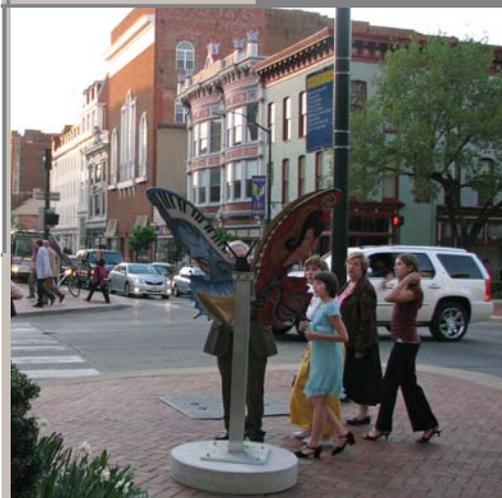




A Great Place to...

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## Popular Annual Financial Report

*A Financial Summary For Its Citizens  
For the Fiscal Year Ended June 30, 2009*



### City of Hagerstown

City Hall, Finance Department  
1 East Franklin Street  
Hagerstown, Maryland 21740  
301-766-4160  
[www.hagerstownmd.org](http://www.hagerstownmd.org)





## City of Hagerstown

This Popular Annual Financial Report was prepared by:

City of Hagerstown, Maryland

Department of Finance  
One East Franklin Street  
Hagerstown, MD 21740  
(301) 739-8577 ext. 160  
[www.hagerstownmd.org](http://www.hagerstownmd.org)

Alfred E. Martin  
Director of Finance

Ray E. Foltz  
Asst Director of Finance

Michelle A. Burkner  
Accounting Manager

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Fountain at Pangborn Park

## For the Residents of Hagerstown, Maryland



We are pleased to present the Popular Annual Financial Report (PAFR) for Fiscal Year 2009 (July 1, 2008 – June 30, 2009). 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 FY09 major initiatives.

The information presented in the PAFR was taken from the financial information presented in the City of Hagerstown's FY09 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.

