive sites. HSMCC currently has two sites under investigation for development and seven in the development stages for exhibition. In fiscal 2003 two sites were completed: the Fisher Road site and West’s Field. HSMCC continues to complete 100% of its capital projects on time and within budget. **DLS recommends HSMCC comment on the effects of the drops in visitation in all three categories in fiscal 2003 and the expected increases in fiscal 2004 and 2005.**

Finally, HSMCC seeks to rely less on State funds as it works to identify and secure grant funds from federal agencies, private foundations, individuals, and corporations. The museum gift shop is also a source of funds, with profits increasing an average of \$4,200 each year for an estimated \$22,000 total in fiscal 2005. One of HSMCC’s MFR measures looks at the amount of funds raised through the Historic St. Mary's City Foundation. Foundation money is not included in the State budget, but the funds can be used for operating functions. **Exhibit 2** shows the dollar amount obtained each year through the foundation, as well as the percent of the State budget these funds represent. While the specific MFR goal states that HSMCC seeks to have 40% of its operating funds from sources other than the State, this goal includes special and federal funds that are in the State

Exhibit 2
Non-State Grants and Donations Raised through the Foundation
Fiscal 2001 – 2004 Estimates



*Fiscal 2004 reflects the funds raised to date.

**Fiscal 2005 shows the goal amount of the foundation and the percent of the fiscal 2005 allowance it represents.

Source: Historic St. Mary’s City Commission

budget. **Therefore, DLS recommends the commission change the MFR measures so that funds raised through the foundation are separate from the special and federal funds in the State budget.**

Fiscal 2004 Actions

Impact of Cost Containment

The July 30, 2003, Board of Public Works action reduced operating funds for HSMCC by \$44,637, or 2%. HSMCC subsequently eliminated 3 regular vacant positions and reduced contractual full-time equivalent (FTE) employees from 13 to 4. This reduction resulted in the deferment of artifact collections documentation and curation work, selected maintenance and site improvements, and several outreach programs and associated costs.

Governor's Proposed Budget

The fiscal 2005 allowance totals \$2.5 million, a decrease of \$74,000, or 2.8%, from the fiscal 2004 working appropriation. General funds account for approximately 78% of the allowance at \$2.0 million. Federal funds and special funds, which both decrease in fiscal 2005, make up 22% of the total budget. By statute, the general fund appropriation cannot be less than the fiscal 1998 appropriation of \$1.9 million – the fiscal 2005 allowance exceeds this amount by \$92,000. The fiscal 2004 through 2005 changes are shown in **Exhibit 3**.

Exhibit 3
Governor's Proposed Budget
Historic St. Mary's City Commission
 (\$ in Thousands)

	<u>FY 03</u> <u>Actual</u>	<u>FY 04</u> <u>Approp.</u>	<u>FY 05</u> <u>Allowance</u>	<u>FY 04-05</u> <u>Change</u>	<u>FY 04-05</u> <u>% Change</u>
General Funds	\$2,181	\$1,979	\$1,992	\$13	0.7%
Adjusted General Funds	\$2,181	\$1,979	\$1,992	\$13	0.7%
Special Funds	\$346	\$623	\$550	-\$73	-11.7%
Federal Funds	\$62	\$14	\$0	-\$14	-100.0%
Adjusted Grand Total	\$2,589	\$2,616	\$2,542	-\$74	-2.8%

Where It Goes:

Personnel Expenses

Employee and retiree health insurance	\$13
Decrease in fringe benefits.....	-6

Other Changes

Decrease in federal funds for contract conservation work	-14
Decrease in in-state and out-of-state travel.....	-7
Decrease in one-time equipment costs in fiscal 2004.....	-39
Decrease in data processing, administrative functions, and office supplies	-18
Other	-3

Total	-\$74
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Note: Numbers may not sum to total due to rounding.

Recommended Actions

1. Concur with Governor's allowance.

Updates

1. Hurricane Isabel, an Unwelcome Visitor

Historic St. Mary's City prepared for Hurricane Isabel according to the tenets of its Emergency Disaster plan, which included securing historical artifacts and exhibits, removing nonpermanent objects from the site, covering open archaeological sites, and shuttering buildings. The *Maryland Dove*, Historic St. Mary's City's replica sailing vessel, required added securing and preparation for high wind conditions. Preparation for Isabel required 350 staff hours and \$6,400.

The damage sustained included loss of power for six days resulting in closure and the cancellation of scheduled tours. Two ghost frames were destroyed and others damaged, while several gravel roads were washed out. The cost of property damage exceeded \$15,300, and staff cleanup and contracting costs totaled \$7,700.

