

Council Agenda Report

Date: February 13, 2017
Prepared by: Ginger Heatwole
Submitted by: Sandra Tripp-Jones
SUBJECT: 2017 mid-year financial report
Recommendation: That Council receive the 2017 mid-year financial report

Discussion:

Attached is the mid-year financial report. The report outlines the revenues received and expenditures spent in the first half of fiscal year 2017 in detail and summary for each fund.

Highlights of the first half of FY2017

- We received one time monies of \$194,000 from prior year income taxes.
- Expenses are overall under 50% of the budget.
- We didn't receive an operating grant from the Maryland Department of Environment and have adjusted Sewer Fund expenditures to compensate for this. We anticipate to receive the grant next year.
- Marina revenue is down from last year.

Implications for FY2018

- Continuing rise in insurance costs
- Without a decision to maintain the constant yield in real estate tax, real estate tax revenue will decline next year by approximately \$130,000 due to an overall 2% decrease in assessments.
- Departments are managing their budgets well.

Approved: 

City of Cambridge, Maryland
General Fund Mid Year Analysis as of 12/31/16

General Fund Revenues Budget to Actual

Revenue Category	Current Fiscal Year				Previous Year		
	FY17 Adopted	FY17 Amended	Actual 12/31/2016	% Amend. Received	FY16 Amended	Actual 12/31/15	% EOY Act Rec/Spent
Taxes							
Real Estate (billed)	5,710,900	5,710,900	5,713,210	100.04%	5,795,573	5,680,975	98.02%
Personalty (collected)	915,000	915,000	888,629	97.12%	915,000	778,670	85.10%
Prior Year Taxes Collected/(Adj)	-	-	(1,133)		-	141,569	
Interest-Delinquent Tax	140,000	140,000	17,484	12.49%	110,000	22,760	20.69%
Income Taxes	500,000	500,000	446,563	89.31%	470,000	211,556	45.01%
Admissions & Amusements	75,000	75,000	30,867	41.16%	73,000	31,041	42.52%
Room Tax	750,000	750,000	382,667	51.02%	725,000	396,078	54.63%
Southside Landing	16,500	16,500	7,743	46.93%	16,500	8,327	50.47%
Highway User	112,456	112,456	58,060	51.63%	397,647	326,740	82.17%
SHA Grant	319,015	319,015	298,166	93.46%			
Enterprise Zone Credits	3,000	3,000	-	0.00%	3,000	-	0.00%
	8,541,871	8,541,871	7,842,256	91.81%	8,505,720	7,597,716	89.32%
License & Permits							
Traders	33,000	33,000	1,013	3.07%	32,000	2,543	7.95%
License & Permits	8,000	8,000	1,876	23.45%	10,000	814	8.14%
Plumbing Permits	12,000	12,000	4,249	35.41%	38,280	4,903	12.81%
HVAC Permits	14,000	14,000	3,610	25.79%	14,250	2,325	16.32%
Electrical Permits	1,500	1,500	1,125	75.00%	4,850	590	12.16%
Buildings & Equipment	75,000	75,000	83,285	111.05%	86,798	13,318	15.34%
Board Up Permit	3,000	3,000	370	12.33%	-	2,043	
Housing Authority Permits	51,000	51,000	-	0.00%			
Cable T.V. Franchise	111,000	111,000	-	0.00%	86,000	50,000	58.14%
Housing Rental Reg	181,600	181,600	134,060	73.82%	136,600	115,893	84.84%
Beer & Wine License	5,000	5,000	-	0.00%	5,000	-	
Other Dep't Public Works permits	12,000	12,000	2,873	23.94%	15,000	2,555	17.03%
	507,100	507,100	232,461	45.84%	428,778	194,984	45.47%
Intergovernmental							
Federal Pilot	50,000	50,000	50,000	100.00%	131,133	-	0.00%
Police grants		295,194	67,163	22.75%	444,782	21,510	4.84%
Capital grants		2,655,380	282,605	10.64%	3,442,316	164,470	4.78%
Pass through grants		65,000	28,420	43.72%	121,517	40,938	33.69%
Cops Hiring Grant	91,472	91,472	27,229	29.77%			
Police protection state grant	201,337	201,337	100,669	50.00%		105,374	
Other		1,195	240	20.08%	3,000	1,000	33.35%
Financial Corporations	10,698	10,698	10,698	100.00%	10,698	10,698	100.00%
County Fireworks	2,000	2,000	2,000	100.00%	2,000	2,000	100.00%
	355,507	3,372,276	569,024	16.87%	4,155,446	345,990	8.33%