Alfred E. Martin  
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

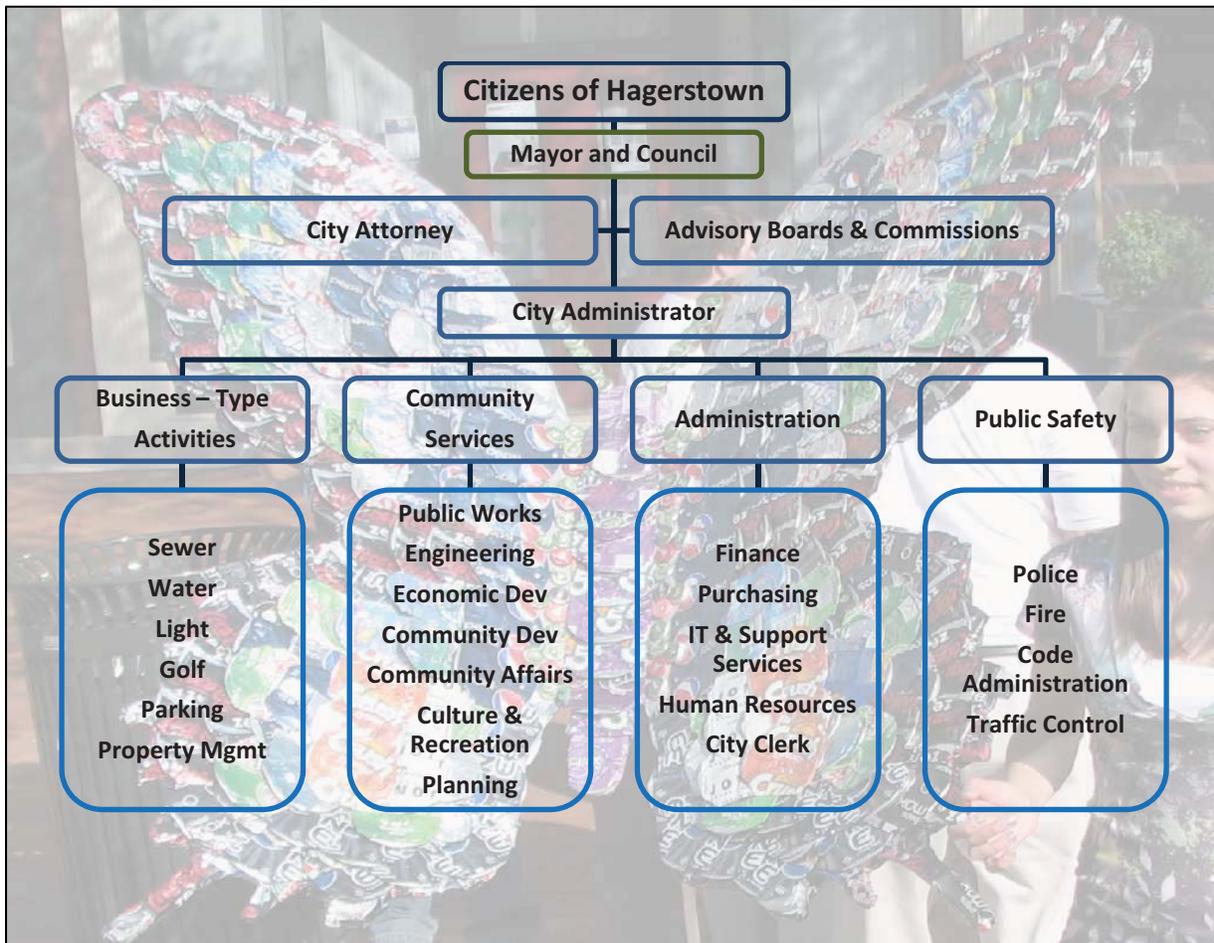


Councilmember  
Lewis C.  
Metzner

### City of Hagerstown Structure



Bruce J. Zimmerman, City Administrator



## PAFR Award

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, 2008. 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.

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

PRESENTED TO  
**City of Hagerstown**  
**Maryland**  
 for the Fiscal Year Ended  
**June 30, 2008**



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

## 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 2009 population estimate for the City of Hagerstown was 40,065. 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 sewer, 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 City adopts annual operating and capital budgets for all funds except the Other Post Employment Benefits (OPEB), and Police and Fire Pension Fund. Budgets contain estimates of anticipated revenues and proposed expenditures.

2010 Aquafina Major League  
Baseball Pitch, Hit & Run at  
Fairgrounds Park

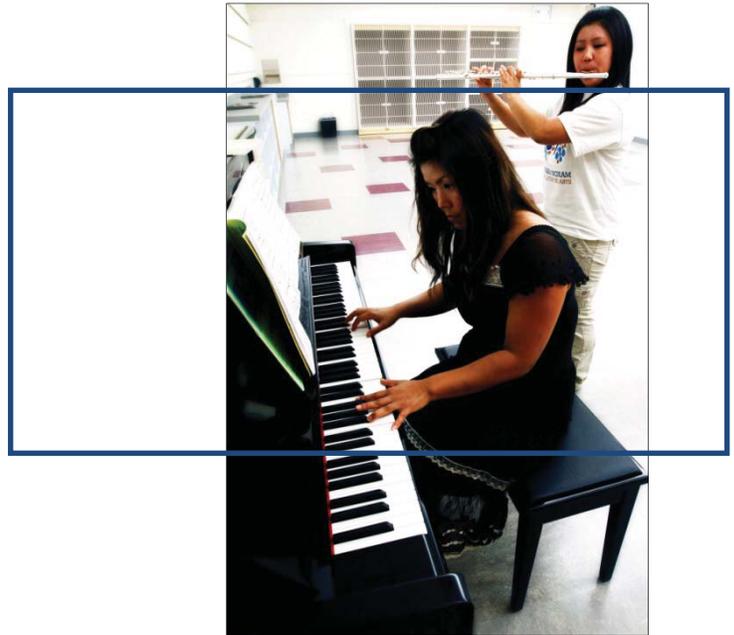


## The City's Overall Financial Position

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 \$225.4 at the end of FY 2009, an increase of \$0.6 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 \$204.4 million (90.7%) reflects its investment in capital assets net of depreciation.

Restricted net assets represent 3.3% of total net assets. Unrestricted net assets have a balance of \$13.5 million (6.0%) of total net assets.



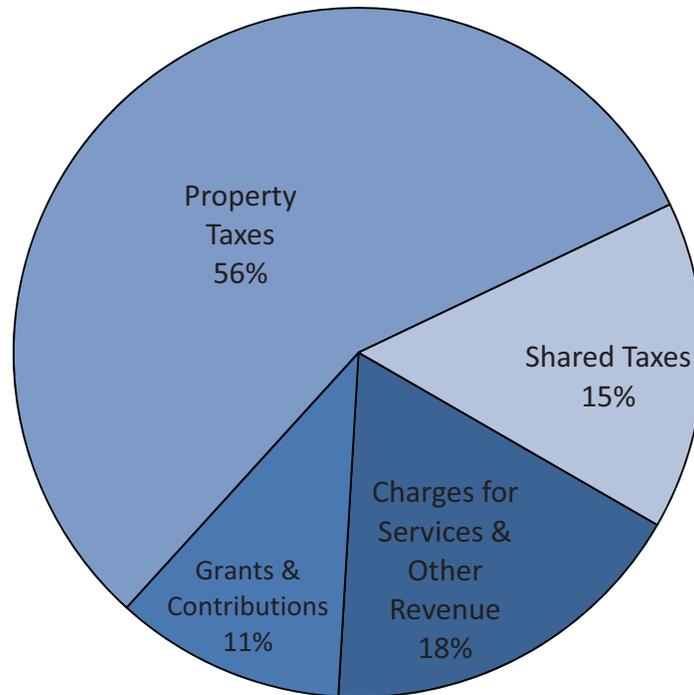
Students at the Barbara Ingram School for the Arts

