



INTER - CITY MEMORANDUM

To: Havre de Grace City Council and Citizens
From: Mayor William T. Martin
Date: October 19, 2015
RE: Fiscal 2016 First Quarter Financial Results

I am pleased to present the financial performance of our City for the first quarter of fiscal 2016. I continue to move the City forward and market Havre de Grace as a great place to live, work and play. I am also excited about completing Veterans Park and to making visible enhancements to other public parks and buildings. While we continue to face lackluster growth to-date, I strongly believe that investing in the City will lead to residential and business development, and thus to economic growth. This strategy is admittedly long-term and it will take some time to see positive results. I believe wholeheartedly in this course of action and I stay committed to this strategy during my Administration.

As I noted in my report for fiscal 2015, I have prepared a graphic presentation that will allow you to better understand my presentation. As always, my goal is not only complete transparency but also improved ease of understanding. Please feel free to contact my Director of Finance, Mr. George M. DeHority or me if you have suggestions that will improve the presentation.

General Fund

The General Fund increased in value by over \$2.93 million through September. The budget anticipated that the fund would increase by over \$2.92 million, which is \$100,000 less than the actual increase. As a comparison, the fund increased over \$3.68 million over the same quarter last year.

Overall, revenues were over \$500,000 less than anticipated and \$60,000 less than the same quarter for last year.

- Property and income taxes were almost \$90,000 more than anticipated and over \$50,000 more than collected last year for the same quarter.
- Progress on the renovations to the Opera House continues to be slower than expected and, as a result, grant revenues are \$120,000 less than anticipated by the budget and \$220,000 less than received last year.

Recently, the project has moved forward and I expect that the shortfall will correct itself by the end of the year.

- Highway User Fees have not been sent by the State through the end of the quarter. As a result, Government Fees are \$260,000 less than received over the same quarter for last year. I have received no indication that the delay is anything more than timing and I expect to receive the first installment in October.

The City spent \$30,000 more than expected for the quarter and \$270,000 more than it spent last year through the end of the quarter.

- Personnel costs were almost \$30,000 under budget expectations and over \$100,000 more than spent last year for the same period.
- Capital spending was \$80,000 over budget expectations and \$180,000 over the same quarter of last year as the Juniata Street Paving and Veterans Park construction were undertaken.

Water and Sewer Fund

The Water & Sewer Fund earned a profit of almost \$490,000 for the quarter. While promising, the fund was expected to earn an estimated profit of \$880,000 in the budget and a \$620,000 profit was earned by the fund for the same quarter last year.

Quarterly revenues were over \$510,000 less than anticipated by the budget and \$60,000 less than the same period last year.

- Metered revenues were over \$220,000 below expected levels and almost \$90,000 more than the same quarter for last year. Overall demand for Water & Sewer services decreased a cumulative 7.7% compared to last year. Increased metered revenues, despite the decline in demand, can be attributed to the debt service fee enacted this year.
- New development continues lag significantly behind budget estimates, resulting in connection fees being almost \$260,000 below budget expectations and over \$130,000 less than the same quarter for last year.

Water & Sewer Fund spending was \$120,000 below budgeted levels, and \$75,000 above the same quarter for last year.

- Personnel costs are over \$40,000 below budget and essentially equal to those incurred last year.
- Operating costs were \$90,000 below budget and \$35,000 above the same quarter for last year. The increase in costs appear to be due to general price increases affecting all areas of the operation.

Marina Fund

The Marina Fund incurred an operating loss exceeding \$40,000 through the end of the quarter. The loss was anticipated, however, as the fund was projected to lose over \$30,000 by the budget and had an operating loss exceeding \$30,000 last year for the same period.

Revenues exceeded budget expectations by almost \$25,000 through the end of the quarter. Revenues were less than \$10,000 lower than last year.

- Fuel sales exceeded last year by \$10,000.
- Slip and ramp fees declined by over \$20,000 when compared to last year

Spending, meanwhile, exceeded the budget by \$35,000, and was essentially at last year's levels.

- Fuel purchases exceeded the budget by almost \$45,000
- Repair and maintenance costs were almost \$10,000 less than the budget through the end of the quarter.

Other Funds

The City transferred over \$50,000 into the reserve during the quarter and the fund is at its \$1.29 million legislative target.

The RAD loan program earned almost \$5,000 in interest and collected over \$20,000 in loan payments through the end of the quarter. As a result it has almost \$350,000 available for additional lending.

The Promenade Fund has almost \$135,000 available to maintain the Promenade. Permit fees generated almost \$600 for the quarter.