City of Cambridge, Maryland
General Fund Mid Year Analysis as of 12/31/16

Revenue Category	Current Fiscal Year				Previous Year		
	FY17 Adopted	FY17 Amended	Actual 12/31/2016	% Amend. Received	FY16 Amended	Actual 12/31/15	% EOY Act Rec/Spent
Service Charges							
Energy management	15,000	15,000	4,005	26.70%	19,000	6,958	36.62%
Street Openings & Repair	-	-	757		-	475	
Demolitions	5,000	5,000		0.00%	-	9,698	
Disposal Fees	650,000	650,000	323,502	49.77%	625,000	341,869	54.70%
Property Cleanup	45,000	45,000	14,540	32.31%	60,000	65,776	109.63%
Police fees	45,400	45,400	23,180	51.06%			
Fire Dept Service Charges	5,000	5,000	-	0.00%	10,000	455	4.55%
Woods Road Lights	500	500	-	0.00%	500	500	100.00%
County PSB Rental	-	-	-		36,000	21,000	58.33%
	765,900	765,900	365,984	47.78%	750,500	446,731	59.52%
Fines and Forfeitures							
Parking Citations	1,000	1,000	1,800	180.00%	3,000	1,318	43.93%
Civil Citations	2,000	2,000	1,710	85.50%	2,500	710	28.40%
Municipal Infractions	50,000	50,000	32,870	65.74%	20,000	22,113	110.57%
Traffic Camera Citations	-	-	1,246		-	6,569	
Delinquent Park Tickets	3,000	3,000	365	12.17%	1,000	583	58.30%
	56,000	56,000	37,991	67.84%	26,500	31,293	118.09%
Miscellaneous Revenue							
Interest & Dividends	20,000	20,000	6,217	31.09%	9,500	10,678	112.40%
Donations	-	1,900	1,450		-	5,000	
Miscellaneous Revenue	10,000	11,528	20,863	180.98%	54,987	73,391	133.47%
Water Tower Lease	24,480	24,480	10,890	44.49%	24,480	9,075	37.07%
Electronic Sign Revenue	4,500	4,500	-	0.00%	4,700	-	0.00%
Misc Rental Leases	37,200	37,200	16,950	45.56%	2,000	2,478	123.90%
Lighthouse Maint Reimbursement	-	-	-		4,229	-	
	96,180	99,608	56,370	56.59%	99,896	100,622	100.73%
Other Financing Sources							
Carry-Over Reserve					182,078	-	0.00%
Loan Proceeds					901,387	78,387	8.70%
Drug Fund Revenue Transfer					237	2,826	1192.41%
					1,083,702	81,213	7.49%
Total	10,322,558	13,342,755	9,104,086	68.23%	15,050,542	8,798,549	58.46%
Less grants		(2,950,574)	(378,428)	12.83%	(4,005,615)	(332,292)	8.30%
Adjusted Total WITHOUT GRANTS	10,322,558	10,392,181	8,725,658	83.96%	11,044,927	8,466,257	76.65%

City of Cambridge, Maryland
General Fund Mid Year Analysis as of 12/31/16

Taxes

As of 12/31/16, we have billed 100% of real estate taxes comparable to last year this time. Personalty taxes is \$100,000 greater than this time last year but this is due to faster collections not to an increase in taxes. Income taxes are higher than last year because of the \$194,000 one time back payment we received. This year, we segregated the one time Highway Administration grant from the Highway User revenue. Last year was combined.

Licenses and Permits

Looking at licenses and permits, permits are up from last year due to some units being built on Woods Rd and for the Greenwood Village project. We will be monitoring these accounts to see how they perform to budget. Cable TV Franchise is projected to be \$50,000 higher last year due to additional one time revenue received from Comcast when the franchise agreement was renewed in FY2016.

Rental Registration

The total revenue budget for the year included a proposed rental registration fee of \$40/unit which Council did not approve. It was projected to increase revenues by \$45,000. As a consequence, the adopted budget would be expected to drop to \$136,600. The amount billed this year was around \$134,000.

Intergovernmental

This year the amended budget only had operating grants in the budget. We did amendments for all other grant. Significant large capital grants include Cannery Park Stream Restoration and Long Wharf Bulkhead and Green Parking Lot. The Bulkhead and Parking Lot grants are completed. Cannery Park design is almost complete and permits will be applied for shortly. Other projects pending request for proposals are the solar expansion and seawall project.

Service charges

Property clean up revenue is less than last year as last year the amount was recorded as billed not collected. Collection is typically much lower. Police fees is a new category for fees charged for officers providing services after hours. The fee covers the costs of the officer and related benefits.

Fines and forfeitures

Municipal infractions is higher than what is budgeted. We will be monitoring this account to see how much additional revenue comes in the year. Traffic camera revenue is down due to cancellation of the speed camera monitoring program.

Miscellaneous revenue

The Police Chief solicits donations from agencies interested in promoting the safety of the City of Cambridge - this year we have received approximately \$1,450. We are working with 1880Bank to maximize our interest by consolidating bank accounts and using a sweep account.

Potential unbudgeted revenue

As discussed, we receive \$194,000 for prior year personalty taxes. This is a one time source of revenue. Overall no other unbudgeted revenue is anticipated. Overall revenue, should be close to expected. Looking to next year, real estate tax assessments are projected to decrease by 2% due to overall lowered property assessment by the state.

