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# Live Work & Visit



## Popular Annual Financial Report

*A Financial Summary For Its Citizens  
For the Fiscal Year Ended June 30, 2010*



### City of Hagerstown

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# City of Hagerstown



City Center

This Popular Annual Financial Report was prepared by:

City of Hagerstown, Maryland

Department of Finance  
One East Franklin Street  
Hagerstown, MD 21740  
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Michelle A. Burkner  
Acting Director of Finance

Angela D. Ludeman  
Budget Analyst

## Table of Contents

Letter from Director of Finance	1
Organizational Structure	2
Strategic Plan for the Future	3
The City's Fund Structure	4
The City's General Fund	5
The City's Overall Financial Position	6
Governmental Activities	7
The City's Business-type Activities	11
Debt Administration	13
The City's Capital Improvements Program	14
The City's Utility Services	15
The City's Profile	16

## PAFR Award

### Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO  
**City of Hagerstown**  
**Maryland**  
 for the Fiscal Year Ended  
**June 30, 2009**



*[Signature]*  
 President  
*Jeffrey L. Esser*  
 Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) has given an award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Hagerstown for its Popular Annual Financial Report for the fiscal year ended June 30,

2009. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

## For the Residents of Hagerstown, Maryland



We are pleased to present the Popular Annual Financial Report (PAFR) for Fiscal Year 2010 (July 1, 2009 – June 30, 2010). The PAFR is designed to summarize the City of Hagerstown's financial information. Our goal is to better communicate the results of financial operations for the City of Hagerstown in an understandable, user-friendly report. The PAFR will highlight where the revenues come from to operate the City, where those dollars are spent and FY10 major initiatives.

The information presented in the PAFR was taken from the financial information presented in the City of Hagerstown's FY10 Comprehensive Annual Financial Report (CAFR). The CAFR was prepared in conformity with Generally Accepted Accounting principles (GAAP) and was audited by the City's independent auditors receiving an unqualified opinion. The numbers within the CAFR were arrived at by employing accrual and modified accrual accounting techniques as prescribed by the Governmental Accounting Standards Board (GASB).

The PAFR, CAFR and the City's Adopted Budget are available on the City's Website at <http://www.hagerstownmd.org>. Copies of those documents may also be obtained by contacting the Finance Department at (301) 739-8577, ext. 156.

*Michelle Burker*  
 Michelle Burker  
 Acting Director of Finance

# Organizational Structure

## City of Hagerstown Elected Officials



Mayor  
Robert E.  
Bruchey II



Councilmember  
William M.  
Breichner



Councilmember  
Martin E.  
Brubaker



Councilmember  
Forrest W.  
Easton



Councilmember  
Ashley C.  
Haywood

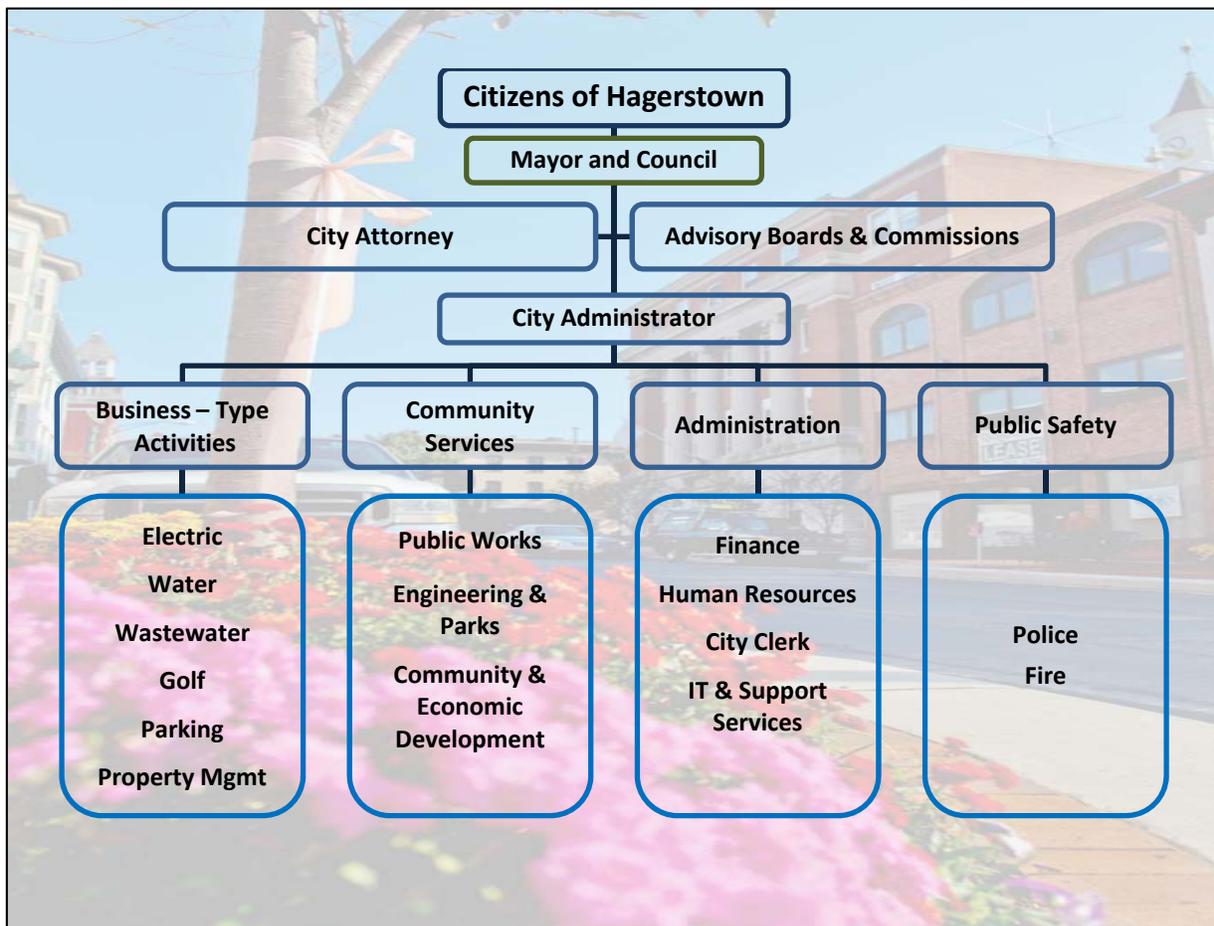


Councilmember  
Lewis C.  
Metzner

## City of Hagerstown Structure



Bruce J. Zimmerman, City Administrator



# Strategic Plan for the Future

## Long-term financial planning

Through a mix of financial management policies, land use, and forecasting, the City will ensure stability by maximizing its current use of resources. To assist City policy makers, a five year forecast of the City's General and Enterprise Funds is included in the City's budget document to show them the financial impact of their decisions. The Mayor and City Council began working on a new Strategic Plan in FY2010 and formally adopted that Plan in September 2010. The Plan outlines the City's desire to be the location of choice for a diverse and dynamic citizenry, and to provide a proud and prosperous community.

