

CITY OF HAGERSTOWN



MAYOR & CITY COUNCIL'S ADOPTED BUDGET

Fiscal Year 2013 - 2014

July 1, 2013 - June 30, 2014

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ORDINANCE No. 0-13-08

ESTABLISHING THE BUDGET FOR
FISCAL YEAR JULY 1, 2013 TO JUNE 30, 2014
CITY OF HAGERSTOWN, MARYLAND

Pursuant to the Charter of the City of Hagerstown, the City Council is required to adopt a budget providing a complete financial plan for the budget year, with estimates of anticipated revenues and proposed expenditures for the coming year. The Charter further requires that the total anticipated revenues shall equal or exceed the total of the proposed expenditures.

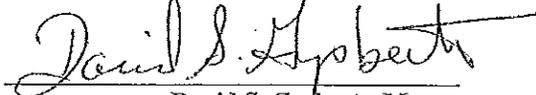
In accordance with the provisions of the City Charter, Article VII, Finance, the City Administrator submitted a proposed budget to the Mayor and Council not less than ninety days before the beginning of the fiscal year, and a public hearing was held on May 14, 2013 after fifteen days notice in a newspaper of general circulation.

NOW, THEREFORE BE IT RESOLVED, ENACTED and ORDAINED by the Mayor and Council of the City of Hagerstown, that the budget for the City for the fiscal year beginning July 1, 2013 and ending June 30, 2014, is hereby established as follows:

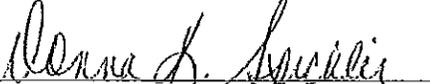
Category	Proposed City Administrator's Budget	As Revised by Mayor and Council
General Fund	\$ 37,834,158	\$ 37,834,158
Community Development Block Grant	1,147,491	1,147,491
Other Special Revenue Funds	1,821,021	1,821,021
Capital Improvement Projects	15,560,268	15,560,268
TOTAL Government Fund Types	\$ 56,362,938	\$ 56,362,938
Electric Fund	\$ 24,176,953	\$ 24,176,953
Water Fund	25,012,212	25,012,212
Wastewater Fund	15,332,438	15,332,438
Parking Fund	2,207,197	2,207,197
Golf Fund	459,939	459,939
Property Management Fund	698,030	698,030
TOTAL Enterprise Fund Types	\$ 67,886,769	\$ 67,886,769
Service & Trust Funds	8,896,124	8,896,124
TOTAL Combined Uses of Funds	\$ 133,145,831	\$ 133,145,831

BE IT FURTHER ORDAINED that the effective date of the budget established herein is July 1, 2013 and shall govern for the period set forth.

MAYOR AND COUNCIL OF THE
CITY OF HAGERSTOWN, MARYLAND


David S. Gysberts, Mayor

(SEAL)


Donna Spickler, City Clerk

Date of Introduction: May 14, 2013
Date of Passage: May 21, 2013
Effective Date: July 1, 2013

Record and return to: Donna Spickler, City Clerk
City Hall, Room 200
One East Franklin Street
Hagerstown, MD 21740

ESTABLISHING THE TAX RATES
FISCAL YEAR JULY 1, 2013 TO JUNE 30, 2014
CITY OF HAGERSTOWN, MARYLAND

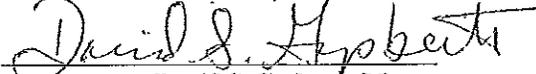
Pursuant to the Charter of the City of Hagerstown and the general public laws of the State of Maryland, the legislative body of the City of Hagerstown is charged with establishing tax rates; and the Mayor and Council, as the duly constituted legislative body for the City of Hagerstown has complied with all the provisions of the Annotated Code of the State of Maryland, the Charter of the City of Hagerstown and all other applicable laws in reference to establishing said tax rates.

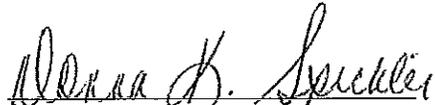
NOW, THEREFORE, BE IT RESOLVED, ENACTED and ORDAINED by the Mayor and Council of the City of Hagerstown, that the tax rates for the City for the taxable levy year from July 1, 2013 through June 30, 2014, is hereby established as follows:

- A. All real property is hereby levied and chargeable on the basis of \$0.788 per \$100 based on the assessed value of said properties as required by the Charter of the City of Hagerstown, the Maryland Constitution, and the Annotated Code of Maryland.
- B. All business personal property, except as otherwise provided for by Ordinance 98-04 entitled *ORDINANCE ESTABLISHING THE ASSESSMENT LEVY FOR THE PERSONAL PROPERTY CATEGORIES OF MANUFACTURING MACHINERY & EQUIPMENT, COMMERCIAL INVENTORY AND MANUFACTURING INVENTORY for the CITY OF HAGERSTOWN, MARYLAND for the FISCAL YEAR JULY 1, 1998 and Thereafter*, is hereby levied and chargeable on the basis of \$1.97 per \$100 based on the assessed value of said properties as required by the Charter of the City of Hagerstown, the Maryland Constitution, and the Annotated Code of Maryland.
- C. Taxpayers who pay the taxes referred to herein, between the period of July 1, 2013 up to and including July 31, 2013, shall be entitled and are hereby granted a one quarter of one percent (1/4%) discount on the amount of said tax. Any property tax levy assessed and invoiced after September 30, 2013 shall be and is hereby granted a period of thirty (30) days from the invoice date to pay without additional interest or penalty.
- D. A semiannual payment plan for all real property is established in accordance with state law. Any taxpayer who makes an election to pay taxes on a semi-annual payment plan shall pay a service charge on and with the second installment based on the amount deferred.

BE IT FURTHER ORDAINED that the effective date of the tax rate established herein is July 1, 2013 and shall govern for the period set forth.

MAYOR AND COUNCIL OF THE
CITY OF HAGERSTOWN, MARYLAND


David S. Gysberfs, Mayor


Donna Spickler, City Clerk

Date of Introduction: May 14, 2013
Date of Passage: May 21, 2013
Effective Date: July 1, 2013



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Hagerstown
Maryland**

For the Fiscal Year Beginning

July 1, 2012

Christopher P. Movill

President

Jeffrey R. Emswiler

Executive Director

Summary

The City Administrator is required by the City Charter to submit a proposed budget to the Mayor and Council at least ninety (90) days prior to the beginning of the fiscal year. The Charter also states that the budget shall be adopted no later than June 1st of each year. In addition to the City's operating budget, the City Administrator presents for Council's review a five-year plan for capital improvement programs. Public hearings are scheduled and advance notices are published by Mayor and Council. The budget is approved and adopted in the form of an ordinance. Throughout the year, the City Administrator has the ability to approve transfers of budgeted amounts between departments within any fund. However, only Mayor and Council can approve changes in the total appropriation level through a budget amendment ordinance. Amendments to the budget are performed by the City throughout the year as needed.

FY2014 Operating Budget Process

In November and December 2012, departmental management and staff conducted a review of the Capital Improvement Program (CIP) projects for each department. Meetings were held with Department Managers to review the compiled CIP projects for prioritization of timing and funding within department and City goals. The City Administrator obtained requests from departments, neighborhoods, and homeowners for CIP projects. To assist the City Administrator in determining and recommending projects for funding, priorities were placed on capital projects that impact the City's facilities and infrastructure, safety and environment, legal provisions, and budget. During the same time, Department Managers met with Budget staff for a review of department CIP requests. Also on December 4, 2012, the first public hearings on CDBG funding needs were held.

During January 2013, the City Administrator and Budget staff sought and obtained general direction and guidance from Mayor and Council for preparation of the FY2014 budget.

Review meetings began in January 2013 between Department Managers and the Budget Committee to consider departmental operating budget requests. From January 2013 through March 2013, priorities for the upcoming year were discussed and outlined. A number of requests for funding changes were discussed; and, requests that were approved by the City Administrator were incorporated into department budgets. Approved changes and proposed adjustments were then returned to the departments for further input and agreement on the proposed changes and adjustments. Lastly, the Budget staff compiled the FY2014 City Administrator's Proposed Operating Budget and the Capital Improvements Program for FY2014-2018 for presentation to Mayor and Council.

On March 31, 2013, the City Administrator and Budget staff in conjunction with City Management will present the Mayor and Council with the FY2014 City Administrator's Proposed Budget for review. From April 2, 2013 through May 20, 2013, the Mayor and Council and the City's senior management will work together to review and discuss the proposed budget and CIP projects. A public hearing will be scheduled for May 14, 2013 to discuss the Operating Budget and Capital Improvement Program (CIP), and property tax rates with a second public hearing on Community Development funding needs. Also, on May 14, 2013 Mayor and Council are scheduled to introduce the ordinance for the approval of the budget and CIP projects. Approval is estimated to be made on May 21, 2013 to adopt the ordinances to approve the budget as revised by Mayor and Council with the water, wastewater, electric, and other service charge fees, and to establish the property tax rate.

To conclude the Budget Development Process, Budget staff will implement the FY2014 Mayor and Council's Adopted Budget and FY2014-2018 approved CIP budget during June and July 2013. The FY2014 adopted budget will become effective on July 1, 2013. The proposed operating budget and CIP is available on the City's website at www.hagerstownmd.org

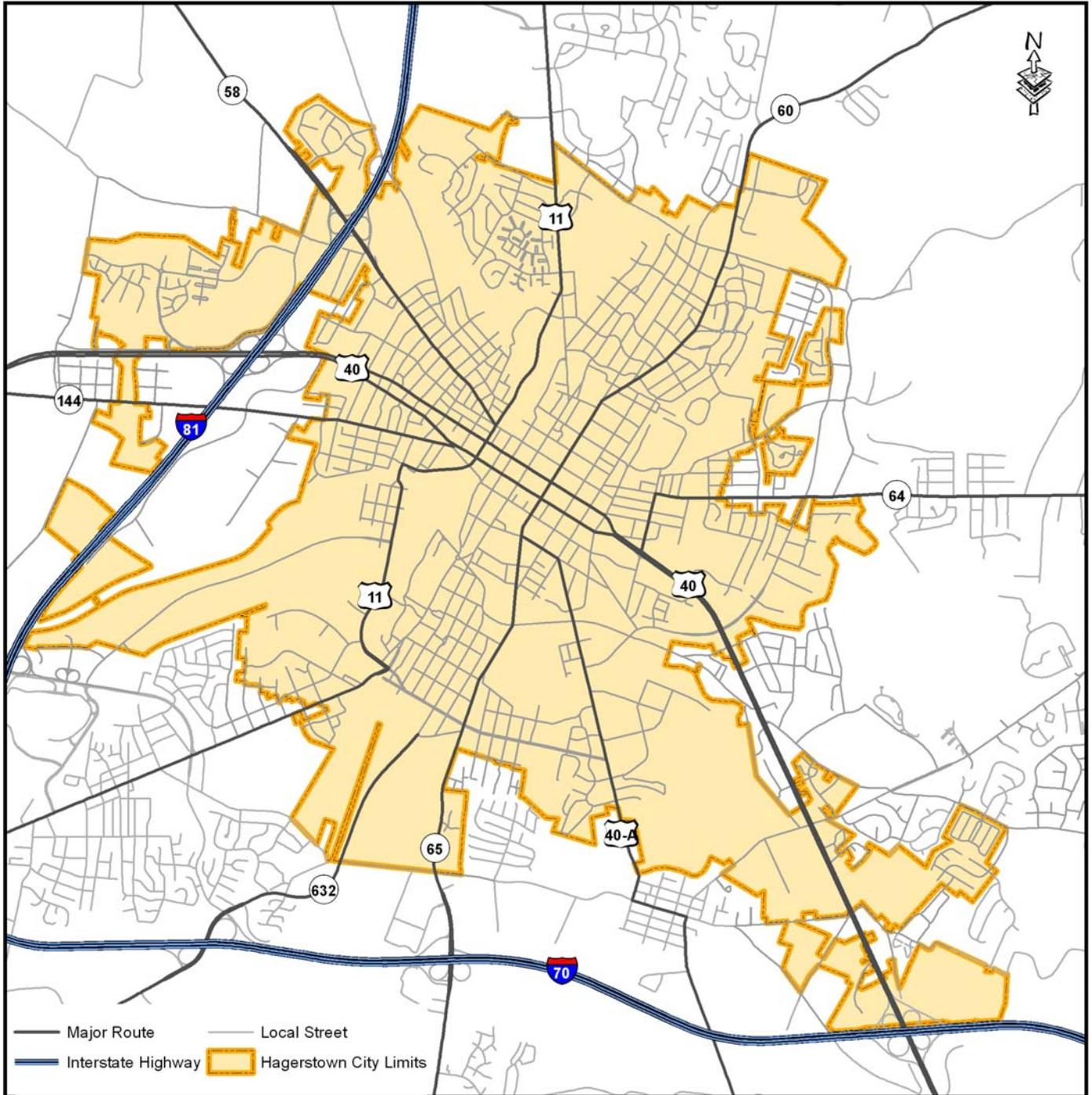
The City of Hagerstown operates under a council-manager form of municipal government. A charter granted by the General Assembly of Maryland formed the governing authority for the City. The Mayor and Council are the governing body of the City, and that body formulates administrative policies. The Mayor and Council are comprised of a mayor and five council members all directly elected by Hagerstown citizens. The City Administrator is appointed by the Mayor and council to serve as the Chief Executive Officer of the City. Washington County is mandated by law to provide schools, libraries, and social services in Hagerstown. In addition to the Washington County Sheriff's Office, Hagerstown City serves residents with its own Public Safety Department, which includes Police and Fire Protection. A full range of services are also provided by the City of Hagerstown, including: Planning, licensing, permitting, and inspections; Water, sewer, refuse, and light services; Snow removal, street maintenance and other public works functions; and Recreation and parks services.

Strategically situated in the heart of the rich Cumberland Valley, Hagerstown is located at the intersection of I-81 and I-70. The City of Frederick is located approximately 25 miles east of Hagerstown and Hagerstown is located 70 miles northwest of Baltimore and Washington, DC. The City is easily accessible by air and interstate to urban centers around the region. The Hagerstown Regional Airport (HGR) has the second-longest runway in the State of Maryland, behind only Baltimore-Washington Thurgood Marshall International Airport. Hagerstown's proud heritage and role as the regional economic hub is evidenced in the City's historic downtown and neighborhoods. Active farmland and numerous public parks abound in the surrounding rural countryside of Washington County. Hagerstown offers many different housing choices, from the historic to the more modern and new, and from affordable to the executive style.

Running through Washington County are three national and/or regional recreation trails: the C&O Canal Towpath, the Appalachian Trail, and the Western Maryland Rail Trail. Washington County also offers many historic sites to visit, such as the Antietam National Battlefield. For those who enjoy things of a classical nature, Hagerstown is home to the Maryland Symphony Orchestra and one of Maryland's three accredited fine arts museums. The City's German heritage and Sister City relationship with Wesel, Germany, is celebrated at Augustoberfest in Downtown Hagerstown. In close proximity to the City are the Hagerstown Speedway and the Mason Dixon Dragway for auto racing enthusiasts. Additionally, Hagerstown is home to the Hagerstown Suns, a Class A minor league team affiliated with the Washington Nationals through the 2012 season. The City ranks seventh in the nation in per capita retail space. Revitalization of downtown Hagerstown is underway with new investment stimulating building turnover and rehabilitation, new retail and service enterprises, and rising property values. The University System of Maryland Education Center opened in the heart of downtown in January 2005; and, currently offers more than twenty programs across five respected institutions that include attainment of Bachelor's Degrees, Master's Degrees, or even Graduate Certificates.

The population of the City of Hagerstown and its surrounding suburbs grew by approximately 8% between 2002 and 2012. More recently the trend has leveled and decreased slightly or by 0.1% between 2009 and 2012. The 2012 population estimate for the City of Hagerstown is 39,662 with the suburban fringe containing approximately another 57,327. In the City of Hagerstown, there are currently 1,581 housing units in various stages of development and construction. During the last 12 to 18 months, commercial activity within the City of Hagerstown has been on-going with the vast majority of the commercial growth occurring along Dual Highway such as Sonic and Checkers. Also, there is on-going retail growth throughout the City.

MAP – CITY OF HAGERSTOWN
FISCAL YEAR 2013/2014



MISCELLANEOUS STATISTICS – JUNE 30, 2012
FISCAL YEAR 2013/2014

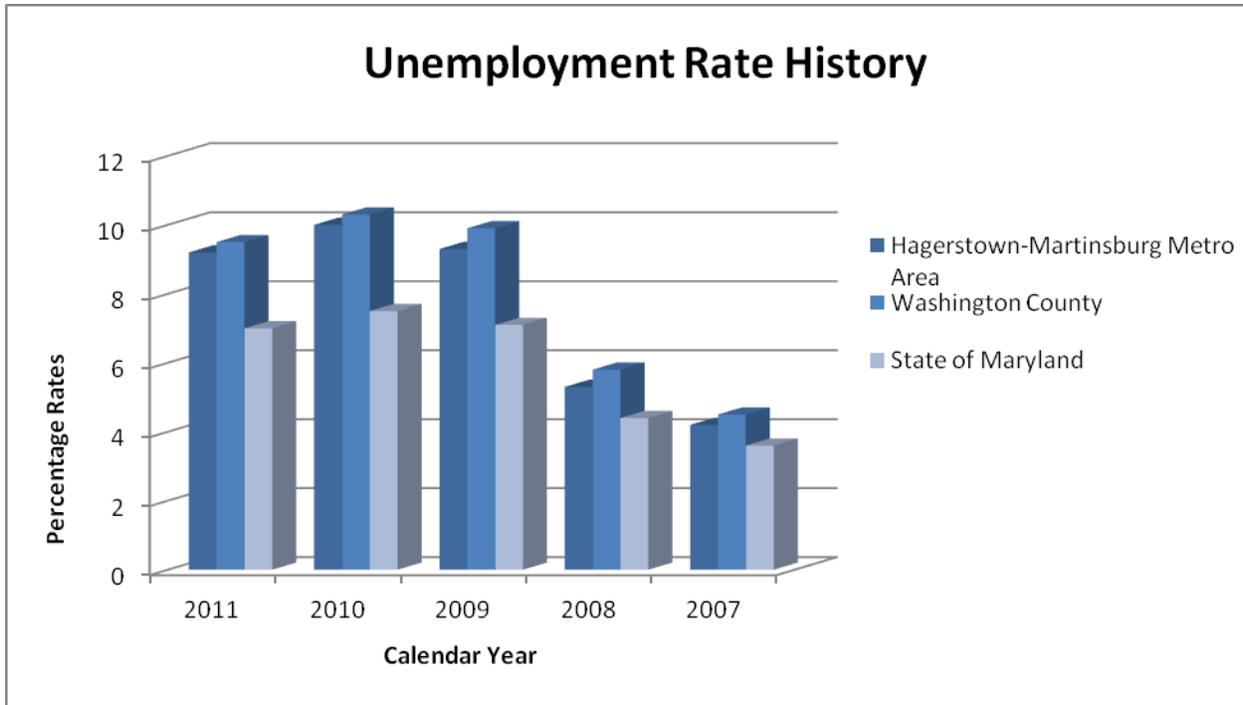
City Charter Dates		Population – per United States Census	
		Fiscal Year	Population
Date founded	1762	1900	13,591
Date of incorporation	1813	1910	16,507
Date of adoption of present City Charter	1983	1920	28,064
Form of Government	Mayor, Council, and Administrator	1930	30,861
Area (in square miles)	12.1	1940	32,491
		1950	36,260
Fire Department		1960	36,660
Number of Stations (4 volunteer, 2 City owned)	6	1970	35,852
Number of Fire Hydrants (within City limits)	815	1980	34,132
Responses to Fire alarms	2,857	1990	35,445
Average response time (in minutes)	3:06	2000	36,687
Malicious False alarms (included in above number)	23	2009	40,065
Public fire education programs	825	2010	39,996
Persons in attendance at public education programs	5,880	2012 (Estimate)	39,662
Parks and Recreation		Police Department	
Parks and Playgrounds (219.077 acres)	18	Parking ticket violations issued	1,696
Minor League Baseball Stadium (9.94 Acres)	1	Net parking fines	28,360
Outdoor Swimming Pool (Claude M Potterfield Pool 1.5 acres)	1	Calls for service	63,697
Total attendance at swimming pool	20,518	Alarm calls (included in above number)	696
Average daily attendance at pool	311		
Municipal Golf Course (The Greens at Hamilton Run 61.9 acres)	1	Public Works	
Total attendance at golf course	10,786	Miles of paved streets and alleys	116.69
Average daily attendance at golf course	41	Number of traffic signals maintained	131
Electric Department		Parking Facilities Department	
Number of active accounts	16,978	Number of lots	7
Number of meters (in use)	17,911	Number of Parking Spaces (metered or rented)	
Kilowatt hours purchased	322,917,150	Lots	678
Kilowatt hours sold	312,875,929	Streets	399
System peak demand-kilowatts	68,180	Parking Decks:	2
Number of substations – 34.5KV to 13.8KV	7	Number of Parking Spaces	625
		Number of Permit Parkers	556
Water Department		Wastewater Department	
Number of active accounts-City	13,042	Number of active accounts-City	12,779
Number of active accounts-County	15,365	Number of active accounts-County	2,903
Total number of active accounts	28,407	Number of active accounts-District (JSA)	3,449
Daily average productions in million gallons		Number of active accounts-Total	19,131
R.C. Willson Plant (365 days)	11.599	Daily average of sewage treated (in million gallons)	7.29
Wm. M. Breichner Plant (365 days)	0	Daily average plant capacity (in million gallons)	10.5
Greatest consumption for a single day	13.68	Number of City owned pumping stations	25
Plant pumping capacity per day	20	Miles of collection system – City owned	156
Average daily metered consumption	8.244		
Miles of water mains (estimate)	425		

MISCELLANEOUS STATISTICS – JUNE 30, 2012
FISCAL YEAR 2013/2014

**Principal Employers in the Metropolitan Area
Current Year and Nine Years Ago**

Employer	2012			2003		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Washington County Public Schools	2,965	1	4.59%	2,573	3	3.99%
Meritus Health (Washington County Health System, Inc.)	2,860	2	4.42%	2,908	1	4.51%
Citicorp Credit Services, Inc	2,500	3	3.87%	2,500	4	3.88%
State of Maryland	2,304	4	3.56%	2,774	2	4.31%
First Data Merchant Services	2,214	5	3.42%	1,931	5	3.00%
Volvo Powertrain NA (Mack Trucks, Inc.)	1,391	6	2.15%	1,264	6	1.96%
Washington County Government	1,134	7	17.75%	903	8	1.40%
Hagerstown Community College	813	8	1.26%			
The Bowman Group, LLC	753	9	1.16%			
FedEx Ground	648	10	1.00%			
Federal Government				602	10	0.93%
Pheonix Color Corporation				725	9	1.13%
GST AutoLeather				1,007	7	1.56%
Total	17,582		27.18%	14,614		22.68%

Source: Principal Employers for Washington County MD provided by Hagerstown/Washington County EDC.
Note: Total County employment for 2012 was 64,662 and 2003 was 64,421 as supplied by Bureau of Labor Statistics



MISCELLANEOUS STATISTICS – JUNE 30, 2012
FISCAL YEAR 2013/2014

**Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Washington Real Estate	\$ 56,992,367	1	2131.31%	\$ 33,108,900	2	2.22%
Lowes Home Centers, Inc.	24,995,300	2	934.74%	10,674,420	5	0.72%
Walmart Real Estate Business Trust	20,591,200	3	770.04%	29,610,090	3	1.99%
I-81 Hollyhock LLC	20,081,267	4	750.97%			
Bowman Railway LLC	19,813,900	5	740.97%			
Verizon - Maryland	19,637,620	6	734.38%	30,356,850	1	2.04%
OEKOS Stone House LLC	19,449,067	7	727.33%			
Hagerstown Apartments (Limited) Partnership	17,999,700	8	673.12%	10,786,080	6	0.72%
FB Hagerstown LLC	14,530,300	9	543.38%			
Hagerstown Plaza LLC	14,516,600	10	542.87%			
York Pinewood Apartments LP						
Sams Real Estate Business Trust						
Columbia Gas of Maryland, Inc.				8,142,280	4	0.55%
US Retail Income Fund IV Limited Partnership				10,165,300	7	0.68%
Newstech MD LP				9,996,400	8	0.67%
Ahold Real Estate Company				8,986,600	9	0.60%
Venice Inn LLC				8,617,100	10	0.58%
Totals	\$ 228,607,321		8549.10%	\$ 160,444,020		10.76%

Source: City of Hagerstown FY12 CAFR (Comprehensive Annual Financial Report).

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OVERVIEW

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CITY OF HAGERSTOWN, MARYLAND

City Administrator's Department

March 28, 2013

To: Mayor and Council

The Proposed FY13/14 Budget is submitted to Mayor and Council with a balanced General Fund for the coming fiscal year and no property tax rate increase. The General Fund, our largest operating budget, totals \$37,834,776 in revenue, a 2.5% increase over the current year revenue revised budget of \$36,923,088. This budget maintains our service and operating levels and continues Hagerstown's successful efforts to operate with less. Through cost containment and expenditure reductions, the City has been able to manage its operations despite a 6.7% or \$2,701,703 decrease in revenues in the proposed FY13/14 budget when compared to our FY09/10 General Fund Budget of \$40,536,479. Our departments continue to operate with 27 unfunded positions, 16 in the General Fund and an additional 11 in other City operations.

Hagerstown is still working through the negative impacts of the economic recession and our budget decisions for both FY13/14 and FY14/15 will be critical to our future operations and service to the community. A year ago it appeared that we were perhaps reaching a more stabilized financial position as we began to experience a small increase in General Fund revenue. We held some hope that our property values had begun to recover from the recession. However, the December 2012 assessments for areas of Washington County outside of Hagerstown resulted in a further decline in those property values and we anticipate the same will occur for Hagerstown this coming December. Based on this information we have projected an 8% decrease in our FY14/15 Assessable Base, as shown on Section 3 Page 6. This means that in FY14/15, our first fiscal year following the December 2013 triennial reassessment, we will likely experience a loss of revenue that will require us to prepare for this by carefully considering our FY 13/14 budget decisions. It is important that we maintain a two year focus on our budget.

COMBINED USES OF FUNDS FY2013/14 BUDGET BY FUND

The Proposed FY13/14 Budget includes \$133,145,831 in expenditures for all of the City's funds. The City's largest operating fund, the General Fund is projected at \$37,834,158 for the coming year, a 2.9% increase over FY12/13. Our utility operations for next year include \$25,012,212 for the Water Fund, \$15,332,438 for Wastewater, and \$24,176,953 in Electric. The City's Capital Improvement Fund for next year is proposed at \$15,560,268. Our Parking Fund's Budget is \$2,207,197 and the Community Development Fund totals \$1,147,491. These represent Hagerstown's major operating and capital funds. Other Special Revenue funds totaling \$1,821,021 along with Service and Trust Funds totaling \$8,896,124 are also included for next year. Details on the expenditure and revenue assumptions for each Fund, along with program information, is set forth in their individual budgets, which appear throughout the Proposed Budget.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2013/14

2013/2014 BUDGET BY FUND

	Revised Budget 2012/2013	Proposed Budget 2013/2014	Increase / (Decrease)	Percent Change
General Fund	\$ 36,774,186	\$ 37,834,158	\$ 1,059,972	2.9%
Communiy Dev. Block Grant Fund	1,811,321	1,147,491	(663,830)	-36.6%
Other Special Revenue Funds	1,657,200	1,821,021	163,821	9.9%
Capital Improvement Projects	6,184,130	15,560,268	9,376,138	151.6%
Total Government-type Funds	46,426,837	56,362,938	9,936,101	21.4%
Electric Fund	28,427,493	24,176,953	(4,250,540)	-15.0%
Water Fund	17,514,296	25,012,212	7,497,916	42.8%
Wastewater Fund	14,534,755	15,332,438	797,683	5.5%
Parking Fund	798,251	2,207,197	1,408,946	176.5%
Golf Fund	405,257	459,939	54,682	13.5%
Property Management Fund	1,108,539	698,030	(410,509)	-37.0%
Total Enterprise-type Funds	62,788,591	67,886,769	5,098,178	8.1%
Service & Trust Funds	7,678,936	8,896,124	1,217,188	15.9%
Total Combined Uses of Funds	\$ 116,894,364	\$ 133,145,831	\$ 16,251,467	13.9%

FY2014/15 GENERAL FUND PROJECTIONS

Our five year projections for the General Fund start on Page 2 of Section 7. The projections for FY14/15 are especially important as we prepare for the December 2013 Triennial Reassessment. The FY14/15 projected property tax revenue of \$23,263,584 reflects a \$1,211,416 decrease, the effect of the projected 8% decline in assessable base from the December 2013 Triennial Reassessment. In addition FY14/15 General Fund wages and benefits show a \$940,000 increase, reflecting a full year cost of living adjustment for our employees along with some continued growth in our fringe benefit expenditures for employees and retirees. These projections for FY14/15 also include large growth in our debt service and capital outlay expenditures as explained in further detail in Section 7. This combination of a revenue decrease and growth in expenditures creates a large projected shortfall in excess of \$3 million for the General Fund in FY14/15 based on currently available information and assumptions. This number will be reduced as Mayor and Council reach decisions in coming months related to capital project priorities and strengthening the City's operating revenues, but it is clear we have a lot of work ahead of us in relation to FY14/15.

BUDGET PRIORITY

Strengthening General Fund Revenues

The critical priority reflected in this Proposed Budget is the need to strengthen General Fund revenues. This becomes especially apparent in FY14/15. We need to strengthen our revenues and our financial condition to create sustainable operations. Because of the expenditure reductions and unfunded positions already in place it is not realistic to anticipate additional large reductions in expenditures without service reductions or significant restructuring of the City's public safety operations, which represent 53% of General Fund expenditures. Based on currently available revenues, there is not sufficient funding to move forward with all of the capital improvement projects priorities of the Mayor and Council such as the minor league baseball stadium, the construction of a third parking deck, a major downtown revitalization project, or the demolition of the former Municipal Electric Light Plant and subsequent site improvements.

At the same time, we have reached the point where we need to begin restoring pay adjustments for our employees. They have gone four years without a cost of living adjustment and three years without a pay step increase. While Hagerstown has managed our finances to retain an excellent health insurance

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program for our employees and retirees and also avoid reductions in pension benefits, we need to begin adding compensation adjustments back into our budget if we are going to maintain sustainable operations and programs.

The City government has lived within our means throughout some very difficult financial years, and has not increased our property tax rate. We have adjusted operations and reduced expenditures for several years to offset the loss of approximately \$4.2M in State and County revenue. We are operating in the current year with a reduction of \$3,801,065 in General Fund Revenues from FY9/10. A review of recent budget shows that in FY10/11 we lost \$2,859,709 in revenue, followed by an additional drop of \$1,738,386 in FY11/12. For the current year we experienced a slight increase in General Fund revenue of \$797,030, primarily due to the Mayor and Council's approval of the Safe Speed for Students Program, which provided speed camera revenue to support our public safety operations. Next year, we are projecting another small increase in General Fund revenue of \$911,688 over current FY12/13 revised budget.

The challenge rising before us is the impact of the December 2013 Triennial Reassessment of Real Estate and the resulting decline in our tax base and additional loss of General Fund Revenue. As Mayor and Council are aware the December 2012 triennial reassessment for the areas of Washington County including Funkstown, Boonsboro, and Smithsburg reflected an average decrease of 10.5% in residential values and an average increase of 8.5% in commercial values.

In FY11/12, the first year of the current triennial reassessment, Hagerstown experienced an 11.2% decline in the assessable value of the City's property tax base. For FY14/15, the first year following the December 2013 reassessment, we have projected an additional 8.0% decline in our tax base. Because Hagerstown, along with other Maryland municipalities, is so dependent on property tax revenue, these drops in assessed real estate values seriously weaken our operating budget. To illustrate this point, Hagerstown had an assessable base of \$2,881,000,000 in FY10/11. Based on current projections, we are anticipating our assessable base will drop to \$2,380,000 by FY14/15. Section 3 Page 6 provides a history of the City's assessable base, showing that from FY81/82 the City never experienced an annual decline until FY11/12. We will now experience two significant drops over a four year period due to the damaging impact of the economic recession on Hagerstown's property values.

To truly address this situation and better position the City to serve the community and support its employees in the future, we need to strengthen and diversify Hagerstown's General Fund revenues. I would respectfully encourage the Mayor and Council to make this your top priority in relation to the budget.

FY13/14 PROPOSED BUDGET MAJOR HIGHLIGHTS

This section of the Budget Message will provide a summary of the major highlights included in this Proposed Budget for all of the City's funds. It reflects major assumptions and adjustments used in preparing this budget for Mayor and City Council's consideration. The budget narratives included in the individual department and fund sections which appear later in the budget, provide a more detailed discussion and explanation of these highlights.

1. **Property Tax Revenue and Triennial Reassessment of Real Estate:** The Proposed Budget maintains the current property tax rate of 78.8 cents per \$100 of assessed real estate values. This tax rate has been in effect since FY08/09. The FY13/14 projected property tax revenue reflects a 1.7% decrease from the current year budget, due to a decline in corporate personal property tax revenue that we began to experience in FY11/12, which was not anticipated in the current year budget. The real estate portion of our property tax revenue is projected to increase 0.4% in the coming year. The critical issue for us to consider in our budget preparation is the future impact of the State's Triennial Reassessment of Real Estate which is scheduled to be released in December 2013. This will impact our FY14/15 Budget and the following two fiscal years. Based on the December 2012 reassessments of real estate in other areas of Washington County, we are anticipating a decrease in assessed values within Hagerstown in December 2013.

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2. **Staffing:** The staffing schedule appearing in Section 1 on Page 35 shows that the City operates with a total of 464 full-time positions, which include 204 in public safety, 144 in our Enterprise Funds, and 116 in general operations. 27 of the 464 positions are unfunded, reflecting the financial constraints facing the City and our efforts to live within our means. Current revenue projections for next year and the following fiscal years are not strong enough to support restoration of funding for these positions. Of the 27 unfunded positions, 16 are in the General Fund and the remaining 11 are in other operations. The 464 total positions for next year represent a net decrease of 2 positions from the current year.
3. **Employee and Retiree Benefits:** Hagerstown has very good experience with managing the cost of its employee and retiree health insurance programs. However, because our health insurance program is a self-insured plan, we budget based on our claims experience. Our projected increase for medical plans for July 2013 is 12.1%, a cost increase of \$505,000 for all funds. To mitigate the rising costs of the healthcare plans, the City will need to negotiate plan changes with all four of our unions for employees and retirees. Our projected budget for dental insurance in the coming year reflects no change in premium for employees. We have also included a 5% increase in workers compensation cost for the coming year based on historical trends, resulting in a cost increase of \$50,000 for all funds. Final numbers on workers compensation costs will be received in May.
4. **Employee Pensions:** The State of Maryland has increased the employer's contribution toward pension funding in the State's 30 Year Retirement Program from 8.99% to 10.00% or \$137,000 next year. Employee contributions in the State Program are anticipated to remain at 7%. For the City of Hagerstown's 25 Year Police and Fire Pension Program, the employer's contribution in the coming year is anticipated to increase from 11.29% to 12.2% or \$86,000. Since this program's inception, the employee's share has remained the same at 7%, and the City's cost share has increased 45% to 12.2%.
5. **Collective Bargaining Agreements:** All four of the City's collective bargaining contracts will expire in June 2013. Negotiations began in March and will have a significant impact on City's budget in the coming year and beyond.
6. **Employee Wage and Benefit Contingency:** The General Fund includes a \$400,000 lump sum contingency to fund any COLA, step increase, restoration of unfunded positions, or other employee benefit which Mayor and Council may approve for the coming fiscal year. Other Funds include similar contingencies for their employees. In total we have \$540,000 set aside City-wide for these contingencies. To date, City employees have not received cost of living pay adjustments for four years or step increase pay adjustments for three years. The Mayor and Council did approve a flat payment of \$1,000 for full time employees in December 2011 and a second payment of \$1,000 for full-time employees on March 26, 2013. Funding for both of these payments came from fund balance and retained earnings generated from expenditure savings. A mid-year pay adjustment is anticipated in the FY13/14 Budget with a full year adjustment included in the FY14/15 Projections.
7. **Utility Rates:** The Hagerstown Light Division's wholesale power service agreement provides a megawatt hour charge of \$54.36 effective June 1, 2013 and \$53.90 effective June 1, 2014. These are the lowest electric rates in the County. In accordance with the Mayor and Council's 2009 approval of five year rate schedules, our water rates will increase 5% in July 1, 2013 for inside City customers and 6.5% for those outside the City. For Wastewater the rate increases in July 1, 2013 will be 5% for inside the City and 3% for outside customers.
8. **Parking Rates:** The FY13/14 Budget does not include any change in the schedule for the City's parking rates for our two decks, street meters, or lot parking. Recommendations for rate changes were included in the Parking Management Plan prepared by Rich & Associates in 2012. While these rate recommendations may receive further consideration in the future, the FY13/14 parking rates remain unchanged.

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9. **Refuse Service Fee:** The Proposed Budget maintains the current fees for the City's curbside refuse and recycling services.
10. **State of Maryland Highway User Revenue:** Governor O'Malley's proposed FY14 budget as presented in January restored statewide Highway User Revenue distributions to local governments. For FY14 the Governor's budget has allocated an additional \$15.4 million which will increase Hagerstown's projected share for the coming year. This Proposed Budget includes \$722,882 for the coming year which has been allocated toward capital infrastructure projects in the Capital Improvements Program Fund, primarily for pavement preservation. There has been some discussion in Annapolis that Hagerstown's share could grow by an additional \$328,097, but the Governor's announcement of a proposal, the week of March 4th, to adjust the State's gasoline tax and sales tax on vehicle fuel has made the final allocation to Hagerstown and other Maryland municipalities uncertain. For this reason we have kept the more conservative amount in the Proposed Budget and reflected \$722,882 in Highway User Revenue for Hagerstown.
11. **State of Maryland Police Protection Revenue:** The Governor's proposed budget restores State Aid for Police Protection grants for Maryland municipalities to full funding at \$9 million. The past five years municipal police aid was sharply reduced for local government revenues due to the State's fiscal health. For Hagerstown the restoration of the State funding will increase our General Fund revenue for Police Protection from \$516,752 to \$750,000.
12. **Community Development Block Grant Revenue:** Hagerstown's annual Federal entitlement grant for the Community Development Block Grant continues to decline as the US Government scales back funding. In FY13/14 we anticipate an entitlement of \$600,000, a 9% decrease. Hagerstown's CDBG entitlement has been reduced approximately 40% from the \$1,004,945 received in FY10/11. The chart on Page 6 of Section 5 illustrates this recent history of reductions in our CDBG funding level due to Federal Government cuts. City operations have been adjusted by reducing CDBG supported staff positions from 5.8 at the beginning of FY10/11 to 2.5 in the current year. We have continued this trend in the coming year by shifting an additional 0.3 in position funding to the General Fund's Neighborhood First Program.
13. **Safe Speed for Students Program Revenues and Expenditures:** For FY13/14 the revenue from Safe Speed for Students is estimated to be just under \$1.6M. Direct operating expenditures for the program are approximately \$650,000. Revenues and expenditures from this program which was established in 2012 are budgeted entirely within the General Fund. Program revenue received in excess of direct operating expenditures help to pay for the \$18.3M operating costs plus an additional \$1.7M capital improvement project costs supporting police and fire operations in FY13/14 budget. These revenues have funded an additional police officer position, along with the purchase of a police vehicle, and the reinstatement of three captain positions in the Fire Department in the current fiscal year. The City first began to install speed cameras in April 2012 with additional cameras installed this past fall. FY13/14 will be the first full year of operation of this program.
14. **Stormwater Management Fee:** The General Fund Budget for the coming year does not include the stormwater management fee that was anticipated in the FY13/14 financial projections prepared a year ago. Several Maryland communities have adopted such a fee to address costs associated with stormwater management; and, staff believes Hagerstown should consider the implementation of this fee for FY14/15. Because it takes nearly a year to develop and implement a stormwater fee, staff would recommend that Mayor and Council consider this fee in the next few months. This fee would support current costs the City incurs related to stormwater as well as the mandates being placed on local governments by recent State of Maryland legislation.
15. **Bond Issues:** A bond issue is scheduled toward the end of the current fiscal year in the amount of \$4,275,000 to fund a combination of vehicles for General Fund operations and capital improvement upgrades in our Water and Wastewater systems. The General Fund portion of this bond issue is \$1,024,427, the Water Fund \$1,905,000, Wastewater \$1,125,000, and Parking \$100,000. Costs of issuance are just over \$120,000. This Proposed Budget reflects plans for an additional bond issue in 2014 of \$6,240,580 to support General Fund and utility operations. In

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2011 Hagerstown received an AA- rating from Standard & Poor and an Aa3 rating from Moody's. We need to be aware that the bond rating firms are focusing more scrutiny on municipal governments and their financial condition, especially the strength of their revenue base. The City will receive updated ratings for its 2013 bond issue.

16. **Debt Affordability:** Mayor and Council received an initial presentation on the City's debt affordability during the March 19th Work Session. This will be an increasingly important issue as Mayor and Council consider priorities related to the construction of a new minor league baseball stadium, funding support for the relocation of the Board of Education Offices or another significant downtown revitalization project, demolition and cleanup of the Municipal Electric Light Plant, construction of a third parking deck, and other capital improvement and equipment costs. Information related to the City's current debt service levels and benchmarks appears on page 13 of the Budget Message and in Section 7 of this Proposed Budget.
17. **Fund Balance in the General Fund:** The City continues to manage its finances to maintain a healthy fund balance in the General Fund. For FY13/14 we project a year-end unassigned fund balance of \$8,479,073 which is 23.0% or 2.8 months of total General Fund expenditures. The Government Finance Officers Association guideline for maintaining an unassigned fund balance recommends 16.7% or two months of total General Fund expenditures. Throughout the course of the economic recession and the loss of State, County, and property tax revenue, Hagerstown has wisely avoided reappropriating fund balance to fund annual operating expenditures.
18. **Unfunded Projects and Programs of Interest to Mayor and Council:** There are a number of projects and proposals that have been presented to the City which involve requests for funding. These requests are not allocated funding in the Proposed Budget and will most likely receive further consideration from Mayor and Council in coming months. These include a request from the Doleman Black Heritage Museum for operating support in the amount of \$42,933; the request received during the March 19th Mayor and Council work session from the Washington County Historical Society for the City to increase staffing and support at the Hager House, and the proposal to develop a downtown master plan with a cost of approximately \$1,000,000. (It is not anticipated that the City would fund the full cost of the downtown master plan project.)
19. **General Fund Agency Contributions:** These expenditures appear in Section 3 Page 55 and reflect a continuation level of funding.
20. **New Parking Deck:** This budget includes funding in the Capital Improvement Program to construct a new 500 space downtown parking deck in FY14/15. As shown in Section 9 Page 173, the budget includes \$1,400,000 for property acquisition and design in FY13/14 followed by \$8,500,000 in FY14/15 for construction. Based on current projections, Parking Fund operating revenues are not sufficient to fund the debt service for the deck, creating the need for a General Fund transfer to subsidize the deck or revenues from another non-City source. The Parking Fund projections on Page 26 in Section 7 identifies this shortfall in FY14/15, but does not reflect a subsidy from the General Fund.
21. **Municipal Electric Light Plant (MELP):** Section 9 Page 108 includes a Capital Improvement Project for the demolition of the former MELP. Hagerstown has offered \$1,000,000 to the property owner, Partners Marketing LLP to assist with the cost of demolition, cleanup, and environmental remediation. Delegate Donoghue has submitted a bond bill in the current General Assembly to provide \$300,000 in State funding support for a portion of the \$1,000,000. The remaining \$700,000 will come from \$250,000 in City bond funding and \$450,000 from the City's CIP Fund Balance. At this time the State funding is pending final approval of the General Assembly and the property owner is still in the process of finalizing their contracts for the demolition, cleanup, and salvage work involved in their project. If this project proceeds as hoped, the owner will transfer the property to the City once all environmental cleanup and remediation requirements are met.
22. **Fire Department Vehicle Replacement:** The Proposed Budget includes \$1,450,000 in FY13/14 and \$1,075,000 in FY14/15 for Fire Department vehicle replacement. The FY13/14 total includes

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\$450,000 for replacement of Engine One, \$900,000 for replacement of the ladder truck at Pioneer Hook & Ladder, and \$100,000 for a utility vehicle. FY14/15 includes \$950,000 for replacement of the ladder truck at Pioneer Hook & Ladder and \$125,000 to refurbish Engine Four. For these two fiscal years \$1,950,000 in City bond financing is allocated toward these purchases along with \$550,000 in contributions from volunteer fire companies. These purchases appear in CIP 45-C0010.

23. **Public Works Vehicles:** CIP 45-C0065 includes \$225,000 in FY13/14 for the acquisition of three Public Works vehicles, two dump trucks and one smaller truck. Funding sources include \$182,980 in bond financing, \$17,020 from prior bond proceeds, and a \$25,000 General Fund transfer to the CIP.
24. **Police Vehicles:** The acquisition of five patrol vehicles plus all auxiliary equipment are included in CIP 45-C0129 at a projected cost of \$40,000 each. Two low mileage pre-owned vehicles are also scheduled for purchase in FY13/14 at the cost of \$5,000 each. A total of \$210,000 in General Fund funding is allocated for these vehicle purchases.
25. **Downtown Redevelopment:** CIP 45-C0854 on Page 117 in Section 9 includes \$1,500,000 in funding for downtown revitalization, which has been established as a priority of this Mayor and Council. This money would be available to provide City support for the relocation of the BOE Administrative Offices or another downtown revitalization project to be determined in the future. General Fund bond financing has been identified as the funding source for the \$1,500,000.
26. **Minor League Baseball Stadium Project:** This Mayor and Council have expressed initial interest in moving forward with the construction of a new minor league baseball stadium for the Hagerstown Suns. Presently, Ripken Design is evaluating the economic impact and market feasibility of locating the stadium on the former site of the Washington County Hospital and on property in and around the current stadium site. This information will be combined with Ripken's prior analysis of the downtown site to provide the Mayor and Council information to evaluate on three sites. The funding plan has not been determined for the project, which could total \$30,000,000 or more depending on the Mayor and Council's decisions related to location, the scope of the project, parking infrastructure, and other costs associated with site development. The amount of State, County, and private funding allocated toward the project will also determine the amount of City funding required to build the stadium. This project is reflected in Section 9 Page 51. Mayor and Council can use this preliminary project information as capital improvement project priorities are finalized by this administration.
27. **Pavement Preservation Program:** CIP 45-C0025 in Section 9 Page 49 reflects our commitment to maintaining and improving our street infrastructure. \$640,000 in State Highway User Revenue is allocated to the program in FY13/14. This program funds the resurfacing of various streets, crack filling, pavement overlays, and millings. An additional \$15,000 is included in CIP 45-C0093 for pavement markings. In the event final decisions by the General Assembly in Annapolis increase Highway User Revenue distributions beyond our projections, Hagerstown will receive additional funds to allocate toward pavement preservation.
28. **Bridge Repair Program:** CIP 45-C0400 includes \$2,128,450 for repair and maintenance of bridges within Hagerstown. There are 13 existing bridges in the City. Federal grants provide the primary funding source in the amount of \$1,702,760. Excise Tax revenue provides the balance of \$425,690.
29. **Frederick Street Culvert:** \$360,000 is set aside in the coming year to extend the existing culvert on Frederick Street and to complete street widening and sidewalk improvements. The Excise Tax Fund is providing \$156,729 for this project with the balance of \$203,271 coming from State Aid in Lieu of Urban Funding grant funds.
30. **Potterfield Pool Improvements:** In FY13/14 we hope to add \$55,000 in wading pool amenities to Potterfield Pool, utilizing \$63,000 in State Program Open Space funding. The remaining \$8,000 in State funding will be combined with \$7,000 in General Fund money to provide

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additional shade structures on the pool's deck. This total of \$70,000 in pool improvements is shown in CIP 45-C0822.

31. **George Washington Statue:** CIP 45-0837 reflects the City's continued effort to design and install a 10% over-life-size statue of George Washington to be located in front of the Circuit Court House on West Washington Street. \$25,000 in CIP Fund Balance and \$21,500 in Contributions from Others has been allocated to this effort for a total project budget of \$46,500.
32. **Dog Park:** \$68,500 is shown in CIP 45-C0851 for creation of Hagerstown's first dog park. The citizen advisory committee that has worked on the development of a recommendation for the location and creation of a dog park is scheduled to present its report to the Mayor and Council in April. This CIP includes \$40,000 in Excise Tax funding and \$28,500 in contributions from others.
33. **Multi-Use Paths:** In conjunction with the construction of a new Bester Elementary School on South Potomac, \$100,000 has been allocated in CIP 45-C0717 for widening the hiker/biker trail along Memorial Boulevard, utilizing \$100,000 in State Safe Routes to School Grant funding.
34. **Neighborhood Parks:** Our Comprehensive Plan recommends the development of new neighborhood parks in under-served areas, similar to our recent park development projects on North Locust and South Potomac. The Proposed Budget includes \$150,000 in CIP 45-C0751 for property acquisition and park construction in FY13/14 through the use of \$150,000 in CDBG funding.
35. **Other Neighborhood Projects:** The City continues to provide program, staff, and financial support for Neighborhoods First by including \$59,183 in funding for this program. In coming months the City will be initiating a new marketing effort "Live Hagerstown, We Love City Life" to promote City neighborhoods, highlight the advantages of City living, and encourage homeownership in City neighborhoods. Programs to be marketed through the Live Hagerstown initiative include the Neighborhood Homeownership Incentive Program, Maryland Housing Rehabilitation Loan Program, Neighborhoods 1st, HNBP's Community Partners Incentive Program, the Neighborhood Façade & Exterior Enhancement Program, and the City Center Residency Initiative. The FY14 Budget includes \$50,000 in CDBG funds for sidewalk accessibility improvements in various City neighborhoods and \$24,500 for the Community Partners Incentive Program, which offers funds for down payment and closing costs to income-eligible homebuyers. This budget continues our partnership with the Commission on Aging by providing \$18,000 in CDBG funds for Home Repair Grants for Seniors Program. HNBP continues to receive free office space from the City along with \$24,500 in CDBG for the Community Partners Incentive Program and \$50,000 in General Fund support.
36. **Community Development Block Grant Supported Expenditures:** The Proposed Budget includes \$460,000 in CDBG funding for Housing Programs. This includes \$357,500 for Housing Rehabilitation and \$30,000 for Single Family Home Emergency Repairs, along with the previously mentioned support of the Commission on Aging's Program and HNBP. In addition we have included \$250,000 for Public Facilities and Improvements including the previously mentioned Neighborhood Park Project and Sidewalk Handicap Ramp projects. \$105,000 has been included in CDBG funding support for public services. CDBG Fund can be found on Page 3 of Section 5.
37. **Economic Redevelopment Fund:** This Fund appears in Section 5 Page 11 and reflects \$665,721 in FY13/14 expenditures. This funding includes support for the City's projects at the former Midtown Hotel and the property located at 43-53 West Washington Street. In addition it includes \$75,000 in support for a new incentive program for apartment unit reductions and \$100,000 for another new program targeting the rehabilitation of properties in the unit blocks of the downtown. The Fund also provides \$80,600 for the Partners in Economic Progress Rent Payment Program.
38. **Wastewater Fund Capital Improvement Projects:** We have a significant number of CIP Projects for our Wastewater operations scheduled for the coming year as shown on the list appearing on Section 9 Page 38. These projects include \$567,000 for the purchase of vehicles

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(CIP 54-C0004), \$300,000 for Collection System Rehabilitation (CIP 54- C0327), \$300,000 for our City-wide Collection System Upgrades (CIP 54-C0800), \$115,000 for Grinder Pump Replacements (CIP 54-C0767), and \$150,000 for Solids Processing (CIP 54-C0711). Wastewater projects total \$2,129,500 in FY13/14.

39. **Water Fund Capital Improvement Projects:** \$13,421,000 is the FY13/14 total for Water Fund based capital improvement projects as shown on Page 35 of Section 9. \$9,600,000 is included in CIP 52-C0740 for Phase IV of the RC Willson Treatment Plant Improvements. \$1,205,500 is allocated in CIP 52-C0653 for the continuation of our Meter Replacement Program in our Water Distribution System. We have replaced over 50% of these meters. \$1,205,000 in CIP 52-C0820 is scheduled in FY13/14 for Water System SCADA Improvements, and \$400,000 is allocated for Water Main Replacements in CIP 52-C0709. The Breichner Water Treatment Plant is scheduled to receive \$300,000 in improvements as shown in CIP 52-C0405.
40. **Electric Fund Capital Improvement Projects:** The Electric Fund includes a total of \$428,000 in capital improvement projects for the coming year, as shown on pages 31-32 in Section 9. These projects include \$60,000 in circuit upgrades (CIP 50-C0842), \$41,000 for electric service upgrades to the new Bester Elementary School (CIP 50-C0841), \$40,000 for Telemetry Equipment (CIP 50-C0111), \$52,000 for electric service to the Noland Drive Boys & Girls Club Center (CIP 50-C0818), and \$50,000 for vehicles (CIP C50-C0090).

SOURCES OF FY13/14 GENERAL FUND REVENUE

The Proposed General Fund revenue of \$37,834,776 for FY13/14 represents a 2.5% increase from the FY2012/13. The primary causes for this increase in General Fund revenue are \$233,248 for restoration of funding for Police Aid Protection from the State of Maryland and \$827,946 in Fines & Forfeitures as a result of the Safe Speed for Students Program revenues.

The following table illustrates the change in the sources of General Fund Revenues from Revised Budget FY12/13 to Proposed Budget FY13/14.

<i>Sources of General Fund Revenue Growth</i>		
FY 13/14 General Fund Budgeted Revenues	\$ 37,834,776	
FY 12/13 General Fund Budgeted Revenues	36,923,088	
Revenue Growth (Decrease)	911,688	2.5% Increase
Sources		
Property Tax Revenue	(422,583)	
State & County Shared Taxes	372,708	
Licenses & Permits	38,800	
Intergovernmental Revenues	297,615	
Service Charges	(200,065)	
Fine & Forfeitures	793,811	
Unallocated Revenues	(248,598)	
Transfers From Other Funds	280,000	
Total	\$ 911,688	

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EXPENDITURES OF FY13/14 GENERAL FUND RESOURCES

The Proposed General Fund Budget for expenditures in FY13/14 totals \$37,834,158 representing a 2.9% increase in expenditures from the revised FY12/13 Budget of \$36,774,187. The following table illustrates the changes in the use of General Fund resources by category of expenditure from FY12/13 to FY13/14. The total General Fund expenditure increase is primarily a result of the following: a salary contingency; rise in employee benefits costs for health insurance, dental insurance, and workers compensation; increase amount for contracted vendor associated with the Safe Speeds for Schools Program; and rise in debt service related to new debt issue and increased interest expense on 2009B Build America Bonds as result of federal budget cuts.

Uses of General Fund Revenue Growth

FY 13/14 General Fund Budgeted Expenditures	\$ 37,834,158	
FY 12/13 General Fund Budgeted Expenditures	36,774,186	
Expenditure Growth (Decrease)	1,059,972	2.9% Increase

Uses	
Wage & Benefits	1,198,720
Wage & Overhead Allocations	36,861
Contracted Services	367,689
Materials & Supplies	(173,955)
Insurance	(40,463)
Capital Expenditures	(243,738)
Debt Service	154,679
Transfers To Other Funds	(141,602)
Other Expenditures	(98,219)
Total	\$ 1,059,972

ALLOCATION OF FY13/14 GENERAL FUND EXPENDITURES BY FUNCTION

The following table illustrates the allocation of General Fund expenditures by function and helps to show the alignment of our resources with priorities for our community and operations:

	Allocation	Percent
Public Safety		
Police	\$ 11,924,959	31.5%
Fire	6,407,400	16.9%
Engineering, Parks & Recreation	3,172,573	8.4%
Street, Alleys & Signal	2,997,150	7.9%
Community & Economic Development	2,989,539	7.9%
Debt Service	2,181,426	5.8%
Refuse Collection & Disposal	2,038,031	5.4%
Retiree Benefits	1,209,522	3.2%
Technology & Support Services	1,083,263	2.9%
CIP Appropriations	687,868	1.8%
Unallocated Expenses *	650,537	1.7%
Finance	641,493	1.7%
Human Resources	487,691	1.3%
City Hall	278,255	0.7%
Legal Counsel	275,000	0.7%
Contributions to Other Agencies	273,490	0.7%
City Administrator	204,203	0.5%
Mayor & Council	183,031	0.5%
City Clerk	148,727	0.4%
Total	\$ 37,834,158	100.0%

* Includes Operating Transfers, Contingency, Inventory Adjustments, and Termination Pay

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2013/14

PROPERTY TAX

**REAL PROPERTY TAX RATE
PER \$100 OF ASSESSED VALUE
30 YEAR COMPARISON CHART**

	1983/1984	2013/2014			
	Rate *	Rate	Change \$	Change %	
City	\$ 0.656	\$ 0.788	\$ 0.132	20.1%	
County *	0.667	0.823	0.156	23.4%	
State*	0.084	0.112	0.028	33.3%	

* Assumes County rate remains stable from current year and reflects the 0.125 cent rate reduction for County residents living in the City due to tax differential that began in FY 2010/11. Prior to FY 2010/11, the tax differential was given to the City in the form of a tax rebate. The FY 1983/84 County rate has been lowered by the 0.125 rate reduction for comparability purposes.

As mentioned earlier in the message, the real estate tax rate is proposed to remain unchanged from FY 2012/13 at \$0.788 per \$100 of assessed value. The table above compares City, County, and State tax rates since the City adopted its current City Charter. In this period City property tax rates have increased less than the County or State rates.

GENERAL FUND CAPITAL INVESTMENT

The following table summarizes our history of General Fund capital investment since FY1997/98.

<u>Fiscal Year</u>	<u>Capital Outlay</u>	<u>Appropriation To CIP Fund</u>	<u>Total</u>
1997/1998	\$ 167,683	\$ 836,500	\$ 1,004,183
1998/1999	84,894	428,001	512,895
1999/2000	371,221	1,146,484	1,517,705
2000/2001	117,839	754,070	871,909
2001/2002	112,988	597,301	710,289
2002/2003	211,417	888,160	1,099,577
2003/2004	187,480	614,800	802,280
2004/2005	202,262	1,061,767	1,264,029
2005/2006	161,135	1,090,294	1,251,429
2006/2007	186,154	985,262	1,171,416
2007/2008	201,312	1,267,000	1,468,312
2008/2009	164,018	1,179,314	1,343,332
2009/2010	45,781	397,563	443,344
2010/2011	69,225	666,506	735,731
2011/2012	658,297	336,952	995,249
Estimated Actual:			
2012/2013	142,655	847,759	990,414
Proposed Budget:			
2013/2014	135,065	687,868	822,933
2014/2015	150,065	1,239,000	1,389,065
2015/2016	165,065	1,655,000	1,820,065
2016/2017	180,065	1,953,000	2,133,065
2017/2018	200,000	717,200	917,200

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2013/14

Although we expect that we will encounter financial challenges over the next several years, we will attempt to be prudent in maintaining adequate levels of capital projects funding so that the City's assets and infrastructure are replaced and maintained for our citizens' safety and recreational needs.

BONDED DEBT OUTSTANDING

In current FY 2012/13, we are in the process of completing a bond issue that totals \$4,275,000 for various General Fund (\$1,024,427), Parking Fund (\$100,000), Water Fund (\$1,905,000), and Wastewater Fund (\$1,125,000) projects. The estimated costs of issuance are approximately \$120,000. In addition, the FY 2012/13 projections include MDE issued debt to the Water Fund for \$4,050,000 and to the Wastewater Fund for \$918,631. In FY 2013/14 proposed budget, we have included bond issue that totals \$6,240,580 to General Fund (\$2,582,980), Parking Fund (\$500,000), Water Fund (\$2,440,600), and Wastewater Fund (\$717,000). Also included in FY 2013/14 proposals is continuation of MDE issued debt to Water Fund for \$8,400,000. These proposed capital expenditures are described in detail in the Capital Improvement Program (Section 9) and in the Enterprise Funds (Section 4).

The following table illustrates the balance of bonded debt outstanding at the end of each fiscal year over a twelve (12) year period since FY 2002/03. It is separated into tax supported general bonded debt and self-supporting enterprise fund debt for the City's Electric, Water, Wastewater, Parking, and Property Management funds.

Fiscal Year	Total Bonded Debt	General Tax Supported	Self- Supporting Enterprise
2002/2003	\$ 28,343,504	\$ 7,203,628	\$ 21,139,876
2003/2004	28,429,079	7,741,852	20,687,227
2004/2005	31,011,741	11,642,712	19,369,029
2005/2006	31,842,647	9,836,534	22,006,113
2006/2007	40,078,392	16,120,194	23,958,198
2007/2008	39,691,668	14,835,434	24,856,234
2008/2009	39,336,794	13,342,801	25,993,993
2009/2010	62,314,151	20,457,426	41,856,725
2010/2011	63,755,733	18,695,138	45,060,595
2011/2012	66,363,883	17,459,565	48,904,318
2012/2013 Estimated Actual	70,896,505	17,048,065	53,848,440
2013/2014 Proposed Budget	80,217,602	18,173,537	62,044,065
12 Year Increase in Outstanding Debt	\$ 51,874,098	\$ 10,969,909	\$ 40,904,189

Finally, we may experience both direct and indirect impacts from federal spending cut and the sequestration process. There are on-going discussion regarding the tax exempt status of municipal bonds and how changes to that status may increase our bond market interest rates and our cost of issuance with those bonds. As part of the national stimulus package, the City issued taxable Build America Bonds as part of its 2009 issuance. With this issue, the federal government was reimbursing 35% of our total interest paid. A reduction or total elimination of this interest reimbursement is still possible. For this reason, the FY2013/14 proposed budget does not include any interest reimbursement. The chart below is a quick glance of the financial impact annually across all City funds.

Funds	Government		
	Total Interest Paid by City	Reimbursed Interest	Net Interest Expense/Cost
General Fund	\$ 278,716	\$ (97,551)	\$ 181,166
Water Fund	175,935	(61,577)	114,358
Wastewater Fund	131,759	(46,116)	85,643
Parking Fund	4,968	(1,739)	3,229
Total City-wide impact	\$ 591,378	\$ (206,982)	\$ 384,395

DEBT LEVELS AND AFFORDABILITY

Neither State law nor the City's Charter places a limitation upon the amount of general obligation debt the City may incur. However, the City has strictly adhered to a debt policy which is included as part of the fiscal policies section of this document to ensure it prudently and responsibly manages its debt. While the City issues general obligation bonds for its utilities to lower interest costs, this debt is considered self-supporting from utility user charges. Only non-utility general obligation financing bonds are considered to be tax supported.

As the table below demonstrates, the City's debt as currently proposed is below the limits established in the City's debt policy.

TAX SUPPORTED GENERAL OBLIGATION DEBT RATIOS

<u>Fiscal Year</u>	<u>Percent of Assessed Value</u>	<u>Debt Per Capita</u>	<u>General Fund Debt Service as % of General Fund Operating Revenue</u>
2002/2003	0.48%	\$ 194	4.30%
2003/2004	0.50%	206	3.60%
2004/2005	0.71%	310	3.70%
2005/2006	0.53%	257	4.77%
2006/2007	0.77%	413	4.73%
2007/2008	0.65%	371	5.42%
2008/2009	0.53%	333	5.16%
2009/2010	0.74%	511	5.25%
2010/2011	0.65%	467	6.41%
2011/2012	0.68%	437	6.80%
2012/2013 Estimated Actual	0.66%	426	5.78%
2013/2014 Proposed Budget	0.70%	454	5.77%
City Debt Policy	10.00%	\$ 1,000	10.00%

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2013/14

GENERAL FUND

REVENUES

The sources of funds to support the proposed General Fund budget are as follows:

	Revised Budget 2012/13	Estimated Actual 2012/13	Proposed Budget 2013/14	Percent Change
Property Taxes	\$ 24,897,083	\$ 24,393,280	\$ 24,474,500	-1.7%
State and County Shared Taxes	3,203,771	3,321,081	3,576,479	11.6%
Charges for Current Services	3,130,620	2,949,536	2,930,555	-6.4%
Interdepartmental Charges	2,107,000	2,031,000	2,107,000	0.0%
Licenses & Permits	1,544,450	1,528,964	1,583,250	2.5%
Fines & Forfeitures	859,324	1,445,241	1,653,135	92.4%
Transfers from Other Funds	285,250	303,125	565,250	98.2%
Contributions & Donations	105,914	104,401	107,426	1.4%
Interest Income	55,000	35,000	35,000	-36.4%
Intergovernmental Revenues	187,557	278,803	485,172	158.7%
Other General Revenues	547,119	566,073	317,009	-42.1%
Total Current Revenue	\$ 36,923,088	\$ 36,956,504	\$ 37,834,776	2.5%

- Overall Property Tax revenue is estimated to decrease from FY 2012/13 to FY 2013/14 budget by \$484,000 as a result of the current unanticipated reduction in corporate personal property tax.
- The State and County Shared Taxes 11.6% increase from the 2012/13 budget is primarily due to the anticipated restoration of funding from the State of Maryland for our State Aid for Police Protection program.
- Overall Charges for Current Services are proposed to decline by 6.4% due to lower than anticipated Fire/EMS Auto Response Fees, delay in implementation of Credit Card Convenience Fees and Bad Check Charges.
- The 92.4% (\$827,946) increase in Fines and Forfeitures reflects more accurate reflection of the Safe Speeds for Schools Program since it has been implemented.
- Transfers from Other Funds is higher by \$280,000 because FY 2013/14 proposal includes a Water Fund dividend amount of \$250,000.
- The 158.7% (\$297,615) increase in Intergovernmental Revenue is primarily due to a new federal grant (COPS Hiring Grant) secured by Hagerstown Police Department that will reimburse a portion of five sworn officers' salaries over a three year period. As a result, FY 2013/14 budget includes an estimated \$243,615 in grant reimbursement.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2013/14

COST BY FUNCTION

The General Fund expenditures by City functions are shown as follows:

	Revised Budget 2012/13	Estimated Actual 2012/13	Proposed Budget 2013/14	Percent Change
Police	\$ 11,214,635	\$ 10,851,731	\$ 11,924,959	6.3%
Fire	6,047,451	5,742,568	6,407,400	6.0%
Subtotal Public Safety	17,262,086	16,594,299	18,332,359	6.2%
Engineering, Parks & Recreation	3,249,137	3,187,071	3,172,573	-2.4%
Street, Alleys & Signal	3,143,515	3,109,798	2,997,150	-4.7%
Community & Economic Development	3,143,024	2,988,606	2,989,539	-4.9%
Debt Service	2,026,747	2,137,253	2,181,426	7.6%
Waste Collection & Disposal	2,003,191	1,956,401	2,038,031	1.7%
Technology & Support Services	1,113,125	1,078,346	1,083,263	-2.7%
Retiree Benefits	1,112,021	1,112,021	1,209,522	8.8%
CIP Appropriations	897,634	847,759	687,868	-23.4%
Finance	639,019	597,163	641,493	0.4%
Human Resources	485,508	462,579	487,691	0.4%
City Hall	293,765	292,035	278,255	-5.3%
Contributions to Other Agencies	273,490	273,490	273,490	0.0%
Legal Counsel	260,000	260,000	275,000	5.8%
Unallocated Expenses/Transfers	351,759	896,330	650,537	84.9%
City Administrator	200,800	200,321	204,203	1.7%
Mayor & Council	174,739	170,907	183,031	4.7%
City Clerk	142,527	138,433	148,727	4.4%
Registration & Elections	2,100	-	-	-100.0%
Total General Fund	\$ 36,774,186	\$ 36,302,812	\$ 37,834,158	2.9%

* Includes Operating Transfers, Contingency, Inventory Adjustments, and Termination Pay

The General Fund expenditures by function reflect the following:

- The Police department proposed FY 2013/14 budget reflects an increase of 6.3% and \$710,324. This increase is a result of two additional sworn officers being added, the funding of five sworn officers as part of the federal COPS Hiring grant, and an increase in vendor fees associated with the Safe Speeds for Schools program.
- The Fire department proposed FY 2013/14 budget reflects an increase of 6.0% and \$359,949. Primarily, this increase is a result of the funding of three battalion chief positions funded with the Safe Speeds for Schools program revenue.
- The \$154,679 (7.6%) increase in Debt Service is due to new bond issues anticipated for FY13 and FY14. In addition, interest expense for our 2009B Build Americal Bonds is increasing as a result of federal budget cuts related to interest reimbursement for these stimulus issued bonds.
- CIP Appropriations reflects an expected decrease of \$209,766 and 23.4% as a result of deferring some vehicle and equipment replacements and various other capital improvement projects that required general funds as a funding source.
- The Unallocated Expenses/Transfers increase of 84.9% or \$298,778 includes a \$400,000 salary contingency and a decrease in operating transfers to other funds of \$141,602.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2013/14

EXPENDITURES BY TYPE

The use of funds by General Fund expenditures can also be analyzed as follows:

	Revised Budget 2012/13	Estimated Actual 2012/13	Proposed Budget 2013/14	Percent Change
Base Wages	\$ 15,852,863	\$ 15,257,968	\$ 16,200,183	2.2%
Additional Wages	904,494	864,282	741,480	-18.0%
Salary Contingency	-	307,000	400,000	
Total Wages	16,757,357	16,429,250	17,341,663	3.5%
Employee Benefits	7,492,178	7,088,382	8,106,591	8.2%
Total Wages and Benefits	24,249,535	23,517,632	25,448,254	4.9%
Contracted Services	3,815,570	4,007,466	4,183,260	9.6%
Materials, Supplies & Utilities	2,302,991	2,236,955	2,129,036	-7.6%
Debt Service	2,026,747	2,137,253	2,181,426	7.6%
Vehicle Operating Expenses	888,532	946,225	858,032	-3.4%
Maintenance & Repairs	665,068	616,018	647,393	-2.7%
Unallocated General Expenses	608,590	609,160	613,590	0.8%
Other Expenses	549,044	545,952	545,524	-0.6%
Transfers to Other Funds	457,139	579,330	315,537	-31.0%
Advertising & Printing	311,828	305,453	239,060	-23.3%
Insurance	275,146	259,271	234,683	-14.7%
Communication Expenses	295,609	287,558	278,723	-5.7%
Professional Development	133,260	106,390	161,495	21.2%
Rentals	81,405	92,600	91,300	12.2%
Capital Expenditures	1,066,671	990,414	822,933	-22.9%
Wage & Overhead Allocations	(952,949)	(934,865)	(916,088)	-3.9%
Total All Expenditures	\$ 36,774,186	\$ 36,302,812	\$ 37,834,158	2.9%

Compared with the previous year, the major General Fund expenditures in the proposed budget are as follows:

- The \$1,198,719 (4.9%) increase in Total Wages & Benefits reflects a \$400,000 lump sum salary contingency, a 12.1% increase in health insurance, a 5.1% increase in dental insurance, a 5.0% increase in workers compensation, and the costs of newly funded positions in the Police department and Fire department.
- The \$367,690 (9.6%) increase in Contracted Services is primarily due to the increased cost associated with the Safe Speed for Students program, increased trash removal costs, increased Wellness program costs, and a Parks Master plan.
- The \$154,679 (7.6%) increase in Debt Service is due to new bond issues anticipated for FY13 and FY14. In addition, interest expense for our 2009B Build Americal Bonds is increasing as a result of federal budget cuts related to interest reimbursement for these stimulus issued bonds.
- The \$141,602 (31.0%) decrease in Transfers to Other Funds reflects reducing funding to Economic Redevelopment Fund for community based initiatives in half and reducing the transfer to the Golf Course to subsidize net operating losses.
- The \$243,738 (22.9%) decrease in Capital Expenditures is related to the deferral of vehicle and equipment purchases and the deferral of other small projects. This decrease also reflects the restoration of some Highway User Revenue so that general fund dollars could be reduced.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2013/14

ENTERPRISE FUNDS

ELECTRIC FUND

	Revised Budget 2012/13	Estimated Actual 2012/13	Proposed Budget 2013/14	Percent Change
Operating Revenues	\$ 27,530,284	\$ 26,375,227	\$ 23,119,331	-16.0%
Operating Expenses	27,508,664	26,522,191	23,289,691	-15.3%
Operating Income (Loss)	21,620	(146,964)	(170,360)	-888.0%
Non-Operating Revenues (Expenses)	148,500	128,500	127,013	-14.5%
Capital Contributions & Grants	170,000	349,658	215,000	26.5%
Transfers In (Out)	(40,000)	(40,000)	(24,250)	-39.4%
Operating Income (Loss)	300,120	291,194	147,403	-50.9%
Add Back Depreciation	950,200	884,000	920,000	-3.2%
Capital Outlay	(875,000)	(510,600)	(847,000)	-3.2%
Changes in Working Capital	(500,000)	(500,000)	(500,000)	0.0%
Repayment of Debt Principal	(21,638)	(21,638)	(22,525)	4.1%
Deduct Non-Cash Capital Contributions	(170,000)	(280,000)	(205,000)	20.6%
Net Surplus (Deficit)	\$ (316,318)	\$ (137,044)	\$ (507,122)	60.3%

Compared with the previous year, the major revenue changes in the proposed budget are:

- No electric rate increases have been projected for FY 2013/14. The proposed budget reflects the sixth year of a power supply contract with Allegheny Energy.
- Electric revenue shows a decrease after the loss of two primary retail customers combined with reduction in customer rates. The reduction in customer rates is driven by the lower purchased power expenses that the City pays to Allegheny Energy.