### City of Hagerstown's Summary of Net Assets June 30, 2009 and 2008 (in millions)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Assets:</b>						
Current Assets	\$ 23.3	\$ 27.3	\$ 15.5	\$ 16.6	\$ 38.8	\$ 43.9
Long-term and restricted assets	0.4	0.2	10.2	15.1	10.6	15.3
Capital assets, net	76.3	72.3	166.7	159.4	243.0	231.7
<b>Total Assets</b>	<b>100.0</b>	<b>99.8</b>	<b>192.4</b>	<b>191.1</b>	<b>292.4</b>	<b>290.9</b>
<b>Liabilities:</b>						
Long-term liabilities	17.5	18.5	25.1	28.2	42.6	46.7
Other liabilities	8.5	7.8	15.9	11.6	24.4	19.4
<b>Total Liabilities</b>	<b>26.0</b>	<b>26.3</b>	<b>41.0</b>	<b>39.8</b>	<b>67.0</b>	<b>66.1</b>
<b>Net Assets:</b>						
Invested in capital assets	63.6	58.5	140.8	134.5	204.4	193.0
Restricted	7.5	10.4	-	-	7.5	10.4
Unrestricted	2.9	4.6	10.6	16.8	13.5	21.4
<b>Total Net Assets</b>	<b>74.0</b>	<b>73.5</b>	<b>151.4</b>	<b>151.3</b>	<b>225.4</b>	<b>224.8</b>

## Governmental Activities – Revenue

### FY2009 Governmental Activities Revenue



### Where does the money come from? \$43.2 million Total Revenue

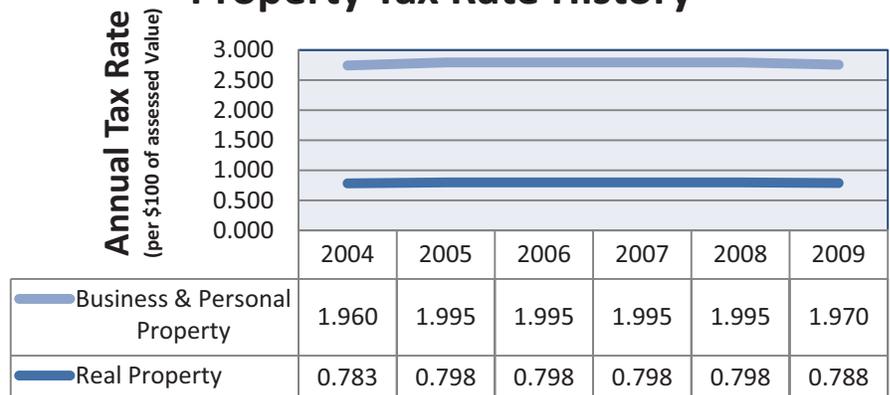
**Property Taxes (\$24.3 million or 56%)** – Property taxes consist of real and personal property taxes paid by Hagerstown property owners.

**Charges for Services & Other Revenue (\$7.6 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 (\$4.6 million or 11%)** – 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 (\$6.7 million or 15%)** – 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.