## Strategic Plan major initiatives

### A Prosperous Community

- Completion and implementation of a comprehensive rezoning plan
- Examine and develop concepts and feasibility plans for: a bridge over Antietam Creek at Professional Court and its relationship to future annexation; revitalization of the Municipal Stadium; retail commercial business and recreational use along Antietam Creek using public-private partnerships

### A Vibrant, Active and Livable Community

- Completion of the North Potomac Street sidewalk project
- Assist and support Washington County in their efforts to expand the Washington County Library in Hagerstown
- Enhance the image of Hagerstown by creating "pocket parks"; expanding the biking and walking trail systems throughout the City; and readapting the Fairgrounds Park grandstand use

### A Safe and Healthy Community

- Completion of the West End Water Tank and Wastewater Treatment Plant ENR upgrades
- Implement approved recommendations from the Green Task Force and the Trash and Recycling Task Force
- Evaluation and creation of new governmental and community partnerships to improve Police and Fire Services and relocation of fire stations to enhance public safety

### An Innovative and Sustainable Government

- Develop recommendations for the realignment of resources and personnel to deliver services more efficiently and effectively
- Explore opportunities for City / County and Public / Private collaborations
- Explore alternative retirement plans and retiree healthcare reform



**A Prosperous Community**  
Examine feasibility of Professional Court extension, bridge over Antietam Creek, and its relationship to future annexation.

**A Vibrant, Active and Livable Community**  
Sidewalk Improvements on North Potomac Street

## About Your City & City Government.....

The City of Hagerstown operates under a council-manager form of municipal government. A charter granted by the General Assembly of Maryland formed the governing authority for the City. The Mayor and Council are the governing body of the City. The Mayor and Council are comprised of a mayor and five councilmembers elected by the citizens of Hagerstown. The City Administrator is appointed by the Mayor and Council to serve as the Chief Executive Officer of the City.

The City serves residents with a full range of services including: police, fire, planning, licensing, permitting and inspections, water, sewer, refuse, electric services, snow

removal, street maintenance and other public works functions, and recreation and parks services.

The 2010 population estimate for the City of Hagerstown was 39,996. Strategically situated in the heart of the Cumberland Valley, the City is located at the intersection of I-81 and I-70 and is the largest city in Western Maryland. The City is home to the Hagerstown Suns, a Class A minor league team affiliated with the Washington Nationals. For those who enjoy things of an artistic nature, Hagerstown is home to the Maryland Symphony Orchestra and one of Maryland's three accredited fine arts museums.

### Fund Structure

The City of Hagerstown separates its financial information into Governmental Activities and Business Type Activities. Revenues for Governmental Activities are primarily supported by taxes and intergovernmental activities. Business Type Activities are other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The City groups related accounts into funds to maintain control over resources that have been segregated for specific activities or objectives. Currently, there are 20 funds which are further separated into either Governmental Activities or Business Type Activities. The City's Fiduciary Funds include the Police and Fire Pension Fund and the Other Post Employment Benefits Fund.

Governmental Activities include general government, public safety, streets and alleys, waste collection and disposal, parks and recreation and economic and community development. Business Type Activities include the City's utility functions: electric, water, and wastewater, and 3 public services: parking facilities, the golf course, and property management.

#### **Governmental Activity Funds**

The City of Hagerstown maintains nine individual governmental funds.

- General Fund – This is the primary operating fund for the City, and accounts for revenues and expenditures that are not required to be accounted for in other funds.
- Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for a specific purpose.
- Capital Improvement Project Funds – This fund is used to account for the acquisition and construction of major capital assets.

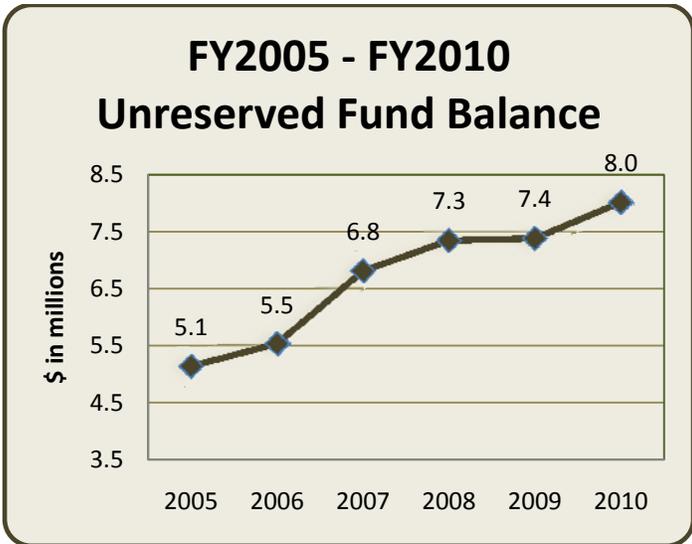
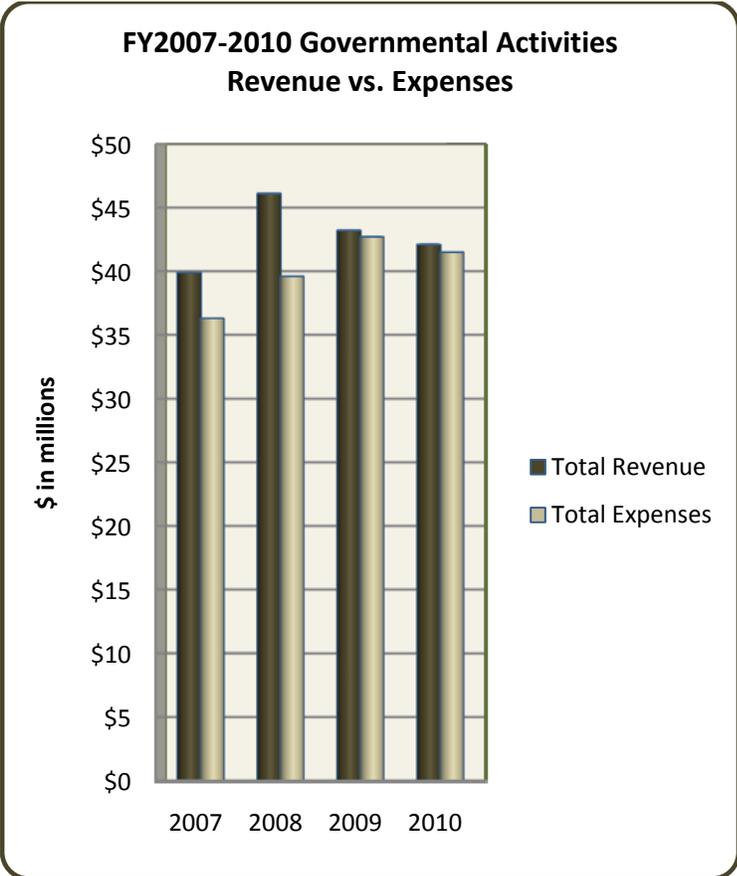
#### **Business Type Activity Funds**

The City of Hagerstown maintains 2 different types of proprietary funds.