The major expenditure changes in the proposed budget are as follows:

- Purchased power costs are decreasing by approximately \$4.3M as a result of smaller retail customer base and lower megawatt hour (MWh) charge from \$64.85 per MWh to \$54.33 per MWh effective June 1, 2013.
- Depreciation expense reflects a decrease of 3.2% or \$30,200 due to lower than anticipated investments in new capital projects and assets that have reached the end of its useful life.
- Capital outlay totals are expected to decrease by 3.2%. The Capital Improvement Program, Section 9, provides details on all the Electric Fund projects anticipated for FY 2013/14.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2013/14

WATER FUND

	Revised Budget 2012/13	Estimated Actual 2012/13	Proposed Budget 2013/14	Percent Change
Operating Revenues	\$ 10,540,797	\$ 10,402,758	\$ 10,980,921	4.2%
Operating Expenses	9,688,630	10,119,837	10,749,022	10.9%
Operating Income (Loss)	852,167	282,921	231,899	-72.8%
Non-Operating Revenues (Expenses)	(413,666)	(439,819)	(562,940)	36.1%
Capital Contributions & Grants	2,752,128	1,100,000	2,600,000	-5.5%
Gain (Loss) on Fixed Asset Disposal	2,500	2,500	2,500	0.0%
Transfers In (Out)	(40,000)	(40,000)	(274,250)	585.6%
Operating Income (Loss)	3,153,129	905,602	1,997,209	-36.7%
Add Back Depreciation	1,831,700	2,384,000	2,682,000	46.4%
Capital Outlay	(7,362,000)	(6,938,098)	(13,421,000)	82.3%
Repayment of Debt Principal	(1,337,658)	(1,337,775)	(2,083,679)	55.8%
Deduct Non-Cash Capital Contributions	(600,000)	(500,000)	(500,000)	-16.7%
Changes in Working Capital	-	(250,000)	-	
Bond Proceeds	4,795,000	5,955,000	10,840,600	126.1%
Net Surplus (Deficit)	\$ 480,171	\$ 218,729	\$ (484,870)	-201.0%

Compared with the previous year, the major revenue changes in the proposed budget are:

- Annual rate increases have been approved through FY 2013/14. The increase effective July 1, 2013 is 5% for inside customers and 6.5% for outside customers. The increase is part of a multi-year plan to ensure the fund continues to be self-supporting and to fund necessary infrastructure improvements.
- The City is anticipating borrowing approximately \$10.8 million for various Water Fund projects. The majority (\$8.4M) of this borrowing is anticipated from MDE for the following projects: R.C. Willson Plant – Phase IV (\$7.6M); Breichner Water Treatment Plant Improvements (\$300,000); and SCADA improvements (\$500,000). Another \$2.4M is included as City issued Bonds for Distribution Services (\$1.2 million), SCADA Water System Improvements (\$665,000), Distribution System Rehab (\$400,000), and R.C. Willson Treatment Plant (\$170,000).

The major expenditure changes in the proposed budget are as follows:

- The FY 2013/14 budget includes an increase of 2.7% or \$210,092 for operating expenses less depreciation. The increase reflects a salary contingency and rising employee benefits.
- Depreciation expense from FY 2012/13 to proposed FY 2013/14 budget includes an increase of 46.4%, \$850,300 as a result of significant investment in capital infrastructure and renovations.
- Capital outlay totals are expected to increase by 82.3%. The Capital Improvement Program, Section 9, provides details on all the Water Fund projects anticipated for FY 2013/14.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2013/14

WASTEWATER FUND

	Revised Budget 2012/13	Estimated Actual 2012/13	Proposed Budget 2013/14	Percent Change
Operating Revenues	\$ 10,523,525	\$ 10,392,519	\$ 10,768,864	2.3%
Operating Expenses	11,876,298	12,122,956	12,747,805	7.3%
Operating Income (Loss)	(1,352,773)	(1,730,437)	(1,978,941)	46.3%
Non-Operating Revenues (Expenses)	(395,457)	(403,496)	(413,083)	4.5%
Capital Contributions & Grants	800,000	1,214,472	900,000	12.5%
Transfers In (Out)	(40,000)	(40,000)	(24,250)	-39.4%
Operating Income (Loss)	(988,230)	(959,461)	(1,516,274)	53.4%
Add Back Depreciation	2,400,000	2,937,000	3,052,000	27.2%
Capital Outlay	(2,220,000)	(1,766,032)	(2,139,500)	-3.6%
Repayment of Debt Principal	(1,623,343)	(1,623,342)	(1,582,034)	-2.5%
Deduct Non-Cash Capital Contributions	-	(442,470)	-	
Bond Proceeds	1,695,000	2,043,631	717,000	-57.7%
Net Surplus (Deficit)	\$ (736,573)	\$ 189,326	\$ (1,468,808)	99.4%

Compared with the previous year, the major revenue changes in the proposed budget are:

- Annual rate increases have been approved through FY 2013/14. The increase effective July 1, 2013 is 5% for inside customers and 3.0% for outside customers. The increase is part of a multi-year plan to ensure the fund continues to be self-supporting and to fund necessary infrastructure improvements.
- The City is anticipating borrowing \$717,000 for Wastewater Fund projects in FY 2013/14. All of this borrowing is expected to be a City issued bond to cover various projects, which are outlined in detail in Wastewater charts beginning on page 36 of Section 9 Capital Improvement Program. This amount is reduced from current FY 2012/13 budget by 57.7% or \$978,000 less in bond proceeds.

The major expenditure changes in the proposed budget are as follows:

- The FY 2013/14 budget includes an increase of 2.3% or \$219,507 for operating expenses less depreciation. The increase reflects a salary contingency, rising employee benefits, and increasing annual contract costs for operating the Wastewater Treatment Plant.
- Depreciation expense from FY 2012/13 to proposed FY 2013/14 budget includes an increase of 27.2%, \$652,000 as a result of significant investment in capital infrastructure and renovations.
- Capital outlay totals are expected to decrease by 3.6%. The Capital Improvement Program, Section 9, provides details on all the Wastewater Fund projects anticipated for FY 2013/14.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2013/14

PARKING FUND

	Revised Budget 2012/13	Estimated Actual 2012/13	Proposed Budget 2013/14	Percent Change
Operating Revenues	\$ 840,080	\$ 924,940	\$ 920,040	9.5%
Operating Expenses	603,328	664,640	670,019	11.1%
Operating Income (Loss)	236,752	260,300	250,021	5.6%
Non-Operating Revenues (Expenses)	(69,923)	(71,016)	(76,678)	9.7%
Capital Contributions	-	-	350,000	
Operating Income (Loss)	166,829	189,284	523,343	213.7%
Add Back Depreciation	208,000	231,819	246,000	18.3%
Capital Outlay	(125,000)	(119,682)	(560,000)	348.0%
Repayment of Debt Principal	(171,754)	(171,754)	(173,738)	1.2%
Bond Proceeds	100,000	100,000	500,000	400.0%
Net Surplus (Deficit)	\$ 178,075	\$ 229,667	\$ 535,605	200.8%

Compared with the previous year, the major revenue changes in the proposed budget are:

- Total Operating Revenues reflect a 9.5% or \$79,960 increase from FY 2012/13 budget. This increase includes an increase for Parking Deck revenues of \$106,660; a decrease from Parking Lot and Meters of \$20,200; and a decrease in Parking Enforcement of \$6,500. There are no changes anticipated for any of the current rates. The overall increase is a reflection of our current FY 2012/13 trend.
- The City is anticipating borrowing \$500,000 for the Parking Fund in FY 2013/14. All of this borrowing is expected to be a City issued bond to cover the beginning phases of a third parking deck project. This amount is increased from current FY 2012/13 budget by 400.0% or \$400,000 additional in bond proceeds.

The major expenditure changes in the proposed budget are as follows:

- The FY 2013/14 budget includes an increase of 7.3% or \$28,691 for operating expenses less depreciation. The increase reflects a salary contingency, rising employee benefits, rising vehicle maintenance costs, and other supplies.
- Depreciation expense from FY 2012/13 to proposed FY 2013/14 budget includes an increase of 18.3%, \$38,000 as an investment in capital infrastructure renovations.
- Capital outlay totals are expected to increase by 348.0% mostly due to consideration of a third parking deck. The Capital Improvement Program, Section 9, provides details on all the Parking Fund projects anticipated for FY 2013/14.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2013/14

GOLF COURSE FUND

	Revised Budget 2012/13	Estimated Actual 2012/13	Proposed Budget 2013/14	Percent Change
Operating Revenues	\$ 183,938	\$ 179,707	\$ 189,452	3.0%
Operating Expenses	380,257	459,436	419,939	10.4%
Operating Income (Loss)	(196,319)	(279,729)	(230,487)	17.4%
Non-Operating Revenues (Expenses)	146	50	50	-65.8%
Transfers From General Fund	175,000	304,000	200,000	14.3%
Transfer From CIP Fund	3,550	3,550	-	-100.0%
Operating Income (Loss)	(17,623)	27,871	(30,437)	72.7%
Add Back Depreciation	21,692	21,692	21,692	0.0%
Capital Outlay	(25,000)	(33,550)	(40,000)	60.0%
Net Surplus (Deficit)	\$ (20,931)	\$ 16,013	\$ (48,745)	132.9%

Compared with the previous year, the major revenue and expenditure changes in the proposed budget are as follows:

- Overall operating revenues are anticipated to increase by 3.0% or \$9,745. There is no rate structure changes included in this increase. It is anticipated that there will be more golfers as a result of the clubhouse total renovation and with the addition of alcohol being available.
- The FY 2013/14 budget includes an increase of 11.1% or \$39,682 for operating expenses less depreciation. The increase is a result of Water and Sewer utility allocation charges and a new contract for ground service care. A decrease in salary and benefits helps to offset some of the increased costs in the other areas.
- Depreciation expense from FY 2012/13 to proposed FY 2013/14 budget is flat.
- Capital outlay totals are expected to increase by 60.0% or \$15,000 for vehicle and equipment replacement. The Capital Improvement Program, Section 9, provides detail on the Golf Fund project anticipated for FY 2013/14.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2013/14

PROPERTY MANAGEMENT FUND

	Revised Budget 2012/13	Estimated Actual 2012/13	Proposed Budget 2013/14	Percent Change
Operating Revenues	\$ 368,325	\$ 355,893	\$ 363,475	-1.3%
Operating Expenses	447,431	610,920	529,951	18.4%
Operating Income (Loss)	(79,106)	(255,027)	(166,476)	110.4%
Non-Operating Revenues (Expenses)	500	(1,369,470)	3,500	600.0%
Capital Contributions & Grants	178,545	153,545	38,079	-78.7%
Transfers From CDBG Fund	419,563	545,000	75,000	-82.1%
Transfers from Econ Redevelopment	11,000	72,000	57,000	418.2%
Operating Income (Loss)	530,502	(853,952)	7,103	-98.7%
Add Back Depreciation	85,000	148,000	145,000	70.6%
Capital Outlay	(661,108)	(1,062,491)	(168,079)	-74.6%
Changes in Working Capital	-	2,033,200	-	
Net Surplus (Deficit)	\$ (45,606)	\$ 264,757	\$ (15,976)	-65.0%

Compared with the previous year, the major revenue and expenditure changes in the proposed budget are as follows:

- Overall operating revenues are anticipated to decrease by 1.3% or \$4,850 from rental income. There are no significant changes reflected in this amount but merely an offset from a tenant lost and an additional space leased.
- Depreciation expense from FY 2012/13 to proposed FY 2013/14 budget is estimated to increase by 70.6% or \$60,000 as a result of investments in capital infrastructure at 36-40 North Potomac Street and 60 West Washington Street.
- Capital outlay totals are expected to decrease by 74.6% or \$493,029 as a result of the completion of major renovation projects at 36-40 North Potomac Street and 60 West Washington Street. The Capital Improvement Program, Section 9, provides details on the various Property Management Fund projects anticipated for FY 2013/14.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2013/14

SPECIAL REVENUE FUNDS

**COMMUNITY DEVELOPMENT BLOCK
GRANT FUND**

	Revised Budget 2012/13	Estimated Actual 2012/13	Proposed Budget 2013/14	Percent Change
CDBG Grant Revenues	\$ 1,526,231	\$ 1,501,067	\$ 984,776	-35.5%
Program Income	\$ 174,753	\$ 131,173	\$ 201,545	15.3%
Other Revenues	-	3,000	-	
Total Revenues	1,700,984	1,635,240	1,186,321	-30.3%
Acquisition	220,000	220,000	-	-100.0%
Commercial/Industrial Improvements	100,000	20,000	175,000	75.0%
Clearance & Demolition	45,000	45,000	-	-100.0%
Public Facilities & Improvements	430,986	360,765	250,000	-42.0%
Public Services	135,213	135,213	105,000	-22.3%
Cost of Properties Held for Resale	-	1,027	-	
Housing	710,000	768,000	460,000	-35.2%
Administration	170,122	168,670	157,491	-7.4%
Total Expenses	1,811,321	1,718,675	1,147,491	-36.6%
Net Change in Fund Balance	\$ (110,337)	\$ (83,435)	\$ 38,830	-135.2%

Compared with the previous year, the major revenue changes in the proposed budget are as follows:

- Total Revenues reflect an overall decrease of 30.3% or \$514,663 from FY 2012/13 budget. This decrease is primarily due to the federal entitlement revenue cuts. The FY 2013/14 Entitlement award is anticipated to be 9.0% less than the FY 2012/13 Entitlement. In addition, FY 2012/13 Grant Revenues included some entitlement revenue that was carried over from prior year's entitlement award. Last, the FY 2013/14 budget includes the sale of property which is shown in the increase for Program Income.

Compared with the previous year, the major expenditure changes in the proposed budget are:

- There are no anticipated new acquisitions or demolitions included in our FY 2013/14 proposed budget.
- Commercial/Industrial Improvements has increased by 75% or \$75,000 for continuing to invest in the renovations at 36-40 North Potomac Street.
- Public services expenditures have decreased by \$30,213 or 22.3% as a result of the decline in the Entitlement revenue to stay within the cap.
- Total Housing expense reflects a decrease of 35.2% as a result of lower anticipated income.
- Overall Administration costs are lower by \$12,631 to stay within the maximum 20% cap by utilizing and allocating staff to other programs such as Neighborhoods First.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2013/14

ECONOMIC REDEVELOPMENT FUND. This fund was established to promote the revitalization of the City's downtown and older neighborhood areas. Currently the fund is being used to promote business and home ownership in the City Center. Revenues in this fund consist of interest revenue from investments and periodic transfers from the General Fund to assist in carrying out the strategic revitalization efforts such as building rehabilitation and/or acquisition activities. Expenditures consist of costs for administration, PEP Upper Floors Rent Assistance program, Downtown Residency Initiative, and potential future downtown property acquisitions for redevelopment purposes.

BUSINESS REVOLVING LOAN FUND. This fund is designed to assist in the recruitment, retention and expansion of businesses within the City. The Business Revolving Loan Fund was initially funded through a grant from the Maryland Department of Business and Economic Development and City Community Betterment Funds. This program provides financing for new and expanding businesses for working capital, equipment and rehabilitation. For fiscal year 2013/14, this fund has been consolidated with the Upper Floors Redevelopment Fund, and will reflect an incoming transfer of \$300,000. It is anticipated that program income will allow \$200,000 in new loans to be made.

UPPER FLOORS REDEVELOPMENT FUND. This fund provided assistance to install elevators and other equipment necessary to make the upper floors of existing downtown buildings attractive for residential or business use. In fiscal year 2013/14, the fund balance of \$300,000 has been transferred to and consolidated with the Business Revolving Loan Fund as noted above.

FOREST CONSERVATION FUND. This fund was created as part of the City's forest conservation program for development within the City of Hagerstown. In lieu of reforestation activities on a development site, developers have the option to pay into a special City forest conservation fund for offsite forestation activities. Due to the slowdown in the economy, the proposed fiscal year 2013/14 budget does not anticipate transferring any funds to the CIP Fund for street trees and other forestation activities.

EMPLOYEE FLEXIBLE SPENDING FUND. This fund accounts for the City Employee Flexible Spending Account (FSA) Program. Funds are transferred into this fund on a pre-tax basis for employees participating in the FSA Program for reimbursed medical and dependent care costs. The City savings in social security and Medicare cost from this pre-tax funding are used to pay for the program's administrative cost. For 2013/14, \$6,000 is proposed for transfer to the General Fund for employee activities.

EXCISE TAX FUND. This fund accounts for the City's share of the County Excise Taxes collected by the City. Excise Taxes may be used only for specific purposes and are tracked in order to comply with the purposes permitted. Permitted purposes include roads, new construction or development of parks and recreational facilities, new construction or development of water and wastewater infrastructure and new construction or development of public safety facilities. Funds of approximately \$628,000 are proposed to be transferred to the CIP Fund in fiscal year 2013/14 for assisting with various projects.

SPECIAL REVENUE GRANT FUND. The Special Revenue Grant Fund was established to account for operating grants from various federal, state, and local agencies. This fund allows grant revenues and expenditures to be tracked separately by grant projects. Local matches, if required, are shown as transfers in from other funds. Unspent grant funds are carried over from year-to-year until expended for their intended purpose. For FY2013/14, \$340,746 in grant revenues are expected to be received, requiring a transfer of \$15,537 from the General Fund as local matching funds for the grants.

SERVICE AND TRUST FUNDS

In addition to the Enterprise and Governmental Funds, the City has established three internal service funds and one trust fund.

WORKERS COMPENSATION FUND. The fund was created in 1995 to help smooth potential large fluctuations in the City worker's compensation cost that might occur under a large deductible insurance program the City used from September 1, 1995 through 1998. Since September 1, 1998, the City has been using a traditional 100% coverage insurance program. The fund serves as a conduit to collect premium charges based on the payroll of each department. The actual medical claims, processing fees, and premium to the insurance carrier are then paid from this fund. The City continues to experience annual increases in the expected premium rates for its employees (especially police and fire) for 2013/14. It is hoped that this increase can be mitigated through negotiation or bidding the insurance. An operating transfer to the General Fund in 2013/14 of \$250,000 has been proposed to offset the impact of the higher proposed rates.

HEALTH CARE FUND. The fund was created in 2000 to manage the City's self-insurance program for health care. Under this self-funded plan the City pays a standard monthly administrative fee for each covered member and accepts claim risk up to a specific stop loss for each individual covered. Plan changes may occur during collective bargaining negotiations for future periods. In addition, there is a second level of insurance called the aggregate stop loss which assures that the City does not pay more than the maximum projected expenses. For FY 2013/14 City departments, employees and retirees are expected to pay \$7.4M in premium billings and other revenues which will be used to pay expected program costs of \$7.3M for claims, insurance and other administrative costs.

The Health Care Fund also includes continued funding for Other Post-Employment Benefits (OPEB) future liabilities. The 2013/14 proposed budget reflects \$650,000 to continue funding the City's estimated Annual Required Contribution (ARC) that is needed to fund future liabilities associated with retiree health care benefits. The City has continued to fund its annual required contribution towards its OPEB liabilities.

DENTAL CARE FUND. The fund was created in 2006 to manage a self-insurance program for dental care. Under the self-funded plan, the City pays a standard monthly administrative fee for each covered member and process claims up to a \$2,000 limit for each individual covered. Plan changes may occur during collective bargaining negotiations for future periods. Administratively, all City departments are billed pre-established internal "insurance" rates for their department employees, retirees, and dependents. These billings represent the funding source for the Dental Care Fund from which all dental care related administrative and medical reimbursement costs are paid. The 2013/14 proposed budget includes \$355,614 in expected claim and administrative costs.

BLOOM-CARLILE TRUST FUND. The Bloom-Carlile Trust fund was established to segregate funds received from the estates of S. Martin Bloom, Annie Fill Carlile and others from the general accounts of the City. The donors' intent was to establish a permanent endowment fund. The income earned on investment of the fund is being used to provide assistance to the poor and needy of Hagerstown. In addition to the annual interest earned, there is a total annual stipend of \$4,800 being provided from the accumulated earnings in this fund. The proposed Bloom-Carlile Fund budget for FY 2013/14 includes interest revenues of \$100, \$4,601 in audit fee expenditure, and expenditures administered through the Community Action Council totaling \$4,800

The Washington County Community Action Council has been administering disbursement of these funds on a no-cost basis for the City since 1983. All funds are disbursed based on an agreed upon operating policy and are reviewed by the Clerk's Office for compliance with the program guidelines.

CITY ADMINISTRATOR'S BUDGET MESSAGE
FISCAL YEAR 2013/14

THE BUDGET SCHEDULE

The Municipal Charter of Hagerstown requires the City Administrator to submit a budget to the Mayor and Council at least 90 days before the beginning of the fiscal year. The Charter states that the "budget shall provide a complete financial plan for the budget year and shall contain estimates of anticipated revenues and proposed expenditures for the coming year. The total of the anticipated revenues shall equal or exceed the total of the proposed expenditures." The Charter also states that the budget shall be adopted no later than June 1st of each year.

The budget schedule for this year is as follows:

November 1 - December 15, 2012	Review of Department CIP requests with Department Managers.
December 4, 2012	First Public Hearing on Community Development funding needs.
January 7 - January 25, 2013	Department budget requests and start of review meetings between Department Managers and Budget Committee.
January 29, 2013	Mayor and Council Budget Retreat Work Session and review of preliminary budget projections and FY2013/14 Preliminary Budget Plan.
February 15, 2013	Began prioritizing department requests and developing City Administrator adjustments.
February 28, 2013	Began balancing and adjustment process by discussing proposed adjustments, obtaining further input and agreement on adjustments with departments.
March 31, 2013	City Administrator's Proposed Budget submitted to Mayor and City Council.
April 2 – May 20, 2013	Mayor and City Council review of Proposed Budget and Capital Improvement Program.
May 14, 2013	Public Hearing on Budget and Capital Improvement Program; property tax rates; and second public hearing on Community Development funding needs.
May 14, 2013	Introduction of Ordinances
May 21, 2013	Adoption of budgets and CIP for all funds; set tax rate.

DISTINGUISHED BUDGET PRESENTATION AWARD

This was the ninth consecutive year that the Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Hagerstown, Maryland for its annual budget for the fiscal year beginning July 1, 2012. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operating guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe this proposed budget continues to conform to program requirements, and we will be submitting it to GFOA to determine its eligibility for another award.

ACKNOWLEDGEMENTS

This budget reflects the efforts of a dedicated group of Department Managers and staff. They have contributed creativity, initiative, and many hours toward the programs and projects proposed in this budget. I am appreciative of their efforts.

Preparation of the budget always draws heavily on City staff throughout the organization. I wish to especially acknowledge Michelle Burkner and Michelle Hepburn for guiding the budget preparation process. Rana Rose and Kristine Cline assisted in researching and preparing the budget. They deserve much credit for the many hours they spent in coordinating and preparing this document. Nelia Tidler assisted in the preparation of utility revenue projections as well as reviewing and analyzing all of the utility fund budgets. Human Resources staff provided oversight on personnel and fringe benefit budget issues. Credit should be given to Dani Frye for assisting with preparation of the budget message. The entire Finance staff deserves special acknowledgment for the extra hours they worked in assisting with and coordinating the production of this year's budget. These contributions have resulted in this comprehensive presentation of next year's budget.

The staff and I look forward to reviewing this budget with you.

Respectfully submitted,



Bruce Zimmerman
City Administrator

Organizational Structure

City of Hagerstown Elected Officials



Mayor
David S.
Gysberts



Councilmember
Kristin B.
Aleshire



Councilmember
Martin E.
Brubaker



Councilmember
Lewis C.
Metzner



Councilmember
Donald F.
Munson

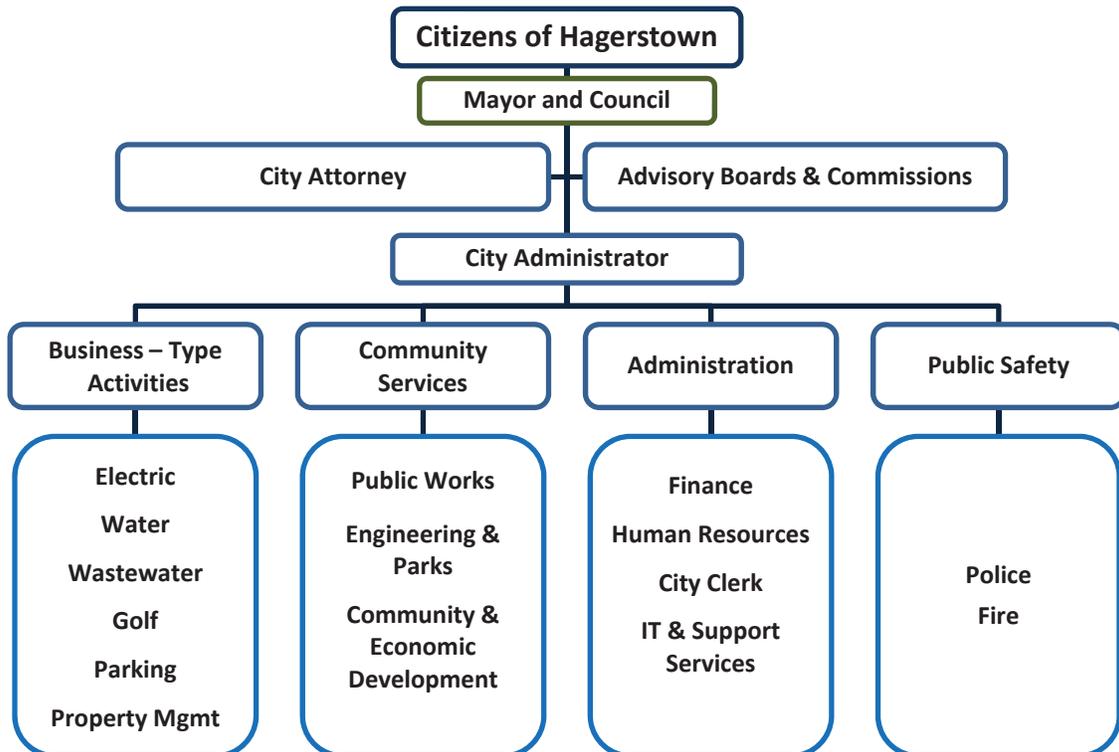


Councilmember
Penny M.
Nigh

City of Hagerstown Structure



Bruce J. Zimmerman, City Administrator



SECTION 1 – STRATEGIC PLAN

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 the City, 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 FY10 and formally adopted that Plan in September, 2010.

Vision Statement: Be the location of choice for a diverse and dynamic citizenry.

Mission Statement: To provide a proud and prosperous community.

A Prosperous Community

Goal Statement – Create incentives and programs to attract higher paying jobs, increase private sector investment, and market Hagerstown as the premier community for residential and economic development.

Objectives –

- Participate in a community partnership to develop a Parking Master Plan for Downtown by Fall, 2011 with the goal of identifying site and capacities for future parking facilities.
- Complete the Comprehensive Rezoning Plan by October, 2010.
- Examine the feasibility for revitalization of Municipal Stadium, or the construction of a new multi-functional stadium. October, 2010 – March, 2013.
- Begin a collaborative review with the County and State of the feasibility of a bridge over Antietam Creek at Professional Court and its relationship to future annexation and development. November 2010.
- Extend technology assets by January, 2012 to attract future business development in the City Center.
- Develop concept and feasibility plan for retail commercial business, and recreational use along Antietam Creek utilizing public/private partnerships. April, 2011.
- Identify innovative means of providing non-monetary support to local non-profit agencies through discussions with M&C.

A Vibrant, Active and Livable Community

Goal Statement – Focus on specific areas, buildings and projects that create a rich, social and culturally vibrant community

Objectives –

- Completion of the N. Potomac St. Sidewalk Project by September, 2010.
- Enhance the image of Hagerstown through the use of social networking and current media outlets by Fall, 2011.
- Development concept plan for adaptive Fairgrounds Park grandstand use. January, 2011.
- Identify development priorities and strategies for the East End in coordination with City's Planning Commission.
- Assist and support Washington County in the redevelopment of remaining lands of the Massey property to compliment the expansion of the Washington County Public Library.
- Development of "pocket parks" program as part of a Parks Strategic Plan Initiative. July, 2011.
- Complete commercial/residential redevelopment projects in City Center.
- Evaluate opportunities for establishment of a trolley service from outer edge destinations to City Center.
- Explore expansion of "trails" system to promote biking and walking throughout the City.

SECTION 1 – STRATEGIC PLAN

A Safe and Healthy Community

Goal Statement – Create and maintain a community that is safe, inviting, and environmentally healthy, with an emphasis on resource conservation.

Objectives –

- Implement approved recommendations from the Green Task Force by June, 2011.
- Completion of the West End Water Tank by December, 2010.
- Completion of Wastewater Treatment Plant ENR upgrade by December, 2010.
- Implement approved recommendations of the Trash and Recycling Task Force by December, 2011.
- Complete the engineering and bidding requirements for the R.C. Willson Transmission Water Main Replacement – Year 2013.
- Continue to create new governmental and community partnerships to improve Police and Fire services and reduce costs.
- Study benefit of red light and speed cameras for presentation to M&C by January, 2011.
- Planning and implementation of the public safety technology initiatives provided by the DOJ Technology Grant – November, 2011.
- Evaluation of optimal fire station locations and related operating requirements to enhance fire services and operating costs in collaboration with Washington County Fire & EMS. 2011-2012.
- Explore the establishment of a commission to study the revitalization of City/County waterways in collaboration with County/State agencies.

An Innovative and Sustainable Government

Goal Statement – Invigorate the organization, to identify techniques that allow services to be delivered in the most efficient and cost effective manner.

Objectives –

- Begin the process of developing recommendations by January 2011 to realign our resources and personnel to deliver services more efficiently and timely.
- Explore alternative retirement plans for non-safety personnel by September 2011.
- Implement the phases of employee/retiree healthcare reform beginning in July 2010-2018.
- Implement a paperless meeting system by Spring 2011.
- Develop a preliminary budget plan for FY11/12 by December 2010.
- Completion of MUNIS Municipal Operations project by Summer 2011.
- Propose initiatives to better service our lobby/phone/online customers. July 2011.
- Establishment of a Volunteer Corps as means of enhancing services.
- Explore opportunities for City/County partnerships to address mutually shared goals (ongoing).
- Implement approved revisions to the City's Ethics Code. June 2011.

COMBINED STATEMENT OF REVENUES AND EXPENDITURES
FISCAL YEAR 2013/2014

	GOVERNMENTAL FUND TYPES	ENTERPRISE FUND TYPES	SERVICE AND TRUST FUNDS	COMBINED TOTALS
REVENUES				
General Property Taxes	\$ 24,474,500	\$ -	\$ -	\$ 24,474,500
State and County Shared Taxes	5,022,280	-	-	5,022,280
Licenses and Permits	1,583,250	-	-	1,583,250
Fines and Forfeitures	1,653,135	-	-	1,653,135
Admissions, Fees and Rentals	2,930,555	46,342,083	8,803,996	58,076,634
Interdepartmental Charges	2,107,000	-	-	2,107,000
Federal, State and County Grants	6,151,058	-	-	6,151,058
Program Income	282,545	-	-	282,545
Interest Earned on Investments	38,925	159,875	15,570	214,370
Miscellaneous	429,935	(5,500)	97,000	521,435
TOTAL REVENUES	\$ 44,673,183	\$ 46,496,458	\$ 8,916,566	\$ 100,086,207
EXPENDITURES				
General Government	5,689,976	-	-	5,689,976
Public Safety	19,907,441	-	-	19,907,441
Streets and Alleys	2,415,539	-	-	2,415,539
Sanitation, Health and Welfare	2,038,031	-	-	2,038,031
Parks and Recreation	2,205,657	-	-	2,205,657
Economic and Community Development	574,671	-	-	574,671
Unallocated General Expense	1,818,012	-	-	1,818,012
Debt Service - Principal and Interest	2,181,426	4,935,989	-	7,117,415
Operating Expenses	17,837,861	48,406,427	8,591,124	74,835,412
TOTAL EXPENDITURES	54,668,614	53,342,416	8,591,124	116,602,154
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,995,431)	(6,845,958)	325,442	(16,515,947)
OTHER FINANCING SOURCES(USES)				
Add Back Net Depreciation	-	7,066,692	-	7,066,692
Bond and Lease Proceeds	2,582,980	12,057,600	-	14,640,580
Bond Proceeds - Future Issues	1,041,667	-	-	1,041,667
Bond Prior Proceeds - Reprogrammed	567,020	-	-	567,020
Change in Restricted Cash	-	-	-	-
Change in Working Capital	-	(500,000)	-	(500,000)
Capital Contributions	-	3,398,079	-	3,398,079
Operating Transfers (In)	825,787	332,000	-	1,157,787
Capital Transfers (In)	960,618	-	-	960,618
Contributions by Others	3,881,000	705,000	-	4,586,000
Prior Years Unexpended Fund Balance	835,818	-	-	835,818
Deduct Non-Cash Contributions	-	(705,000)	-	(705,000)
Capital Transfers (Out)	(687,868)	-	-	(687,868)
Operating Transfers (Out)	(1,006,456)	(322,750)	(305,000)	(1,634,206)
Capital Outlay	-	(18,075,579)	-	(18,075,579)
TOTAL OTHER FINANCING SOURCES (USES)	9,000,566	3,956,042	(305,000)	12,651,608
Adjust for Balance Sheet Transactions	(367,000)	-	-	(367,000)
EXCESS(DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	\$ (627,865)	\$ (2,889,916)	\$ 20,442	\$ (3,497,339)
Beginning Fund Balance	\$ 20,497,342	\$ 163,793,971	\$ 4,417,120	\$ 188,708,433
Ending Fund Balance	\$ 19,869,477	\$ 167,884,184	\$ 4,458,004	\$ 192,211,665

(Cash Basis)

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE (ALL FUNDS)
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12 ACTUAL	2012/13 BUDGET	EST. ACTUAL	2013/14 ADOPTED	2013/14 % CHANGE
REVENUES BY TYPE					
Taxes	\$ 28,013,913	\$ 28,541,359	\$ 28,106,866	\$ 28,868,861	1.1%
Charges for Services	48,523,329	59,753,406	58,913,593	57,559,499	-3.7%
Licenses and Permits	1,723,790	1,544,450	1,531,964	1,583,250	2.5%
Fines and Forfeitures	404,095	873,324	1,317,241	1,525,135	74.6%
Other Governmental	3,002,966	4,107,238	2,839,940	6,549,137	59.5%
Other / Transfers In	30,217,396	14,006,392	13,840,603	19,185,606	37.0%
Total Current Revenues	\$ 111,885,489	\$ 108,826,169	\$ 106,550,207	\$ 115,271,488	5.9%
EXPENDITURES BY DEPARTMENT					
Mayor and City Council	\$ 337,616	\$ 319,366	\$ 309,340	\$ 331,758	3.9%
City Administrator	388,420	460,800	460,321	479,203	4.0%
Finance	679,366	639,019	597,163	641,493	0.4%
Information and Technology	1,093,527	1,113,125	1,078,346	1,083,263	-2.7%
Human Resources	436,228	485,508	462,579	487,691	0.4%
Community Planning and Development Services	1,848,740	2,002,492	1,957,308	1,917,991	-4.2%
Public Works	2,747,051	2,923,950	2,843,752	2,693,794	-7.9%
Community Development Block Grant	1,110,565	1,811,321	1,718,675	1,147,491	-36.6%
Public Safety	18,369,352	18,839,468	18,108,601	19,907,441	5.7%
Culture and Recreation	2,180,967	2,309,043	2,233,394	2,205,657	-4.5%
Engineering and Construction	3,650,448	3,019,765	2,985,155	3,083,024	2.1%
Enterprise Funds	59,581,749	62,788,591	63,376,363	67,886,769	8.1%
Other Special Revenue Funds	1,625,617	1,657,200	1,839,464	1,821,021	9.9%
Capital Improvement Projects Fund	3,384,548	6,184,130	3,771,397	15,560,268	151.6%
Service and Trust Funds	7,563,684	7,678,936	8,210,381	8,896,124	
Non-Departmental General Fund	4,720,490	4,661,651	5,266,853	5,002,843	7.3%
Total Expenditures	\$ 109,718,368	\$ 116,894,365	\$ 115,219,092	\$ 133,145,831	13.9%
			\$	-	

Note: Statements are for budgetary purposes only and are not intended to satisfy GASB34 requirements.

ORGANIZATIONAL NARRATIVE
FISCAL YEAR 2013/2014

The City is the county seat of Washington County, Maryland. It is located approximately 70 miles northwest of Washington, D. C. and Baltimore, Maryland. Founded in 1762 and incorporated in 1813, the City's area is 12.1 square miles; its population is 39,662 according to the most recent 2012 census.

The City adopted its present charter in 1983. The legislative functions of the City are vested in the five Council members. The Mayor serves as President of the Council, participates in all Council discussions, and has veto power on all ordinances passed by the Council. The Mayor is also the ceremonial head of the City government. The Mayor and all Council members are elected on an at-large basis for four year terms.

The City Administrator serves as the chief administrative officer of the City, responsible to the Council for the administration of all City affairs. The Director of Finance is the chief financial officer of the City and has been delegated the task of supervising and directing the proper accounting of all revenues and expenditures, and the preparation of the annual operating budget. The books and accounts of the City are audited annually by an independent public accountant selected by the Council.

The City provides the full range of municipal services that is contemplated by statute or charter. This includes public safety (police and fire), highways and streets, sanitation, electric, water and wastewater service, parks and recreation, public improvements, economic development, planning and zoning, property management, and general administrative services.

FUND ACCOUNTING

As shown on the fund structure organizational charts preceding each major section of the budget, the City's accounts are organized into funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate.

GOVERNMENTAL FUNDS:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all functional resources not required to be accounted for in another fund.

Special Revenue Funds – These funds, such as the Community Development Block Grant Fund, Flexible Spending Fund, Economic Redevelopment Fund, Business Revolving Loan Fund, Excise Tax Fund, and Special Revenue Grant Fund are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Capital Improvement Projects Fund - This fund is used to account for the acquisition of major capital facilities within the Governmental Funds. Revenue sources include, but are not limited to, grants from other governmental agencies, appropriations from other City funds, outside financing, and prior year's appropriated fund balances.

PROPRIETARY FUNDS:

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that costs of providing goods or services are to be recovered primarily through user charges. The Electric Fund, Water Fund, Wastewater Fund, Parking Fund, Golf Course Fund, and Property Management Fund all operate as Enterprise Funds.

FIDUCIARY FUNDS:

Trust Funds - These funds are used to account for assets held by the City in a trustee capacity. The Bloom-Carlile Trust Fund operates as a Trust Fund.

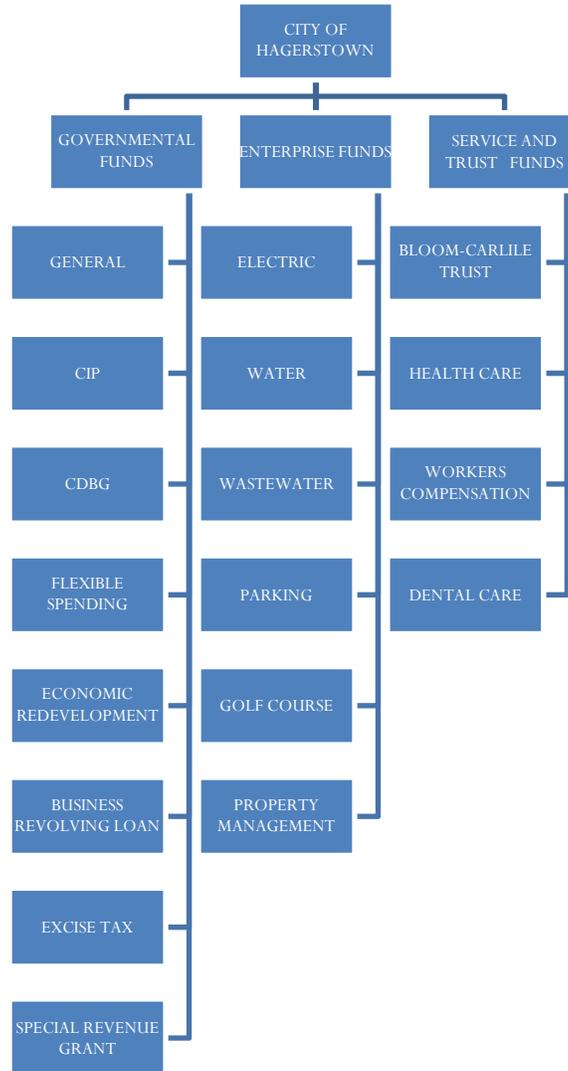
INTERNAL SERVICE FUNDS:

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency of a government to other departments or agencies on a cost-reimbursement basis. The Worker's Compensation Fund, Health Care Fund, and Dental Care Fund are used to provide for potential uninsured liability claims and worker's compensation, health, and dental care claims below the City's insurance policy deductibles.

BASIS OF ACCOUNTING AND BUDGETING

Basis of accounting and budgeting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. All governmental and expendable trust funds use the modified accrual basis of accounting and budgeting. Certain revenues, primarily property taxes, are accrued when they are both measurable and available. In addition, certain grant revenues are accrued when the funds are earned. Expenditures are generally recognized when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due. All proprietary and non-expendable trust funds use the accrual basis of accounting and budgeting; which means that expenses are recorded when the liabilities are incurred and revenues are recorded when earned.

CITY FUND STRUCTURE (ALL)
FISCAL YEAR 2013/2014



Explanation of Funds:

General Fund - This fund is the general operating fund for the City. It is used to account for all resources except those required to be accounted for in another fund. The principal activities accounted for in the General Fund are general government, public safety, public works, and recreation. These activities are funded primarily by property taxes, shared state taxes, and intergovernmental revenue from other governmental units.

Capital Improvement Project Fund - Used to account for the purchase or construction of major capital facilities which are not financed by the Enterprise funds. The source of the funds are grants from other governmental agencies, appropriations from other City funds (primarily the General Fund), and bond proceeds.

Community Development Block Grant (C.D.B.G.) Fund - This fund is used to account for activities which promote the rehabilitation and development of residential and commercial neighborhoods by providing loans, grants and public facilities and services.

Flexible Spending Fund - This fund was established to account for the City Employee Flexible Spending Account (FSA) Program. Funds are designated on a pre-tax basis to this fund by employees participating in the FSA Program for unreimbursed medical and dependent care costs and reimbursements are made to employees for these costs up to the annual amounts each employee chose to designate. Employer FICA savings are contributed to this fund and are used to pay for administrative costs.

Explanation of Funds (continued):

Economic Redevelopment Fund - This fund is used to account for activities related to purchase and redevelopment of targeted properties in the City's downtown central business district. These activities are primarily funded by federal and state grants.

Business Revolving Loan Fund - This fund is designed to assist in the recruitment, retention and expansion of businesses within the City of Hagerstown, Maryland.

Excise Tax Fund – This fund was created to account for funds received from the excise tax. Revenues from the excise tax imposed through Washington County may only be used for specific purposes and this fund will be used to account for those funds.

Special Revenue Grant Fund – This fund was created to account for operating grant revenues from various agencies – federal, state, and local.

Electric Fund - This fund is used to account for the activities of the City's electric distribution operations.

Water Fund - This fund is used to account for the activities of the City's water treatment and distribution operations.

Wastewater Fund - This fund is used to account for the activities of the City's sewage collection and treatment operations.

Parking Fund - This fund is used to account for the activities of the City's parking lots and decks.

Golf Course Fund - This fund is used to account for all activities relating to the City's public golf course.

Property Management Fund - This fund is used to account for all activities related to rental properties owned and managed by the City.

Bloom-Carlile Fund - The Bloom-Carlile Trust Fund was established to segregate funds received from the estates of S. Martin Bloom, Annie Gill Carlile, and others from the general accounts of the City. The donors' intent was to establish a permanent endowment fund. The income earned on investment of the fund is used to provide assistance to the poor and needy of Hagerstown.

Health Care Fund (HCF) - The City manages a self-insurance program for health care for its active and retired employees and their dependents in this Internal Service fund. Under this self-funded plan the City pays a standard monthly administrative fee for each covered member and accepts claim risks up to a specific stop loss for each individual covered. In addition, a second level of insurance called the aggregate stop loss assures that the City does not pay more than a maximum of projected expenses. All funds to which employees are assigned participate in the HIF. It allocates to costs by billing a pre-established internal insurance rate for each fund's employees, retirees and dependents. This charge represents the funding sources for the HCF from which all health care related administrative and medical reimbursements costs are paid.

Workers Compensation Fund (WCF) - The City manages its uncovered workers' compensation risks and sets aside assets for claim settlement in this Internal Service Fund. WCF services claims for risk of loss to which the City was exposed for workers' compensation injuries. All funds to which employees are assigned participate in the WCF. It allocates the cost of providing claims servicing and claims payments by charging a premium to each fund based on its exposure. This charge considers recent trends in actual claims experience of the City as a whole and makes provision for catastrophic losses.

Dental Care Fund – Similar to the Health Insurance Fund this Fund manages the Dental Insurance. It allocates the costs by billing a pre-established internal “insurance” rate for each fund's employees, retirees, and dependents. This charge represents funding sources from which the dental care related administrative and reimbursement costs are paid.

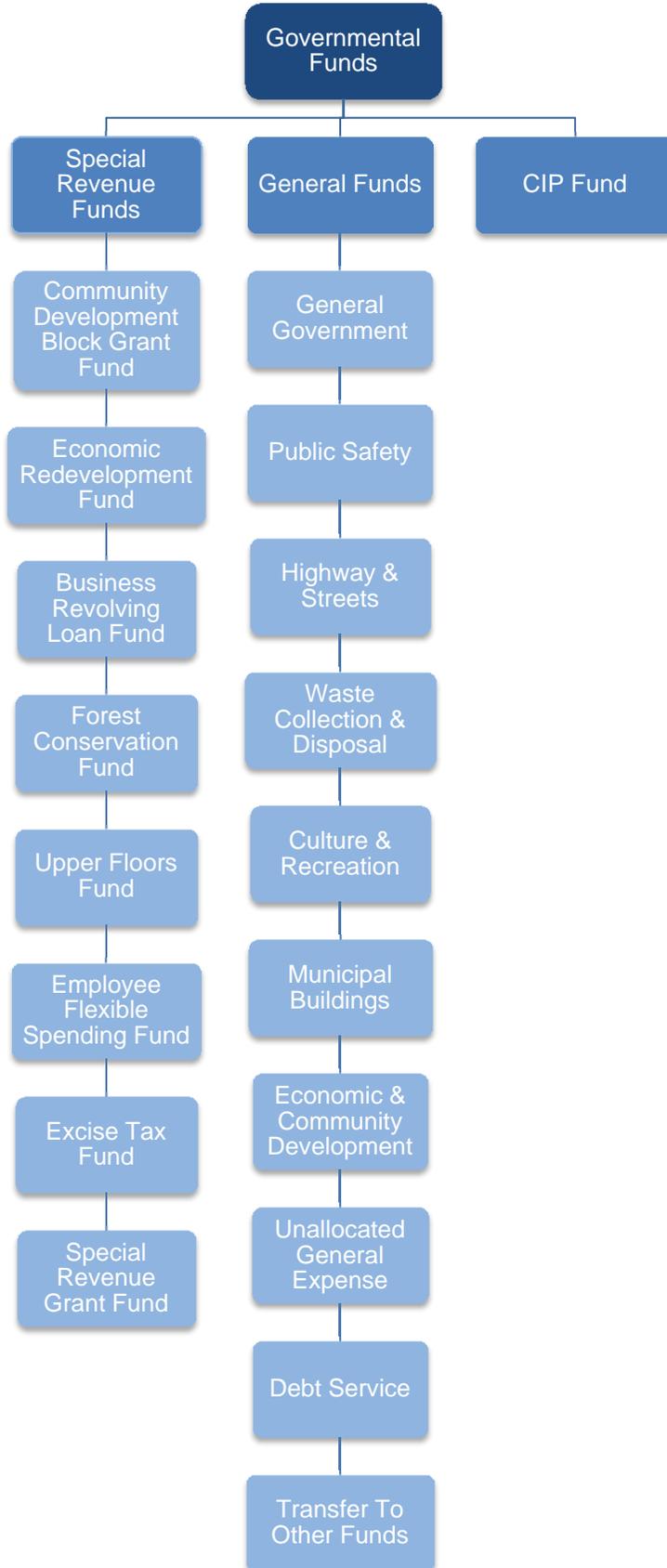
FIVE YEAR COMPARISON - STAFFING SCHEDULE

DEPARTMENT	FISCAL YEARS											
	2009/10		2010/11				2011/12		2012/13		2013/14	
	FULL-TIME	PART-TIME	FULL-TIME	PART-TIME	FT POS. ELIMN'D	FT POS. ADDED	FULL-TIME	PART-TIME	FULL-TIME	PART-TIME	FULL-TIME	PART-TIME
Office of The Mayor	0.34	-	0.34	-	-	-	0.34	-	0.34	-	0.34	-
City Administrator	1.33	-	1.33	-	-	-	1.33	-	1.33	-	1.33	-
City Clerk	1.50	-	1.33	-	-	0.17	1.50	-	1.33	-	1.33	0.50
Community & Economic Development Unfunded Positions	25.83	7.00	26.17	7.00	(6.17)	3.00	23.00	7.00	23.50	7.00	23.85	7.50
Total Funded Positions	25.83	7.00	26.17	7.00	(6.17)	3.00	23.00	7.00	23.50	7.00	23.85	7.50
Finance Unfunded Positions	13.00	2.00	10.00	-	(3.00)	1.75	8.75	-	8.75	-	8.50	-
Total Funded Positions	13.00	2.00	10.00	-	(3.00)	1.75	8.75	-	8.75	-	8.50	-
IT & Support Services Unfunded Positions	10.00	-	13.60	-	(2.60)	1.00	12.00	-	12.00	-	12.00	2.00
Total Funded Positions	10.00	-	13.60	-	(2.60)	1.00	11.00	-	12.00	-	12.00	2.00
Human Resources	4.00	4.00	4.00	5.00	-	-	4.00	3.00	4.00	3.00	4.00	5.00
Engineering & Parks Unfunded Positions	34.00	4.00	34.33	-	(6.33)	1.00	29.00	-	29.66	-	29.72	3.00
Total Funded Positions	34.00	4.00	31.33	-	(6.33)	1.00	26.00	-	26.66	-	26.72	3.00
Police Sworn	105.00	-	105.00	-	(1.00)	1.00	105.00	-	105.00	-	107.00	-
Police Administrative/Civilian Unfunded Positions	13.00	6.00	13.00	6.00	(1.00)	1.00	13.00	6.00	13.00	6.00	14.00	18.00
Total Funded Positions	118.00	6.00	118.00	6.00	(2.00)	2.00	110.00	6.00	110.00	6.00	118.00	18.00
Fire Unfunded Positions	83.60	-	83.60	-	(0.60)	-	83.00	-	83.00	-	83.00	-
Total Funded Positions	83.60	-	83.60	-	(0.60)	-	75.00	-	75.00	-	78.00	-
Public Works Unfunded Positions	34.00	3.00	34.00	3.00	-	-	34.00	8.00	33.40	8.00	32.90	-
Total Funded Positions	34.00	3.00	34.00	3.00	-	-	30.00	8.00	28.40	8.00	27.90	-
Total General Fund	325.60	26.00	326.70	21.00	(20.70)	8.92	314.92	24.00	315.31	24.00	317.97	36.00
Unfunded Total - General Fund	-	-	(3.00)	-	-	-	(24.00)	-	(24.00)	-	(16.00)	-
Total Funded Positions-General Fund	325.60	26.00	323.70	21.00	(20.70)	8.92	290.92	24.00	291.31	24.00	301.97	36.00
Electric Unfunded Positions	38.00	-	40.00	-	-	-	40.00	-	39.18	-	35.58	-
Total Funded Positions	33.00	-	33.00	-	-	-	33.00	-	30.18	-	30.58	-
Water Unfunded Positions	54.50	-	55.00	-	(1.00)	0.25	54.25	-	56.49	-	55.02	-
Total Funded Positions	54.50	-	54.00	-	(1.00)	0.25	49.25	-	52.49	-	51.02	-
Wastewater Unfunded Positions	47.50	-	48.00	-	-	-	48.00	-	47.40	-	47.76	-
Total Funded Positions	47.50	-	48.00	-	-	-	47.00	-	45.40	-	45.76	-
Golf Course	3.00	4.00	3.00	4.00	-	-	3.00	4.00	2.52	4.00	2.37	2.00
Parking	2.00	9.00	2.00	9.00	-	0.40	2.40	9.00	2.20	9.00	2.20	9.00
Property Management	-	-	-	-	-	-	-	-	0.40	-	0.90	-
Community Dev Block Grant	5.80	-	5.80	-	(2.87)	0.50	3.43	3.43	2.50	3.43	2.20	-
Telework Center	1.00	-	1.00	-	(1.00)	-	-	-	-	-	-	-
City-wide Staffing Levels	477.40	39.00	481.50	34.00	(25.57)	10.07	466.00	40.43	466.00	40.43	464.00	47.00
Unfunded Total - City-wide	(5.00)	-	(11.00)	-	-	-	(37.00)	-	(39.00)	-	(27.00)	-
Total Funded Positions - City-wide	472.40	39.00	470.50	34.00	(25.57)	10.07	429.00	40.43	427.00	40.43	437.00	47.00
General Operations	130.80	20.00	131.90	15.00	(21.97)	7.42	117.35	21.43	116.81	21.43	116.17	18.00
Public Safety	201.60	6.00	201.60	6.00	(2.60)	2.00	201.00	6.00	201.00	6.00	204.00	18.00
Enterprise Funds	145.00	13.00	148.00	13.00	(1.00)	0.65	147.65	13.00	148.19	13.00	143.83	11.00

**GOVERNMENTAL FUNDS
SECTION 2**

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GOVERNMENTAL FUNDS – ORGANIZATIONAL CHART
FISCAL YEAR 2013/14



GOVERNMENTAL FUNDS - COMBINED STATEMENT OF REVENUES AND EXPENDITURES
FISCAL YEAR 2013/2014

	GENERAL	SPECIAL REVENUE	CAPITAL IMPROVEMENT FUNDS	TOTAL
REVENUES				
General Property Taxes	\$ 24,474,500	\$ -	\$ -	\$ 24,474,500
State and County Shared Taxes	3,576,479	95,000	1,350,801	5,022,280
Licenses and Permits	1,583,250	-	-	1,583,250
Fines and Forfeitures	1,653,135	-	-	1,653,135
Charges for Current Services	2,930,555	-	-	2,930,555
Interdepartmental Charges	2,107,000	-	-	2,107,000
Federal, State and County Grants	485,172	1,325,522	4,340,364	6,151,058
Program Income	-	282,545	-	282,545
Interest Earned on Investments	35,000	3,925	-	38,925
Miscellaneous	424,435	5,500	-	429,935
TOTAL REVENUES	37,269,526	1,712,492	5,691,165	44,673,183
EXPENDITURES				
General Government	5,689,976	-	-	5,689,976
Public Safety	19,907,441	-	-	19,907,441
Streets and Alleys	2,415,539	-	-	2,415,539
Sanitation, Health and Welfare	2,038,031	-	-	2,038,031
Parks and Recreation	2,205,657	-	-	2,205,657
Economic and Community Development	574,671	-	-	574,671
Unallocated General Expense	1,818,012	-	-	1,818,012
Debt Service - Principal and Interest	2,181,426	-	-	2,181,426
Operating Expenses	-	2,277,593	15,560,268	17,837,861
TOTAL EXPENDITURES	36,830,753	2,277,593	15,560,268	54,668,614
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	438,773	(565,101)	(9,869,103)	(9,995,431)
OTHER FINANCING SOURCES(USES)				
Operating Transfers (In)	565,250	260,537	-	825,787
Capital Transfers (In)	-	-	960,618	960,618
Prior Bond Proceeds - Reprogrammed	-	-	567,020	567,020
Bond Financing Proceeds	-	-	2,582,980	2,582,980
Bond Financing - Future Issues	-	-	1,041,667	1,041,667
Contributions by Others	-	-	3,881,000	3,881,000
Budgeted Use of Fund Balance	-	-	835,818	835,818
Capital Transfers (Out)	(687,868)	-	-	(687,868)
Operating Transfers (Out)	(315,537)	(690,919)	-	(1,006,456)
TOTAL OTHER FINANCING SOURCES (USES)	(438,155)	(430,382)	9,869,103	9,000,566
Adjust for Balance Sheet Transactions	-	(367,000)	-	(367,000)
EXCESS(DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES				
	\$ 618	\$ (628,483)	\$ -	\$ (627,865)
Beginning Fund Balance	\$ 9,178,455	\$ 6,029,650	\$ 5,289,237	20,497,342
Ending Fund Balance	\$ 9,179,073	\$ 5,401,167	\$ 5,289,237	19,869,477
DETAIL OF ENDING FUND BALANCES:				
Nonspendable	\$ 500,000	\$ 3,000	\$ -	503,000
Restricted	-	3,880,226	600,000	4,480,226
Committed	-	1,517,941	500,000	2,017,941
Assigned	200,000	-	4,189,237	4,389,237
Unassigned	8,479,073	-	-	8,479,073
Ending Fund Equity	\$ 9,179,073	\$ 5,401,167	\$ 5,289,237	\$ 19,869,477

**GENERAL FUND
SECTION 3**

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STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
FISCAL YEAR 2013/2014

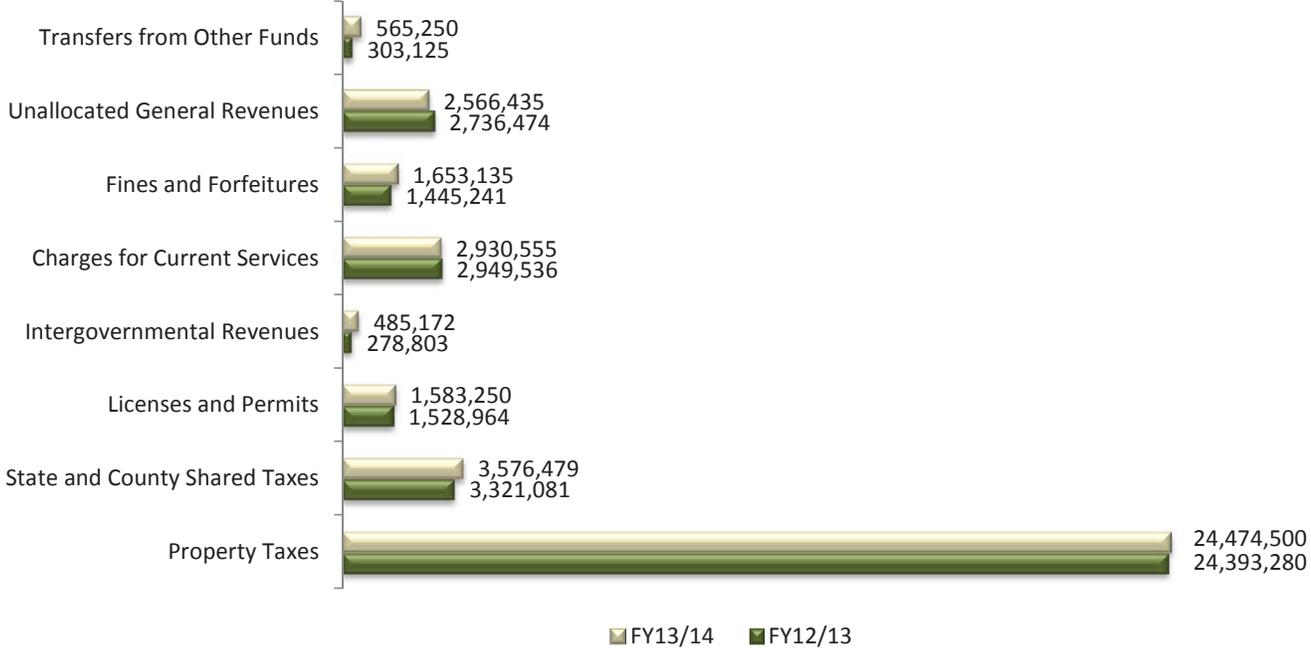
ACCOUNT DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
REVENUES BY TYPE					
Property Taxes	\$24,077,697	\$ 24,897,083	\$24,393,280	\$ 24,474,500	-1.7%
State and County Shared Taxes	3,432,898	3,203,771	3,321,081	3,576,479	11.6%
Licenses and Permits	1,723,790	1,544,450	1,528,964	1,583,250	2.5%
Intergovernmental Revenues	236,287	187,557	278,803	485,172	158.7%
Charges for Current Services	3,017,254	3,130,620	2,949,536	2,930,555	-6.4%
Fines and Forfeitures	389,527	859,324	1,445,241	1,653,135	92.4%
Unallocated General Revenues	2,463,776	2,815,033	2,736,474	2,566,435	-8.8%
Transfers from Other Funds	263,110	285,250	303,125	565,250	98.2%
Loan Proceeds	600,000	-	-	-	0.0%
Total Current Revenues	\$36,204,339	\$ 36,923,088	\$36,956,504	\$ 37,834,776	2.5%
EXPENDITURES BY DEPARTMENT					
0101001-Council	\$ 104,921	\$ 110,785	\$ 104,760	\$ 113,327	2.3%
0101002-Mayor	65,628	63,954	66,147	69,704	9.0%
0103001-City Administrator	211,173	200,800	200,321	204,203	1.7%
0103002-City Clerk	167,067	142,527	138,433	148,727	4.4%
0103003-Community Affairs	430,898	452,080	463,689	414,148	-8.4%
0103004-Legal Counsel	177,247	260,000	260,000	275,000	5.8%
0103005-Public Functions	430,370	499,728	491,525	492,385	-1.5%
0105001-Registration & Elections	-	2,100	-	-	-100.0%
0107001-Finance & Accounting	679,366	639,019	597,163	641,493	0.4%
0107200-Information Technology	752,262	772,671	753,219	761,880	-1.4%
0107206-Support Services	341,265	340,454	325,127	321,383	-5.6%
0109001-Planning	432,273	434,964	426,135	427,987	-1.6%
0109002-Annexation	9,005	12,800	8,800	8,800	-31.3%
0109003-City Hall	305,215	293,765	292,035	278,255	-5.3%
0109004-Engineering & Construction	1,013,430	1,016,574	1,028,754	1,044,993	2.8%
0109005-Human Resources	436,228	485,508	462,579	487,691	0.4%
Total General Government	5,556,348	5,727,729	5,618,687	5,689,976	-0.7%
0110XXX-Police Department	10,461,552	11,214,635	10,851,731	11,924,959	6.3%
0112001-Fire Department	6,205,070	6,047,451	5,742,568	6,407,400	6.0%
0114001-Code Administration	1,215,065	1,064,052	956,221	993,471	-6.6%
0116XXX-Signal Department	487,665	513,330	558,081	581,611	13.3%
Total Public Safety	18,369,352	18,839,468	18,108,601	19,907,441	5.7%
0120001-Street Lighting	698,418	775,000	720,000	720,000	-7.1%
0121001-Snow Removal	117,718	472,700	469,900	399,900	-15.4%
0122001-Street Cleaning	427,199	515,561	496,321	497,843	-3.4%
0123XXX-Gas Station & Maint Garage	316,734	243,187	273,478	278,833	14.7%
0124001-7-PW & Street Operations	727,377	518,072	483,153	416,886	-19.5%
0124008-Central Equipment Building	154,390	105,665	108,865	102,077	-3.4%
Total Highways & Streets	2,441,836	2,630,185	2,551,717	2,415,539	-8.2%
0130001-Waste Collection & Disposal	2,637,018	2,003,191	1,956,401	2,038,031	1.7%
0140001-Department of Recreation	210,791	305,286	247,732	252,981	-17.1%
0140202-Swimming Pools	156,045	174,733	139,393	147,837	-15.4%
0140204-Farmers Market	101,197	76,480	75,077	78,077	2.1%
0140401-Municipal Stadium	131,283	222,177	90,080	71,292	-67.9%
0140402-Hager House	51,278	47,000	28,302	40,175	-14.5%
0140403-Train Museum	11,234	14,661	13,859	14,730	0.5%
0145XXX-City Parks	1,519,139	1,468,706	1,638,951	1,600,565	9.0%
Total Culture & Recreation	2,180,967	2,309,043	2,233,394	2,205,657	-4.5%

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
FISCAL YEAR 2013/2014

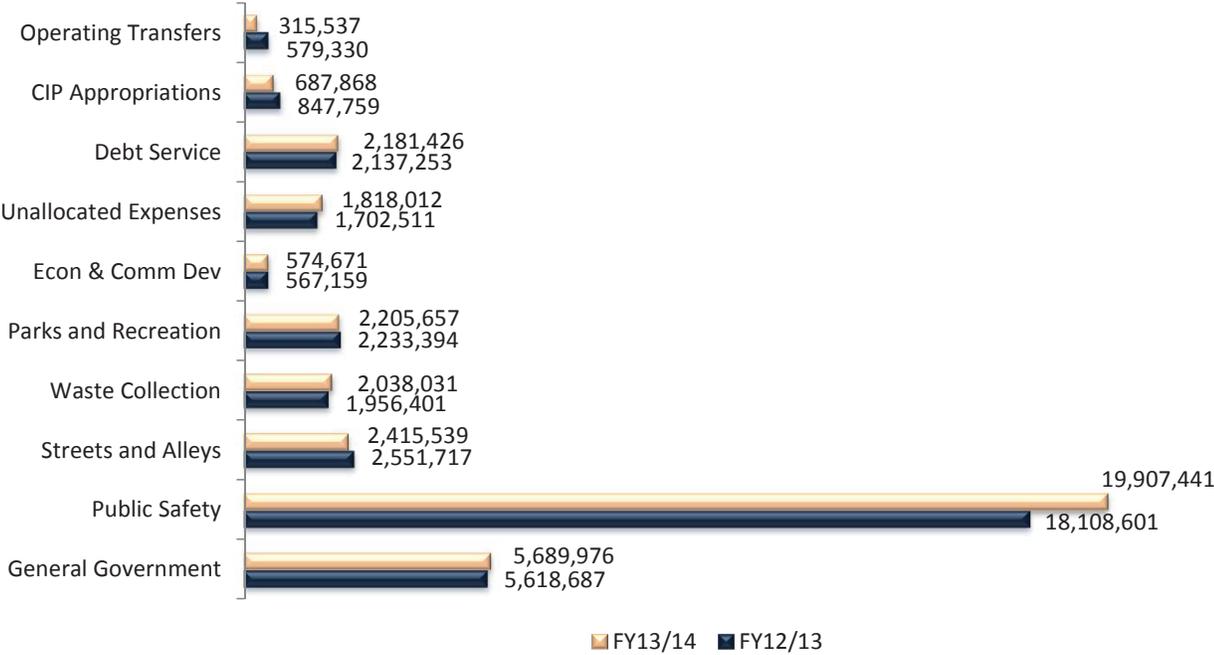
ACCOUNT DESCRIPTION	2011/12 ACTUAL	2012/13		2013/14 PROPOSED	2013/14 % CHANGE
		BUDGET	EST. ACTUAL		
0150001-Economic Development	\$ 355,576	\$ 453,759	\$ 457,404	\$ 426,201	-6.1%
0150002-Neighborhoods First	95,397	47,100	11,775	59,183	25.7%
0150004-Housing & Community Development	95,221	102,061	97,980	89,287	-12.5%
Total Economic & Community Development	546,194	602,920	567,159	574,671	-4.7%
0160001-Retiree Benefits	1,099,307	1,112,021	1,112,021	1,209,522	8.8%
0166001-Contributions-Other Agencies	266,928	273,490	273,490	273,490	0.0%
0162001-Inventory Adjustments	26,994	5,000	10,000	10,000	100.0%
0168001-Contingency	-	(110,380)	307,000	325,000	-394.4%
Total Unallocated General Expenses	1,393,229	1,280,131	1,702,511	1,818,012	42.0%
0190001-Debt Service-Prin	1,824,467	1,436,341	1,435,928	1,457,508	1.5%
0191001-Debt Service- Interest	637,789	590,406	701,325	723,918	22.6%
Total Debt Service	2,462,256	2,026,747	2,137,253	2,181,426	7.6%
0195001-Operating Transfers to Other Funds	528,053	457,139	579,330	315,537	-31.0%
0195002-Capital Transfers to CIP & Other Funds	336,952	897,634	847,759	687,868	-23.4%
Total Operating Transfers to All Other Funds	865,005	1,354,773	1,427,089	1,003,405	-25.9%
Total Expenditures & Transfers	\$36,452,205	\$ 36,774,186	\$36,302,812	\$ 37,834,158	2.9%
Excess (Deficiency) of Revenues over Expenditures	\$ (247,866)	\$ 148,902	\$ 653,692	\$ 618	
Beginning Fund Balance	\$ 8,772,629	\$ 8,524,763	\$ 8,524,763	\$ 9,178,455	
Ending Fund Balance	\$ 8,524,763	\$ 8,673,665	\$ 9,178,455	\$ 9,179,073	
Detail of Ending Fund Balance					
Nonspendable	\$ 487,902	\$ 490,000	\$ 490,000	\$ 500,000	
Assigned	199,174	200,000	200,000	200,000	
Unassigned	7,837,687	7,983,665	8,488,455	8,479,073	
Ending Fund Balance	\$ 8,524,763	\$ 8,673,665	\$ 9,178,455	\$ 9,179,073	
Undesignated Balances as:					
% of Operating Budget Less Transfers to All Other Funds	22.0%	22.5%	24.3%	23.0%	
Number of Months Expenditures	2.6	2.7	2.9	2.8	