City of Cambridge, Maryland
General Fund Mid Year Analysis as of 12/31/16

General Fund Expenses Budget to Actual

Expenses by Division	Current Fiscal Year				Previous Year		
	FY17 Adopted	FY17 Amended	Actual 12/31/2016	% Amend. Received	FY16 Amended	Actual 12/31/15	% EOY Act Rec/Spent
Mayor							
Personnel	17,688	17,688	6,912	39.08%	9,600	4,800	50.00%
Operating expenses	9,720	12,642	3,331	26.35%	12,160	5,448	44.80%
	27,408	30,330	10,243	33.77%	21,760	10,248	47.10%
Commissioners							
Personnel	77,571	77,571	35,099	45.25%	40,000	20,000	50.00%
Operating expenses	37,500	37,500	1,155	3.08%	5,040	636	12.62%
	115,071	115,071	36,254	48.33%	45,040	20,636	45.82%
City manager							
Personnel	185,420	185,420	98,887	53.33%	90,000	7,269	8.08%
Operating expenses	48,472	40,972	29,600	72.24%	39,935	4,015	10.05%
	233,892	226,392	128,487	56.75%	129,935	11,284	8.68%
Financial administration							
Personnel	221,304	221,304	105,336	47.60%	207,885	99,642	47.93%
Operating expenses	67,036	67,036	41,620	62.09%	53,127	29,421	55.38%
Debt expenses	160,614	160,614	75,154	46.79%			
	448,954	448,954	222,110	49.47%	261,012	129,063	49.45%
Information technology							
Personnel	123,476	122,395	55,424	45.28%	47,924	23,962	50.00%
Operating expenses	90,508	91,564	33,357	36.43%	19,750	7,188	36.39%
Capital expenses	39,000	77,944	6,400	8.21%			
	252,984	291,903	95,181	32.61%	67,674	31,150	46.03%
Law							
Operating expenses	114,100	114,100	42,941	37.63%	123,335	41,022	33.26%
Police administration							
Personnel	642,976	656,976	370,253	56.36%	169,034	75,415	44.62%
Operating expenses	91,774	95,202	51,744	54.35%	329,396	136,164	41.34%
Debt expenses	52,634	52,634	30,848	58.61%			
	787,384	804,812	452,845	56.27%	498,430	211,579	42.45%
Patrol/Cops Hiring							
Personnel	3,012,478	3,007,994	1,626,961	54.09%	2,742,672	1,350,162	49.23%
Operating expenses	348,900	334,900	148,875	44.45%			
Capital expenses	125,180	125,180	95,995	76.69%	141,295	130,645	
	3,486,558	3,468,074	1,871,831	53.97%	2,883,967	1,480,807	51.35%
Special Operations							
Personnel	671,359	671,359	368,054	54.82%			
Operating expenses	2,200	2,200	1,100	50.00%			
	673,559	673,559	369,154	54.81%	-	-	

City of Cambridge, Maryland
General Fund Mid Year Analysis as of 12/31/16

Expenses by Division	Current Fiscal Year				Previous Year		
	FY17 Adopted	FY17 Amended	Actual 12/31/2016	% Amend. Received	FY16 Amended	Actual 12/31/15	% EOY Act Rec/Spent
Police grants							
Personnel		159,507	16,679	10.46%	187,085	52,273	27.94%
Operating expenses		11,774		0.00%	64,553	14,055	21.77%
	-	171,281	16,679	9.74%	251,638	66,328	26.36%
Rescue fire company							
Personnel	60,000	60,000	56,954	94.92%	included in misc. personnel		
Operating expenses	194,510	193,945	59,748	30.81%	193,341	64,376	33.30%
Capital expenses					13,000	-	0.00%
Debt service	368,981	368,981	284,855	77.20%			
	623,491	622,926	401,557	64.46%	206,341	64,376	31.20%
Public works administration							
Personnel	210,944	210,944	110,228	52.25%	134,728	65,546	48.65%
Operating expenses	159,185	159,185	138,880	87.24%	162,980	51,702	31.72%
Capital expenses					24,500	22,238	
	370,129	370,129	249,108	67.30%	322,208	139,486	43.29%
Engineering services							
Personnel	317,104	317,104	168,739	53.21%	84,616	42,309	50.00%
Planning and zoning							
Personnel	140,217	140,217	71,879	51.26%	104,706	46,085	44.01%
Operating expenses	19,300	20,495	6,538	31.90%			#DIV/0!
	159,517	160,712	78,417	48.79%	104,706	46,085	44.01%
Economic Development							
Personnel	170,615	158,454	49,323	31.13%	130,859	38,407	29.35%
Operating expenses	41,100	140,977	36,700	26.03%	148,271	51,509	34.74%
Capital expenses	-	-	-		-	-	
	211,715	299,431	86,023	28.73%	279,130	89,916	32.21%
Special Events (Formerly Ironman)							
Personnel	63,437	63,437	24,244	38.22%	8,062	-	
Operating expenses	45,000	45,000	36,800	81.78%	25,000	25,000	
	108,437	108,437	61,044	56.29%	33,062	25,000	
Municipal properties							
Personnel	522,991	518,991	260,224	50.14%	307,684	122,538	39.83%
Operating expenses	577,715	577,715	236,724	40.98%	609,226	216,624	35.56%
Capital expenses	65,276	2,844,569	952,558	33.49%	4,210,566	25,000	0.59%
Debt service	467,444	467,444	370,829	79.33%			
	1,633,426	4,408,719	1,820,335	41.29%	5,127,476	364,162	7.10%
Building safety services							
Personnel	184,031	184,031	78,781	42.81%	56,165	28,083	50.00%
Operating expenses	122,000	122,000	40,887	33.51%			
	306,031	306,031	119,668	39.10%	56,165	28,083	50.00%