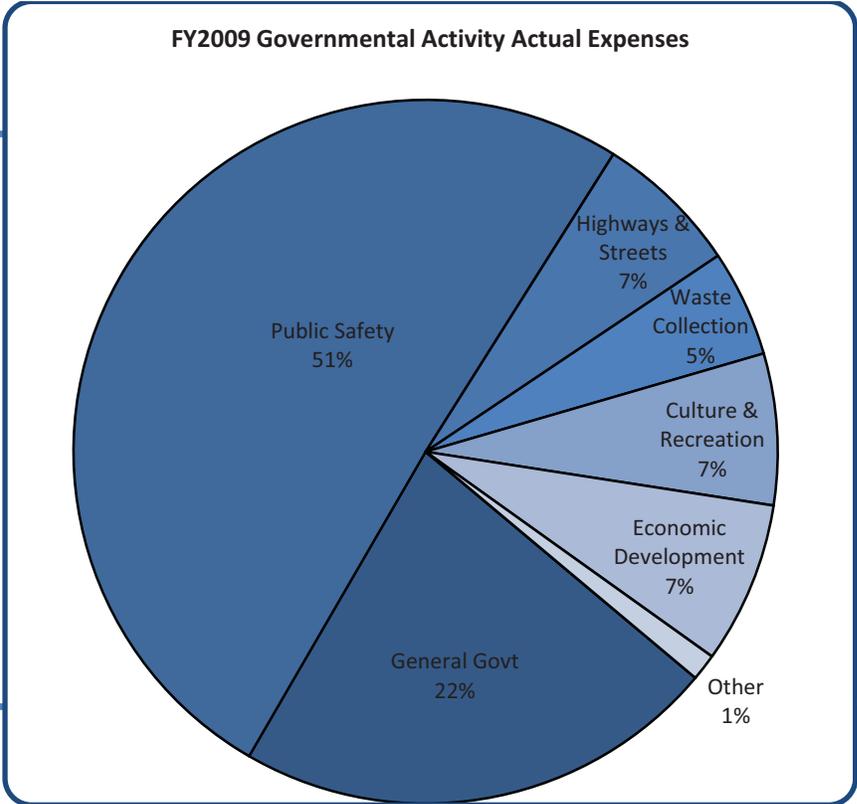
### Property Tax Rate History



## Governmental Activities - Expenses

**Where does the money go? \$42.7 million Total Expenses**

FY2009 Governmental Activity expenses increased 8% over 2008 or by \$3.2 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, the City avoided using prior year's net assets when actual revenues were less than expected due to the developing economic downturn.



**Public Safety (\$21.6 million or 51%)** – 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 (\$9.5 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, Treasurer and tax collections, purchasing and inventory, planning, legal, engineering, information technology, human resources, community affairs and public functions.

**Economic Development (\$3.2 million or 7%)** – 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 (\$3.0 million or 7%)** – Personnel and operating expenses associated with the City's recreation programs, parks, maintenance of public facilities and Municipal Stadium.

**Highways & Streets (\$2.8 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 (\$2.1 million or 5%)** – Primarily consists of contractual services for the collection and removal of residential trash within the City.

**Other (\$.5 million or 1%)** – 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.

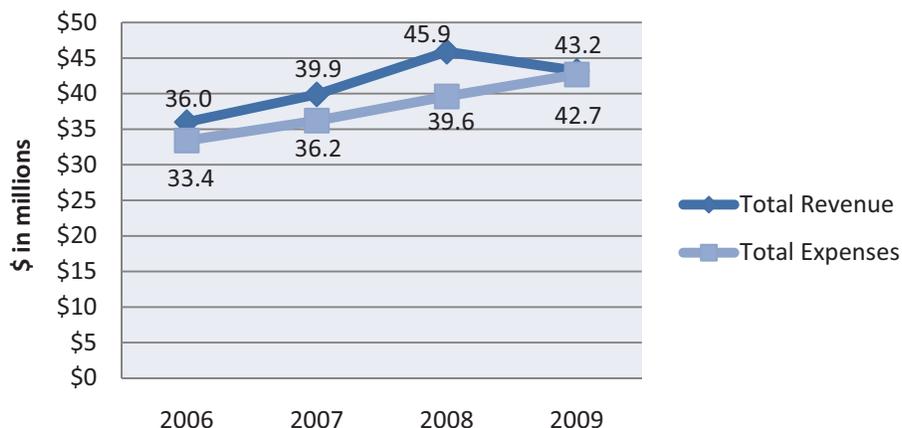
## Summary of Governmental Activities

### Governmental Activities Statement of Activities For the Years Ended June 30, 2006, 2007, 2008, and 2009 (in millions)

	2006	2007	2008	2009
<b>Revenues</b>				
Property Taxes	\$ 17.3	\$ 20.1	\$ 22.4	\$ 24.3
Charges for Services & Other Revenue	9.2	9.4	8.4	7.6
Grants & Contributions	5.7	6.5	10.6	4.7
Shared Taxes	3.8	3.9	4.5	6.6
<b>Total Revenue</b>	<b>\$ 36.0</b>	<b>\$ 39.9</b>	<b>\$ 45.9</b>	<b>\$ 43.2</b>
<b>Expenses</b>				
General Government	\$ 7.4	\$ 7.7	\$ 8.6	\$ 9.5
Public Safety	16.5	18.0	20.0	21.6
Streets & Alleys	2.0	2.3	2.5	2.8
Waste Collection	1.6	2.0	2.1	2.1
Parks & Recreation	2.4	2.5	2.7	3.0
Economic Development	2.6	2.7	2.7	3.2
Other Expenses	0.9	1.0	1.0	0.5
<b>Total Expenses</b>	<b>\$ 33.4</b>	<b>\$ 36.2</b>	<b>\$ 39.6</b>	<b>\$ 42.7</b>
<b>Change in Fund Balance</b>				
Excess of revenue over expenses	\$ 2.6	\$ 3.7	\$ 6.3	\$ 0.5