COMPARISON OF REVENUES AND EXPENDITURES - PROPOSED BUDGET FY14 VS EST ACTUAL FY13
FISCAL YEAR 2013/2014

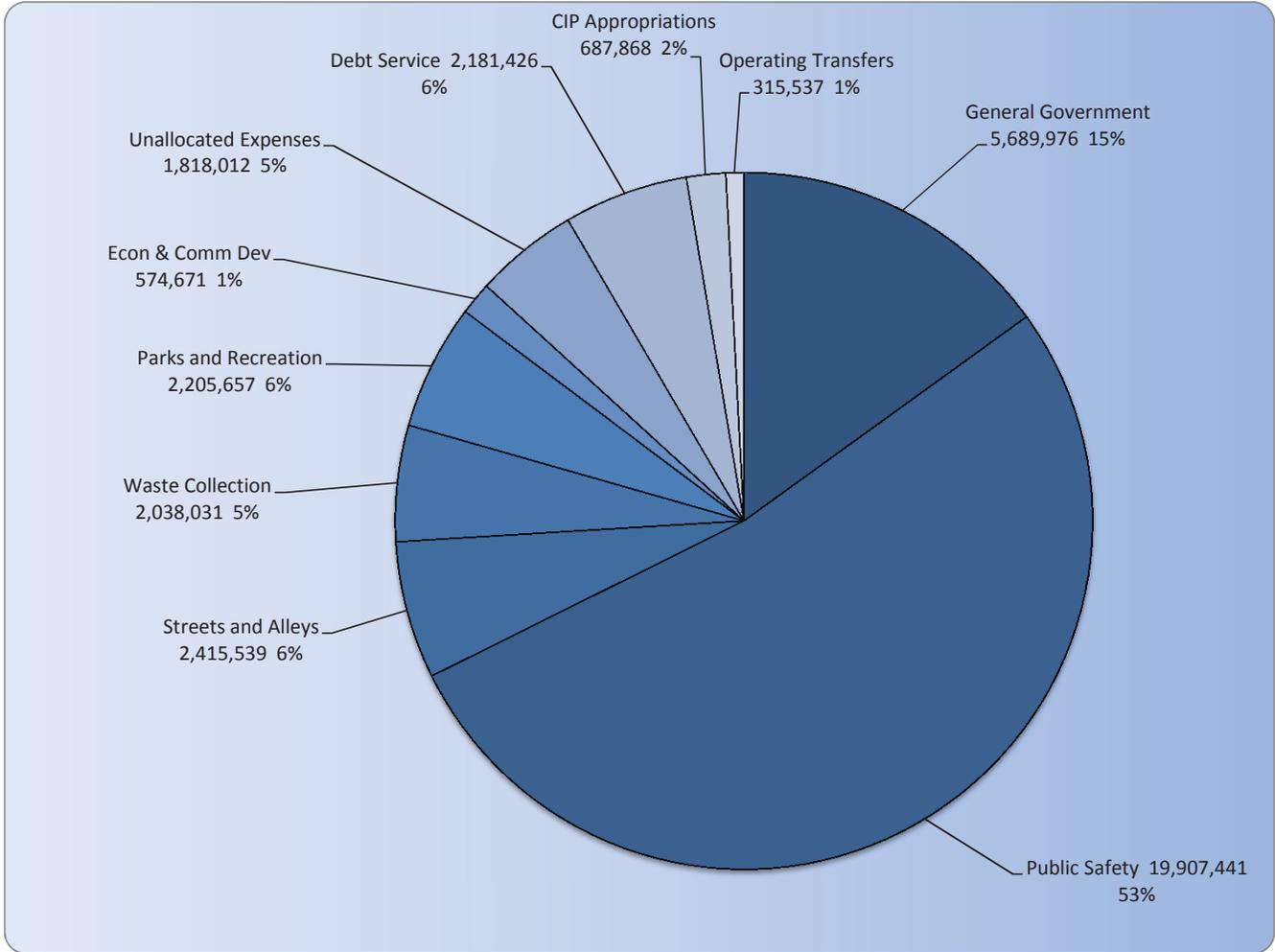
GENERAL FUND REVENUES



GENERAL FUND EXPENDITURES



CATEGORY OF EXPENDITURES
FISCAL YEAR 2013/2014



TOTAL PROPOSED FY14 BUDGET EXPENDITURES \$37,834,158

REVENUES AND OTHER FINANCING SOURCES
FISCAL YEAR 2013/2014

REVENUE SUMMARY

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
CURRENT REVENUES					
Property Taxes	\$ 24,077,697	\$ 24,897,083	\$ 24,393,280	\$ 24,474,500	-2%
State and County Shared Taxes	3,432,898	3,203,771	3,321,081	3,576,479	12%
Licenses and Permits	1,723,790	1,544,450	1,528,964	1,583,250	3%
Intergovernmental Revenues	236,287	187,557	278,803	485,172	159%
Charges for Current Services	3,017,254	3,130,620	2,949,536	2,930,555	-6%
Fines and Forfeitures	389,527	859,324	1,445,241	1,653,135	92%
Unallocated General Revenues	2,463,776	2,815,033	2,736,474	2,566,435	-9%
Total Current Revenues	\$ 35,341,229	\$ 36,637,838	\$ 36,653,379	\$ 37,269,526	2%
OTHER FINANCING SOURCES					
Transfers from Other Funds	\$ 263,110	\$ 285,250	\$ 303,125	\$ 565,250	98%
Loan Proceeds	600,000	-	-	-	
Total Other Financing Sources	\$ 863,110	\$ 285,250	\$ 303,125	\$ 565,250	98%
Total Ending Revenues and Other Financing Sources	\$ 36,204,339	\$ 36,923,088	\$ 36,956,504	\$ 37,834,776	2%

PROPERTY TAX - ASSESSABLE BASE TABLE
FISCAL YEAR 2013/2014

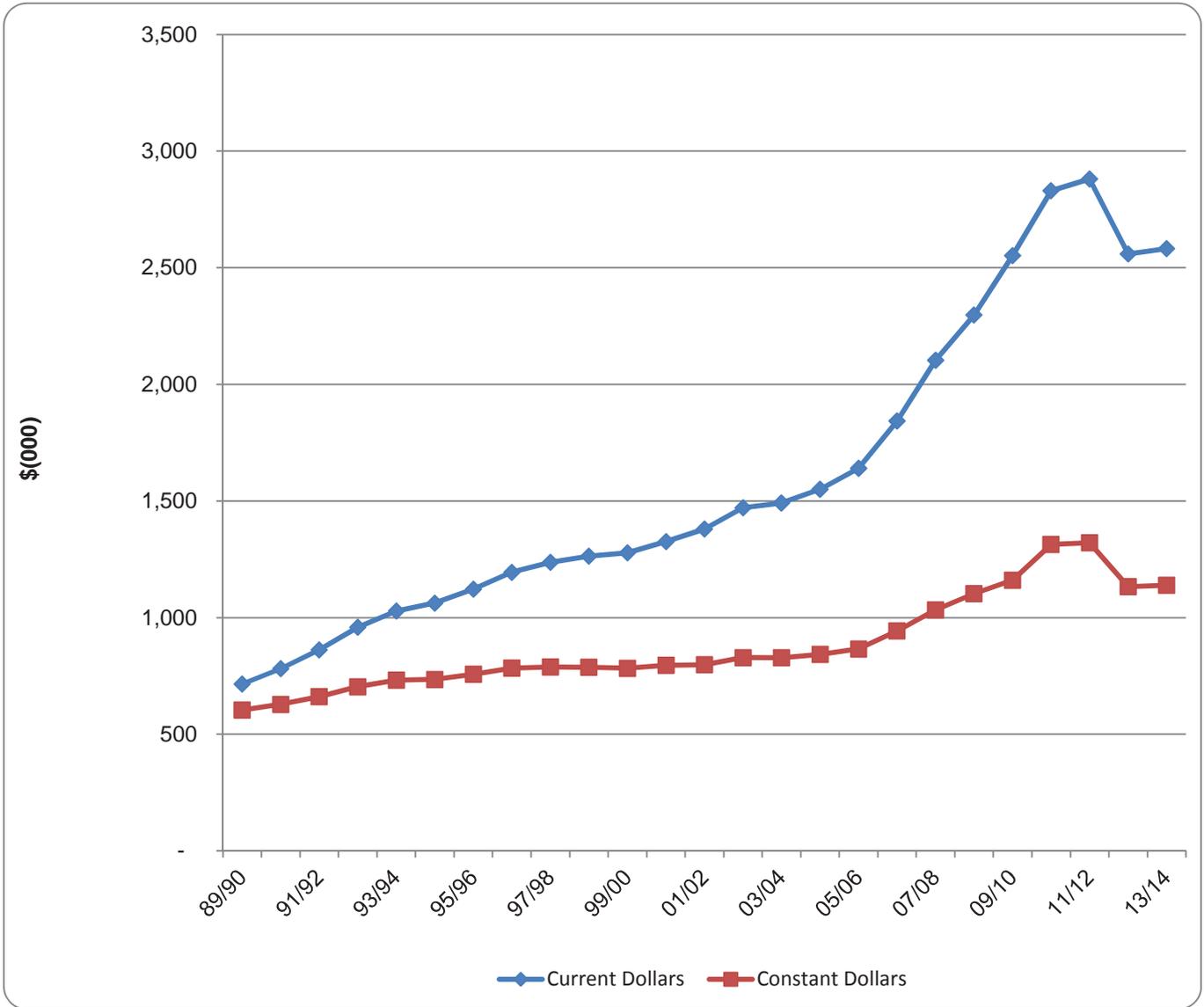
**CITY ASSESSABLE TAX BASE AND PROPERTY TAX REVENUE
TRENDS AFTER ADJUSTING FOR CURRENT YEAR TAX
CREDITS, ABATEMENTS, AND REFUNDS
(TWENTY-FIVE YEAR HISTORY)**

	Assessable Base* (in millions)	Assessable Base - % Chg from Prior Yr	City Portion Only Real Estate Tax Rate*	Prop Tax Revenues (in thousands)	Property Taxes - % Chg from Prior Yr	Direct and Overlapping Tax Rates			
						City	County	State	Combined
Actual 1987/1988	669	8.7%	0.656	5,567	7.7%	0.656	0.852	0.084	1.592
Actual 1988/1989	716	7.0%	0.672	5,914	6.2%	0.672	0.852	0.084	1.608
Actual 1989/1990	782	9.2%	0.684	6,478	9.5%	0.684	0.852	0.084	1.620
Actual 1990/1991	862	10.3%	0.684	6,982	7.8%	0.684	0.852	0.084	1.620
Actual 1991/1992	959	11.2%	0.684	7,672	9.9%	0.684	0.884	0.084	1.652
Actual 1992/1993	1,028	7.3%	0.684	8,194	6.8%	0.684	0.884	0.084	1.652
Actual 1993/1994	1,063	3.3%	0.684	8,397	2.5%	0.684	0.884	0.084	1.652
Actual 1994/1995	1,122	5.6%	0.684	8,810	4.9%	0.684	0.884	0.084	1.652
Actual 1995/1996	1,195	6.5%	0.680	9,156	3.9%	0.680	0.884	0.084	1.648
Actual 1996/1997	1,237	3.6%	0.680	9,742	6.4%	0.680	0.884	0.084	1.648
Actual 1997/1998	1,264	2.2%	0.680	9,821	0.8%	0.680	0.924	0.084	1.688
Actual 1998/1999	1,278	1.1%	0.696	10,210	4.0%	0.696	0.924	0.084	1.704
Actual 1999/2000	1,326	3.8%	0.692	10,388	1.7%	0.692	0.924	0.084	1.700
Actual 2000/2001	1,380	4.0%	0.692	10,756	3.5%	0.692	0.948	0.084	1.724
Actual 2001/2002	1,471	6.6%	0.732	11,708	8.9%	0.732	0.948	0.084	1.764
Actual 2002/2003	1,491	1.4%	0.768	12,873	10.0%	0.768	0.948	0.084	1.800
Actual 2003/2004	1,550	3.9%	0.783	13,555	5.3%	0.783	0.948	0.132	1.863
Actual 2004/2005	1,640	5.8%	0.798	14,597	7.7%	0.798	0.948	0.132	1.878
Actual 2005/2006	1,843	12.4%	0.798	16,123	10.5%	0.798	0.948	0.112	1.858
Actual 2006/2007	2,103	14.1%	0.798	18,200	12.9%	0.798	0.948	0.112	1.858
Actual 2007/2008	2,297	9.2%	0.798	19,742	8.5%	0.798	0.948	0.112	1.858
Actual 2008/2009	2,552	11.1%	0.788	21,676	9.8%	0.788	0.948	0.112	1.848
Actual 2009/2010	2,830	10.9%	0.788	23,959	10.5%	0.788	0.948	0.112	1.848
Actual 2010/2011	2,881	1.8%	0.788	24,132	0.7%	0.788	0.823	0.112	1.723
Actual 2011/2012	2,559	-11.2%	0.788	21,386	-11.4%	0.788	0.823	0.112	1.723
<i>Projection 2012/2013</i>	2,582	0.9%	0.788	21,563	0.8%	0.788	0.823	0.112	1.723
<i>Projection 2013/2014</i>	2,587	0.2%	0.788	21,660	0.4%	0.788	0.823	0.112	1.723
<i>Projection 2014/2015</i>	2,380	-8.0%	0.788	20,440	-5.6%	0.788	0.823	0.112	1.723

* Assessable base and tax rates have been re-stated to reflect current practice of calculating property tax revenues over 100% of Estimated Actual Value.

Each penny on the real estate tax rate generates additional revenue of	\$ 251,000
Each penny on the personal property tax rate generates additional revenue of	\$ 11,000

ASSESSABLE BASE IN CURRENT AND
CONSTANT DOLLARS (ADJUSTED FOR INFLATION - USING US DEPARTMENT OF LABOR CPI-U)
FISCAL YEAR 2013/2014



PROPERTY TAXES - PROPOSED REVENUES
FISCAL YEAR 2013/2014

DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
Current Year Levy	\$ 21,386,209	\$ 22,144,000	\$ 21,562,621	\$ 21,660,000	-2.2%
Interest on Delinquent Taxes	84,426	222,000	222,000	222,000	0.0%
Prior Years' Levy-Net	(71,602)	(140,000)	(80,000)	(100,000)	-28.6%
Payment in Lieu of Taxes	2,706,134	2,701,083	2,718,659	2,722,500	0.8%
Tax Discounts & Credits Allowed	(27,470)	(30,000)	(30,000)	(30,000)	0.0%
Total Property Taxes	\$ 24,077,697	\$ 24,897,083	\$ 24,393,280	\$ 24,474,500	-1.7%

Revenues from property taxes are based on assessments established by the State Department of Assessment and Taxation. The real property tax rate for FY13 was \$0.788 per \$100 dollars of assessed value and for business personal property it was \$1.970 per \$100 of assessed value. The proposed budget for FY14 does not include a tax rate increase for either assessable base.

The real property constant yield rate certified by the State for 2013/2014 which would generate the same dollar amount of gross real tax revenues, (before local property tax credits) is \$0.7859 per \$100 of assessed value which is \$0.0021 less than the proposed tax rate. A twenty-five year history of the change in the City's assessable tax base and property tax revenues is available on Page 7. Lastly, the Mayor and City Council took action along with Washington County to limit the maximum annual growth in assessments on owner occupied real estate to 5%. The cap had been 10%, which is still the maximum cap for State tax purposes.

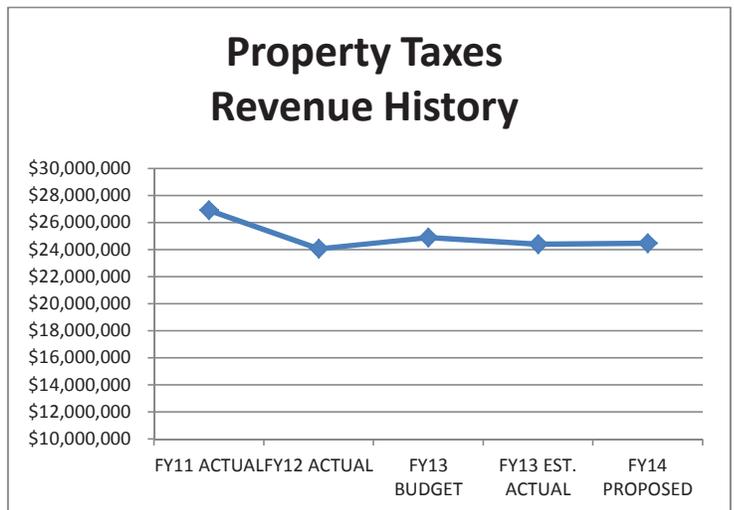
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

The estimated actual for FY13 when compared with the FY1 budget is expected be about 2.0% less than originally budgeted or \$504,000. Due to the downturn in the economy, personal property tax related to business personal property is expected to be lower than originally budgeted for FY13. The original budget was \$2.6 million and it is estimated that revenue for FY13 will be \$2.0 million. Due to the impact of the recent triennial reassessment in December 2010 of real property in the City, the FY12 actual property tax revenue decreased from \$24.2 million in FY11 to \$21.4 million in FY12. This decrease was a result of an 11.2% decrease in the City's assessable base for real property taxes, or from \$2.9 billion to \$2.6 billion in both FY12 and FY13. This decrease is unprecedented as shown on the City history of changes in assessable base since 1981/82 in Section 7-Financial Projections. Additionally, the interest on delinquent taxes declined by \$78,000 over the budget assumptions.

FY13 to Proposed FY14

Overall, the proposed budget for FY14 is expected to remain flat when compared to the FY13 budget. As mentioned previously, the real estate tax re-assessment from December 2010 had a significant impact on the City beginning in in FY12. As mentioned previously, the real estate tax re-assessment from December 2010 had a significant impact on the City during FY12. FY13 and FY14 property tax revenue has leveled out and has experienced little to no growth. The statewide requirement to phase-in reassessment-related tax base growth over a three-year period, and the City's adoption of a 5% homestead tax credit for owner occupied residential properties has effectively smoothed the effect of the near-term property devaluation that resulted from the downturn in the economy. After meeting with the MD State Department of Assessments and reviewing the December 2012 real estate re-assessments for other municipalities in Washington County, an 8% decrease in in the assessed values within Hagersown is anticipated for FY15 with the December 2013 triennial reassessment of Hagerstown.



STATE & COUNTY SHARED TAXES - PROPOSED REVENUES
FISCAL YEAR 2013/2014

DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
Income Tax	\$ 2,271,796	\$ 2,173,040	\$ 2,260,000	\$ 2,265,000	4.2%
Admissions & Amusement Tax	202,180	150,000	190,000	200,000	33.3%
Financial Corporations	34,214	34,214	34,214	34,214	0.0%
Enterprise Zone Tax Credits	110,756	133,000	101,850	102,000	-23.3%
Room Tax - Tourism Promotions	164,257	143,500	165,000	172,000	19.9%
Police Protection	516,752	516,752	516,752	750,000	45.1%
State Aid For Fire Service	53,450	53,265	53,265	53,265	0.0%
Highway User Revenues	79,493	-	-	-	0.0%
Total State & County Shared Taxes	\$ 3,432,898	\$ 3,203,771	\$ 3,321,081	\$ 3,576,479	11.6%

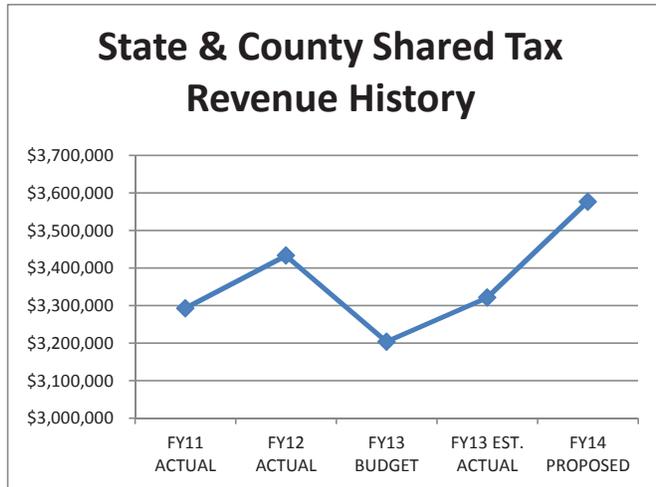
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

The estimated actual for FY13 when compared with the FY13 budget is expected to increase overall by 3.7% (about \$118,000) as a result of a better than anticipated growth in the local share of State Income Tax Revenue, Admissions & Amusement Tax Revenue, and the city portion received for Hotel/Motel Tax Revenue (Room Tax). These increases are offset by a decrease in Enterprise Zone Tax Credits which continues to decline as a result of slow economic growth. The adjustments were made to better reflect actual revenue trends in those revenues for FY13.

FY13 to Proposed FY14

Overall, the proposed budget for FY14 State & County Shared Revenues is expected to increase by 11.6%. Primarily the increase is driven by the restoration of funding from the State of Maryland for our Police Protection program. The Governor included restoration of this funding in the proposed State of Maryland budget. The total impact of this would be an increase of \$233,000. Additionally, the City's share of Income Tax Revenue is proposed to increase by \$92,000 over FY13's Budget.



FY11 experienced significant reductions in Shared Tax Revenue due to the elimination of County Tax Differential revenue sharing in FY10, and a decrease of approximately \$1.8 million in Highway User Revenue from the State. As the graph indicates, revenues continues to be weak as our local share of State and County programs were eliminated and/or reduced. Beginning with the FY14 proposed budget, there is an anticipated growth from this revenue base by 9% over FY11 total amounts of \$3.3M to FY14 proposed amounts of almost \$3.6M. This growth is a result of restoration from the State Aid for Police Protection program.

LICENSES & PERMITS - PROPOSED REVENUES
FISCAL YEAR 2013/2014

DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
Traders Licenses	\$ 75,146	\$ 102,000	\$ 100,000	\$ 100,000	-2.0%
Distilled Spirits	17,911	7,600	7,500	7,500	-1.3%
Utility License Fee	54,000	14,000	14,000	14,000	0.0%
Vendor Permits from City Clerk	2,590	4,500	2,700	2,700	-40.0%
Cable TV Franchise Fee	392,415	380,000	380,000	390,000	2.6%
General Construction Permits	-	1,000	4,000	1,000	0.0%
Street Digging Permits	89,647	50,000	50,000	60,000	20.0%
Curbs, Sidewalks, & Driveways	2,560	3,500	3,000	3,000	-14.3%
Storm Water Management Permits	4,615	2,000	2,000	2,000	0.0%
Grading Permits	15,336	10,000	10,000	10,000	0.0%
Right of Way Permits	5,658	5,000	5,000	5,000	0.0%
Building Permits (Fire)	32,443	31,000	33,564	33,000	6.5%
Fireworks Permits	3,000	2,250	2,500	2,500	11.1%
Blasting Permits	-	500	200	250	-50.0%
Plumbing Dept-Licenses	5,650	11,000	11,000	6,000	-45.5%
Contractor's Licenses	14,600	2,000	2,500	15,000	650.0%
Electrical Licenses	5,770	25,000	25,000	6,000	-76.0%
Residential Rental Licenses	413,300	415,000	415,000	420,000	1.2%
Uncollected- Residl	(30,049)	-	-	-	0.0%
Building Permits	154,188	125,000	115,000	130,000	4.0%
Plumbing Permits	57,354	65,000	65,000	75,000	15.4%
Electrical Permits	98,223	110,000	100,000	110,000	0.0%
Mechanical Permits	41,925	35,000	40,000	45,000	28.6%
Sewer Connection Inspection Fees	-	3,000	-	-	-100.0%
Pre-Sale Code Inspection	-	100	100	200	100.0%
Re-Inspection Fee	200	500	800	500	0.0%
Property Abatement Billings -Engineering	5,773	5,000	5,000	5,000	0.0%
Property Abatement Billings -Code	220,792	95,000	95,000	95,000	0.0%
Vacant Residential Structure Fee	5,550	1,500	5,500	5,000	233.3%
Vacant Commercial Structure Fee	-	1,500	-	-	-100.0%
Admin Fee for Excise Tax	4,597	5,900	3,000	4,000	-32.2%
Secure Vacant Structure Fee	1,300	600	600	600	0.0%
Technology Fee	29,296	30,000	31,000	35,000	16.7%
Total Licenses and Permits	\$ 1,723,790	\$ 1,544,450	\$ 1,528,964	\$ 1,583,250	2.5%

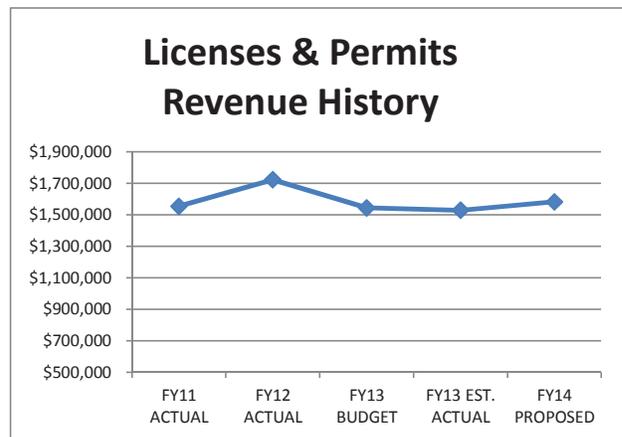
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

The 1.0% decrease or roughly \$15,000 from the FY13 estimated actual to the FY13 budget is primarily due to a decrease in both Electrical and Building permits.

FY13 to Proposed FY14

Overall, the proposed budget for FY14 is expected to increase by 2.5% or approximately \$39,000 over the FY13 budget. Several permits (Mechanical, Plumbing, and Street Digging) are estimated to rise above current FY13 budget amounts. Contractor's license revenue is also expected to increase by \$13,000. Last, there is an offsetting decrease in Electrical Licenses which reflects the impact of issuing electrical licenses every other year rather than annually.



INTERGOVERNMENTAL REVENUES - PROPOSED REVENUES
FISCAL YEAR 2013/2014

DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
Heritage Area Planning Grant	\$ -	\$ -	\$ -	\$ 500	100.0%
School Resource Officer/Youth Prevention	131,722	150,000	150,000	187,500	25.0%
Public Function Revenues	30,979	12,557	28,557	28,557	127.4%
Federal Grant - Operating	73,586	25,000	100,246	268,615	974.5%
Total Intergovernmental	\$ 236,287	\$ 187,557	\$ 278,803	\$ 485,172	158.7%

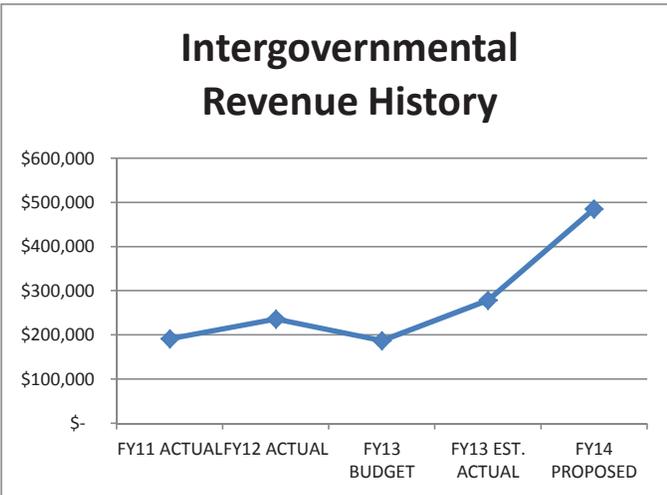
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

The estimated actual for FY13 is expected to be 48.6% or \$91,000 higher than originally budgeted for in FY13 budget as a result of a new federal grant for the COPS Hiring Program grant. The Hagerstown Police Department (HPD) will receive Federal grant monies for up to five (5) sworn police officers over a three (3) year period with (2) years of employment retention for a total of five (5) years.

FY13 to Proposed FY14

Overall, the proposed budget for FY14 is expected to more than double by \$298,000 from the FY13 budget. The increase is attributable to a full-year reimbursement for the COPS Hiring Program grant mentioned above.



The graph to the left depicting Intergovernmental revenue history shows increasing revenue of approximately \$294,000 from FY11 actual revenues of \$192,000 to FY14 proposed budget revenues of \$485,000. The increase in revenue is a result of the new COPS Hiring grant secured by HPD and is included both the FY13 estimated actuals and proposed FY14 budget data.

CHARGES FOR CURRENT SERVICES - PROPOSED REVENUES
FISCAL YEAR 2013/2014

DESCRIPTION	2011/12 ACTUAL	2012/13		2013/14 PROPOSED	2013/14 % CHANGE
		BUDGET	EST. ACTUAL		
Refuse Collection Fees	\$ 2,298,388	\$ 2,250,400	\$ 2,251,312	\$ 2,264,000	0.6%
Other Service Charges	541,140	698,345	473,269	482,420	-30.9%
Public Function Revenues	107,379	115,000	159,794	118,000	2.6%
Swimming Pool	70,347	66,875	65,161	66,135	-1.1%
Total Charges for Current Services	\$ 3,017,254	\$ 3,130,620	\$ 2,949,536	\$ 2,930,555	-6.4%

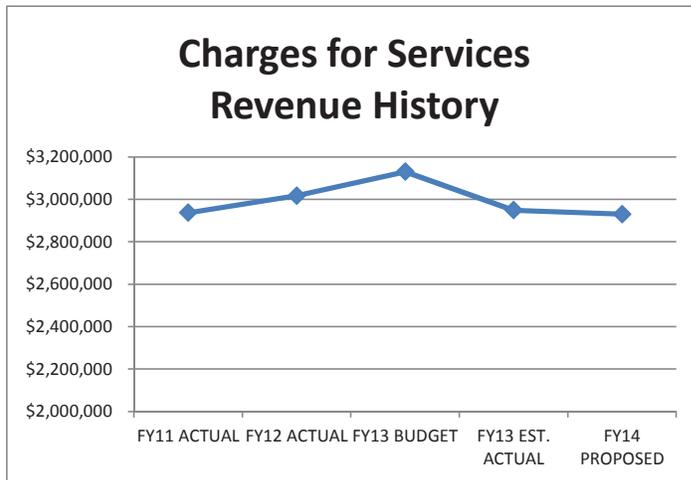
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

Overall, estimated actual revenue for FY13 is anticipated to decrease by 5.8% when compared with the FY13 budget. There are three primary reasons for this decrease: Fire/EMS Auto Response Fee, Credit Card Convenience Fee, and Bad Check Charges. The Fire/EMS auto response fee was overestimated. The FY13 estimated actual amount has been reduced by \$52,000 to reflect actual trends. The credit card convenience fee (\$140,000) was included in FY13 budget as a new service fee charge. However, this has not been implemented yet due to some restrictions in software and is timing/delay only. Last, the bad check charges have not yet been implemented and is reduced by \$9,500 from the amount included in the FY13 budget.

FY13 to Proposed FY14

For FY14, charges for current services reflect a slight decrease of 6.4% or just \$200,065 over the budget for FY13. The decrease is result of the continued decrease in Fire/EMS Auto Response Fee, Credit Card Convenience Fee, and Bad Check Charges as outlined above.



FINES & FORFEITURES - PROPOSED REVENUES
FISCAL YEAR 2013/2014

DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
Confiscated Revenue	\$ 21,991	\$ 19,270	\$ 20,725	\$ 10,835	-43.8%
Parking Tickets-Net	7,361	31,200	15,716	15,600	-50.0%
Municipal Infractions-Police Dept	50	-	(100)	-	0.0%
Safe Speed for Students Program - Net	289,330	729,054	1,340,000	1,557,000	113.6%
Fire Code Violations	8,116	4,000	3,500	4,000	0.0%
Abatement Administrative Fees-Code Admin	25,701	25,000	25,000	25,000	0.0%
Municipal Infractions-Code Admin	36,695	50,000	40,000	40,000	-20.0%
Tech Appeals Board Filing Fees	283	300	200	200	-33.3%
Municipal Infractions-City Engineering	-	200	200	200	0.0%
Municipal Infractions-Planning	-	300		300	0.0%
Total Fines and Forfeitures	\$ 389,527	\$ 859,324	\$ 1,445,241	\$ 1,653,135	92.4%

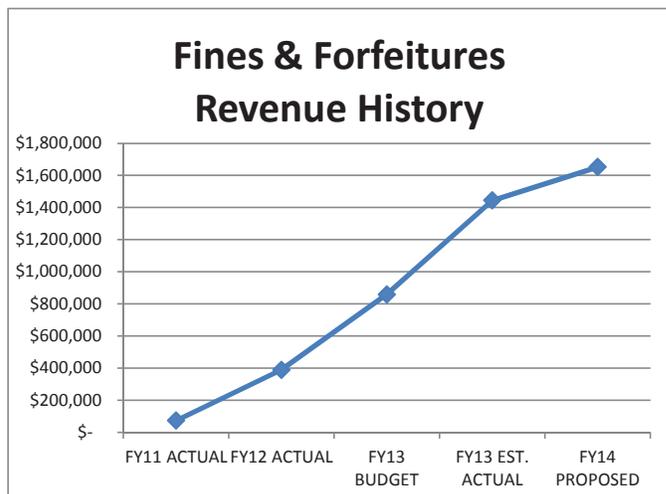
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

Estimated actual revenue for FY13 is expected to be over budget by 68.2% or \$585,917. At the time of the FY13 budget, the Safe Speed for Students Program had not been started. Now that the program is in effect, FY13 estimated actuals are based on actual trends from July 2012 through February 2013 and reflect more updated data.

FY13 to Proposed FY14

The FY14 budget includes an overall increase of 92.4% in Fines and Forfeitures revenues. The increase is a result of implementing the new public safety initiative in school zones (Safe Speed for Students Program). The program began in March 2012 and was reflected in FY13 proposed budget before being implemented. The FY14 budget increase for this program is based on actual experience from July 2012 through February 2013. In addition, the program now has eleven (11) cameras in operation which is also reflected in the increase for FY14 budget. There are no other significant changes.



UNALLOCATED GENERAL REVENUES - PROPOSED REVENUES
FISCAL YEAR 2013/2014

DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
Administrative Allocation Revenues	\$ 2,031,000	\$ 2,107,000	\$ 2,031,000	\$ 2,107,000	0.0%
Interest on Investments	57,374	55,000	35,000	35,000	-36.4%
Rental Income	197,107	213,829	210,679	212,829	-0.5%
Sale of Land & Other Assets	28,768	3,000	7,329	4,100	36.7%
Contributions & Donations	113,822	105,914	104,401	107,426	1.4%
Other General Revenue	35,705	330,290	348,065	100,080	-69.7%
Total Unallocated General Revenues	\$ 2,463,776	\$ 2,815,033	\$ 2,736,474	\$ 2,566,435	-8.8%

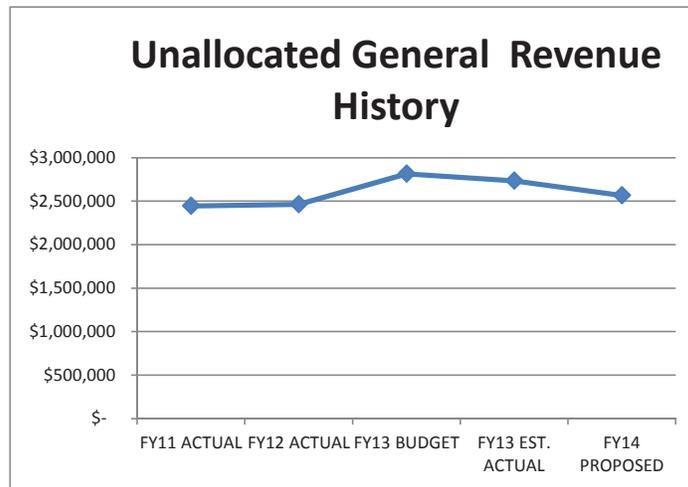
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

The FY13 actual is projected to decrease over FY13 budget by 2.8% or \$78,559. The FY13 budget included an administrative allocation that will not occur during this fiscal year. Interest earned on investments is also now anticipated to be lower than originally included in FY13 budget. This continued reduction is a reflection of the national economy.

FY13 to Proposed FY14

The proposed FY14 budget is anticipated to decrease over the FY13 budget by 8.8%. This decrease is primarily a result of a one-time receipt of corporate stock that was sold during current FY13 and is reflected in Other General Revenue category above. Last, the FY14 budget continues to reflect the current trend of lower interest earned on investments. Most of the investments for the City are held in Certificate of Deposits and by Maryland Local Government Investment Pool (MLGIP). As a result of the national economy, interest rates continue to drop and this is reflected in Interest on Investments.



TRANSFERS FROM OTHER FUNDS & OTHER FINANCING SOURCES - PROPOSED REVENUES
FISCAL YEAR 2013/2014

DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
Transfer from Flexible Spending Fund	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	0.0%
Transfer from Workers Comp Fund	200,000	250,000	250,000	250,000	0.0%
Transfer from Economic Redevelopment Fund	25,000	-	17,875	-	0.0%
Transfer from Water Fund	-	-	-	250,000	100.0%
Transfer from Health Insurance Fund	-	25,000	25,000	-	-100.0%
Transfer from Property Management Fund	12,476	-	-	55,000	100.0%
Transfer from Telework Center Fund	14,634	-	-	-	0.0%
Transfer from CDBG Fund	5,000	4,250	4,250	4,250	0.0%
Subtotal Transfers from Other Funds	\$ 263,110	\$ 285,250	\$ 303,125	\$ 565,250	98.2%
Loan Proceeds	600,000	-	-	-	0.0%
Subtotal Transfers from Other Funds	\$ 600,000	\$ -	\$ -	\$ -	0.0%
Total Transfers from Other Funds & Other Financing Sources	\$ 863,110	\$ 285,250	\$ 303,125	\$ 565,250	98.2%

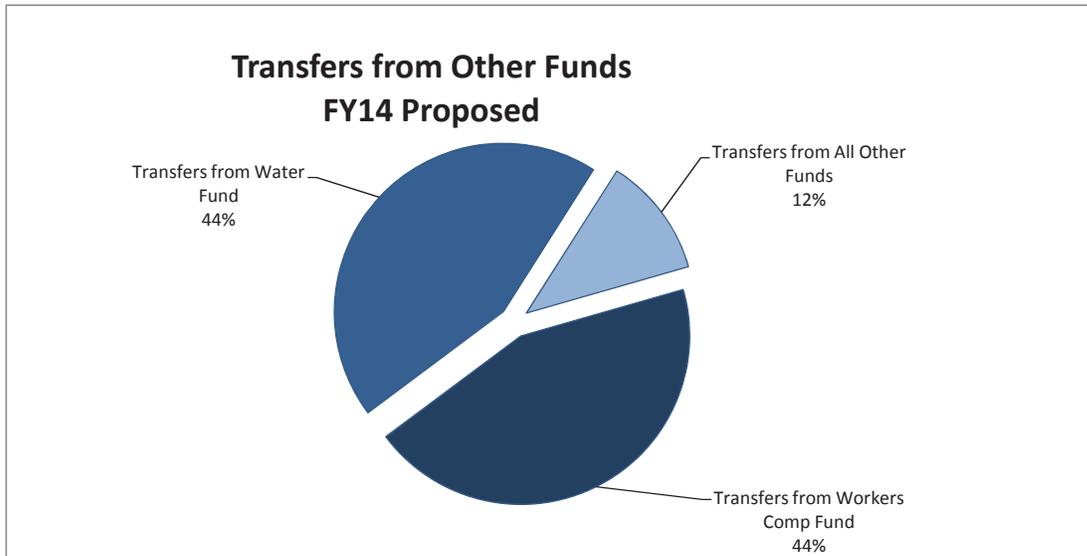
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

Overall, estimated actual revenue for FY13 is expected to be 6.3% or \$17,875 higher than the FY13 budget. The FY13 estimated actuals include a transfer to the General Fund from the Economic Redevelopment Fund to cover an incentive given to a local business.

FY13 to Proposed FY14

FY14 proposed budget is estimated to increase over FY13 budget as a result of a Water Fund dividend. The transfer into the General Fund is anticipated to be \$250,000 from the Water Fund.



MAYOR - PROGRAM DESCRIPTION
FISCAL YEAR 2013/2014

DEPARTMENT / PROGRAM OVERVIEW

The Mayor is elected for a four year term to represent the City in all official capacities and provide leadership to the City Council and community at large. The Municipal Charter of Hagerstown states the Mayor shall be the chief elected executive officer of the City and shall see that the Ordinances of the City, provisions of the Charter, and City Council policies and resolutions are faithfully executed, preside over the Legislative branch, and report to the City Council on the condition of City affairs. The annual salary for the Mayor is established by Ordinance at \$28,000.

DEPARTMENT / PROGRAM OBJECTIVES

Objectives and initiatives include:

- Establish City priorities, goals, objectives and work plans for the next fiscal year with the City Council and City Administrator.
- Provide leadership and participate with the Maryland Municipal League, Tri-County Council, and other County, State, and Federal officials to develop and implement goals.
- Serve as spokesperson for City programs, services, and new initiatives.
- Represent the City at public events and functions.
- The Mayor and City Council typically hold 38 Work Session meetings along with 12 Regular Session meetings a year.
- A State of the City Address is delivered annually in March by the Mayor.
- The Mayor and City Council attend a number of meetings with civic associations. Some examples include the Hagerstown-Washington County Economic Development Commission, Chamber of Commerce, Greater Hagerstown Committee, and Hagerstown/Eastern Panhandle Metropolitan Planning Organization (HEPMPO).
- The Mayor and City Council hold public hearings throughout the year to provide the public with appropriate information as well as to receive the community's feedback and input.

PERFORMANCE INDICATORS

	2011/12	2012/13	2013/14
Number of Mayor and Council meetings	50	50	50
Average number of meetings representing City (e.g. board/commission)	35	24	35
Average number of community functions	25	25	25

MAYOR - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURE AND REVENUE SUMMARY

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 50,997	\$ 46,327	\$ 46,273	\$ 46,327	0.0%
Benefits	9,697	11,237	12,292	14,225	26.6%
Personnel Subtotal	60,694	57,564	58,565	60,552	5.2%
Operating Expenditures	4,934	6,390	7,582	9,152	43.2%
Operating Subtotal	4,934	6,390	7,582	9,152	43.2%
Total Expenditures	\$ 65,628	\$ 63,954	\$ 66,147	\$ 69,704	9.0%
REVENUES BY TYPE					
Departmental Revenue	\$ -	\$ -	\$ -	\$ -	0.0%
Total Revenues	\$ -	\$ -	\$ -	\$ -	0.0%
Expenditures, net of Revenues	\$ 65,628	\$ 63,954	\$ 66,147	\$ 69,704	9.0%

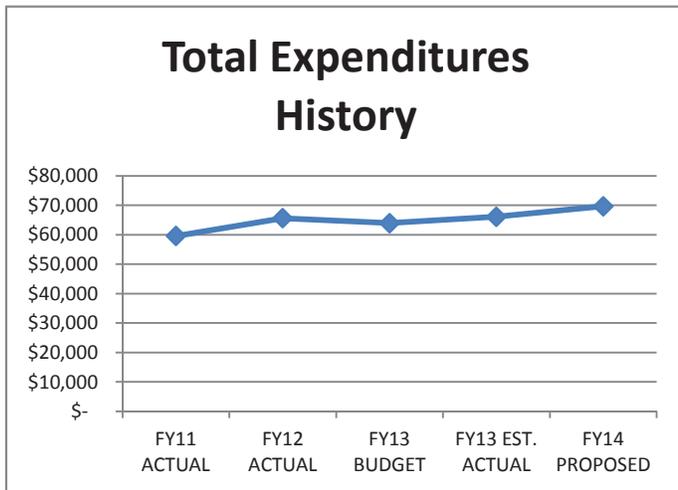
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

There is a slight increase of 9.4% for employee benefit change in Maryland State Retirement coverage over FY13 budget.

FY13 to Proposed FY14

An increase in public transportation and lodging and meals is included in this budget in order to cover an anticipated trip to Wesel, Germany.



STAFFING SUMMARY

	FY13			
	FY12	Budg	Est Act	FY14
Full time	0.34	0.34	0.34	0.34
Less: Unfunded	0.00	0.00	0.00	0.00
Staffing Total	0.34	0.34	0.34	0.34

The Mayor's position is a part-time position. A full-time Executive Assistant position is shared between three departments including the Mayor, Administration, and the City Clerk.

CITY COUNCIL - PROGRAM DESCRIPTION
FISCAL YEAR 2013/2014

DEPARTMENT / PROGRAM OVERVIEW

The Mayor and Council serve as the legislative and policy making body of the Municipal Government, having responsibilities for enacting city ordinance, appropriating funds to conduct city business, and providing policy direction to the administrative staff.

The City Charter of Hagerstown states that the legislative powers of the City shall be bested in a Council consisting of five members elected for a four-year term. The annual salary for each Councilmember is established by ordinance at \$8,000.

DEPARTMENT / PROGRAM OBJECTIVES

- To develop and approve policies which focus on the last approved Strategic Plan which identified the following Focus Areas:
 - A Prosperous Community
 - A Vibrant, Active and Livable Community
 - A Safe and Healthy Community
 - An Innovative and Sustainable Government

- To strengthen the City's financial position both internally as an organization and externally as a partner with other community entities programs/processes and developing and implementing new sources of revenue that are aligned with a Strategic Plan and long-term goals and visions.

- To provide the citizenry with amenities and facilities which are well-maintained, aesthetically pleasing and complimentary to the City's infrastructure and landscape. These community assets should also provide a vehicle in which to market the City to new residents, businesses, and visitors as well as to retain existing members of the community.

PERFORMANCE INDICATORS

	2011/12	2012/13	2013/14
Number of Mayor and Council meetings	50	50	50
Average number of meetings representing City (e.g. board/commission)	35	30	24
Average number of community functions attended representing the City	25	25	25

CITY COUNCIL - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURE AND REVENUE SUMMARY

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 40,155	\$ 40,000	\$ 40,000	\$ 40,000	0.0%
Benefits	31,934	35,835	28,315	23,921	-33.2%
Personnel Subtotal	72,089	75,835	68,315	63,921	-15.7%
Operating Expenditures	32,832	34,950	36,445	49,406	41.4%
Operating Subtotal	32,832	34,950	36,445	49,406	41.4%
Total Expenditures	\$ 104,921	\$ 110,785	\$ 104,760	\$ 113,327	2.3%
REVENUES BY TYPE					
Departmental Revenue	\$ -	\$ -	\$ -	\$ -	0.0%
Total Revenues	\$ -	\$ -	\$ -	\$ -	0.0%
Expenditures, net of Revenues	\$ 104,921	\$ 110,785	\$ 104,760	\$ 113,327	2.3%

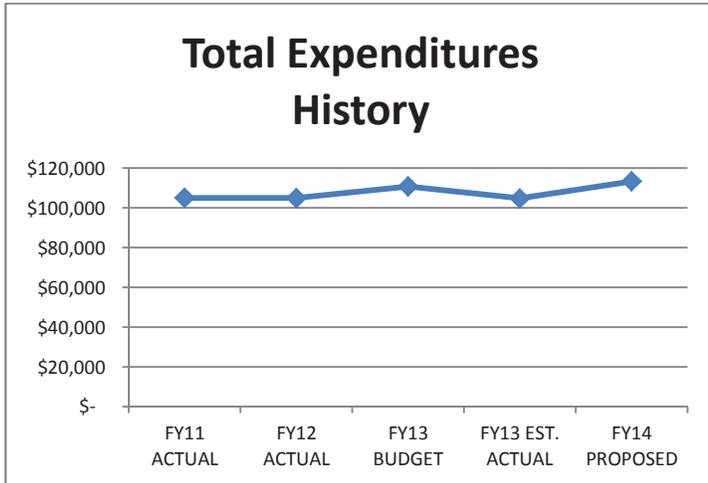
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY 13

There is a decrease of 21.0% for employees' benefit changes in health insurance coverage over FY13 budget.

FY13 to Proposed FY 14

Employee benefits continues to reflect a decrease of 33.2% from FY13 budget to proposed FY14 budget as a result of employees' changes in health insurance coverage. This decrease is offset by a \$14,456 or 41.4% increase in operating expenses included in this budget to cover an anticipated trip to Wesel, Germany.



STAFFING SUMMARY

	FY13			FY14
	FY12	Budg	Est Act	
Full time	5.00	5.00	5.00	5.00
Less: Unfunded	0.00	0.00	0.00	0.00
Staffing Total	5.00	5.00	5.00	5.00

Elected officials are counted separate from staffing levels for city departments and operations.

REGISTRATION AND ELECTIONS - PROGRAM DESCRIPTION
FISCAL YEAR 2013/2014

DEPARTMENT / PROGRAM OVERVIEW

The City Charter requires a primary and general election every four years for the Mayor and five City Councilmembers. The election schedule coincides with the Presidential Election. The Washington County Board of Elections conduct the election, in accordance with provisions of the State of Maryland. The Primary Election was held on April 3, 2012 and the General Election was held on November 6, 2012. Newly elected Mayor and Councilmembers took office November 26, 2012. Voter turnout in the General Election was 67%. Voter turnout in the previous General Election (2009) was 15%.

PERFORMANCE INDICATORS

	2005	2009	2012
Number of Candidates Filing	19	25	15
Number of Registered Voters at General Election	18,906	20,969	20,898
Number of Registered Voters at Primary Election	15,543	16,814	15,504
Number Voting in General Election	4,440	3,173	14,095
Number Voting in Primary Election	2,365	1,988	4,062

REGISTRATION AND ELECTIONS - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURE AND REVENUE SUMMARY

	2011/12		2012/13		2013/14	2013/14
	ACTUAL		BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE						
Salary and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Personnel Subtotal	-	-	-	-	-	0.0%
Operating Expenditures	-	2,100	-	-	-	-100.0%
Operating Subtotal	-	2,100	-	-	-	-100.0%
Total Expenditures	\$ -	\$ 2,100	\$ -	\$ -	\$ -	-100.0%
REVENUES BY TYPE						
Departmental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Expenditures, net of Revenues	\$ -	\$ 2,100	\$ -	\$ -	\$ -	-100.0%

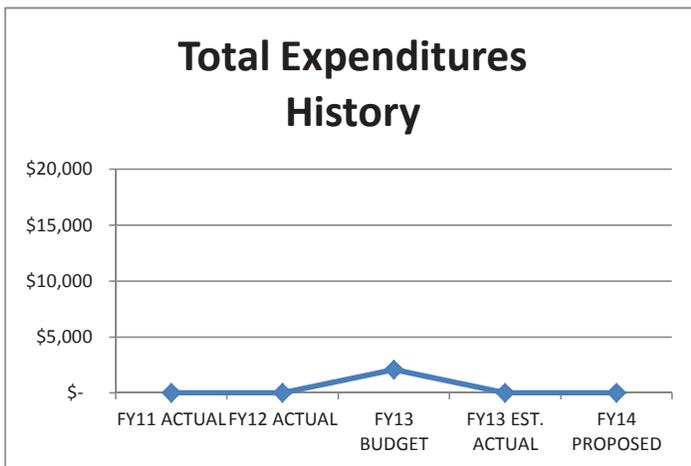
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

The FY13 budget included some money to pay for advertising and printing for the General Election which was held on November 26, 2012.

FY13 to Proposed FY14

There is no proposed FY14 budget as another election will not occur until November 2016.



STAFFING SUMMARY

	FY13			
	FY12	Budg	Est Act	FY14
Full time	0.00	0.00	0.00	0.00
Less: Unfunded	0.00	0.00	0.00	0.00
Staffing Total	0.00	0.00	0.00	0.00

DEPARTMENT / PROGRAM OVERVIEW

The City Administrator serves as the Chief Administrative Officer for the City of Hagerstown and is appointed by the Mayor and City Council. The City Administrator develops and coordinates the preparation of staff information, recommendations, and presentations to the Mayor and Council and manages the staff's follow thru on Mayor and Council's legislative actions, decisions, and direction. Primary responsibilities include the preparation of the City's annual proposed budget, day-to-day management of City operations, and providing guidance and support for City departments to achieve goals consistent with the Mayor and Council's priorities, and meet the requirements of the City Code and Charter. The City Administrator in coordination with staff formulates programs and recommendations designed to address community needs and interacts with citizens, community organizations, and other governmental representatives on issues of interest to the community. The City Administrator reports to the Mayor and Council providing assistance and support to City elected officials. The City Administrator is responsible for promoting excellence and effectiveness in City operations, progressive programs and actions, and strong professionalism and ethical behavior within the organization.

DEPARTMENT / PROGRAM OBJECTIVES

Objectives and initiatives include:

- To develop information and recommendations that enable the Mayor and Council to make informed decisions related to the community and City government.
- To coordinate with Department Heads on the completion of goals in accordance with the City's Strategic Plan and Mayor and Council priorities for Hagerstown.
- To develop financial strategies and plans along with adjustments to operations in response to the on-going impact of the economic recession on Hagerstown's finances.
- To develop programs and recommendations that address community needs related to public safety, neighborhood vitality, public infrastructure, downtown revitalization, and economic development.
- To provide staff support in accordance with the Mayor & City Council's goals that incorporate new technologies and service delivery approaches into City operations.
- To promote professional and ethical operations combined with a strong organizational commitment to providing excellent community based services.
- To build strong community partnerships based on citizen involvement, interaction with local institutions, business leaders, and other levels of government with a strong focus on unified strategies that lead to a better Hagerstown.

PERFORMANCE INDICATORS

	2011/12	2012/13	2013/14
The City Administrator prepares and presents:			
● The Annual Report by early March.			
● The proposed budget by March 31st.			
● Approximately 50 agenda and information packets for Mayor and City Council meetings throughout the year.			
A Weekly Status and Information Report on City operations to Mayor and City Council.			
The City Administrator also supports:			
● The completion of goals and objectives identified as Mayor and Council priorities.			
● The reporting of the condition of City finances to the Mayor and City Council.			

CITY ADMINISTRATOR - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURE AND REVENUE SUMMARY

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 167,998	\$ 159,426	\$ 159,000	\$ 160,733	0.8%
Benefits	32,034	29,317	29,317	31,212	6.5%
Personnel Subtotal	200,032	188,743	188,317	191,945	1.7%
Operating Expenditures	9,950	12,057	12,004	12,258	1.7%
Capital Outlay	1,191	-	-	-	0.0%
Operating Subtotal	11,141	12,057	12,004	12,258	1.7%
Total Expenditures	\$ 211,173	\$ 200,800	\$ 200,321	\$ 204,203	1.7%
REVENUES BY TYPE					
Departmental Revenue	\$ -	\$ -	\$ -	\$ -	0.0%
Total Revenues	\$ -	\$ -	\$ -	\$ -	0.0%
Expenditures, net of Revenues	\$ 211,173	\$ 200,800	\$ 200,321	\$ 204,203	1.7%

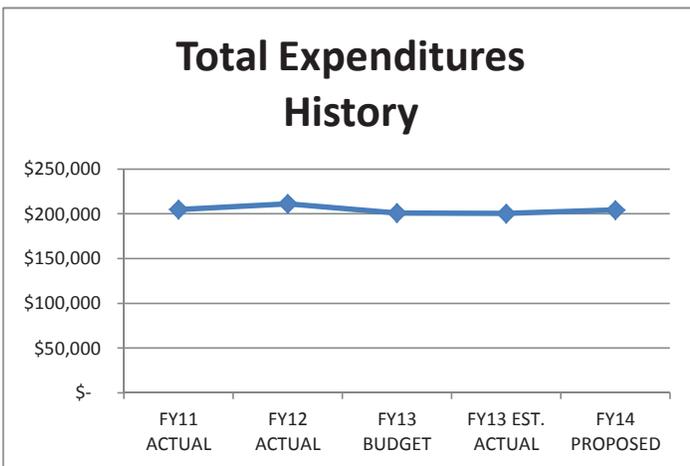
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

No significant changes were noted.

FY13 to Proposed FY14

Total benefit expenditures from the FY13 budget to the FY14 proposed budget reflect an increase of 6.5% or \$1,895. Although not material, it is a result of the following increases: 12.1% health insurance, 5.1% dental insurance, and 5.0% workers compensation. Operating expenditures are expected to increase by just \$201 or 1.7%. Additionally, salary and wages are expected to increase by about \$1,700 over FY13's estimated actual. The increase is a result of increases to employee retirement contributions that are reported as wages.



STAFFING SUMMARY

	FY 13			
	FY12	Budg	Est Act	FY14
Full time	1.33	1.33	1.33	1.33
Less: Unfunded	0.00	0.00	0.00	0.00
Staffing Total	1.33	1.33	1.33	1.33

CITY CLERK - PROGRAM DESCRIPTION
FISCAL YEAR 2013/2014

DEPARTMENT / PROGRAM OVERVIEW

The City Clerk's office is the central location/repository for official City of Hagerstown government documents. The City Clerk serves both as a resource and support for members of the Mayor and Council. The office is a frequent first contact for citizens and provides a strong support role for City staff and operations.

The City Clerk attends all meetings and prepares minutes. Weekly agendas and meeting packets are prepared by the City Clerk's office.

The City Clerk's office issues a variety of permits, including Auctioneer Licenses, Peddler's Permits, and Parade Permits.

DEPARTMENT / PROGRAM OBJECTIVES

- To support the Mayor and Council's Strategic Plan, Focus Area, Innovative and Sustainable Government, the weekly meeting packet is available to all Mayor and Council members, staff members, and reporters by using a meeting management system, which was implemented in FY13. Citizens and all interested persons with electronic access may gain access to the weekly meeting packet by visiting the City's website. There they can view, download and/or print the agenda and all supporting documents.
- The City Clerk's Office provided support for the 2012 Mayor and Council election. The election schedule coincides with the Presidential Election. The Washington County Board of Elections conducted the election in compliance with the Maryland Election Law. Changing the municipal election date was an attempt to increase voter participation and to significantly reduce costs associated with the City election.
- Updating the 1999 Record Retention Plan and electronic images of documents will provide greater access to official City records. An archival plan for records will also eliminate the need for large amounts of storage space.

PERFORMANCE INDICATORS

	2011/12	2012/13	2013/14
Number of Ordinances Processed	35	25	23
Number of Resolutions Processed	47	40	42
Number of Licenses and Permits Issued	120	117	110
Number of Mayor and Council meetings processed	50	50	50

CITY CLERK - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURE AND REVENUE SUMMARY

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 96,411	\$ 98,215	\$ 90,308	\$ 98,215	0.0%
Benefits	28,523	26,141	25,223	29,567	13.1%
Personnel Subtotal	124,934	124,356	115,531	127,782	2.8%
Contractual Services	20,202	2,000	2,000	2,000	0.0%
Operating Expenditures	21,752	15,991	20,902	17,445	9.1%
Capital Outlay	179	180	-	1,500	733.3%
Operating Subtotal	42,133	18,171	22,902	20,945	15.3%
Total Expenditures	\$ 167,067	\$ 142,527	\$ 138,433	\$ 148,727	4.4%
REVENUES BY TYPE					
Departmental Revenue	\$ 149,648	\$ 128,100	\$ 124,200	\$ 124,200	-3.0%
Total Revenues	\$ 149,648	\$ 128,100	\$ 124,200	\$ 124,200	-3.0%
Expenditures, net of Revenues	\$ 17,419	\$ 14,427	\$ 14,233	\$ 24,527	70.0%

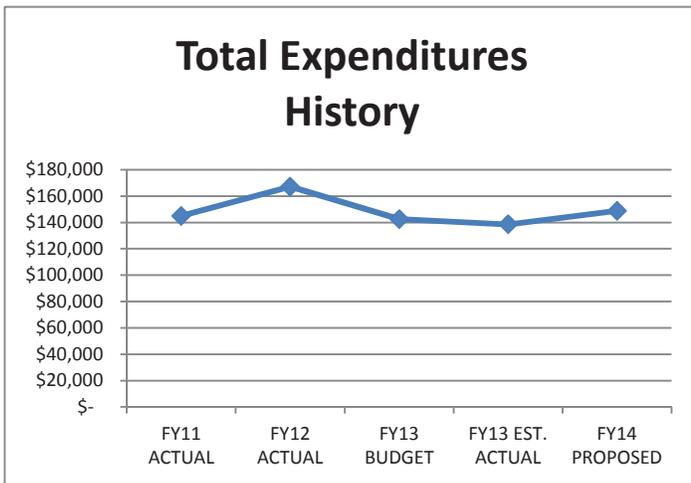
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

FY13 budget includes a portion (50%) of a part-time employee salary and benefits that is not reflected in the FY13 estimated actual data. Also, operating expenses have increased by 30.7% or \$4,911 over the FY13 budget as a result of a new copier lease. Last, departmental revenue is anticipated to be under FY13 budget by \$3,900 as result of declining trend in traders licenses fees and vendor permits.

FY13 to Proposed FY14

Total Personnel expenditures reflect a 2.8% increase over FY13 budget as a result of increases in employee benefit costs. Operating expenses continue to reflect increase over FY13 budget as a result of the new copier lease. Last, departmental revenue for proposed FY14 budget is lower based on current trends.



STAFFING SUMMARY

	FY13			FY14
	FY12	Budg	Est Act	
Full time	1.50	1.33	1.33	1.33
Less: Unfunded	0.00	0.00	0.00	0.00
Staffing Total	1.50	1.33	1.33	1.33
Part time	0.00	0.50	0.50	0.50
Total Part time	0.00	0.50	0.50	0.50

The City Clerk shares one part-time Communications Staff Assistant position with Department of Community & Economic Development

LEGAL - PROGRAM DESCRIPTION
FISCAL YEAR 2013/2014

DEPARTMENT / PROGRAM OVERVIEW

The Legal Department assists City staff with the interpretation of City, State, and Federal laws as they pertain to City services, draft contracts, deeds, leases, ordinances and resolutions. Additionally, they are responsible for defending the City in litigation matters.

DEPARTMENT / PROGRAM OBJECTIVES

- Provide specialized services for the Human Resources Department for handling personnel matters.
- Provide advice on law enforcement issues to the Police Department, and provide representation at internal hearings and other litigation.
- Provide the Utility Departments with advice regarding the purchase of property, general representation and other litigation.
- Provide the Property Management Department with advice on leases and facilities management.
- Provide the Community Development Block Grant department with representation for loan settlements.
- Provide all City departments with assistance in the collection of delinquent accounts by processing legal claims for nonpayment.
- The current franchise agreement with a local cable television company expires November 1, 2013. As a result, negotiations for the renewal of that agreement will be on-going. Legal assistance will be required to ensure that the City's current needs are taken into consideration.

PERFORMANCE INDICATORS

	2011/12	2012/13	2013/14
Number of Ordinances Processed	33	23	25
Number of Resolutions Processed	47	42	45
Number of Approved Contracts and Agreements	100	75	75

LEGAL - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURE AND REVENUE SUMMARY

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ -	\$ -	\$ -	\$ -	0.0%
Personnel Subtotal	-	-	-	-	0.0%
Contractual Services	172,765	255,000	255,000	270,000	5.9%
Operating Expenditures	4,482	5,000	5,000	5,000	0.0%
Operating Subtotal	177,247	260,000	260,000	275,000	5.8%
Total Expenditures	\$ 177,247	\$ 260,000	\$ 260,000	\$ 275,000	5.8%
REVENUES BY TYPE					
Departmental Revenue	\$ -	\$ -	\$ -	\$ -	0.0%
Total Revenues	\$ -	\$ -	\$ -	\$ -	0.0%
Expenditures, net of Revenues	\$ 177,247	\$ 260,000	\$ 260,000	\$ 275,000	5.8%

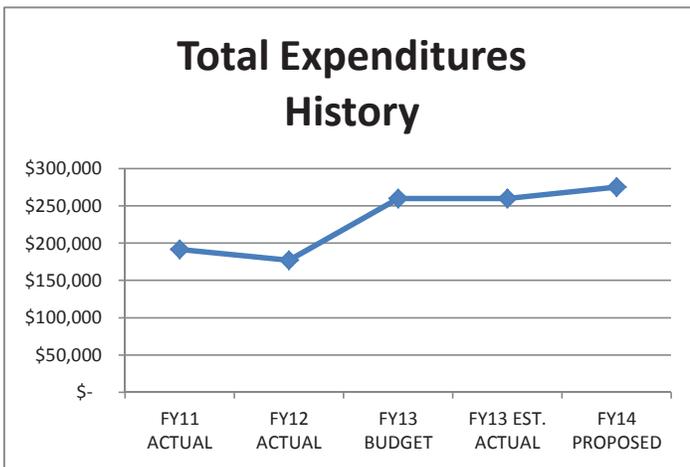
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

No significant changes were noted.

FY13 to Proposed FY14

Operating expenditures reflect a 5.9% increase or \$15,000. The increase was budgeted to accommodate added departmental needs associated with the on-going negotiations related to the Franchise Agreement renewal.



STAFFING SUMMARY

	FY12	FY13		FY14
		Budg	Est Act	
Full time	0.00	0.00	0.00	0.00
Less: Unfunded	0.00	0.00	0.00	0.00
Staffing Total	0.00	0.00	0.00	0.00

The City does not maintain any full time staff in the Legal Department. Legal services are contracted out to various law firms who are able to offer the City specialized services in relation to specific department needs.

FINANCE - PROGRAM DESCRIPTION
FISCAL YEAR 2013/2014

DEPARTMENT / PROGRAM OVERVIEW

Through the disbursement of funds, financial reporting, and asset and debt management, the Finance Department provides professional customer service for citizens, investors, Mayor & Council, City departments, employees and vendors by maintaining a high standard of integrity and dedication.

Accounting Function

The accounting function maintains the Finance Department's high standard of integrity by ensuring that accounts payable, accounts receivable, payroll, procurement and asset management are processed timely and accurately for Hagerstown's citizens, other City departments, employees and vendors.

Budget Function

The budget function maintains the Finance Department's high standard of excellence by working closely with the City Administrator, the Mayor and Council and other City departments to prepare the annual operating and capital budgets, internal control and oversight by monitoring and evaluating the condition of City budgets for Hagerstown's citizens, the Mayor and Council, other City departments, and employees.

DEPARTMENT / PROGRAM OBJECTIVES

- Finance completed the implementation of the Fixed Asset module in Munis in FY12.
- The new financial management software, Munis, that was implemented in November 2008 has created the need to develop new financial reports to adequately monitor the City's financial condition at all levels of the organization. Finance will develop a formalized quarterly financial review process to connect with the monthly financial reporting already being distributed to departments. This will give Finance and departments the ability to better monitor the year to date fiscal status of City operations. Furthermore, Finance will continue to meet the October 31 deadline for completion of the annual audit and Comprehensive Annual Financial Report.
- Finance is reviewing and updating vital fiscal policies in an effort to maintain compliance and effectively monitor the overall fiscal condition of the City. Revisions to the Investment Policy were approved during FY12. During the current fiscal year, we will focus on updating and implementing new debt and Fund Balance policies.
- Finance began making revisions to the City's budget document during the FY12 Budget cycle in an effort to streamline significant data into a document that is easier to read for all viewers. In the coming fiscal cycles, Finance will strive to make further modifications as an on-going improvement endeavor. Further, Finance will continue to apply for the GFOAs "Distinguished Budget Presentation Award".
- Finance works closely with other City Departments to plan for capital improvement projects, such as the development of pocket parks, expansion of the biking and walking trails, Wastewater Treatment Plant ENR upgrades, and much more. Finance will continue to provide oversight and continue to help prepare capital improvement projections in an effort to identify financing needs for the City. In order to provide this oversight, Finance will prepare cash flow projections to assess future bonded debt needs. As further bond debt issuance and other financing needs arise, Finance will work with both the City's attorney, Financial Advisor and Bond Counsel to complete the necessary issuances.

PERFORMANCE INDICATORS

	2011/12	2012/13	2013/14
<i>Performance Measures</i>			
Maintain the City's bond rating:			
Standard and Poor's AA-	AA-	AA-	AA-
Moody's Investors Service A2 or higher	Aa3	Aa3	Aa3
Receive GFOA distinguished Budget Presentation award	Yes/ 7 yrs	Yes/ 8 yrs	Yes/ 9 yrs
Receive GFOA Comprehensive Annual Financial Reporting award	Yes/ 17 yrs	Yes/ 18 yrs	Yes/ 19 yrs
Receive GFOA Popular Annual Financial Reporting award	Yes/ 5 yrs	Yes/ 6 yrs	Yes/ 7 yrs
<i>Workload Measures</i>			
Bond sales executed	-	1	1
Number of individual employee payrolls processed	25,733	25,231	25,500
Number of vendor invoices processed	10,372	10,454	10,500
Number of Pcard transactions processed	7,341	7,877	7,900
Number of Purchase Orders issued	920	956	1,000

FINANCE - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURE AND REVENUE SUMMARY

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 437,401	\$ 436,668	\$ 417,100	\$ 438,502	0.4%
Benefits	179,608	137,013	112,729	123,360	-10.0%
Personnel Subtotal	617,009	573,681	529,829	561,862	-2.1%
Contractual Services	18,534	22,342	22,093	35,495	58.9%
Operating Expenditures	38,834	40,499	41,242	41,637	2.8%
Capital Outlay	4,989	2,500	4,000	2,500	0.0%
Operating Subtotal	62,357	65,341	67,335	79,632	21.9%
Total Expenditures	\$ 679,366	\$ 639,022	\$ 597,164	\$ 641,494	0.4%
REVENUES BY TYPE					
Departmental Revenue	\$ 29,076,451	\$ 30,082,337	\$ 29,600,041	\$ 29,549,214	-1.8%
Total Revenues	\$ 29,076,451	\$ 30,082,337	\$ 29,600,041	\$ 29,549,214	-1.8%
Expenditures, net of Revenues	\$ (28,397,085)	\$ (29,443,315)	\$ (29,002,877)	\$ (28,907,720)	-1.8%

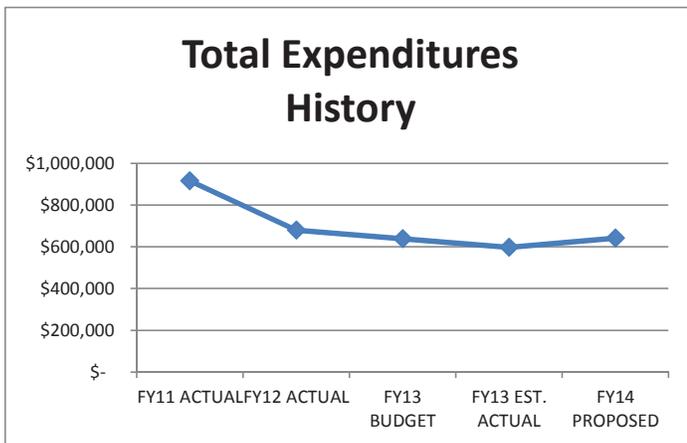
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

As a result of a vacant position, Finance experienced about 4.5% or \$19,568 in personnel savings and another 17.7% or \$24,284 in related payroll benefits. The departmental revenue decrease from FY13 budget is a result of a reduction in corporate personal property tax revenue of by \$600,000.