The total cost of the hurricane for preparation, damage repair, and cleanup is \$29,518. This does not include lost revenue due to the closing of the site. At the date of publication, HSMCC had received one check for \$8,500 from the Federal Emergency Management Association to help mitigate costs associated with Isabel. HSMCC is hopeful that another \$16,000 will be received for repair costs.

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 2003					
Legislative Appropriation	\$2,181	\$594	\$0	\$0	\$2,775
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	0	115	0	115
Cost Containment	0	0	0	0	0
Reversions and Cancellations	0	-249	-54	0	-302
Actual Expenditures	\$2,181	\$346	\$62	\$0	\$2,588
Fiscal 2004					
Legislative Appropriation	\$2,023	\$623	\$14	\$0	\$2,661
Cost Containment	-45	0	0	0	-45
Budget Amendments	0	0	0	0	0
Working Appropriation	\$1,979	\$623	\$14	\$0	\$2,616

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

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Fiscal 2003

The \$249,000 reverted in special funds in fiscal 2003 is actually the commission's fund balance per the agreement with the State. \$59,000 in federal funds was brought in from the Institute of Museum and Library Sciences (IMLS) to support general operating functions; the remaining federal funds were from the IMLS conservancy program for conservation and permanent interpretation sites. The \$54,000 reverted in federal funds are from the federal IMLS grant for operating functions.

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

<u>Object/Fund</u>	<u>FY03 Actual</u>	<u>FY04 Working Appropriation</u>	<u>FY05 Allowance</u>	<u>FY04 - FY05 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	38.00	35.00	35.00	0	0%
02 Contractual	13.00	13.00	13.00	0	0%
Total Positions	51.00	48.00	48.00	0	0%
Objects					
01 Salaries and Wages	\$ 1,909,335	\$ 1,850,963	\$ 1,815,140	-\$ 35,823	-1.9%
02 Technical & Spec Fees	220,754	263,816	177,287	-86,529	-32.8%
03 Communication	19,233	20,204	23,399	3,195	15.8%
04 Travel	6,619	9,300	2,401	-6,899	-74.2%
06 Fuel & Utilities	45,143	47,850	50,250	2,400	5.0%
07 Motor Vehicles	18,665	15,795	26,355	10,560	66.9%
08 Contractual Services	201,879	207,827	291,334	83,507	40.2%
09 Supplies & Materials	146,303	141,975	132,700	-9,275	-6.5%
10 Equip - Replacement	499	42,762	5,000	-37,762	-88.3%
11 Equip - Additional	6,981	1,000	0	-1,000	-100.0%
13 Fixed Charges	12,929	14,438	18,345	3,907	27.1%
Total Objects	\$ 2,588,340	\$ 2,615,930	\$ 2,542,211	-\$ 73,719	-2.8%
Funds					
01 General Fund	\$ 2,181,113	\$ 1,978,791	\$ 1,992,211	\$ 13,420	0.7%
03 Special Fund	345,559	623,076	550,000	-73,076	-11.7%
05 Federal Fund	61,668	14,063	0	-14,063	-100.0%
Total Funds	\$ 2,588,340	\$ 2,615,930	\$ 2,542,211	-\$ 73,719	-2.8%

Note: Fiscal 2004 appropriations and fiscal 2005 allowance do not include deficiencies, cost containment, and contingent reductions.

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

<u>Unit/Program</u>	<u>FY03 Actual</u>	<u>FY04 Legislative Appropriation</u>	<u>FY04 Working Appropriation</u>	<u>FY03 - FY04 % Change</u>	<u>FY05 Allowance</u>	<u>FY04 - FY05 % Change</u>
51 Administration	\$ 2,588,340	\$ 2,587,829	\$ 2,615,930	1.1%	\$ 2,542,211	-2.8%
Total Expenditures	\$ 2,588,340	\$ 2,587,829	\$ 2,615,930	1.1%	\$ 2,542,211	-2.8%
General Fund	\$ 2,181,113	\$ 2,023,427	\$ 1,978,791	-9.3%	\$ 1,992,211	0.7%
Special Fund	345,559	550,337	623,076	80.3%	550,000	-11.7%
Federal Fund	61,668	14,062	14,063	-77.2%	0	-100.0%
Total Appropriations	\$ 2,588,340	\$ 2,587,829	\$ 2,615,930	1.1%	\$ 2,542,211	-2.8%

Note: Fiscal 2004 appropriations and fiscal 2005 allowance do not include deficiencies, cost containment, and contingent reductions.