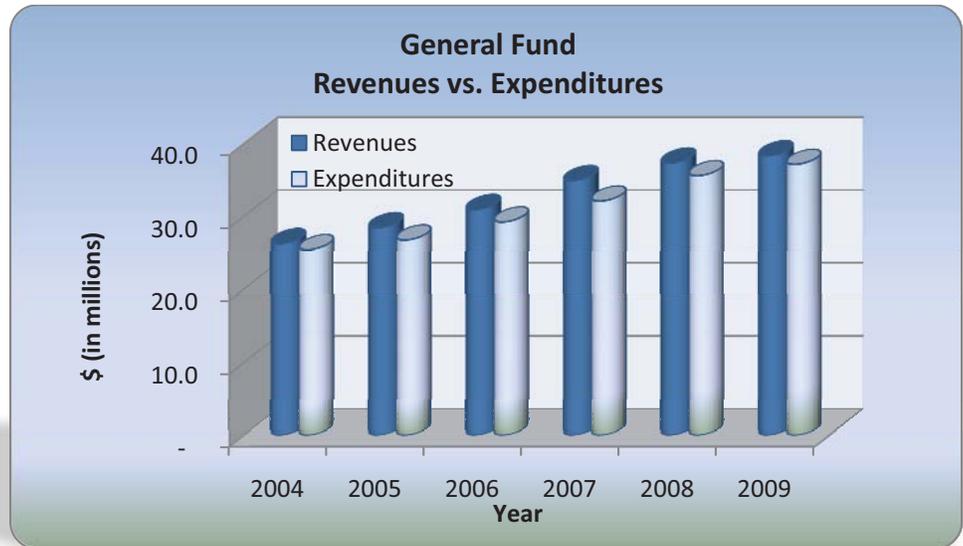
Total revenues exceeded total expenses each year from FY06 to FY09. It is important for the City to retain a fund balance to cover emergencies. From FY08 to FY09 the City experienced increases and decreases in certain revenues; and, overall revenues decreased by \$2.7 million or 2.2% primarily due to a decrease in capital grants and contributions, and a decrease in development revenues.

**FY2006-2009 Governmental Activities  
Revenue vs. Expenses**



## The General Fund

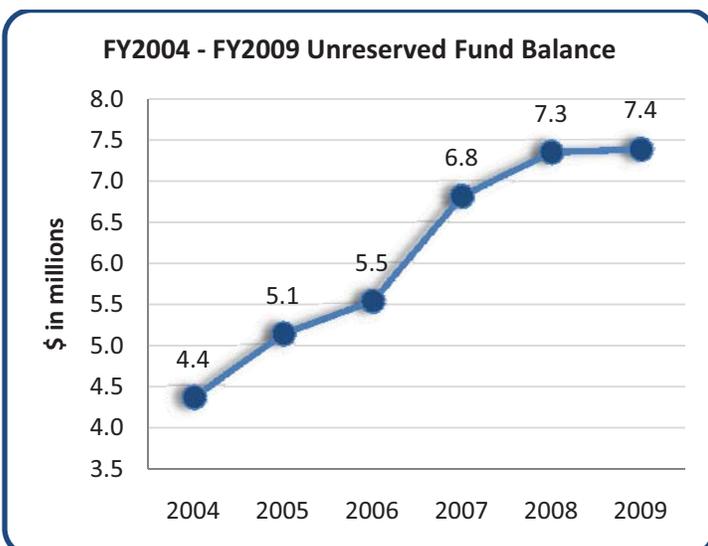
The General Fund is one of ten Governmental Activity Funds. The majority of the City's governmental expenditures are paid from the General Fund, and it is the City's primary operating fund. The City Administrator is required by the City Charter to submit a proposed budget to the Mayor and Council at least 90 days prior to the beginning of the fiscal year. To assure there will be sufficient current resources to pay current obligations, the General Fund must be in balance. For the last six years total revenues have exceeded expenditures. This trend indicates that the City is in a good financial position and is able to pay its short-term obligations. However, in FY2009 total revenues fell short of budgeted projections \$758,000 due to State and County shared taxes being lower



than expected. Expenditures were \$1.2 million below budget due to expenditure savings and a decision to delay the issuance of debt. Because City Managers have kept expenditures for departments in line with or below budget, expenditures for FY2009 were below budgeted projections and the City had a surplus of \$146,524. Excess revenue over expenditures in any year becomes part of the City's fund balance.