FY13 to Proposed FY14

From the FY13 budget to the FY14 proposed budget, overall personnel expenditures decreased by 2.1% or \$11,819 and operating expenditures increased by 21.9% or \$14,289. The decreases in personnel expenditures are the result of new employees and the individual employee benefit coverages each chose compared. Also, there are no anticipated employee retirements and vacation pay-outs included in FY14 budget. The operating expenditure increases are a result of audit fee increases anticipated.



STAFFING SUMMARY

	FY12	FY13		FY14
		Budg	Est Act	
Full time	8.75	8.75	8.50	8.50
Less: Unfunded	0.00	0.00	0.00	0.00
Staffing Total	8.75	8.75	8.50	8.50

The 0.25 reduction in full time staffing from FY13 to FY14 is a result of allocating a portion of one employee's salary to the Enterprise Funds.

INFORMATION TECHNOLOGY - PROGRAM DESCRIPTION
FISCAL YEAR 2013/2014

DEPARTMENT / PROGRAM OVERVIEW

Technology has become the backbone of operations for all municipalities throughout the county, and the City Information Technology department provides our City with information services to achieve our shared goals and objectives. We support all levels of technology, including internal network and Internet services, landline and cell phone services, software application support and programming and operational services. The department also provides training for software systems, as well as the analysis of business processes to provide opportunities for increased efficiency utilizing technology.

DEPARTMENT / PROGRAM OBJECTIVES

- Automated Time and Attendance System. This system is the last remaining major manual / legacy system still in use in the City. This project will look to integrate with MUNIS payroll and financial reporting modules to better streamline our operations in accounting for staff time and the allocation of that time in relation to project management. This implementation will allow for the retirement of the HP3000 and its peripherals, as well as the maintenance costs associated.
- One Maryland Broadband Expansion. This project will begin with the publication of an impact study on broadband expansion during the spring, with the completion of the 18.5 mile fiber run expected to be completed in early winter, 2013. We will work through the year developing strategies based upon the impact study and the priorities of the City to expand private broadband opportunities to both residential and commercial premises.
- Centralized Video Surveillance Monitoring System. HPD is poised to begin the implementation of tens of video surveillance cameras throughout the City. This project will be to create an area or provide a technology where these cameras, as well as those currently installed in the City, may be monitor centrally to provide the best coverage and management of these sites.
- VMware – MUNIS Server Consolidation. The project will be the first upgrade to the MUNIS server configuration since 2007. It will allow the City to combine the 4 servers being utilized by MUNIS into one server through the process of virtualization now supported by the MUNIS software.
- Executive Financial Dashboard. This is a new feature of MUNIS that will allow management staff to get a snapshot view of City financial information both in general and specific to their operation.

PERFORMANCE INDICATORS

	2011/12	2012/13	2013/14
Number of City-wide personal computers	220	216	221
Number of PC Software programs supported	26	22	24
Number of Help Desk tickets responded to	1,503	1,610	1,651
Number of SPAM e-mails blocked daily	4,438	6,311	7,002
Amount of Credit Card transactions processed (in Dollars)	\$ 7,384,733	\$ 8,803,394	\$ 9,683,733
Amount of Internet Utility payment transactions processed (in Dollars)	\$ 4,477,289	\$ 5,585,815	\$ 6,200,000
Phone calls managed through our central switchboard	375,135	374,411	373,955

INFORMATION TECHNOLOGY - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURE AND REVENUE SUMMARY

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 370,880	\$ 379,718	\$ 363,771	\$ 364,191	-4.1%
Benefits	112,550	106,265	102,586	109,591	3.1%
Personnel Subtotal	483,430	485,983	466,357	473,782	-2.5%
Contractual Services	2,792	1,500	1,500	1,500	0.0%
Operating Expenditures	262,002	281,188	281,362	282,598	0.5%
Capital Outlay	4,038	4,000	4,000	4,000	0.0%
Operating Subtotal	268,832	286,688	286,862	288,098	0.5%
Total Expenditures	\$ 752,262	\$ 772,671	\$ 753,219	\$ 761,880	-1.4%
REVENUES BY TYPE					
Departmental Revenue	\$ -	\$ -	\$ -	\$ -	0.0%
Total Revenues	\$ -	\$ -	\$ -	\$ -	0.0%
Expenditures, net of Revenues	\$ 752,262	\$ 772,671	\$ 753,219	\$ 761,880	-1.4%

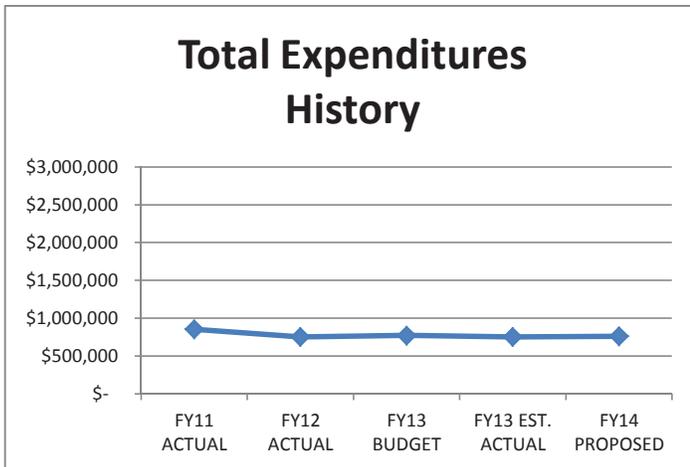
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

Slight increases to maintenance line items due to software purchased during year. Flat in remaining items.

FY13 to Proposed FY14

Budgeted increases of 8% for major hardware/software maintenance agreements. Training expenses added to proposed FY14 budget. Remaining line items flat or decreased.



STAFFING SUMMARY

	FY12	FY13		FY14
		Budg	Est Act	
Full time	5.33	5.33	6.33	6.34
Less: Unfunded	-	-	-	-
Staffing Total	5.33	5.33	6.33	6.34
Part time	2.00	0.00	0.00	0.00
Total Part time	2.00	0.00	0.00	0.00

HPD Police Technologist position is currently funded by grant monies and will continue to be funded by grant for half year in FY14. In FY14, this position could be added to IT staffing with approval from Mayor & Council.

SUPPORT SERVICES - PROGRAM DESCRIPTION
FISCAL YEAR 2013/2014

DEPARTMENT / PROGRAM OVERVIEW

In support of the City's Strategic mission, Support Services strives to consistently provide high quality services in support of the City's cash collection, real estate & property tax process, and customer service program. We are committed to continuous, long-term improvement to meet needs in an exceptional way. Our primary measure of success is customer satisfaction. Our intent is to earn and maintain the respect of the our customers; promote trust in the Support Services organization, and establish collaborative working relationships our internatl and external customers.

DEPARTMENT / PROGRAM OBJECTIVES

- Interactive Voice Response System. In response to customer inquiries regarding the ability to receive account information electronically, staff will begin researching and potentially implementing an interactive voice response system for account balance, account payment, and last payment information of utility and tax bills. Customers will still be able to reach a staff member for customer services, however this project will provide another option for those that simply need information on their account not requiring contact with staff.
- Personal Property Tax Revenue Collection - Interest Amnesty. In an effort to increase our collection rate for personal property taxes, as well as determine the viability of entities still with taxes due, staff will begin to investigate the potential of offering a personal property tax interest amnesty program. Staff would attempt to contact those owing taxes for past years and offer to waive the interest accumulated if the base tax due is paid.
- Support Services Strategic Plan. The changes in our capabilities to provide effective customer service and cash processing require a revisiting of how the department does business both with internal City departments as well as our external customers. Reviews of our utility collection process, cash management operation, tax collection and reporting processes will all be documented and reviewed by staff, with recommendations on implementation.
- Remote Deposit Processing. Decreasing the delay between receipt of checks and the deposit of funds into the City's accounts is a major emphasis of the department. We will be working with Hagerstown Trust on a technology that will allow scanning of a check at the counter and the funds, if available, being deposited directly into our City account. We will also be able to recognize if a check is being written without sufficient funds and able to take care of this immediately.

PERFORMANCE INDICATORS

	2011/12	2012/13	2013/14
Number of calls offered into Support Services queue	59,127	56,988	58,000
Number of calls serviced in Support Services	42,362	38,249	42,000
Average hold time (in Seconds)	326	364	240
Number of counter transactions handled in City Hall	57,338	57,612	58,000
Total customers served	99,700	95,861	96,500
Dollar amount of transactions processed in City Hall	not reported	\$ 54,430,805	\$ 54,970,000

SUPPORT SERVICES - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURE AND REVENUE SUMMARY

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 353,507	\$ 318,790	\$ 325,440	\$ 322,790	1.3%
Benefits	115,693	123,589	105,462	110,456	-10.6%
Overtime	5,815	6,000	2,340	-	-100.0%
Personnel Subtotal	475,015	448,379	433,242	433,246	-3.4%
Contractual Services	139,919	182,750	150,300	148,750	-18.6%
Operating Expenditures	(274,562)	(293,675)	(261,415)	(266,113)	-9.4%
Capital Outlay	893	3,000	3,000	5,500	83.3%
Operating Subtotal	(133,750)	(107,925)	(108,115)	(111,863)	3.6%
Total Expenditures	\$ 341,265	\$ 340,454	\$ 325,127	\$ 321,383	-5.6%
REVENUES BY TYPE					
Departmental Revenue	\$ 19,006	\$ 164,600	\$ 15,000	\$ 25,000	-84.8%
Total Revenues	\$ 19,006	\$ 164,600	\$ 15,000	\$ 25,000	-84.8%
Expenditures, net of Revenues	\$ 322,259	\$ 175,854	\$ 310,127	\$ 296,383	68.5%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

FY13 estimated actual for total personnel expenses is 3.4% under FY13 budget amounts. The FY13 budget included \$24,860 for unemployment taxes but the actual amounts of claims being processed is significantly under this. As a result, only \$4,000 is included for unemployment tax claims in FY13 estimated actuals. The FY13 budget included \$140,000 in departmental revenue for a new credit card convenience fee. This service has not yet been implemented so the departmental revenue reflects a \$149,600 decrease compared to FY13 budget.

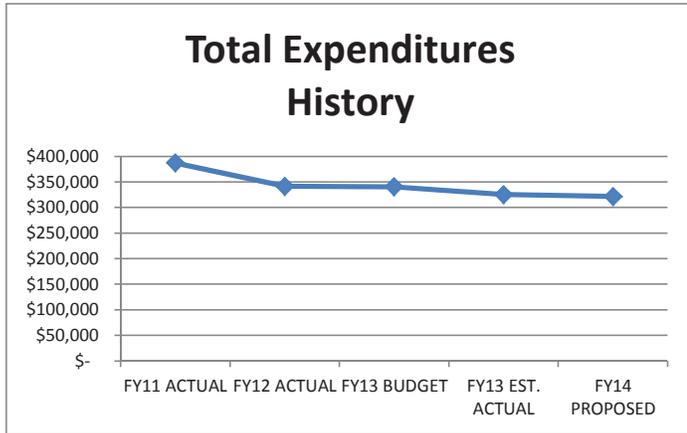
FY13 to Proposed FY14

Total personnel expenses have decreased by 3.4% from FY13 budget to proposed FY14 budget. Most of this decrease is a result of eliminating overtime salaries for the upcoming fiscal year. In addition, contractual services is decreased by 18.6% or \$34,000.

STAFFING SUMMARY

	FY12	FY13		FY14
		Budg	Est Act	
Full time	6.67	5.67	5.66	5.66
Less: Unfunded	-1.00	0.00	0.00	0.00
Staffing Total	5.67	5.67	5.66	5.66
Part time	1.00	2.00	2.00	2.00
Part time Seasonal	1.00	0.00	0.00	0.00
Total Part time	2.00	2.00	2.00	2.00

One full-time position was eliminated in Support Services so that Information Technology could add one additional IT Technician.



HUMAN RESOURCES - PROGRAM DESCRIPTION
FISCAL YEAR 2013/2014

DEPARTMENT / PROGRAM OVERVIEW

The Human Resources Department is responsible for training and developing staff, labor relations, including negotiating and administering four Collective Bargaining Contracts, policies, health related benefits, safety and liability insurance, administering two retirement plans and assisting with the Deferred Compensation Program. HR works with Department Managers in the recruiting and hiring process to ensure that the process is fair and consistent, resulting in hiring the best candidate for positions. The Department continually monitors changes to all employment related laws to ensure compliance.

DEPARTMENT / PROGRAM OBJECTIVES

- Continue to adjust staffing as needed to provide services with fewer staff members. Continue to work with Department Managers to recruit qualified candidates for a limited number of vacancies.
- Implement changes to healthcare programs to comply with healthcare reform and keep costs within the City's health care budget.
- Change negative trends in Workers Compensation and Liability through staff education and training.
- Broaden employee training programs to increase employee skill levels for broader responsibilities.
- Work to create employee recognition programs that minimally impacts the budget.
- Develop an increasingly comprehensive wellness program in order to increase employee health and productivity while reducing healthcare claims expenses.
- Negotiations for the four union contracts for July 1, 2013.

PERFORMANCE INDICATORS

	2011/12	2012/13	2013/14
HR Staff to FTE Employee Ratio	1:117	1:128	1:107
Bargaining Unit Contracts	4	4	4
HR Training Budget to number of City FT employees	\$ 20.75	\$ 46.62	\$ 47.60
Employee / Retiree Health Plan Costs	\$ 7,298	\$ 8,372	\$ 9,385
Number of Employment Applications Received	2,200	2,100	1,974
Number of Regular FT employees hired	26	26	30
Number of non-regular employees hired	90	90	70
Retirements	15	15	14
Voluntary Separations	22	25	20
Involuntary Separations	4	4	-
Number of Injury Reports	120	105	96
Number of Property Claims	34	27	38
Number of General Liability Claims	8	14	6
Number of Police Liability Claims	4	6	4
Number of Auto Claims	40	46	34

HUMAN RESOURCES - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURE AND REVENUE SUMMARY

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 274,690	\$ 289,871	\$ 270,125	\$ 268,708	-7.3%
Benefits	129,980	92,465	93,995	93,765	1.4%
Personnel Subtotal	404,670	382,336	364,120	362,473	-5.2%
Contractual Services	9,696	52,750	50,550	80,550	52.7%
Operating Expenditures	17,817	45,316	42,803	42,968	-5.2%
Capital Outlay	4,045	5,106	5,106	1,700	-66.7%
Operating Subtotal	31,558	103,172	98,459	125,218	21.4%
Total Expenditures	\$ 436,228	\$ 485,508	\$ 462,579	\$ 487,691	0.4%
REVENUES BY TYPE					
Departmental Revenue	\$ -	\$ -	\$ -	\$ -	0.0%
Total Revenues	\$ -	\$ -	\$ -	\$ -	0.0%
Expenditures, net of Revenues	\$ 436,228	\$ 485,508	\$ 462,579	\$ 487,691	0.4%

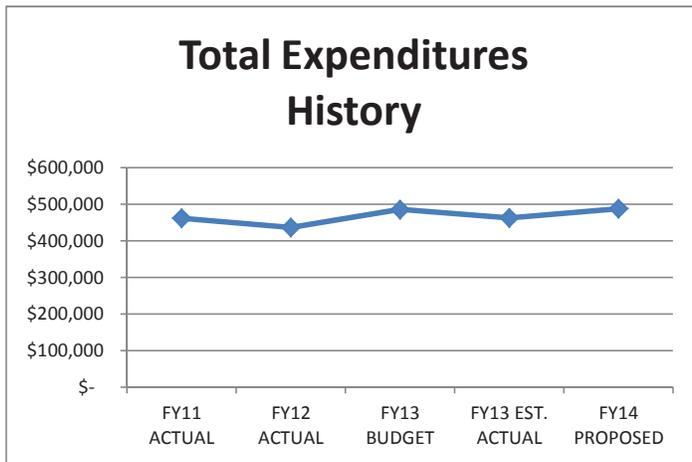
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

Total Personnel expenditures show a decrease of \$18,216 primarily related to a decrease in salaries. This decrease happened as a result of the retirement of a longer term employee and replacement at a lower scale due to longevity.

FY13 to Proposed FY14

Total Personnel expenditures continue to show a decrease of approximately \$19,863. This decrease is result of hourly salaries and a reduction of \$7,000 for part-time staff. Contractual services reflects an increase of \$27,800 or 52.7% from FY13 budget to proposed FY14 budget. This increase is a reflection of a newly implemented Wellness Program for employees. The new program has \$25,000 in revised FY13 budget and is increased to a total of \$55,000 in proposed budget FY14. The Wellness Program for both FY13 and FY14 is being funded by transfers from the Health Insurance Fund as approved by Mayor and Council.



STAFFING SUMMARY

	FY13			FY14
	FY12	Budg	Est Act	
Full time	4.00	4.00	4.00	4.00
Less: Unfunded	0.00	0.00	0.00	0.00
Staffing Total	4.00	4.00	4.00	4.00
Part time	3.00	3.00	5.00	5.00
Total Part time	3.00	3.00	5.00	5.00

There were no changes to the number of full time positions in the Human Resources Department. The Human Resources Department also staffs the information/security desk at City Hall with part-time positions plus has a part-time HR Assistant.

DEPARTMENT / PROGRAM OVERVIEW

The Department of Community and Economic Development (DCED) works in collaboration with all City Departments and the private sector to advance the economy, image and quality of life in Hagerstown. The Department is organized in two divisions, the *Planning and Code Administration Division (PCAD)* and the *Business and Community Relations Division (BCRD)*. All Department efforts are directed toward making Hagerstown the location of choice for a diverse and dynamic citizenry.

Planning and Code Administration Division (PCAD)

PCAD provides the development related services of planning, zoning, historic preservation, permitting and licensing for construction and consumer protection; and, the proactive application of property maintenance related ordinances and licensing programs that are designed to protect residents, neighborhoods and property values. PCAD also provides the comprehensive planning and annexation services for the City. The administration of these development services and protection of neighborhoods encourages investment and a proud and prosperous community.

Business and Community Relations Division (BCRD)

BCRD administers business attraction and retention programs, image campaigns, community outreach initiatives, Community Development Block Grant (CDBG) functions (see also Special Revenue Section 5), public information programs, community events, the arts, entertainment and education district functions, and a new program implemented in FY12 for volunteer efforts. Several of these activities will be expanded in FY14 including business attraction and retention, added image campaigns and community events.

DEPARTMENT / PROGRAM OBJECTIVES

Planning and Code Administration Division (PCAD)

Recognizing that time is money for the development community, PCAD administers streamlined processes and provides exceptional service while planning for the future of the City through flexible regulations, progressive programs and customer-friendly processes. Further efficiencies have been achieved through the creation of one front office and the transfer of field operations to City Hall. The Planning function of the division acts as the architect of the City. Progressive protective legislation for smart development and redevelopment remains a focus. The permitting, licensing and inspections area strives to ensure speed and accuracy which in turns makes Hagerstown a location of choice for investors. In FY14, this division will continue to update and improve the City's land development and community protection codes as it continues to expand its reputation as an effective and efficient partner to the neighborhoods and development community.

Business and Community Relations Division (BCRD)

In partnership with the private sector and all City Departments, the BCRD works directly with existing and prospective business owners and investors to retain and attract investment in Hagerstown. These efforts include business retention and attraction programs, the administration of incentives, the development and implementation of events, the arts, education and entertainment district functions, marketing and image campaigns and increased volunteer opportunities. In FY14, this division will lead an expansion of the following programs: business attraction programs, the City-wide image campaign, the volunteer office, and community events. Additionally, the division will complete community development projects designed to have visible results with a positive impact on the community. A new feature in FY14 will be the reporting of job creation related to development.

PERFORMANCE INDICATORS

	2011/12	2012/13	2013/14
Value of commercial investment (in thousands)*	20,000	24,000	25,000
Value of residential investment (in thousands)*	6,000	6,500	6,000
Assessed value of newly annexed land	\$ 331,500,000	\$ 245,000	\$ 2,000,000
Number of new home starts	35	35	40
Percent of HDC applicant affirmed cases	98%	99%	99%
Number of Site Plans Reviewed	11	7	10
Volume of Inspections Performed	10,304	11,140	11,200
Number of Inspections Appealed	4	6	6
Number of Zoning Certificates issued of new businesses**	125	115	115
Number of event attendees	42,400	51,000	54,000
Number of volunteer hours	1,550	2,000	2,500
YouTube video views	N/A	4,500	5,500
Website hits	N/A	320,000	360,000
Metropolitan area targeted marketing campaign QR Code Hits	N/A	-	2,000
Number of business grand openings/anniversary celebrations	N/A	10	15
Number of new/retained jobs tied to incentive agreements	N/A	66	80
New investment tied to incentive agreements	N/A	\$ 150,000	\$ 175,000

*Measured in calendar year by permitted work

**Limited to retail related businesses that collect sales tax

COMMUNITY AND ECONOMIC DEVELOPMENT - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURE AND REVENUE SUMMARY

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 1,462,367	\$ 1,539,711	\$ 1,475,179	\$ 1,471,396	-4.4%
Benefits	613,615	518,432	467,972	517,484	-0.2%
Overtime	1,175	1,000	500	500	-50.0%
Personnel Subtotal	2,077,157	2,059,143	1,943,651	1,989,380	-3.4%
Contractual Services	184,673	186,100	188,560	188,200	1.1%
Operating Expenditures	888,052	891,381	849,493	804,959	-9.7%
Capital Outlay	15,120	6,400	6,902	7,000	9.4%
Operating Subtotal	1,087,845	1,083,881	1,044,955	1,000,159	-7.7%
Total Expenditures	\$ 3,165,002	\$ 3,143,024	\$ 2,988,606	\$ 2,989,539	-4.9%
REVENUES BY TYPE					
Departmental Revenue	\$ 1,721,651	\$ 1,631,064	\$ 1,642,861	\$ 1,656,407	1.6%
Total Revenues	\$ 1,721,651	\$ 1,631,064	\$ 1,642,861	\$ 1,656,407	1.6%
Expenditures, net of Revenues	\$ 1,443,351	\$ 1,511,960	\$ 1,345,745	\$ 1,333,132	-11.8%

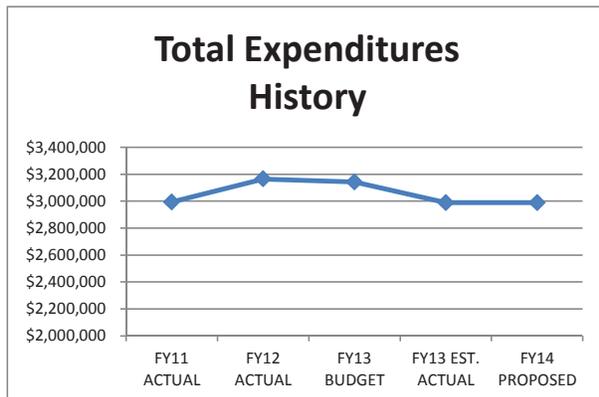
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

Salary and wages reflect a decrease of 4.2% or \$64,532, primarily due to a number of staff changes throughout the year. The staff changes have also helped to decrease related payroll benefits under budget by \$50,460. Additionally, staff have controlled operating expenditures and are projected to end FY13 under budget. Revenues are stable with a slight increase projected for FY13, but a continued conservative approach will be taken on projections.

FY13 to Proposed FY14

Commitment to our neighborhoods, community development and economic development programs remains strong in FY14 funding. The staff changes made mid-year in FY13 will be permanent and have resulted in a small decrease in salary and wage expense. In FY14, staff continue a conservative approach on revenue projections and expected development activity. The commercial investment projections do not include the potential stadium or Board of Education Central Office projects.



STAFFING SUMMARY

	FY12	FY13		FY14
		Budg	Est Act	
Full time	23.50	23.50	23.85	23.85
Less: Unfunded	-	-	-	-
Staffing Total	23.50	23.50	23.85	23.85
Part time	7.00	7.00	7.50	7.50
Total Part time	7.00	7.00	7.50	7.50

The number of full-time positions in FY13 will remain flat in FY14.

COMMUNITY AND ECONOMIC DEVELOPMENT - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURES BY PROGRAM

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES					
Community Affairs	\$ 430,898	\$ 452,080	\$ 463,689	\$ 414,148	-8.4%
Public Functions	430,370	499,728	491,525	492,385	-1.5%
Planning	432,273	434,964	426,135	427,987	-1.6%
Annexation	9,005	12,800	8,800	8,800	-31.3%
Code Administration	1,215,065	1,064,052	956,221	993,471	-6.6%
Farmers Market	101,197	76,480	75,077	78,077	2.1%
Economic Development	355,576	453,759	457,404	426,201	-6.1%
Neighborhoods First	95,397	47,100	11,775	59,183	25.7%
Housing & Community Dev	95,221	102,061	97,980	89,287	-12.5%
Total Expenditures	\$ 3,165,002	\$ 3,143,024	\$ 2,988,606	\$ 2,989,539	-4.9%
REVENUES					
Departmental Revenue	\$ 1,721,651	\$ 1,631,064	\$ 1,642,861	\$ 1,656,407	1.6%
Total Revenues	\$ 1,721,651	\$ 1,631,064	\$ 1,642,861	\$ 1,656,407	1.6%
Expenditures, net of Revenues	\$ 1,443,351	\$ 1,511,960	\$ 1,345,745	\$ 1,333,132	-11.8%

City Center

City of Hagerstown



DEPARTMENT / PROGRAM OVERVIEW

The Department of Parks and Engineering has the unique opportunity to improve the livability and recreations opportunities for the citizens of Hagerstown. Through the construction of Capital Improvement Projects, providing excellent Park and Recreational activities, and the implementation of residential recycling and trash collection programs, this Department affects every resident of Hagerstown on a daily basis. The department takes this responsibility very seriously and uses it as an opportunity to improve life for those who choose to live and do business in the City of Hagerstown.

Engineering Division

The Engineering Division is primarily focused on street improvements, traffic flow, and storm water management (SWM). Engineering is also responsible for preparing construction documents for various capital improvement projects identified in Section 9 of the City budget document. This includes the annual Pavement Preservation Program, construction of parking facilities, upgrades to storm drains and repairs to other public facilities. Engineering Division staff prepare contract documents, bid projects, administer contracts, and inspect the construction performed. Engineering Division staff are also involved in land development reviews, tri-annual inspections of SWM structures, maintenance and creation of numerous databases, and development of the City's Geographical Information System (GIS) database.

Parks and Recreation Division

The Parks and Recreation Division understands that quality of life is important to the residents of Hagerstown. The numerous parks, facilities, and recreation programs provided contribute directly to the health and well being of the entire Hagerstown community. The primary goal is to provide all Hagerstown citizens high quality recreational and leisure opportunities in safe, modern, and well maintained parks and facilities. Staff are constantly responding to change, developing new programs, adding and upgrading facilities, so that residents, businesses and visitors can have an exceptional leisure experience.

Waste Collection and Disposal

The residential recycling and trash collection program is provided by a private contractor, administrated by the Engineering Division. In addition to collecting residential trash at curbside each week, the City's contractor also collects yard waste, and recycling. In 2013, collection of trash and recycling at commercial establishments was also introduced.

DEPARTMENT / PROGRAM OBJECTIVES

Engineering and Parks will support the Mayor and Council's strategic initiatives and complete the following:

Engineering Division

- Staff will continue to monitor the EPA requirements for pollution reduction from storm water runoff and will develop strategies needed to address these issues.
- Transportation initiatives in FY2013/14 include rehabilitation of three bridges on Burhans Boulevard, reconstruction of Broadfording Road from Rt 58 to Hollyhock Road, and alley reconstruction.
- Other miscellaneous objectives would be the completion of Frederick Street culvert widening, improving sidewalks, and increasing our pavement preservation efforts.

Parks and Recreation Division

- Complete an overall strategic plan for all the City parks. Develop new parks including Kiwanis Park, "Memorial Park" on Memorial Boulevard, and other possible parks that are being discussed.
- Other goals for 2012/13 include the creation of more recreational programs; contracting with the YMCA to manage the Potterfield Pool; installation of permanent seating at the City Park bandshell, expanded hours at the Hager House; improvements to the Pool and University Plaza, and installation of Phase II of the Mills Park trail.

Solid Waste Collection and Disposal

- Targeted campaign to send letters to the people that are not recycling based on the data we receive from our tote management system. We hope to send them letters recognizing that they are not recycling currently, and invite them to recycle. We will continue to promote the Recyclebank rewards program to get more residents involved in this incentive program.

ENGINEERING AND PARKS - PROGRAM DESCRIPTION
FISCAL YEAR 2013/2014

PERFORMANCE INDICATORS - ENGINEERING

	2011/12	2012/13	2013/14
Number of Contracts and RFP's	13	26	20
Curb and Sidewalk Permits Issued	49	79	75
Traffic Complaints Resolved	200	180	175
Work Orders issued to Public Works	160	161	160

PERFORMANCE INDICATORS - PARKS

	2011/12	2012/13	2013/14
Number of Pavilion Reservations	382	367	400
City Park Bandshell Reservations	52	55	60
Wheaton Park Bandshell	5	7	7
Municipal Stadium: Number of Baseball Games	70	70	70
Municipal Stadium: Number of Amateur Games	1	3	3
Municipal Stadium: Number of Spectators (in 000s)	124	115	115
Hager House Visitors	1,200	800	1,000
Hager House Promotions/Events	10	3	4
Hagerstown Railroad Museum Promotions/Events	2	2	2
202 Locomotive Visitors	800	800	800

PERFORMANCE INDICATORS - POTTERFIELD POOL

	2011/12	2012/13	2013/14
Number of Days in Full Operation	69	66	69
Number of Private Rentals	33	28	40
Private Rental Attendance	1,415	1,185	2,000
Number of Season Passes	83	91	100
Daily Paid Attendance	11,150	11,366	13,000
Total Attendance	22,464	20,518	25,000

PERFORMANCE INDICATORS - WASTE COLLECTION

	2011/12	2012/13	2013/14
Tons of Garbage Collected Curbside	11,346	10,500	10,500
Tons of Yard Waste Collected	1,462	1,500	1,500
Tons of Recyclables Collected	1,451	2,500	2,700
Commercial Units served	-	58	70

ENGINEERING AND PARKS - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURE AND REVENUE SUMMARY

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 1,624,511	\$ 1,683,500	\$ 1,635,532	\$ 1,624,492	-3.5%
Benefits	605,185	526,900	509,843	568,875	8.0%
Overtime	27,277	56,547	38,656	24,140	-57.3%
Personnel Subtotal	2,256,973	2,266,947	2,184,031	2,217,507	-2.2%
Contractual Services	2,211,863	2,166,929	2,137,741	2,227,664	2.8%
Operating Expenditures	683,166	815,151	812,321	759,633	-6.8%
Capital Outlay	578,216	3,301	9,379	5,800	75.7%
Operating Subtotal	3,473,245	2,985,381	2,959,441	2,993,097	0.3%
Total Expenditures	\$ 5,730,218	\$ 5,252,328	\$ 5,143,472	\$ 5,210,604	-0.8%
REVENUES BY TYPE					
Departmental Revenue	\$ 3,249,131	\$ 2,560,972	\$ 2,555,106	\$ 2,541,790	-0.7%
Total Revenues	\$ 3,249,131	\$ 2,560,972	\$ 2,555,106	\$ 2,541,790	-0.7%
Expenditures, net of Revenues	\$ 2,481,087	\$ 2,691,356	\$ 2,588,366	\$ 2,668,814	-0.8%

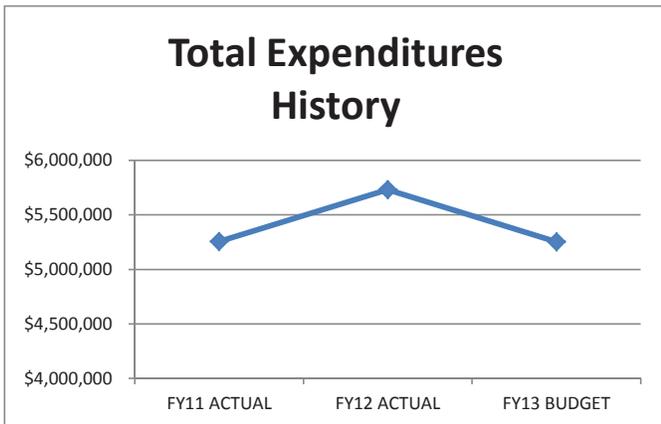
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

Personnel expenditures reflect an overall decrease of \$82,916 from the amount budgeted in FY13 compared to the estimated actual for FY13. FY13 budget included approximately \$22,000 for overtime salaries at Municipal stadium which will not occur. Other staffing decreases are reflected throughout the various parks due to some vacant, unfilled positions. The estimated actual expense for FY13 fringe benefits is under FY13 budget as a result of the reduction in salary costs. Contractual services has decreased from FY13 budget to proposed FY14 budget by \$29,188 or 1.3%. Primarily, the decrease is related to the cost for the commingled recycling being \$41,199 lower than FY13 budget amounts.

Adopted FY13 to Proposed FY14

Overall personnel expenditures proposed for FY14 reflect a continued decrease from the FY13 budget of 2.2% or \$49,440. The contractual services increase of \$60,735 or 2.8% is a result of increased trash removal costs and the inclusion of \$20,000 for a Parks Master Plan. There are offsetting decreases in various other operating expenses: electricity, other utility costs, and various supplies in the proposed FY14 budget.



STAFFING SUMMARY

	FY12	FY13		FY14
		Budg	Est Act	
Full time	29.00	29.66	29.72	29.72
Less: Unfunded	-3.00	-3.00	-3.00	-3.00
Staffing Total	26.00	26.66	26.72	26.72
Part time			3.00	3.00
Part time Seasonal	51.00	51.00	51.00	51.00
Total Part time	51.00	51.00	54.00	54.00

Three (3) vacant positions from FY13 will remain vacant and are unfunded in FY14. The Department has 15 part-time seasonal employees for grounds maintenance, park attendants, Hager House and the train museum, and an additional 36 part-time seasonal employees were utilized as guards and cashiers at the Potterfield Pool.

ENGINEERING AND PARKS - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURES BY PROGRAM

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES					
Engineering	\$ 1,013,430	\$ 1,016,574	\$ 1,028,754	\$ 1,044,993	2.8%
Waste Collection and Disposal	2,637,018	2,003,191	1,956,401	2,038,031	1.7%
Recreation	210,791	305,286	247,732	252,981	-17.1%
Swimming Pool	156,045	174,733	139,393	147,837	-15.4%
Municipal Stadium	131,283	222,177	90,080	71,292	-67.9%
Hager House	51,278	47,000	28,302	40,175	-14.5%
Train Museum	11,234	14,661	13,859	14,730	0.5%
Parks Division	1,519,139	1,468,706	1,638,951	1,600,565	9.0%
Total Expenditures	\$ 5,730,218	\$ 5,252,328	\$ 5,143,472	\$ 5,210,604	-0.8%
REVENUES					
Departmental Revenue	\$ 3,249,131	\$ 2,560,972	\$ 2,555,106	\$ 2,541,790	-0.7%
Total Revenues	\$ 3,249,131	\$ 2,560,972	\$ 2,555,106	\$ 2,541,790	-0.7%
Expenditures, net of Revenues	\$ 2,481,087	\$ 2,691,356	\$ 2,588,366	\$ 2,668,814	-0.8%

DEPARTMENT / PROGRAM OVERVIEW

The Hagerstown Police Department (HPD) is a full service, nationally accredited law enforcement agency since 1994. HPD provides first response to crime, disorder, and service requests along with post-incident investigations. During FY14, the Hagerstown Police Department will work toward maximizing its ability to solve crimes, prevent crime, and reduce the fear from crime and disorder, using the evidenced-based policing management strategies of Intelligence-Led Policing and Community-Oriented Policing. This blended design will enhance our ability to identify and apprehend criminal offenders while simultaneously sharing information with the public and solving problems within our neighborhoods. By combining data-driven policing models with citizen input, we will strike a balance between enforcement and problem-solving while building public trust through fair, ethical, and impartial application of the law and positive interactions with the people we serve.

We will accomplish this mission through the use of our CompStat crime meetings where we focus on crime patterns, trends, and criminal offenders as part of our Safe Streets initiative. Emphasis will be placed on the use of technology and programs such as DDACTS (Data Drive Approaches to Crime and Traffic Safety) to improve neighborhoods. The Criminal Investigation Division continues to take an active role in reducing repeat offenders by conducting active and timely investigations. These investigations are enhanced by the department's joint involvement with the Narcotics Task Force and Gang Task Force which are supported by the department's crime lab, which recently became nationally accredited.

DEPARTMENT / PROGRAM OBJECTIVES

- **ADMINISTRATION:** Directs and manages the overall operation of the department.
- **RECORDS:** Serves as the department's centralized records repository; provides police records maintenance, control, and retrieval; operates the City's switchboard during business hours; coordinates and manages the department's use of criminal justice information systems.
- **PATROL:** Maintains pro-active patrol to detect criminal activity and reduce the opportunities for offenders to commit crimes; has primary responsibility for initial response to calls for service; initial investigations; order maintenance; protection of life and property; and traffic enforcement and problem solving. The patrol division includes a dedicated DOWNTOWN SQUAD which operates from the University of Maryland center. The Safe Speed for Students [Speed Cameras] system and the School Resource Officer program are also managed through the patrol division.
- **CRIMINAL INVESTIGATIONS:** Primary responsibilities are to conduct follow-up investigations originating in the Patrol Division, provide the initial response to more complex investigations, and assist the State Attorney's Office with the prosecution of violators. The CID-FLEX unit oversees the department's Safe Streets initiative which conducts investigations on known criminal offenders.
- **PROFESSIONAL STANDARDS:** Conducts internal affairs investigations and background checks.
- **VEHICLE/BUILDING MAINTENANCE:** Maintains all vehicles and facilities for departmental use.
- **AUXILIARY POLICE:** Provides volunteer traffic support during special events and fire incidents; enforces parking violations for handicap spaces, fire zones, and fire hydrants; assists with special patrol checks. They also conduct foot patrols in the Downtown for increased public safety presence.
- **NARCOTICS TASK FORCE:** A joint task force with HPD, Washington County Sheriff's Office, Maryland State Police, Washington County State's Attorney, and the Drug Enforcement Administration; conducts regional mid-level and in-depth investigations of drug offenses.
- **WESTERN MARYLAND REGIONAL CRIME LABORATORY:** Analyzes and processes crime scene evidence according to international accreditation standards; provides expert testimony in prosecution of cases.
- **EVIDENCE CUSTODY AND CONTROL:** Responsible for the operation of the department's evidence room, management of the evidence custody and control function, and management of all other property coming into the custody of the Police Department.

HPD has traditionally participated in numerous joint efforts with the Washington County Sheriff's Office. These efforts leverage resources in a manner which provides the citizens of Hagerstown, as well as other residents of the County, with greater service levels than would otherwise be possible. Our newest partnership includes our involvement in the new Hagerstown Community College Police Academy. Our traditional partnerships with the Narcotics Task Force, Gang Task Force, Warrant Task Force, Western MD Crime Lab, Special Response Team, 911 Center, Central Booking, Records Management Systems, and the County-wide Radio system will continue for FY14.

We will continue to pursue a multi-jurisdictional partnership in FY14 for a regional automated fingerprint system (AFIS). This project continues to be necessary due to the backlog of cases at the Maryland State Crime Lab. The program is being supported by allied law enforcement agencies in the western region of the state.

The concept of a co-located Criminal Investigations Unit with allied agencies will continue to be a focus of FY14. The pooling of detectives and crime analysts is viewed as a force-multiplier for HPD investigations. Potential space and funding sources will be reviewed as part of this initiative.

POLICE - CONSOLIDATED - PROGRAM DESCRIPTION
FISCAL YEAR 2013/2014

DEPARTMENT / PROGRAM OBJECTIVES (continued)

During FY14 we will complete the expansion of the department's Public Safety Grid using funding provided through the COPS Technology Grant, (See Section 5 - Special Revenue Grant Fund). Expanded crime camera system and information sharing with the public are the main focus of the grant.

In FY14 we will continue to expand the role of the Auxiliary Police Unit to improve our service to the public and relieve sworn officers from lower level duties such as filing a found bicycle report or damage to property complaint. These members will continue to provide a public safety presence in the Downtown through regular foot patrols and will assist in monitoring crime cameras. Funding for certain part-time activities will be provided through the Safe Speed for Students Program.

HPD will work to complete the conversion of old paper records to digital format which consists of more than 1.3 million documents. This project will improve access to information for investigators and to alleviate storage issues. We continue to share data with the Washington County Sheriff's Office through our combined Records Management System (RMS).

The Safe Streets Program replaced the C-SAFE program in FY13 with a city-wide offender based crime strategy. Much of the funding support remained in place with the exception of the full-time crime prevention officer which was changed to partial funding for two criminal investigators. This program also supports a state's attorney's position and our crime analyst. For FY14 we will strive to preserve this grant funding source through GOCCP.

The Safe Speed for Students Program will continue for FY14 and has resulted thus far in the reduction of speeding in posted schools zones by nearly 80%. The department will work to maintain public trust in the program through regular sharing of information regarding the program.

Recruiting and retention efforts for sworn police officers will remain a key focus area for FY14. The department continues to struggle to fill vacant officer positions and will be taking concerted efforts to improve this issue. A police cadet program will be a part of this plan.

PERFORMANCE INDICATORS

	2011/12	2012/13	2013/14
Total calls for service	63,697	60,070	60,000
Criminal arrests	2,997	2,768	2,700
CDS arrests	301	216	225
Accidents with injuries	263	228	225
Total Crime Rate*	0.042	0.045	0.045
Violent Crime Rate*	0.005	0.006	0.006
Property Crime Rate*	0.037	0.039	0.039
Volunteer response hours	1,694	2,090	2,100
Funded Full-time Sworn Personnel1	98	105	105
Funded Full-time Civilian Personnel1	12	12	12

*= number of crimes per resident

POLICE - CONSOLIDATED - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURE AND REVENUE SUMMARY

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 5,862,708	\$ 5,788,826	\$ 5,415,068	\$ 6,153,206	6.3%
Benefits	2,380,396	2,523,569	2,384,025	2,688,990	6.6%
Overtime	551,523	623,317	610,156	529,210	-15.1%
Personnel Subtotal	8,794,627	8,935,712	8,409,249	9,371,406	4.9%
Contractual Services	504,615	704,150	960,150	1,008,550	43.2%
Operating Expenditures	1,127,484	1,458,287	1,399,432	1,462,503	0.3%
Capital Outlay	34,826	116,486	82,900	82,500	-29.2%
Operating Subtotal	1,666,925	2,278,923	2,442,482	2,553,553	12.1%
Total Expenditures	\$ 10,461,552	\$ 11,214,635	\$ 10,851,731	\$ 11,924,959	6.3%
REVENUES BY TYPE					
Departmental Revenue	\$ 1,353,254	\$ 1,744,851	\$ 2,433,675	\$ 3,087,400	76.9%
Total Revenues	\$ 1,353,254	\$ 1,744,851	\$ 2,433,675	\$ 3,087,400	76.9%
Expenditures, net of Revenues	\$ 9,108,298	\$ 9,469,784	\$ 8,418,056	\$ 8,837,559	-6.7%

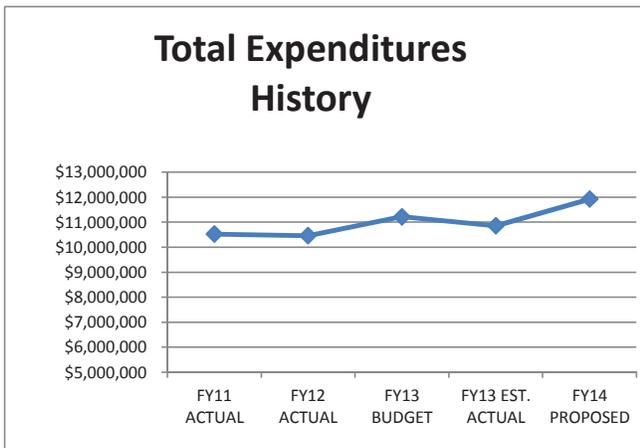
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

Total personnel costs has decreased from FY13 budget to FY13 estimated actual by a total of \$526,463 or 5.9%. The cost savings have occurred as a result of vacant, unfilled positions in Police Patrol and Criminal Investigations areas. Contractual services has increased by 36.4% or \$256,000 from the FY13 budget as a result of Safe Speeds for Schools program. This program is now in operation and actual history from July 2012 through February 2013 has been utilized to update data. The City pays Brekford for its services based on actual activity in a given month. Likewise, there is an increase in departmental revenue from FY13 budget related to the Safe Speeds for Schools program.

FY13 to Proposed FY14

During FY13, the City was awarded a 3 year grant from the Office of Community Oriented Policing Services (COPS) to provide funding toward 5 previously unfunded police officer positions. The grant amount is \$125,000 per officer. The estimated cost to the City over the 3 year period is \$45,140 per officer; followed by 100% salary coverage for an additional 2 year retention period. Also during FY13 HPD added 2 additional police officer positions. One was an additional School Resource Officer, with approximately 75% of the total cost funded by the Washington County Board of Education. The other position was created to operate and manage the Safe Speeds for Schools program, and is funded by revenue from the city's speed camera system. Last, there is a new position included in FY14 budget for a civilian recruitment position. All of these changes are reflected in total personnel increase from FY13 budget to the proposed FY14 budget by \$435,694 or 4.9%. Contractual services is also anticipated to increase by 43.2% over FY13 budget as a result of continued Safe Speeds for Schools program. Again, there is similar increase of included in departmental revenue for this program of \$828,000. Finally, there is grant reimbursement included in departmental revenue in proposed FY14 budget of \$243,615 for the COPS Hiring Grant.



STAFFING SUMMARY

	FY12	FY13		FY14
		Budg	Est Act	
Full time	118.00	118.00	120.00	121.00
Less: Unfunded	-8.00	-8.00	-3.00	-3.00
Staffing Total	110.00	110.00	117.00	118.00
Part time	18.00	18.00	18.00	18.00
Total Part time	18.00	18.00	18.00	18.00

HPD currently has 3 vacant positions that are scheduled to remain unfunded for FY14. Those vacant, unfunded positions include one (1) Police Officer, one (1) Police Sergeant, and one (1) Bookkeeping/Clerk Typist. At the beginning of the fiscal year, HPD will have several additional funded positions temporarily filled by trainees attending a state approved police academy. Those positions will be eliminated after the trainees complete the academy and move into vacant police officer positions.

POLICE - CONSOLIDATED - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURES BY PROGRAM

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES					
Police Administration	\$ 581,873	\$ 627,911	\$ 658,075	\$ 561,501	-10.6%
HPD Information Technology	116,982	139,693	139,708	165,108	18.2%
Community Programs	-	-	-	40,321	0.0%
Police Records	187,545	214,317	208,088	225,058	5.0%
Communication / Dispatch	437,730	448,917	447,863	441,714	-1.6%
Professional Services	176,606	216,664	192,831	226,860	4.7%
HPD Building	146,366	179,042	160,522	165,891	-7.3%
Western Maryland Laboratory	370,547	320,976	373,462	315,089	-1.8%
Police K-9	9,534	9,600	9,600	23,150	141.1%
Evidence & Property	-	61,889	-	65,398	5.7%
Patrol	6,130,544	6,376,639	5,830,675	6,682,619	4.8%
Criminal Investigation Division	902,721	800,404	987,008	1,106,780	38.3%
Patrol Vehicles	452,229	465,760	488,160	456,911	-1.9%
Narcotics Task Force	857,070	852,211	730,265	787,657	-7.6%
Police Auxiliary	16,578	17,730	16,559	17,830	0.6%
Speed Camera Enforcement	75,227	482,882	608,915	643,072	33.2%
Total Expenditures	\$ 10,461,552	\$ 11,214,635	\$ 10,851,731	\$ 11,924,959	6.3%
REVENUES					
Departmental Revenue	\$ 1,353,254	\$ 1,744,851	\$ 2,433,675	\$ 3,087,400	76.9%
Total Revenues	\$ 1,353,254	\$ 1,744,851	\$ 2,433,675	\$ 3,087,400	76.9%
Expenditures, net of Revenues	\$ 9,108,298	\$ 9,469,784	\$ 8,418,056	\$ 8,837,559	-6.7%

FIRE - PROGRAM DESCRIPTION
FISCAL YEAR 2013/2014

DEPARTMENT / PROGRAM OVERVIEW

Conduct research, planning, record keeping, personnel and general management functions of the Fire Department. Improve the quality of life through fire prevention, fire safety education, fire suppression, rescue and other special services to all the people that live, visit, work and invest in the City of Hagerstown.

DEPARTMENT / PROGRAM OBJECTIVES

- Fire Suppression - Control and bring to a rapid and safe termination all emergency incidents with sufficient well trained and equipped personnel. Maintain the apparatus, facilities, equipment and personnel necessary to provide fire suppression and First Responder emergency medical service.
- Fire Marshall - Provide education to the general public and develop fire safety programs. Conduct residential fire safety surveys and respond to citizen requests for smoke detector installations the same day. Investigate and determine the origin and cause of all fires. Prosecute arson cases to the fullest extent of the law. Review building plans, conduct inspections, enforce codes, and investigate and resolve reports of fire code violations.
- Training - Operate and maintain the Training Center on Bowman Ave. This includes a burn building, training tower, classroom building, test pit and numerous props. Include all training related expenses for both career and volunteer personnel. Maintain certification level of all personnel, including but not limited to Hazardous Materials, Blood Borne Pathogens, CPR and NIMS. Insure that training classes are available for volunteer personnel during off hours; i.e. nights and weekends.

PERFORMANCE INDICATORS

	2011/12	2012/13	2013/14
Number of emergency incidents	2,550	2,570	2,587
Average response time to emergencies in minutes	3.3	4.3	3.6
Percent of structure fire causes identified	85.0%	97.0%	n/a
Ratio of arrests to convictions by Fire Marshall Office	20 18	37 37	19 18
Number of Inspections	1,400	1,515	2,322
Number of free smoke detectors installed	1,200	753	825
Number of educational programs presented	470	809	619
Number of people attending educational programs	12,000	7,688	5,880
Average number of firefighters responding per incident	8	6	6
Number of active volunteer firefighters that received benefits	12	15	17
Number of active volunteers that responded to 25 or more incidents but didn't qualify for incentive benefit	10	2	2

FIRE - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURE AND REVENUE SUMMARY

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 4,006,116	\$ 3,809,592	\$ 3,632,885	\$ 4,083,257	7.2%
Benefits	1,638,440	1,658,874	1,552,352	1,792,959	8.1%
Overtime	191,039	150,000	145,000	150,000	0.0%
Personnel Subtotal	5,835,595	5,618,466	5,330,237	6,026,216	7.3%
Contractual Services	36,408	56,800	54,068	39,000	-31.3%
Operating Expenditures	332,305	367,185	353,263	337,184	-8.2%
Capital Outlay	762	5,000	5,000	5,000	0.0%
Operating Subtotal	369,475	428,985	412,331	381,184	-11.1%
Total Expenditures	\$ 6,205,070	\$ 6,047,451	\$ 5,742,568	\$ 6,407,400	6.0%
REVENUES BY TYPE					
Departmental Revenue	\$ 141,567	\$ 183,315	\$ 122,576	\$ 126,815	-30.8%
Total Revenues	\$ 141,567	\$ 183,315	\$ 122,576	\$ 126,815	-30.8%
Expenditures, Net of Revenues	\$ 6,063,503	\$ 5,864,136	\$ 5,619,992	\$ 6,280,585	7.1%

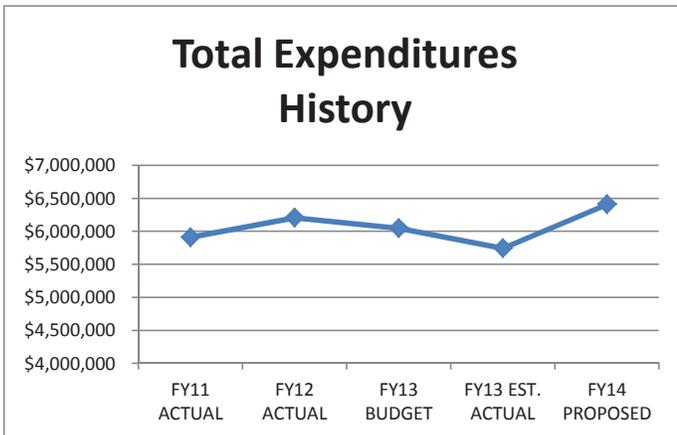
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

Total personnel expenses reflect a 5.1% decrease from FY13 budget to FY14 proposed budget. This decrease is a result of several vacant and unfilled positions. Operating expenses also reflect a decrease from the FY13 budget. The majority of this \$13,922 decrease is a result of lower than anticipated maintenance and repair contracts. Last, departmental revenue has decreased 33.1% or \$60,739 due to lower than anticipated revenue from Fire/EMS auto response fees.

Estimated Actual FY13 to Proposed FY14

As approved by Mayor and Council, 3 positions will now become unfunded for Battalion Chief positions. The funding source identified for these positions is Safe Speeds for Schools Program. This will leave 5 unfunded vacancies for FY14. As a result, there is an increase of 7.3% or \$407,750 from FY13 budget to proposed FY14 budget for total personnel expenses. Contractual services reflect a decrease due to medical physicals being completed every other year. Operating expenses also reflect a decrease of 8.2% from FY13 budget as there is a decrease anticipated for central maintenance garage charges of \$20,000. Finally, departmental revenue continues to reflect the decline from FY13 budget for Fire/EMS auto response fees.



STAFFING SUMMARY

	FY13			
	FY12	Budg	Est Act	FY14
Full time	83.00	83.00	83.00	83.00
Less: Unfunded	-8.00	-8.00	-5.00	-5.00
Staffing Total	75.00	75.00	78.00	78.00

In response to the shortfall in State and County shared revenues, the Fire Department has five (5) vacant full time positions, which were unfunded during FY13 and in FY14.

PUBLIC WORKS - PROGRAM DESCRIPTION
FISCAL YEAR 2013/2014

DEPARTMENT / PROGRAM OVERVIEW

The Public Works Department provides for the maintenance of streets, traffic control devices, building maintenance and the city's fleet of vehicles and equipment. Street maintenance includes repairs (potholes, storm drains), street cleaning and snow removal of the 110 lane miles within the city. Traffic control works closely with the Engineering Department to maintain and coordinate the 131 signaled intersections. The thousands of traffic signs also fall under this division. Buildings maintenance includes multipel buildings with over 17 tenants. Finally, fleet maintenance repairs the vehicles and equipment for every department within the city including all utilities, parks, public works, fire and police.

DEPARTMENT / PROGRAM OBJECTIVES

- Building maintenance includes the construction the remodel of several offices at City Hall, installation of new flooring in the Elisabeth Hager Center, a new roof on the Market House, and repairs to the parking decks.
- Continue repairs and maintenance to the storm drain systems consisting of over 4,000 storm drains. Public Works coordinates its efforts with the Engineering Department on the street overlay program by making street repairs ahead of the asphalt overlay. Tree maintenance and landscaping will continue to be an important element of Public Works. Installation of a flood warning system on Memorial Blvd. will be completed during the summer months. Finally, staff will coordinate the installation of sidewalks to the Korean War Memorial on North Potomac Street.
- Battery backup power will be installed where signals are intergrated with railroad signals to ensure proper traffic signaling during a power outage. Older 8 inch signal heads will be upgraded to a 12 inch diameter LED signal head for better visibility and lower operating costs. Replacement of the 2-way radios for mulitple departments will be completed in 2013.
- The existing fuel management system, known as Gasboy, will be replaced. The technology is over 15 years old and servicability is becoming a problem. The intent is a complete replacement of the system including hardware and software.
- Replacement of the emergency generator that powers the fuel island has beome necessary. The engine is 25+ years old and the enclosure is in need of major repair. The possibility exists that grant money may be availble for

PERFORMANCE INDICATORS

	2011/12	2012/13	2013/14
Number of lane miles swept	13,500	11,700	13,000
Snow storm costs	\$ 419,243	\$ 200,000	\$ 399,900
Tons of Salt Used	2,150	1,200	1,500
Bulk Trash Collections	128	153	150
Traffic Islands Maintained	168	172	172
Public Trash Cans Maintained	131	169	169
Signaled Intersections	132	131	131
Sign Work Orders	164	161	165
Vehicles & Equipment Maintained	384	384	384

PUBLIC WORKS - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURE AND REVENUE SUMMARY

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 1,432,377	\$ 1,372,600	\$ 1,387,287	\$ 1,378,361	0.4%
Benefits	621,031	590,519	552,250	617,670	4.6%
Overtime	31,963	67,630	67,630	37,630	-44.4%
Personnel Subtotal	2,085,371	2,030,749	2,007,167	2,033,661	0.1%
Contractual Services	157,498	185,250	185,505	181,550	-2.0%
Operating Expenditures	977,809	1,198,217	1,186,973	1,040,629	-13.2%
Capital Outlay	14,038	23,064	22,188	19,565	-15.2%
Operating Subtotal	1,149,345	1,406,531	1,394,666	1,241,744	-11.7%
Total Expenditures	\$ 3,234,716	\$ 3,437,280	\$ 3,401,833	\$ 3,275,405	-4.7%
REVENUES BY TYPE					
Departmental Revenue	\$ 230,521	\$ 142,600	\$ 159,920	\$ 158,700	11.3%
Total Revenues	\$ 230,521	\$ 142,600	\$ 159,920	\$ 158,700	11.3%
Expenditures, net of Revenues	\$ 3,004,195	\$ 3,294,680	\$ 3,241,913	\$ 3,116,705	-5.4%

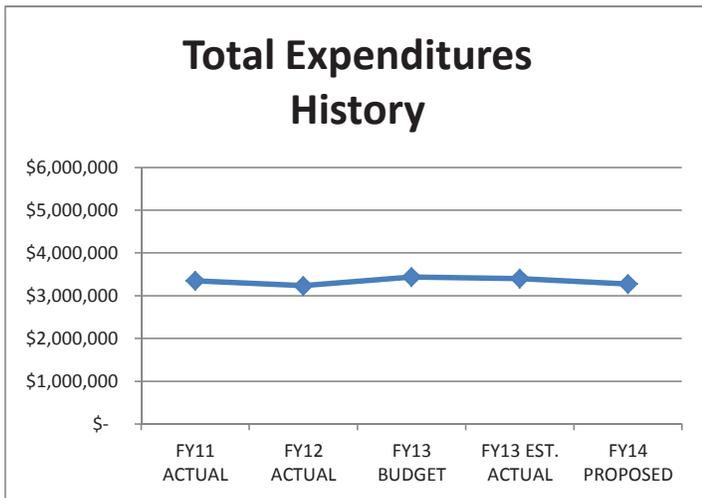
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

Total Personnel for FY13 is expected to be under budget by approximately \$24,000 or 1.2%. The reduction is due to a decrease in unemployment tax claims (benefits) offset by an increase in Traffic Control salaries. Operating expenses is anticipated to decrease overall by 0.9% or \$11,244 as a result of lower electricity fees based on actual trends. Revenues include the sale of fuel to Community Rescue Service and exceeded budget due to an increase in fuel prices for gasoline and diesel.

FY13 to Proposed FY14

The proposed FY14 budget includes an increase of 0.0% in total personnel costs. Employee benefit is expected to increase by 6.5% due to growing health insurance, dental insurance, and workers compensation. This is offset by a decrease of \$30,000 in overtime based on FY12 history. Operating expenses includes a decrease of 13.2% or \$157,587 as a result of lowering electricity costs and chemicals for the treatment of snow removal. Due to current experience, both of these items were decreased in proposed FY14 budget. Public Works continues to operate with five



STAFFING SUMMARY

	FY13			
	FY12	Budg	Est Act	FY14
Full time	34.00	34.00	32.90	32.90
Less: Unfunded	-5.00	-5.00	-5.00	-5.00
Staffing Total	29.00	29.00	27.90	27.90
Part time Seasonal	8.00	8.00	8.00	8.00
Total Part time	8.00	8.00	8.00	8.00

In response to the shortfall in State and County shared revenues, the Public Works Department has five (5) vacant full time positions, which were unfunded during FY 12 and will continue to remain unfunded in FY 13.

PUBLIC WORKS - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURES BY PROGRAM

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES					
City Hall	\$ 305,215	\$ 293,765	\$ 292,035	\$ 278,255	-5.3%
Signal Supervision	487,665	513,330	558,081	581,611	13.3%
Street Lighting	698,418	775,000	720,000	720,000	-7.1%
Snow Removal	117,718	472,700	469,900	399,900	-15.4%
Street Cleaning	427,199	515,561	496,321	497,843	-3.4%
Gas Station & Maint Garage	316,734	243,187	273,478	278,833	14.7%
Public Works & Streets Maint	727,377	518,072	483,153	416,886	-19.5%
Central Equipment Building	154,390	105,665	108,865	102,077	-3.4%
Total Expenditures	\$ 3,234,716	\$ 3,437,280	\$ 3,401,833	\$ 3,275,405	-4.7%
REVENUES					
Departmental Revenue	\$ 230,521	\$ 142,600	\$ 159,920	\$ 158,700	11.3%
Total Revenues	\$ 230,521	\$ 142,600	\$ 159,920	\$ 158,700	11.3%
Expenditures, net of Revenues	\$ 3,004,195	\$ 3,294,680	\$ 3,241,913	\$ 3,116,705	-5.4%

UNALLOCATED EXPENSES - PROGRAM SUMMARY
FISCAL YEAR 2013/2014

DEBT SERVICE - PRINCIPAL AND INTEREST

Debt Service is used to account for the principal and interest payment expense on the City's loans, bonds and lease financings. Remaining outstanding loans for FY2013/14 proposed budget include the following current issues: 1998, 2004, 2005, 2006, 2009A and 2009B public improvement bond issues, and a 2012 loan issuance for financing of recycling totes. In addition, the following anticipated bond issues are included: 2013 and 2014 public improvement bond issues.

RETIREE HEALTH COSTS

This budget includes health and dental insurance benefit costs for General Fund qualified retirees and dependents. The cost of providing hospitalization and dental insurance to the City's retirees is financed on a pay-as-you-go basis. The health insurance is a contributory plan, with retirees sharing the cost of dependence coverage and the City paying 80% of the retirees' cost in full. The dental is also a contributory plan with retirees paying the full cost of dependency coverage and the City paying the retiree's cost in full. The City pays 80% of the costs of providing these health and dental insurance benefits to its retirees and their dependents.

In Fiscal Year 2009/10, the City began to record the annual required contributions to record the cost of these benefits as they are earned over the course of their career with the City. This change in accounting procedure will increase the cost of retiree benefits over the out-of-pocket method we currently use. This increase in cost for "Other Post Employment Benefits" is reflected in the Health Care Fund, an Internal Service Fund.

INVENTORY ADJUSTMENTS

This budget includes an amount to cover write-off of obsolete inventory carried by the General Fund.

CAPITAL IMPROVEMENTS PROGRAM APPROPRIATIONS

The current year portion of the general governmental capital improvements from the five-year CIP Program are accounted for in a separate Capital Improvements Program (CIP) Fund. The Capital Improvements Program appropriation represents the General Fund's current funding requirements for capital projects anticipated to begin during each year. In addition, the annual payments required on items that have been or will be funded by lease or bond financing are included as part of the Debt Service expenditures.

OPERATING TRANSFERS TO OTHER FUNDS

Transfers to the Golf Course Fund represent the amount necessary from the General Fund to cover this fund's annual operating and capital expenditure needs in excess of revenues generated by the fund itself. The FY14 budget includes a \$100,000 transfer to the Economic Redevelopment Fund for the Mayor and City Council to utilize for community based initiatives that support their vision for the City. Additional transfers out include \$15,537 to the Special Revenue Grant Fund, \$687,868 to the CIP Fund, and \$200,000 to the Golf Fund. Transfers to the Special Revenue Grant Fund represent local matches required by various federal, state, and local agencies in accordance with awarded grant terms and conditions.

CONTINGENCY RESERVES

This account group includes funds that are expected to be required during the coming year for a number of General Fund activities. The funds will not be transferred into the appropriate accounts until they are required. In FY14, a reserve of \$250,000 for savings associated with the management of future vacancies in various departments has been provided, as well as a \$400,000 salary contingency.

CONTRIBUTIONS TO OTHER AGENCIES POLICY

Contributions to Other Agencies accounts for the contributions the City makes to several organizations. The contributions to be made are based on the following criteria:

- 1) The organization provides a service which could be considered to be a significant value to the objectives of a City function, and/or
- 2) The organization makes a reasonable contribution to the social and cultural environment of Hagerstown.
- 3) The significance of the City contribution on the organization's budget; and, their ability to enlist financial support from other sources and from revenue for services needed.