- Enterprise Funds – These funds are used to report services for which the City charges customers a fee. Enterprise funds are used to report operations showing a profit or loss similar to private businesses.
- Internal Service Funds – Used to accumulate costs associated with our self-insured employee health, dental and worker's compensation insurance. Costs are then allocated internally among the City's various functions.

## The General Fund

The General Fund is one of ten Governmental Activity Funds. The majority of the City’s governmental expenditures are paid from the General Fund, and it is the City’s primary operating fund. The City Administrator is required by the City Charter to submit a proposed budget to the Mayor and Council at least 90 days prior to the beginning of the fiscal year. To ensure there will be sufficient current resources to pay current obligations, the General Fund must be in balance. In FY2010 total revenues were \$38.8 million and surpassed budgeted projections by \$684,000 due to the City’s full year real estate tax levy, and corporate personal property taxes exceeding our estimates. Total expenditures of \$37.1 million were \$360,000 below budget due to savings from not filling vacant positions and tighter controls over temporary and seasonal positions. Because City Managers have kept expenditures for departments in line with or below budget, expenditures for FY2010 were below budgeted projections and the City had a surplus of \$661,000. Excess revenue over expenditures in any year becomes part of the City’s fund balance.



Over the last six years, the City’s unreserved General Fund Balance has steadily increased. The unreserved fund balance is a measure of the amount available in the subsequent year’s budget. In FY2010, the unreserved General Fund balance was \$8.0 million, which is 21.6% of General Fund expenditures. This represents over two and a half months of General Fund expenditures and complies with City financial policy requiring a minimum undesignated fund balance of 10% of the General Fund operating expenditures. The Fund Balance is used as an indicator of the City’s financial health and credit risk by rating agencies, such as Moody’s Investors Service. It is the City’s financial “shock absorber” in uncertain economic times.

**What does Fund Balance mean?**  
 A fund balance is defined as the difference between total assets and total liabilities. Total assets are the resources the City can use to pay bills; whereas, total liabilities are the obligations that the City has to pay within a year. The fund balance is separated into two components. Reserved fund balances are set aside to pay for existing commitments such as inventories, prepaid items and open purchase commitments. Unreserved fund balances provide working capital for the City and are used for investment income and future uncertainties.

## The City's Overall Financial Position

Over time, net assets may serve as a useful indicator of a government's overall financial condition and position. The summary below shows that the City's assets exceeded liabilities by \$232.2 at the end of FY2010, an increase of \$6.8 million over the prior year.

Net assets are divided into three categories – invested in capital assets (net of related debt), restricted net assets and unrestricted net assets. The largest portion of the City's net assets \$202.5 million (87.2%) reflects its investment in capital assets net of depreciation.

Restricted net assets represent 4.4% of total net assets. Unrestricted net assets have a balance of \$19.5 million (8.4%) of total net assets.



*A Vibrant, Active and Livable Community  
A Taste of the Arts at City Center*

### City of Hagerstown's Summary of Net Assets June 30, 2010 and 2009 (in millions)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Assets:</b>						
Current Assets	\$ 29.3	\$ 23.3	\$ 21.8	\$ 15.5	\$ 51.1	\$ 38.8
Long-term and restricted assets	0.2	0.4	5.1	10.2	5.3	10.6
Capital assets, net	79.7	76.3	183.3	166.7	263.0	243.0
<b>Total Assets</b>	<b>109.2</b>	<b>100.0</b>	<b>210.2</b>	<b>192.4</b>	<b>319.4</b>	<b>292.4</b>
<b>Liabilities:</b>						
Long-term liabilities	23.8	17.5	40.7	25.1	64.5	42.6
Other liabilities	11.0	8.5	11.7	15.9	22.7	24.4
<b>Total Liabilities</b>	<b>34.8</b>	<b>26.0</b>	<b>52.4</b>	<b>41.0</b>	<b>87.2</b>	<b>67.0</b>
<b>Net Assets:</b>						
Invested in capital assets	60.9	63.6	141.6	140.8	202.5	204.4
Restricted	10.3	7.5	-	-	10.3	7.5
Unrestricted	3.2	2.9	16.2	10.6	19.4	13.5
<b>Total Net Assets</b>	<b>74.4</b>	<b>74.0</b>	<b>157.8</b>	<b>151.4</b>	<b>232.2</b>	<b>225.4</b>

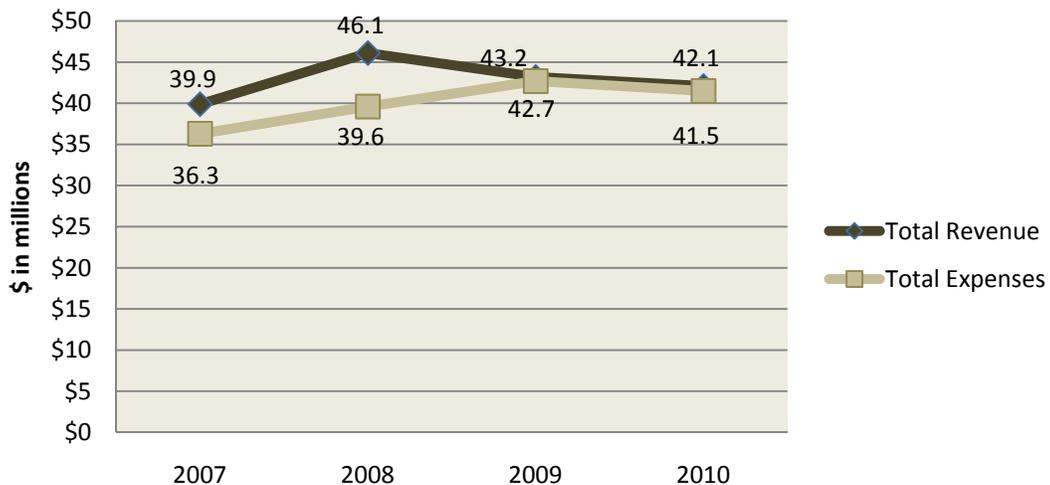
## Summary of Governmental Activities

### Governmental Activities Statement of Activities For the Years Ended June 30, 2007, 2008, 2009, and 2010 (in millions)