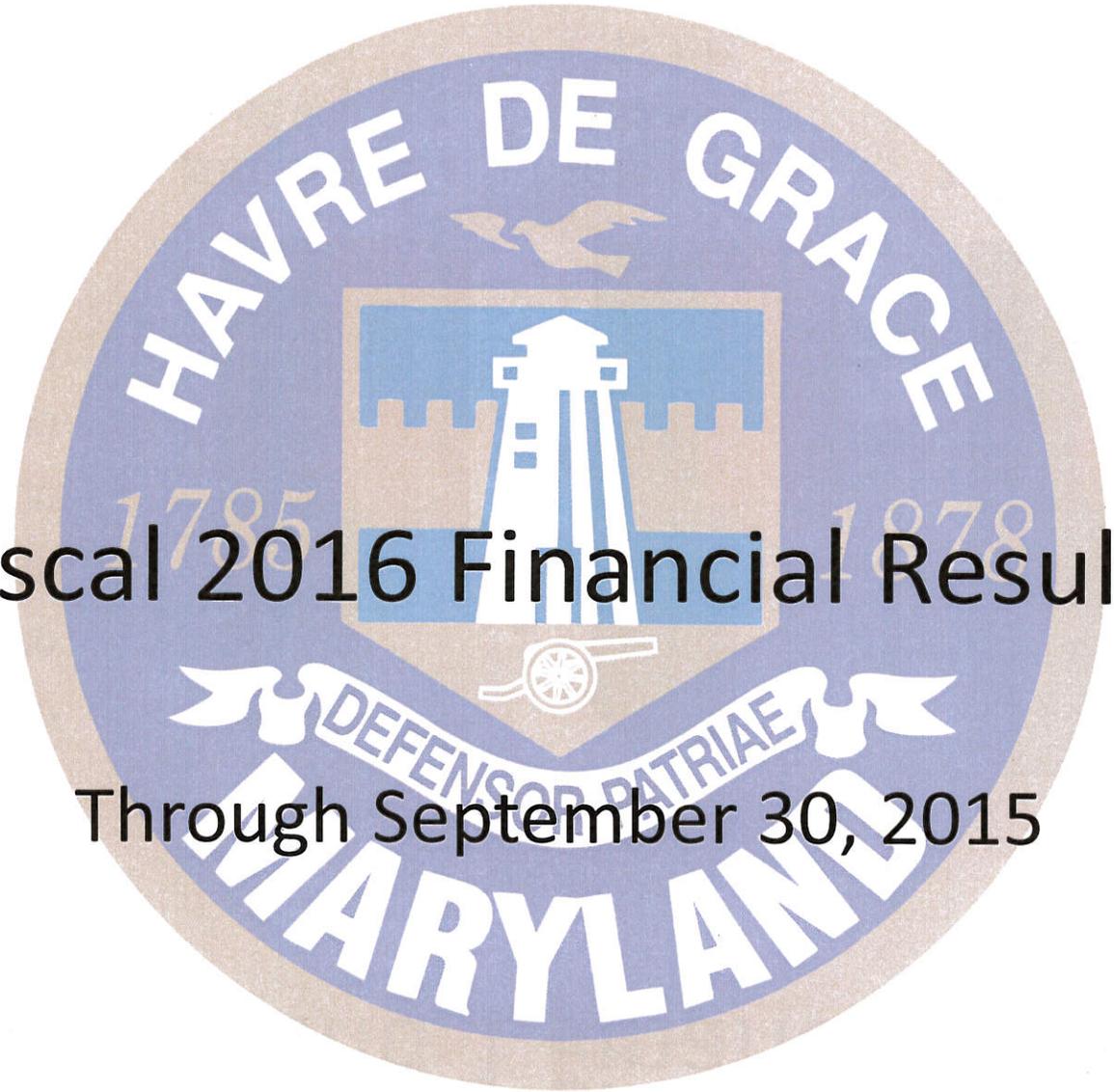
Critical Area Tax receipts were under \$2,000 through the end of the quarter, making almost \$345,000 available for future qualified Chesapeake Bay restoration projects.

Slip User Fees were over \$20,000 for the quarter, making almost \$365,000 for waterfront improvement projects. Much of this fund, however, has been committed for upcoming contributions for fire and rescue services.

The Community Center Fund earned over \$5,000 for the quarter, and a balance of almost \$60,000 is available for operations and future repairs.

The Abandoned Property Restricted Fund had no activity for the quarter and over \$145,000 is available for Police special projects.