UNALLOCATED EXPENSES - PROPOSED EXPENSES
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
DEBT SERVICE-PRINCIPAL AND INTEREST					
1996 General Obligation Bonds	\$ 124,683	\$ -	\$ -	\$ -	0.0%
1997 General Obligation Bonds	205,350	102,666	102,666	-	-100.0%
1998 General Obligation Bonds	154,198	152,974	152,974	81,616	-46.6%
2004 General Obligation Bonds	125,370	121,913	122,288	123,955	1.7%
2004 Refunding GO Bonds	257,756	-	-	-	0.0%
2005 Public Facilities Bonds	326,678	328,039	328,039	329,080	0.3%
2006 Public Facilities Bonds	650,474	649,005	649,005	650,676	0.3%
2007 HTC-WCSF Ice Rink Loan	34,838	34,807	34,849	-	-100.0%
2009-A Public Facilities Bonds	382,502	383,280	383,645	386,084	0.7%
2009-B Public Facilities Bonds (Build America Bond)	181,531	181,166	279,081	279,081	54.0%
2012 Tote Loan	18,875	72,897	73,101	73,101	0.3%
2013 Future General Obligation Bond	-	-	11,605	65,610	0.0%
2014 Future General Obligation Bond	-	-	-	192,223	0.0%
Total Expenses	\$ 2,462,256	\$ 2,026,747	\$ 2,137,253	\$ 2,181,426	7.6%
RETIREE HEALTH COSTS					
Health Insurance	\$ 1,061,663	\$ 1,073,365	\$ 1,073,365	\$ 1,168,894	8.9%
Dental Insurance	37,644	38,656	38,656	40,627	5.1%
Total Expenses	\$ 1,099,307	\$ 1,112,021	\$ 1,112,021	\$ 1,209,521	8.8%
INVENTORY ADJUSTMENTS					
Physical Inventory Adjustments	\$ 8,240	\$ 2,500	\$ 5,000	\$ 5,000	100.0%
E&O Inventory Write-offs	18,754	2,500	5,000	5,000	100.0%
Total Expenses	\$ 26,994	\$ 5,000	\$ 10,000	\$ 10,000	100.0%
CIP APPROPRIATIONS AND OTHER TRANSFERS					
Capital Transfers Out-CIP Fund	\$ 336,952	\$ 897,634	\$ 847,759	\$ 687,868	-23.4%
Total Expenses	\$ 336,952	\$ 897,634	\$ 847,759	\$ 687,868	-23.4%
OPERATING TRANSFERS TO OTHER FUNDS					
Golf Course Fund	\$ 216,460	\$ 175,000	\$ 304,000	\$ 200,000	14.3%
Economic Redevelopment Fund for Community Based Initiatives	250,000	200,000	200,000	100,000	-50.0%
Special Revenue Grant Fund	61,593	82,139	75,330	15,537	-81.1%
Total Expenses	\$ 528,053	\$ 457,139	\$ 579,330	\$ 315,537	-31.0%
CONTINGENCY RESERVES					
Vacancy Savings	\$ -	\$ (110,380)	\$ -	\$ (250,000)	126.5%
Salary & Position Mid-year Contingencies	-	-	307,000	400,000	0.0%
Reserve for Emergencies	-	-	-	175,000	0.0%
Total Expenses	\$ -	\$ (110,380)	\$ 307,000	\$ 325,000	-394.4%

UNALLOCATED EXPENSES - PROPOSED EXPENSES
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
CONTRIBUTIONS TO OTHER AGENCIES					
Art Museum	\$ 40,500	\$ 40,500	\$ 40,500	\$ 40,500	0.0%
BOE Celebration of Excellence	-	200	200	200	0.0%
CASA	27,000	27,000	27,000	27,000	0.0%
Character Counts Program	-	1,000	1,000	1,000	0.0%
Children's Village	225	250	250	250	0.0%
Choral Arts Society	810	810	810	810	0.0%
Community Rescue Service	45,000	45,000	45,000	45,000	0.0%
Contemporary School of the Arts	4,050	4,050	4,050	4,050	0.0%
Discovery Station	14,400	14,400	14,400	14,400	0.0%
Educator of the Year Award-Chamber	250	250	250	250	0.0%
Hagerstown Municipal Band	18,000	18,000	18,000	18,000	0.0%
Hagerstown Neighborhood Develop Partnership	50,663	50,000	50,000	50,000	0.0%
Maryland Food Bank	-	-	-	3,000	100.0%
Maryland Symphony Orchestra	17,550	17,550	17,550	17,550	0.0%
Maryland Theatre	9,000	9,000	9,000	9,000	0.0%
USM-Hagerstown-Scholarship	4,050	4,050	4,050	4,050	0.0%
Washington County Art Council	-	3,000	3,000	3,000	0.0%
Washington County Free Library	31,500	31,500	31,500	31,500	0.0%
Washington County Historical Society	2,430	2,430	2,430	2,430	0.0%
Unspecified Agency Contributions	1,500	4,500	4,500	1,500	-66.7%
Total Contributions to Other Agencies	\$ 266,928	\$ 273,490	\$ 273,490	\$ 273,490	0.0%

GENERAL FUND CAPITAL EXPENSES
FISCAL YEAR 2013/2014

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
CITY CLERK 0103002-5865 Computer Equipment	Replace Computer	Replace As Needed	1,500
COMMUNITY AFFAIRS 0103003-5865 Computer Equipment	Replace Computer	Replace As Needed	1,500
FINANCE & ACCOUNTING 0107001-5861 Desks, Chairs & Tables	Replace Furniture	Replace As Needed	500
0107001-5865 Computer Equipment	Replace Computers	Replace As Needed	2,000
TOTAL FINANCE & ACCOUNTING			2,500
INFORMATION TECHNOLOGY 0107200-5861 Desks, Chairs & Tables	Replace Furniture	Replace As Needed	1,000
0107200-5865 Computer Equipment	Replace Computers	Replace As Needed	3,000
TOTAL INFORMATION TECHNOLOGY			4,000
SUPPORT SERVICES 0107201-5861 Desks, Chairs & Tables	Replace Furniture	Replace As Needed	1,000
0107201-5865 Computer Equipment	Replace Computers	Replace As Needed	1,600
0107201-5867 Communication Equipment	Phone Parts Not Under Maintenance	Replace As Needed	400
TOTAL SUPPORT SERVICES			3,000
CASHIERING 0107206-5861 Desks, Chairs & Tables	Replace Furniture	Replace As Needed	1,000
0107206-5865 Computer Equipment	Replace Computer	Replace As Needed	1,500
TOTAL CASHIERING			2,500
PLANNING 0109001-5865 Computer Equipment	Replace Computer	Replace Old Computers	1,000

GENERAL FUND CAPITAL EXPENSES
FISCAL YEAR 2013/2014

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
CITY HALL BUILDING			
0109003-5821 Office Buildings	Replace A/C Units	Replace As Needed	1,800
0109003-5839 Portable Tools/Equipment	Replace Vacuum Cleaner	Replace As Needed	600
0109003-5863 Decorative & Lighting	Flooring For Administrative Assistants Office, Council's Office & Council Chambers	Replace As Needed	5,000
TOTAL CITY HALL BUILDING			7,400
CITY ENGINEER			
0109004-5861 Desks, Chairs & Tables	Replace Furniture	Replace As Needed	200
0109004-5865 Computer Equipment	Replace Computers	Old computers	2,500
0109004-5867 Communication Equipment	Fax Machine	Replace As Needed	100
TOTAL CITY ENGINEER			2,800
HUMAN RESOURCES			
0109005-5832 Photography Equipment	Video Surveillance Camera	Replace As Needed	200
0109005-5865 Computer Equipment	Replace Laptop Computer	Replace As Needed	1,500
TOTAL HUMAN RESOURCES			1,700
POLICE ADMINISTRATION			
0110001-5861 Desks, Chairs & Tables	Replace Furniture (Warn Office Chairs & CID's)	Replace As Needed	3,000
POLICE INFORMATION TECHNOLOGY			
0110003-5865 Computer Equipment	Replace Servers, Notebooks, Tablets, PC'S	Replace As Needed	25,000
PROFESSIONAL STANDARDS DIV			
0110203-5861 Desks, Chairs & Tables	Replace Furniture	Replace Worn Equipment	200
POLICE BUILDING			
0110204-5839 Portable Tools/Equipment	Multi-Position Ladder	Replace As Needed	400

GENERAL FUND CAPITAL EXPENSES
FISCAL YEAR 2013/2014

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
WESTERN MARYLAND LAB			
0110205-5832 Photography Equipment	Maintenance And Purchase Photographic Equipment	Required For Forensic Documentation	1,000
0110205-5833 Laboratory Equipment	Purchase Lab Equipment	Replace Aging, Outdated Equip	1,500
TOTAL WESTERN MARYLAND LAB			2,500
POLICE K9 PROGRAM			
0110206-5830 Non-Portable Equipment	Required For K-9 Training	Upkeep Of K-9 Training Area	1,000
0110206-5839 Portable Tools/Equipment	Purchase Of K-9 Equip (Sleeves, Leashes, Etc.)	Replace Worn Equipment	2,000
0110206- 5898 Other Capitalized Expenses	Replace A K9 Dog	Cost Includes Travel And Training	11,000
TOTAL POLICE K-9 PROGRAM			14,000
POLICE PATROL			
0110401-5832 Photography Equipment	Replace Broken Digital Cameras	Enhance Investigative Documentation Capabilities	500
0110401-5834 Firearms, Body Armor	Police Officer Use / Safety Equipment - Ballistic Vests	Replacement Of Expired Vests & Purchase Of New Vests	17,200
0110401-5839 Portable Tools & Other Equipment -	Purchase 3 Moving Rader Units - LIDAR Speed Measuring Device	New Equipment Needed	9,000
0110401-5848 Bicycles-Repair And Maintenance Of Police Bikes	Police Officer Use	Repair And Maintenance	1,200
0110401-5867 Communication Equipment	Replace And/Or Repair Costs For Radios	Warranty Period Expired	7,000
0110401- 5861 Desks, Chairs & Tables	Replace Furniture	Replace As Needed	2,500
TOTAL POLICE PATROL			37,400
FIRE DEPARTMENT			
0112001-5861 Desks, Chairs & Tables	Purchase Office Furniture	Replace As Needed	1,000
0112001-5865 Computer Equipment	Purchase One (1) Personal Computer	Replace As Needed	2,500
0112001-5867 Communication Equipment	Portable Radios	Replace As Needed	1,500
TOTAL FIRE DEPARTMENT			5,000

GENERAL FUND CAPITAL EXPENSES
FISCAL YEAR 2013/2014

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
CODE ADMINISTRATION			
0114001-5832 Photography Equipment	Replace Equipment	Replace As Needed	500
0114001-5865 Computer Equipment	Purchase Computers	Replace As Needed	3,000
0114001- 5861 Desks, Chairs & Tables	Replace Desk And Chairs	Replace As Needed	1,000
TOTAL CODE ADMINISTRATION			4,500
TRAFFIC CONTROL			
0116003-5839 Portable Tools & Other Equipment	Power Tools	Replace As Needed	1,500
TRAFFIC SIGNS/LINES			
0116004-5839 Portable Tools & Other Equipment	Replace Power Tools	Replace As Needed	500
0116004- 5865 Computer Equipment	Replace Computer	Replace As Needed	1,500
TOTAL TRAFFIC SIGNS & LINES			2,000
CENTRAL MAINTENANCE GARAGE			
0123003-5839 Portable Tools & Other Equipment	Tools Needed For Garage	Replace As Needed	5,000
0123003- 5861 Desks, Chairs & Tables	Replace Table And Chairs	Replace As Needed	500
TOTAL CENTRAL MAINTENANCE GARAGE			5,500
PAVED STREETS			
0124002-5839 Portable Tools & Other Equipment	Street Department Sidewalk & Curb Forms	Replace As Needed	850
STREET GROUNDS MAINTENANCE			
0124007-5839 Portable Tools & Other Equipment	Weed Whips & Blowers	Replace As Needed	650
0124007-5856 Mowers	Grounds Maintenance	Replace As Needed	665
TOTAL STREET GROUNDS MAINTENANCE			1,315

GENERAL FUND CAPITAL EXPENSES
FISCAL YEAR 2013/2014

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
CENTRAL EQUIPMENT BUILDING 0124008-5821 Office Buildings	Replacement A/C Units	Replace As Needed	500
0124008-5839 Portable Tools/Equipment	Replace Vacuum Cleaner	Replace As Needed	500
TOTAL CENTRAL EQUIPMENT BUILDING			1,000
SWIMMING POOL 0140202-5839 Portable Tools & Other Equip	Power Washer, Leaf Blower Lawnmower, Power Tools, Etc.	Replace As Needed	1,500
PARKS SUPERVISION 0145001-5865 Computer Equipment	Replace Computer	Replace As Needed	1,500
TOTAL CAPITAL OUTLAY			135,065

SCHEDULE OF PUBLIC FUNCTIONS
FISCAL YEAR 2013/2014

FUNCTION DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
Augustoberfest	\$ 89	\$ -	\$ -	\$ -	100.0%
Augustoberfest (City Services)	18,955	20,000	20,000	20,000	0.0%
Blues Festival (City Services)	44,921	52,000	52,000	52,000	0.0%
Blues Festival	215,218	222,000	219,500	219,500	-1.1%
Christmas Decorating	18,474	18,000	18,000	18,000	0.0%
Christmas In The Park	14,569	11,000	11,000	11,000	0.0%
Downtown Events	373	-	-	-	100.0%
Elks Parades	-	2,500	-	-	0.0%
Faire Off the Square Event	60	-	2,100	2,100	100.0%
Fairgrounds Harvest Hoedown	5,604	6,000	6,400	6,500	8.3%
Fairgrounds Fireworks	33,291	37,000	36,201	37,000	0.0%
Film Festival	-	1,500	1,500	1,500	0.0%
Fishing Tournament-Pangborn	551	2,000	2,000	2,000	0.0%
Hagerstown 150th Commemoration	738	2,000	-	2,000	0.0%
Hagerstown 250th Anniversary	1,925	3,000	3,000	-	0.0%
Hollyfest/Tree Lighting	1,552	2,000	2,000	2,000	0.0%
Library Events	-	4,500	4,500	4,500	0.0%
Miscellaneous Downtown Events	3,790	8,000	10,000	10,000	25.0%
Miss Maryland Pageant	30,229	14,500	30,500	31,500	117.2%
Mummers Parade	10,869	25,000	23,352	25,000	0.0%
Music by the Lake	4,353	8,000	6,000	7,800	-2.5%
University of MD Systems Gala	-	1,500	1,500	1,500	0.0%
University Plaza Events	3,556	10,000	7,000	10,000	0.0%
Velo Club Bike Race	1,401	3,000	3,000	3,000	0.0%
Wesel Official's Visit to Hagerstown	350	2,000	3,000	1,000	-50.0%
YMCA Run	538	300	300	300	0.0%
Total Public Function Expenses	\$ 411,317	\$ 455,800	\$ 462,853	\$ 468,200	2.7%

Festivals

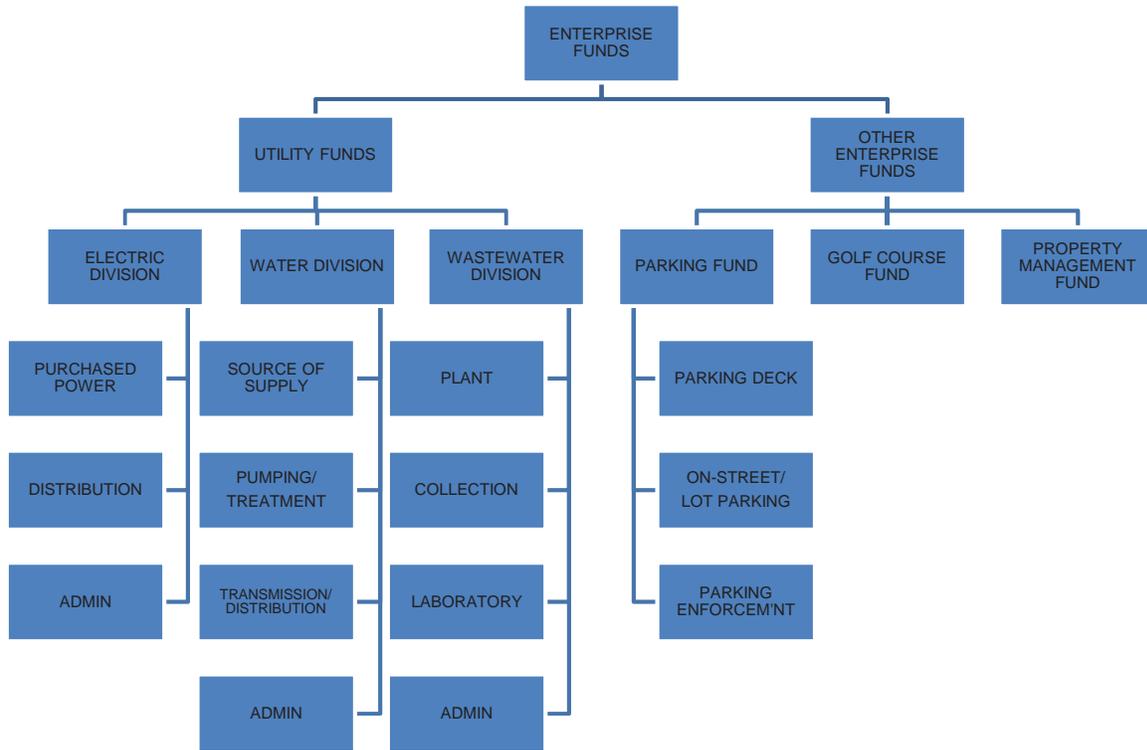
City of Hagerstown



ENTERPRISE FUNDS SECTION 4

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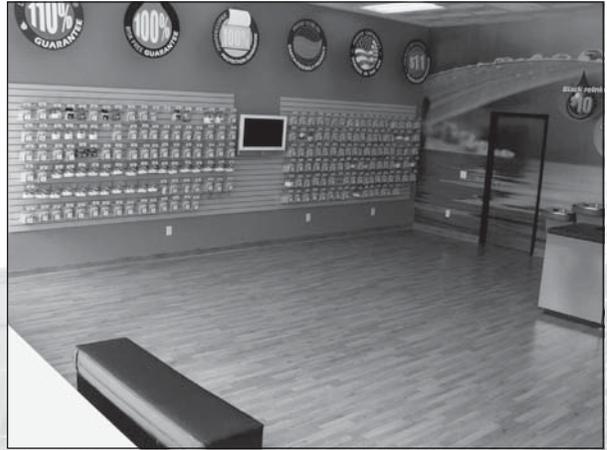
ENTERPRISE FUNDS - ORGANIZATIONAL CHART
FISCAL YEAR 2013/2014



ENTERPRISE FUNDS - COMBINING STATEMENT
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	ELECTRIC	WATER	WASTEWATER	PARKING	GOLF COURSE	PROPERTY MANAGEMENT	TOTAL
OPERATING REVENUES							
Service Charges	\$22,705,000	\$10,355,961	\$ 10,687,912	\$ 918,040	\$164,775	\$ 361,028	\$45,192,716
Other Revenues	414,331	624,960	80,952	2,000	24,677	2,447	1,149,367
Total Operating Revenues	23,119,331	10,980,921	10,768,864	920,040	189,452	363,475	46,342,083
OPERATING EXPENSES							
Production and Treatment	17,059,173	3,669,316	5,151,673	-	-	-	25,880,162
Transmission, Distribution & Collection	2,100,146	1,686,181	1,487,840	-	-	-	5,274,167
Selling, General & Administrative	3,210,372	2,711,525	3,056,292	424,019	398,247	384,951	10,185,406
Depreciation	920,000	2,682,000	3,052,000	246,000	21,692	145,000	7,066,692
Total Operating Expenses	23,289,691	10,749,022	12,747,805	670,019	419,939	529,951	48,406,427
Operating Income (Loss)	(170,360)	231,899	(1,978,941)	250,021	(230,487)	(166,476)	(2,064,344)
NON-OPERATING REVENUES (EXPENSES)							
Interest Earned	143,025	5,000	7,800	500	50	3,500	159,875
Interest (Expense)	(8,012)	(567,940)	(420,883)	(77,178)	-	-	(1,074,013)
Gain (Loss) on Sale of Capital Assets	(8,000)	2,500	-	-	-	-	(5,500)
Total Other Income (Expense)	127,013	(560,440)	(413,083)	(76,678)	50	3,500	(919,638)
Net Income before Contributions & Transfers	(43,347)	(328,541)	(2,392,024)	173,343	(230,437)	(162,976)	(2,983,982)
OTHER FINANCING SOURCES (USES)							
Capital Contributions	10,000	2,100,000	900,000	350,000	-	38,079	3,398,079
Developer/Grant Funded	205,000	500,000	-	-	-	-	705,000
Operating & Capital Transfers In	-	-	-	-	200,000	132,000	332,000
Operating & Capital Transfers (Out)	(24,250)	(274,250)	(24,250)	-	-	-	(322,750)
Increase (Decrease) in Retained Earnings	147,403	1,997,209	(1,516,274)	523,343	(30,437)	7,103	1,128,347
ADJUST RETAINED EARNINGS TO A UNRESTRICTED CASH FLOW BASIS							
Add Back Depreciation	920,000	2,682,000	3,052,000	246,000	21,692	145,000	7,066,692
Capital Outlay/Fixed Assets	(847,000)	(13,421,000)	(2,139,500)	(1,460,000)	(40,000)	(168,079)	(18,075,579)
Deduct Non-Cash Contributions	(205,000)	(500,000)	-	-	-	-	(705,000)
Bond Proceeds	-	10,840,600	717,000	500,000	-	-	12,057,600
Change in Working Capital	(500,000)	-	-	-	-	-	(500,000)
Repayment of Principal	(22,525)	(2,083,679)	(1,582,034)	(173,738)	-	-	(3,861,976)
Net Sources (Uses) of Cash	\$ (507,122)	\$ (484,870)	\$ (1,468,808)	\$ (364,395)	\$ (48,745)	\$ (15,976)	\$ (2,889,916)

Growth and Expansion in Hagerstown



ELECTRIC FUND - PROGRAM DESCRIPTION
FISCAL YEAR 2013/2014

DEPARTMENT / PROGRAM OVERVIEW

The Mission of the Utilities Department is to enhance the quality of life in our community by providing reliable, competitively priced utility services through skilled, safety-oriented and customer focused employees. The success of our organization depends on teamwork, professionalism and overall excellence achieved through our commitment to our core values. Customer and employee communication, cooperation, innovation and integrity in each process we perform are keystones to the success of the department. The Utilities Department is responsible for the management of public utilities (Electric, Wastewater and Water) collectively serving a population of nearly 88,000 customers. The Department is responsible for all billing operations, collection of revenue and the oversight of all operating and capital expenses.

DEPARTMENT / PROGRAM OBJECTIVES

We manage the financial operations of the Electric Division to ensure that our existing rate structure remains in place. There are many challenges regarding this endeavor, particularly the recent loss of our two largest customers. The recent weather trends toward milder winters further reduces our ability to increase revenues. The combination of the revenue losses, reduced wholesale power supply costs, and projected increases in wage and benefits will force the Electric Division to continue to reduce Capital Improvement Projects (CIP) and extend the life of our existing assets as required.

The Electric Division strives to provide dependable uninterrupted electrical service to all customers, approximately 38,000 users, served by the City of Hagerstown. The Division also works to ensure we are providing the most cost effective energy source in the immediate region. Division crews provide new service connections, routine maintenance, street light service throughout the entire City, monitor all substations and related equipment, and ensure the functionality of the metering program to ensure a high quality service.

The Hagerstown Light Department was awarded \$71,000 in grant funding through the EmPOWER MD 2013 Clean Energy Communities Low to Moderate Income Grant Award. This amount is the entire allotment for Washington County from the Maryland Energy Administration (MEA). The MEA's acceptance of HLD's grant proposal will allow HLD to purchase and distribute energy saving "kits" to over 900 low to moderate income HLD customers and be capable of saving 2,179 kWh of electric usage per year/per household. Additionally, the expenditure of \$40,586.28 for the in house tree removal of 405 trees at an average cost of \$100 per tree, has allowed us to attain a Customer Average Interruption Duration Index of 1.18 hours per customer, as compared to the 1.36 hours median for North American Utilities. Staff will continue to gather baseline information, utilizing consultants, legal counsel, and trade data related to long term wholesale power purchases. Savings of this nature may be used to offset the expected increase in future energy costs. Additionally, we will continue with our current conservative approach regarding Wholesale Power Supply Agreement extensions as long as the market allows for a decrease in the out year costs. We are currently under contract through May 31, 2015.

PERFORMANCE INDICATORS

	2011/12	2012/13	2013/14
Number of Residential Customers	14,817	14,688	14,450
Number of Commercial Customers	2,653	2,558	2,450
Million Kilowatt-hours Purchased	323	305	303
Million Kilowatt-hours Sold	313	296	294
Customer Average Interruption Duration Index (Hours/customer)	1.86	1.40	1.20
Number of Employees	31	31	31
Number of Customers Served per Employee	564	556	545

ELECTRIC FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURE AND REVENUE SUMMARY

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 1,872,714	\$ 1,769,698	\$ 1,855,060	\$ 1,765,207	-0.3%
Benefits	865,433	927,638	841,965	984,634	6.1%
Overtime	109,352	112,500	165,000	114,500	1.8%
Personnel Subtotal	2,847,499	2,809,836	2,862,025	2,864,341	1.9%
Contractual Services	204,870	237,810	264,410	380,581	60.0%
Operating Expenditures	23,866,598	23,504,818	22,510,256	19,122,269	-18.6%
Operating Cap Exp (Cap Outlay)	29,763	-	-	-	0.0%
Other General Expenses	1,004,695	1,000,029	949,329	962,762	-3.7%
Operating Subtotal	25,105,926	24,742,657	23,723,995	20,465,612	-17.3%
Total Expenditures	\$ 27,953,425	\$ 27,552,493	\$ 26,586,020	\$ 23,329,953	-15.3%
REVENUES BY TYPE					
Departmental Revenue	27,754,792	27,852,613	26,877,214	23,477,356	-15.7%
Total Revenues	\$ 27,754,792	\$ 27,852,613	\$ 26,877,214	\$ 23,477,356	-15.7%
Expenditures, net of Revenues	\$ 198,633	\$ (300,120)	\$ (291,194)	\$ (147,403)	-50.9%

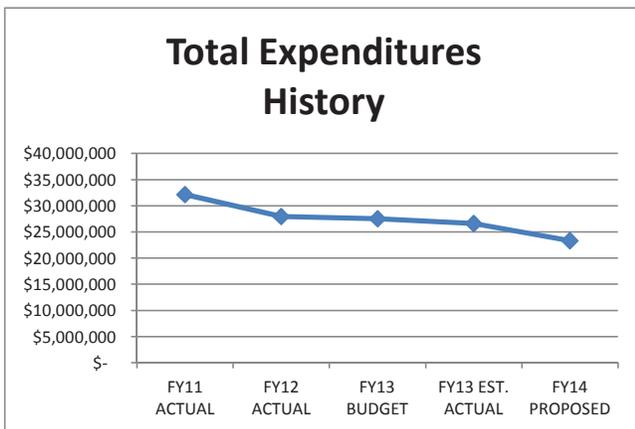
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

The Hagerstown Light Department has reduced staff and had 9 positions unfilled, all vehicle replacement purchases have been curtailed, the vehicle fleet has been reduced, all external seminars and non-certification training continue to be unfunded. Capital Outlay has been reduced from \$1.3M in FY08 to \$847K in FY13 (a 35% reduction) and from FY08 to FY13 our total expenditures have decreased from \$33M to \$27.8M (\$5.2M). As with all businesses who are weathering these tough economic times, the HLD utilizes common sense approaches related to energy consumption, material repair/reuse, employee sharing, vehicle re-utilization etc.

Estimated Actual FY13 to Proposed FY14

The unfilled positions continue to reduce our personnel expenditures in FY14 and 4 of the 9 unfilled positions will be eliminated. The Division continues to realize the loss of revenue as a result of the loss of the Washington County Hospital and the Unilever/Good Humor-Bryers operation. Operating expenditures continue to decrease as a result of the elimination of capital outlay, vehicle purchases, educational benefits and training for staff professional development. The HLD will realize an approximate 16% savings in our wholesale power purchase rate when the two single year contract extensions became effective on June 1, 2013 and June 1, 2014. A residential customer who uses 800 kWh of electric per month from June 1, 2013 through May 31, 2015 would be charged \$61.39 versus the current charges of \$67.81.



STAFFING SUMMARY

	FY12	FY13		FY14
		Budg	Est Act	
Full time	40.00	40.18	39.18	35.58
Less: Unfunded	-7.00	-10.00	-9.00	-5.00
Staffing Total	33.00	30.18	30.18	30.58

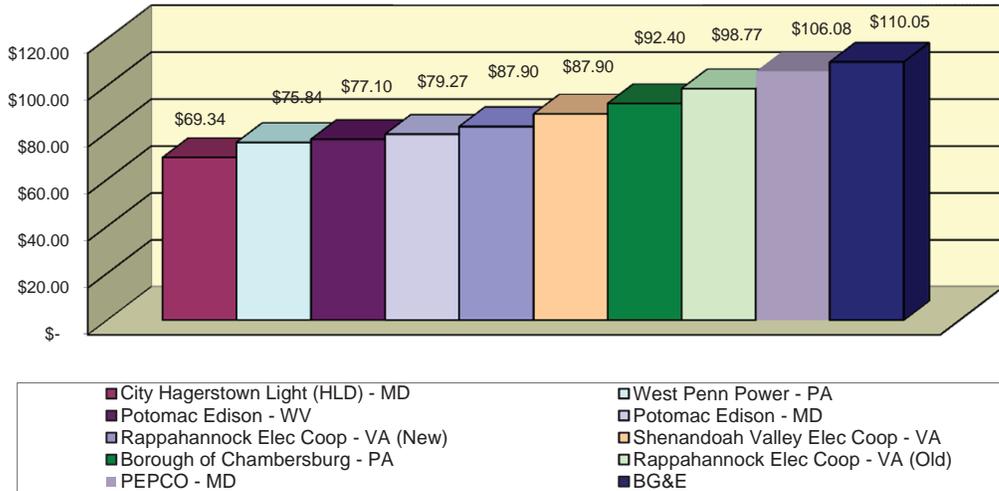
In order to respond to the projected loss of revenue associated with loss of our top two customers, the Division will continue to reduce operational costs through any means available through FY14 and beyond.

ELECTRIC FUND - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
OPERATING REVENUES					
Service Charges	\$ 27,181,181	\$ 27,189,500	\$25,971,000	\$ 22,705,000	-16.5%
Other Revenues	374,954	340,784	404,227	414,331	21.6%
Total Operating Revenues	27,556,135	27,530,284	26,375,227	23,119,331	-16.0%
OPERATING EXPENSES					
Purchased Power	21,707,944	21,361,191	20,430,148	17,059,173	-20.1%
Distribution Expenses	2,208,687	2,051,208	2,114,215	2,100,146	2.4%
Customer Accounts Expenses	871,662	976,374	988,021	958,548	-1.8%
Selling, General & Administrative	2,162,018	2,169,691	2,105,807	2,251,824	3.8%
Depreciation	903,708	950,200	884,000	920,000	-3.2%
Total Operating Expenses	27,854,019	27,508,664	26,522,191	23,289,691	-15.3%
Operating Income (Loss)	(297,884)	21,620	(146,964)	(170,360)	-888.0%
NON-OPERATING REVENUES (EXPENSES)					
Interest Earned	176,020	152,329	152,329	143,025	-6.1%
Interest (Expense)	(9,803)	(8,829)	(8,829)	(8,012)	-9.3%
Gain (Loss) on Capital Assets	(34,603)	5,000	(15,000)	(8,000)	-260.0%
Total Other Income (Expense)	131,614	148,500	128,500	127,013	-14.5%
Net Income before Operating Transfers	(166,270)	170,120	(18,464)	(43,347)	-125.5%
TRANSFERS FROM (TO) OTHER FUNDS					
Transfers to CIP Fund	(55,000)	(40,000)	(40,000)	(24,250)	-39.4%
Total Transfers From (To) Funds	(55,000)	(40,000)	(40,000)	(24,250)	-39.4%
CAPITAL CONTRIBUTIONS					
Grants in Aid of Construction	-	-	69,658	10,000	100.0%
Non-Cash Developer Contributions	22,637	170,000	280,000	205,000	20.6%
Total Capital Contributions	22,637	170,000	349,658	215,000	26.5%
Increase (Decrease) in Retained Earnings	(198,633)	300,120	291,194	147,403	-50.9%
Add Back Depreciation	903,708	950,200	884,000	920,000	-3.2%
Deduct Non-Cash Capital Contributions	(22,637)	(170,000)	(280,000)	(205,000)	20.6%
Changes in Working Capital	(513,156)	(500,000)	(500,000)	(500,000)	0.0%
Capital Outlay/Fixed Assets	(406,315)	(875,000)	(510,600)	(847,000)	-3.2%
Repayment of Principal	(45,875)	(21,638)	(21,638)	(22,525)	4.1%
Net Sources (Uses) of Cash	\$ (282,908)	\$ (316,318)	\$ (137,044)	\$ (507,122)	60.3%

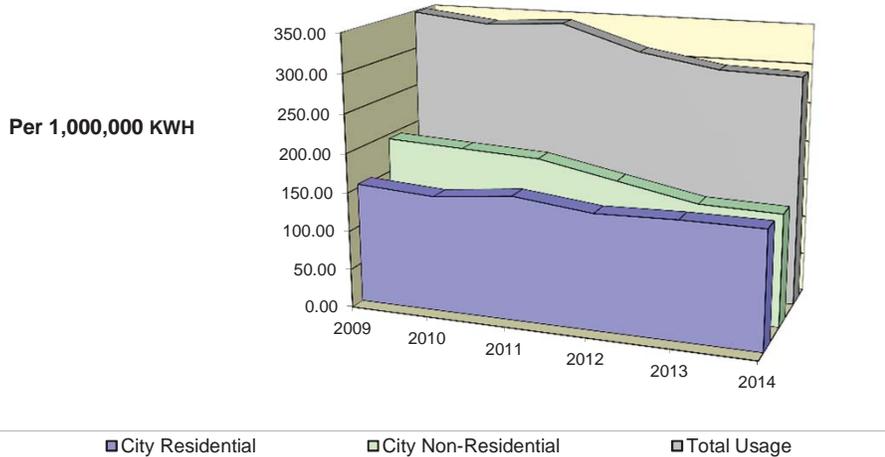
ELECTRIC FUND - CONSUMPTION AND RATE COMPARISON
FISCAL YEAR 2013/2014

SERVICE CHARGE COMPARISON AS OF MARCH 2013



Comparative rates are shown from left to right. City of Hagerstown Light Department (HLD) rates will remain stable for the length of the wholesale contract, which expires May 31, 2014. A typical residential customer uses an average of 800 KWH per month.

ELECTRIC CONSUMPTION FROM 2009 - 2014



The decrease in consumption has continued as a result of the loss of Washington County Hospital (now Meritus Medical Center) in December 2010 and the projected loss of Unilver Good Humor-Breyers during calendar year 2012.

ELECTRIC FUND - PROPOSED OPERATING REVENUES
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
ELECTRIC REVENUES					
Sales of Electric-Unbilled Readings	\$ 39,604	\$ -	\$ -	\$ -	0.0%
Residential Lighting	12,999,744	13,655,000	13,655,000	11,656,000	-14.6%
Residential Metering	936	500	1,000	1,000	100.0%
Commercial Lighting	5,461,099	5,575,000	5,275,000	4,848,000	-13.0%
Commercial Metering	9,122	5,000	10,000	10,000	100.0%
Power PI(09)	2,602,718	2,866,000	2,476,000	2,247,000	-21.6%
Power Ph(10)	5,209,809	4,268,000	3,672,000	3,126,000	-26.8%
High Voltage-Newstech	102,369	73,000	140,000	140,000	91.8%
Dusk to Dawn	25,242	25,000	24,000	23,000	-8.0%
Street Lighting	704,621	696,000	693,000	632,000	-9.2%
Traffic Lighting	25,917	26,000	25,000	22,000	-15.4%
Total Electric Revenues	27,181,181	27,189,500	25,971,000	22,705,000	-16.5%
OTHER REVENUES					
Pole Rental/Attachment Fees	19,557	19,557	14,000	14,000	-28.4%
Rents from Electric Properties	2,000	-	-	-	0.0%
Building Rental-CMG	37,000	37,000	37,000	38,000	2.7%
Rent Income - Sub-Station	3,796	3,796	3,796	3,796	0.0%
Miscellaneous Electric Revenue	58,742	50,000	50,000	50,000	0.0%
Reconnection Charges	6,670	50,000	90,500	90,300	80.6%
Customer Reimbursed Overtime	45,869	25,000	20,000	25,000	0.0%
Scrap Sales	48,494	15,000	15,000	15,000	0.0%
Insurance Reimbursements	21,753	1,500	30,000	25,000	1566.7%
Recovery of Notes Receivable-F.U.F.	130,210	138,931	138,931	148,235	6.7%
Bad Check Charges	863	-	5,000	5,000	100.0%
Total Other Revenues	374,954	340,784	404,227	414,331	21.6%
Total Operating Revenues	\$ 27,556,135	\$ 27,530,284	\$ 26,375,227	\$ 23,119,331	-16.0%

ELECTRIC FUND CAPITAL EXPENSES
FISCAL YEAR 2013/2014

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Electric Fund Vehicle Replacement-C0090 Replace Fleet Vehicles scheduled for replacement under the Vehicle Replacement Program	Replace Fleet Vehicles	Replace deteriorating mobile equipment to improve safety for workers and to reduce service restoration time	50,000
Telemetry Equipment-C0111 Construction of Communication Networks to Facilitate Transmission of Data from Installed Devices in the Electric System	Electrical System	Improve service, increase system reliability	40,000
System Reconductoring-C0259 Upgrade Power in Distribution Lines	Poles, Towers & Fixtures, Overhead Devices	Improve Basic Service	20,000
Pedestrian Lighting-C0388 Install Ornamental Street Lighting in Areas Designated by the Mayor & Council	Lighting - 400 Block of Potomac Avenue, 100 Block of East Antietam	Improve Aesthetics in the City	10,000
Building & Site Improvements-C0542 Improvements to Electric Department's Facility on East Baltimore Street and Eastern Blvd Storage	Replace HLD Windows, etc. and improve Eastern Bld Storage Building	Cost Avoidance, Planned Improvement, Improve Service	25,000
Test Equipment-C0609 Procure Test Equipment to Improve Maintenance Programs and Power Quality for Customers	Station Equipment	Improve Reliability of Service	17,000
Fairchild Heights-C0613 Provide underground electrical service to new development	Underground Conduits, Conductors, Line Transformers, Services & Meters	Provide electric service to new customers	8,000
Old Trail Estates/Peachtree Suites-C0673 Provide Underground Electrical Services to New Development	Services and Meters	Provide Electric Service	3,000
Potomac Heights-C0674 Provide Underground Electrical Service to New Development in Potomac Heights	Underground Service	Provide Electric Service to New Customers	3,000
Substation Breaker Replacement-C0776 Replace Aging Breakers in Substation to Maintain Reliability	Replace Substation Breakers on maintenance cycle to reduce equipment failure	Increase Reliability of Service	10,000

ELECTRIC FUND CAPITAL EXPENSES
FISCAL YEAR 2013/2014

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
GIS Facility Software-C0777 Install Geographic Information Software for HLD Engineering	System Mapping will inter-face with all other City departments	Maintain software to interface with City	10,000
Mitchell Substation Bay Installation-C0778 Install infrastructure for third station class transformer	Station Equipment	Increase Reliability of Service	10,000
Spare Regulators-C0797 Purchase spare regulators for substations	Station Equipment	Improve service and reliability	20,000
Wildlife Protection-C0802 Purchase and install wildlife protection on substation equipment	Station Equipment	<ul style="list-style-type: none"> • Power outages caused by wildlife within the substations will be reduced and reliability will increase • There will also be a decrease in maintenance repair and/or replacement costs of damaged equipment caused by wildlife 	15,000
Noland Drive Boys and Girls Club-C0818 Reconstruct overhead facilities offsite and install necessary underground equipment onsite to provide electric service. The developer will install all conduits. Location in employee lot in Noland Village	Poles, Towers & Fixtures, Overhead Conductors and Devices, Underground Conductors and Devices, Distribution Line Transformers, Services, Meters	Provide electric service to new customers within the service territory of the HLD	52,000
Hamilton Hotel-C0819 Reconstruct overhead facilities offsite and install necessary underground equipment onsite to provide electrical service	Poles, Towers, & Fixtures, O/H Conductors & Devices, Underground Conduit, Conductors & Devices, Line Transformers, Services, and Meters	Provide new electric service to customers	9,000
Feeder Coordination-C0833 Remove, relocate, replace, and/or adjust Circuit Breakers, Reclosers, Fuses, Switches, and Capacitors	Circuit Breakers, Reclosers, Fuses, Switches, and Capacitors	Improve system reliability and power quality	25,000
Bester Elementary School-C0841 Reconstruct overhead and underground facilities offsite and install necessary underground equipment onsite to provide electrical service	Poles, Towers, & Fixtures, O/H Conductors & Devices, Underground Conduit, Conductors & Devices, Line Transformers, Services, Meters and Street & Signal Lighting	Provide electrical service to new customers	41,000
Circuit Upgrades-C0842 Construct final section of 34.5 kV subtransmission loop between substations	Poles, Towers, & Fixtures, and O/H Conductors & Devices	Improve ability to switch load between substations improving service outage restoration times	60,000

ELECTRIC FUND CAPITAL EXPENSES
FISCAL YEAR 2013/2014

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
5085001-583002 Dist-Station Equipment	Costs of installation of station equipment including transformer banks, which are used for the purpose of changing the characteristics of electricity in connection with its distribution	To upgrade existing substation facilities and to continue periodic replacement of aged equipment	25,000
5085001-583004 Dist-Poles, Towers & Fixtures	Costs of installation of poles, towers, and fixtures used for supporting overhead distribution conductors and service wires	To upgrade service to electrical customers and to continue periodic replacement of aged equipment	60,000
5085001-583005 Dist-Overhead Conductors and Devices	Costs of installation of overhead conductors & devices for distribution purposes, including the installation of overhead primary cable, insulators, arrestors, switches and other line hardware	To upgrade existing facilities and to continue periodic replacement of aged equipment	30,000
5085001-583006 Dist-Underground Conduit	Costs of installation on underground conduit and tunnels used for housing distribution cables or wires	To meet the need of electrical customers who are upgrading or installing new services	10,000
5085001-583007 Dist-Underground Conductors and Devices	Costs of installation of underground conductors and devices used for distribution purposes	To upgrade existing primary electrical wires and for the installation of new primary underground conductors to maintain the reliability of the distribution systems	10,000
5085001-583008 Dist-Line Transformers	Costs of installation of overhead & underground distribution line transformers and pole type and underground voltage regulators owners by the utility, for use in transforming electricity to the voltage at which it is to be used by the customer	<ul style="list-style-type: none"> • To meet the needs of electrical customers who are upgrading their services or building new homes • Also to replace aging units already in service 	100,000
5085001-583009 Dist-Services	Costs of installation of overhead & underground conductors leading from a point where wires leave the last pole of an overhead system, or if an underground system, the distribution box of manholes	To meet the needs of electrical customers who are upgrading their services and building new homes	50,000

ELECTRIC FUND CAPITAL EXPENSES
FISCAL YEAR 2013/2014

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
5085001-583010 Dist-Meters	Costs of installation of meters or devices for use in measuring the electricity delivered to users	<ul style="list-style-type: none"> • To meet the needs of electrical customers who are upgrading their services and building new homes. • Also to replace obsolete meters currently in the system, as required by the Maryland Public Service Commission 	50,000
5085001-583013 Dist-Street & Signal Lighting	Costs of installation of equipment used wholly for public streets	To provide adequate street lighting for City residents	70,000
5085001-583014 Tools Shop & Garage Equip	Cost of tools, implements, and equipment used in construction, repair work, general shops and garages	To maintain and provide miscellaneous improvements to utility construction equipment and facilities	2,000
5085001-5867 Communication Equip	Costs of installation of telephone and wireless equipment for general use in connection with utility operations	To maintain Supervisory Control and Data Control (SCADA), radio communication, telephone service, etc	2,000
5085001-581001 General Plant - Structure	Administrative Building	Replace worn office furniture and computer equipment	5,000
5085001-5860 General Plant - Office Furniture, Fixtures, & Equip	Administrative Building	Replace worn office furniture and computer equipment	5,000
TOTAL CAPITAL OUTLAY			\$ 847,000

What's Happening in Hagerstown



WATER FUND - PROGRAM DESCRIPTION
FISCAL YEAR 2013/2014

DEPARTMENT / PROGRAM OVERVIEW

The Mission of the Utilities Department is to enhance the quality of life in our community by providing reliable, competitively priced utility services through skilled, safety-oriented and customer focused employees. The success of our organization depends on teamwork, professionalism and overall excellence achieved through our commitment to our core values. Customer and employee communication, cooperation, innovation and integrity in each process we perform are keystones to the success of the department. The Utilities Department is responsible for the management of public utilities (Electric, Wastewater and Water) collectively serving a population of nearly 88,000 customers. The Department is responsible for all billing operations, collection of revenue and the oversight of all operating and capital expenses.

DEPARTMENT / PROGRAM OBJECTIVES

The Water Division supports the Mayor and Council's Strategic Plan through the Division's assistance to all City Departments in the realization of all applicable objectives. As part of the City's approved Strategic Plan, Focus Area "A Safe and Healthy Community", the Water Division completed the construction of the Hellane Park Water Tank to fulfill objective "B" Completion of the West End Water Tank. Staff and Hazen & Sawyer have finalized and bid the RC Willson Phase IV Improvements for Stage 2 DPBR Compliance. The approximately \$9.6M upgrade at our water treatment plant will ensure compliance with the Maryland Department of the Environment's Disinfected Byproduct II regulations and Safe Drinking Water Act Regulations.

The Water Division is responsible for the treatment and distribution of 11.6 MGD (2012 average daily demand) of potable water to all City residents and surrounding communities in Washington County. The water system is comprised of over 400 miles of water mains, the R.C. Willson and W.M. Breichner treatment plants, four pumping stations and eight water storage tanks. The Division had undergone many improvements over the past 5 years which include the construction of two 6.4 MG tanks, electrical upgrades at R.C. Willson and new valving and transmission mains leaving the R.C. Willson Plant. These improvements help ensure a reliable cost effective water supply to all customers served by the City of Hagerstown.

To further assist in our financial commitment to the customer, the Division secured a \$1.5M grant, \$1.5M Principal Forgiveness from MDE, and have been approved for a \$6.1M low interest loan from the MD. State Revolving Loan Fund. The Water Fund is pursuing additional MDE funding for subsequent upgrades to the W.M. Breichner Plant for compliance with the LT2ESWTR and Stage 2 DBPR. The Water Division has set a goal for the replacement of all residential meters by 2016. This will assist with system billing accuracy, the reduction in unallocated water, and reduce customer billing complaints associated with human error. The Department has replaced over 55% of the 28,000 residential meters and we continue to test the 300 commercial meters annually. The Water Division will continue with our \$350,000 budgeted system rehabilitation and main replacement projects through the leak detection program, hydrant and valve program, and through our coordinated efforts with the City/County/State roadway rehabilitation projects. This CIP assists greatly in reducing system operational issues related to water main and equipment failures.

PERFORMANCE INDICATORS

	2011/12	2012/13	2013/14
Number of Inside City Customers	13,782	13,860	13,082
Number of Outside City Customers	15,734	15,792	15,387
Million Gallons Produced	4,360	4,240	4,233
Million Gallons Accounted For	3,436	3,546	3,482
Percentage of Unaccounted for Water	21.2%	16.4%	17.7%
Number of Employees	49.5	46.5	49.5
Number of Customers Served per Employee	596	637	575

WATER FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURE AND REVENUE SUMMARY

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 2,647,754	\$ 2,587,962	\$ 2,659,613	\$ 2,662,942	2.9%
Benefits	1,111,660	1,160,376	1,086,856	1,261,464	8.7%
Overtime	71,794	112,000	113,050	112,000	0.0%
Personnel Subtotal	3,831,208	3,860,338	3,859,519	4,036,406	4.6%
Contractual Services	501,090	523,960	520,810	656,631	25.3%
Operating Expenditures	3,317,708	3,415,032	3,296,707	3,315,185	-2.9%
Operating Cap Exp (Cap Outlay)	171,065	57,100	58,300	58,300	2.1%
Other General Expenses	2,627,796	2,295,866	2,869,320	3,524,690	53.5%
Operating Subtotal	6,617,659	6,291,958	6,745,137	7,554,806	20.1%
Total Expenditures	\$ 10,448,867	\$ 10,152,296	\$ 10,604,656	\$ 11,591,212	14.2%
REVENUES BY TYPE					
Departmental Revenue	11,061,249	13,305,425	11,510,258	13,588,421	2.1%
Total Revenues	\$ 11,061,249	\$ 13,305,425	\$ 11,510,258	\$ 13,588,421	2.1%
Expenditures, net of Revenues	\$ (612,382)	\$ (3,153,129)	\$ (905,602)	\$ (1,997,209)	-36.7%

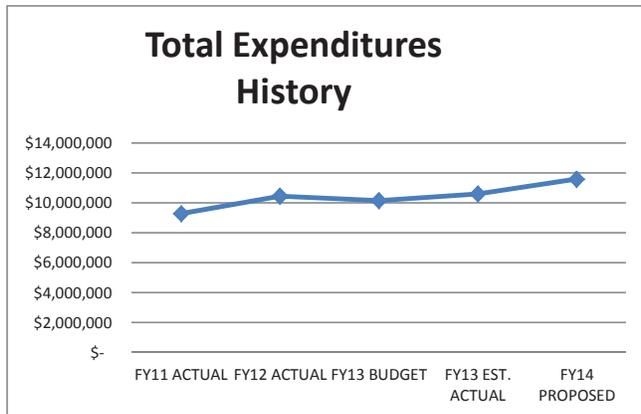
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

The Water Division has reduced staff and currently has 4 positions unfunded for FY13. Vehicle replacement purchases have been reduced and moved into future years, all external seminars and non-certification training has been eliminated. Capital Outlay has been increased from \$4.1M in FY11 to \$7.419M projected in FY13 due to the Phase IV Improvements for Stage 2 DPBR Compliance at the Willson Plant. From FY10 to FY13 our total operating revenues have increased from \$8.8M to a projected \$10.4M (\$1.6M increase). As with all businesses who are weathering these tough economic times, the Water Division utilizes common sense approaches related to energy consumption, chemical usage, employee sharing etc..

FY13 to Proposed FY14

Personnel expenditures reflect an decrease in excess of \$160,000 primarily due to the four unfunded positions within the Division. Operating expenditures are projected to increase \$800,000 (\$7.7M to \$8.2M) as we continue to delay some vehicle purchases and realize a reduction of educational benefits and training for staff professional development. The securement of a \$1.5M grant, \$1.5M Principal Forgiveness from MDE, and approval for a \$6.1M low interest loan from the MD. State Revolving Loan Fund is of great value for our customers as we move forward with meeting the mandated regulatory requirements.



STAFFING SUMMARY

	FY13			
	FY12	Budget	Est Act	FY14
Full time	54.25	56.49	55.02	55.02
Less: Unfunded	-5.00	-4.00	-4.00	-4.00
Staffing Total	49.25	52.49	51.02	51.02

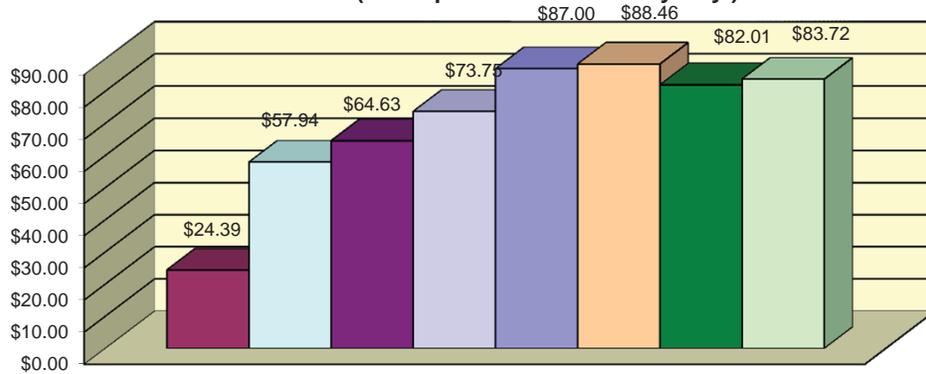
The Division will continue to reduce operational costs through any and all means available through Fiscal Year 13 and beyond. Willson Phase IV Plant Improvements to comply with State and Federal regulations will likely require re-programing of 2 vacant positions to meet operational constraints in FY15.

WATER FUND - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	PROPOSED
OPERATING REVENUES					
Service Charges	\$ 9,444,747	\$ 9,876,713	\$ 9,758,876	\$ 10,355,961	4.9%
Other Revenues	779,423	664,084	643,882	624,960	-5.9%
Total Operating Revenues	10,224,170	10,540,797	10,402,758	10,980,921	4.2%
OPERATING EXPENSES					
Source of Supply	90,487	77,950	73,750	73,750	-5.4%
Pumping & Water Treatment	2,856,502	3,536,296	3,358,619	3,595,566	1.7%
Transmission & Distribution	1,927,743	1,602,058	1,625,692	1,686,181	5.3%
Selling, General & Administrative	2,946,455	2,640,626	2,677,776	2,711,525	2.7%
Depreciation	2,245,421	1,831,700	2,384,000	2,682,000	46.4%
Total Operating Expenses	10,066,608	9,688,630	10,119,837	10,749,022	10.9%
Operating Income (Loss)	157,562	852,167	282,921	231,899	-72.8%
NON-OPERATING REVENUES (EXPENSES)					
Interest Earned	40,217	10,000	5,000	5,000	-50.0%
Interest (Expense)	(327,259)	(423,666)	(444,819)	(567,940)	34.1%
Gain (Loss) on Capital Assets	2,548	2,500	2,500	2,500	0.0%
Total Other Income (Expense)	(284,494)	(411,166)	(437,319)	(560,440)	36.3%
Income Before Contribs. & Transfers	(126,932)	441,001	(154,398)	(328,541)	-174.5%
TRANSFERS FROM (TO) OTHER FUNDS					
Transfers to CIP Fund	(55,000)	(40,000)	(40,000)	(24,250)	-39.4%
Transfers to General Fund-Water Fund Dividend				(250,000)	
Total Transfers From (To) Funds	(55,000)	(40,000)	(40,000)	(274,250)	585.6%
CAPITAL CONTRIBUTIONS					
Water Benefit Charges	565,104	652,128	600,000	600,000	-8.0%
Grants in Aid of Construction	29,088	1,500,000	-	1,500,000	0.0%
Non-Cash Developer Contributions	200,122	600,000	500,000	500,000	-16.7%
Total Capital Contributions	794,314	2,752,128	1,100,000	2,600,000	-5.5%
Increase (Decrease) in Retained Earnings	612,382	3,153,129	905,602	1,997,209	-36.7%
Add Back Depreciation	2,245,421	1,831,700	2,384,000	2,682,000	46.4%
Capital Outlay/Fixed Assets	(3,655,108)	(7,362,000)	(6,938,098)	(13,421,000)	82.3%
Repayment of Principal	(1,494,913)	(1,337,658)	(1,337,775)	(2,083,679)	55.8%
Deduct Non-Cash Contributions	(200,122)	(600,000)	(500,000)	(500,000)	-16.7%
Changes in Working Capital	(152,217)	-	(250,000)	-	0.0%
Bond Proceeds	4,686,334	4,795,000	5,955,000	10,840,600	126.1%
Change in Restricted Cash	-	-	-	-	0.0%
Net Sources (Uses) of Cash	\$ 2,041,777	\$ 480,171	\$ 218,729	\$ (484,870)	-201.0%

WATER FUND - CONSUMPTION AND RATE COMPARISON
FISCAL YEAR 2013/2014

SERVICE CHARGE COMPARISON AS OF MARCH 2013
(Rates presented are strictly City)

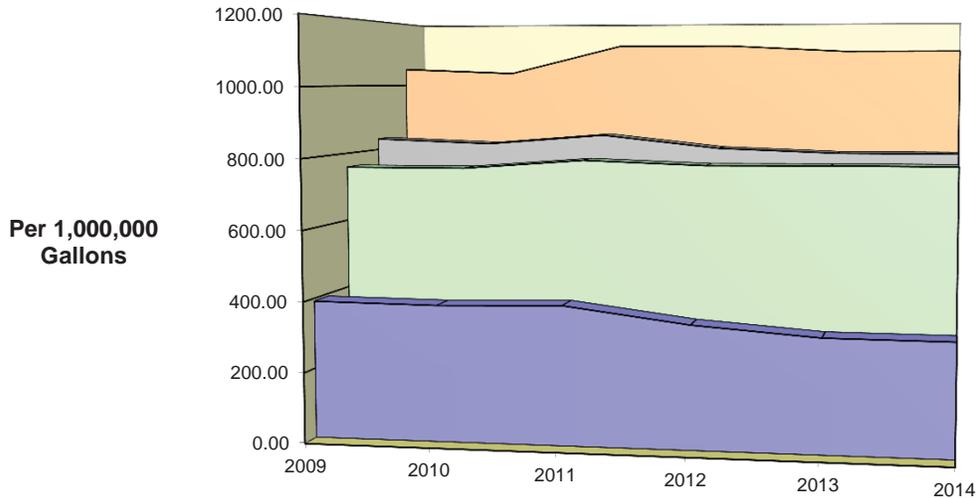


City of Hagerstown, MD
 Town of Smithsburg, MD
 City of Cumberland, MD
 City of Frostburg, MD

Town of Funkstown, MD
 City of Frederick, MD
 City of Martinsburg, WV
 City of Winchester, VA

The service charge comparison shows that the quarterly charges for a typical water customer is significantly less expensive in Hagerstown than any other comparable utility in the region. A typical water customer is defined as a City resident using 13,000 gallons of water per quarter.

WATER CONSUMPTION FROM 2009 - 2014



City Non-Residential
 City Residential
 County Residential
 County Non-Residential

The water consumption comparison reflects a decrease in City Non-Residential due to the loss of Washington County Hospital (now Meritus Medical Center) in December 2010 and the projected loss of Unilever Good Humor-Breyers during calendar year 2012.

WATER FUND - PROPOSED OPERATING REVENUES
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12 ACTUAL	2012/13 BUDGET	2012/13 EST. ACTUAL	2013/14 PROPOSED	2013/14 % CHANGE
WATER SERVICES					
Metered Sales-Unbilled	\$ 158,407	\$ -	\$ -	\$ -	0.0%
Water Fixed Charge - City	428,821	450,926	452,526	474,761	5.3%
Water Fixed Charge - County	1,557,524	1,652,216	1,660,350	1,767,900	7.0%
Metered City Water	1,484,820	1,550,198	1,533,000	1,605,000	3.5%
Metered County Water	4,987,207	6,223,373	6,113,000	6,508,300	4.6%
Metered County Booster Water	827,968	-	-	-	0.0%
Total Service Charges	9,444,747	9,876,713	9,758,876	10,355,961	4.9%
OTHER REVENUES					
Contracted Services	7,815	7,500	5,000	5,000	-33.3%
Reconnection Charges	56,730	75,000	25,000	25,000	-66.7%
Water Service Application Fee	20,475	15,000	15,000	15,000	0.0%
Water Transfer Fee	7,260	-	25,000	25,000	100.0%
W.C.S.D. Consumption Data Service	54,015	60,000	60,000	60,000	0.0%
Review/Inspection Fee	10,667	15,000	15,000	15,000	0.0%
Insurance Reimbursements	666	-	15,364	1,500	100.0%
Rent-City Employees	24,960	24,960	24,960	24,960	0.0%
Miscellaneous Other Revenues	158,948	5,000	3,000	2,000	-60.0%
County Debt Service Fees	-	-	-	-	0.0%
County Debt Service Surcharge	64,242	64,224	64,000	64,000	-0.3%
Cell Tower Rent	10,359	10,400	10,400	10,000	-3.8%
Fire Protection	141,332	142,000	142,000	141,000	-0.7%
Plumbing	165,410	180,000	180,000	180,000	0.0%
Interest Penalty	-	20,000	5,000	5,000	-75.0%
Net Gain/Loss-Scrap Sales	55,944	45,000	50,000	50,000	11.1%
Bad Check Charges	600	-	1,500	1,500	100.0%
Operating Grants	-	-	2,658	-	0.0%
Total Other Revenues	779,423	664,084	643,882	624,960	-5.9%
Total Operating Revenues	\$ 10,224,170	\$ 10,540,797	\$ 10,402,758	\$ 10,980,921	4.2%

WATER FUND CAPITAL EXPENSES
FISCAL YEAR 2013/2014

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Water Fund Vehicles-C0117 Replace fleet vehicles	Unit 209, Unit 241, Unit 214, Unit 223, Unit 217, Unit 234, & Unit 261	Replace Water Division vehicles	275,400
RC Willson WTP Improvements-C0166 Replacement and upgrade of equipment at R.C. Willson Water Treatment Plant in Williamsport, MD to address aging equipment and facility needs	Equipment	Improve reliability and reduce operating costs	200,000
Edgemont Reservoir Improvements-C0168 General repairs to leaks beneath spillway and removal of trees at Edgemont Reservoir and Smithsburg Ponds	Maintenance	MDE Dam Safety directives public safety, source water quality	150,000
Breichner WTP Improvements-C0405 Improve quality of BWTP finished water by modifying process	Equipment	Improve drinking water quality	300,000
Administrative & Eng. Equipment-C0648 Upgrade Computer Equipment and Info-Water Program	Computer Equipment & Software	Replace/Upgrade computer hardware and software	10,000
Pump Station Improvements-C0651 Multiphase program of rehabilitating and automating water pumping stations	Construction Engineering	Replace and Upgrade Infrastructure Reliability	75,000
Distribution Services-C0653 Material (including meters) and labor needed for new installations.	Equipment/Meters Distributed Labor	Install 4500 new meters in FY13 residential and 10 large non-residential	1,205,600
Distribution System Rehabilitation-C0709 Combined C.I.P. representing all distribution system main replacements, both outsourced and in-house, as well as all intersection work.	Construction Equipment Distributed Labor	Replace Aging Infrastructure	400,000
R.C Willson Plant - Phase IV-C0740 Multi-phased rehabilitation and process upgrade of the R.C. Willson Water Treatment Plant. Phase IV consists of residual management and lagoon modifications	Planning/Engineering Construction	Comply with SDWA Program requirements for DBPR standards	9,600,000

WATER FUND CAPITAL EXPENSES
FISCAL YEAR 2013/2014

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Water SCADA System-C0820 Water System SCADA Improvements, Remove Remote I/O Cabinets for filter operation and chemical feed processes	Construction	Replace/repair aging equipment to increase operational efficiencies	1,205,000
5270501-5825 Residential Buildings-Willson	To maintain residential / rental properties	Rental property maintenance	5,000
5270501-5833 Laboratory Equipment-Willson	Laboratory Equipment	Maintain laboratory equipment	2,000
5270501-5839 Portable Tools/Equipment-Willson	Portable tools and equipment	Replace portable tools and equipment as needed	2,500
5270501-5861 Desks-Chairs-and Tables-Willson	Desks, chairs, table	To replace office furniture as needed	500
5270501-5865 Computer Equipment-Willson	Computer equipment	Replace worn equipment as needed	2,500
5270501-5867 Communication Equipment-Willson	Communication equipment	To replace communication equipment as needed	2,500
5270502-5825 Residential Buildings-Pump Stations	Park Ave. Office - facility maintenance	Routine facility maintenance required	5,000
5270502-5833 Laboratory Equipment-Pump Stations	Laboratory Equipment	Replace laboratory equipment	500
5270502-5861 Desks-Chairs-Tables-Pump Stations	Desks, chairs, table	To replace office furniture as needed	1,200
5270502-5865 Computer Equipment-Pump Stations	Computer Equipment	Replace worn equipment as needed	3,000

WATER FUND CAPITAL EXPENSES
FISCAL YEAR 2013/2014

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
5270502-5867 Communication Equipment-Pump Stations	Communication equipment	To replace communication equipment as needed	3,000
5270503-5861 Desks-chairs-and Tables-Laboratory	Desks, chairs, table	To replace office furniture as needed	100
5270503-5865 Computer Equipment-Laboratory	Computer equipment	Replace worn equipment as needed	1,500
5271001-5825 Residential Buildings-Source of Supply	To maintain residential/rental properties	Rental property maintenance (3 properties)	7,500
5271001-5830 Non-Portable Equipment-Source of Supply	Non-portable equipment	Replace non-portable equipment	500
5271001-5833 Laboratory Equipment-Source of Supply	Laboratory equipment	To maintain laboratory equipment	500
5271001-5839 Portable Tools/Equipment-Source of Supply	Portable tools and equipment	Replace portable tools and equipment as needed	1,000
5271001-5865 Computer Equipment-Source of Supply	Computer equipment	Replace worn equipment as needed	4,000
5272501-5836 Traffic Lights-Signs-Etc.-Distribution	Traffic control equipment	Replace traffic control equip (signs, light bar, etc.)	1,000
5272501-5839 Portable Tools/Equipment-Distribution	Portable tool and equipment	Replace portable tools and equipment as needed	2,500
5272501-5855 Portable Equipment-Distribution	Portable tools and equipment	Replace portable tools and equipment as needed	500

WATER FUND CAPITAL EXPENSES
FISCAL YEAR 2013/2014

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
5272501-5861 Desks-Chairs-and Tables-Distribution	Desks, chairs, tables	To replace office furniture as needed	500
5272501-5865 Computer Equipment-Distribution	Computer equipment	Replade worn equipment as needed	2,500
5272501-5867 Communication Equipment-Distribution	Communication equipment	To replace communication equipment as needed	1,000
5274001-5861 Desks-Chairs and Tables-Admin & Engineering	Desks, chairs, table	To replace office furniture as needed	500
5274001-5865 Computer Equipment-Admin & Engineering	Computer equipment	Replade worn equipment as needed	3,500
5274502-5861 Desks-Chairs and Tables-Billing	Desks, chairs, table	To replace office furniture as needed	500
5274502-5865 Computer Equipment-Billing	Computer equipment	Replade worn equipment as needed	1,500
5274502-5867 Communication Equipment-Billing	Communication equipment	To replace communication equipment as needed	1,500
TOTAL CAPITAL OUTLAY			\$ 13,479,300

Hagerstown Gives Back



WASTEWATER FUND - PROGRAM DESCRIPTION
FISCAL YEAR 2013/2014

DEPARTMENT / PROGRAM OVERVIEW

The Mission of the Utilities Department is to enhance the quality of life in our community by providing reliable, competitively priced utility services through skilled, safety-oriented and customer focused employees. The success of our organization depends on teamwork, professionalism and overall excellence achieved through our commitment to our core values. Customer and employee communication, cooperation, innovation and integrity in each process we perform are keystones to the success of the department. The Utilities Department is responsible for the management of public utilities (Electric, Wastewater and Water) collectively serving a population of nearly 88,000 customers. The Department is responsible for all billing operations, collection of revenue and the oversight of all operating and capital expenses.

DEPARTMENT / PROGRAM OBJECTIVES

The Wastewater Division supports the Mayor and Council's Strategic Plan through the Division's assistance to all City Departments in the realization of all applicable objectives. As part of the City's approved Strategic Plan, Focus Area "A Safe and Healthy Community", Wastewater has worked toward the timely completion and successful operation of the Enhanced Nutrient Removal Project at the wastewater treatment plant in order to fulfill objective "C" .

The Wastewater Division is responsible to the conveyance and treatment of 8.27 MGD of wastewater for calendar year 2012. The collection system is comprised of over 153 miles and 28 pumping stations which ensures that all customers served by the City of Hagerstown receive consistently reliable service. The Division has undergone many improvements over the past five years to include the upgrade of the Wastewater Treatment Facility (WwTP) to Enhanced Nutrient Removal technology, permitted treatment to 10.5 MGD, Collection System I&I evaluation and upgrades, etc. Collectively these improvements help ensure that the City continues to provide a high quality service that is cost effective. WwTP staff will continue to refine our processes as they relate to the Enhanced Nutrient Removal initiatives at our WwTP. This included the additional flow channel and upgrade to the headworks process, the Parkson Dynasand Filter process which allows us to reach the ENR mandates, and the Ultraviolet Disinfection process which replaced our Ozone Disinfection. Staff continues to work with MDE to secure funding for the ongoing algae issue remediation project. Algae growth in our final clarifiers has become an issue and is an operational challenge that can be rectified by installed launder covers in the remaining clarifiers.

To further assist in our commitment to the customer, the City has invested approximately \$3.8 million in FY 11, 12 and 13 in Inflow and Infiltration (I&I) reduction efforts through the completed Salem Avenue Project and the recently completed Citywide I&I Project. The City utilized \$800,000 awarded by the MDE through the Bay Restoration Grant Fund, \$1,422,560 in grant funding through ARRA, and the remainder in 0% interest loan money from the MDE. Staff has requested grant funding for FY 13 and FY 14 from the MDE for continuation of the multi year project. In order to manage our long term debt, the division will only accept grant funding for the I&I project and the algae remediation project.

PERFORMANCE INDICATORS

	2011/12	2012/13	2013/14
Number of Inside City Customers	13,449	13,527	13,600
Number of Outside City Customers	6,726	6,720	6,700
Annual Million Gallons/Day Treated	6.95	8.34	8.27
Inflow/Infiltration Million Gallons/Day Treated	2.39	4.04	2.70
Available Allocation in Thousand Gallons (carryover)	320	407	526
Number of Employees	45.50	45.50	45.50
Number of Customers Served per Employee	440	444	446

WASTEWATER FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURE AND REVENUE SUMMARY

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 2,513,997	\$ 2,510,286	\$ 2,485,227	\$ 2,509,461	0.0%
Benefits	1,058,486	1,117,137	1,017,464	1,184,227	6.0%
Overtime	64,964	87,540	76,140	83,540	-4.6%
Personnel Subtotal	3,637,447	3,714,963	3,578,831	3,777,228	1.7%
Contractual Services	1,339,794	1,664,992	1,600,510	1,962,081	17.8%
Operating Expenditures	4,067,517	4,079,842	3,997,366	3,939,996	-3.4%
Operating Cap Exp (Cap Outlay)	176,361	16,500	9,250	16,500	0.0%
Other General Expenses	3,203,716	2,838,458	3,388,295	3,497,133	23.2%
Operating Subtotal	8,787,388	8,599,792	8,995,421	9,415,710	9.5%
Total Expenditures	\$ 12,424,835	\$ 12,314,755	\$ 12,574,252	\$ 13,192,938	7.1%
REVENUES BY TYPE					
Departmental Revenue	12,623,364	11,326,525	11,614,791	11,676,664	3.1%
Total Revenues	\$ 12,623,364	\$ 11,326,525	\$ 11,614,791	\$ 11,676,664	3.1%
Expenditures, net of Revenues	\$ (198,529)	\$ 988,230	\$ 959,461	\$ 1,516,274	53.4%

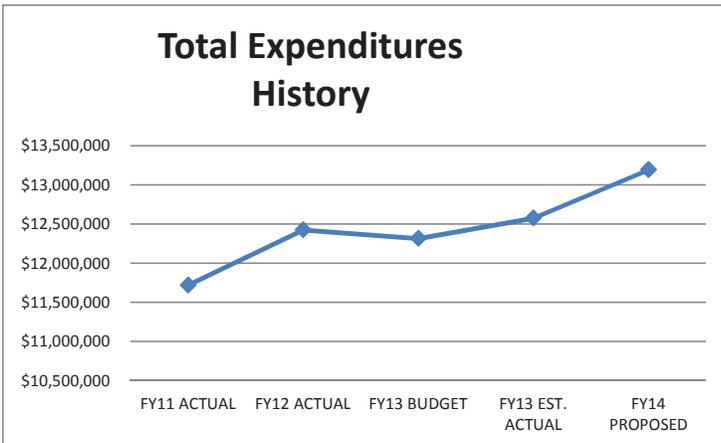
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

The Wastewater Division has reduced staff and currently has 2 positions unfunded in the Collection System for FY13. Vehicle replacement purchases have been reduced, all external seminars and non-certification training are currently unfunded. Capital Outlay has been decreased from \$14.1M in FY10 to \$1.7M projected in FY13 (an 88% reduction) due to the completion of the ENR-UV, Headworks, Citywide I&I, and Salem Avenue Projects. From FY10 to FY13 our total operating revenues have increased from \$9.0M to a projected \$10.4M (\$1.4M increase). As with all businesses who are weathering these tough economic times, the Wastewater Division utilizes common sense approaches related to energy consumption, chemical usage, employee sharing, vehicle re-utilization, etc.

Estimated Actual FY13 to Proposed FY14

Personnel expenditures reflect a decrease of approximately \$100,000 as they relate to the unfunding of two positions in the Collection System Operation. Operating Expenses are projected to increase from the Estimated Actual \$9.13M projection to the Proposed FY14 \$9.7M projection. Staff submitted our annual funding request to the MDE for the continuation of our multi year Citywide Inflow & Infiltration Project. If our request for grant is not approved by the MDE an offer for a low interest loan is approved (as was done in FY13) we will defer the loan assistance since we do not desire to assume any more long term debt.



STAFFING SUMMARY

	FY13			
	FY12	Budg	Est Act	FY14
Full time	48.00	47.40	47.76	47.76
Less: Unfunded	-1.00	-2.00	-2.00	-2.00
Staffing Total	47.00	45.40	45.76	45.76

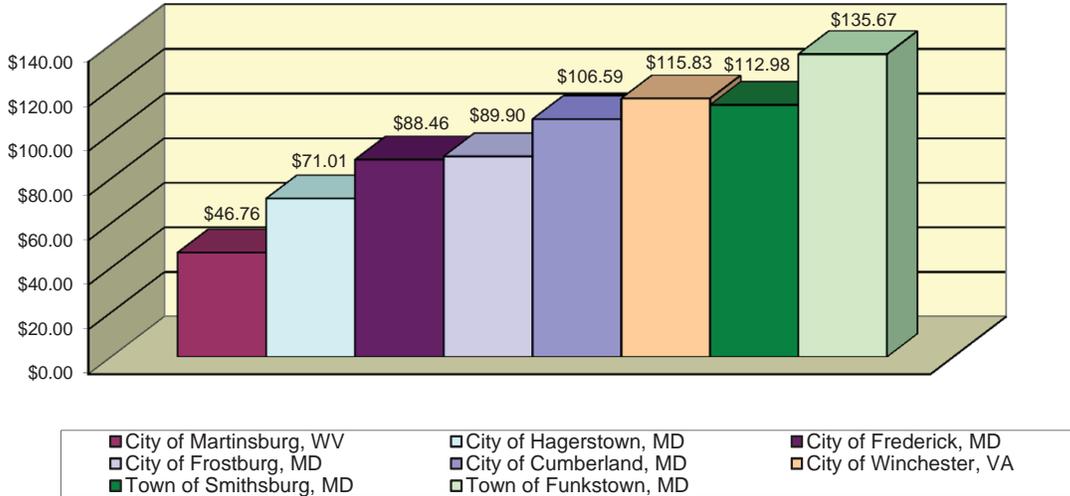
In order to respond to the projected loss of revenue associated with foreclosures and the reduced customer base, the Division will continue to monitor operational costs through any and all means available through Fiscal Year 14 and beyond.

