

**Historic St. Mary's City  
FY 2013 Budget Testimony**

**February 16, 2012**

**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 funds revenues have fluctuated significantly in recent years but grew nearly \$400,000 between fiscal year 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.**

The State has asked the Commission over the past few years to increase its level of special fund revenue and the Commission has done this through building revenue streams that should provide fairly reliable income in future years.

- Admissions:
  - Education Tours: Admissions revenues hold steady since the number of school tours are relatively consistent each year.
  - Programs, Lectures, and Workshops: Education staff have developed and launched new programs for a greater range of ages and interest. We have already seen dividends from our pre-school program and specialty workshops, such as tree pruning or wreath making.
- Bed and Breakfast:
  - Once leased to a private operator, the Inn at Brome Howard has been in place for more than fifteen years and is now managed by the Commission. The Inn has a dependable clientele among visitors to the college and a good business of weekenders from the DC area.
  - A marketing campaign for the Inn includes redesigning the Inn's web-site, hosting bridal shows, and web-marketing and promotions are helping generate traffic.
  - With the donated labor of a volunteer painting contractor and the guidance of a volunteer interior designer, the museum is continuing renovations at the Inn begun in 2011.
- Food Service:
  - The Commission has entered into an agreement with an exclusive caterer who will provide food service to Inn guests, museum visitors, and the general public.
  - The museum has not provided food service for nearly fifteen years and this has forced hungry guests to leave the site. An on-site caterer will help support museum visitation and generate lunch and brunch business among local people.
- Land Leases:
  - Farm leases are dependable as they are signed for a three year term. Farmers in the area are anxious to lease as many acres as possible for crops and the

Commission has leased every available acre. Using a bid process it now collects four times more per acre in fees than in 2009.

- The Commission has signed a land-lease agreement with T-Mobile for construction of a telephone tower. Now that the proposed merger between AT&T and T-Mobile is no longer feasible, we hope to see construction of the tower in the next fiscal year. The lease would be signed for five years with multiple options to extend.
- Housing Rentals:
  - Revenues have increased from Commission rental properties because recent renovations have made up for years of deferred maintenance and therefore lower rents.
- Site and Event Rentals:
  - We are seeing an uptick in site rentals and expect to gradually recover our business for private and corporate events as the economy improves.

**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.**

Membership is driven the perceived value of its benefits. As the museum has focused on serving a broader audience, specifically young families in the local community, membership has increased. The Commission's Foundation has also made an effort to be more consistent with renewal notices and multiple reminders and these efforts will continue. These practices have allowed the Foundation to recapture existing membership and receive payments on time. In addition, monthly contact is made through emails and quarterly through newsletters to keep members engaged.

To increase membership in the future we plan to institute programs that allow members to interact with the Museum remotely which enhances the value of membership.

These offerings include:

- YouTube short videos of the site
- Additions to current archeological blogs
- Additions to the free podcasts and on-line lectures
- Additions to online articles
- Creation of an online store for Farthings Ordinary

The Commission continues to expand its programs and revitalize existing events in order to attract visitors. The education department is also focusing on psychographics as well as demographics to provide audiences with more appealing programming. Research suggests that membership increases with popular programming such as *Little Explorers* for pre-school children or the family-friendly *Hearth and Home*.

#### **Turnover Rate:**

At the end of the year, the Commission had five positions open. The departure of the three staff in close sequence was unexpected and the commission is required to submit a waiver for approval to fill any PIN position. One waiver is still awaiting approval and the others were

approved just before the Christmas holidays. The commission must go through a hiring process and has held off briefly over the holiday period and while the outdoor exhibits have been closed over the winter to conserve funds. The general funds received by the commission are now lower than they were in 1998 and the budget is so tightly strained that any further budget cuts will require firing staff.

**Note on Volunteers and Donated Goods and Services:**

The Commission has made the best of its assets and adjusted to the budget reductions which have taken the general funds below the 1998 levels of funding. It has managed to carry out its mandate through the generosity of its many supporters who have contributed significantly to the operation of Historic St. Mary's City through donations of time and materials. These individuals, businesses, and organizations support the Commission because they believe strongly in preserving and educating visitors and local people about the importance of site not only as the state's first capital but a place where the radical vision of religious freedom and peace, now a cherished vision taking hold around the world, was brought to the land we call Maryland. This is the story we tell and the story others want us to tell about our great state.

We could not operate as well as we do without the community behind us. We want to acknowledge the receipt of:

- 20 desktops computers and other technology from the College of Southern Maryland
- 6 laptops from St. Mary's County
- 6 used but serviceable truck and vans from SMECO
- \$100,000 in building supplies and exhibit cases from the National Building Museum in DC
- Three dozen dining room chairs from Asbury Solomons
- 24,000 annual volunteer hours from community members and volunteers from as far away as Pennsylvania who support museum operations by:
  - Maintaining our trails and gardens
  - Recording lectures and developing podcasts
  - Creating custom databases for Visitors Services
  - Supporting events
  - Serving as museum teachers and guides.

**For the Future:**

While the Commission will continue to solicit and benefit from help from its supporters, it respectfully requests that the state recognize the good use the commission has made of its funds and assets and provide additional general funds of \$250,000 in fiscal year 2014 so that we may continue to maintain the state assets entrusted to us and tell the story of Maryland's leadership in politics and human rights for the benefit of all people. St. Mary's City serves both as a real place and a symbol of the freedom and peace for which people today in the Middle East and Asia are willing to shed their blood.