City of Cambridge, Maryland
General Fund Mid Year Analysis as of 12/31/16

Expenses by Division	Current Fiscal Year				Previous Year		
	FY17 Adopted	FY17 Amended	Actual 12/31/2016	% Amend. Received	FY16 Amended	Actual 12/31/15	% EOY Act Rec/Spent
Heavy Equipment Maintenance							
Personnel	98,003	98,003	49,640	50.65%	54,420	25,833	47.47%
Operating expenses	7,000	7,000	1,763	25.19%	5,800	3,083	53.16%
	105,003	105,003	51,403	48.95%	60,220	28,916	48.02%
Sanitation & Waste							
Personnel	322,075	322,075	145,201	45.08%	201,788	90,253	44.73%
Operating expenses	410,700	410,700	176,399	42.95%	372,330	126,624	34.01%
	732,775	732,775	321,600	43.89%	574,118	216,877	37.78%
Highway and streets							
Personnel	504,468	499,382	240,086	48.08%	133,961	66,596	49.71%
Operating expenses	154,000	154,000	71,851	46.66%	236,700	202,171	85.41%
Capital expenses	250,000	250,000	23,000	9.20%			
Debt service	38,893	38,893	19,447	50.00%			
	947,361	942,275	354,384	37.61%	370,661	268,767	72.51%
Miscellaneous							
Personnel (Benefits)					2,107,268	1,473,218	69.91%
Operating expenses					294,721	146,325	49.65%
Overhead allocation	(1,432,341)	(1,432,341)	(698,612)	48.77%			
Appropriated reserve	100,000	57,078		0.00%			
Debt service					1,146,059	603,794	52.68%
	(1,332,341)	(1,375,263)	(698,612)	50.80%	3,548,048	2,223,337	62.66%
Total	10,322,558	13,342,755	6,259,391	46.91%	15,049,542	5,539,431	36.81%
Expenses by Classification							
Personnel	7,546,157	7,692,852	3,938,904	51.20%	6,818,457	3,632,391	53.27%
Operating expenses	2,540,720	2,638,907	1,160,013	43.96%	2,695,665	1,125,363	41.75%
Appropriated reserve	100,000	57,078	-	0.00%	-	-	
Overhead allocation	(1,432,341)	(1,432,341)	(698,612)	48.77%			
Capital expenses	479,456	3,297,693	1,077,953	32.69%	4,389,361	177,883	4.05%
Debt service	1,088,566	1,088,566	781,133	51.20%	1,146,059	603,794	53.27%
Total	10,322,558	13,342,755	6,259,391	46.91%	15,049,542	5,539,431	36.81%
Less grants	-	(2,950,574)	(969,237)		(4,004,615)	(76,287)	
Adjusted Total WITHOUT GRANTS	10,322,558	10,392,181	5,290,154	50.91%	11,044,927	5,463,144	49.46%

Expense Highlights

Overview

Comparison from one year to another is difficult because FY17 allocates benefits, debt and insurance to the divisions. In addition overhead allocation is being charged to each location. When comparing the amount of expenses spent this year compared to last year, the most meaningful number is the Adjusted Total WITHOUT GRANTS. This backs grants out of the expenses and budget. For FY16, the City had spent 49% of the budget at 12/31. For FY17, the City has spent 51% of budget at 12/31- a similar percentage.

City of Cambridge, Maryland
General Fund Mid Year Analysis as of 12/31/16

Expense Highlights (continued)

Commissioners

Included in operating expenses budget is \$31,000 for Council Goal reserves.

Information Technology

Included in capital expenses amended budget is \$40,000 for cameras.

Personnel

Personnel is at 51% of budget due to the pension bill of approximately \$900,000 being paid in December.

Economic Development

Included in operating expenses amended budget is the cost of a new website for \$17,000 scheduled to be completed in early summer.

Lapse Time

The FY18 budget includes \$180,000 of lapse time savings salaries. Lapse time represents the amount of savings the City receives when a budgeted position is left vacant for a period of time. At mid-year of FY17, we have received a \$110,000 in lapse time savings or 61% of that budgeted. Lapse time was earned from an IT assistant position, a part time financial person, municipal property positions, sanitation positions, and police offer positions unfilled for part of the year and 1 still vacant positions in economic development.

Appropriated Reserve

Appropriated reserve was for \$100,000. \$40,000 has been designated for cameras on Greenwood Ave and \$2,942 for 2 rings for Chief Malik and Ed Kinnamon leaving a balance of \$57,078.