	2007	2008	2009	2010
<b>Revenues</b>				
Property Taxes	\$ 20.1	\$ 22.4	\$ 24.3	\$ 26.5
Charges for Services & Other Revenue	9.4	8.4	7.6	7.7
Grants & Contributions	6.5	10.6	4.7	3.2
Shared Taxes	3.9	4.5	6.6	4.7
<b>Total Revenue</b>	<b>\$ 39.9</b>	<b>\$ 45.9</b>	<b>\$ 43.2</b>	<b>\$ 42.1</b>
<b>Expenses</b>				
General Government	\$ 7.7	\$ 8.6	\$ 9.5	\$ 9.3
Public Safety	18.0	20.0	21.6	20.5
Highways & Streets	2.3	2.5	2.8	3.1
Waste Collection	2.0	2.1	2.1	2.0
Culture & Recreation	2.5	2.7	3.0	2.8
Economic Development	2.7	2.7	3.2	3.2
Other Expenses	1.0	1.0	0.5	0.7
<b>Total Expenses</b>	<b>\$ 36.2</b>	<b>\$ 39.6</b>	<b>\$ 42.7</b>	<b>\$ 41.6</b>
<b>Change in Fund Balance</b>				
Excess of revenue over expenses	\$ 3.7	\$ 6.3	\$ 0.5	\$ 0.5

Total revenues exceeded total expenses each year from FY2007 to FY2010. It is important for the City to retain a fund balance to cover emergencies. From FY2009 to FY2010 the City experienced increases and decreases in certain revenues; and, overall revenues decreased by \$1.1 million or 2.5% primarily due to a decrease in capital grants and contributions, and a decrease in State and County shared taxes.

**FY2007-2010 Governmental Activities  
Revenue vs. Expenses**



## Governmental Activities – Revenue

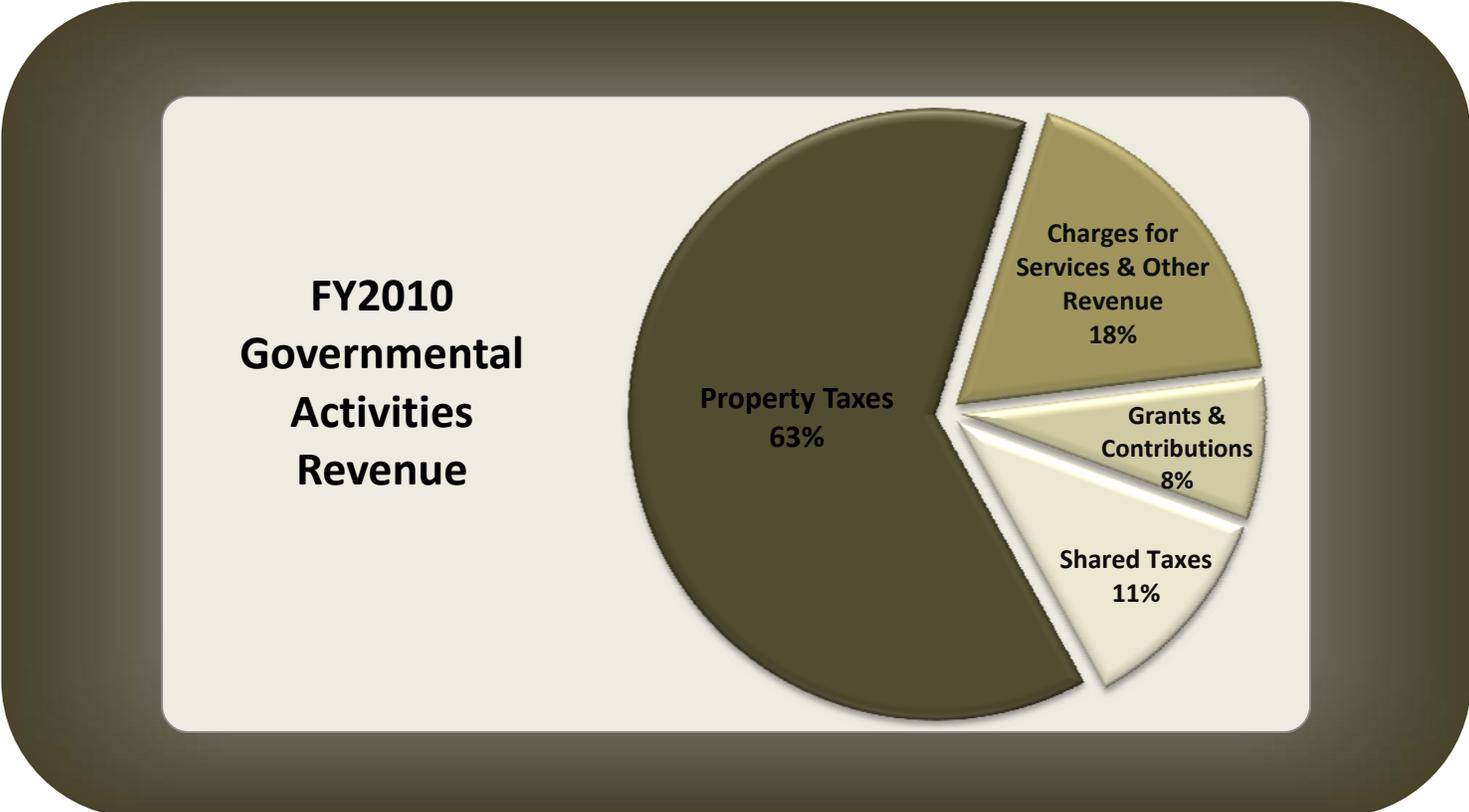
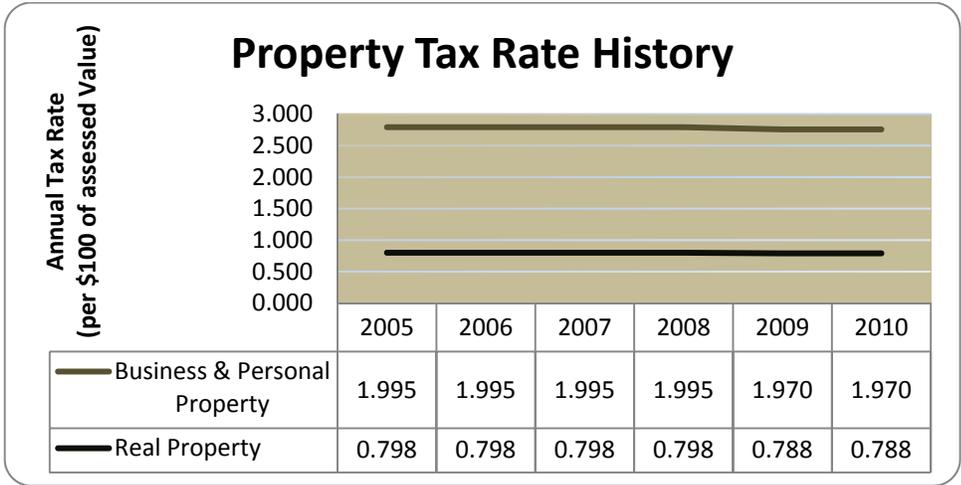
### How is the money earned? **\$42.1 million Total Revenue**

**Property Taxes (\$26.5 million or 63%)** – Property taxes consist of real and personal property taxes paid by Hagerstown property owners.