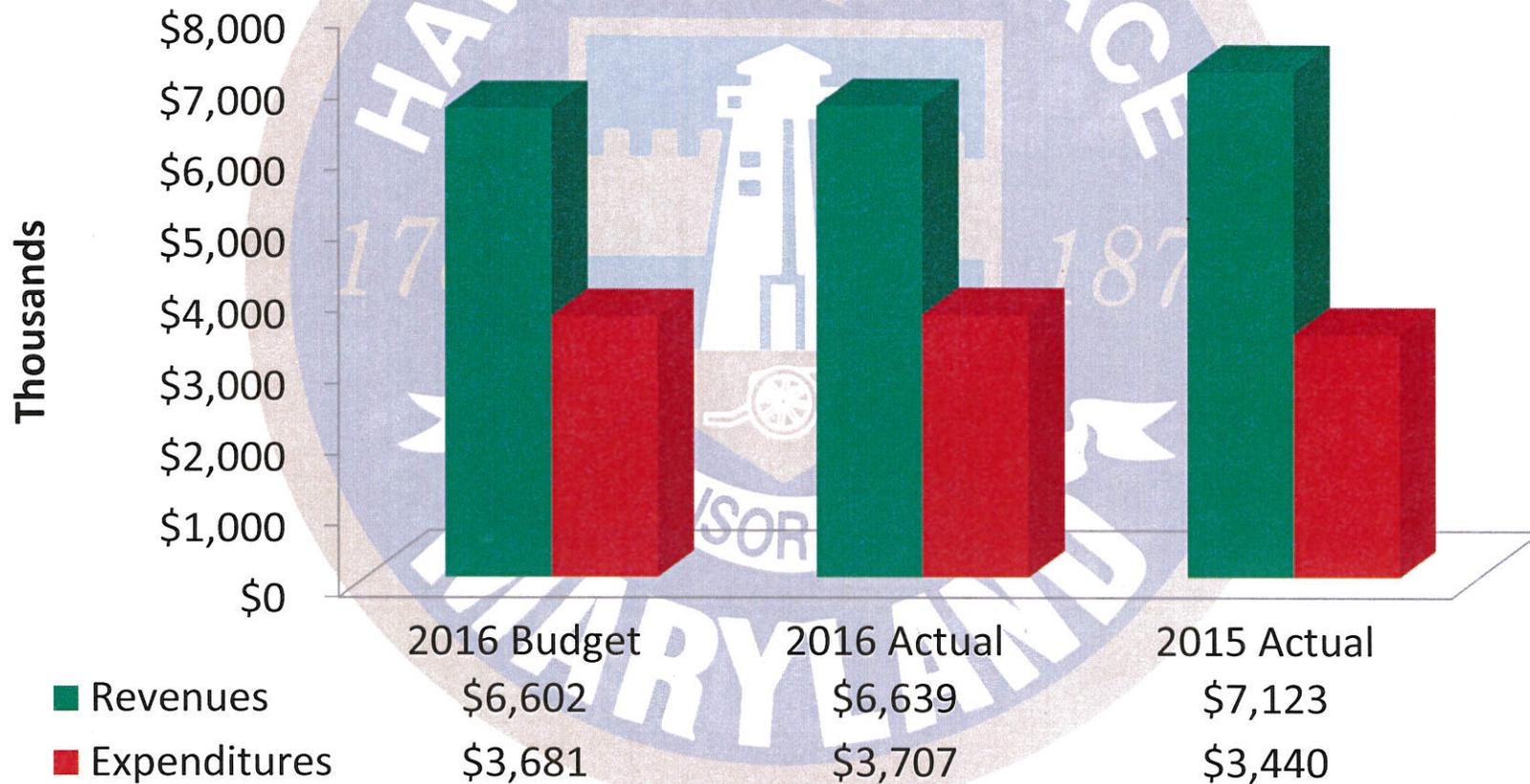
The Forest Conservation Fund has had no activity during the quarter and \$700 resides in the Fund for "green" projects.