City of Cambridge, Maryland
General Fund Mid Year Analysis as of 12/31/16

General Fund Budget to Actual

	Current Fiscal Year				Previous Year		
	FY17 Adopted	FY17 Amended	Actual 12/31/2016	% Amend. Received	FY16 Amended	Actual 12/31/15	% EOY Act Rec/Spent
Total Revenues	10,322,558	13,342,755	9,104,086	68.23%	15,050,542	8,798,549	58.46%
Total Expenditures	10,322,558	13,342,755	6,259,391	46.91%	15,049,542	5,539,431	36.81%
Total			2,844,695			3,259,118	

General Fund Budget to Actual WITHOUT GRANTS INCLUDED

	Current Fiscal Year				Previous Year		
	FY17 Adopted	FY17 Amended	Actual 12/31/2016	% Amend. Received	FY16 Amended	Actual 12/31/15	% EOY Act Rec/Spent
Total Revenues WITHOUT GRANTS	10,322,558	10,392,181	8,725,658	83.96%	11,044,927	8,466,257	76.65%
Total Expenditures WITHOUT GRANTS							
Personnel	7,546,157	7,533,345	3,922,225	52.06%	6,664,272	3,607,108	54.13%
Operating expenses	2,540,720	2,627,133	1,160,013	44.16%	2,302,720	1,074,359	46.66%
Overhead allocation	(1,432,341)	(1,432,341)	(698,612)	48.77%			
Appropriated reserve	100,000	57,078	-	0.00%			
Capital expenses	479,456	518,400	125,395	24.19%	931,876	177,883	19.09%
Debt service	1,088,566	1,088,566	781,133	52.06%	1,146,059	603,794	54.13%
Total Expenditures WITHOUT GRANTS	10,322,558	10,392,181	5,290,154	50.91%	11,044,927	5,463,144	49.46%
Total	-	-	3,435,504		-	3,003,113	

Revenue and Expenses Overview

Overall, revenue is at 84% of budget versus 77% of the prior year partly because of the one time money received for prior year income taxes and partly from accelerated personalty taxes being received. Over the course of the year though, we expect revenue to level out to be closer to what is budgeted.

Overall, expenses are at 51% of the amount budgeted. Personnel and debt service are higher than budgeted due to the timing of payments during the year. Operating expenses are at 44% of the budgeted amount.

City of Cambridge, Maryland
Sewer Fund Mid Year Analysis as of 12/31/16

Sewer Fund Revenues Budget to Actual

Revenues	Current Fiscal Year				Previous Year		
	FY17 Adopted	FY17 Amended	Actual 12/31/2016	% Amend. Received	FY16 Amended	Actual 12/31/15	% EOY Act Rec/Spent
Revenues							
Sewer service	3,704,000	3,704,000	1,850,690	49.96%	3,571,000	1,852,120	51.87%
Sanitary district charges	459,100	459,100	230,220	50.15%	456,000	229,596	50.35%
Horn Point - Sewer	33,000	33,000	11,573	35.07%	26,000	16,452	63.28%
Pollution control-septic	60,000	60,000	18,433	30.72%	65,000	27,285	41.98%
Grants and loan proceeds	240,000	240,000		0.00%	243,000	614,343	252.82%
Discharges & connections	3,600	3,600	2,000	55.56%	3,000	1,800	60.00%
Interest	1,500	1,500	1,557	103.80%	1,000	632	63.20%
Total Revenue	4,501,200	4,501,200	2,114,473	46.98%	4,365,000	2,742,228	62.82%

Revenue overview

Revenue collections for sewer service is similar to last year and on target to revenue budgeted.

The grant anticipated of \$240,000 was not received. As a result, some of the capital equipment that MES had budgeted for the treatment plant were deferred, MES adjusted FTE to the minimum required, and MES renegotiated a contract for sludge removal to the landfill in order to compensate for the loss of this grant. It is anticipated that we will receive the grant next year.

Expenses	Current Fiscal Year				Previous Year		
	FY17 Adopted	FY17 Amended	Actual 12/31/2016	% Amend. Received	FY16 Amended	Actual 12/31/15	% EOY Act Rec/Spent
Commissioners							
Personnel					10,000	5,000	50.00%
Other operating expenses					1,260	159	12.62%
					11,260	5,159	45.82%
Mayor							
Personnel					2,400	1,200	50.00%
Other operating expenses					3,040	1,362	44.80%
					5,440	2,562	47.10%
City manager							
Personnel					10,000	808	
Other operating expenses					2,215	446	
					12,215	1,254	
Financial administration							
Personnel					23,228	11,071	47.66%
Other operating expenses					11,690	7,398	63.28%
					34,918	18,469	52.89%
Law							
Other operating expenses					21,765	6,318	29.03%