WASTEWATER FUND - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12 ACTUAL	2012/13		2013/14 PROPOSED	2013/14 % CHANGE
		BUDGET	EST. ACTUAL		
OPERATING REVENUES					
Service Charges	\$ 10,215,945	\$ 10,445,000	\$10,289,131	\$ 10,687,912	2.3%
Other Revenues	50,349	78,525	103,388	80,952	3.1%
Operating Revenues	10,266,294	10,523,525	10,392,519	10,768,864	2.3%
OPERATING EXPENSES					
Plant Expenses	4,523,722	4,897,149	4,800,698	5,151,673	5.2%
Laboratory Expenses	293,203	287,249	280,869	298,149	3.8%
Collections	1,152,247	1,225,896	1,059,270	1,189,691	-3.0%
Selling, General & Administrative	3,251,947	3,066,004	3,045,119	3,056,292	-0.3%
Depreciation	2,835,012	2,400,000	2,937,000	3,052,000	27.2%
Total Operating Expenses	12,056,131	11,876,298	12,122,956	12,747,805	7.3%
Operating Income (Loss)	(1,789,837)	(1,352,773)	(1,730,437)	(1,978,941)	46.3%
NON-OPERATING REVENUES (EXPENSES)					
Interest Earned	15,839	3,000	7,800	7,800	160.0%
Interest (Expense)	(313,704)	(398,457)	(411,296)	(420,883)	5.6%
Gain (Loss) on Sale of Capital Assets	-	-	-	-	0.0%
Total Other Income (Expense)	(297,865)	(395,457)	(403,496)	(413,083)	4.5%
Income before Contribs. & Transfers	(2,087,702)	(1,748,230)	(2,133,933)	(2,392,024)	36.8%
TRANSFERS FROM (TO) OTHER FUNDS					
Transfers to CIP Fund	(55,000)	(40,000)	(40,000)	(24,250)	-39.4%
Total Transfers From (To) Funds	(55,000)	(40,000)	(40,000)	(24,250)	-39.4%
CAPITAL CONTRIBUTIONS					
Wastewater Benefit Charges	656,326	700,000	600,000	600,000	-14.3%
Grants in Aid of Construction	1,684,905	100,000	172,002	300,000	200.0%
Developers Contributions	-	-	442,470	-	0.0%
Total Capital Contributions	2,341,231	800,000	1,214,472	900,000	12.5%
Increase (Decrease) in Retained Earnings	198,529	(988,230)	(959,461)	(1,516,274)	53.4%
Add Back Depreciation	2,835,012	2,400,000	2,937,000	3,052,000	27.2%
Capital Outlay/Fixed Assets	(2,258,788)	(2,220,000)	(1,766,032)	(2,139,500)	-3.6%
Repayment of Principal	(1,662,365)	(1,623,343)	(1,623,342)	(1,582,034)	-2.5%
Non-Cash Capital Contributions	-	-	(442,470)	-	0.0%
Changes in Working Capital	(418,525)	-	-	-	0.0%
Bond Proceeds	2,636,994	1,695,000	2,043,631	717,000	-57.7%
Net Sources (Uses) of Cash	\$ 1,330,857	\$ (736,573)	\$ 189,326	\$ (1,468,808)	99.4%

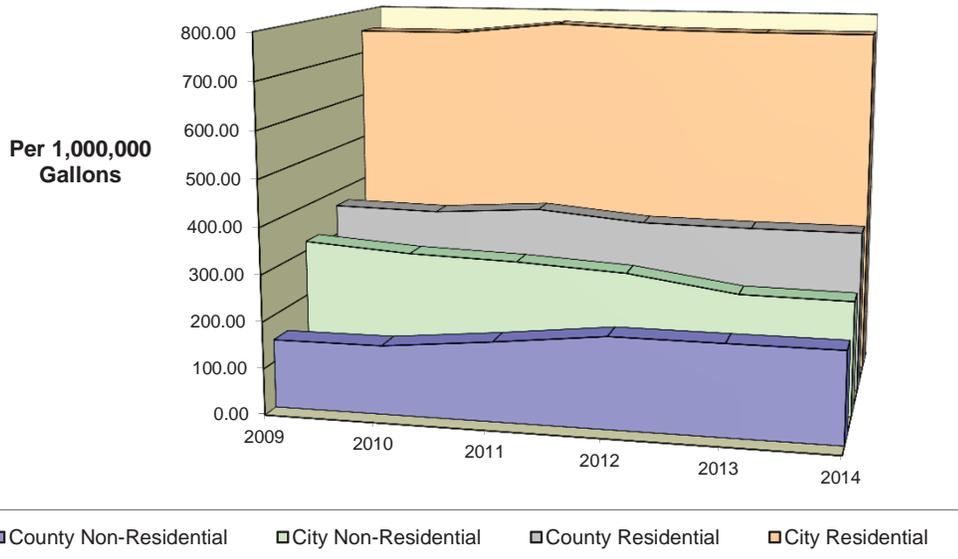
WASTEWATER FUND - CONSUMPTION AND RATE COMPARISON
FISCAL YEAR 2013/2014

SERVICE CHARGE COMPARISON AS OF MARCH 2013
(Rates presented are strictly City)



The service charge comparison shows the quarterly charges for an average wastewater customer is competitive in Hagerstown compared with other utilities in the region. A typical wastewater customer is defined as a City resident with a usage of 13,000 gallons per quarter.

WASTEWATER CONSUMPTION FROM 2009 - 2014



The wastewater usage analysis shows the decline in total gallons sold in City-Non-Residential is offset by the slight increase in other City customers.

WASTEWATER FUND - PROPOSED REVENUES
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
WASTEWATER SERVICES					
Fixed Service Charge - City	\$ 1,150,580	\$ 1,209,000	\$ 1,212,588	\$ 1,271,630	5.2%
Fixed Service Charge - County	543,034	558,000	561,862	578,860	3.7%
Fixed Service Charge - Joint Service	488,948	505,000	502,681	517,422	2.5%
Service Charges-Unbilled	144,790	-	-	-	0.0%
Metered City Wastewater	4,166,031	4,358,000	4,212,000	4,412,000	1.2%
Metered County Wastewater	2,246,464	2,290,000	2,276,000	2,343,000	2.3%
Metered Joint Service Wastewater	1,370,698	1,419,000	1,418,000	1,459,000	2.8%
Low-Pressure System Charge	105,400	106,000	106,000	106,000	0.0%
Total Service Charges	10,215,945	10,445,000	10,289,131	10,687,912	2.3%
OTHER REVENUES					
Wastewater Application Fees	1,151	1,100	1,500	1,500	36.4%
Wastewater Connection Charges	1,250	1,200	1,200	1,200	0.0%
Review/Inspection Fee	-	2,500	1,106	1,100	-56.0%
Industrial Permit Maintenance Fee	7,000	7,000	5,000	5,000	-28.6%
Reimbursements	3,522	3,000	3,127	3,127	4.2%
Lab Testing	2,106	1,360	1,360	1,360	0.0%
Industrial Surcharges	86,853	60,000	65,000	63,000	5.0%
Rental Income	365	365	365	365	0.0%
Miscellaneous Revenue	(39,516)	1,500	23,430	3,000	100.0%
Net Gain/Loss-Scrap Sales	(12,382)	500	1,300	1,300	160.0%
Total Other Revenues	50,349	78,525	103,388	80,952	3.1%
Total Operating Revenues	\$ 10,266,294	\$ 10,523,525	\$ 10,392,519	\$ 10,768,864	2.3%

WASTEWATER FUND CAPITAL EXPENSES
FISCAL YEAR 2013/2014

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Vehicle Replacement Program-C0004 Replace Backhoe, Pick-Up Truck, Air Compressor, and Ford Jet/Vac Truck	Unit 594 (Backhoe), Unit 532 (Sonoma Pick-Up), Unit 530 (Air Compressor), and Unit 527 (Ford Jet/Vac Truck)	Replace Deteriorating Mobile Equipment	567,000
Manhole Raising-C0267 Manhole Raising and Manhole Cover Replacement	Raise Elevation of Manhole Frame and Cover to Meet New Street Grade; Replace 3" Thick Lids with Lighter, More Accessible Lids	As part of the City's Annual Pavement Preservation Program	33,500
Pumping Station Improvements-C0299 Pump Station Rehabilitation Project	Construction	Reduce maintenance and safety and security of stations	57,000
Collection System Rehabilitation-C0327 Correct Infiltration and Inflow into Collection System by Replacing or Relining Sewer Mains, Laterals, and Manholes	Construction	Infiltration and Inflow; Reduce Potential Property for Damage	300,000
WWTP Equipment-C0584 Replace Various Aging Equipment	Equipment	Improve Reliability and MDE Compliance; Rehabilitate Deteriorating Equipment	125,000
Buildings and Structures-C0585 Administration Building Repairs and Upgrades	Construction	Aging structure in need of repairs and improvements	150,000
Oxygen System Improvements-C0657 Upgrade various aging equipment associated with oxygen production	Equipment	Improve Reliability and MDE Compliance; Rehabilitate Deteriorating Equipment	10,000

WASTEWATER FUND CAPITAL EXPENSES
FISCAL YEAR 2013/2014

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Solids Processing Pelletizer & WWTP Improvements-C0711 Upgrade aging equipment within the pelletizer and wastewater treatment plant	Equipment	Improve Reliability and MDE Compliance; Rehabilitate Deteriorating Equipment	150,000
Collection System Equipment-C0713 Replace Various Aging Equipment	Equipment	Improve Reliability and MDE Compliance; Rehabilitate Deteriorating Equipment	80,000
Laboratory Equipment-C0745 Replace Various Aging Equipment	Equipment	Improve Reliability of Existing Equipment	10,000
Grinder Pump Replacement Program-C0767 Replace 260 Grinder Pumps in various locations	Equipment	Replace deteriorating equipment	115,000
SSES City-Wide-CS Rehab-C0800 Correct infiltration & inflow into the wastewater collection system by replacement or re-lining defective piping	Piping	Reducing inflow & infiltration will provide future recapturing of allocation for the WWTP	300,000
Pump Station #12 Elimination-C0832 Eliminate Pump Station #12	Installation of 12" gravity main	Eliminate annual operating cost & eliminate the need to replace the pumps and pump controls	127,000
Truck Lines and Laterals-C0834 Purchase or Transfer of Infrastructure	Infrastructure	Provide efficient use of wastewater infrastructure throughout system	15,000
Clarifiers 4 & Weir Covers 6-C0845 Install custom made fiberglass covers on the effluent weir launders for final clarifier 6	Replace Fiberglass Covers	Covering the effluent launders will block the sunlight and reduce the amount of algae growth	100,000
5471501-5861 Office Furniture and Equipment	Office Furniture and Equipment	Normal replacement of worn materials	500

WASTEWATER FUND CAPITAL EXPENSES
FISCAL YEAR 2013/2014

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
5471501-5865 Computer Equipment	Computer Equipment	Replace worn equipment	1,500
5471501-5867 Communication Equipment	Two-way Radio's	Operators safety for 24-7 operations	1,000
5472601-5836 Traffic Control Devices	Signage and other items used for traffic control	Normal replacement of worn materials	300
5472601-5861 Office Furniture and Equipment	Office Furniture and Equipment	Normal replacement of worn materials	400
5472601-5865 Computer Equipment	Computer Equipment	Replace worn equipment	1,500
5472601-5867 Communication Equipment	Radio's and SCADA System Upgrades	Normal replacement of worn materials	1,000
5472701-5833 Lab Equipment	WW Lab Equipment	Replace worn equipment	4,000
5472701-5861 Office Furniture and Equipment	Office Furniture and Equipment	Normal replacement of worn materials	200
5472701-5865 Computer Equipment	Computer Equipment	Replace worn equipment	1,500
5474001-5861 Office Furniture and Equipment	Office Furniture and Equipment	Normal replacement of worn materials	600
5474001-5865 Computer Equipment	Computer Equipment	Replace worn equipment	4,000
TOTAL CAPITAL OUTLAY			\$ 2,156,000

PARKING SYSTEM - PROGRAM DESCRIPTION
FISCAL YEAR 2013/2014

DEPARTMENT / PROGRAM OVERVIEW

The mission of the Parking System is to provide convenient and safe parking options at affordable rates for the residents, businesses and visitors in the city center. This is accomplished with 625 spaces in 2 parking decks, over 500 spaces on the streets and more than 750 spaces in 11 parking lots around the city. A systems supervisor oversees full time and part time employees to collect money from the meters, invoice permit customers and keep the facilities maintained. Parking enforcement is also handled by this department.

DEPARTMENT / PROGRAM OBJECTIVES

The Parking Master Plan was completed in the spring of 2012. Multiple recommendations to improve the parking system were included. The first major initiative will be to modify and enhance the signage for vehicular and pedestrian traffic to direct traffic into the parking decks and lots, and direct pedestrians to the major attractions of downtown as they leave the parking lots and decks.

Staff is working on improvements to the current invoicing procedures for parking lot passes. This procedural change will assist staff in better managing the numerous individual and bulk passes purchased by customers.

Repairs are needed to the North Potomac St. parking deck. The joints need caulked and there are multiple concrete repairs needed. A structural engineering firm needs to complete their evaluation before repairs can proceed.

General maintenance includes the painting of the stair towers on the upper deck of the North Potomac St. Deck; some concrete repairs to the A&E Deck; and brick walkway repairs at the Potomac St. walkway to the A&E Deck.

Continue to work with the Department of Community & Economic Development and the downtown businesses to provide parking options for businesses and their customers.

PERFORMANCE INDICATORS

	2011/12	2012/13	2013/14
Parking Decks			
No. of Parking Spaces	625	625	625
No. of Permit Holders	550	550	575
Revenue			
Meters: Fees & Permits	\$344,840	\$328,540	\$334,640
Decks: Fees & Permits	\$311,240	\$428,900	\$417,900
Parking Enforcement	\$130,601	\$167,500	\$167,500
Number of Parking Lots	11	11	11
Number of Parking Lot Permit Holders	350	375	375
Total Parking Spaces (Lots & Street)	1,120	1,027	1,027

PARKING SYSTEM - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURE AND REVENUE SUMMARY

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 205,494	\$ 197,990	\$ 210,979	\$ 212,724	7.4%
Benefits	64,743	65,838	71,958	75,323	14.4%
Overtime	935	750	750	750	0.0%
Personnel Subtotal	271,172	264,578	283,687	288,797	9.2%
Contractual Services	46,511	8,960	10,360	11,681	30.4%
Operating Expenditures	135,991	120,290	138,774	122,541	1.9%
Operating Cap Exp (Cap Outlay)	1,508	1,500	-	1,000	-33.3%
Other General Expenses	327,246	277,923	303,335	323,178	16.3%
Operating Subtotal	511,256	408,673	452,469	458,400	12.2%
Total Expenditures	\$ 782,428	\$ 673,251	\$ 736,156	\$ 747,197	11.0%
REVENUES BY TYPE					
Departmental Revenue	960,338	840,080	925,440	1,270,540	51.2%
Total Revenues	\$ 960,338	\$ 840,080	\$ 925,440	\$ 1,270,540	51.2%
Expenditures, net of Revenues	\$ (177,910)	\$ (166,829)	\$ (189,284)	\$ (523,343)	213.7%

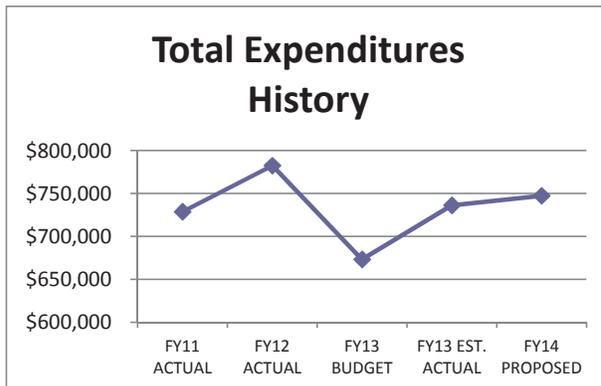
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

The MUNIS finance system, Clancy ticket management program and followup letters on late payments for parking tickets has reduced the loss of uncollectable fines from \$59,743 (FY11) to \$44,711 (FY12). The loss for FY13 is estimated to drop an additional 10% to 15%. The Personnel estimated actual for FY13 increased by 7% in comparison to the adopted budget FY13 due to the reallocation of employee wages from the General Fund to the Parking Fund. Also, the operating expenditures increased for the estimated actual FY13 by 11% because of the increased amount of depreciation, professional services, and machinery and equipment charges. As a result of increased revenue from the N. Potomac St. Parking Deck, the estimated actual revenue for FY13 increased by 10%.

FY13 to Proposed FY14

Clients with 25 or more passes to the lots and/or the decks include the Walnut Street Clinic, Potomac Building, High Rock, USPS, Social Services, Award Beauty School, BISFA, Washington County, Park Oliver and USMH (\$18,090). The dollar amounts represent the estimated annual revenue for each entity. These clients are an estimated 25% to 27% of the total revenue for the parking system. From the FY13 Budget to the FY14 Proposed Budget total expenditures reflect an increase of about 11.0% or \$74,000 due to personnel allocation changes made in FY13 mentioned above, and increased debt service interest and depreciation associated with the planning, land acquisition and design of a third parking deck. The 37% increase in revenues is a result of a capital grant of \$350,000 associated with the CIP project for the third parking deck.



STAFFING SUMMARY

	FY12	FY13		FY14
		Budg	Est Act	
Full time	2.40	2.20	2.20	2.20
Less: Unfunded	0.00	0.00	0.00	0.00
Staffing Total	2.40	2.20	2.20	2.20
Part time	9.00	9.00	9.00	9.00

PARKING FUND - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
OPERATING REVENUES					
North Potomac St. Parking Deck	\$ 196,988	\$ 165,980	\$ 260,780	\$ 250,780	51.1%
South Potomac St. Parking Deck	181,820	145,260	168,120	167,120	15.0%
Parking Meter Fees	345,208	353,840	327,540	333,640	-5.7%
Net Parking Fines	128,668	173,000	166,500	166,500	-3.8%
Other Revenue	2,954	2,000	2,000	2,000	0.0%
Total Operating Revenues	855,638	840,080	924,940	920,040	9.5%
OPERATING EXPENSES					
North Potomac St. Parking Deck	154,414	107,220	125,553	126,104	17.6%
A & E Parking Deck	103,976	102,016	113,064	102,790	0.8%
Other Parking Facilities	155,293	130,919	136,480	136,511	4.3%
Parking Enforcement Expenses	41,499	55,173	57,724	58,614	6.2%
Depreciation	246,701	208,000	231,819	246,000	18.3%
Total Operating Expenses	701,883	603,328	664,640	670,019	11.1%
Operating Income (Loss)	153,755	236,752	260,300	250,021	5.6%
NON-OPERATING REVENUES (EXPENSES)					
Interest Earned	791	-	500	500	100.0%
Interest (Expense)	(80,545)	(69,923)	(71,516)	(77,178)	10.4%
Total Other Income (Expense)	(79,754)	(69,923)	(71,016)	(76,678)	9.7%
Income Before Contribs. & Transfers	74,001	166,829	189,284	173,343	3.9%
TRANSFERS FROM (TO) OTHER FUNDS					
Transfers from CIP Fund	35,000	-	-	-	0.0%
Total Transfers From (To) Funds	35,000	-	-	-	0.0%
CAPITAL CONTRIBUTIONS					
Grants in Aid of Construction	68,909	-	-	350,000	100.0%
Total Capital Contributions	68,909	-	-	350,000	100.0%
Increase (Decrease) in Retained Earnings	177,910	166,829	189,284	523,343	213.7%
Add Back Depreciation	246,701	208,000	231,819	246,000	18.3%
Capital Outlay/Fixed Assets	(68,909)	(125,000)	(119,682)	(1,460,000)	1068.0%
Principal Payment on Debt	(362,447)	(171,754)	(171,754)	(173,738)	1.2%
Changes in Working Capital	(4,071)	-	-	-	0.0%
New Bond Proceeds	-	100,000	100,000	500,000	400.0%
Net Sources/(Uses)of Cash	\$ (10,816)	\$ 178,075	\$ 229,667	\$ (364,395)	-304.6%

PARKING FUND - PROPOSED OPERATING REVENUES
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
NORTH POTOMAC STREET DECK					
Parking Deck Permits	\$ 164,703	\$ 130,000	\$ 230,000	\$ 220,000	69.2%
Parking Deck Fees	30,527	24,000	32,000	32,000	33.3%
Downtown Promotions	5,233	8,500	8,500	8,500	0.0%
Parking Deck Coupons	4,300	1,500	2,500	2,500	66.7%
Validation Fees	10,419	9,000	12,000	12,000	33.3%
Free Parking - Pioneer Vol. Fire Co.	(720)	(720)	(720)	(720)	0.0%
Park N Shop	(280)	(300)	(3,500)	(3,500)	1066.7%
Volume Parking Discount	(17,194)	(6,000)	(20,000)	(20,000)	233.3%
Total N. Potomac Street Deck Revenues	196,988	165,980	260,780	250,780	51.1%
A&E PARKING DECK					
Parking Deck Permits	135,622	100,000	116,000	115,000	15.0%
Parking Deck Fees	52,293	48,500	55,000	55,000	13.4%
Downtown Promotions	85	-	-	-	0.0%
Pep Discounts	(6,180)	(3,240)	(2,880)	(2,880)	-11.1%
Total A&E Parking Deck Revenues	181,820	145,260	168,120	167,120	15.0%
PARKING LOT REVENUES					
Street Meters	105,226	110,000	100,000	100,000	-9.1%
Antietam Street Lot Meters	25,795	28,500	25,000	25,000	-12.3%
Bryan Center Lot Meters	347	600	400	500	-16.7%
Central Lot Meters	51,477	60,000	50,000	50,000	-16.7%
Market House Lot Meters	3,101	3,000	3,000	3,000	0.0%
Rochester Lot Meters	421	500	400	400	-20.0%
Central Lot Permits	41,979	40,000	36,000	35,000	-12.5%
Church Street Lot Permits	44,626	44,500	45,500	45,500	2.2%
Market House Lot Permits	33,300	32,000	32,000	32,000	0.0%
Rochester Lot Permits	5,762	7,500	8,000	15,000	100.0%
Departmental Charges-Parking Permits	35,934	30,000	30,000	30,000	0.0%
Free Parking - 41 E Franklin Street	(1,104)	(1,104)	(1,104)	(1,104)	0.0%
Free Parking - 39 E Franklin Street	(1,656)	(1,656)	(1,656)	(1,656)	0.0%
Total Parking Lot Revenues	345,208	353,840	327,540	333,640	-5.7%
PARKING TICKET REVENUES					
Fines-Traffic Violations	5,933	14,000	12,000	12,000	-14.3%
Original Issuance	91,625	123,000	93,000	93,000	-24.4%
Adjustments to Original Issuance	(1,570)	(5,000)	-	-	-100.0%
Late fees	80,540	90,000	95,000	95,000	5.6%
Grace Period Adjustments	(3,149)	(10,000)	-	-	-100.0%
Uncollectable Parking Tickets	(44,711)	(39,000)	(33,500)	(33,500)	-14.1%
Total Parking Ticket Revenues	128,668	173,000	166,500	166,500	-3.8%
Insurance Reimbursements	2,954	2,000	2,000	2,000	0.0%
Total Other Revenues	2,954	2,000	2,000	2,000	0.0%
Total Operating Revenues	\$ 855,638	\$ 840,080	\$ 924,940	\$ 920,040	9.5%

Development and Business



PARKING FUND CAPITAL EXPENSES
FISCAL YEAR 2013/2014

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTISIFCATION	COST
5674013-5861 Desks-Chairs-Tables	Office Equipment	Replace as needed	1,000
Parking Facilities - 3rd Parking Deck-C0173 M&C are contemplating construction of a third parking deck on W Antietam Street (Planning, land acquisition and design phase)	New Parking Deck	Provide additional needed parking to support redevelopment of the city center area	1,400,000
N. Potomac St. Parking Deck-C0749 Upper deck LED lights in FY14	Parking Deck Repairs	Structural repairs and caulking of decks	30,000
Parking Way Finding Signs-C0848 Installation of new way finding signs for the entire parking system	New Signs for Parking	Recommend a new series of signs to direct the public to the available parking lots	30,000
TOTAL CAPITAL OUTLAY			\$ 1,461,000

GOLF - PROGRAM DESCRIPTION
FISCAL YEAR 2013/2014

DEPARTMENT / PROGRAM OVERVIEW

Constructed in 1932 by private individuals, the Hagerstown Greens at Hamilton Run has a mature course layout that new courses cannot equal. The City of Hagerstown has operated the Golf Course since 1947. We pride ourselves on beautiful greens, beautiful views, and well maintained fairways. The course is a 9-hole par 34 course featuring all the amenities of more expensive courses. Our rates are very economical, the location is convenient off of Route 40, and the course provides a quick round of golf.

DEPARTMENT / PROGRAM OBJECTIVES

The course itself is in very good condition and the clubhouse, was completely renovated in 2012 to provide an area for players to solicize, relax, and enjoy food and beverages before and after their rounds.

We propose to increase revenue by adding tournaments, leagues, promotions, and advertising (including on scorecards and tee markers). New rates went into effect July 1, 2012.

We strive to decrease costs during fiscal year 2013/14 by using contracted services to mow the rough areas and the City staff will focus on the fairways, greens, tees and traps. Overtime is also planned to decrease. There is NO fulltime staff in the clubhouse and only two fulltime maintenance staff assigned to care for the course.

In 2013, staff plan to replace all tee markrs with the new couse logo, install yardage markers, and make general improvemnts to the course. All carts are new and are leased in a piggyback on Washington County contract.

PERFORMANCE INDICATORS

	2011/12	2012/13	2013/14
Total number of golfers	10,266	10,786	11,500
Average daily rounds of golf	37	41	45
Number of cart rentals	4,047	6,782	6,900
Number of golf leagues/tournaments	-	1	3

GOLF - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURE AND REVENUE SUMMARY

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 159,248	\$ 156,609	\$ 166,014	\$ 143,896	-8.1%
Benefits	72,664	74,679	70,717	72,680	-2.7%
Overtime	6,525	10,804	11,804	6,804	-37.0%
Personnel Subtotal	238,437	242,092	248,535	223,380	-7.7%
Contractual Services	13,985	5,772	9,312	24,919	331.7%
Operating Expenditures	108,125	107,151	179,897	149,948	39.9%
Operating Cap Exp (Cap Outlay)	4,800	3,550	-	-	-100.0%
Other General Expenses	22,841	21,692	21,692	21,692	0.0%
Operating Subtotal	149,751	138,165	210,901	196,559	42.3%
Total Expenditures	\$ 388,188	\$ 380,257	\$ 459,436	\$ 419,939	10.4%
REVENUES BY TYPE					
Departmental Revenue	440,257	362,634	487,307	389,502	7.4%
Total Revenues	\$ 440,257	\$ 362,634	\$ 487,307	\$ 389,502	7.4%
Expenditures, net of Revenues	\$ (52,069)	\$ 17,623	\$ (27,871)	\$ 30,437	72.7%

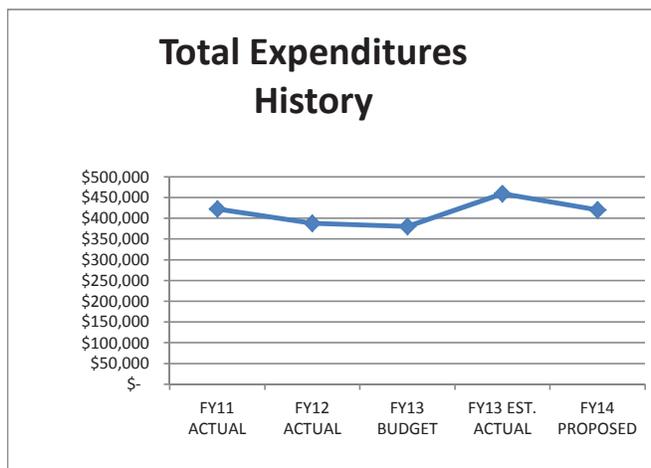
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

Total Expenditures reflect a 20.8% increase or \$73K from the budget due to increase in Water and Sewer allocation charges. The total dollar increase is approximately \$61K. Operating revenue was slightly lower than FY13 budget; however it is 20.5% or \$30,632 more than actually received in FY12. There is an increase in the general fund subsidy. Overall, total departmental revenue is 34.4% higher than adopted budget.

Adopted FY13 to Proposed FY14

Personnel expenditures continue to decrease (7.7%) due to less staff and reduction of overtime. Staff salary reductions are a result of implementing a contracted service for the mowing and trimming at the Golf Course. For this same reason, contractual services increases by \$19K. The operating expenditures increase is primarily due to the increase in Water and Sewer allocation charges and also includes some increases in concession items for resale and ground supplies. Departmental revenue continues to include some general fund dollars in FY14 proposed budget.



STAFFING SUMMARY

	FY12	FY13		FY14
		Budg	Est Act	
Full time	3.00	2.52	2.37	2.37
Less: Unfunded	0.00	0.00	0.00	0.00
Staffing Total	3.00	2.52	2.37	2.37
Part time	2.00	2.00	2.00	2.00
Part time Seasonal	2.00	2.00	2.00	2.00
Total Part time	4.00	4.00	4.00	4.00

GOLF COURSE FUND - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12 ACTUAL	2012/13		2013/14 PROPOSED	2013/14 % CHANGE
		BUDGET	EST. ACTUAL		
OPERATING REVENUES					
Green Fees	\$ 76,078	\$ 89,600	\$ 87,375	\$ 87,375	-2.5%
Cart Rentals	37,991	44,000	47,200	47,200	7.3%
Tournaments and Specials	26,888	35,475	30,200	30,200	-14.9%
Other Revenues	8,117	14,863	14,932	24,677	66.0%
Total Operating Revenues	149,074	183,938	179,707	189,452	3.0%
OPERATING EXPENSES					
Operating Expenses	365,347	358,565	437,744	398,247	11.1%
Depreciation	22,841	21,692	21,692	21,692	0.0%
Total Operating Expenses	388,188	380,257	459,436	419,939	10.4%
Operating Income (Loss)	(239,114)	(196,319)	(279,729)	(230,487)	17.4%
NONOPERATING REVENUES (EXPENSES)					
Interest Earned	184	146	50	50	-65.8%
Total Other Income (Expense)	184	146	50	50	-65.8%
TRANSFERS FROM (TO) OTHER FUNDS					
Transfers from General Fund	216,460	175,000	304,000	200,000	14.3%
Transfers from CIP Fund-Prior Bond Proceeds	40,000	-	-	-	0.0%
Transfers from CIP Fund	34,039	3,550	3,550	-	-100.0%
Total Transfers From (To) Funds	290,499	178,550	307,550	200,000	12.0%
CAPITAL CONTRIBUTIONS					
Capital Contributions	500	-	-	-	0.0%
Total Capital Contributions	500	-	-	-	0.0%
Increase (Decrease) in Retained Earnings	52,069	(17,623)	27,871	(30,437)	72.7%
Add Back Depreciation	22,841	21,692	21,692	21,692	0.0%
Capital Outlay/Fixed Assets	(74,039)	(25,000)	(33,550)	(40,000)	60.0%
Changes in Working Capital	(6,442)	-	-	-	0.0%
Net Sources (Uses) of Cash	\$ (5,571)	\$ (20,931)	\$ 16,013	\$ (48,745)	132.9%

GOLF COURSE FUND - PROPOSED OPERATING REVENUES
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
GREENS REVENUES					
Greens Fees-Weekday,Senior,9-Hole	\$ 8,072	\$ 8,500	\$ 11,600	\$ 11,600	36.5%
Greens Fees-Weekday,Senior,18-Hole	2,266	2,200	3,400	3,400	54.5%
Greens Fees-Weekday,Regular,9-Hole	20,574	25,000	23,000	23,000	-8.0%
Greens Fees-Weekday,Regular,18-H	7,923	8,000	9,900	9,900	23.8%
Greens Fees-Twilight	2,280	5,900	-	-	-100.0%
Greens Fees-Weekend/Holiday	32,488	40,000	37,000	37,000	-7.5%
Season Pass-Senior Individual	1,200	-	1,200	1,200	100.0%
Season Pass- Regular Individual	1,275	-	1,275	1,275	100.0%
Season Pass- Regular Family	-	-	-	-	0.0%
Non-City Residents-Senior Individual	-	-	-	-	0.0%
Non-City Residents-Regular Family	-	-	-	-	0.0%
Non-City Residents-Regular Ind.	-	-	-	-	0.0%
Total Greens Revenues	76,078	89,600	87,375	87,375	-2.5%
GOLF CART REVENUES					
Cart Rentals-Senior, 9-Hole	-	-	-	-	0.0%
Cart Rentals-1/2 Price Senior, 9-Hole	6,949	9,000	9,300	9,300	3.3%
Cart Rentals-Senior, 18-Hole	-	-	-	-	0.0%
Cart Rentals-1/2 Price Senior, 18-Hole	2,882	2,500	4,000	4,000	60.0%
Cart Rentals-Regular, 9-Holes	-	-	-	-	0.0%
Cart Rentals-1/2 Price, 9-Holes	16,322	22,000	17,500	17,500	-20.5%
Cart Rentals-Regular, 18-Holes	-	-	-	-	0.0%
Cart Rentals-1/2 Price, 18-Holes	11,428	10,000	15,800	15,800	58.0%
Pull Cart Rentals	410	500	600	600	20.0%
Total Golf Cart Revenues	37,991	44,000	47,200	47,200	7.3%
TOURNAMENTS & SPECIALS	26,888	35,475	30,200	30,200	-14.9%
OTHER REVENUES					
Rental of Golf Clubs	460	200	500	500	150.0%
Tee Marker Sponsorship	1,000	-	1,000	1,000	100.0%
Scorecard Sponsorship	-	5,500	-	4,500	-18.2%
Golf Course Concession Revenues	1,554	2,461	2,100	2,100	-14.7%
Golf Course Vending Revenues	3,888	2,563	5,800	7,000	173.1%
Golf Card Revenues	680	1,025	710	710	-30.7%
Gift Certificate Revenues	395	614	396	396	-35.5%
Locker Rental	-	-	-	-	0.0%
Golf Course Alcohol Revenues	-	-	1,000	5,000	100.0%
Property Rent-Golf Course	-	-	-	-	0.0%
Miscellaneous Golf Revenues	140	2,500	3,426	3,471	38.8%
Total Other Revenues	8,117	14,863	14,932	24,677	66.0%
Total Operating Revenues	\$ 149,074	\$ 183,938	\$ 179,707	\$ 189,452	3.0%

GOLF COURSE FUND CAPITAL EXPENSES
FISCAL YEAR 2013/2014

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTISIFCATION	COST
Golf Course Vehicles-C0395 Vehicles/Equipment Replace Jacobsen LF3400 Fairway Mower #351	Vehicle replacement	Replace deteriorated equipment	40,000
TOTAL CAPITAL OUTLAY			\$ 40,000

Volunteers



PROPERTY MANAGEMENT FUND - PROGRAM DESCRIPTION
FISCAL YEAR 2013/2014

DEPARTMENT / PROGRAM OVERVIEW

The Property Management Fund provides professional stewardship over downtown property owned by the City and leased to area businesses. This fund includes the Elizabeth-Hager Center, Roslyn Building, 60 West Washington Street, 36 - 40 North Potomac Street (future home of Artist Housing and a Cooperative Gallery) and the Fire Police Headquarters near the Fairgrounds. The fund is a self-supporting Enterprise Fund.

Expenditures are assigned to specific tenant cost centers where applicable and remaining general costs are allocated based on square footage .

DEPARTMENT / PROGRAM OBJECTIVES

- The City acquired 60 W. Washington Street in FY 11 and initiated the renovation of the building. Two spaces have been completed and are currently leased. CDBG, Community Legacy, un-programmed bond funds, and other grant monies are being used for the project. Phase III of the Small Business Incubator will be completed in calendar year 2013.
- The City acquired 36-40 N. Potomac Street in FY 12 utilizing CDBG funds. This building is currently being renovated as Artist Housing and a Cooperative Gallery and is anticipated to be completed in calendar year 2013. This housing will include four studio apartment units on the upper floors. CDBG funds and Community Legacy funds are being used to complete this project.
- Planned repairs to the Elizabeth-Hager Center include leasehold improvements and continued replacement of HVAC units.

PERFORMANCE INDICATORS

	2011/12	2012/13	2013/14
Number of leases -			
Elizabeth-Hager Center	9	9	10
Roslyn Building	3	2	2
Fire Police Headquarters	1	1	1
Small Business Incubator (60 W. Washington St)	0	2	2
36-40 North Potomac Street	0	1	1
Alms House	0	0	0

PROPERTY MANAGEMENT FUND - PROGRAM DESCRIPTION
FISCAL YEAR 2013/2014

EXPENDITURE AND REVENUE SUMMARY

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 36,610	\$ 61,456	\$ 61,529	\$ 62,557	1.8%
Benefits	11,759	21,123	19,969	23,212	9.9%
Overtime	-	-	-	-	0.0%
Personnel Subtotal	48,369	82,579	81,498	85,769	3.9%
Contractual Services	22,038	12,912	18,792	22,519	74.4%
Operating Expenditures	260,841	266,940	280,060	271,663	1.8%
Operating Cap Exp (Cap Outlay)	131,407	-	82,570	5,000	0.0%
Other General Expenses	126,698	85,000	1,522,470	145,000	70.6%
Operating Subtotal	540,984	364,852	1,903,892	444,182	21.7%
Total Expenditures	\$ 589,353	\$ 447,431	\$ 1,985,390	\$ 529,951	18.4%
REVENUES BY TYPE					
Departmental Revenue	3,437,847	977,933	1,131,438	537,054	-45.1%
Total Revenues	\$ 3,437,847	\$ 977,933	\$ 1,131,438	\$ 537,054	-45.1%
Expenditures, net of Revenues	\$ (2,848,494)	\$ (530,502)	\$ 853,952	\$ (7,103)	-98.7%

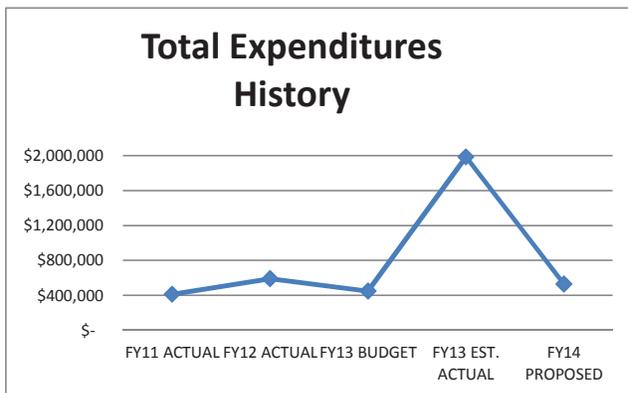
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

Total operating expenses increased by a total of \$1.8M from adopted FY13 budget compared to actual projections for FY13. This significant increase is due to the sale of the old US Army Reserve property on 21 Willard Street for a loss of <\$1,374,470> in January 2013.

Adopted FY13 to Proposed FY14

Depreciation expense is growing from adopted FY13 budget to FY14 proposed budget by \$60K or 70.6%. This rising trend is a result of investment in capital infrastructure acquisitions and renovations at 36-40 N Potomac Street and 60 W Washington Street. Additionally, there is a decline in total revenue by \$441K or 45.1%. This decrease is a reduction in grant money and capital transfers from CDBG for capital improvements.



STAFFING SUMMARY

	FY13			FY14
	FY12	Budget	Est Act	
Full time	0.0	0.4	0.9	0.9
Less: Unfunded	0.0	0.0	0.0	0.0
Staffing Total	0.0	0.4	0.9	0.9

PROPERTY MANAGEMENT FUND - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
OPERATING REVENUES					
Rent from Tenants	\$ 337,644	\$ 365,009	\$ 353,446	\$ 361,028	-1.1%
Other Revenues	7,212	3,316	2,447	2,447	-26.2%
Total Operating Revenues	344,856	368,325	355,893	363,475	-1.3%
OPERATING EXPENSES					
Selling, General and Administrative Expenses	462,655	362,431	462,920	384,951	6.2%
Depreciation	113,682	85,000	148,000	145,000	70.6%
Total Operating Expenses	576,337	447,431	610,920	529,951	18.4%
Operating Income (Loss)	(231,481)	(79,106)	(255,027)	(166,476)	110.4%
NON-OPERATING REVENUES (EXPENSES)					
Interest Earned	20,470	500	5,000	3,500	600.0%
Interest (Expense)	(540)	-	-	-	0.0%
Gain (Loss) on Capital Assets			(1,374,470)		0.0%
Total Other Income (Expense)	19,930	500	(1,369,470)	3,500	600.0%
Net Income (Loss) Before Transfers	(211,551)	(78,606)	(1,624,497)	(162,976)	107.3%
TRANSFERS FROM (TO) OTHER FUNDS					
Transfers to General Fund	(12,475)	-	-	-	0.0%
Transfers from Telework Center Fund	42,000	-	-	-	0.0%
Transfers from CDBG Fund	460,865	419,563	545,000	75,000	-82.1%
Transfers from Capital Improvement Fund	475,000	-	-	-	0.0%
Transfers from Econ Redevelopment	-	11,000	72,000	57,000	
Total Transfers From (To) Funds	965,390	430,563	617,000	132,000	-69.3%
CAPITAL CONTRIBUTIONS					
Grants in Aid of Construction	61,455	178,545	153,545	38,079	-78.7%
Non-Cash Developer Contributions	2,033,200				
Total Capital Contributions	2,094,655	178,545	153,545	38,079	-78.7%
Increase (Decrease) in Retained Earnings	2,848,494	530,502	(853,952)	7,103	-98.7%
Add Back Depreciation	113,682	85,000	148,000	145,000	70.6%
Capital Outlay/Fixed Assets	(531,495)	(661,108)	(1,062,491)	(168,079)	-74.6%
Repayment of Principal	(36,865)	-	-	-	0.0%
Deduct Non-Cash Contributions	(2,033,200)	-	-	-	0.0%
Changes in Working Capital	92,204	-	2,033,200	-	0.0%
Net Sources (Uses) of Cash	\$ 452,820	\$ (45,606)	\$ 264,757	\$ (15,976)	-65.0%

PROPERTY MANAGEMENT FUND - PROPOSED OPERATING REVENUES
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
Rent - 2-6 N Potomac Street, 1st Floor	\$ 156,260	161,530	161,530	161,530	0.0%
Rent - 14 N Potomac Street, Suite 200A/B	-	33,400	20,400	20,400	-38.9%
Rent - 14 N Potomac Street, Suite B-2	26,250	26,250	26,313	27,000	2.9%
Rent - 16 Public Square	13,800	13,800	13,800	13,800	0.0%
Rent - 12 Public Square	12,870	7,440	7,440	13,870	86.4%
Rent - 6 N Potomac Street	18,600	18,600	18,600	18,600	0.0%
Rent - 11 Public Square, Suite 200	196	-	-	-	0.0%
Rent - 14 N Potomac Street, Suite B-3	26,792	27,272	27,272	27,272	0.0%
Rent - 10 Public Square (Common Area)	2,663	2,663	2,663	2,663	0.0%
Rent - 17 E Franklin Street	8,028	8,269	8,269	8,400	1.6%
Rent - 25 E Franklin Street	3,833	-	-	-	0.0%
Rent - 11 Public Square, Suite 300	20,400	-	-	-	0.0%
Rent - 14 N Potomac Street, Suite LI	-	-	-	-	0.0%
Rent - 14 N Potomac Suite 200B Rm 59	2,334	-	2,334	2,334	100.0%
Rent - 14 N Potomac Street, Suite 200B	6,500	6,000	6,000	6,000	0.0%
Rent - 60 W Wash Ste 102	6,392	6,685	6,685	7,019	5.0%
Rent - 790-800 Potomac Avenue	12,476	30,360	-	-	-100.0%
Rent - 40 N Potomac Street	20,250	22,740	21,900	21,900	-3.7%
Rent - 60 W Washington St Rear	-	-	30,240	30,240	100.0%
Total Rent from Tenants	337,644	365,009	353,446	361,028	-1.1%
				(3,981)	
Gain/(Loss) on Sale of Fixed Assets	-	-	-	-	0.0%
Purchase Discounts	-	-	-	-	0.0%
Other Revenues	7,212	3,316	2,447	2,447	-26.2%
Total Other Revenues	7,212	3,316	2,447	2,447	-26.2%
Total Operating Revenues	\$ 344,856	\$ 368,325	\$ 355,893	\$ 363,475	-1.3%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

Rental income from tenants decreased from FY13 budget to estimated actual FY13 by 3.2% (or \$11,563). At the time of FY13 budget preparation, we anticipated approximately \$11,000 more in revenue due to a timing delay in finalizing a lease contract. Also, the estimated actual for FY13 for the other revenues is expected to be 26.2% (or \$869) less than FY13 budget.

Adopted FY13 to Proposed FY14

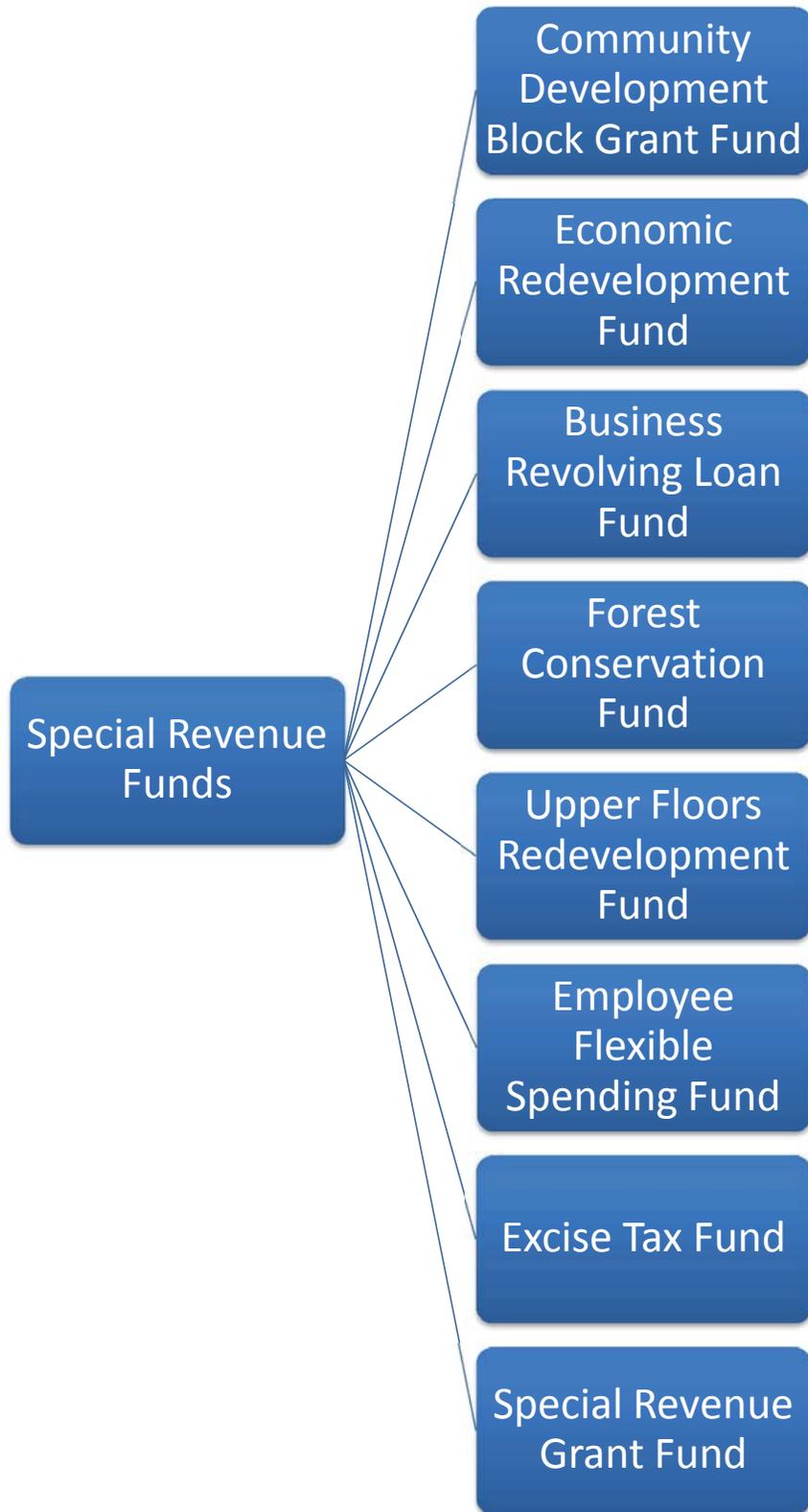
Overall, there is no significant change in total rental income from tenants in the proposed FY14 budget. There is some shifting of tenants between spaces but the total dollar decrease is only anticipated to be \$3,981 lower than the FY13 budget.

PROPERTY MANAGEMENT FUND CAPITAL EXPENSES
FISCAL YEAR 2013/2014

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Alms House Repairs-C0755 Stabilize building and ensure it complies with the City's exterior code compliance regulations	Office and operation use for City's tenants	Bring building up to current property codes for exterior	5,000
Elizabeth Hager Center-C0803 Painting, various leasehold improvements and continued replacement of HVAC units	Office and operation use for City's tenants	<ul style="list-style-type: none"> • HVAC units have reached the end of their life cycle (15-20 years) and will be systematically replaced • Building was renovated over 15 years ago and continued maintenance is required 	20,000
Hagerstown Small Bus Center-C0828 Renovate building for tenant leasing and to serve as a downtown business incubator	Office and operation use for City's tenants	New efforts to better meet the City's economic development needs	38,079
36-40 N Potomac St-C0836 Renovate and improve the building to accommodate residential and commercial occupany in the A&E District	Office and operation use for City's tenants	To create live/work spaces for artists with access to a cooperative gallery	110,000
TOTAL CAPITAL OUTLAY			\$ 173,079

**SPECIAL REVENUE FUNDS
SECTION 5**

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SPECIAL REVENUE FUNDS -COMBINED STATEMENT OF REVENUES AND EXPENDITURES
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	CDBG	ECONOMIC REDEV	BUS. REVOLV LOAN FUND	FOREST CONSERV FUND	FLEXIBLE SPENDING	EXCISE TAX	SPECIAL REVENUE GRANT	TOTAL
REVENUES								
Grant Revenues	\$ 984,776	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 340,746	\$ 1,325,522
Excise Tax	-	-	-	-	-	95,000	-	95,000
Program Income	201,545	-	81,000	-	-	-	-	282,545
Investment Earnings	-	500	1,000	350	75	2,000	-	3,925
Other Revenues	-	-	-	-	5,500	-	-	5,500
Total Revenues	1,186,321	500	82,000	350	5,575	97,000	340,746	1,712,492
EXPENDITURES								
Property Acquisition/Renovation	-	367,000	-	-	-	-	-	367,000
New Loan Expenditures	-	-	100,000	-	-	-	-	100,000
Commercial/Industrial Imprv	145,000	12,500	-	-	-	-	-	157,500
Public Facilities and Imprv	250,000	-	-	-	-	-	-	250,000
Public Services	105,000	-	-	-	-	-	-	105,000
Housing	460,000	100,000	-	-	-	-	-	560,000
Administration	187,491	20,621	1,399	-	6,699	-	-	216,210
Public Safety	-	-	-	-	-	-	356,283	356,283
Incentive for Apartment Unit Reductions	-	75,000	-	-	-	-	-	75,000
Downtown Residency Initiative	-	10,000	-	-	-	-	-	10,000
PEP Subsidized Rent Payments	-	80,600	-	-	-	-	-	80,600
Total Expenditures	1,147,491	665,721	101,399	-	6,699	-	356,283	2,277,593
Excess of Revenues Over (under) Expenditures	38,830	(665,221)	(19,399)	350	(1,124)	97,000	(15,537)	(565,101)
OTHER FINANCING USES								
Operating Transfers In	-	245,000	-	-	-	-	15,537	260,537
Operating Transfers (Out)	-	(57,000)	-	-	(6,000)	(627,919)	-	(690,919)
Total Other Financing Uses	-	188,000	-	-	(6,000)	(627,919)	15,537	(430,382)
Adjust for Balance Sheet Transactions		(367,000)						
Net Change in Fund Balance	38,830	(110,221)	(19,399)	350	(7,124)	(530,919)	-	(995,483)
Beginning Fund Balance	3,200,622	1,003,771	897,345	29,521	16,056	812,350	69,985	6,029,650
Ending Fund Balance	\$ 3,239,452	\$ 893,550	\$ 877,946	\$ 29,871	\$ 8,932	\$ 281,431	\$ 69,985	\$ 5,401,167
DETAIL OF ENDING FUND BALANCE								
Nonspendable	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ -	\$ 3,000
Restricted	3,238,452	-	290,358	-	-	281,431	69,985	3,880,225
Committed	-	893,550	586,588	29,871	7,932	-	-	1,517,941
Ending Fund Balance	\$ 3,239,452	\$ 893,550	\$ 877,946	\$ 29,871	\$ 8,932	\$ 281,431	\$ 69,985	\$ 5,401,166

COMMUNITY DEVELOPMENT BLOCK GRANT - PROGRAM DESCRIPTION
FISCAL YEAR 2013/2014

DEPARTMENT / PROGRAM OVERVIEW

The primary objective of the City's Community Development Block Grant Program (CDBG) is the development of a viable urban community.

Hagerstown is an entitlement grantee under the CDBG Entitlement Program. Entitlement grantees receive an annual allocation of CDBG funds directly from the U.S. Department of Housing and Urban Development (HUD). These funds must be used for community based programs and activities that meet one of the three CDBG National Objectives.

The three CDBG National Objectives are:

- Benefit to low and moderate income persons (Primary Objective);
- Aid in the prevention or elimination of slums or blight; and,
- Meeting a need having a particular urgency to alleviate emergency conditions.

Due to federal budget cuts, the City expects a reduced entitlement for the third consecutive year. The anticipated FY14 entitlement is 9% lower than what was received in FY13. Since FY11, the City's entitlement has been reduced by approximately 40%. In response to this decrease in funding, FY14 will be the fourth consecutive year in which the City has reduced program administration costs.

DEPARTMENT / PROGRAM OBJECTIVES

- Consistent with the National Objectives, the FY14 CDBG budget focuses funds on visible and impactful community development projects. Current and future Community Development projects are being implemented to revitalize the City's urban core and enhance neighborhoods throughout the City. Housing programs include funding for both private/public partnership projects and City sponsored projects. The proposed projects focus on improving the quality of the existing housing stock and the quality of life for Hagerstown residents.
- The Department of Community and Economic Development works in cooperation with other City Departments to carry out neighborhood based projects. Proposed public facility projects to be carried out in cooperation with the Department of Engineering & Parks for FY14 include:
 - Creation of an urban park in the city's West End
 - Development of a neighborhood park / green space in the Jonathan Street area
 - Sidewalk accessibility improvements and neighborhood development activities at locations throughout the City
- The FY14 budget also proposes support for local public service providers. Public service providers must carry out eligible activities that meet critical, identifiable, and unmet community needs for low and moderate income City residents. Public service providers must also have clear goals and specific, measurable, and realistic evaluation criteria.

PERFORMANCE INDICATORS

	2011/12	2012/13	2013/14
Number of Active Loans Outstanding	29	35	40
Net New Loans	-	6	5
Value of Active Loan Portfolio (\$000)	\$ 1,515	\$ 1,665	\$ 1,720
Single Family Rehabilitation Projects	8	20	25
Down Payment Assistance Recipients	3	6	6
Citizens Assisted Through Public Services	1,936	2,000	1,750
Overall Low/Moderate Benefit Ratio (%)	70.0%	70.0%	75.0%
Total Administrative Costs as Percent of Total Expenditures	20.0%	20.0%	20.0%

COMMUNITY DEVELOPMENT BLOCK GRANT - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURE SUMMARY

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
Acquisition	\$ 234,903	\$ 220,000	\$ 220,000	\$ -	-100.0%
Commercial/Industrial Improvements	127,656	100,000	20,000	145,000	45.0%
Clearance and Demolition	-	45,000	45,000	-	-100.0%
Public Facilities and Improvements	218,592	430,986	360,765	250,000	-42.0%
Public Services	155,417	135,213	135,213	105,000	-22.3%
Cost of Properties Held for Resale	100,999	-	1,027	-	0.0%
Housing	71,056	710,000	768,000	460,000	-35.2%
Administration	201,942	170,122	168,670	187,491	10.2%
Total Expenditures	\$ 1,110,565	\$ 1,811,321	\$ 1,718,675	\$ 1,147,491	-36.6%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

Administrative and personnel costs associated with various activities will remain under the regulatory cap of 20% due to the restructuring of positions in the Department.

A cooperative effort with the Engineering & Parks Department lead to the following neighborhood based projects in FY13:

- o Handicap Accessibility Improvements
- o Memorial Park
- o Potterfield Pool Facility Improvements
- o East Avenue Park

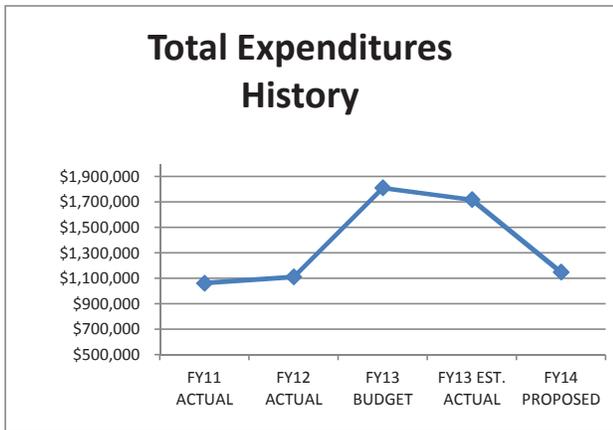
Due to entitlement reductions and in order to maximize the impact of existing rehabilitation loan programs, program guidelines have been revamped and additional loans are expected to be made in FY13.

Estimated Actual FY13 to Proposed FY14

As mentioned on the previous page, the City is anticipating a 9% reduction in FY14 CDBG entitlement funds due to expected federal funding cuts as part of the federal sequestration. This follows a 21% reduction that occurred in FY13. As a result of the reduced entitlement, a lower public services and administrative cap have been calculated, and FY14 expenditures are projected to be \$571,000 lower than FY13.

The FY14 budget includes funds for moving forward with several initiatives in the Strategic Plan including creation of Neighborhood Parks, various Neighborhood Improvements, and improving the livability and economic prosperity of the City.

In cooperation with multiple City departments, efforts will be made to carry out neighborhood based projects throughout the City. This includes projects being carried out with or without CDBG funding.



STAFFING SUMMARY

	FY13			
	FY12	Budget	Est Act	FY14
Full time	3.5	2.5	2.2	2.2
Less: Unfunded	0.0	0.0	0.0	0.0
Staffing Total	3.5	2.5	2.2	2.2

As part of a restructure of operations in response to the anticipated 21% decrease in funding for FY13, one (1) FTE position is no longer funded in the CDBG Fund and the staffing total will remain flat through FY14.

COMMUNITY DEVELOPMENT BLOCK GRANT - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12	2012/13		2013/14	2013/14 % CHANGE
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	
REVENUES					
CDBG Grant Entitlements	\$ 896,670	\$ 1,526,231	\$ 1,501,067	\$ 984,776	-35.5%
Program Income	275,071	174,753	131,173	201,545	15.3%
Other Revenues	-	-	3,000	-	0.0%
Total Operating Revenues	1,171,741	1,700,984	1,635,240	1,186,321	-30.3%
EXPENDITURES					
Acquisition	234,903	220,000	220,000	-	-100.0%
Commercial/Industrial Improvements	127,656	100,000	20,000	145,000	45.0%
Clearance and Demolition	-	45,000	45,000	-	-100.0%
Public Facilities and Improvements	218,592	430,986	360,765	250,000	-42.0%
Public Services	155,417	135,213	135,213	105,000	-22.3%
Cost of Properties Held for Resale	100,999	-	1,027	-	0.0%
Housing	71,056	710,000	768,000	460,000	-35.2%
Administration	201,942	170,122	168,670	187,491	10.2%
Total Operating Expenditures	1,110,565	1,811,321	1,718,675	1,147,491	-36.6%
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES					
	\$ 61,176	\$ (110,337)	\$ (83,435)	\$ 38,830	-135.2%
Beginning Fund Balance	3,222,881	3,284,057	3,284,057	3,200,622	-2.5%
Ending Fund Balance	\$ 3,284,057	\$ 3,173,720	\$ 3,200,622	\$ 3,239,452	2.1%
DETAIL OF ENDING FUND BALANCE					
Nonspendable	\$ 1,010	\$ 1,000	\$ 1,000	\$ 1,000	0.0%
Restricted	3,283,047	3,172,720	3,199,622	3,238,452	2.1%
Ending Fund Balance	\$ 3,284,057	\$ 3,173,720	\$ 3,200,622	\$ 3,239,452	2.1%

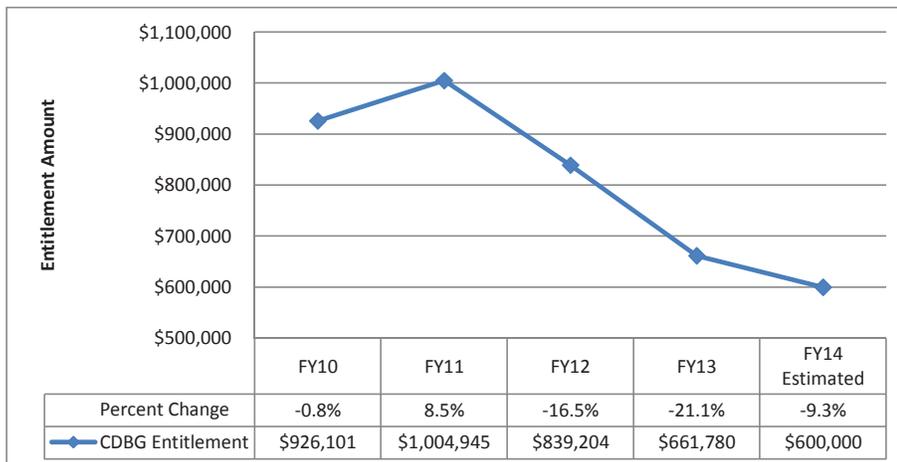
COMMUNITY DEVELOPMENT BLOCK GRANT - PROPOSED OPERATING REVENUES
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12 ACTUAL	2012/13		2013/14 PROPOSED	2013/14 % CHANGE
		BUDGET	EST. ACTUAL		
CDBG GRANT ENTITLEMENTS					
B09 Entitlement	\$ 233,765	\$ -	\$ -	\$ -	0.0%
B10 Entitlement	662,905	25,247	384,860	-	-100.0%
B11 Entitlement	-	839,204	839,204	-	-100.0%
B12 Entitlement	-	661,780	277,003	384,776	-41.9%
B13 Entitlement	-	-	-	600,000	100.0%
Total CDBG Grant Entitlements	896,670	1,526,231	1,501,067	984,776	-35.5%
PROGRAM INCOME					
Sale of Properties	100,000	-	-	35,000	100.0%
Principal Repayments on Loans	114,073	119,761	85,335	113,729	-5.0%
Interest Income on Loans	60,998	54,992	45,838	52,816	-4.0%
Total Program Income	275,071	174,753	131,173	201,545	15.3%
OTHER REVENUES					
Administrative Fee Revenues	-	-	3,000	-	0.0%
Total Other Revenues	-	-	3,000	-	0.0%
Total Operating Revenues	\$ 1,171,741	\$ 1,700,984	\$ 1,635,240	\$ 1,186,321	-30.3%

The CDBG Entitlement Funding History graph and chart below illustrate the CDBG Entitlement current year amounts awarded to the City for FY10 – FY13, and the CDBG Entitlement amount estimated to be awarded to the City for FY14. Each year, funding that has not been expended is carried forward as an operating revenue into the next fiscal year. Subsequently, the amounts reported as "Total CDBG Grant Entitlements" in the above table of Proposed Operating Revenues represent the current year Entitlement funding plus any unspent Entitlement funding from prior years.

From the CDBG Entitlement Funding History graph and chart below, it is evident that there has been a sharp decline in the amount of Federal funding awarded to the City for CDBG Entitlement funds. The City's awarded funding peaked in FY11 at \$1.0 million. The funding amount awarded declined by 21.1% in FY13 to \$662 thousand and is expected to decrease by an additional 9.3% in FY14 to \$600 thousand. Since FY11, the City has experienced a 40.2% decrease in awarded CDBG Entitlement funding from the Federal Government.

CDBG Entitlement Funding History



COMMUNITY DEVELOPMENT BLOCK GRANT - PROPOSED OPERATING EXPENSES
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
ACQUISITION					
City - Downtown Buildings	\$ 234,903	\$ 220,000	\$ 220,000	\$ -	-100.0%
Total Acquisition	234,903	220,000	220,000	-	-100.0%
COMMERCIAL/INDUSTRIAL IMPROVEMENTS					
Commercial Property Rehab Loan	26	100,000	-	-	-100.0%
Commercial Administration	18,626	-	-	-	0.0%
Commercial Rehab-City Owned Property	-	-	20,000	145,000	100.0%
Comm Rehab-City Owned 36-40 N Potomac St	109,004	-	-	-	-
Total Commercial/Industrial Improvements	127,656	100,000	20,000	145,000	45.0%
CLEARANCE & DEMOLITION					
City - Downtown Buildings	-	45,000	45,000	-	-100.0%
Total Clearance & Demolition	-	45,000	45,000	-	-100.0%
COST OF PROPERTIES HELD FOR RESALE					
	100,999	-	1,027	-	0.0%
PUBLIC FACILITIES & IMPROVEMENTS					
Hagerstown Small Business Center	112,658	149,563	150,000	-	-100.0%
Handicap Ramps	40,000	40,000	40,000	50,000	25.0%
Project Park Inside	(900)	-	-	-	0.0%
Downtown Surveillance Cameras	1,878	-	-	-	0.0%
Neighborhood Development	-	50,000	-	-	-100.0%
Park Circle Improvements	-	40,000	40,000	-	-100.0%
Neighborhood Parks	16,411	119,589	100,000	150,000	25.4%
Hellane Park HC Acc	25,874	-	-	-	0.0%
School Crossing Signal	15,000	-	-	-	0.0%
Potterfield Pool Improvements	-	10,000	10,000	-	-100.0%
Audible Traffic Beacon-Howard	7,671	11,834	11,834	-	-100.0%
Handicap Lift Potterfield	-	10,000	8,931	-	-100.0%
Loans	-	-	-	50,000	100.0%
Total Public Facilities & Improvements	218,592	430,986	360,765	250,000	-42.0%
PUBLIC SERVICES					
Public Services	-	-	-	105,000	100.0%
Community Free Clinic	50,823	51,000	51,000	-	-100.0%
Food & Friends	5,037	-	-	-	0.0%
Girl's Inc Supper Program	12,760	10,838	10,838	-	-100.0%
Summer Day Camp (Memorial Recreation Center)	5,000	4,250	4,250	-	-100.0%
Children in Need	7,500	6,375	6,375	-	-100.0%
Senior Living Alternative Meals	65,297	55,250	55,250	-	-100.0%
Summer Playground Meals	9,000	7,500	7,500	-	-100.0%
Total Public Services	155,417	135,213	135,213	105,000	-22.3%

COMMUNITY DEVELOPMENT BLOCK GRANT - PROPOSED OPERATING EXPENSES
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
HOUSING					
Housing Rehabilitation	\$ -	\$ -	\$ -	\$ 357,500	100.0%
Res Single Fam Emergency Repair	10,683	30,000	25,000	30,000	0.0%
Homeownership Program	13,472	20,000	12,000	-	-100.0%
Commission on Aging	18,000	18,000	18,000	18,000	0.0%
House Keys 4 Employees	1,500	4,500	1,500	-	-100.0%
Direct Home Assistance	74	-	-	-	0.0%
HNDP Downpayment & Settlement	7,000	24,500	24,500	24,500	0.0%
Single Family Loan Program	-	100,000	100,000	-	-100.0%
Residential Rental Rehabilitation	44	203,000	200,000	-	-100.0%
CDBG Administration (Residential Rental)	3,213	15,000	5,000	15,000	0.0%
CDBG Administration (Home Ownership)	6,655	5,000	5,000	-	-100.0%
CDBG Administration (Single Family)	6,115	20,000	7,000	15,000	-25.0%
Housing Rehab-City Owned	4,300	270,000	370,000	-	-100.0%
Total Housing	71,056	710,000	768,000	460,000	-35.2%
ADMINISTRATION					
Regular Wages - Salaried	139,999	124,022	106,170	108,156	-12.8%
Vacation Pay	9,876	-	-	-	0.0%
Holiday Pay	7,444	-	-	-	0.0%
Sick Leave Pay	7,296	-	-	-	0.0%
Personal Leave	2,255	-	-	-	0.0%
Furlough Day Savings	(25)	-	-	-	0.0%
Allocated Labor - Salaried	(133,849)	(95,000)	(71,000)	(60,000)	-36.8%
Office Supplies	105	800	200	500	-37.5%
Computer Software & Supplies	453	500	300	500	0.0%
Dues, Subscriptions & Periodicals	424	1,500	250	1,000	-33.3%
Gasoline, Oil & Grease	408	-	46	-	0.0%
Personal Auto Expense Reimb	-	200	-	-	-100.0%
Central Maintenance Garage	71	-	30	-	0.0%
Advertising & Printing	1,148	3,000	1,750	1,500	-50.0%
Legal Fees	497	2,000	5,000	4,000	100.0%
Auditing Fees	1,760	1,813	1,813	3,239	78.7%
Public Transportation Expenses	265	100	-	100	0.0%
Lodging & Meals	890	1,200	850	1,000	-16.7%
Conference & Seminar Fees	159	2,500	1,000	1,000	-60.0%
Educational Benefits	-	750	250	750	0.0%
Postage Expenses	62	600	10	500	-16.7%
Other General Expenses	48	-	-	-	0.0%
Admin. Overhead Allocation	-	76,000	-	76,000	0.0%
Photocopy Expenses	468	650	500	650	0.0%
Retirement Deficit Payment	8,493	8,918	8,917	9,364	5.0%
Retirement Contribution - State	22,038	11,151	12,603	12,576	12.8%
FICA Taxes	12,348	9,257	7,625	7,990	-13.7%
Life Insurance	279	214	136	212	-0.9%
Workers Compensation	4,354	2,884	1,812	1,544	-46.5%
Buildings & Contents Insurance	-	1,730	1,730	1,744	0.8%
Public Officials	1,147	807	676	322	-60.1%

COMMUNITY DEVELOPMENT BLOCK GRANT - PROPOSED OPERATING EXPENSES
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
ADMINISTRATION (continued)					
Fleet Insurance	\$ 384	\$ -	\$ -	\$ -	0.0%
Health Insurance	9,494	10,852	12,030	12,380	14.1%
Dental Insurance	969	758	687	877	15.7%
General Liability Insurance	152	156	132	188	20.5%
Employee Discounted Parking	1,150	-	-	-	0.0%
Vehicle Parking - Market House	360	-	-	-	0.0%
Interest Exp. - Escrowed Taxes	245	-	150	-	0.0%
Communication Expense	2,677	2,510	1,853	1,149	-54.2%
Capital Outlay - Office Furniture	-	250	150	250	0.0%
Office Allocation	98,098	-	61,000	-	0.0%
Unemployment Taxes	-	-	12,000	-	0.0%
Total Administration	201,942	170,122	168,670	187,491	10.2%
Total Expenditures	\$ 1,110,565	\$ 1,811,321	\$ 1,718,675	\$ 1,147,491	-36.6%

COMMUNITY DEVELOPMENT BLOCK GRANT FUND CAPITAL EXPENSES
FISCAL YEAR 2013/2014

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
1050001-5861 Desks, Chairs, & Tables	Office furniture, cabinets, shelves	Replace worn equipment	250
TOTAL CAPITAL OUTLAY			\$ 250

OTHER SPECIAL REVENUE FUNDS - PROGRAM SUMMARY
FISCAL YEAR 2013/2014

ECONOMIC REDEVELOPMENT FUND

This fund was established to promote the revitalization of the City's downtown and older neighborhood areas. Currently the fund is being used to promote business and home ownership in the City Center. Revenues in this fund consists of periodic transfers from other funds and a proposal to transfer funds from the General Fund to assist in carrying out the strategic revitalization efforts such as building rehabilitation and/or acquisition activities.

BUSINESS REVOLVING LOAN FUND

This fund is designed to assist in the recruitment, retention and expansion of businesses within the City. The Business Revolving Loan Fund was initially funded through a grant from the Maryland Department of Business and Economic Development and City Community Betterment Funds. This program provides financing for new and expanding businesses for working capital, equipment and rehabilitation. For fiscal year 2013/14, this fund has been consolidated with the Upper Floors Redevelopment Fund, and will reflect an incoming transfer of \$300,000. it is anticipated that program income will allow \$200,000 in new loans to be made.

UPPER FLOORS REDEVELOPMENT FUND

This fund provided assistance to install elevators and other equipment necessary to make the upper floors of existing downtown buildings attractive for residential or business use. In fiscal year 2013/14, the fund balance of \$300,000 has been transferred to and consolidated with the Business Revolving Loan Fund as noted above.

