



# Haverhill

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To The Honorable City Council

Attached are the revenue and expense reports through November 2025.

We are experiencing our third consecutive month of year-over-year declines in local revenue receipts. Local receipts include all the revenue categories highlighted in blue on page two of the revenue report.

Due to our conservative budgeting strategies — which involve estimating revenues below our actual expectations — we have thus far met our fiscal 2026 revenue targets. This approach helps the city avoid mid-year budget cuts in the event of an economic downturn or other financial strain. This is just one important strategy that helps the city remain financially stable and resilient.

Looking ahead to 2027, if we don't see signs of revenue improvement, we may need to keep revenue estimates flat or increase them only minimally. This could impact the amount available for appropriations. The Mayor's budget team will be updated as we begin the 2027 budget process next month.

The operating budgets are generally on target. However, you may notice that most salary budgets show a year-to-date overage. This is primarily due to cost-of-living adjustments (COLAs) and collective bargaining agreements, which have been allocated to a reserve account. These funds will be distributed to departments closer to the year-end, bringing salary budgets back in line with projections.

There are some actual overages in employee benefits, specifically for items such as unemployment, sick leave and vacation buyback. The city will need to cover these from the budget reserve. The budget reserve account is designated for emergency and unforeseen expenses, as well as for additional snow and ice removal costs. Currently, the balance in the budget reserve account is just over \$790,000, representing 0.29% of the total operating budget.

Sincerely,

Angel A. Perkins, CPFO, CGA, CFE  
City Auditor & Chief Financial Officer