**City of Cambridge, Maryland
Sewer Fund Mid Year Analysis as of 12/31/16**

Expenses	Current Fiscal Year				Previous Year		
	FY17 Adopted	FY17 Amended	Actual 12/31/2016	% Amend. Received	FY16 Amended	Actual 12/31/15	% EOY Act Rec/Spent
General services							
Other operating expenses					46,484	19,862	42.73%
Capital outlay					61,100	-	0.00%
					107,584	19,862	18.46%
Information technology							
Personnel					11,981	5,990	
Other operating expenses					5,200	1,847	
					17,181	7,837	
Other government							
Other operating expenses					1,240	6,384	514.84%
Public works administration							
Personnel					57,740	28,091	48.65%
Other operating expenses					66,420	19,639	29.57%
Capital outlay					10,500	9,531	
					134,660	57,261	42.52%
Engineering services							
Personnel					145,057	72,529	50.00%
Building safety services							
Personnel					24,071	12,035	50.00%
City services division							
Personnel					19,385	9,692	50.00%
Assistant Superintendent-PW							
Personnel					16,642	8,321	50.00%
Sanitation & Waste							
Personnel					22,421	10,507	46.86%
Other operating expenses					41,370	14,069	34.01%
Capital outlay							
					63,791	24,576	38.53%
Sewer services							
Other operating expenses	2,002,070	2,002,070	626,078	31.27%	1,985,969	779,780	39.26%
Capital outlay	205,000	205,000	5,967	2.91%	100,545	21,768	21.65%
Debt expense	725,296	725,296	68,158	9.40%			
	2,932,366	2,932,366	700,203	23.88%	2,086,514	801,548	38.42%
Heavy equipment maintenance							
Personnel					13,605	6,458	47.47%
Other operating expenses				see above	1,200	771	64.25%
					14,805	7,229	48.83%
Utilities maintenance							
Personnel	50,401	50,401	26,380	52.34%	35,349	14,962	42.33%
Other operating expenses	108,605	108,605	70,585	64.99%	57,000	18,344	32.18%
Capital outlay	-	-	-		-	-	
	159,006	159,006	96,965	60.98%	92,349	33,306	36.07%

City of Cambridge, Maryland
Sewer Fund Mid Year Analysis as of 12/31/16

Expenses	Current Fiscal Year				Previous Year		
	FY17 Adopted	FY17 Amended	Actual 12/31/2016	% Amend. Received	FY16 Amended	Actual 12/31/15	% EOY Act Rec/Spent
Highways and streets							
Personnel					268,215	129,643	48.34%
Other operating expenses					162,800	103,142	63.36%
Capital outlay	see explanation on previous page						
					431,015	232,785	54.01%
Miscellaneous							
Personnel					201,798	117,155	58.06%
Other operating expenses					63,295	64,721	102.25%
Overhead allocation	1,403,003	1,403,003	641,381	45.71%			
Appropriated reserve		6,825		0.00%			
Debt service					860,015	337,583	39.25%
	1,403,003	1,409,828	641,381	45.49%	1,125,108	519,459	46.17%
Total Expenses	4,494,375	4,501,200	1,438,549	31.96%	4,365,000	1,846,586	42.30%
Expenses by Classification							
Personnel	50,401	50,401	26,380	52.34%	861,892	433,462	50.29%
Operating expenses	2,110,675	2,110,675	696,663	33.01%	2,470,948	1,044,242	42.26%
Overhead allocation	1,403,003	1,403,003	641,381	45.71%			
Appropriated reserve		6,825					
Capital expenses	205,000	205,000	5,967	2.91%	172,145	31,299	18.18%
Debt service	725,296	725,296	68,158	52.34%	860,015	337,583	50.29%
Total	4,494,375	4,501,200	1,438,549	31.96%	4,365,000	1,846,586	42.30%

Sewer Budget to Actual

	Current Fiscal Year				Previous Year		
	FY17 Adopted	FY17 Amended	Actual 12/31/2016	% Amend. Spent	FY16 Amended	Actual 12/31/15	% EOY Act Rec/Spent
Total Revenues	4,501,200	4,501,200	2,114,473	46.98%	4,365,000	2,742,228	62.82%
Total Expenditures	4,494,375	4,501,200	1,438,549	31.96%	4,365,000	1,846,586	42.30%
Total			675,924			895,642	

Expense Highlights

Comparison from one year to another is difficult because in the current FY17 budget, overhead costs are indirectly charged to a single line item called overhead (see miscellaneous division). In FY16 and previous, expenses were directly charged to the various funds.

Capital Outlay

Capital outlay items included in the Sewer Fund so far this year are for a backhoe and Maryland Environmental Services' expenses incurred in maintaining the sewer system. The backhoe was purchased in January 2017. Certain items related to the waste water treatment plant that MES purchases have been put on hold due to not having received the operating grant. In fall of 2016, a sink hole occurred at Woods Rd and cost is still being ascertained.

Debt

Debt was allocated on an indirect percentage basis between funds in FY2016. In FY2017, they are charged directly to the fund that incurred the debt.

City of Cambridge, Maryland
Marina Fund Mid Year Analysis as of 12/31/16

Marina Fund Revenues Budget to Actual

Revenues	Current Fiscal Year				Previous Year		
	FY17 Adopted	FY17 Amended	Actual 12/31/2016	% Amend. Received	FY16 Amended	Actual 12/31/15	% EOY Act Rec/Spent
Boat slip rentals	191,000	191,000	179,173	93.81%	190,000	190,721	100.38%
Boat slip electric	20,000	20,000	6,236	31.18%	8,500	7,713	90.74%
Transients-subleasing	68,000	68,000	24,114	35.46%	60,000	30,339	50.57%
Marina Fuel	92,000	92,000	81,114	88.17%	110,000	67,371	61.25%
Dockmaster- misc receipts	1,000	1,000	1,276	127.60%	1,500		0.00%
Seafood buyer rent	1,400	1,400	290	20.71%	1,100		
Pump out station	400	400	285	71.25%	1,300		0.00%
Interest	300	300	147	49.00%	125	1,404	1123.20%
DNR grant					1,942		
Other funding sources	258,585	258,585		0.00%	195,667		0.00%
Total Revenue	632,685	632,685	292,635	46.25%	570,134	297,548	52.19%

Revenue Overview

Boat slip rentals were approved at the same rates as FY16 and the bills sent in mid December. The decrease from FY16 is partly attributable due to writing off the boat slips not paid in FY16 (\$3,652).