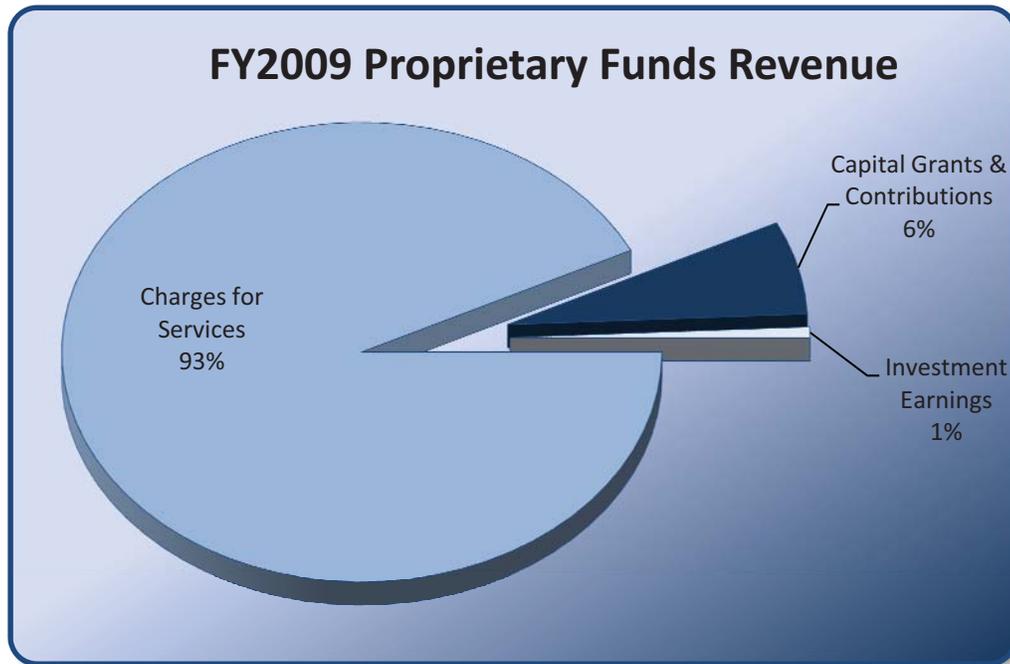
### What does Fund Balance mean?

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.



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 FY2009, the unreserved General Fund balance was \$7.4 million, which is 20.0% of General Fund expenditures. This represents approximately 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.

## Proprietary Fund Revenues – Total \$55.0 million



In FY 2009, \$51.0 million or 93% of all Proprietary Fund revenues were generated from charges for services. Only \$325,247 was transferred in from the other funds. The General Fund provided support to the City's Golf Course Fund.

**Charges for Services (\$51.0 million, 93%)** – Each Proprietary Fund charges customers for the use of its service. The Water and Sewer Funds charge for the amount of water used by each household. The Light 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. Charges for services for Proprietary Funds

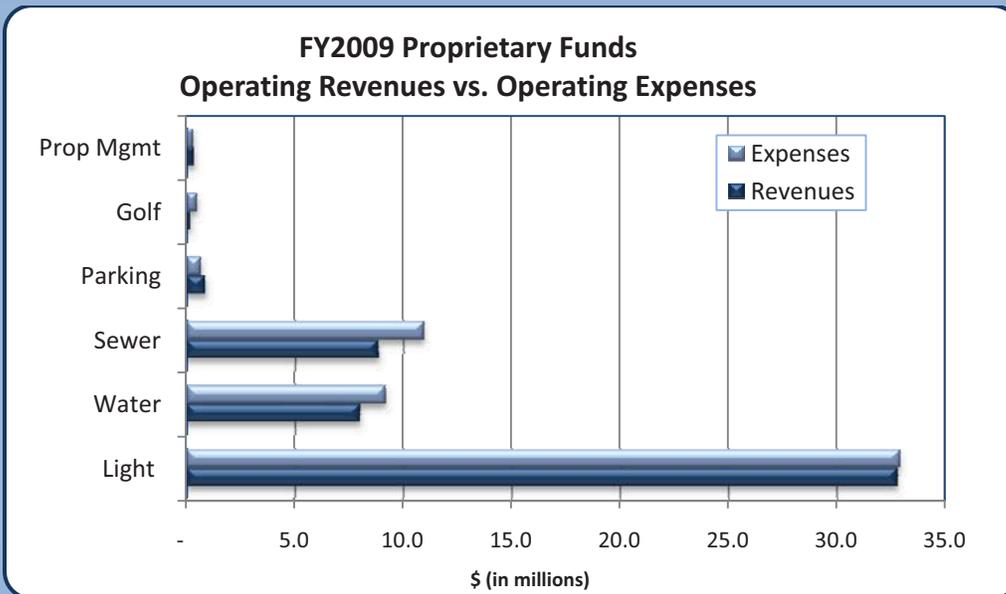
decreased by \$1.2 million or 2.3% in FY 2009.

**Capital Grants & Contributions (\$3.6 million, 6%)** – 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, sewer and light system improvements.

