



# Haverhill

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To The Honorable City Council

Attached are the revenue and expense reports through October 2025.

Last month, I reported a year-over-year revenue decline in local receipts of 5.7%. I can share that we have seen an uptick in collections, and the decline has now been reduced to 0.8%. Nonetheless, it is critical to note that, in the absence of investment income, we observe a year-over-year decline in local receipts of 11.5%. Since we cannot expect investment income to continue at current levels, given that most investments are from ARPA and borrowing proceeds for Consentino, we need to prepare for a likely revenue slowdown in the coming fiscal year.

The most significant impacts on local receipts are the declines in motor vehicle excise taxes and license and permit fees. Motor vehicle excise collections indicate a 15% year-over-year decline, which is particularly impactful given that it is the city's largest single source of local revenue, with an estimated budget of \$8.3 million. Another area to watch is the decline in license and permit fees, which are down 23% year over year. This revenue category is currently budgeted at \$2.5 million.

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 and sick leave 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