**Charges for Services & Other Revenue (\$7.7 million or 18%)**- The City of Hagerstown collects fees paid by users who individually benefit from a City service. The largest sources of revenue in this category are: licenses and permits, and refuse collection fees.

**Grants & Contributions (\$3.2 million or 8%)** – The City of Hagerstown receives payments from Washington County Government, the State of Maryland, the Federal Government and other organizations. These payments are in the form of grants, or entitlements. These revenues are used for both operating purposes and capital improvement projects.

**Shared Taxes (\$4.7 million or 11%)** – These revenues consist of payments received from the Washington County Government and the State of Maryland. These payments are in the form of shared revenues or payments in lieu of taxes. The largest payments in this category are income taxes and county tax differential.



## Governmental Activities - Expenses

### How is the money spent? **\$41.6 million Total Expenses**

**Public Safety (\$20.5 million or 49%)** – Expenses include personnel and operating expenses to maintain the City’s police department, fire department, code compliance and administration division, and the signal department.

**General Government (\$9.3 million or 22%)** – Personnel and operating expenses of the Mayor and Council, City Administrator, City Clerk’s office, and the departmental expenses of finance and accounting, purchasing, planning, legal, engineering, information technology and support services, human resources, community affairs and public functions.

**Economic Development (\$3.2 million or 8%)** – Includes the Community Development Block Grant (CDBG) which expands housing and economic opportunities for low and moderate income residents and personnel and operating expenses associated with CDBG and the economic development departments.

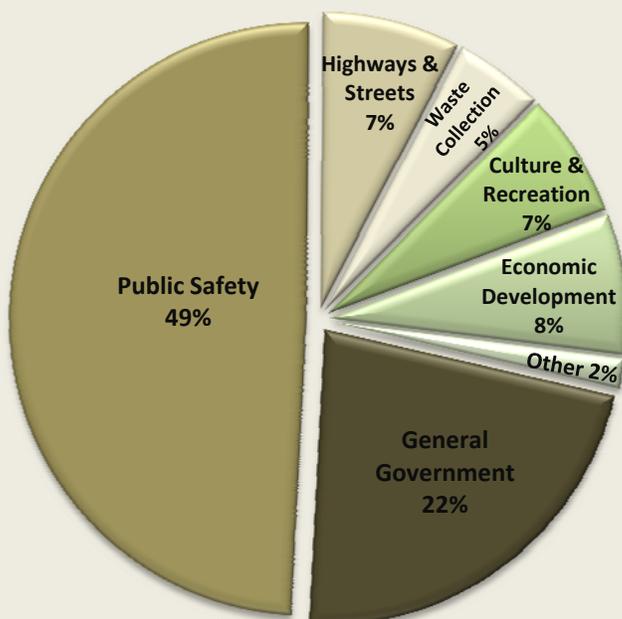
**Culture & Recreation (\$2.8 million or 7%)** – Personnel and operating expenses associated with the City’s recreation programs, parks, maintenance of public facilities and Municipal Stadium.

**Highways & Streets (\$3.1 million or 7%)** – Personnel and operating expenses associated with the City’s snow removal operations, street lighting, cleaning and general street department operations.

**Waste Collection (\$2.0 million or 5%)** – Primarily consists of contractual services for the collection and removal of residential trash within the City.

**Other (\$0.7 million or 2%)** – Includes payments on interest and service charges for the City’s outstanding non-enterprise debt and non-departmental charges which are shared costs such as general liability insurance.

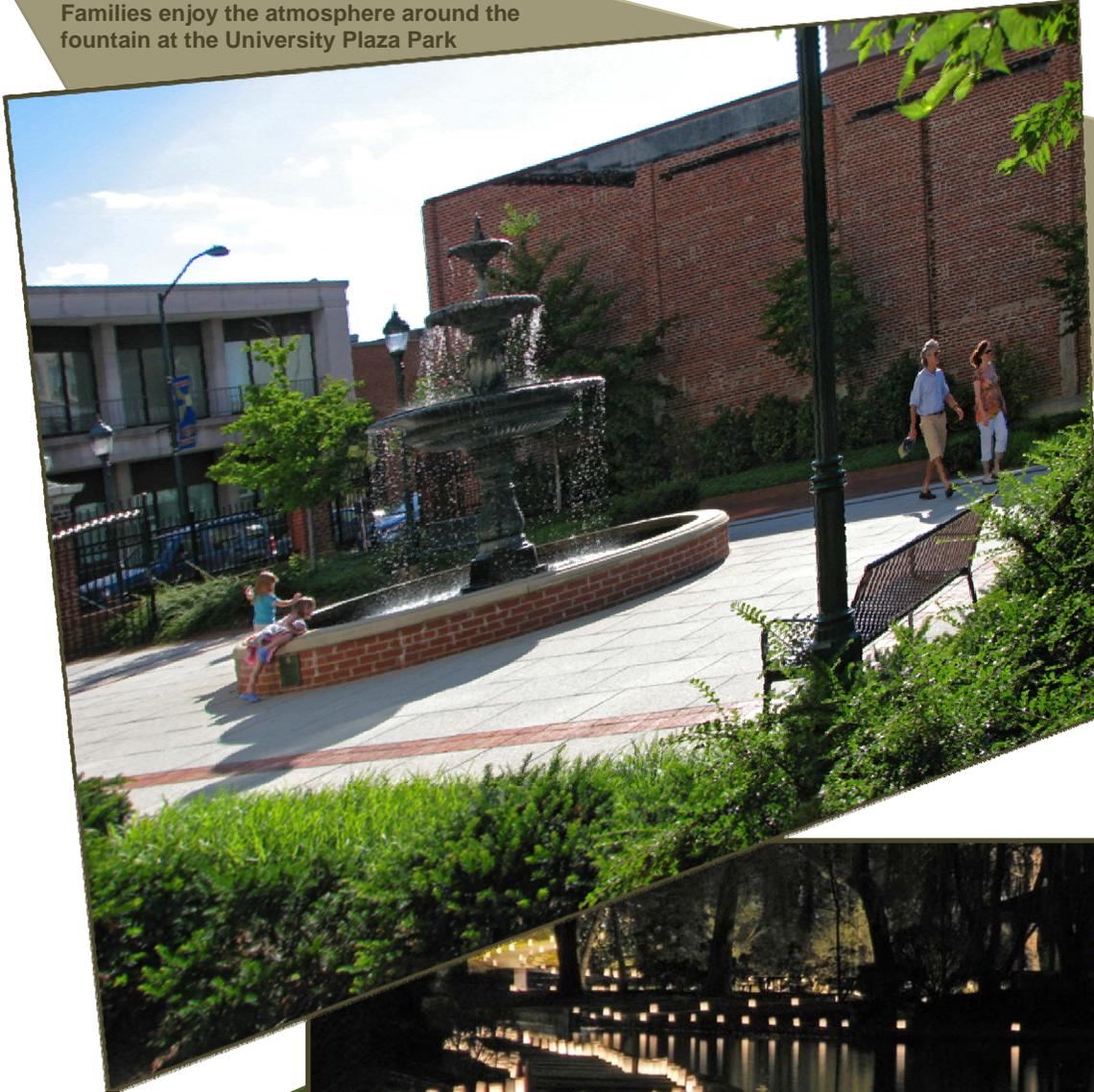
**Governmental Activities Expenditures FY2010**