**Investment Earnings (\$0.4 million, 1%)** – Revenue is earned in the form of interest on the balance of cash held in various banks and other short term investments. All of 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 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.

**Proprietary Fund Expenses – Total \$54.7 million**



The City's Proprietary Funds 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 FY2009, the Water Fund, Sewer Fund and the Golf Course Funds operating expenses exceeded revenues. As a result, Water and Sewer Fund's utilized beginning net assets of \$247,370, and \$116,247 respectively. Additionally, the General Fund transferred \$325,247 in to the Golf Course Fund. The City's other Proprietary Funds were able to pay for operating expenses from operating revenues. In FY2009, Net Assets exceeded liabilities by \$151.4 million.

**Proprietary Funds, Changes in Net Assets**  
(in millions)

	2006	2007	2008	2009
<b>Revenues</b>				
Charges for Services	\$ 38.7	\$ 51.1	\$ 52.2	\$ 51.0
Capital Grants & Contributions	6.1	7.8	11.0	3.6
Investment Earnings	0.6	0.7	0.7	0.4
<b>Total Revenue</b>	<b>\$ 45.4</b>	<b>\$ 59.6</b>	<b>\$ 63.9</b>	<b>\$ 55.0</b>
<b>Expenses</b>				
<b>Total Expenses</b>	<b>\$ 41.5</b>	<b>\$ 54.3</b>	<b>\$ 54.1</b>	<b>\$ 54.7</b>
<b>Changes in Net Assets</b>				
Net Income (Loss)	\$ 3.9	\$ 5.3	\$ 9.8	\$ 0.3
Transfers In (Out)	(0.4)	0.1	(0.2)	(0.2)
<b>Increase in Net Assets</b>	<b>3.5</b>	<b>5.4</b>	<b>9.6</b>	<b>0.1</b>
Net Assets Beginning	132.8	136.3	141.7	151.3
<b>Net Assets Ending</b>	<b>\$136.3</b>	<b>\$141.7</b>	<b>\$151.3</b>	<b>\$151.4</b>

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.

## Proprietary Fund Service Charges

Service Charges		FY2006	FY2007	FY2008	FY2009
<b>Light 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
	700KWH - 7.5 KW	\$ 0.05257	\$ 0.05257	\$ 0.05257	\$ 0.05257
	>7.5 KW	\$ 4.06817	\$ 4.06817	\$ 4.06817	\$ 4.06817
<b>Water Rate (per 1,000 gallons)</b>					
City Residents	<100,000 gal	\$ 1.31	\$ 1.35	\$ 1.35	\$ 1.35
	>100,000 gal	\$ 1.17	\$ 1.21	\$ 1.21	\$ 1.21
County Residents	<100,000 gal	\$ 2.76	\$ 2.85	\$ 2.85	\$ 2.85
	>100,000 gal	\$ 2.47	\$ 2.55	\$ 2.55	\$ 2.55
<b>Wastewater Rate (per 1,000 gallons)</b>					
City Residents	All usage	\$ 3.41	\$ 3.53	\$ 3.83	\$ 4.06
Outside City	All usage	\$ 5.59	\$ 5.79	\$ 6.72	\$ 7.21
Joint City/County	All usage	\$ 4.86	\$ 5.03	\$ 5.84	\$ 6.27
<b>Parking Deck</b>	Monthly Rate	\$ 50.00	\$ 52.50	\$ 55.00	\$ 57.50

## 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, 2009, the City's net assessed valuation of taxable property was \$2.5 billion. Total general obligation debt was \$39.3 million or 1.6% of the assessed value of taxable property and \$981 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 \$3.4 million. The City's adherence to its payment schedules for other debt reduced its debt by \$3.7 million resulting in a net decrease in total debt of \$.3 million. The City's long term debt is comprised of general obligation bonds and notes payable. At the end of FY2009, the City of Hagerstown had total bonded debt outstanding of \$39.3 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			
	2006	2007	2008	2009
Governmental Funds	9,836,534	16,120,194	14,874,304	13,342,801
Proprietary Funds	22,006,113	23,958,198	24,856,234	25,993,993
<b>Total Outstanding Debt</b>	<b>\$31,842,647</b>	<b>\$40,078,392</b>	<b>\$39,730,538</b>	<b>\$39,336,794</b>

Bonds used to support the Proprietary Funds total \$26.0 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, sewer and parking systems of the City. At the beginning of fiscal year 2006/2007, Moody's Investors Service upgraded the rating on the City of Hagerstown from A3 to A2, and Standard and Poor's provided the City with a rating of AA-.

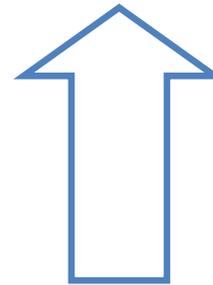
## Capital Improvements Program

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.