TELEWORK CENTER FUND

The Telework Center Fund was established to account for activities related to the City's participation in the federal government's telecommunication work center pilot program. The activities were primarily funded by a federal operating grant and user fees and were self supporting. After March 31, 2012, the federal General Services Administration (GSA) has advised it would stop paying the cost of operating and leasing of the center. Therefore, the City closed the center and transferred fund balance to the General Fund prior to the beginning of fiscal year 2012/13.

FOREST CONSERVATION FUND

This fund was created as part of the City's forest conservation program for development within the City of Hagerstown. In lieu of reforestation activities on a development site, developers have the option to pay into a special City forest conservation fund for offsite forestation activities. Due to the slowdown in the economy, the proposed fiscal year 2013/14 budget does not anticipate transferring any funds to the CIP Fund for street trees and other forestation activities.

EMPLOYEE FLEXIBLE SPENDING FUND

This fund accounts for the City Employee Flexible Spending Account (FSA) Program. Funds are transferred into this fund on a pre-tax basis for employees participating in the FSA Program for reimbursed medical and dependent care costs. The City savings in social security and medicare cost from this pre-tax funding are used to pay for the program's administrative cost. For 2013/14, \$6,000 is proposed for transfer to the General Fund for employee activities.

EXCISE TAX FUND

This fund accounts for the City's share of the County Excise Taxes collected by the City. Excise Taxes may be used only for specific purposes and are tracked in order to comply with the purposes permitted. Permitted purposes include roads, new construction or development of parks and recreational facilities, new construction or development of water and wastewater infrastructure and new construction or development of public safety facilities. Funds of approximately \$628,000 are proposed to be transferred to the CIP Fund in fiscal year 2013/14 for assisting with various projects.

SPECIAL REVENUE GRANT FUND

In Fiscal Year 2006/07 the City, as a result of an audit recommendation, created a separate special revenue fund to account for operating grant revenues from various federal, state, and local agencies and related expenditures. This fund allows grant revenues and expenditures to be tracked separately by grant projects. Local matches, if required, are shown as transfers in from other funds. Unspent grant funds are carried over from year-to-year until expended for their intended purpose.

ECONOMIC REDEVELOPMENT FUND - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
REVENUES					
Interest Income from Investments	\$ 3,072	\$ 500	\$ 500	\$ 500	0.0%
State Community Legacy Grant	-	-	100,000	-	0.0%
Total Revenues	3,072	500	100,500	500	0.0%
EXPENDITURES					
Administrative Expenditures	4,650	5,000	5,000	5,000	0.0%
Property Acquisition and Renovation					
Costs: Properties Held for Resale	-	-	368,000	367,000	100.0%
Downtown Residency Initiative	1,500	5,000	5,000	10,000	100.0%
PEP Subsidized Rent Payments	37,717	70,000	67,300	80,600	15.1%
Incentive for Apartment Unit Reductions	-	-	-	75,000	100.0%
Unit Block Projects	-	-	-	100,000	100.0%
Sign and Facade Grants	-	-	-	12,500	100.0%
Current Property Expenditures	1,116	20,219	12,369	15,621	-22.7%
Total Expenditures	44,983	100,219	457,669	665,721	564.3%
OTHER FINANCING SOURCES (USES)					
Transfers from General Fund:					
Community Based Initiatives	250,000	200,000	200,000	100,000	-50.0%
Transfers from CDBG Fund	-	-	220,000	145,000	100.0%
Transfers (to) General Fund	(25,000)	-	(17,875)	-	0.0%
Transfers (to) Property Mgmt Fund	-	(11,000)	(72,000)	(57,000)	418.2%
Transfers (to) Upper Floors Fund	(200,000)	-	-	-	0.0%
Total Other Financing Sources	25,000	189,000	330,125	188,000	-0.5%
Adjust for Balance Sheet Transactions	-	-	(368,000)	(367,000)	100.0%
Net Change in Fund Balance	(16,911)	89,281	340,956	(110,221)	-223.5%
Beginning Fund Balance	679,726	662,815	662,815	1,003,771	51.4%
Ending Fund Balance	\$ 662,815	\$ 752,096	\$ 1,003,771	\$ 893,550	18.8%
DETAIL OF ENDING FUND BALANCE					
Committed	\$ 662,815	\$ 752,096	\$ 1,003,771	\$ 893,550	18.8%
Ending Fund Balance	\$ 662,815	\$ 752,096	\$ 1,003,771	\$ 893,550	18.8%

BUSINESS REVOLVING LOAN FUND - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
REVENUES & LOAN REPAYMENTS					
Program Income:					
Principal Repayments	\$ -	\$ 167,928	\$ 45,000	\$ 58,000	-65.5%
Interest from Loans	12,998	14,315	14,000	23,000	60.7%
Interest on Investments	1,346	1,500	1,000	1,000	-33.3%
Total Revenues	14,344	183,743	60,000	82,000	-55.4%
EXPENDITURES, NEW LOANS & OTHER WORKING CAPITAL					
Contractual Services	3,914	2,833	1,133	1,399	-50.6%
New Loan Expenditures	28,174	200,000	50,000	100,000	-50.0%
Total Expenditures	32,088	202,833	51,133	101,399	-50.0%
OTHER FINANCING SOURCES (USES)					
Transfer from Upper Floors Redev Fund	-	300,000	301,255	-	-100.0%
Total Other Financing Sources	-	300,000	301,255	-	-100.0%
Net Change in Fund Balance	(17,744)	280,910	310,122	(19,399)	-106.9%
Beginning Fund Balance	604,967	587,223	587,223	897,345	52.8%
Ending Fund Balance	\$ 587,223	\$ 868,133	\$ 897,345	\$ 877,946	1.1%
DETAIL OF ENDING FUND BALANCE					
Nonspendable	\$ 387	\$ 1,000	\$ 1,000	\$ 1,000	0.0%
Restricted	143,478	275,430	248,358	290,358	5.4%
Committed	443,358	591,703	647,987	586,588	-0.9%
Ending Fund Balance	\$ 587,223	\$ 868,133	\$ 897,345	\$ 877,946	1.1%

UPPER FLOORS REDEVELOPMENT FUND - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
REVENUES					
Interest on Investments	\$ 1,208	\$ -	\$ 96	\$ -	0.0%
State Community Legacy Grant	18,609	-	-	-	0.0%
Total Revenues	19,817	-	96	-	0.0%
EXPENDITURES					
New Loan (Grant) Expenditures	118,609	-	-	-	0.0%
Total Expenditures	118,609	-	-	-	0.0%
OTHER FINANCING SOURCES (USES)					
Transfers from Economic Redev Fund	200,000	-	-	-	0.0%
Transfers (to) Bus Revolving Loan Fund	-	(300,000)	(301,256)	-	-100.0%
Total Other Financing Sources	200,000	(300,000)	(301,256)	-	-100.0%
Net Change in Fund Balance	101,208	(300,000)	(301,160)	-	-100.0%
Beginning Fund Balance	199,952	301,160	301,160	-	-100.0%
Ending Fund Balance	\$ 301,160	\$ 1,160	\$ -	\$ -	-100.0%
DETAIL OF ENDING FUND BALANCE					
Committed	\$ 301,160	\$ 1,160	\$ -	\$ -	-100.0%
Ending Fund Balance	\$ 301,160	\$ 1,160	\$ -	\$ -	-100.0%

TELEWORK CENTER - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
REVENUES					
Total Revenues	\$ -	\$ -	\$ -	\$ -	0.0%
EXPENDITURES					
Operating Expenditures	51	-	-	-	0.0%
Operating Subtotal	51	-	-	-	0.0%
Total Expenditures	51	-	-	-	0.0%
OTHER FINANCING SOURCES (USES)					
Transfer (to) General Fund	(14,635)	-	-	-	0.0%
Transfer (to) CIP Fund	(38,158)	-	-	-	0.0%
Transfer (to) Property Mgmt Fund	(42,000)	-	-	-	0.0%
Total Other Financing Sources	(94,793)	-	-	-	0.0%
Net Change in Fund Balance	(94,844)	-	-	-	0.0%
Beginning Fund Balance	94,844	-	-	-	0.0%
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	0.0%
DETAIL OF ENDING FUND BALANCE					
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	0.0%

FOREST CONSERVATION FUND - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12 ACTUAL	2012/13 BUDGET	2012/13 EST. ACTUAL	2013/14 PROPOSED	2013/14 % CHANGE
REVENUES					
Reforest Fees - Unspecified	\$ -	\$ 15,000	\$ -	\$ -	-100.0%
Interest Revenue	375	500	350	350	-30.0%
Total Revenues	375	15,500	350	350	-97.7%
OTHER FINANCING SOURCES (USES)					
Transfers (to) CIP Fund	(13,910)	(26,000)	-	-	-100.0%
Total Other Financing Sources	(13,910)	(26,000)	-	-	-100.0%
Net Change in Fund Balance	(13,535)	(10,500)	350	350	-103.3%
Beginning Fund Balance	42,706	29,171	29,171	29,521	1.2%
Ending Fund Balance	\$ 29,171	\$ 18,671	\$ 29,521	\$ 29,871	60.0%
DETAIL OF ENDING FUND BALANCE					
Committed	\$ 29,171	\$ 18,671	\$ 29,521	\$ 29,871	60.0%
Ending Fund Balance	\$ 29,171	\$ 18,671	\$ 29,521	\$ 29,871	60.0%

EMPLOYEE FLEXIBLE SPENDING FUND - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12 ACTUAL	2012/13		2013/14 PROPOSED	2013/14 % CHANGE
		BUDGET	EST. ACTUAL		
REVENUES					
Interest Earned	\$ 293	\$ 75	\$ 75	\$ 75	0.0%
Employer FICA Savings	6,545	5,000	5,000	5,000	0.0%
Unreimbursed Employee Deductions	5,040	500	500	500	0.0%
Total Revenues	11,878	5,575	5,575	5,575	0.0%
EXPENDITURES					
Contractual Services	5,239	6,000	5,300	5,300	-11.7%
Other General Expense	760	783	783	1,399	78.7%
Total Expenditures	5,999	6,783	6,083	6,699	-1.2%
OTHER FINANCING SOURCES (USES)					
Transfers (to) General Fund	(6,000)	(6,000)	(6,000)	(6,000)	0.0%
Total Other Financing Uses	(6,000)	(6,000)	(6,000)	(6,000)	0.0%
Net Change in Fund Balance	(121)	(7,208)	(6,508)	(7,124)	-1.2%
Beginning Fund Balance	22,685	22,564	22,564	16,056	-28.8%
Ending Fund Balance	\$ 22,564	\$ 15,356	\$ 16,056	\$ 8,932	-41.8%
DETAIL OF ENDING FUND BALANCE					
Nonspendable	\$ 387	\$ 1,000	\$ 1,000	\$ 1,000	0.0%
Committed	22,177	14,356	15,056	7,932	-44.7%
Ending Fund Balance	\$ 22,564	\$ 15,356	\$ 16,056	\$ 8,932	-41.8%

EXCISE TAX FUND - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12 ACTUAL	2012/13 BUDGET	2012/13 EST. ACTUAL	2013/14 PROPOSED	2013/14 % CHANGE
REVENUES					
Revenue for Roads	\$ 64,455	\$ 85,000	\$ 60,000	\$ 65,000	-23.5%
Revenue for Other Capital Purposes	14,012	18,000	13,000	14,000	-22.2%
Revenue from Nonresidential Projects	35,018	34,000	16,000	16,000	-52.9%
Interest Revenue	7,925	2,500	2,500	2,000	-20.0%
Total Revenues	121,410	139,500	91,500	97,000	-30.5%
OTHER FINANCING SOURCES (USES)					
Transfers (to) CIP Fund	(207,705)	(480,000)	(86,723)	(627,919)	30.8%
Total Other Financing Sources	(207,705)	(480,000)	(86,723)	(627,919)	30.8%
Net Change in Fund Balance	(86,295)	(340,500)	4,777	(530,919)	55.9%
Beginning Fund Balance	893,868	807,573	807,573	812,350	0.6%
Ending Fund Balance	\$ 807,573	\$ 467,073	\$ 812,350	\$ 281,431	-39.7%
DETAIL OF ENDING FUND BALANCE					
Restricted	\$ 807,573	\$ 467,073	\$ 812,350	\$ 281,431	-39.7%
Ending Fund Balance	\$ 807,573	\$ 467,073	\$ 812,350	\$ 281,431	-39.7%

SPECIAL REVENUE GRANT FUND - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
REVENUES:					
Interest Earned	\$ 360	\$ -	\$ 22	\$ -	0.0%
Federal Grants	489,415	210,833	528,530	97,737	-53.6%
State Grants	266,546	229,973	232,509	243,009	5.7%
County Grants	-	920	1,799	-	-100.0%
Other Contributions & Revenues	2,861	500	1,765	-	-100.0%
Total Revenues	759,182	442,226	764,625	340,746	-22.9%
EXPENDITURES:					
Salary and Wages	209,203	208,766	201,610	149,061	-28.6%
Benefits	38,218	6,328	24,365	34,268	441.5%
Overtime	100,767	86,800	85,992	71,938	-17.1%
Personnel Subtotal	348,188	301,894	311,967	255,267	-15.4%
Contractual Services	137,596	98,448	100,692	65,644	-33.3%
Operating Expenditures	38,297	41,140	48,009	1,661	-96.0%
Capital Outlay	333,298	62,936	360,110	17,200	-72.7%
Other General Expenses	19,100	19,947	19,947	16,511	-17.2%
Operating Subtotal	528,291	222,471	528,758	101,016	-54.6%
TOTAL EXPENDITURES	876,479	524,365	840,725	356,283	-32.1%
OTHER FINANCING SOURCES (USES)					
Transfer from General Fund	61,593	82,139	75,330	15,537	-81.1%
Total Other Financing Sources	61,593	82,139	75,330	15,537	-81.1%
Net Change in Fund Balance	(55,704)	-	(770)	-	0.0%
Beginning Fund Balance	126,459	70,755	70,755	69,985	-1.1%
Ending Fund Balance	\$ 70,755	\$ 70,755	\$ 69,985	\$ 69,985	-1.1%
DETAIL OF ENDING FUND BALANCE					
Restricted	\$ 70,755	\$ 70,755	\$ 69,985	\$ 69,985	-1.1%
Ending Fund Balance	\$ 70,755	\$ 70,755	\$ 69,985	\$ 69,985	-1.1%

Activity in this fund is dependent on grants that we receive. The following grants are anticipated for next year:

	2013/14 PROPOSED
Police Department	
Targeting Underage Drinking	9,400
GVRG Cease Fire	40,024
FY14 MHSO Traffic Safety Grant	15,350
FY14 Safe Streets	185,974
FY13 Bulletproof Vest Partnership	17,200
LETS - Practical Kinesic Interview	1,661
FY10 Byrne JAG Award	8,604
Coordination of Domestic Violence	23,448
COPS Technology	54,622
Total Grant Revenues	\$ 356,283
	\$ 356,283

GRANT FUND CAPITAL EXPENSES
FISCAL YEAR 2013/2014

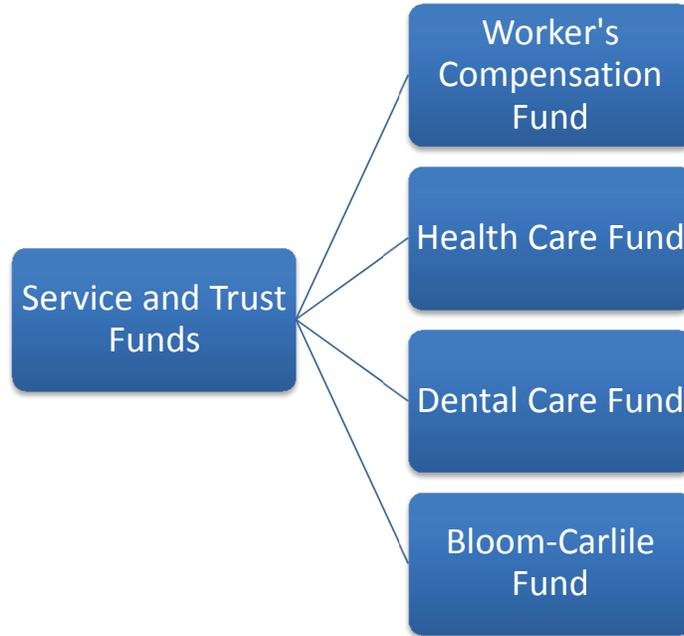
ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
FY12 Bulletproof Vest Partnership 1610000-5834-G0178 Fire Arms, Body Armor	Police Use	Purchase of new body armor and bulletproof vest	17,200
Total Bulletproof Vest Partnership			17,200
TOTAL CAPITAL OUTLAY			\$ 17,200

**SERVICE AND TRUST FUNDS
SECTION 6**

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SERVICE & TRUST FUND - COMBINING STATEMENT
FISCAL YEAR 2013/2014

ACCOUNT DESCRIPTION	WORKERS COMPENSATION	HEALTH CARE	DENTAL CARE	BLOOM- CARLILE	TOTAL
OPERATING REVENUES					
Premium Revenues	\$ 1,043,192	\$ 7,362,045	\$ 398,759	\$ -	\$ 8,803,996
Prescription Rebates	-	73,000	-	-	73,000
Stop Loss Reimbursements	-	16,000	-	-	16,000
Miscellaneous Revenues	7,000	1,000	-	-	8,000
Total Operating Revenues	1,050,192	7,452,045	398,759	-	8,900,996
OPERATING EXPENSES					
Premium Expense, Medical Loss					
Reimbursements, & Collateralization Fees	948,843	6,534,040	355,000	-	7,837,883
Other Post Employment Benefits	-	650,000	-	-	650,000
Legal Fees, Claims Administration &					
Injury and Damage Awards	-	74,000	-	-	74,000
Health Savings Acct Contributions	-	18,000	-	-	18,000
Audit Fees	613	613	614	4,601	6,441
Community Assistance Expenditures	-	-	-	4,800	4,800
Total Operating Expenses	949,456	7,276,653	355,614	9,401	8,591,124
Operating Income (Loss)	100,736	175,392	43,145	(9,401)	309,872
NON OPERATING REVENUES (EXPENSES)					
Investment Earnings	3,070	12,000	400	100	15,570
Total Other Income (Expense)	3,070	12,000	400	100	15,570
Net Income before Operating Transfers	103,806	187,392	43,545	(9,301)	325,442
Transfers out - General Fund	(250,000)	(55,000)	-	-	(305,000)
Increase (Decrease) in Retained Earnings	\$ (146,194)	\$ 132,392	\$ 43,545	\$ (9,301)	\$ 20,442
Beginning Fund Balance	777,059	3,476,303	37,892	125,866	4,417,120
Ending Fund Balance	\$ 484,671	\$ 3,741,087	\$ 124,982	\$ 107,264	\$ 4,458,004



WORKERS COMPENSATION FUND OVERVIEW

The Worker's Compensation fund was created in 1995 to help smooth potential large fluctuations in the City's worker's compensation cost that might occur under a large deductive insurance program the City used from September 1, 1995 through 1998. Since September 1, 1998 the City has been using a traditional 100% coverage insurance program. The fund serves as a conduit to collect premium charges based on each department's payroll. These "revenues" then are used to pay actual medical claims costs, processing fees and premium of the insurance carrier.

HEALTH CARE FUND OVERVIEW

The Health Care fund was created in 2000 to manage the City's new self-insurance program for health care. Under this self-funded plan the City pays a standard monthly administrative fee for each covered member and accepts claims risk up to a specific stop loss for each individual covered. Plan changes may occur during collective bargaining negotiations for future periods. In addition, there is a second level of insurance called the aggregate stop loss which assures that the City does not pay more than the maximum projected expenses. Administratively, all City departments are billed pre-established internal "insurance" rates for their department's employees, retirees and dependents. These billings represent funding sources for the Health Care Fund from which all health care related administrative and medical reimbursement costs are paid.

DENTAL CARE FUND OVERVIEW

The Dental Care fund was created in 2006 to manage the City's new self-insurance program for dental care. Under this self-funded plan the City pays a standard monthly administrative fee for each covered member and processes claims up to a current \$2,000 limit for each individual covered. Plan changes may occur during collective bargaining negotiations for future periods. Administratively, all City departments are billed pre-established internal "insurance" rates for their department's employees, retirees and dependents. These billings represent funding sources for the Dental Care fund from which all dental care related administrative and medical reimbursement costs are paid.

BLOOM-CARLILE TRUST FUND OVERVIEW

The Bloom-Carlile Trust fund was established to segregate funds received from the estates of S. Martin Bloom, Annie Fill Carlile and others from the general accounts of the City. The donors' intent was to establish a permanent endowment fund. The income earned on investment of the fund is being used to provide assistance to the poor and needy of Hagerstown. In addition to the annual interest earned, there is a total annual stipend of \$4,800 being provided from the accumulated earnings in this fund.

The Washington County Community Action Council has been administering disbursement of these funds on a no-cost basis for the City since 1983. All funds are disbursed based on an agreed upon operating policy and are reviewed by the Clerk's Office for compliance with the program guidelines.

WORKERS COMPENSATION FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURE AND REVENUE SUMMARY

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Premium Expense	\$ 894,086	\$ 903,469	\$ 903,469	\$ 948,643	5.0%
Medical Loss Reimbursements	31,461	-	-	-	0.0%
Claims Reserves Expense	(29,447)	-	-	-	0.0%
Collateralization Fees	300	200	200	200	0.0%
Audit Fees	333	343	343	613	78.7%
Transfers to General Fund	200,000	250,000	250,000	250,000	0.0%
Total Expenditures & Transfers	\$ 1,096,733	\$ 1,154,012	\$ 1,154,012	\$ 1,199,456	3.9%
REVENUES BY TYPE					
Premium Revenues	806,721	903,669	843,095	1,043,192	15.4%
Interest Income from Investments	6,371	3,090	3,070	3,070	-0.6%
Miscellaneous Revenues	22,930	-	2,794	7,000	100.0%
Total Revenues	\$ 836,022	\$ 906,759	\$ 848,959	\$ 1,053,262	16.2%
Expenditures, net of Revenues	\$ 260,711	\$ 247,253	\$ 305,053	\$ 146,194	-40.9%
Beginning Fund Balance	1,342,823	1,082,112	1,082,112	777,059	-28.2%
Ending Fund Balance	\$ 1,082,112	\$ 834,859	\$ 777,059	\$ 630,865	-24.4%

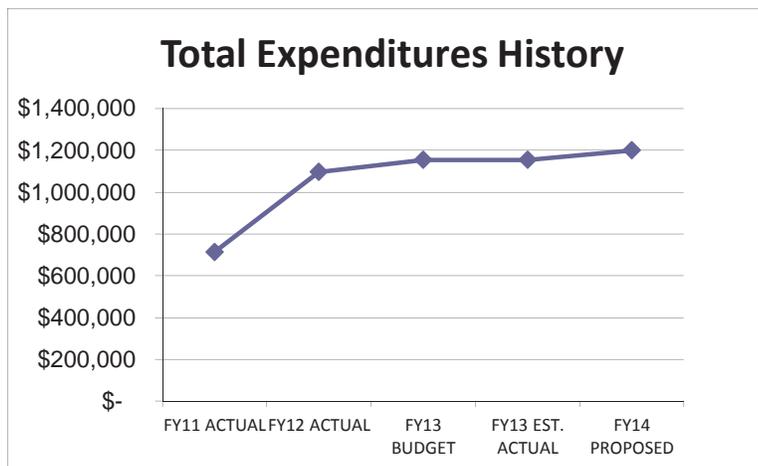
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

Expenditures for the revised budget FY13 and estimated actual for FY13 was unchanged. However, the revenue decreased by 7% or \$57,800 due to Light, Water, Wastewater, and Golf Funds reimbursement amounts being less than originally projected.

FY13 to Proposed FY14

Expenditures for FY14 will increase by 4% or \$45,444 because of the rising cost of insurance. Due to the proposed increase in the premiums, interdepartmental revenue from the General, Light, Water, and Wastewater Funds are expected to increase by 16% or \$146,503.



HEALTH CARE FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURE AND REVENUE SUMMARY

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Medical Loss Reimbursements	\$ 4,855,637	\$ 4,649,115	\$ 5,290,860	\$ 5,927,040	27.5%
Administrative Expenses	344,292	461,000	350,000	350,000	-24.1%
Premium Expense	246,149	257,800	257,000	257,000	-0.3%
Health Savings Acct Contributions	16,750	16,500	18,000	18,000	9.1%
Claims Reserve Expense	(13,591)	74,000	74,000	74,000	0.0%
Other Post Employment Benefits	650,000	650,000	650,000	650,000	0.0%
Audit Fees	333	343	343	613	78.7%
Transfers to General Fund	-	25,000	25,000	55,000	120%
Total Expenditures & Transfers	\$ 6,099,570	\$ 6,133,758	\$ 6,665,203	\$ 7,331,653	19.5%
REVENUES BY TYPE					
Premium Revenues-City	4,449,290	4,568,842	5,334,623	5,880,282	28.7%
Premium Revenues-Employees	1,129,923	1,085,216	1,085,216	1,241,513	14.4%
Premium Revenues-Retirees	229,504	337,700	238,000	240,250	-28.9%
Stop Loss Reimbursement	-	20,000	40,000	16,000	-20.0%
Prescription Rebates	73,804	79,500	77,000	73,000	-8.2%
Interest from Investments	20,800	15,000	12,000	12,000	-20.0%
Miscellaneous Revenue	-	2,500	-	1,000	-60.0%
Total Revenues	\$ 5,903,321	\$ 6,108,758	\$ 6,786,839	\$ 7,464,045	22.2%
Expenditures, net of Revenues	\$ 196,249	\$ 25,000	\$ (121,636)	\$ (132,392)	-629.6%
Beginning Fund Balance	3,550,916	3,354,667	3,354,667	3,476,303	3.6%
Ending Fund Balance	\$ 3,354,667	\$ 3,329,667	\$ 3,476,303	\$ 3,608,695	8.4%

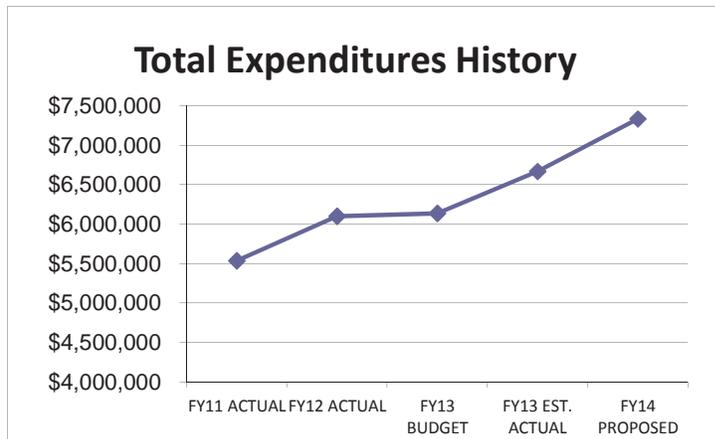
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

As a result of an increase in medical expense claims paid and administrative expenses in FY13, expenditures are projected to be approximately 8% higher or \$531,445 than originally included in the budget. Likewise, the interdepartmental charges allocated across the City are expected to increase revenues by 10% or \$678,081.

FY13 to Proposed FY14

Expenditures in FY14 are projected to be 16% higher or \$1,197,895 than the revised budget FY13 due to increased medical expense claims and funding for a new employee Wellness Program in the General Fund. As a result of the increased medical claims, the revenues charged across all City funds for FY14 will increase 18% or \$1,355,287.



DENTAL CARE FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURE AND REVENUE SUMMARY

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Medical Expense Reimbursement	\$ 350,362	\$ 348,447	\$ 348,447	\$ 320,000	-8.2%
Administrative Expenses	2,754	35,000	35,000	35,000	0.0%
Claims Reserve Expense	11,430	-	-	-	0.0%
Audit Fees	335	344	344	614	78.5%
Total Expenditures & Transfers	\$ 364,881	\$ 383,791	\$ 383,791	\$ 355,614	-7.3%
REVENUES BY TYPE					
Premium Revenues-City	146,239	168,675	170,064	187,411	11.1%
Premium Revenues-Employees	144,546	140,316	140,316	151,598	8.0%
Premium Revenues-Retirees	52,668	74,400	54,000	59,750	-19.7%
Interest from Investments	596	400	400	400	0.0%
Total Revenues	\$ 344,049	\$ 383,791	\$ 364,780	\$ 399,159	4.0%
Expenditures, net of Revenues	\$ 20,832	\$ -	\$ 19,011	\$ (43,545)	100.0%
Beginning Fund Balance	77,735	56,903	56,903	37,892	-33.4%
Ending Fund Balance	\$ 56,903	\$ 56,903	\$ 37,892	\$ 81,437	43.1%

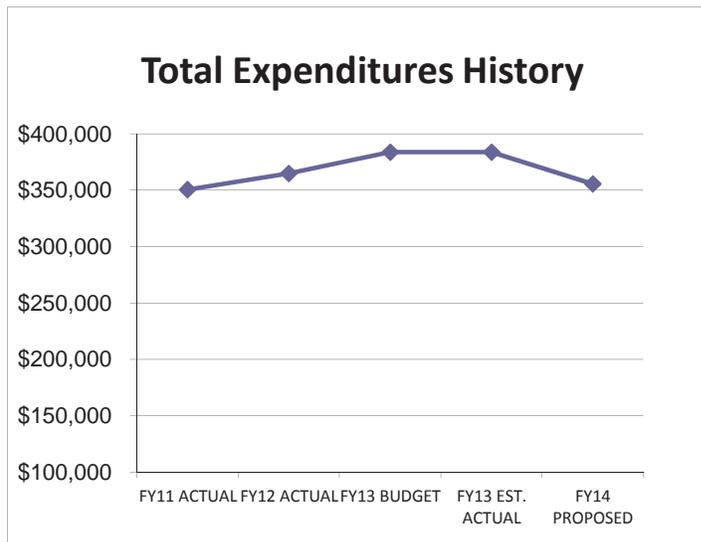
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual FY13

Expenditures for revised budget FY13 compared to estimated actual FY13 are flat. However, revenue decreased by 5% or \$19,011 as a result of less retiree premium revenues.

FY13 to Proposed FY14

Due to a change a new vendor contract for our third party administrator, overall medical claims and fees are expected to decrease. Primarily, this vendor change is the reason for the decrease of 7.3% or \$28,177.



BLOOM-CARLILE TRUST FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2013/2014

EXPENDITURE AND REVENUE SUMMARY

	2011/12	2012/13		2013/14	2013/14
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Medical	\$ -	\$ -	\$ -	\$ -	0.0%
Utilities	-	-	720	-	0.0%
Audit Fees	2,500	2,575	2,575	4,601	78.7%
Community Action Council Award	-	4,800	4,080	4,800	0.0%
Total Expenditures & Transfers	\$ 2,500	\$ 7,375	\$ 7,375	\$ 9,401	27.5%
REVENUES BY TYPE					
Interest Earned	514	100	100	100	0.0%
Total Revenues	\$ 514	\$ 100	\$ 100	\$ 100	0.0%
Expenditures, net of Revenues	\$ 1,986	\$ 7,275	\$ 7,275	\$ 9,301	27.8%
Less: Budgeted Use of Fund Balance	-	-	-	-	0.0%
Beginning Fund Balance	135,127	133,141	133,141	125,866	-5.5%
Ending Fund Balance	\$ 133,141	\$ 125,866	\$ 125,866	\$ 116,565	-7.4%

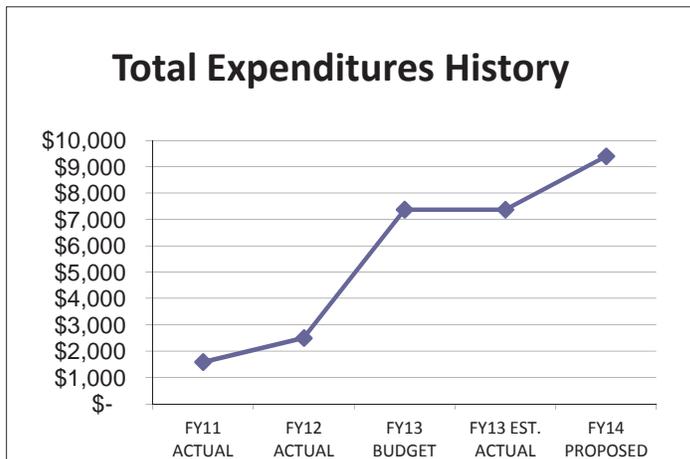
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY13 to Estimated Actual 13

It is anticipated that we will need to appropriate \$7,275 from accumulated prior years earnings to cover the shortfall between FY13 interest earnings. This shortfall is a result of the amount pledged to the Community Action Council with the change made to this program to assist the poor and needy of Hagerstown during this economic slump and audit expenditures. Finance will continue to monitor this fund to ensure that a long-term balance is maintained between interest earnings and total expenditures. There are no significant changes.

Adopted FY13 to Proposed FY14

For many years, the budget limited the pledge to the Community Action Council to the next year's anticipated interest earnings. This limitation withheld assistance to the poor and needy of Hagerstown in economic slumps when the need was the greatest. In addition, interest rates have continued to decline due to the national economy which led to even less interest revenue being generate. Our FY14 budget continues to reflect our modification to treat this fund more as a flow of funds annuity with a steady annual stipend of \$4,800 which will be continually replenished from investment earnings over a long-term time frame. Finance will monitor this fund so that a long-term balance between earnings and expenditures is maintained.



**FINANCIAL PROJECTIONS
SECTION 7**

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ALL FUNDS PROJECTIONS
FISCAL YEAR 2014/2018
INTRODUCTION

This Section provides revenue, expenditure and capital outlay projections for the General Fund and City Utilities, as well as the City's Parking, Golf Course, Property Management, Health Insurance and Dental Insurance Funds. These projections have been prepared to assist the Mayor and Council, City staff and citizens in:

- Strategically planning for the future by using the 2013/14 Proposed Budget as a baseline.
- Maintaining a broader view of the impact of the current budget process, fiscal policies, service levels, and Capital Improvement Plans.
- Enabling us to forecast the possible results of our current business plans and decisions to become more proactive in financial management and planning efforts.
- Reviewing and analyzing the impact of expected fiscal and economic trends on the City's financial condition.
- Reviewing the sufficiency of projected revenues in meeting projected expenditures.
- Analyzing the financial impact and affordability of the capital improvement programs.
- Reviewing the timing and amounts of needed debt financing and its fiscal impact.
- Determining the timing and magnitude of required revenue rate adjustments.

The projections are based on information available to staff as of March 15, 2013. Although every effort has been made to be realistic in developing these projections, it is important to note that revenues and expenditures rarely proceed in a totally predictable manner. These projections can, however, provide an important tool for the City's long-term financial planning.

- Percentages of projected changes are indicated in the seventh column. Items without a percentage have been individually projected by year. An "S" indicates that there is a supporting schedule with more detail.
- The interest income rate is projected to be flat for 2013/14 and remain flat in future years as a result of the national economy and the low interest rates available on our current investments.
- Fiscal Year 2013/14 Personal Services include a salary contingency of \$400,000 as four separate collective bargaining agreements will be negotiated from March through June 2013. The Wage & Benefits projections assume that employees will receive a 2.0% Cost of Living Adjustment (COLA) in FY's 2014/15 through FY2016/17. Additionally, the restoration of employee step increases is included in FY 2017/18. The projection includes savings associated with unfunded vacant positions; and, beginning in FY2014/15, funding is included for the restoration of those previously unfunded vacant positions at a rate of 3-4 positions per year.
- The overall average projected increase in employee benefits is 3.0% - 6.3% primarily due to expected increases over the next several years in the City's Worker's Compensation, Health, Dental and Retirement Program costs.
- Debt service includes current commitments to repay principal and interest on governmental obligations, as well as, projected debt requirements identified in the capital improvement plan. Future debt costs are based on a 3.05 - 4.5% interest rate over a 20, 25, or 30 year term and includes both City issued bonds and MDE issued bonds/loans.
- Starting in 2008/09 we have noted the current estimated fiscal impact of a new governmental accounting and reporting rule that will require all local and state governments to recognize the cost of Other Post Employment Benefits (OPEB or retiree health and dental insurance benefits) as they are earned (as we must do for our pension system) rather than on the current "pay-as-you-go" basis. The City is fully funding the annual required contribution (ARC) under OPEB.

GENERAL FUND PROJECTIONS
FISCAL YEAR 2014/2018
ASSUMPTIONS

- In Fiscal Year 2013/14, the property tax rate is proposed to remain the same as FY2012/13 at \$0.788 per \$100 of assessed value.
- Due to the increased debt service required for future capital projects being proposed in the Capital Improvement Program Fund and expected increases in wages and benefits and other operating expenditures, new and / or increased revenue sources are needed beginning in FY2014/15. Staff has recommended the following revenue sources for consideration:
 - Property Tax Rate Increase
 - Stormwater Management Fee
 - Red Light Cameras
 - Fire Service Tax

The Stormwater management fee is contingent upon State legislative requirements currently under consideration in Annapolis and a study would need to be performed to establish the fee and rate structures. The revenue generated would be used to support related services, such as: street sweeping; street tree planting; stream and lake restorations; nutrient management on City lands such as the Golf Course; storm drain/ stormwater management upgrades and structure retrofits; and staff time associated with these functions.

- Due to the impact of the last triennial reassessment of real property in the City performed in December 2010, the 2012/13 estimated actual property tax revenue reflects an overall 10.1% decrease (from \$24.2 million in FY2010/11 to \$21.4 million in FY 2011/12). This decrease was a result of an 11.2% decrease in the City's assessable base for real property taxes, or from \$2.9 billion to \$2.6 billion. This decrease is unprecedented as shown on the City history of changes in assessable base since 1981/82. Fiscal year's 2012/2013 and 2013/2014 are expected to experience little to no growth. The statewide requirement to phase-in reassessment-related tax base growth over a three-year period, and the City's adoption of a 5% homestead tax credit for owner occupied residential properties has effectively smoothed the effect of the near-term property devaluation that resulted from the downturn in the economy. Based on December 2012 reassessments of real estate in other areas of Washington County, we are anticipating additional decreases in assessed values within Hagerstown for the December 2013 triennial re-assessment. As a result, our projections reflect an 8.0% decrease in the real property assessable base beginning in FY2014/2015 and continuing through FY2016/2017.
- In general, total revenue growth is projected to be flat or to increase modestly in the range of 1.0-3.0%. The City has begun the process of diversifying its revenue base and developing new revenue sources. The Safe Speed for Students, Automated Speed Camera Program was implemented in FY2011/12. This revenue is included in Fines and Forfeitures and is used to support public safety activities.
- From FY2012/13 to FY2013/14, the overall City portion of State & County Shared Taxes is expected to grow by 11.6% from \$3.20 million to \$3.58 due to anticipated restoration of Police Aid for Protection funding, actual increases currently experiencing in both local share of state income tax revenue and room tax (hotel/motel tax) revenue. It is projected for overall annual growth to range from 1.0%-1.9% through FY2017/18. This reflects the current state of the economy and hopefully the continuation of a modest recovery.
- The State Highway User revenues reflected a 90% cut by the state in FY 2009/2010. Beginning in FY2012/13, 100% of Highway User Revenues was transferred from the General Fund to the Capital Improvement Project to primarily support the City's Pavement Preservation Program, See Section 9.
- The County Tax Rebate was terminated by the County after the 2009/10 fiscal year. It was replaced by a County Tax Rate differential provided directly to City property owners beginning in 2010/11. The County rate in the City is currently \$0.125 cents per \$100 assessed value less than the outside City rate and is estimated to stay the same for 2013/14 and future years.
- Most operating grants revenues and related expenditures are being separately accounted for in a Special Revenue Grants Fund except the new federal COPS Hiring Grant secured by Hagerstown Police Department. This grant will reimburse a portion of five (5) sworn officers' salaries over a span of three (3) years with a commitment from the City to continue to pay those positions at 100% for an additional two (2) years thereafter.
- Wage & Benefit projections reflect current labor contracts that end June 30, 2013 and are currently being renegotiated with four collective bargaining units. The Wage & Benefits projections assume that employees will receive a 2.0% Cost of Living Adjustment (COLA) in FY's 2014/15 through FY2016/17. Additionally, the restoration of employee step increases is included in FY 2017/18. The projection includes savings associated with unfunded vacant positions; and, beginning in FY2014/15, funding is included for the restoration of those previously unfunded vacant positions at a rate of 3-4 positions per year.
- The overall average projected increase in employee benefits is 3.0% - 6.3% primarily due to expected increases over the next several years in the City's Worker's Compensation, Health, Dental and Retirement Program costs.
- The remaining other expenditure categories are projected to increase based on historic trends.

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2014/2018
INCOME STATEMENT
(IN THOUSANDS)

	2010/11 ACTUAL	2011/12 ACTUAL	2012/13		2013/14	PROJ. CHG%	2014/15 PROJ.	2015/16 PROJ.	2016/17 PROJ.	2017/18 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET					
REVENUES										
Property Taxes	\$ 24,226	\$ 21,371	\$ 22,196	\$ 21,675	\$ 21,752	S	\$ 20,115	\$ 20,253	\$ 20,292	\$ 20,594
Payments in Lieu of Taxes	2,685	2,706	2,701	2,718	2,723	S	2,745	2,767	2,789	2,811
Total property taxes	26,911	24,077	24,897	24,393	24,475		22,860	23,020	23,081	23,405
	1.7%	-10.5%	-7.5%	-9.4%	-1.7%		-6.6%	0.7%	0.3%	1.4%
Income Tax	2,068	2,272	2,173	2,260	2,265	2.0%	2,310	2,357	2,404	2,452
Highway User Revenues	161	79	-	-	-		-	-	-	-
Police / Fire Protection	571	571	570	570	803	0.5%	807	811	815	819
Admission Tax	173	202	150	190	200	2.0%	204	208	212	216
Financial Corporations	34	34	34	34	34		34	34	34	34
Room Tax - Tourism Promotion	148	164	144	165	172	2.5%	176	181	185	190
Enterprise Zone Tax Credits	138	111	133	102	102		110	110	100	75
Total State & County Shared Taxes	3,293	3,433	3,204	3,321	3,576		3,642	3,701	3,751	3,787
	-34.7%	4.3%	-6.7%	-3.3%	11.6%		1.9%	1.6%	1.3%	1.0%
Total Tax & Shared Revenues	30,204	27,510	28,101	27,714	28,051		26,502	26,721	26,832	27,192
	-4.1%	-8.9%	2.1%	0.7%	-0.2%		-5.5%	0.8%	0.4%	1.3%
Grants	192	237	188	279	487	S	457	278	213	213
Admin Allocation	2,174	2,031	2,107	2,031	2,107	2.5%	2,160	2,214	2,269	2,326
Refuse Service Fees	2,165	2,298	2,250	2,251	2,264	2.5%	2,321	2,379	2,438	2,499
Other Service Charges	820	908	1,094	1,049	1,019	2.0%	1,039	1,060	1,081	1,103
Residential Rental Licenses	423	391	415	415	420	1.0%	424	428	433	437
Cable TV Franchise	384	392	380	380	390	2.0%	398	406	414	422
Other Licenses & Permits	747	941	749	734	773	1.0%	781	789	796	804
Interest	52	57	55	35	35	1.0%	35	36	36	36
Fines & Forfeitures	74	398	859	1,305	1,513	3.0%	2,158	2,223	2,290	2,359
Loan Proceeds	-	600	-	-	-		-	-	-	-
Other Revenues	183	441	725	764	776	S	598	573	548	523
NEEDED REVENUE SOURCE*	-	-	-	-	-		3,860	5,278	6,475	6,077
Total Other Revenues	7,214	8,694	8,822	9,243	9,784		14,231	15,663	16,993	16,799
Total Revenues	37,418	36,204	36,923	36,957	37,835		40,733	42,384	43,825	43,991
% Revenue Growth	-3.6%	-3.2%	2.0%	2.1%	2.5%		7.7%	4.1%	3.4%	0.4%
Total Funding Sources	\$ 37,418	\$ 36,204	\$ 36,923	\$ 36,957	\$ 37,835		\$ 40,733	\$ 42,384	\$ 43,825	\$ 43,991

*** Recommended Revenue Sources:**

- Property Tax Rate Increase
- Stormwater Management Fee
- Red Light Cameras
- Fire Service Tax

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2014/2018
INCOME STATEMENT
(IN THOUSANDS)

	2010/11 ACTUAL	2011/12 ACTUAL	2012/13		2013/14		PROJ. CHG%	2014/15 PROJ.	2015/16 PROJ.	2016/17 PROJ.	2017/18 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET						
EXPENDITURES											
Personal Services	\$ 16,409	\$ 16,991	\$ 16,757	\$ 16,122	\$ 16,941	S	\$ 17,772	\$ 18,273	\$ 18,774	\$ 19,469	
Employee Contingency	-	-	-	307	400		-	-	-	-	
Fringe Benefits -											
Active Employees	7,094	6,499	6,380	5,976	6,897	S	7,359	7,566	7,789	8,044	
Retirees	1,025	1,099	1,112	1,112	1,210	S	1,258	1,307	1,359	1,412	
Total Wages & Benefits	24,528	24,589	24,249	23,517	25,448		26,388	27,146	27,921	28,926	
	-8.8%	0.2%	-1.4%	-4.4%	4.9%		3.7%	2.9%	2.9%	3.6%	
Contracted Services	3,479	3,459	3,816	4,007	4,183	S	4,221	4,316	4,413	4,512	
Advertising & Printing	199	239	312	305	239	5.0%	251	263	277	291	
Rentals	121	116	81	93	91		85	86	87	90	
Maintenance & Repairs	628	617	665	616	647		600	605	610	620	
Vehicle Expenses	867	895	889	946	858	3.0%	884	910	938	966	
Materials, Supplies & Utilities	2,070	1,886	2,303	2,237	2,129	2.0%	2,172	2,215	2,259	2,304	
Professional Development	60	56	133	106	161		120	125	130	145	
Communication	274	247	296	288	279		280	282	284	286	
Wage & Overhead Allocation	(1,065)	(912)	(953)	(935)	(916)		(950)	(977)	(1,005)	(1,041)	
Other General Expenditures	445	656	549	547	546		551	556	561	566	
Insurance	368	26	275	259	235	5.0%	247	259	272	286	
Unallocated Gen'l Expenditures	608	592	608	610	614		616	618	620	622	
Capital Outlay - Non-CIP	70	659	169	143	135		150	165	180	200	
Capital Outlay - Transfers to CIP	667	337	898	848	688		1,239	1,655	1,953	717	
Debt Service	2,399	2,462	2,027	2,137	2,181	S	3,349	3,604	3,810	3,997	
Transfers Out	1,487	528	457	579	316	S	530	555	515	505	
Total Expenditures	37,205	36,452	36,774	36,303	37,834		40,733	42,384	43,825	43,991	
% Expenditures Growth	-2.5%	-2.0%	0.9%	-0.4%	2.9%		7.7%	4.1%	3.4%	0.4%	
Surplus / (Deficit)	\$ 213	\$ (248)	\$ 149	\$ 654	\$ 1		\$ 0	\$ 0	\$ 0	\$ 0	
Real Estate Tax Rates	\$ 0.788	\$ 0.788	\$ 0.788	\$ 0.788	\$ 0.788		\$ 0.788	\$ 0.788	\$ 0.788	\$ 0.788	
Change in Tax Rates	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	
Each penny on the real estate tax rate generates additional revenue of	\$ 279	\$ 247	\$ 250	\$ 251	\$ 251		\$ 230	\$ 232	\$ 232	\$ 236	
Personal Property Tax Rates	\$ 1.970	\$ 1.970	\$ 1.970	\$ 1.970	\$ 1.970		\$ 1.970	\$ 1.970	\$ 1.970	\$ 1.970	
Change in Tax Rates	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	
Each penny on the personal property tax rate generates additional revenue of	\$ 12	\$ 10	\$ 13	\$ 10	\$ 11		\$ 11	\$ 11	\$ 11	\$ 11	

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2014/2018
PROPERTY TAXES
(IN THOUSANDS)

	2010/11 ACTUAL	2011/12 ACTUAL	2012/13		2013/14		PROJ. CHG% *	2014/15 PROJ.	2015/16 PROJ.	2016/17 PROJ.	2017/18 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET						
Real Estate - Full Year Levy	\$ 24,605	\$ 19,824	\$ 20,060	\$ 20,060	\$ 20,060			\$ 18,319	\$ 18,425	\$ 18,414	\$ 18,616
% Increase	1.7%	-19.4%	1.2%	1.2%	0.0%			-8.7%	0.6%	-0.1%	3.5%
Personal Property - UnInc	46	27	42	30	30	0.5%	30	30	30	30	31
Personal Property - Corp	2,339	2,006	2,598	2,000	2,100	0.5%	2,111	2,121	2,132	2,132	2,142
Tax Refunds	-	-	(49)	-	(49)		(49)	(49)	(49)	(49)	(49)
Homestead Tax Credit	(2,452)	(128)	(100)	(146)	(100)		(20)	-	-	-	-
Incentive Tax Credit Program	(271)	(226)	(266)	(240)	(240)	-8.0%	(221)	(221)	(201)	(201)	(151)
Residential Rehab Tax Cr Program	(2)	(2)	(3)	(3)	(3)	0.5%	(3)	(3)	(3)	(3)	(3)
Tax Exemption - Real Estate	(133)	(115)	(138)	(138)	(138)	-8.0%	(127)	(127)	(107)	(107)	(75)
Total Current Year's Levy	24,132	21,386	22,144	21,563	21,660		20,039	20,177	20,216	20,216	20,512
Reserve for Uncollect Taxes	(128)	(72)	(140)	(80)	(100)		(100)	(100)	(100)	(100)	(100)
Total Adj - Prior Yrs Levies	(128)	(72)	(140)	(80)	(100)		(100)	(100)	(100)	(100)	(100)
Current Years Levy	282	84	222	222	222		203	204	204	204	211
Total Interest on Delinq Tax	282	84	222	222	222		203	204	204	204	211
Tax Discounts/Allows - C/Yr	(60)	(27)	(30)	(30)	(30)		(27)	(28)	(28)	(28)	(29)
Total Tax Discounts/Allows	(60)	(27)	(30)	(30)	(30)		(27)	(28)	(28)	(28)	(29)
Total Property Taxes	24,226	21,371	22,196	21,675	21,752		20,115	20,253	20,292	20,292	20,594
% Increase	1.2%	-11.8%	3.9%	1.4%	-2.0%		-7.5%	0.7%	0.2%	0.2%	1.5%
Hag Housing Authority	70	81	75	85	87	0.8%	88	88	89	89	90
Bethel Gardens	8	10	12	12	12	0.8%	12	12	12	12	12
Liberty Property	62	67	67	68	70	0.8%	71	71	72	72	72
CW Brooks Mid-Rise	-	-	-	6	6	0.8%	6	6	6	6	6
Electric Fund	532	532	532	532	532	0.8%	536	541	545	545	549
Water Fund	660	660	660	660	660	0.8%	665	671	676	676	681
Wastewater Fund	1,298	1,298	1,298	1,298	1,298	0.8%	1,308	1,319	1,329	1,329	1,340
Property Management Fund	55	58	57	57	58	0.8%	58	59	59	59	60
Total Pymts in Lieu of Taxes	2,685	2,706	2,701	2,718	2,723		2,745	2,767	2,789	2,789	2,811
% Increase	6.1%	0.8%	0.6%	1.2%	0.8%		0.8%	0.8%	0.8%	0.8%	0.8%
Total Property Taxes	\$ 26,911	\$ 24,077	\$ 24,897	\$ 24,393	\$ 24,475		\$ 22,860	\$ 23,020	\$ 23,081	\$ 23,081	\$ 23,405
% Increase	1.7%	-10.5%	3.4%	1.3%	-1.7%		-6.6%	0.7%	0.3%	0.3%	1.4%

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2014/2018
ASSESSABLE BASE TABLE

	Assessable Base * (in millions)	Assessable Base - % Change from Prior Year	Real Estate Tax Rate *	Real Estate Tax Rate -% Change from Prior Year	Property Tax Revenue (in thousands)	Property Taxes - % Change from Prior Year
Actual 1981/1982	429	10.7%	0.700	6.1%	3,926	15.4%
Actual 1982/1983	478	11.4%	0.668	-4.6%	3,959	0.8%
Actual 1983/1984	516	7.9%	0.656	-1.8%	4,208	6.3%
Actual 1984/1985	547	5.9%	0.656	0.0%	4,438	5.5%
Actual 1985/1986	591	8.0%	0.656	0.0%	4,808	8.3%
Actual 1986/1987	615	4.1%	0.656	0.0%	5,170	7.5%
Actual 1987/1988	669	8.7%	0.656	0.0%	5,567	7.7%
Actual 1988/1989	716	7.0%	0.672	2.4%	5,914	6.2%
Actual 1989/1990	782	9.2%	0.684	1.8%	6,478	9.5%
Actual 1990/1991	862	10.3%	0.684	0.0%	6,982	7.8%
Actual 1991/1992	959	11.2%	0.684	0.0%	7,672	9.9%
Actual 1992/1993	1,028	7.3%	0.684	0.0%	8,194	6.8%
Actual 1993/1994	1,063	3.3%	0.684	0.0%	8,397	2.5%
Actual 1994/1995	1,122	5.6%	0.684	0.0%	8,810	4.9%
Actual 1995/1996	1,195	6.5%	0.680	-0.6%	9,156	3.9%
Actual 1996/1997	1,237	3.6%	0.680	0.0%	9,742	6.4%
Actual 1997/1998	1,264	2.2%	0.684	0.6%	9,821	0.8%
Actual 1998/1999	1,278	1.1%	0.696	1.8%	10,210	4.0%
Actual 1999/2000	1,326	3.8%	0.692	-0.6%	10,388	1.7%
Actual 2000/2001	1,380	4.0%	0.692	0.0%	10,756	3.5%
Actual 2001/2002	1,471	6.6%	0.732	5.8%	11,708	8.9%
Actual 2002/2003	1,491	1.4%	0.768	4.9%	12,873	10.0%
Actual 2003/2004	1,550	3.9%	0.783	2.0%	13,555	5.3%
Actual 2004/2005	1,640	5.8%	0.798	1.9%	14,597	7.7%
Actual 2005/2006	1,843	12.4%	0.798	0.0%	16,123	10.5%
Actual 2006/2007	2,103	14.1%	0.798	0.0%	18,200	12.9%
Actual 2007/2008	2,297	9.2%	0.798	0.0%	19,742	8.5%
Actual 2008/2009	2,552	11.1%	0.788	-1.3%	21,676	9.8%
Actual 2009/2010	2,830	10.9%	0.788	0.0%	23,959	10.5%
Actual 2010/2011	2,881	1.8%	0.788	0.0%	24,132	0.7%
Actual 2011/2012	2,559	-11.2%	0.788	0.0%	21,386	-11.4%
Estimated 2012/2013	2,582	0.9%	0.788	0.0%	21,563	0.8%
Proposed 2013/2014	2,587	0.2%	0.788	0.0%	21,660	0.4%
Proposed 2014/2015	2,380	-8.0%	0.788	0.0%	20,040	-7.5%

* Assessable base and tax rates have been re-stated to reflect current practice of calculating property tax revenues over 100% of Estimated Actual Value.

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2014/2018
ASSESSABLE BASE TABLE
(IN THOUSANDS)

	OBJECT	ACTUAL 2010/11	ACTUAL 2011/12	EST. 2012/13	PROPOSED 2013/14	PROPOSED 2014/15
For Full Year Levy	411101	\$ 24,605	\$ 19,824	\$ 20,060	\$ 20,060	\$ 18,319
Tax Refunds on Current Year Levy	411103	-	-	-	(49)	(49)
Residential Rehab Tax Cr Program	411104	(2)	(2)	(3)	(3)	(3)
Enterprise Zone Tax Credit Program	411105	(271)	(226)	(240)	(240)	(221)
Tax Exemption - Real Estate	411106	(133)	(115)	(138)	(138)	(127)
Homestead Tax Credit Cap	411110	(2,452)	(128)	(146)	(100)	(20)
Net Real Estate Taxes		21,747	19,353	19,533	19,530	17,899
		2.6%	-11.0%	0.9%	0.0%	-8.4%
Unincorporated Personal Property	4112	46	27	30	30	30
Corporate Personal Property	4113	2,339	2,006	2,000	2,100	2,111
Releases and Abatements	411301	-	-	-	-	-
Total Personal Property		2,385	2,033	2,030	2,130	2,141
		-13.5%	-14.8%	-0.1%	4.9%	0.5%
Current Year's Levy		\$ 24,132	\$ 21,386	\$ 21,563	\$ 21,660	\$ 20,040
		0.7%	-11.4%	0.8%	0.4%	-7.5%
Real Estate Tax Rate		\$ 0.788				
Business Property Tax Rate		\$ 1.970				
Assessable Base						
Real Property		\$ 2,759,772	\$ 2,455,964	\$ 2,478,807	\$ 2,478,426	\$ 2,271,408
		2.6%	-11.0%	0.9%	0.0%	-8.4%
[(Net Real Estate Taxes / Tax Rate)/10]						
Business Personal Property		121,066	103,198	103,046	108,122	108,680
		-13.5%	-14.8%	-0.1%	4.9%	0.5%
[Total Personal Property / Tax Rate]						
Total Assessable Base		\$ 2,880,838	\$ 2,559,162	\$ 2,581,853	\$ 2,586,548	\$ 2,380,089
		1.8%	-11.2%	0.9%	0.2%	-8.0%

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2014/2018
GRANT AND OTHER REVENUES
(IN THOUSANDS)

GRANT REVENUES

	2010/11 ACTUAL	2011/12 ACTUAL	2012/13		2013/14		2014/15 PROJ.	2015/16 PROJ.	2016/17 PROJ.	2017/18 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	PROJ. CHG%				
Planning Dept. Grants										
Heritage Area Planning Grant	\$ -	\$ -	\$ -	\$ -	\$ 1		\$ -	\$ -	\$ -	\$ -
Other Dept. Grants										
Reimbursement FEMA Grants	-	31	13	29	29		-	-	-	-
	-	-	-	3	-		-	-	-	-
Police Dept. Grants										
DEA Reimbursed Overtime	25	74	25	25	25		25	25	25	25
C-SAFE WCCP After School	11	(11)	-	-	-		-	-	-	-
COPS Hiring Grant	-	-	-	72	244		244	65	-	-
School Resource Officers Grant	156	143	150	150	188		188	188	188	188
Total Grant Revenues	192	237	188	279	487		457	278	213	213

OTHER REVENUES

	2010/11 ACTUAL	2011/12 ACTUAL	2012/13		2013/14		2014/15 PROJ.	2015/16 PROJ.	2016/17 PROJ.	2017/18 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	PROJ. CHG%				
Sale of Land & Other Propty										
Fire & Police Dept Equipment	1	6	3	3	3		-	-	-	-
Other	4	23	-	5	2		2	2	2	2
Total Land Sale/Other	5	29	3	8	5		2	2	2	2
Citizen Contributions	116	114	106	104	107		110	110	110	110
Miscellaneous Revenues	52	36	331	349	99		30	30	30	30
Other Revenues	168	150	437	453	206		140	140	140	140
Transfers from Economic Redevelopment Fund	-	25	-	18	-		-	-	-	-
Transfers from Telecommuting Center	-	15	-	-	-		-	-	-	-
Transfers from CDBG Fund	5	5	4	4	4		-	-	-	-
Transfers from Flex Spending	6	6	6	6	6		6	6	6	6
Transfers from Workers Comp	-	200	250	250	250		200	175	150	125
Transfers from Health Ins Fund	-	-	25	25	55		-	-	-	-
Transfers from Water Fund Dividend	-	-	-	-	250		250	250	250	250
Transfers from Property Management Fund	-	12	-	-	-		-	-	-	-
Total Transfers In	11	263	285	303	565		456	431	406	381
Total Other Revenues	\$ 183	\$ 441	\$ 725	\$ 764	\$ 776		\$ 598	\$ 573	\$ 548	\$ 523

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2014/2018
PERSONAL SERVICES AND FRINGE BENEFITS
(IN THOUSANDS)

PERSONAL SERVICES

	2010/11 ACTUAL	2011/12 ACTUAL	2012/13		2013/14	PROJ. CHG%	2014/15	2015/16	2016/17	2017/18
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET		PROJ. 2.000%	PROJ. 2.000%	PROJ. 2.000%	PROJ. 3.000%
BASE WAGES										
Regular Wages-Salaried	\$ 8,039	\$ 7,666	\$ 9,594	\$ 8,006	\$ 9,448		\$ 10,045	\$ 10,246	\$ 10,451	\$ 10,764
Regular Wages-Hourly	5,186	5,291	6,838	5,447	7,009		7,149	7,292	7,438	7,661
Sick Leave Pay	409	427	-	211	-		-	-	-	-
Holiday Pay	721	778	1	299	-		-	-	-	-
Vacation Pay	1,015	1,134	-	594	-		-	-	-	-
Compensatory Time Used	80	96	2	44	-		-	-	-	-
Workers Compensation Pay	24	5	-	-	-		-	-	-	-
Personal Leave	203	193	-	52	-		-	-	-	-
Temporary & Seasonal	438	449	555	558	605		608	611	614	617
Vacation Pay on Termination	209	145	67	47	77		75	75	75	75
Furlough Day Savings	(581)	(2)	-	-	-		-	-	-	-
Unfunded Positions Savings	-	-	(1,204)	-	(689)		(650)	(500)	(375)	(250)
Additional Vacancy Savings	-	-	-	-	(250)		(200)	(200)	(200)	(200)
Total Base Wages	15,743	16,182	15,853	15,258	16,200		17,027	17,524	18,003	18,668
% Increase	-11.2%	2.8%	0.7%	-3.1%	6.2%		5.1%	2.9%	2.7%	3.7%
Employee Contingency	-	-	-	307	400		-	-	-	-
ADDITIONAL WAGES										
Overtime Pay	683	811	904	864	741		745	748	771	802
Comp Time Earned	(17)	(2)	-	-	-		-	-	-	-
Total Additional Wages	666	809	904	864	741		745	748	771	802
% Increase	-16.3%	21.5%	35.7%	29.7%	-14.2%		0.5%	0.5%	3.0%	4.0%
Total Personal Services	\$ 16,409	\$ 16,991	\$ 16,757	\$ 16,122	\$ 16,941		\$ 17,772	\$ 18,273	\$ 18,774	\$ 19,469
% Increase	-11.5%	3.5%	2.1%	-1.7%	5.1%		4.9%	2.8%	2.7%	3.7%

FRINGE BENEFITS

	2010/11 ACTUAL	2011/12 ACTUAL	2012/13		2013/14	PROJ. CHG%	2014/15	2015/16	2016/17	2017/18
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET		PROJ.	PROJ.	PROJ.	PROJ.
Active Employees										
Holiday/Vacation Buy Back	\$ 15	\$ 19	\$ -	\$ 12	\$ -		\$ -	\$ -	\$ -	\$ -
Severance Incentive Pay	293	95	-	-	-		-	-	-	-
Retirement Payouts	714	442	251	100	202		300	275	250	225
Retirement - State Fund	883	641	653	637	712		748	770	791	820
Retirement - Police/Fire	1,059	995	1,000	923	1,064		1,118	1,151	1,182	1,226
Retirement Deficit Payment	131	138	145	145	152		152	151	168	176
F.I.C.A. Taxes (7.65%)	1,284	1,279	1,311	1,146	1,232		1,360	1,398	1,436	1,489
Health Insurance	2,008	2,035	2,094	2,132	2,522	4.0%	2,623	2,728	2,837	2,950
Dental Insurance	64	63	76	76	87	2.0%	89	91	92	94
Life Insurance	23	26	28	21	28		29	30	31	32
Long-Term Disability	7	7	6	5	6		8	8	8	8
Workmans Compensation	445	565	612	634	740	4.0%	770	800	832	866
Emply Discounted Parking	41	48	44	58	59		45	45	45	45
Unemployment Taxes	114	131	142	62	61		85	85	80	75
Employee Assistance Prog	12	11	13	13	13		13	13	14	14
HPD Housing Allowance	-	-	-	7	14		14	16	17	18
Employee Longevity	1	4	5	5	5		5	5	5	5
Total	7,094	6,499	6,380	5,976	6,897		7,359	7,566	7,789	8,044
% Increase	1.4%	-8.4%	-10.1%	-15.8%	8.1%		6.7%	2.8%	2.9%	3.3%
Retirees										
Health Insurance	988	1,062	1,073	1,073	1,169	4.0%	1,216	1,264	1,315	1,368
Dental Insurance	37	37	39	39	41	2.0%	42	43	44	44
Total	1,025	1,099	1,112	1,112	1,210		1,258	1,307	1,359	1,412
% Increase	-25.0%	7.2%	8.5%	8.5%	8.8%		3.9%	3.9%	3.9%	3.9%
Total Fringe Benefits	\$ 8,119	\$ 7,598	\$ 7,492	\$ 7,088	\$ 8,107		\$ 8,616	\$ 8,873	\$ 9,148	\$ 9,456
% Increase	-2.9%	-6.4%	-10.4%	-15.3%	8.2%		6.3%	3.0%	3.1%	3.4%

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2014/2018
CONTRACTED SERVICES AND OPERATING TRANSFERS
(IN THOUSANDS)

CONTRACTED SERVICES

	2010/11 ACTUAL	2011/12 ACTUAL	2012/13		2013/14	PROJ. CHG%	2014/15 PROJ.	2015/16 PROJ.	2016/17 PROJ.	2017/18 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET					
Medical Services	\$ 42	\$ 27	\$ 48	\$ 48	\$ 28	2.0%	\$ 29	\$ 30	\$ 31	\$ 32
Grounds Services	78	122	140	145	143	2.0%	146	149	152	155
Miss Utility	1	1	2	2	1	2.0%	1	1	1	1
Contracted Staffing	82	67	72	72	65	2.0%	66	67	68	69
Other Contracted Services	716	802	1,035	1,252	1,311	2.0%	1,337	1,364	1,391	1,419
Trash Collection	2,080	2,065	2,010	1,959	2,044	2.5%	2,095	2,147	2,201	2,256
Legal Fees	190	188	239	244	242	2.0%	247	252	257	262
Auditing	40	17	17	17	30	2.0%	31	32	33	34
Consulting	-	-	10	10	20	2.0%	20	20	20	20
Engineering	37	32	30	35	35	2.0%	36	37	38	39
Building Services	18	13	22	17	21	2.0%	21	21	21	21
Wellness Program	-	-	25	25	55		-	-	-	-
Safety Program	3	4	4	4	4	2.0%	4	4	4	4
Other Professional Services	192	121	162	177	184	2.0%	188	192	196	200
Total Contracted Services	\$ 3,479	\$ 3,459	\$ 3,816	\$ 4,007	\$ 4,183		\$ 4,221	\$ 4,316	\$ 4,413	\$ 4,512
% Increase	1.3%	-0.6%	9.7%	15.2%	9.6%		0.9%	2.3%	2.2%	2.2%

OPERATING TRANSFERS

	2010/11 ACTUAL	2011/12 ACTUAL	2012/13		2013/14	PROJ. CHG%	2014/15 PROJ.	2015/16 PROJ.	2016/17 PROJ.	2017/18 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET					
Economic Redevelopment Fund	\$ 250	\$ 250	\$ 200	\$ 200	\$ 100		\$ 200	\$ 200	\$ 200	\$ 200
Golf Course Fund	297	216	175	304	200		250	275	235	225
Special Revenue Grant Fund	340	62	82	75	16		80	80	80	80
Property Management Fund	600	-	-	-	-		-	-	-	-
Total Operating Transfers	\$ 1,487	\$ 528	\$ 457	\$ 579	\$ 316		\$ 530	\$ 555	\$ 515	\$ 505

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2014/2018
DEBT SERVICE
(IN THOUSANDS)

	2010/11 ACTUAL	2011/12 ACTUAL	2012/13		2013/14		PROJ. CHG%	2014/15 PROJ.	2015/16 PROJ.	2016/17 PROJ.	2017/18 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET						
1996 Pub Imprv Bonds											
Interest	\$ 10	\$ 4	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	
Principal (\$1,325,451)	117	120	1	-	-		-	-	-	-	
1997 Pub Imprv Bonds											
Interest	20	11	2	2	-		-	-	-	-	
Principal (\$2,140,960)	186	194	100	100	1		-	-	-	-	
1998/99 Pub Imprv Bonds											
Interest	20	14	8	8	2		-	-	-	-	
Principal (\$1,675,000)	130	140	145	145	80		-	-	-	-	
2003/04 Pub Imprv Bonds											
Interest	39	35	32	32	29		25	21	17	12	
Principal (\$1,395,000)	85	90	90	90	95		100	100	105	110	
2004/05 Refunding Bonds											
Interest	13	4	-	-	-		-	-	-	-	
Principal (\$2,289,120)	251	254	-	-	-		-	-	-	-	
2004/2005 Public Fac Bonds											
Interest	92	84	76	76	68		59	50	41	31	
Principal (\$3,800,000)	238	242	252	252	261		271	276	285	299	
2005/06 Pub Imprv Bonds											
Interest	223	207	190	190	173		156	137	118	98	
Principal (\$7,490,666)	425	444	459	459	477		492	511	530	549	
2007 HTC-WCSF Ice Rink Loan											
Interest	5	3	1	1	-		-	-	-	-	
Principal (\$181,942)	30	32	34	34	-		-	-	-	-	
2008/09 Pub Imprv Bonds											
Interest	94	86	77	77	70		60	49	40	30	
Principal (\$3,407,810)	287	297	306	306	316		325	339	356	375	
2008/09 Pub Imprv BAB											
Interest	134	182	279	279	279		279	279	279	279	
Principal (\$5,074,007)	-	-	-	-	-		-	-	-	-	
2012 Tote Loan											
Interest	-	6	23	23	21		19	16	14	12	
Principal (\$600,000)	-	12	50	50	52		54	57	59	61	
2012/13 Pub Imprv Bonds											
Interest (3.05%)	-	-	12	12	23		88	88	88	88	
Principal (\$ 1,024,427)	-	-	-	-	42		278	278	278	278	
2013/14 Pub Imprv Bonds											
Interest (4.25% 20Yr)	-	-	-	-	59		59	93	93	93	
Principal (\$ 2,582,980)	-	-	-	-	134		134	295	295	295	
2014/15 Pub Imprv Bonds											
Interest (4.25%)	-	-	-	-	-		290	290	290	290	
Principal (\$ 12,808,334)	-	-	-	-	-		660	660	660	660	
2015/16 Pub Imprv Bonds											
Interest (4.25%)	-	-	-	-	-		-	20	20	20	
Principal (\$ 865,000)	-	-	-	-	-		-	45	45	45	
2016/17 Pub Imprv Bonds											
Interest (4.25%)	-	-	-	-	-		-	-	60	60	
Principal (\$ 2,645,000)	-	-	-	-	-		-	-	137	137	
2017/18 Pub Imprv Bonds											
Interest (4.25%)	-	-	-	-	-		-	-	-	53	
Principal (\$ 2,350,000)	-	-	-	-	-		-	-	-	122	
Total Debt Service											
Interest	650	636	700	700	724		1,035	1,043	1,060	1,066	
Principal	1,749	1,825	1,437	1,436	1,458		2,314	2,561	2,750	2,931	
Total Debt Service	\$ 2,399	\$ 2,461	\$ 2,137	\$ 2,136	\$ 2,182		\$ 3,349	\$ 3,604	\$ 3,810	\$ 3,997	

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2014/2018
DEBT AFFORDABILITY

Fiscal Year	Total Taxable Assessed Value	Population	Governmental Outstanding Debt	Percentage of Total Taxable Assessed Value	Per Capita	General Fund Debt Service as % of General Fund Operating Revenue
1998	1,263,861	35	9,168	0.73%	259	4.40%
1999	1,278,140	35	10,121	0.79%	286	5.40%
2000	1,326,140	37	9,420	0.71%	257	4.90%
2001	1,379,531	37	8,674	0.63%	237	4.70%
2002	1,471,069	37	7,918	0.54%	215	4.60%
2003	1,491,155	37	7,204	0.48%	194	4.30%
2004	1,549,853	38	7,742	0.50%	206	3.60%
2005	1,639,741	38	11,643	0.71%	310	3.70%
2006	1,843,026	38	9,837	0.53%	257	4.77%
2007	2,103,113	39	16,120	0.77%	413	4.73%
2008	2,297,063	40	14,835	0.65%	371	5.42%
2009	2,520,240	40	13,343	0.53%	333	5.16%
2010	2,774,044	40	20,457	0.74%	511	5.25%
2011	2,880,838	40	18,695	0.65%	467	6.41%
2012	2,559,162	40	17,460	0.68%	437	6.80%
Estimated 2012/13	2,581,853	40	17,048	0.66%	426	5.78%
Proposed 2013/14	2,586,548	40	18,174	0.70%	454	5.77%
Projected 2014/15	2,380,099	40	28,903	1.21%	721	8.22%
Projected 2015/16	2,396,723	40	27,605	1.15%	688	8.50%
Projected 2016/17	2,399,244	40	27,898	1.16%	694	8.69%
Projected 2017/18	2,437,531	40	27,715	1.14%	689	9.09%
City Debt Policy Guidelines				10.00%	1,000	10.00%

UTILITY FUNDS PROJECTIONS
FISCAL YEAR 2014/2018
INTRODUCTION

- Percentages of projected changes are indicated in the seventh column. Items without a percentage have been individually projected by year.
- Operating revenue across the utility funds includes a variety of sources; such as, service charges to customers, rental income from tenants, and green fees to golf. Rate and/or premium increases are included for Water and Wastewater Funds. Most of the other revenue increases included in the projections are based on increased utilization or increased customer base.
- Total operating expenses (excluding depreciation and Electric Fund's purchase power expense category) are increasing based on historical trends occurring within each individual fund. The overall operating expense increases range from 0.5% through 2.0% and is specifically notated within each individual fund's assumption section that follows. Most of the increases relate to salary and rising employee benefit costs.
- Depreciation expense is based on each fund's financial ability to invest in capital infrastructure and renovation projects. Depreciation expense is directly tied to each fund's capital investments through FY 2017/18 and to fixed assets that have reached its useful life period.
- The interest income rate is projected to be flat for 2013/14 and remain flat in future years as a result of the national economy and the low interest rates available on our current investments.
- The debt service requirements vary by fund and are reflected in Interest Expense and Principal Payments in all applicable funds. The Future bond issue interest costs vary as some are City issued bonds and some are financed through Maryland Department of the Environment (MDE). Each issue may have different terms as well. In general, future debt costs included in the projections are based on a 3.05% - 4.5% interest rate over a 20, 25, or 30 year term.
- Capital expenditures are taken directly from Section 9, Capital Improvement Program. Each area prepares and details a five year projection on all capital improvement projects. Non-CIP capital outlay expenditures have been estimated and added to the capital improvement project amounts based on prior years' experience.
- The cash and short term investment balances at the beginning and end of each fiscal year are presented for each fund to assist in analyzing the cumulative impact of the annual surplus or deficit amounts on working capital.