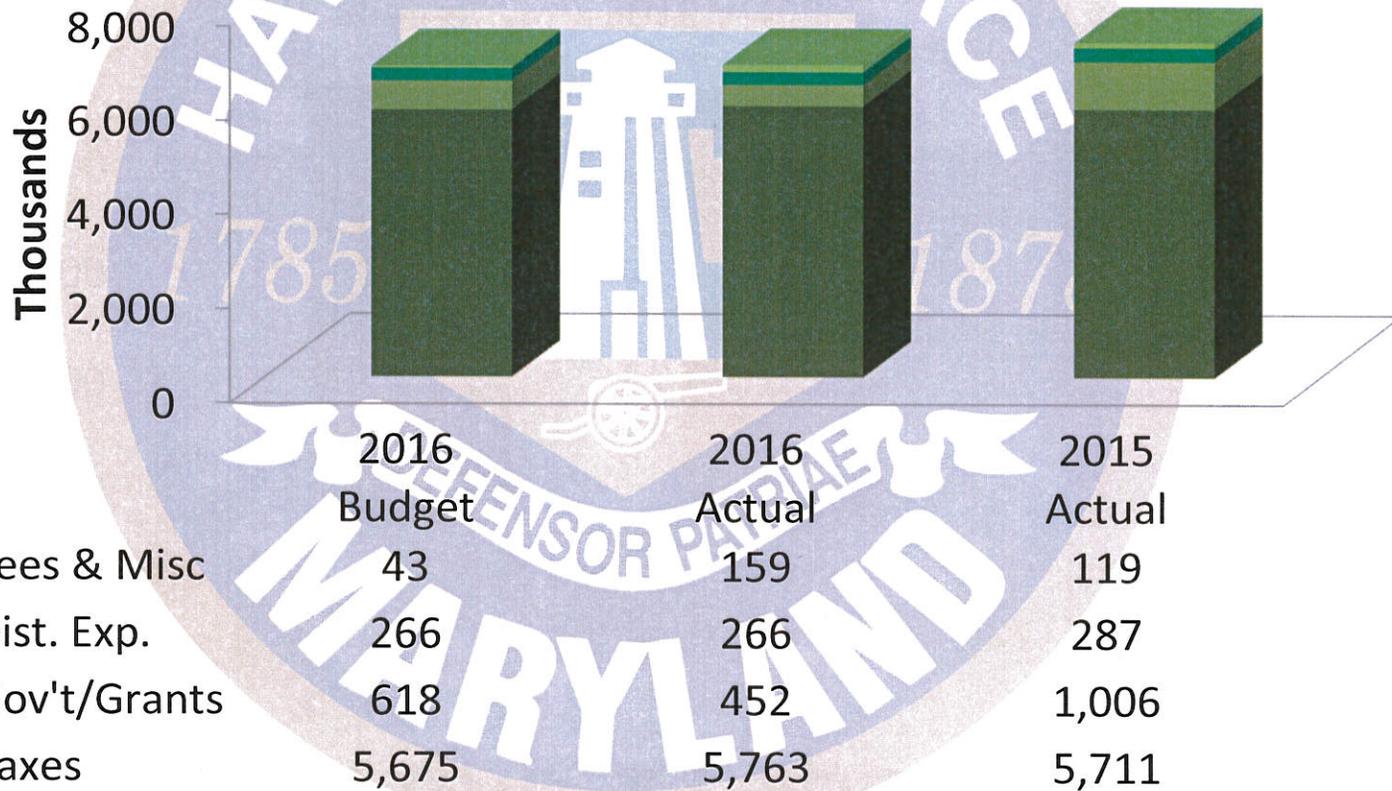
Fiscal 2016 Financial Results

Through September 30, 2015

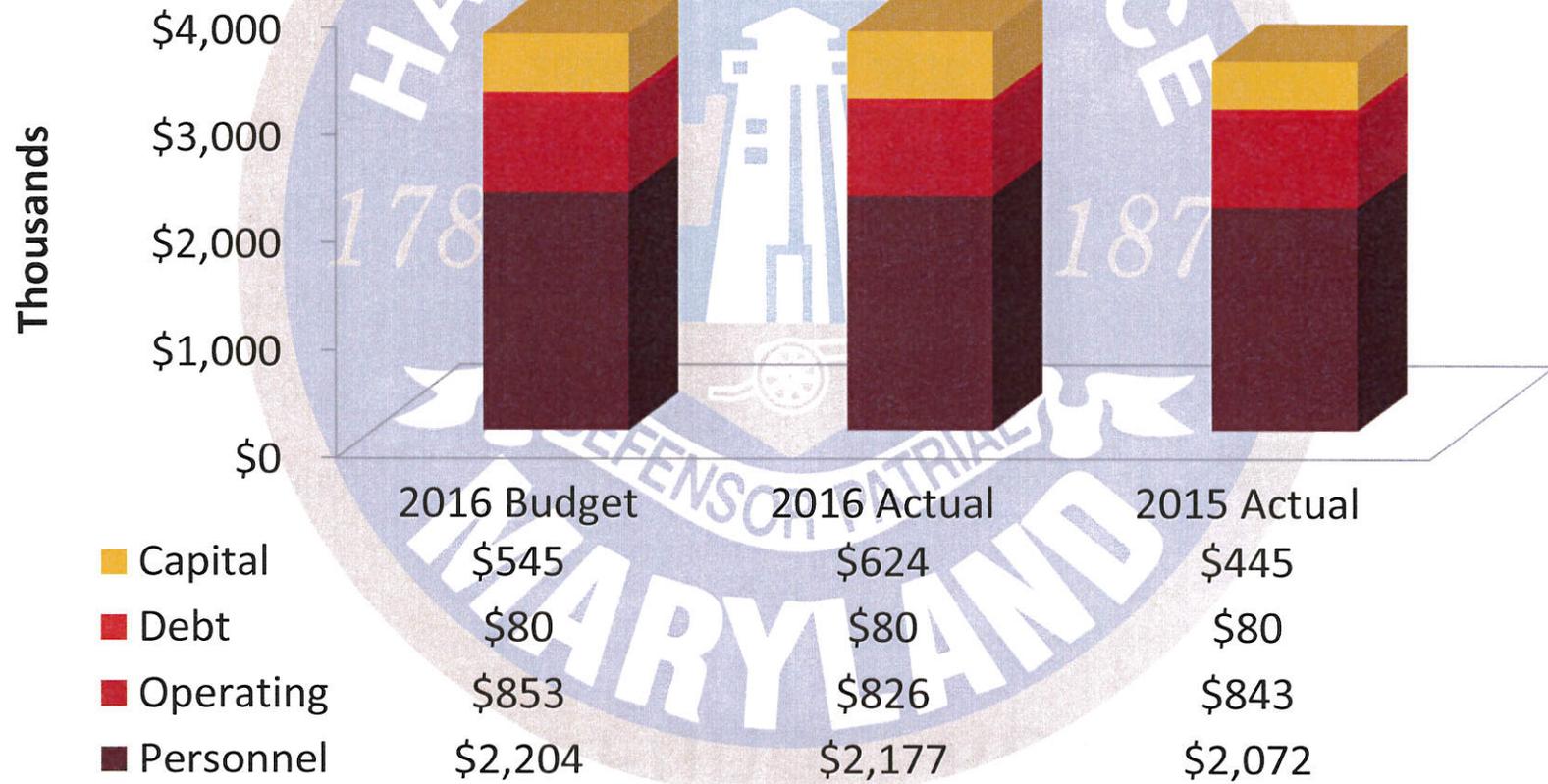