FY2010 Governmental Activity expenses decreased over FY2009 or by \$1.2 million. The City continues to provide quality services for its citizens at the lowest cost possible. By keeping overall actual expenditures for departments in line with or below budget, and implementing a hiring freeze, the City avoided using prior year’s net assets when actual revenues were less than expected due to the current economic downturn.

# A Great Place to... **Live Work & Visit**

Families enjoy the atmosphere around the fountain at the University Plaza Park



2010



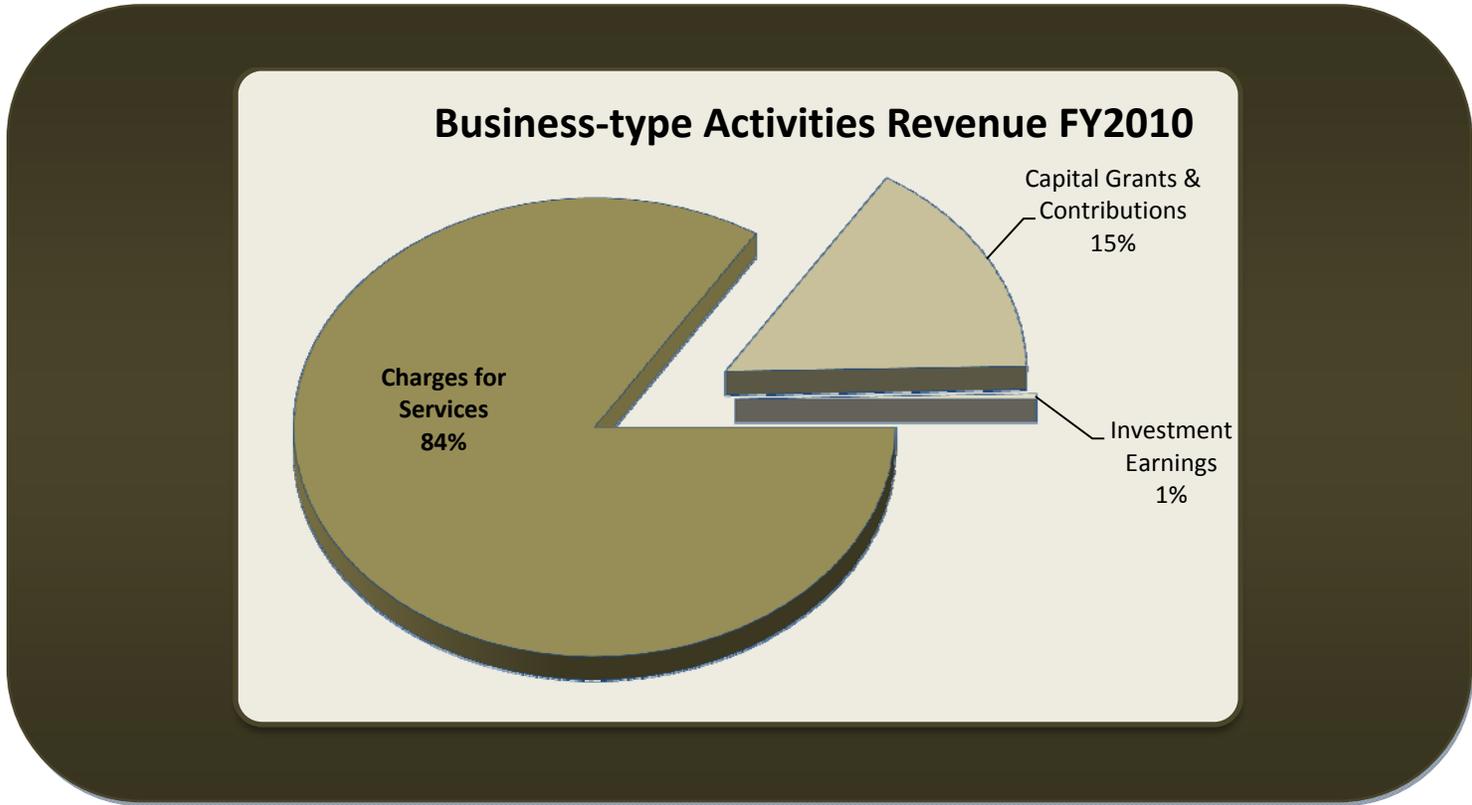
Luminaries at Hagerstown's City Park

**Business-type Activities Revenues – Total \$60.5 million**

**Charges for Services (\$50.8 million, 84%)** – Each Proprietary Fund Business-type Activity charges customers for the use of its service. The Water and Wastewater Funds charge for the amount of water used by each household. The Electric Fund charges for the amount of electricity used by each household. The Parking Facilities Fund charges parking fees for the City’s parking lots, metered street spaces and decks. The Golf Course Fund charges golf course fees, cart rental and driving range fees. Lastly, the Property Management Fund accounts for rental fees related to rental properties owned and managed by the City. The \$0.2 million decrease is primarily due to charges in the Electric fund; which is attributed to the down turn in the national and local economy.

**Capital Grants & Contributions (\$9.5 million, 15%)** – The City of Hagerstown receives payments from the State of Maryland in the form of capital grants. Additionally, the City receives contributions from private businesses for system capacity allocations and from developers for infrastructure improvements to capital assets. Capital assets include buildings, land, bridges, roads, water, wastewater and electric system improvements.

**Investment Earnings (\$0.2 million, 1%)** – Revenue is earned in the form of interest on the balance of cash held in various banks and other short term investments. The City’s cash is pooled together into one account. The interest earned on that account is distributed to individual funds based on positive cash balances within each fund.



Proprietary Funds in the Business-type Activities are used to account for services for which the City charges customers a fee (i.e. there is a direct benefit to users for fees paid). Those fees are used to cover related operational expenses. This total or partial cost recovery basis makes Proprietary Funds generally self sufficient which means they do not rely on tax generated revenue.