Transients-subleasing is less than anticipated and compared to last year. Transient revenue is subject to the weather, cruise group travel plans, fuel and other factors which are hard to anticipate. We do not anticipate it coming in at budgeted.

Fuel revenue is higher than last year due to unexpected issues at the Hyatt.

Other funding sources are a budgeted transfer from the General Fund. As the fiscal year continues, we will be monitoring revenue and expenses to see how much the Marina Fund will owe the General fund for expenses it could not pay.

Expenses	Current Fiscal Year				Previous Year					
	FY17 Adopted	FY17 Amended	Actual 12/31/2016	% Amend. Received	FY16 Amended	Actual 12/31/15	% EOY Act Rec/Spent			
Information technology										
Other operating expenses	In the current FY17 budget, overhead costs are indirectly charged to a single line item called overhead (see miscellaneous division). In FY16 and previous, expenses were charged directly to the various funds.				1,698	617	36.34%			
Municipal properties mainten										
Personnel								13,209	5,890	44.59%
Other operating expenses					1,985	941	47.41%			
					15,194	6,831	44.96%			
Engineering services										
Personnel					12,088	6,044	50.00%			
Marine facilities										
Personnel	105,999	105,999	48,083	45.36%	75,380	38,180	50.65%			
Other operating expenses	163,763	163,763	98,895	60.39%	148,400	56,407	38.01%			
Capital expenses					1,942					
Debt expense	255,000	255,000	213,516	83.73%						
	524,762	524,762	360,494	68.70%	225,722	94,587	41.90%			

City of Cambridge, Maryland
Marina Fund Mid Year Analysis as of 12/31/16

Expenses	Current Fiscal Year				Previous Year		
	FY17 Adopted	FY17 Amended	Actual 12/31/2016	% Amend. Received	FY16 Amended	Actual 12/31/15	% EOY Act Rec/Spent
Miscellaneous							
Personnel					42,932	25,968	60.49%
Other operating expenses					6,248	8,661	138.62%
Overhead allocation	107,923	107,923	45,253	41.93%			
Debt service					266,252	238,354	89.52%
	107,923	107,923	45,253	41.93%	315,432	272,983	86.54%
Total Expenses	632,685	632,685	405,747	64.13%	570,134	381,062	66.84%
Expenses by Classification							
Personnel	105,999	105,999	48,083	45.36%	143,609	76,082	52.98%
Operating expenses	163,763	163,763	98,895	60.39%	158,331	66,626	42.08%
Overhead allocation	107,923	107,923	45,253	41.93%			
Capital expenses					1,942		
Debt service	255,000	255,000	213,516	45.36%	266,252	238,354	52.98%
Total	632,685	632,685	405,747	64.13%	570,134	381,062	66.84%

Marina Budget to Actual

	Current Fiscal Year				Previous Year		
	FY17 Adopted	FY17 Amended	Actual 12/31/2016	% Amend. Spent	FY16 Amended	Actual 12/31/15	% EOY Act Rec/Spent
Total Revenues	632,685	632,685	292,635	46.25%	570,134	297,548	52.19%
Total Expenditures	632,685	632,685	405,747	64.13%	570,134	381,062	66.84%
Total			(113,112)			(83,514)	

Expenses overview

Comparison from one year to another is difficult because in the current FY17 budget, overhead costs are indirectly charged to a single line item called overhead (see miscellaneous division). In FY16 and previous, expenses were directly to the various funds. In the current FY17 budget, debt and benefits are charged to the divisions instead of to a miscellaneous category (see miscellaneous division). In the current FY17 budget, overhead costs are indirectly charged to a single line item called overhead (see miscellaneous division). In FY16 and previous, expenses were directly to the various funds. In the current FY17 budget, debt and benefits are charged to the divisions instead of to a miscellaneous category (see miscellaneous division).

Debt is less than last year because we refinanced.

Marina Fund division is higher this than last year due to fuel purchased and other expenses for repairs that occurred this year versus this time last year.

Outlook

As the year progresses, we will be monitoring expenses and revenue and tracking how much the Marina Fund will owe the General Fund for the current year's expenses it could not fund.