General Fund 1 Financial Results



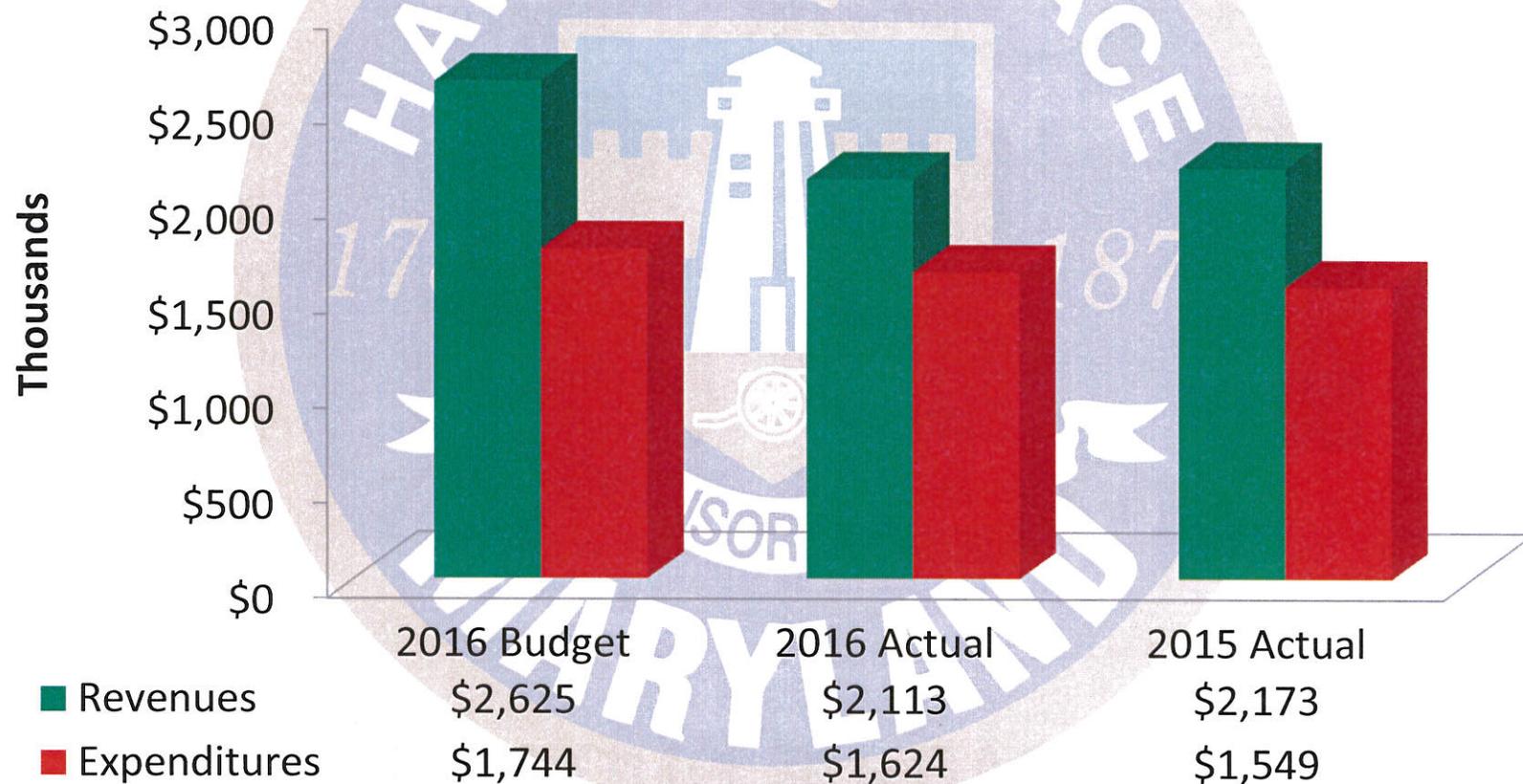
General Fund 1 Revenues