Edgewood Boulevard Widening

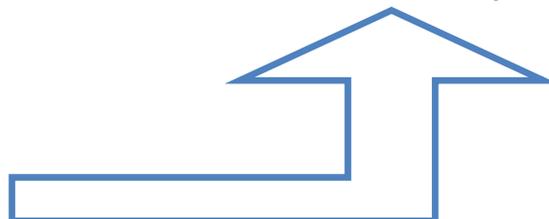


During FY 2009, new capital assets in the Governmental Activities Funds exceeded depreciation (annual wear and tear) by \$4.0 million, a 5.6% increase over the prior year. New capital investment in the Business-type Activities Funds exceeded depreciation by \$7.3 million, a 4.6% increase over the prior year. Some of the City's key capital initiatives during FY2009 were as follows:

- \$3.1 million for the widening of Eastern Boulevard
- \$0.6 million for the acquisition of replacement vehicles
- \$0.4 million for various street resurfacing projects
- \$0.4 million for widening of Edgewood Boulevard at US Route 40
- \$0.3 million for improvements to the East Washington Street Alley
- \$0.3 million for continued replacement of the City's municipal finance software
- \$0.3 million for sidewalk installations along the Dual Highway



Replacement Vehicles



## Downtown Revitalization

Downtown Hagerstown is being transformed into a vibrant traditional city center and strengthened with new vitality from young entrepreneurs, ethnic restaurants and the development of arts and education centers. During FY2009, downtown offered the following events to our community:

- [The Maryland Theatre's Friday Wind Downs](#), the Alsatia Mummers Parade, the City's Thursday City Center Jazz Nights, the Blues Fest and Augustoberfest all brought people enthusiastic for outdoor music and entertainment into the downtown area.
- Thirty (30) [butterfly sculptures](#) were placed throughout downtown for the City's first public art display in the City center.
- [Sidewalk cafes on South Potomac Street](#) grew in popularity attracting people to downtown restaurants for ethnic and American cuisine.
- The USMH Center's educational program expansion increased student enrollment and brought new people into the downtown area further strengthening the role of [downtown as a center for education](#).
- The Maryland Symphony Orchestra provided [classical and pops music performances](#).



[The Maryland Theatre's Friday Wind Downs](#)



[Take Flight Campaign  
Butterfly Sculptures](#)



[Sidewalk Cafes on  
South Potomac Street](#)

## Extraordinary 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:

### Light Fund

The City negotiated a two year extension to our Wholesale Electric Purchase Power contract with Allegheny Energy Services. Beginning in July, 2011, the new contract will provide City Light customers a small reduction in costs and stabilize rates for the future.



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.

### Water Fund

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



WWTP Head Works Improvements

### Wastewater Fund

Wastewater Treatment Plant operations continue to operate at levels meeting or exceeding environmental regulatory requirements. The average daily plant flow was 6.5 mgd during 2009, well below the 8.0 mgd rated capacity. Major capital upgrades to the head works and disinfection systems at the Wastewater Treatment Plant are underway to further strengthen plant performance as well as a new enhanced nutrient removal process.

## The City's Profile

### Ten Largest Employers in Washington County

Washington Co. Public Schools	2,958
Washington Co. Health System, Inc.	2,860
State of Maryland	2,438
First Data Merchant Services	1,999
Citicorp Credit Services, Inc.	1,920
Washington Co. Government	1,254
Volvo Powertrain NA (Mack Trucks, Inc.)	1,115
FedEx Ground	734
Bowman Group LLP	720
Hagerstown Community College	688

(Data from Hagerstown/Washington Co. EDC as of 6/30/2009)



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	\$39,902
Lowes Home Centers, Inc.	\$35,731
Verizon – Maryland	\$26,095
Walmart Real Estate Business Trust	\$20,713
Hagerstown Apartment Partnership	\$20,533

(Data from City of Hagerstown Treasurer as of 6/30/2009)

### Miscellaneous Statistics

Number of City Positions	495
Electric Customers	16,974
Water Customers	28,219
Sewer Customers	19,084
Responses to Fire Alarms	2,249
Calls for Police Service	53,479
Paved Streets & Alleys	144.4 mi
Number of Traffic Signals	130
Swimming Pool Attendance	24,268
Golf Course Attendance	12,219
Number of Parks	18

Statistics are as of June 30, 2009

**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:**

The Department of Community Affairs

The Department of Community Affairs 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 Affairs located at City Hall on the second floor. For more information, call (301) 739-8577, ext 116.



**City of Hagerstown**

One East Franklin St  
Hagerstown, MD 21740  
(301) 739-8577  
[www.hagerstownmd.org](http://www.hagerstownmd.org)

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