City of Cambridge, Maryland
MUC Fund Summary as of December 31, 2106

Municipal Utilities Commission (MUC) Fund Revenues Budget to Actual

Revenues	Current Fiscal Year				Previous Year		
	FY17 Adopted	FY17 Amended	Actual 12/31/2016	% Amend. Received	FY16 Amended	Actual 12/31/15	% EOY Act Rec/Spent
Water sales	1,780,104	1,780,104	838,076	47.08%	1,663,276	809,200	48.65%
Miscellaneous Sales	75,000	75,000	59,943	79.92%	75,000	40,726	54.30%
Fireline charges	28,000	28,000	28,880	103.14%	24,000	28,680	119.50%
Miscellaneous revenue							
Penalty fees	66,000	66,000	35,375	53.60%	65,000	33,686	51.82%
Interest income	1,500	1,500	2,483	165.53%	1,500	205	13.67%
Sewer service reimb.							
Meter install fee	5,000	5,000	2,530	50.60%	5,000	75	1.50%
BRF reimbursement	12,000	12,000	6,599		24,000	5,776	
Reserves		90,000	90,000	100.00%			
Total Revenue	1,967,604	2,057,604	1,063,886	51.71%	1,857,776	918,348	49.43%

Revenue Highlights

Revenue is current at 52% of budgeted.

Revenue Outlook

The commission is anticipating hitting our projected revenues. However, revenue may be a little short depending on whether it is a wet or dry spring. New businesses would also increase revenue as well.

Expenses	Current Fiscal Year				Previous Year		
	FY17 Adopted	FY17 Amended	Actual 12/31/2016	% Amend. Received	FY16 Amended	Actual 12/31/15	% EOY Act Rec/Spent
Operational and distribution expenses							
Personnel	402,642	402,642	191,873	47.65%	387,309	183,267	47.32%
Other operating expenses	686,650	686,650	293,164	42.69%	801,550	279,340	34.85%
Capital expenses	158,100	248,100	142,879		-	105,405	
	1,247,392	1,337,392	627,916	46.95%	1,188,859	568,012	47.78%
General and administrative expenses							
Personnel	491,062	491,062	255,141	51.96%	464,310	233,628	50.32%
Other operating expenses	217,100	217,100	69,244	31.89%	192,557	78,678	40.86%
Debt service	12,050	12,050	6,011	49.88%	12,050	6,011	49.88%
	720,212	720,212	330,396	45.87%	668,917	318,317	47.59%
Total Expenses	1,967,604	2,057,604	958,312	46.57%	1,857,776	886,329	47.71%

City of Cambridge, Maryland
MUC Fund Summary as of December 31, 2106

Expenses by Classification								
Personnel	893,704	893,704	447,014	50.02%		851,619	416,895	48.95%
Operating expenses	903,750	903,750	362,408	40.10%		994,107	358,018	36.01%
Capital expenses	158,100	248,100	142,879			-	105,405	
Debt service	12,050	12,050	6,011	50.02%		12,050	6,011	48.95%
Total	1,967,604	2,057,604	958,312	46.57%		1,857,776	886,329	47.71%

Expense Highlight

Expenses are within budget or just under the amount budgeted and should be under budget at year end and should be within the budget limited by year end.

Expenses are at 47%. We expect to receive some revenue (as yet undeterminable) from our insurance claims due to a leak at Harbor Haven which are included in expenses paid.

The MUC has begun mapping our valves, hydrants, mains, and service on the GIS Systems. We have also purchased our Ford transit and have already noticed a reduction in gas mileage.

MUC has completed our portion of work on the Rt16 roundabout. We have increased fire flow by connecting Longboat to Kiowa Rd. Replaced doors at 410 Academy St. Moled two new lines at Long Wharf for DPW. Completed rental registration mailing for DPW and filled vacancy of a Water Distribution Technician.

FY 17 budget amended with an increase of \$90,000 from Reserves to cover non-budgeted items of Rt 16 round about and leak on main at Harbor Haven.

MUC Budget to Actual

	Current Fiscal Year				Previous Year		
	FY17 Adopted	FY17 Amended	Actual 12/31/2016	% Amend. Spent	FY16 Amended	Actual 12/31/15	% EOY Act Rec/Spent
Total Revenues	1,967,604	2,057,604	1,063,886	51.71%	1,857,776	918,348	49.43%
Total Expenditures	1,967,604	2,057,604	958,312	46.57%	1,857,776	886,329	47.71%
Total			105,574			32,019	

City of Cambridge, Maryland
Health Insurance Fund Mid Year Analysis as of 12/31/16

Health Insurance Fund Budget to Actual

	Current Fiscal Year				Previous Year		
	FY17 Adopted	FY17 Amended	Actual 12/31/2016	% Amend. Spent	FY16 Amended	Actual 12/31/15	% EOY Act Rec/Spent
Charges for Health Insurance	600,000	600,000	300,000	50.00%	n/a	n/a	n/a
Interest & Dividends			735		n/a	n/a	n/a
Total Revenues	600,000	600,000	300,735	50.12%	n/a	n/a	n/a
Total Expenditures	600,000	600,000	506,166	84.36%	n/a	n/a	n/a
Total			(206,166)		n/a	n/a	n/a

Overview

This is the first year for an Internal Fund for Health Insurance. Health Insurance was budgeted based on prior year expenses. However in the middle of FY16 and in FY17, expenses have increased dramatically. We do expect the costs of insurance to decrease for the second half of the year but not substantially. Any deficit in the health insurance costs will be paid out of reserves.

We are working with McWilliams Financial group who oversees our health insurance for additional cost saving measures. We are also exploring the potential benefits of a health insurance pool with LGIT.