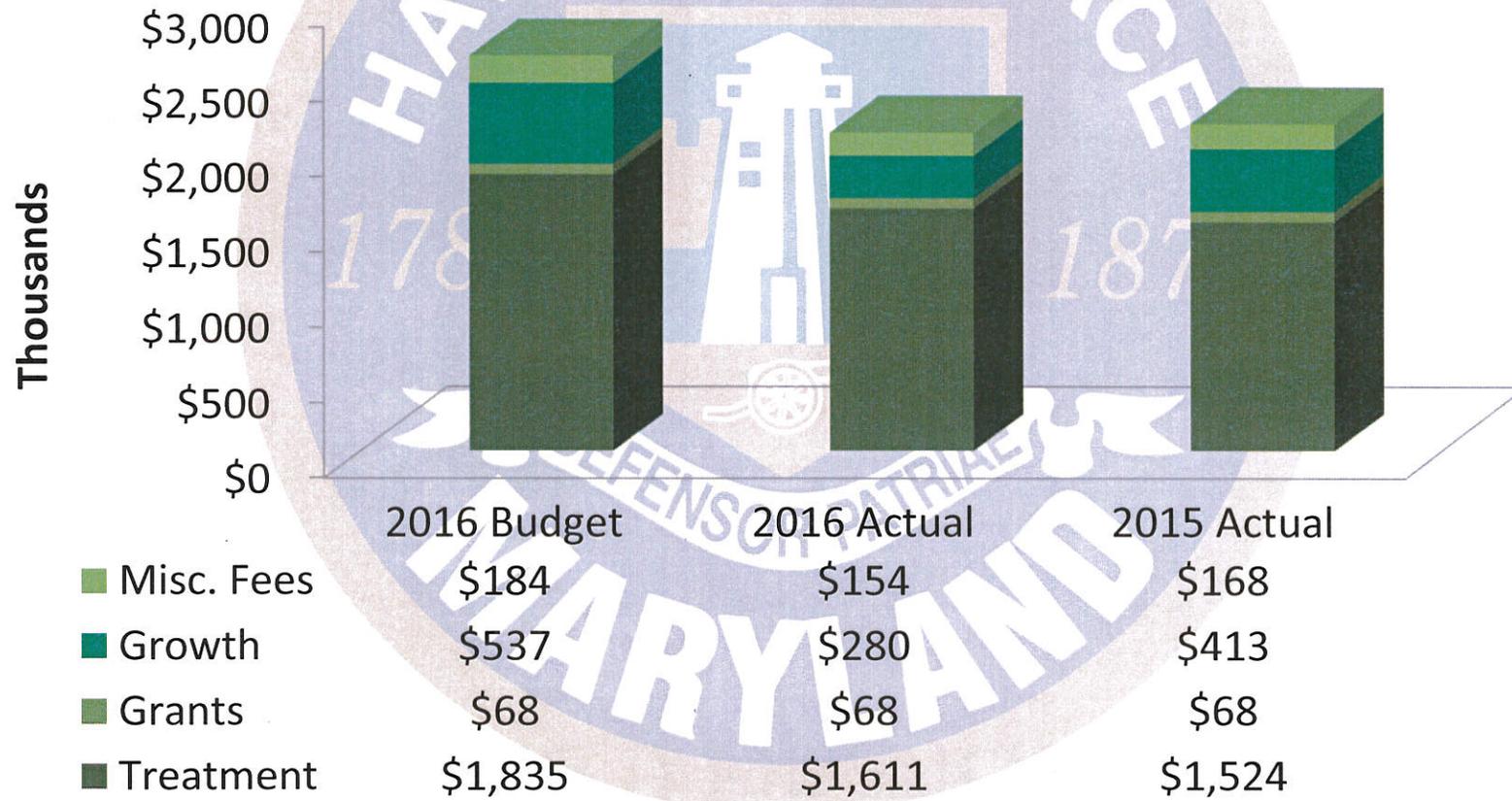
General Fund 1 Expenditures



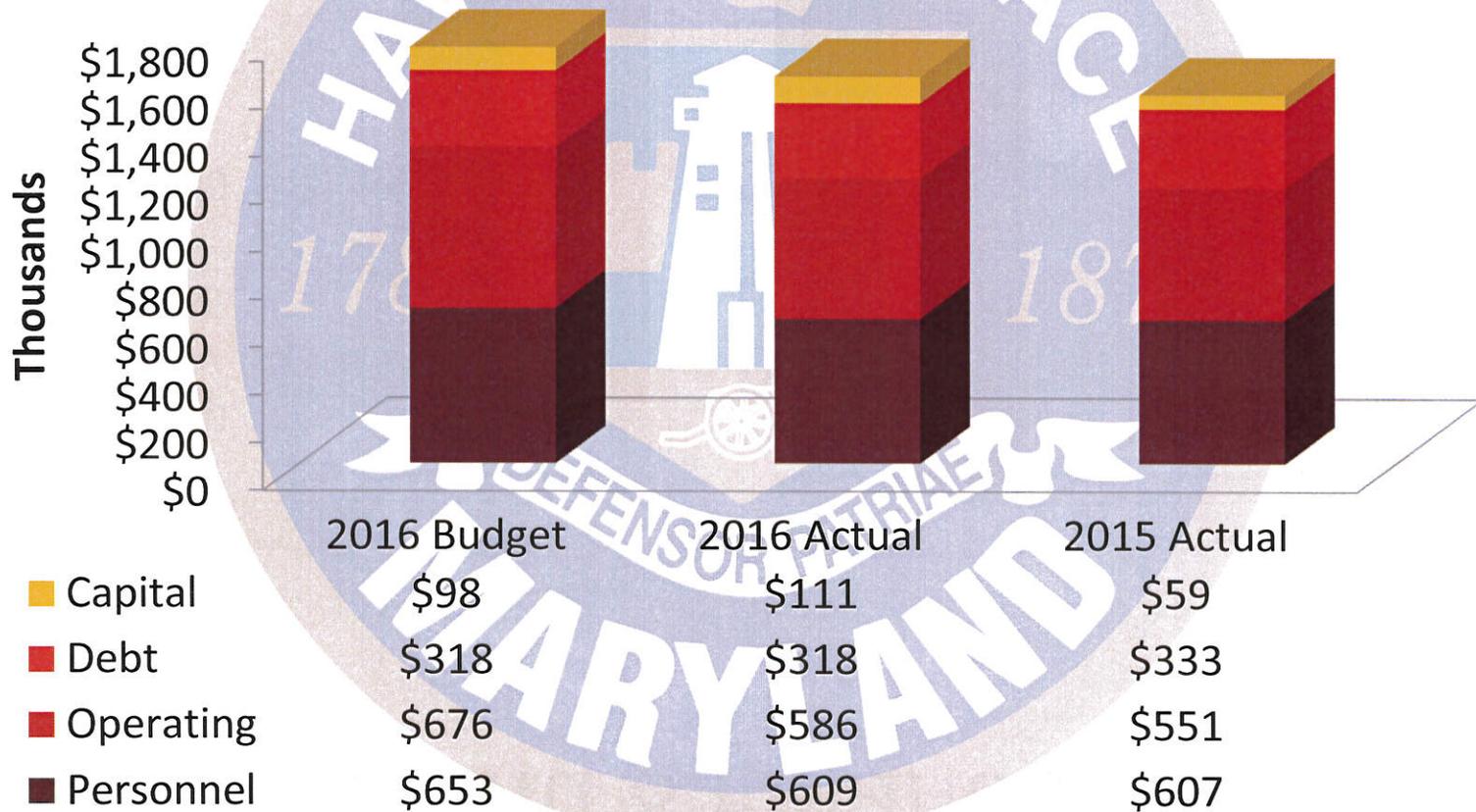