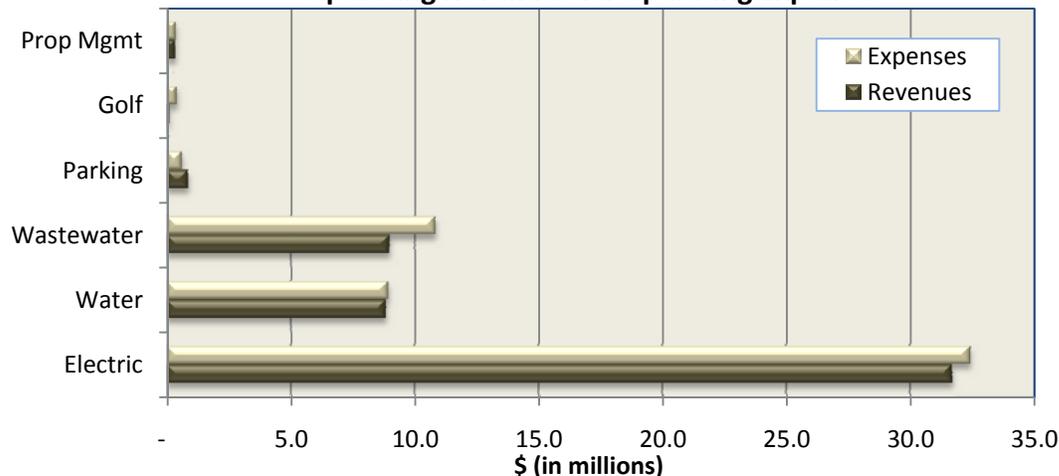
## Business-type Activities Expenses – Total \$54.2 million

The City's Proprietary Funds in the Business-type Activities pay for operating expenses from operating revenues as required by the City's financial management policies. The City's Proprietary Funds are largely self-supported by user charges. Proprietary Funds distinguish operating expenses from nonoperating expenses. Operating expenses for Proprietary funds include the costs of operations, administrative expenses and depreciation on capital assets. All other expenses are reported as nonoperating expenses. In FY2010, the Parking Fund was the only Proprietary Fund where revenue was greater than expenses. As a result, the Electric Fund utilized beginning net assets of \$648,233. Additionally, the General Fund transferred \$281,000 in to the Golf Course Fund. In FY2010, Net Assets exceeded liabilities by \$157.8 million.

### Business-type Activities, Changes in Net Assets (in millions)

	2007	2008	2009	2010
<b>Revenues</b>				
Charges for Services	\$ 51.1	\$ 52.2	\$ 51.0	\$ 50.8
Capital Grants & Contributions	7.8	11.0	3.6	9.5
Investment Earnings	0.7	0.7	0.4	0.2
<b>Total Revenue</b>	<b>\$ 59.6</b>	<b>\$ 63.9</b>	<b>\$ 55.0</b>	<b>\$ 60.5</b>
<b>Expenses</b>				
<b>Total Expenses</b>	<b>\$ 54.3</b>	<b>\$ 54.1</b>	<b>\$ 54.7</b>	<b>\$ 54.2</b>
<b>Changes in Net Assets</b>				
Net Income	\$ 5.3	\$ 9.8	\$ 0.3	\$ 6.3
Transfers In (Out)	0.1	-0.2	-0.2	0.1
<b>Increase in Net Assets</b>	<b>5.4</b>	<b>9.6</b>	<b>0.1</b>	<b>6.4</b>
Net Assets Beginning	136.3	141.7	151.3	151.4
<b>Net Assets Ending</b>	<b>\$141.7</b>	<b>\$151.3</b>	<b>\$151.4</b>	<b>157.8</b>

### FY2010 Business-type Activities Operating Revenues vs. Operating Expenses



Because of the business nature of Proprietary Funds, it is common for funds to either add to or draw upon their Net Assets in any given year. In contrast to the General Fund, it is acceptable for a Proprietary Fund to utilize Net Assets to balance its budget. A key financial indicator is the Proprietary Fund's trend and impact on Net Assets.

### What does Net Assets mean?

Net Assets are defined as the difference between total assets and total liabilities. Although similar, Net Assets are not the same as a Fund Balance. Assets are what the City owns, including buildings, land, bridges, parks, playgrounds, cash and investments and funds due the City. Liabilities include all of what the City owes including long-term debt. Net Assets is an important measure of net worth, and it is important to evaluate the changes in Net Assets over time.

## Business-type Activities – Service Charges

Service Charges		FY2007	FY2008	FY2009	FY2010
<b>Electric Rate (per KWH)</b>					
Residential	All usage	\$ 0.06263	\$ 0.06263	\$ 0.06263	\$ 0.06263
Commercial	<700 KWH	\$ 0.08314	\$ 0.08314	\$ 0.08314	\$ 0.08314
	700 KWH - 7.5 KWH	\$ 0.05257	\$ 0.05257	\$ 0.05257	\$ 0.05257
	>7.5 KWH	\$ 4.06817	\$ 4.06817	\$ 4.06817	\$ 4.06817
<b>Water Rate (per 1,000 gallons)</b>					
City Residents	<18,000 gal	n/a	n/a	n/a	\$ 1.28
	>18,000 gal	n/a	n/a	n/a	\$ 2.42
City Commercial	<100,000 gal	\$ 1.35	\$ 1.35	\$ 1.35	\$ 1.28
	>100,000 gal	\$ 1.21	\$ 1.21	\$ 1.21	\$ 1.13
County Residents	<18,000 gal	n/a	n/a	n/a	\$ 2.92
	>18,000 gal	n/a	n/a	n/a	\$ 5.54
County Commercial	<100,000 gal	\$ 2.85	\$ 2.85	\$ 2.85	\$ 2.92
	>100,000 gal	\$ 2.55	\$ 2.55	\$ 2.55	\$ 2.62
<b>Wastewater Rate (per 1,000 gallons)</b>					
City Residents	All usage	\$ 3.53	\$ 3.83	\$ 4.06	\$ 3.95
Outside City	All usage	\$ 5.79	\$ 6.72	\$ 7.21	\$ 7.11
Joint City/County	All usage	\$ 5.03	\$ 5.84	\$ 6.27	\$ 6.29
<b>Parking Deck</b>	Monthly Rate	\$ 52.50	\$ 55.00	\$ 57.50	\$ 60.00

*Schedule is not all inclusive. Listed rates affect the majority of the City's customers.*

## Debt Administration

Neither State law nor the City's Charter places a limitation on the amount of general obligation debt the City may incur. However, the City has strictly adhered to a debt policy to ensure it responsibly manages its debt. In general, the City will not use long-term debt to fund current operating costs. Debt service for general long-term debt will not exceed 10% of total operating revenues. Total general obligation debt outstanding will not exceed 10% of the assessed valuation of taxable property or \$1,200 per capita. For the year ended June 30, 2010, the City's net assessed valuation of taxable property was \$2.8 billion. Total general obligation debt was \$62.3 million or 0.74% of the assessed value of taxable property and \$511 per capita.

### LONG-TERM DEBT

The City issues general obligation bonds to raise large sums of cash to build and improve City services and infrastructure. The City increased new debt by an additional \$27.1 million. The City's adherence to its payment schedules for other debt reduced its debt by \$3.2 million resulting in a net increase in total debt of \$23 million. The City's long term debt is comprised of general obligation bonds and notes payable. At the end of FY2010, the City of Hagerstown had total bonded debt outstanding of \$62.3 million. The full faith and credit, as well as unlimited taxing power of the City are pledged to the levy and collection of taxes in order to provide for payment of principal and interest due on the bonds.

### Total Bonded Debt Outstanding

Note: Excludes benefits payable and accrued compensated absences

	Fiscal Year			
	2007	2008	2009	2010
Governmental Funds	16,120,194	14,874,304	13,342,801	20,457,426
Proprietary Funds	23,958,198	24,856,234	25,993,993	41,856,725
<b>Total Outstanding Debt</b>	<b>\$ 40,078,392</b>	<b>\$ 39,730,538</b>	<b>\$ 39,336,794</b>	<b>\$ 62,314,151</b>

Bonds used to support the Business-type Activities total \$41.8 million. Those bonds are considered to be self-supporting because they are paid by each individual Proprietary Fund through service charges and fees related to the operation of the electric, water

wastewater and parking systems of the City. At the end of FY2010, Moody's Investors Service maintained the City's rating of A2. Standard and Poor's provided the City with a rating of AA-. This exemplifies our commitment to sound financial policies.

## Capital Improvements Program

### *A Vibrant, Active and Livable Community...*

Along with city services, reinvesting in our infrastructure assets is a high priority. Each fiscal year, an operating budget and Capital Improvements Program (CIP) budget is prepared. Preparation of the CIP budget program involves:

- Comprehensively reviewing all capital needs once a year.
  - Obtaining citizens' opinions about needs and proposed expenditures.
  - Finding the money to undertake projects; setting criteria policy-makers can use to select among competing projects.
  - Assigning responsibility for implementation.
  - Scheduling projects as they are needed and when they can be afforded.
- \$1.4 million for improvements of the Jonathan Street streetscape
  - \$1.4 million for the City's contributions to the Library expansion
  - \$0.9 million for various street resurfacing projects
  - \$0.5 million for Police radios and software for vehicles
  - \$0.5 million for widening Edgewood Blvd. at US Route 40



Jonathan Street,  
Streetscape



Edgewood Boulevard Widening

## Utility Services

The City continually invests in its electric, water and wastewater utility infrastructures. Many of the projects are designed to serve multiple purposes, such as, increasing operations reliability and efficiency and to comply with environmental regulations. All three of the City's utility operations provide essential core services on which our citizens and property owners depend on each day. Some of the key accomplishments achieved by our utilities are as follows:

### An Innovative and Sustainable Government...

#### Electric Fund

The City continues the implementation of system software upgrades to assist in the utilization of existing fiber optic networking for our System Control and Data Acquisition (SCADA) system and the Washington County Wireless Network. This project will enable staff to efficiently and effectively monitor electrical equipment and quickly diagnose system issues.

Hagerstown's Water and Wastewater service charges remain some of the lowest in our region. Creating significant cost savings for both residential and business customers.

### A Safe and Healthy Community...

#### Water Fund

One of the most significant projects currently being undertaken in the Water Fund is the construction of two 6.3 million gallon covered storage tanks. The first tank was completed in 2009 and the second enclosed tank was 95% complete in 2010. The existing West End Reservoir which was originally constructed in 1906 will be replaced by the new storage tanks. The total project is estimated to cost \$12.6 million and will improve drinking water quality for residents.



*A Safe and Healthy Community*  
West End Reservoir, Tank II

#### Wastewater Fund

Wastewater Treatment Plant operations continue to operate at levels meeting or exceeding environmental regulatory requirements. Construction was completed on the Wastewater Treatment Plant Phase IV Headworks Improvement Project and Disinfection Project. The completion of these tanks, in conjunction with the enhanced nutrient removal improvements, will allow the WWTP to upgrade the average daily plant flow from 8.0 to 10.5 million gallons per day and assist in the future development requirements of the City.



*A Safe and Healthy Community*  
WWTP Phase IV Head Works Improvements

## The City's Profile

### Ten Largest Employers in Washington County

Washington Co. Health System, Inc.	3,053
Washington Co. Public Schools	2,921
State of Maryland	2,592
Citicorp Credit Services, Inc.	2,244
First Data Merchant Services	2,059
Washington Co. Government	1,259
Volvo Powertrain NA (Mack Trucks, Inc.)	1,115
FedEx Ground	700
Federal Government	642
Hagerstown Community College	620

(Data from Hagerstown/Washington Co. EDC as of 6/30/2010)



The City of Hagerstown, Maryland was founded in 1762 and incorporated in 1813. Its legal authority is derived from Article XI-E of the State Constitution and Article 23A of the Annotated Code of Maryland.



### Five Largest Property Taxpayers

(assessed value in thousands)

Washington Real Estate	\$37,233
Lowes Home Centers, Inc.	\$35,524
Verizon – Maryland	\$24,553
Walmart Real Estate Business Trust	\$21,372
Cortpark II LLC	\$18,984

(Data from City of Hagerstown Treasurer as of 6/30/2010)

### Miscellaneous Statistics

Number of City Positions	486
Electric Customers	16,821
Water Customers	28,284
Wastewater Customers	19,095
Responses to Fire Alarms	2,275
Calls for Police Service	51,625
Paved Streets & Alleys	145.6 mi
Number of Traffic Signals	133
Swimming Pool Attendance	23,764
Golf Course Attendance	10,191
Number of Parks	18

Statistics are as of June 30, 2010

**Need Additional Information?**



City of Hagerstown Web site:  
[www.hagerstownmd.org](http://www.hagerstownmd.org)

The City's Web site is your best source for information about City policies, services and events. Log on to [www.hagerstownmd.org](http://www.hagerstownmd.org) to find information on community events, employment opportunities, public safety information, traffic and weather advisories, economic development programs and much more.



**CONTACTING US:  
 Community and Economic Development**

The Department of Community and Economic Development is the public information center for news for municipal services, programs and activities. This office provides general information about the City of Hagerstown through various forms of communication, such as news releases, information brochures, City publications, the Internet, cable television Channel 6 (the Hagerstown Government Channel) and outside advertising. City events are operated through the Department of Community and Economic Development located at City Hall on the second floor. For more information, call (301) 739-8577, ext 116.





City of Hagerstown  
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For more information on financial matters of the City of Hagerstown, please call the Finance Department at (301) 739-8577, ext 156.