W&S Fund 9 Financial Results



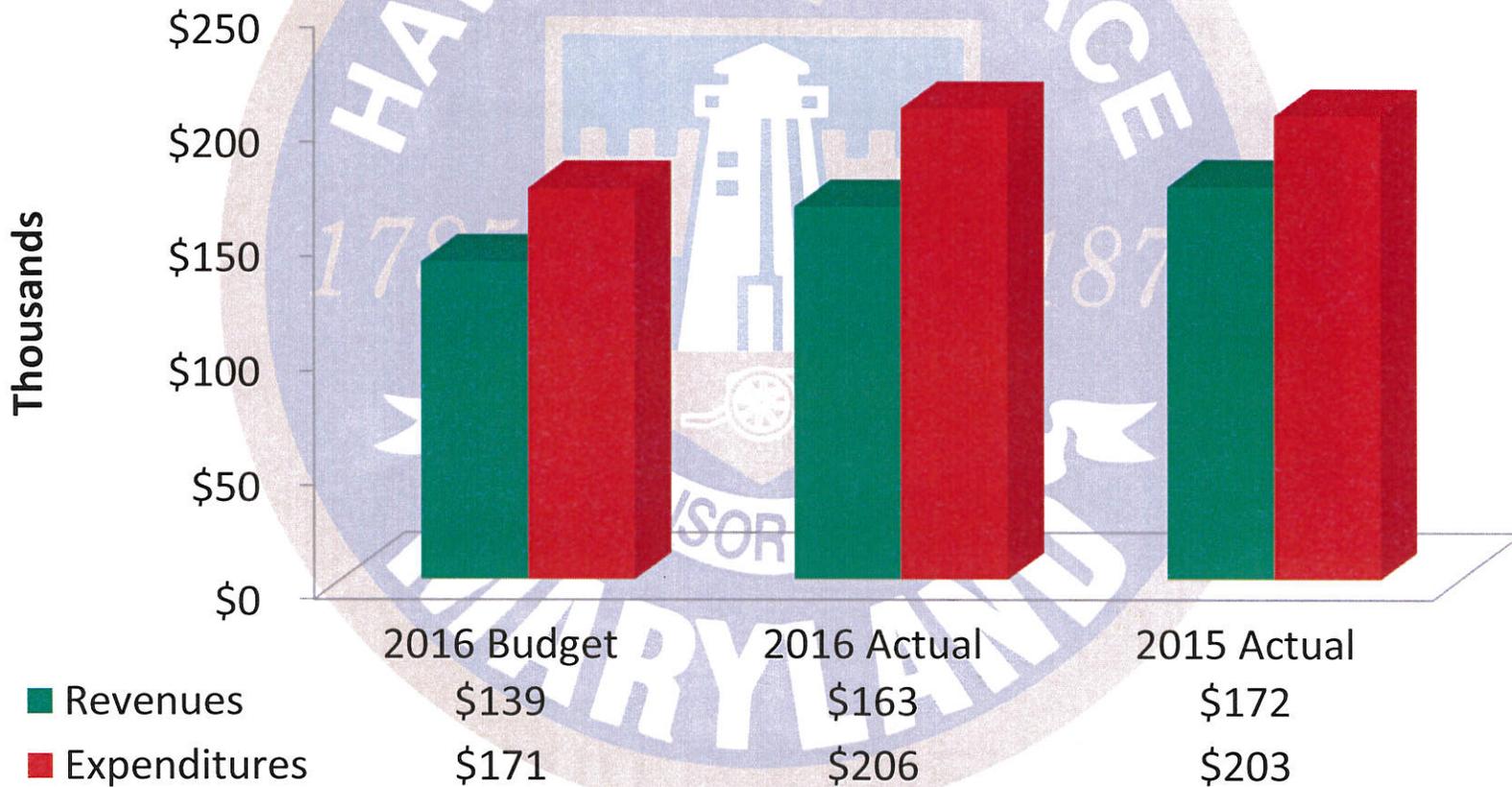
W&S Fund 9 Revenues



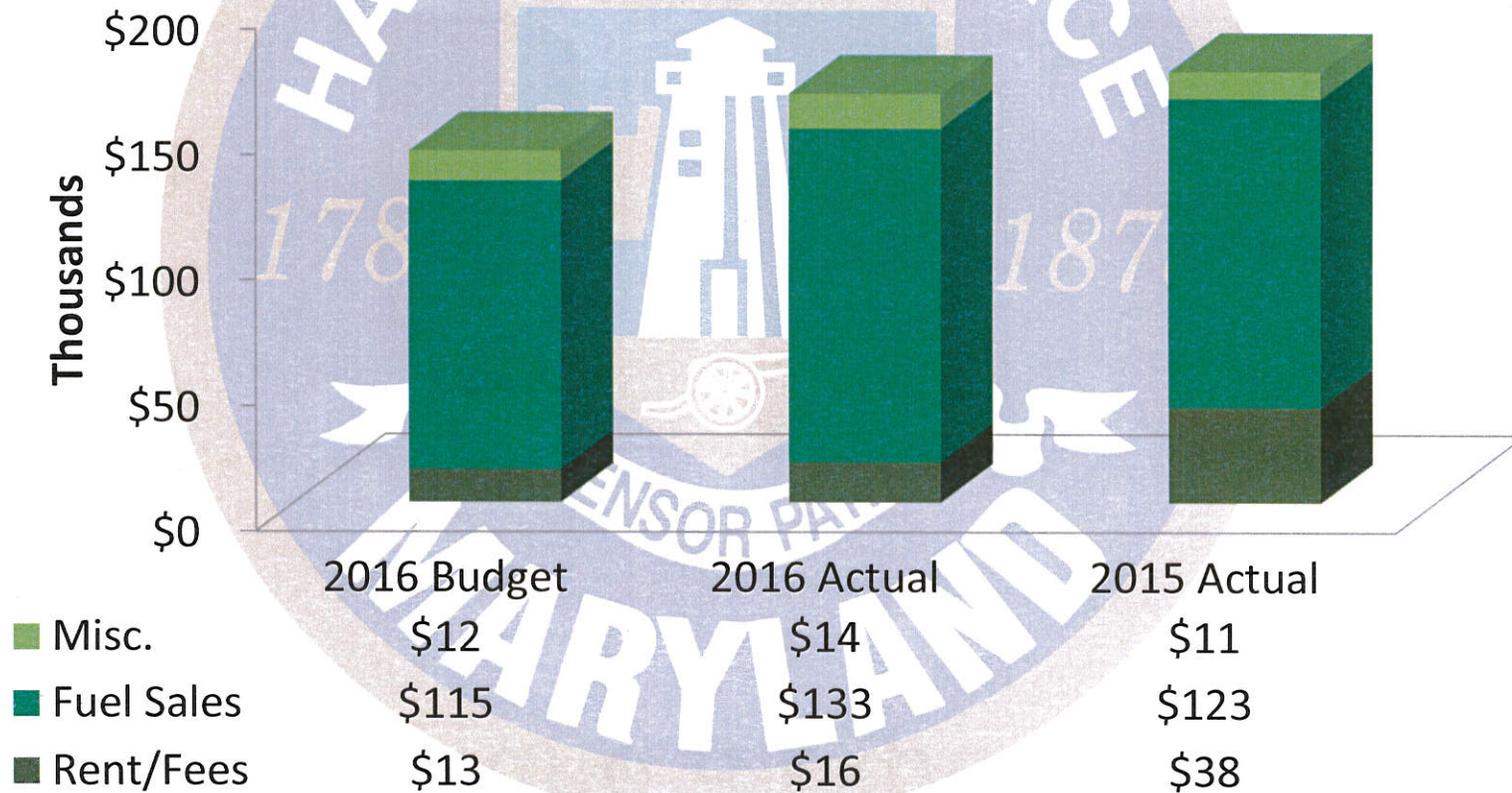
W&S Fund 9 Expenditures



Marina Fund 8 Financial Results



Marina Fund 8 Revenues



Marina Fund 8 Expenditures