ELECTRIC FUND PROJECTIONS
FISCAL YEAR 2014/2018
ASSUMPTIONS

- The existing Power Service Agreement was previously extended for a period of one year, from June 1, 2013 through May 31, 2014. The megawatt hour (MWh) charge for service during this one year extension period will be \$54.33. Further Negotiations between Allegheny Energy Supply/First Energy Supply and the City have concluded with an accepted contract extension and a new price point of \$53.90 beginning June 1, 2014 through May 31, 2015. These two extension prices represent a reduction of approximately 17% from the existing \$64.85 per MWh charge. This is due to the future pricing of the electric market fuel and capacity expectations. A reduction in generation and transmission charges will equate to savings to City customers through the monthly Purchase Power Adjustment calculation. This savings to our customers is reflected in our declining revenue charges. Likewise, this reduction is reflected in our operating expenses under Purchased Power category.
- The decrease in revenue from estimated FY 2012/13 compared to budget for FY 2012/13 by 4.5% or \$1.2M reflects the total loss of a primary customer, Unilever Breyers Good Humor Ice Cream production facility, and reduction in our current Power Service Agreement. This decrease in revenue continues when we compare our FY 2012/13 budget to proposed FY 2013/14 budget, which is 16.5% or approximately \$4.5M. Beginning with FY 2014/15 through FY 2017/18, our projections for revenue remain flat with no change.
- Operating expenses, excluding depreciation and purchased power categories, increased by 2.2% from the FY 2012/13 budget compared to the budget proposed for FY 2013/14. This increase reflects the trend of rising employee benefits and salary contingencies. Based on historical data, the projections reflect annual increases of 0.5% from FY 2014/15 through FY 2017/18.
- The purchased power expense represents approximately 75% of total service revenue charges. Due to a 16.5% decrease in Purchase Power revenue in FY2013/14, the projections for the expenses reflect a similar decrease from FY 2012/13 budget to proposed FY 2013/14 budget. Just like the revenue projections, are purchase power expense category remains flat beginning in FY 2014/15 through FY 2017/18.
- Depreciation expense for proposed FY 2013/14 budget is 3.2% lower than current FY 2012/13 budget. This decrease is a result of lower than anticipated investments in new capital projects and assets that have reached useful life. Beginning in FY 2014/15 through FY 2017/18, it is anticipated that depreciation will increase by 2.5% annually as investment in capital infrastructure and improvements increases.
- The investment interest rate is assumed to remain flat. Additional interest is received from a long term agreement with Cascades Tissue Group MD, LLC. According to the agreement, Cascades is required to reimburse cure costs and facilities charges in 240 months ending in 2024. The agreement carries a 6.5% interest rate per annum and is reflected in interest earned. This combination of items is the reason for the projected decrease.
- As reflected in our projections, all capital improvement projects and capital outlay expenditures will be covered by fund balance in the Electric Fund. As a result, there is no future debt issues included in our projections through FY 2017/18.
- Based on the assumptions outlined above for both revenues and increasing expenses, our net increase (decrease) in retained earnings is estimated to decline from an anticipated gain of \$150K in FY2013/14 to a loss of <\$122K> in FY2014/15.
- The projections show the dividend affordability formula and its effect on the Electric Fund's cash balance. The Community Betterment Dividend is not projected to return in the near future due to the increased costs and the lower cash reserves of the Electric Fund.

ELECTRIC FUND PROJECTIONS
FISCAL YEAR 2014/2018
INCOME STATEMENT
(IN THOUSANDS)

	2010/11 ACTUAL	2011/12 ACTUAL	2012/13		2013/14		PROJ. CHG%	2014/15 PROJ.	2015/16 PROJ.	2016/17 PROJ.	2017/18 PROJ.
			REVISED BUDGET	2011/12 ACTUAL	PROPOSED BUDGET						
Operating Revenues											
Service Charges:											
Residential	\$ 15,375	\$ 13,001	\$ 13,656	\$ 13,656	\$ 11,657	0.0%	\$11,657	\$11,657	\$11,657	\$11,657	
Commercial	6,370	5,470	5,580	5,285	4,858	0.0%	4,858	4,858	4,858	4,858	
Industrial	9,872	7,813	7,134	6,148	5,373	0.0%	5,373	5,373	5,373	5,373	
Other Rates	1,102	898	820	882	817	0.0%	817	817	817	817	
Total Service Charges	32,719	27,181	27,190	25,971	22,705		22,705	22,705	22,705	22,705	
Other Operating Revenues	406	375	341	404	414		410	410	410	410	
Total Operating Revenue	33,126	27,556	27,530	26,375	23,119		23,115	23,115	23,115	23,115	
Operating Expenses											
Purchased Power	26,058	21,708	21,361	20,430	17,059	0.0%	17,059	17,059	17,059	17,059	
Distribution	1,895	2,209	2,051	2,114	2,100	0.5%	2,111	2,121	2,132	2,142	
General & Administration	3,171	3,034	3,146	3,094	3,210	0.5%	3,226	3,243	3,259	3,275	
Depreciation	951	904	950	884	920	2.5%	943	967	991	1,016	
Total Operating Expenses	32,075	27,854	27,509	26,522	23,290		23,339	23,390	23,440	23,492	
Operating Income (Loss)	1,050	(298)	22	(147)	(170)		(224)	(275)	(325)	(377)	
Non-Operating Revenues (Expenses)											
Interest Earned	169	176	152	152	143		129	119	108	96	
Interest Expense	(12)	(10)	(9)	(9)	(8)		(7)	(6)	(5)	(4)	
Gain (loss) on Sale of Capital Assets	19	(35)	5	(15)	(8)		-	-	-	-	
Total Non-Operating Revenue (Expense)	177	132	149	129	127		122	113	102	91	
Net Income (Loss) Before Operating Transfers	1,227	(166)	170	(18)	(43)		(102)	(162)	(223)	(286)	
Transfers to Capital Improvements	(55)	(55)	(40)	(40)	(24)		(35)	(40)	(20)	(32)	
Capital Contributions											
Grants in Aid of Construction	58	-	-	70	10		-	-	-	-	
Non-cash Developer Contributions	66	23	170	280	205		15	15	15	15	
Capital Contributions	124	23	170	350	215		15	15	15	15	
Increase (Decrease) in Retained Earnings	1,296	(199)	300	291	147		(122)	(187)	(228)	(303)	
Adjust to a Cash Flow Basis											
Depreciation	951	904	950	884	920		943	967	991	1,016	
Current Principal Payments on Debt	(45)	(46)	(22)	(22)	(23)		(23)	(24)	(25)	(26)	
Non-Cash Capital Contributions	(66)	(23)	(170)	(280)	(205)		(15)	(15)	(15)	(15)	
Changes in Working Capital	(590)	(543)	(500)	(500)	(500)		-	-	-	-	
Total Adjustments to Retained Earnings	250	292	259	82	192		905	927	951	975	
Funds Available for Capital Outlay	1,546	94	559	374	340		783	741	722	671	
Capital Outlay	366	377	875	511	847		1,325	1,621	1,810	1,526	
Net Surplus (Deficit)	\$ 1,179	\$ (283)	\$ (316)	\$ (137)	\$ (507)		\$ (542)	\$ (880)	\$ (1,088)	\$ (855)	
Beginning Cash Balance	\$ 2,950	\$ 4,130	\$ 3,847	\$ 3,847	\$ 3,710		\$ 3,203	\$ 2,660	\$ 1,780	\$ 692	
Ending Cash Balance	\$ 4,130	\$ 3,847	\$ 3,530	\$ 3,710	\$ 3,203		\$ 2,660	\$ 1,780	\$ 692	\$ (162)	
Dividend Affordability Formula											
Operating & Maintenance Expenses	31,124	26,950	26,558	25,638	22,370		22,396	22,423	22,450	22,477	
Reserved Retained Earnings (2 Months)	5,187	4,492	4,426	4,273	3,728		3,733	3,737	3,742	3,746	
Cash in Excess of Reserve after Dividend	(1,058)	(645)	(896)	(563)	(526)		(1,072)	(1,957)	(3,049)	(3,908)	

ELECTRIC FUND PROJECTIONS
FISCAL YEAR 2014/2018
INCOME STATEMENT
(IN THOUSANDS)

	2010/11 ACTUAL	2011/12 ACTUAL	2012/13		2013/14		2014/15 PROJ.	2015/16 PROJ.	2016/17 PROJ.	2017/18 PROJ.
			REVISED BUDGET	2011/12 ACTUAL	PROPOSED BUDGET	CHG% PROJ.				
Schedule A - Capital Outlay										
Capital Outlay										
Vehicles-C0090	\$ 10	\$ -	\$ 40	\$ -	\$ 50		\$ 165	\$ 190	\$ 184	\$ 210
Telemetry Equipment-C0111	-	-	75	40	40		40	40	30	20
Central Substation-C0118	-	-	-	-	-		-	200	500	200
Wesel Boulevard-C0220	-	-	5	-	-		50	50	50	50
Hagerstown Business Park-C0258	-	-	-	-	-		50	50	50	50
System Reconductoring-C0259	-	-	20	-	20		21	21	21	21
Pedestrian Lights-C0388	7	-	10	-	10		100	100	100	100
Building & Site Improvements-C0542	-	-	35	5	25		20	20	20	20
Test Equipment-C0609	10	1	17	-	17		15	15	15	15
City Park Bridge Light Replacement-C0610	-	-	-	-	-		-	25	-	-
Fairchild Heights-C0613	-	-	-	-	8		8	-	-	-
Jonathan Street Underground-C0617	1	-	-	-	-		-	-	-	-
Work Management System-C0618	-	-	-	-	-		50	50	100	100
Old Trail Estates-C0673	-	-	3	-	3		3	-	-	-
Potomac Manor-C0674	-	-	3	-	3		3	-	-	-
Poplar Square (former Linwood Hollow)-C0706	-	-	6	-	-		10	20	20	20
Deerfield Knolls-C0707	-	-	4	-	-		10	20	20	20
Substation Breaker Replacement-C0776	-	-	10	-	10		-	-	-	-
GIS Facility Software-C0777	-	-	10	-	10		10	10	10	10
Mitchell Substation Third Bay-C0778	-	-	10	-	10		60	100	-	-
Spare Regulators-C0797	-	13	15	15	20		20	20	-	-
Wildlife Protection-C0802	19	-	15	5	15		15	15	15	15
C W Brooks Building-C0804	16	-	-	-	-		-	-	-	-
Library Project (Electric Fund)-C0805	1	6	106	25	-		-	-	-	-
Northern Ave McDonalds-C0817	-	21	-	-	-		-	-	-	-
Noland Drive Boys and Girls Club-C0818	-	-	52	-	52		-	-	-	-
Hamilton Hotel-C0819	-	-	-	-	9		-	-	-	-
Feeder Coordination-C0833	-	-	25	25	25		25	25	25	25
Bester Elementary School-C0841	-	-	-	14	41		-	-	-	-
Circuit Upgrades-C0842	-	-	-	-	60		150	150	150	150
Other - Non-Specific	302	336	414	382	419		500	500	500	500
Total Capital Outlay	\$ 366	\$ 377	\$ 875	\$ 511	\$ 847		\$ 1,325	\$ 1,621	\$ 1,810	\$ 1,526

WATER FUND PROJECTIONS
FISCAL YEAR 2014/2018
ASSUMPTIONS

- Based on the five-year rate schedule adopted in September 2009, water service rates are scheduled to increase an average of 5.0% for services provided in the City and an average of 6.5% per year for services provided outside the City. The five-year rate schedule was based on the 2009 cost of service study; and, the rate schedule began November 1, 2009 and will end June 30, 2014. The projections reflect these average increases through Fiscal Year 2013/14. Beginning in FY2014/15, a new cost of service study and rates will be amended and implemented. The projections include the following proposed rate changes: FY2014/15 - 5% rate increase; FY2015/16 - 3% rate increase; FY2016/17 - 3% rate increase; and FY2017/18 – 5% rate increase. The proposed rate increases are needed to offset increasing debt service costs, rising depreciation expense, and decreasing capital contributions.
- Total operating expenses (excluding depreciation) increased by 2.7% from the FY2012/13 budget compared to the budget proposed for FY2013/14. Primarily, this increase is a result of rising employee benefits and salary contingencies. Based on historical trends, the projections include increases in future periods as well, and the overall estimated increase for each period from FY2014/15 through FY2017/18 is 2.0%.
- Depreciation expense has increased due to recent capital improvement upgrades and investments. We anticipate that depreciation will continue to increase in future years as investment in significant capital projects continue throughout the City. The most notable project is our RC Willson Phase IV Improvements for Stage 2 DPBR Compliance project (#52-C0740 in CIP section 9). As a result, depreciation expense reflects an increase of 12.2% from FY2013/14 proposed budget to FY2014/15 budget. This trend will continue to increase at a lower rate in the years that follow based upon current anticipated new projects. In the three years from FY2015/16 through FY2017/18 the increase in expense will be 11.0%, 10.4%, and 6.4%.
- The investment interest rate is assumed to remain flat with no growth calculated due to the current market conditions.
- The projection incorporates benefit charge funds. Benefit charge funds are intended to be used for growth related capital projects and debt service from prior year growth related projects. Benefit charges have decreased significantly due to the current economic slowdown. From our current FY2012/13 budget to estimated projections for FY2012/13, benefit charges are estimated to decrease by 8% or from \$650,000 to \$600,000. Projections are anticipated to remain flat at \$600,000 for all future periods through FY 2017/18.
- The projections for Maryland Department of the Environment (MDE) Loan Program Bond financing include an interest rate of 2.0% over a twenty year term. In addition, MDE bonds include an administrative fee of 5.0% of debt service issued annually. The bonds marked as City bonds have an interest rate of 4.25% over spans of 20-25 years. The MDE funding package for the R.C. Willson Phase IV Project also includes a grant of \$1.5 million that is reflected in the FY2013/14 proposed budget. Additionally, the MDE bond financing for the R.C. Willson Plant upgrades includes loan forgiveness of \$1.5 million which will occur in FY2018/19.
- Based on the assumptions outlined above for both revenues and increasing expenses, our net increase (decrease) in retained earnings is estimated to decline from an anticipated gain of \$2.0M in FY2013/14 to a gain of \$137K in FY2014/15.
- Due to the drop in projected new benefit charges, the cost of service study completed in 2009 recommended that an allocation of cash be included as restricted cash in future years. This allocation would cover a portion of annual service charge revenues for future system repairs, renewal, and replacement. The Cost of Service Study will be updated in the near future to determine further needs.

WATER FUND PROJECTIONS
FISCAL YEAR 2014/2018
INCOME STATEMENT
(IN THOUSANDS)

	2010/11 ACTUAL	2011/12 ACTUAL	2012/13		2013/14 PROPOSED BUDGET	PROJ. CHG%	2014/15 PROJ.	2015/16 PROJ.	2016/17 PROJ.	2017/18 PROJ.
			REVISED BUDGET	EST. ACTUAL						
Operating Revenues										
Service Charges										
Metered City Water	\$ 1,896	\$ 1,914	\$ 2,001	\$ 1,986	\$ 2,080	5.0%	\$ 2,184	\$ 2,249	\$ 2,317	\$ 2,433
Metered County Water	7,107	7,531	7,876	7,773	8,276	5.0%	8,690	8,951	9,219	9,680
Total Service Charges	9,002	9,445	9,877	9,759	10,356		10,874	11,200	11,536	12,113
Other Operating Revenues	658	779	664	644	625		630	630	630	630
Total Operating Revenue	9,660	10,224	10,541	10,403	10,981		11,504	11,830	12,166	12,743
Operating Expenses										
Source of Supply	83	90	78	74	74	2.0%	75	77	78	80
Pumping & Water Treatment	3,329	2,857	3,536	3,359	3,596	2.0%	3,667	3,741	3,816	3,892
Transmission & Distribution	1,417	1,928	1,602	1,626	1,686	2.0%	1,720	1,754	1,789	1,825
Selling, General & Administration	2,395	2,946	2,641	2,678	2,712	2.0%	2,766	2,821	2,877	2,935
Total Operating Expenses	7,225	7,821	7,857	7,736	8,067		8,228	8,393	8,561	8,732
Cash Operating Income (Loss)	2,435	2,403	2,684	2,667	2,914		3,275	3,437	3,605	4,011
Depreciation	1,665	2,245	1,832	2,384	2,682		3,009	3,339	3,685	3,920
Operating Income (Loss)	770	158	852	283	232		266	98	(79)	91
Non-Operating Revenues (Expenses)										
Interest Earned	11	40	10	5	5		5	5	5	5
Interest Expense	(333)	(328)	(424)	(445)	(568)		(602)	(646)	(659)	(648)
Total Non-Operating Revenue (Expense)	(323)	(288)	(414)	(440)	(563)		(597)	(641)	(654)	(643)
Net Income (Loss) Before Operating Transfers	447	(130)	439	(157)	(331)		(331)	(543)	(733)	(552)
Transfers From (To) Other Funds										
Transfers to Capital Improvements Fund	(55)	(55)	(40)	(40)	(24)		(35)	(40)	(20)	(32)
Transfers to General Fund-Water Fund Dividend	-	-	-	-	(250)		(250)	(250)	(250)	(250)
Total Transfers From (To) Other Funds	(55)	(55)	(40)	(40)	(274)		(285)	(290)	(270)	(282)
Capital Contributions										
Benefits Charges	1,078	565	652	600	600		600	600	600	600
Grants in Aid of Construction	-	29	1,500	-	1,500		-	-	-	-
Developer Contributions	827	200	600	500	500		150	763	638	100
Capital Contributions	1,905	794	2,752	1,100	2,600		750	1,363	1,238	700
Gain on Fixed Asset Disposals	4	3	3	3	3		3	3	3	3
Increase (Decrease) in Retained Earnings	2,301	611	3,153	906	1,997		137	532	237	(131)
Adjust to a Cash Flow Basis										
Add Back Depreciation	1,665	2,245	1,832	2,384	2,682		3,009	3,339	3,685	3,920
Changes in Working Capital	1,204	(151)	-	(250)	-		-	-	-	-
Principal Payments on Long-term Debt	(1,122)	(1,495)	(1,338)	(1,338)	(2,084)		(2,295)	(2,642)	(2,949)	(3,070)
Non-Cash Capital Contributions	(827)	(200)	(600)	(500)	(500)		(150)	(763)	(638)	-
Total Adjustments to Retained Earnings	921	399	(106)	296	98		564	(65)	98	849
Cash Available for Capital Outlay	3,222	1,011	3,047	1,202	2,096		701	467	335	718
Capital Outlay										
Non-Growth Related	4,935	2,839	6,572	5,694	10,706		4,531	4,356	2,333	1,537
Growth Related	3,201	816	790	1,244	2,716		635	3,915	4,718	956
Total Capital Outlay	8,136	3,655	7,362	6,938	13,421		5,166	8,272	7,051	2,493
Cash After Capital Outlay	(4,914)	(2,645)	(4,315)	(5,736)	(11,325)		(4,465)	(7,805)	(6,717)	(1,775)
Additional Funding										
MDE Bond Financing	5,294	1,274	2,550	4,050	8,400		1,820	5,085	4,838	805
City Bond Financing	-	3,413	2,245	1,905	2,441		2,076	1,886	631	656
Total Additional Funding	5,294	4,686	4,795	5,955	10,841		3,896	6,971	5,469	1,461
Net Surplus (Deficit)	\$ 380	\$ 2,042	\$ 480	\$ 219	\$ (485)		\$ (568)	\$ (833)	\$ (1,248)	\$ (314)
Beginning Cash Balance	\$ 6,911	\$ 7,290	\$ 9,332	\$ 9,332	\$ 9,551		\$ 9,066	\$ 8,498	\$ 7,664	\$ 6,416
Ending Cash Balance	\$ 7,290	\$ 9,332	\$ 9,812	\$ 9,551	\$ 9,066		\$ 8,498	\$ 7,664	\$ 6,416	\$ 6,102
Unrestricted Cash Balance - Beginning	\$ 3,247	\$ 3,845	\$ 3,445	\$ 3,445	\$ 3,019		\$ 4,988	\$ 4,357	\$ 2,974	\$ 1,681
Unrestricted Cash Balance - Ending	\$ 3,845	\$ 6,190	\$ 6,777	\$ 5,916	\$ 4,988		\$ 4,357	\$ 2,974	\$ 1,681	\$ 1,326
Restricted Cash Balance - Beginning	\$ 3,664	\$ 3,445	\$ 3,142	\$ 3,142	\$ 3,635		\$ 4,078	\$ 4,141	\$ 4,691	\$ 4,736
Restricted Cash Balance - Ending	\$ 3,445	\$ 3,142	\$ 3,035	\$ 3,635	\$ 4,078		\$ 4,141	\$ 4,691	\$ 4,736	\$ 4,776

WATER FUND PROJECTIONS
FISCAL YEAR 2014/2018
INCOME STATEMENT
(IN THOUSANDS)

	2010/11 ACTUAL	2011/12 ACTUAL	2012/13		2013/14 PROPOSED BUDGET	PROJ. CHG%	2014/15 PROJ.	2015/16 PROJ.	2016/17 PROJ.	2017/18 PROJ.
			REVISED BUDGET	EST. ACTUAL						
Schedule A - Capital Outlay										
Capital Outlay										
Water Vehicles-C0117	\$ -	\$ 20	\$ 262	\$ 262	\$ 275		\$ 337	\$ 190	\$ 273	\$ 250
R.C. Willson Plant Improvements-C0166	127	(29)	200	100	200		210	221	232	243
Willson Transmission Main-C0167	2,045	302	-	1	-		500	3,815	4,615	750
Edgemont Reservoir Improvements-C0168	1	15	150	15	150		220	320	320	150
West End Reservoir Phase II-C0275	2,262	178	-	-	-		-	-	-	-
Zone 3 Standpipe-C0323	-	-	-	-	-		-	-	-	100
Breichner WTP Improvements-C0405	-	-	50	50	300		1,750	1,100	53	55
Administrative/Engineering Equip.-C0648	-	-	10	10	10		10	10	10	10
Pump Station Improvements-C0651	47	39	215	125	75		225	838	713	75
Distribution Services-C0653	1,019	1,209	1,170	1,170	1,206		1,242	1,279	325	335
Distribution System Rehabilitation-C0709	385	245	350	250	400		412	424	437	450
Distribution System Equipment-C0710	14	-	-	-	-		-	-	-	-
R.C. Willson Plant - Phase IV-C0740	11	924	4,500	4,500	9,600		-	-	-	-
R.C. Willson Plant - Phase V-C0741	2,224	217	-	-	-		-	-	-	-
Water System SCADA Improvements-C0820	-	536	455	455	1,205		260	75	75	75
Total Capital Outlay	8,136	3,655	7,362	6,938	13,421		5,166	8,272	7,051	2,493
Schedule B - Capital Outlay Detail										
Capital Outlay										
Non-Growth Related										
Cash Funded										
Water Vehicles-C0117	-	20	262	262	275		337	190	273	250
R.C. Willson Plant Improvements-C0166	-	-	-	5	-		-	-	-	-
Edgemont Reservoir Improvements-C0168	1	15	150	15	150		150	150	150	150
Administrative/Engineering Equip.-C0648	-	-	8	8	8		8	8	8	8
Pump Station Improvements-C0651	47	39	75	125	75		75	75	75	75
Distribution Services-C0653	-	-	-	-	-		-	-	325	335
R.C. Willson Plant - Phase IV-C0740	8	693	375	375	375		-	-	-	-
Water System SCADA Improvements-C0820	-	429	32	32	32		8	60	60	60
Total Cash Funding	56	1,196	902	822	915		578	483	891	878
Grants in Aid of Construction										
R.C. Willson Plant - Phase IV-C0740	-	-	1,500	-	1,125		-	-	-	-
Total Grants in Aid of Construction	-	-	1,500	-	1,125		0	0	0	-
Contributions by Developers										
Pump Station Improvements-C0651	-	-	-	-	-		150	763	638	-
Total Contributions by Developers	-	-	-	-	-		150	763	638	-
MDE Bond Funded										
Edgemont Reservoir Improvements-C0168	-	-	-	-	-		70	170	170	-
West End Reservoir Phase II-C0275	1,263	133	-	-	-		-	-	-	-
Breichner WTP Improvements-C0405	-	-	50	50	300		1,750	1,100	53	55
R.C. Willson Plant - Phase IV-C0740	-	-	1,875	3,000	5,700		-	-	-	-
R.C. Willson Plant - Phase V-C0741	1,416	163	-	-	-		-	-	-	-
Water System SCADA Improvements-C0820	-	-	-	-	400		-	-	-	-
Total MDE Bond Funding	2,679	296	1,925	3,050	6,400		1,820	1,270	223	55
City Bond Funded (Benefit Charge Advance)										
R.C. Willson Plant Improvements-C0166	95	(22)	170	70	128		129	137	146	154
West End Reservoir Phase II-C0275	434	-	-	-	-		-	-	-	-
Pump Station Improvements-C0651	-	-	140	-	-		-	-	-	-
Distribution Services-C0653	1,019	1,125	1,170	1,170	1,206		1,242	1,279	-	-
Distribution System Rehabilitation-C0709	385	245	350	250	400		412	424	437	450
Distribution System Equipment-C0710	14	-	-	-	-		-	-	-	-
R.C. Willson Plant - Phase V-C0741	252	-	-	-	-		-	-	-	-
Water System SCADA Improvements-C0820	-	-	415	332	532		200	-	-	-
Total City Bond Funding	2,199	1,347	2,245	1,822	2,265		1,983	1,841	583	604
Total Non-Growth Related Capital Outlay	\$ 4,935	\$ 2,839	\$ 6,572	\$ 5,694	\$ 10,706		\$ 4,531	\$ 4,356	\$ 2,333	\$ 1,537

WATER FUND PROJECTIONS
FISCAL YEAR 2014/2018
INCOME STATEMENT
(IN THOUSANDS)

	2010/11 ACTUAL	2011/12 ACTUAL	2012/13		2013/14 PROPOSED BUDGET	PROJ. CHG%	2014/15 PROJ.	2015/16 PROJ.	2016/17 PROJ.	2017/18 PROJ.
			REVISED BUDGET	EST. ACTUAL						
Growth Related										
Grants in Aid of Construction										
Willson Transmission Main-C0167	\$ -	\$ 29	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
R.C. Willson Plant - Phase IV-C0740	-	-	-	-	375		-	-	-	-
Total Grants in Aid of Construction	-	29	-	-	375		-	-	-	-
Contributions by Developers										
Willson Transmission Main-C0167	-	115	-	-	-		-	-	-	-
Zone 3 Standpipe-C0323	-	-	-	-	-		-	-	-	100
Distribution Services-C0653	-	85	-	-	-		-	-	-	-
Total Contributions by Developers	-	200	-	-	-		-	-	-	100
Benefit Charges/Restricted Cash Funded										
R.C. Willson Plant Improvements-C0166	32	(7)	30	25	30		38	38	38	38
Willson Transmission Main-C0167	324	-	-	1	-		500	-	-	-
West End Reservoir Phase II-C0275	145	-	-	-	-		-	-	-	-
Administrative/Engineering Equip.-C0648	-	-	2	2	2		2	2	2	2
R.C. Willson Plant - Phase IV-C0740	3	231	125	125	125		-	-	-	-
R.C. Willson Plant - Phase V-C0741	84	-	-	-	-		-	-	-	-
Water System SCADA Improvements-C0820	-	107	8	8	8		2	15	15	15
Total Benefit Charge Funded	587	331	165	161	165		542	55	55	55
MDE Bond Funded										
Willson Transmission Main-C0167	1,721	157	-	-	-		-	3,815	4,615	750
West End Reservoir Phase II-C0275	421	44	-	-	-		-	-	-	-
R.C. Willson Plant - Phase IV-C0740	-	-	625	1,000	1,900		-	-	-	-
R.C. Willson Plant - Phase V-C0741	472	54	-	-	-		-	-	-	-
Water System SCADA Improvements-C0820	-	-	-	-	100		-	-	-	-
Total MDE Bond Funding	2,614	256	625	1,000	2,000		-	3,815	4,615	750
City Bond Funded (Benefit Charge Advance)										
R.C. Willson Plant Improvements-C0166	-	-	-	-	43		43	46	49	51
Water System SCADA Improvements-C0820	-	-	-	83	133		50	-	-	-
Total City Bond Funding	-	-	-	83	176		93	46	49	51
Total Growth Related Capital Outlay	3,201	816	790	1,244	2,716		635	3,915	4,718	956
Total Capital Outlay	\$ 8,136	\$ 3,655	\$ 7,362	\$ 6,938	\$ 13,421		\$ 5,166	\$ 8,272	\$ 7,051	\$ 2,493

WASTEWATER FUND PROJECTIONS
FISCAL YEAR 2014/2018
ASSUMPTIONS

- Service Charge Revenue reflects a continuation of the annual increases adopted in September 2009 of 5.0% for inside and 3.0% for outside City customers. The annual rate increases continue through Fiscal Year 2013/14. Beginning in FY2014/15, a new cost of service study and rates will be amended and implemented. The projections include the following proposed rate changes: FY2014/15 - 14% rate increase; FY2015/16 - 5% rate increase; FY2016/17 - 3% rate increase; and FY2017/18 – 3% rate increase. The proposed rate increases are needed to offset declining cash flow and operating losses.
- Total operating expenses (excluding depreciation) increased by 2.3% from the FY2012/13 budget compared to the budget proposed for FY2013/14. Primarily, this increase is a result of rising employee benefits and annual contract costs for operating the Wastewater Treatment Plant. As a result of historical trends, our projections included increases in future periods as well. The overall estimated increases for FY2014/15 through FY2017/18 are as follows: 0.8%, 2.0%, 2.0%, and 2.0%.
- Depreciation expense has increased due to recent capital improvement upgrades and investments. We anticipate that depreciation will continue to climb in future years as we continue to invest in various capital projects throughout the City. As a result, depreciation expense reflects an increase of 2.2% from FY2013/14 proposed budget to FY2014/15 budget. This trend will continue at a slightly lower rate in the years that follow based upon current anticipated new projects. In the three years from FY2015/16 through FY2017/18 the increase in expense will be 1.4%, 0.6%, and 0.6%.
- The investment interest rate is assumed to remain flat due to the current market conditions. So, interest revenue projections are flat until FY2017/18 when cash flow is anticipated to grow above current base levels.
- Benefit charges are the primary source of funding for capacity growth needs and related capital projects. Benefit charges are also utilized to pay for debt service related to prior year capacity related capital projects. In recent years, revenues from benefit charges have decreased significantly due to the current economic slowdown. Therefore, benefit charge revenue projections include a 1.5% rate of growth after a FY2013/14.
- Beginning in FY2013/14, projections assume that all future bonds will be backed by the full faith and credit of the City and issued as general obligation debt at an interest rate of 4.25% over spans of 20-25 years.
- Based on the various estimations mentioned above for both revenues and expenses, our net increase (decrease) in retained earnings is estimated to improve significantly from an anticipated loss of <\$1.516M> in FY2013/14 to a gain of \$208K in FY2014/15.

WASTEWATER FUND PROJECTIONS
FISCAL YEAR 2014/2018
INCOME STATEMENT
(IN THOUSANDS)

	2010/11 ACTUAL	2011/12 ACTUAL	2012/13		2013/14		PROJ. CHG%	2014/15 PROJ.	2015/16 PROJ.	2016/17 PROJ.	2017/18 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET						
Operating Revenues											
Service Charges											
Metered City Sewer	\$ 5,173	\$ 5,461	\$ 5,567	\$ 5,425	\$ 5,684	14.0%	\$ 6,479	\$ 6,803	\$ 7,007	\$ 7,218	
Metered County Sewer	2,597	2,789	2,848	2,838	2,922	14.0%	3,331	3,497	3,602	3,710	
Metered Joint Sewer	1,840	1,860	1,924	1,921	1,976	14.0%	2,253	2,366	2,437	2,510	
Low -Pressure System Charge	106	105	106	106	106	14.0%	121	121	121	121	
Total Service Charges	9,716	10,215	10,445	10,290	10,688		12,184	12,787	13,167	13,559	
Other Operating Revenues	201	50	79	274	81		89	89	89	89	
Total Operating Revenue	9,917	10,265	10,524	10,564	10,769		12,273	12,876	13,256	13,648	
Operating Expenses											
Plant Expenses	4,674	4,454	4,897	4,801	5,152	1.0%	5,203	5,307	5,413	5,522	
Laboratory Expenses	261	293	287	281	298	0.6%	300	306	312	318	
Collection Systems	1,096	1,212	1,226	1,059	1,190	0.5%	1,196	1,220	1,244	1,269	
Selling, General & Administration	2,974	3,261	3,066	3,045	3,056	0.5%	3,072	3,133	3,196	3,260	
Total Operating Expenses	9,005	9,220	9,476	9,186	9,696		9,770	9,965	10,165	10,368	
Cash Operating Income (Loss)	912	1,045	1,048	1,378	1,073		2,503	2,911	3,092	3,280	
Depreciation	2,300	2,835	2,400	2,937	3,052		3,118	3,163	3,181	3,199	
Operating Income (Loss)	(1,388)	(1,790)	(1,352)	(1,559)	(1,979)		(615)	(252)	(89)	81	
Non-Operating Revenues (Expenses)											
Interest Earned	5	16	3	8	8		3	3	3	6	
Interest Expense	(353)	(314)	(398)	(411)	(421)		(445)	(452)	(447)	(440)	
Gain (Loss) on Sale of Capital Assets	2	-	-	-	-		-	-	-	-	
Total Non-Operating Revenues (Expenses)	(346)	(298)	(395)	(403)	(413)		(442)	(449)	(444)	(434)	
Net Income (Loss) Before Operating Transfers	(1,734)	(2,088)	(1,747)	(1,962)	(2,392)		(1,057)	(701)	(533)	(354)	
Transfers (to) Capital Improvements Fund	(55)	(55)	(40)	(40)	(24)		(35)	(40)	(20)	(32)	
Capital Contributions											
Benefits Charges	871	656	700	600	600		600	600	600	600	
Grants in Aid of Construction	1,333	1,685	100	2	300		-	-	-	-	
Non-Cash Capital Contributions	3,078	-	-	442	-		700	675	-	-	
Total Capital Contributions	5,282	2,341	800	1,044	900		1,300	1,275	600	600	
Increase (Decrease) in Retained Earnings	3,493	198	(987)	(958)	(1,516)		208	534	47	214	
Adjust Retained Earnings to a Cash Flow Basis											
Add Back Depreciation	2,300	2,835	2,400	2,937	3,052		3,118	3,163	3,181	3,199	
Changes in Working Capital	98	(419)	-	-	-		-	-	-	-	
Principal Payment on Current Long-Term Debt	(1,597)	(1,662)	(1,623)	(1,623)	(1,582)		(1,683)	(1,768)	(1,829)	(1,892)	
Non-Cash Capital Contributions	(3,078)	-	-	(442)	-		(700)	(675)	-	-	
Total Adjustments to Retained Earnings	(2,277)	754	777	872	1,470		735	720	1,352	1,307	
Cash Available for Capital Outlay	1,216	952	(210)	(86)	(46)		943	1,255	1,399	1,521	
Capital Outlay											
Non-Growth Related	1,859	1,219	1,754	1,241	1,762		2,069	1,276	667	667	
Growth Related	1,763	1,039	466	525	377		1,238	983	241	241	
Total Capital Outlay	3,622	2,258	2,220	1,766	2,139		3,307	2,259	908	908	
Cash After Capital Outlay	(2,406)	(1,306)	(2,430)	(1,852)	(2,185)		(2,364)	(1,004)	491	613	
Additional Funding											
MDE Bond Financing	1,023	70	350	919	-		-	-	-	-	
City Bond Financing	53	2,567	1,345	1,125	717		2,053	1,240	715	715	
Total Additional Funding	1,076	2,637	1,695	2,044	717		2,053	1,240	715	715	
Net Surplus (Deficit)	\$ (1,330)	\$ 1,331	\$ (735)	\$ 192	\$ (1,468)		\$ (311)	\$ 236	\$ 1,206	\$ 1,328	
Total Cash Balance - Beginning	\$ 1,593	\$ 263	\$ 1,594	\$ 1,594	\$ 1,786		\$ 318	\$ 7	\$ 243	\$ 1,449	
Total Cash Balance - Ending	\$ 263	\$ 1,594	\$ 859	\$ 1,786	\$ 318		\$ 7	\$ 243	\$ 1,449	\$ 2,777	
Unrestricted Cash Balance - Beginning	\$ 811	\$ 263	\$ 1,594	\$ 1,594	\$ 1,786		\$ 318	\$ 7	\$ 243	\$ 1,449	
Unrestricted Cash Balance - Ending	\$ 263	\$ 1,594	\$ 859	\$ 1,786	\$ 318		\$ 7	\$ 243	\$ 1,449	\$ 2,777	
Restricted Cash Balance - Beginning	\$ 782	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	
Restricted Cash Balance - Ending	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	

WASTEWATER FUND PROJECTIONS
FISCAL YEAR 2014/2018
INCOME STATEMENT
(IN THOUSANDS)

	2010/11 ACTUAL	2011/12 ACTUAL	2012/13		2013/14		2014/15 PROJ.	2015/16 PROJ.	2016/17 PROJ.	2017/18 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	CHG%				
Schedule A - Capital Outlay										
Capital Outlay										
Sewer Vehicles-C0004	\$ 16	\$ -	\$ 580	\$ 155	\$ 567		\$ 190	\$ 125	\$ 25	\$ 25
Manhole Raising-C0267	13	-	25	25	34		34	34	34	34
Pump Station Improvements-C0299	80	-	45	30	57		90	70	45	45
Collection System Rehabilitation-C0327	422	311	400	300	300		1,600	400	400	400
East End Pump Station-C0565	-	-	-	-	-		250	675	-	-
WWTP/Enhanced Nutrient Removal-C0571	642	19	100	85	-		-	-	-	-
WWTP - Phase IV - Headworks-C0572	73	-	-	-	-		-	-	-	-
WWTP Equipment-C0584	-	41	125	60	125		150	125	100	100
Buildings & Structures-C0585	-	-	50	50	150		100	50	25	25
WWTP - Phase III - Disinfection-C0657	-	-	100	15	10		-	-	-	-
WWTP/Phase V/Solids Processing-C0711	30	10	50	50	150		500	250	50	50
Collection System Equipment-C0713	-	39	80	80	80		80	80	80	80
Edgewood Intersection (SHA)-C0744	28	-	-	19	-		-	-	-	-
Laboratory Equipment-C0745	-	-	85	65	10		20	20	20	20
WWTP Disinfection Improvements-C0748	417	1	50	50	-		-	-	-	-
Grinder Pump Replacement-C0767	64	88	80	80	115		115	115	115	115
Conrad Court Pump Station-C0769	474	-	-	-	-		-	-	-	-
Salem Ave. - Winter-Burhans-C0799	663	0	-	-	-		-	-	-	-
SSES City Wide-C0800	698	1,749	300	573	300		-	-	-	-
Eliminate Pump Station #12-C0832	-	-	120	120	127		88	300	-	-
New Laterals-C0834	-	-	15	2	15		15	15	15	15
Narrow Band Radios-C0835	-	-	15	7	-		-	-	-	-
Final Clarifiers 4 & Weir Covers 6-C0845	-	-	-	-	100		75	-	-	-
Total Capital Outlay	3,622	2,259	2,220	1,766	2,140		3,307	2,259	909	909
Schedule B - Capital Outlay Detail										
Capital Outlay Non-Growth Related										
Cash Funded										
Sewer Vehicles-C0004	-	-	-	-	142		190	125	25	25
Manhole Raising-C0267	13	-	25	25	34		34	34	34	34
Pump Station Improvements-C0299	-	-	34	23	43		68	53	34	34
Buildings & Structures-C0585	-	-	50	50	150		100	50	25	25
WWTP Phase III Disinfection-C0657	-	-	-	11	7		-	-	-	-
WWTP/Phase V/Solids Processing-C0711	-	-	35	35	-		-	-	-	-
Laboratory Equipment-C0745	-	-	15	-	10		20	20	20	20
Grinder Pump Replacement-C0767	-	-	10	10	30		30	30	30	30
Narrow Band Radios-C0835	-	-	15	7	-		-	-	-	-
Final Clarifiers 4 & Weir Covers 6-C0845	-	-	-	-	100		75	-	-	-
Total Cash Funding	13	0	184	160	515		516	311	167	167
Grants in Aid of Construction										
WWTP/Enhanced Nutrient Removal-C0571	450	13	70	-	-		-	-	-	-
SSES City Wide-C0800	296	774	-	-	150		-	-	-	-
Total Grant in Aid of Construction	746	787	70	-	150		-	-	-	-
Contributions by Developers										
Collection System Rehabilitation-C0327	-	-	-	-	-		350	-	-	-
Total Developer Contributions	-	-	-	-	-		350	-	-	-
MDE Bond Funded										
WWTP/Enhanced Nutrient Removal-C0571	-	-	-	60	-		-	-	-	-
WWTP - Phase IV - Headworks-C0572	51	-	-	-	-		-	-	-	-
WWTP Disinfection Improvements-C0748	254	1	35	35	-		-	-	-	-
Salem Ave. - Winter-Burhans-C0799	294	-	-	-	-		-	-	-	-
SSES City Wide-C0800	-	12	150	286	-		-	-	-	-
Total MDE Bond Funding	599	13	185	381	-		-	-	-	-
City Bond Funded (Benefit Charge Advance)										
Sewer Vehicles-C0004	16	-	580	155	425		-	-	-	-
Pump Station Improvements-C0299	60	-	-	-	-		-	-	-	-
Collection System Rehabilitation-C0327	211	156	200	150	150		450	200	200	200
WWTP Equipment-C0584	-	41	125	60	125		150	125	100	100
WWTP - Phase III - Disinfection-C0657	-	-	70	-	-		-	-	-	-
WWTP/Phase V/Solids Processing-C0711	21	7	-	-	105		350	175	35	35
Collection System Equipment-C0713	-	39	80	80	80		80	80	80	80
Laboratory Equipment-C0745	-	-	70	65	-		-	-	-	-
WWTP Disinfection Improvements-C0748	38	-	-	-	-		-	-	-	-
Grinder Pump Replacement-C0767	64	88	70	70	85		85	85	85	85
Salem Ave. - Winter-Burhans-C0799	38	-	-	-	-		-	-	-	-
SSES City Wide-C0800	53	89	-	-	-		-	-	-	-
Eliminate Pump Station #12-C0832	-	-	120	120	127		88	300	-	-
Total City Bond Funding	501	420	1,315	700	1,097		1,203	965	500	500
Total Non-Growth Related Capital Outlay	\$ 1,859	\$ 1,219	\$ 1,754	\$ 1,241	\$ 1,762		\$ 2,069	\$ 1,276	\$ 667	\$ 667

WASTEWATER FUND PROJECTIONS
FISCAL YEAR 2014/2018
INCOME STATEMENT
(IN THOUSANDS)

	2010/11 ACTUAL	2011/12 ACTUAL	2012/13		2013/14	2014/15 PROJ.	2015/16 PROJ.	2016/17 PROJ.	2017/18 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET				
Growth Related									
Grants in Aid of Construction									
WWTP/Enhanced Nutrient Removal-C0571	193	6	30	-	-	-	-	-	-
SSES City Wide-C0800	296	774	-	-	150	-	-	-	-
Total Grants in Aid of Construction	489	779	30	-	150	-	-	-	-
Contributions by Developers									
Collection System Rehabilitation-C0327	-	-	-	-	-	350	-	-	-
East End Pump Station-C0565	-	-	-	-	-	-	675	-	-
Total Developer Contributions	-	-	-	-	-	350	675	-	-
Benefit Charges/Restricted Cash Funded									
Pump Station Improvements-C0299	20	-	11	8	14	23	18	11	11
Collection System Rehabilitation-C0327	211	156	200	150	150	-	-	-	-
WWTP - Phase III - Disinfection-C0657	-	-	-	5	3	-	-	-	-
WWTP/Phase V/Solids Processing-C0711	9	3	15	15	-	-	-	-	-
Edgewood Intersection (SHA)-C0744	28	-	-	19	-	-	-	-	-
WWTP Disinfection Improvements-C0748	16	-	-	-	-	-	-	-	-
Conrad Court Pump Station-C0769	474	-	-	-	-	-	-	-	-
Salem Ave. - Winter-Burhans-C0799	38	0	-	-	-	-	-	-	-
SSES City Wide-C0800	53	89	-	-	-	-	-	-	-
New Laterals-C0834	-	-	15	2	15	15	15	15	15
Total Benefit Charge Funding	850	248	241	198	182	38	33	26	26
MDE Bond Funded									
WWTP/Enhanced Nutrient Removal-C0571	-	-	-	26	-	-	-	-	-
WWTP - Phase IV - Headworks-C0572	22	-	-	-	-	-	-	-	-
WWTP Disinfection Improvements-C0748	109	0	15	15	-	-	-	-	-
Salem Ave. - Winter-Burhans-C0799	294	-	-	-	-	-	-	-	-
SSES City Wide-C0800	-	12	150	286	-	-	-	-	-
Total MDE Bond Funding	424	12	165	327	-	-	-	-	-
City Bond Funded									
Collection System Rehabilitation-C0327	-	-	-	-	-	450	200	200	200
East End Pump Station-C0565	-	-	-	-	-	250	-	-	-
WWTP - Phase III - Disinfection-C0657	-	-	30	-	-	-	-	-	-
WWTP/Phase V/Solids Processing-C0711	-	-	-	-	45	150	75	15	15
Total City Bond Funding	-	-	30	-	45	850	275	215	215
Total Growth Related Capital Outlay	1,763	1,039	466	525	377	1,238	983	241	241
Total Capital Outlay	\$ 3,622	\$ 2,259	\$ 2,220	\$ 1,766	\$ 2,140	\$ 3,307	\$ 2,259	\$ 909	\$ 909

PARKING FUND PROJECTIONS
FISCAL YEAR 2014/2018
ASSUMPTIONS

- There are no rate increases included in the projections from current year budget FY 2012/13 through FY 2017/18 for any of the parking decks, lots, or meters. Our rates are as follows: deck rates are \$60/month or maximum \$8.00/day; lot rates are \$46/month; departmental charges (other City of Hagerstown departments) are \$45/month in the decks and \$34.50/month in the lots; and meter rates vary between \$0.50/hour to \$1.00/hour. The North Potomac Deck and Parking lots provide volume discounts of 10% for 10 passes/vehicles and 25% for 25+ passes/vehicles. The revenues do include an estimate for increased usage by 1.5% annually beginning in FY 2014/15 through FY 2017/18.
- Mayor and Council are contemplating the construction of a third parking deck but discussions are still in the preliminary stages. So, funding sources have not yet been finalized. With the possible construction of a new parking deck, deck revenues would increase beginning in FY2014/15 but not enough to cover the operating expenses plus new debt service requirements. The revenue calculation is based on 50% utilization of available spaces in the new deck for a portion of the year in FY2014/15 and annually after that. The estimations for the third deck revenue also include usage being primarily composed of daily rates and not monthly rentals of group spaces based on current development around the City. Additionally, new parking deck expenses and fees are included in the projections and are based on average expenditure trends reflected in our existing two decks. With the inclusion of a third parking deck, our projections include a new line for a "Needed Budget Adjustment" to offset annual debt service requirements and depreciation expense. At this time, the needed revenue source could be in the form of various third party funding and contributions (such as County, State, and private sector funding).
- Total operating expenses (excluding depreciation) increased by 7.3% from the FY2012/13 budget compared to the budget proposed for FY2013/14. Primarily, this increase is a result of increases within North Potomac Parking Deck and Parking Lots. The increase in North Potomac Parking deck is related to part-time wages and all employee benefits. While, the increase in Parking Lots reflects rising costs for vehicle maintenance and other supplies. Based on historical trends, the projections include increases in future periods as well, and the overall estimated increase for each period from FY2014/15 through FY2017/18 is 2.5%.
- Depreciation expense has increased in our current fiscal year. This trend is reflected in our 1.6% increase from FY2013/14 proposed budget to FY2014/15 budget. We anticipate that depreciation will increase significantly in future years as investment in a third parking deck (#56-C0173 in CIP section 9) is considered. As a result, depreciation expense reflects a growth of 80.5% from FY2014/15 proposed budget to FY2015/16 budget. In FY 2016/17 and FY 2017/18, minimal change is anticipated as a result of small capital investments.
- The investment interest rate is assumed to remain flat with no growth calculated due to the current market conditions.
- The future bond interest rates are estimated at a rate of 4.25% over 20 years. Our projections include City issued governmental bonds to fund the construction of our third parking deck. The debt service impact is reflected in our interest expense and principal repayment figures.
- Based on the assumptions outlined above for both revenues and increasing expenses, our net increase (decrease) in retained earnings is estimated to decline from an anticipated gain of \$523K in FY2013/14 to a loss of < \$10K> in FY2014/15.

PARKING FUND PROJECTIONS
FISCAL YEAR 2014/2018
INCOME STATEMENT
(IN THOUSANDS)

	2010/11 ACTUAL	2011/12 ACTUAL	2012/13		2013/14		2014/15 PROJ.	2015/16 PROJ.	2016/17 PROJ.	2017/18 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	PROJ. CHG%				
Operating Revenues										
Parking Deck Revenues										
North Potomac Street Parking Deck										
Parking Deck Permits	\$ 124	\$ 165	\$ 130	\$ 230	\$ 220	1.5%	\$ 223	\$ 227	\$ 230	\$ 233
Parking Deck Fees	37	41	33	44	44	1.5%	45	70	96	98
Downtown Promotions	9	5	9	9	9	0.0%	9	9	9	9
General Free Parking	(5)	(18)	(7)	(24)	(24)	1.5%	(25)	(25)	(25)	(26)
Parking Deck Coupons	6	4	2	3	3	1.5%	3	3	3	3
Arts & Entertainment Parking Deck										
Parking Deck Permits	145	136	100	116	115	1.5%	117	118	120	122
Parking Deck Fees	41	52	49	55	55	1.5%	56	82	108	110
Downtown Promotions	-	0	-	-	-	1.5%	-	0	-	0
PEP Parking Discount	(2)	(6)	(3)	(3)	(3)	1.5%	(3)	(3)	(3)	(4)
Parking Deck III										
Parking Deck Fees	-	-	-	-	-		75	150	152	155
Total Parking Deck Revenue	355	379	311	429	418		499	630	690	699
Parking Meter & Lot Revenues										
Street Meters	77	105	110	100	100	1.5%	102	103	105	106
Free Parking	-	(3)	(3)	(3)	(3)	0.0%	(3)	(3)	(3)	(3)
Market House Lot	34	36	35	35	35	1.5%	36	36	37	37
Church Street Lot	41	45	45	46	46	1.5%	46	47	48	48
Rochester Lot	3	6	8	8	15	1.5%	16	16	16	16
Central Lot	82	93	100	86	85	1.5%	86	98	109	111
Antietam St. Lot	26	26	29	25	25	1.5%	25	26	26	27
Hospital Streets	35	-	-	-	-		-	-	-	-
Bryan Centre Lot	2	0	1	0	1	0.0%	1	1	1	1
Departmental Charges	30	36	30	30	30	1.5%	30	31	31	32
Total Parking Meter & Lot Revenue	331	345	354	328	334		339	354	369	375
Parking Enforcement	125	129	173	167	167	1.5%	169	172	174	177
Other Operating Revenues										
Needed Budget Adjustment	-	-	-	-	-		-	380	325	300
Other Revenues	1	3	2	2	2		1	1	1	1
Total Other Operating Revenue	1	3	2	2	2		1	381	326	301
Total Operating Revenue	812	856	840	925	920		1,008	1,537	1,559	1,551
Operating Expenses										
North Potomac Street Parking Deck	175	154	107	126	126	2.5%	129	132	136	139
Arts & Entertainment Parking Deck	92	104	102	113	103	2.5%	105	108	111	113
Parking Deck III	-	36	-	-	-		59	120	123	126
Parking Lots	108	119	131	136	137	2.5%	140	143	147	151
Parking Enforcement Expenses	43	41	55	58	59	2.5%	60	62	63	65
Total Operating Expense	418	455	395	433	424		493	566	580	594
Cash Operating Income (Loss)	394	400	445	492	496		514	971	979	957
Depreciation	206	247	208	232	246		250	451	455	458
Operating Income (Loss)	188	154	237	260	250		264	520	524	499
Non-Operating Revenue (Expense)										
Interest Earned	-	1	-	1	1		1	1	1	1
Interest Expense	(101)	(81)	(70)	(72)	(77)		(275)	(267)	(259)	(250)
Total Non-Operating Revenue (Expense)	(101)	(80)	(70)	(71)	(77)		(275)	(267)	(258)	(249)
Net Income (Loss) Before Operating Transfers	86	74	167	189	173		(10)	253	266	249
Transfers From (To) Other Funds										
Transfers from General Fund	-	-	-	-	-		-	-	-	-
Transfers from CIP Fund	-	35	-	-	-		-	-	-	-
Total Transfers From (To) Other Funds	-	35	-	-	-		-	-	-	-
Capital Contributions										
Grants in Aid of Construction	-	69	-	-	350		-	-	-	-
Capital Contributions	-	69	-	-	350		-	-	-	-
Increase (Decrease) in Retained Earnings	86	178	167	189	523		(10)	253	266	249

PARKING FUND PROJECTIONS
FISCAL YEAR 2014/2018
INCOME STATEMENT
(IN THOUSANDS)

	2010/11 ACTUAL	2011/12 ACTUAL	2012/13		2013/14	2014/15 PROJ.	2015/16 PROJ.	2016/17 PROJ.	2017/18 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET				
Adjust to a Cash Flow Basis									
Add Back Depreciation	\$ 206	\$ 247	\$ 208	\$ 232	\$ 246	\$ 250	\$ 451	\$ 455	\$ 458
Changes in Working Capital	117	(4)	-	-	-	-	-	-	-
Prin. Pay on Current Long-Term Debt.	(350)	(362)	(172)	(172)	(174)	(647)	(653)	(660)	(673)
Total Adjustments to Retained Earnings	(27)	(120)	36	60	72	(397)	(202)	(206)	(214)
Cash Available for Capital Outlay	59	58	203	249	596	(407)	51	60	35
Capital Outlay									
Arts & Entertainment Parking Deck	-	69	-	-	-	-	-	-	-
Parking Facilities 3rd Parking Deck - C0173	-	-	-	-	1,400	8,500	-	-	-
N Potomac St Parking Facilities - C0749	-	-	100	100	30	30	30	30	30
Vehicles/Equipment - C0829	-	-	25	20	-	20	20	25	-
Parking Way Finding Signs - C0848	-	-	-	-	30	-	-	-	-
Total Capital Outlay	-	69	125	120	1,460	8,550	50	55	30
Cash After Capital Outlay	59	(11)	78	130	(864)	(8,957)	1	5	5
Additional Funding									
Bond Financing	-	-	100	100	500	9,050	-	-	-
Total Additional Funding	-	-	100	100	500	9,050	-	-	-
Net Surplus (Deficit)	\$ 59	\$ (11)	\$ 178	\$ 230	\$ (364)	\$ 93	\$ 1	\$ 5	\$ 5
Beginning Cash Balance	\$ 106	\$ 165	\$ 154	\$ 154	\$ 383	\$ 19	\$ 112	\$ 113	\$ 118
Ending Cash Balance	\$ 165	\$ 154	\$ 332	\$ 383	\$ 19	\$ 112	\$ 113	\$ 118	\$ 123

GOLF COURSE FUND PROJECTIONS
FISCAL YEAR 2014/2018
ASSUMPTIONS

- The most recent rate increases at the Golf Course occurred on July 1, 2012 (see Section 8 – User Fee Schedules). There are no other rate increases included in the projections through FY 2017/18. However, higher revenues are expected due to some recent changes and upgrades that have taken place at The Greens at Hamilton Run. The clubhouse has been completely renovated and recent approval was received to sell alcohol. The impact these changes and others have made are reflected in the 5.3% increase from FY 2013/14 proposed budget to FY 2014/15. Thereafter, a 1.8% increase is anticipated annually through FY 2017/18.
- Total operating expense (excluding depreciation) rose 11.3% from current FY 2012/13 budget to proposed FY 2013/14 budget. Primarily the increase is due to inclusion of contract for ground service care (mowing, trimming, etc) and due to increase in Water and Sewer utility charges. Beginning in FY 2014/15 the increase in expenses range from overall 2.0%-3.0%. The increases are due to COLA estimates in the future years of 2.0% in FY 2014/15 through FY 2016/17 and 3.0% in FY 2017/18. In addition, several category of expenses (Material, Supplies, & Utilities; Maintenance & Repairs; Vehicle Operating Expenses; and Contracted Services) are anticipated to increase based on historical trends.
- Depreciation expense is a reflection of investment in capital infrastructure and renovation. Therefore, the projections for depreciation reflect and increase of 18.2% for the purchase of replacement vehicles and equipment in FY 2014/15 and 15.4% increase in FY 2015/16. FY 2016/17 has smaller amount of vehicle replacement so depreciation is only anticipated to increase by 3.3% for that fiscal year.
- The investment interest rate is assumed to remain flat with no growth calculated due to the current market conditions. As a result of the low cash balances within the Golf Course fund, interest earned will stay well below \$1,000.
- The Golf Course currently has no debt service and is not estimated to incur any through FY 2017/18.
- Currently, the Golf Course receives a general fund subsidy and it will be necessary to continue this subsidy through FY 2017/18.
- Based on the assumptions outlined above for both revenues and increasing expenses, our net increase (decrease) in retained earnings is estimated to increase from a loss of <\$34K> in FY 2013/14 to a gain of \$16K in FY 2014/15 due to a general fund subsidy.

GOLF COURSE FUND PROJECTIONS
FISCAL YEAR 2014/2018
INCOME STATEMENT
(IN THOUSANDS)

	2010/11 ACTUAL	2011/12 ACTUAL	2012/13		2013/14		PROJ. 2014/15 PROJ.	PROJ. 2015/16 PROJ.	PROJ. 2016/17 PROJ.	PROJ. 2017/18 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	CHG%				
Operating Revenues										
Green Fees	\$ 77	\$ 76	\$ 90	\$ 87	\$ 87		\$ 92	\$ 95	\$ 98	\$ 101
Cart Rentals	35	38	44	47	47		47	47	47	47
Tournaments & Specials	14	27	35	30	30		30	30	30	30
Other Revenues	12	8	15	15	25		30	31	32	33
Total Operating Revenues	138	149	184	179	189		199	203	206	210
Operating Expenses										
Personal Services	174	166	167	178	151		154	157	160	164
Wage & O/H Allocation	6	(8)	-	-	-		-	-	-	-
Fringe Benefits	79	73	75	71	73		71	74	76	79
Materials, Supplies, & Utilities	60	48	48	117	87	2.0%	88	90	92	94
Maintenance & Repairs	2	2	4	4	4	2.0%	4	5	5	5
Vehicle Operating Expenses	28	22	22	26	20	1.5%	20	21	21	22
Advertising & Printing	3	7	3	3	3		3	3	3	3
Machinery & Equipment Rentals	24	24	22	19	25		25	25	25	25
Contracted Services	3	14	6	9	25	2.0%	25	26	26	27
Other General Expenses	16	6	4	12	11		11	11	11	11
Insurance	6	6	3	2	2		3	3	3	3
Communication Expenses	-	-	-	-	-		1	1	1	1
Operating Capital Expenditures	-	5	4	-	-		-	-	-	-
Depreciation	21	23	22	22	22		26	30	31	31
Total Operating Expenses	422	388	380	463	423		433	445	454	464
Operating Income (Loss)	(284)	(239)	(196)	(284)	(234)		(234)	(243)	(248)	(254)
Non-Operating Revenues (Expense)										
Interest Earned	-	-	-	-	-		-	-	-	-
Total Non-Operating Revenue (Expense)	-	-	-	-	-		-	-	-	-
Transfers From (To) Other Funds										
Transfers from General Fund	297	216	175	304	200		250	275	235	225
Transfers from CIP Fund	-	74	4	4	-		-	-	-	-
Total Transfers From (To) Other Funds	297	290	179	308	200		250	275	235	225
Capital Contributions										
Grants in Aid of Construction	-	-	-	-	-		-	-	-	-
Non-cash Developer Contributions	-	1	-	-	-		-	-	-	-
Total Capital Contributions	-	1	-	-	-		-	-	-	-
Increase (Decrease) in Retained Earnings	13	52	(17)	24	(34)		16	32	(13)	(29)
Adjust to Cash Flow Basis										
Add Back Depreciation	21	23	22	22	22		26	30	31	31
Prior Year Bond Proceeds	-	-	-	-	-		-	-	-	-
Non-Cash Capital Contributions	-	-	-	-	-		-	-	-	-
Changes in Working Capital	26	(6)	-	-	-		-	-	-	-
Total Adjustment to Retained Earnings	47	17	22	22	22		26	30	31	31
Cash Available for Capital Outlay	60	69	5	46	(12)		42	62	18	2
Capital Outlay										
Vehicle/equipment Replace - C0395	-	-	25	29	40		30	50	20	-
Clubhouse Improvements - C0824	-	74	-	5	-		-	-	-	-
Golf Cart Storage Pavilion - C0825	-	-	-	-	-		-	22	-	-
Total Capital Outlay	-	74	25	34	40		30	72	20	-
Net Surplus (Deficit)	\$ 60	\$ (5)	\$ (20)	\$ 12	\$ (52)		\$ 12	\$ (10)	\$ (2)	\$ 2
Beginning Cash	\$ 1	\$ 61	\$ 56	\$ 56	\$ 68		\$ 16	\$ 29	\$ 19	\$ 17
Ending Cash	\$ 61	\$ 56	\$ 36	\$ 68	\$ 16		\$ 29	\$ 19	\$ 17	\$ 19
Self Supporting Level	32.7%	38.4%	48.4%	38.7%	44.7%		46.0%	45.5%	45.5%	45.3%

PROPERTY MANAGEMENT FUND PROJECTIONS
FISCAL YEAR 2014/2018
ASSUMPTIONS

- Overall, rental revenue projections are estimated to be flat from FY 2013/14 compared to proposed FY 2014/15. Currently, there are four (4) tenants that have lease expiration dates during FY 2014/15. However, the projections reflect continued rental income from all currently occupied spaces through FY2017/18 as leases will either be renegotiated or new tenants will be found. At this time, there are several areas that are occupied for just a \$1.00 per year or no cost (Fire Police Headquarters on Valley Road, City of Hagerstown Police Auxiliary, and City Ballet school storage space).
- Total operating expenses (excluding depreciation) increased by 6.2% from the FY 2012/13 budget compared to the budget proposed for FY 2013/14. Primarily, this increase is a result of anticipated completion of common area at 60 W Washington Street. Once this renovation and construction is finished, there will be additional costs associated with maintaining and cleaning this space. Also, there is an overall increase in utility costs in all of our buildings' common areas. Based on historical trends, the projections include increases in future periods as well, and the overall estimated increase for each period from FY 2014/15 through FY 2017/18 is 2.0%.
- Depreciation expense increased by 70.6% or \$60,000 from the FY 2012/13 budget compared to the budget proposed for FY 2013/14. This increase is a result of investment in capital acquisition and renovation primarily at 60 W Washington Street and 36/40 North Potomac Street which is approximately \$1.1M in FY 2012/13. It is estimated that depreciation will increase slightly by 2.3% in proposed FY 2014/15 for final renovation at both locations mentioned. Beginning in FY 2015/16 through FY 2017/18, depreciation expense remains flat.
- The investment interest rate is assumed to remain flat with no growth calculated due to the current market conditions.
- All current bond issues under Property Management were paid in full during FY 2011/12. As reflected in our projections, all capital improvement projects and capital outlay expenditures will be covered by fund balance in the Property Management Fund, federal grant, or transfers from CDBG and Economic Redevelopment Funds. As a result, there is no future debt issues included in our projections through FY 2017/18.
- Based on the assumptions outlined above for both revenues and increasing expenses, our net increase (decrease) in retained earnings is estimated to decline from an anticipated gain of \$7K in FY2013/14 to a loss of < \$156K> in FY2014/15.

PROPERTY MANAGEMENT FUND PROJECTIONS
FISCAL YEAR 2014/2018
INCOME STATEMENT
(IN THOUSANDS)

	2010/11 ACTUAL	2011/12 ACTUAL	2012/13		2013/14		2014/15 PROJ.	2015/16 PROJ.	2016/17 PROJ.	2017/18 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	PROJ. CHG%				
Operating Revenues										
Rent - 2-6 N Potomac Street, 1st Floor	\$ 156	\$ 156	\$ 162	\$ 162	\$ 162		\$ 162	\$ 162	\$ 166	\$ 166
Rent - 14 N Potomac Street, Suite 200A/B	46	-	33	20	20		20	21	21	22
Rent - 14 N Potomac Street, Suite B-2	26	26	26	26	27		27	28	28	28
Rent - 16 Public Square	14	14	14	14	14		14	14	14	14
Rent - 12 Public Square	12	13	7	7	14		14	14	14	14
Rent - 6 N Potomac Street	9	19	19	19	19		19	19	19	19
Rent - 11 Public Square, Suite 200	1	0	-	-	-		-	-	-	-
Rent - 14 N Potomac Street, Suite B-3	26	27	27	27	27		27	27	27	27
Rent - 10 Public Square (Common Area)	3	3	3	3	3		3	3	3	3
Rent - 17 E Franklin Street	8	8	8	8	8		8	8	9	9
Rent - 25 E Franklin Street	9	4	-	-	-		-	-	-	-
Rent - 11 Public Square, Suite 300	20	20	-	-	-		-	-	-	-
Rent - 14 N Potomac Street, Suite LI	(1)	-	-	-	-		-	-	-	-
Rent - 14 N Potomac Street, Suite 200B Room 59	-	2	-	2	2		2	2	2	2
Rent - 14 N Potomac Street, Suite 200B	-	7	6	6	6		6	6	6	6
Rent - 60 W Washington Street, Suite 102	-	6	7	7	7		7	8	8	8
Rent - 790-800 Potomac Avenue	-	12	30	-	-		-	-	-	-
Rent - 40 N Potomac Street	-	20	23	22	22		22	22	22	22
Rent - 36 N Potomac Street	-	-	-	-	-		-	-	-	-
Rent - 60 W Washington Street, Rear	-	-	-	30	30		30	30	30	32
Miscellaneous Revenues	1	7	3	2	2		-	-	-	-
Total Operating Revenues	331	345	368	356	363		362	365	370	372
Operating Expenses										
Rental Properties Operational Expense	328	463	362	463	385	2.0%	393	401	409	417
Depreciation	81	114	85	148	145	2.3%	148	148	148	148
Total Operating Expenses	409	576	447	611	530		541	549	557	565
Operating Income (Loss)	(79)	(231)	(79)	(255)	(166)		(179)	(184)	(187)	(193)
Non-Operating Revenues (Expenses)										
Interest Earned	1	20	1	5	4		2	2	2	2
Interest Expense	(2)	(1)	-	-	-		-	-	-	-
Loss on Disposal of Capital Assets	-	-	-	(1,374)	-		-	-	-	-
Total Non-Operating Revenues (Expenses)	(1)	20	1	(1,369)	4		2	2	2	2
Net Income (Loss) Before Operating Transfers	(80)	(212)	(79)	(1,624)	(163)		(178)	(183)	(186)	(192)
Transfers From (To) Other Funds										
Operating Transfers from Other Funds	-	42	11	22	22		22	-	-	-
Capital Transfers from Other Funds	808	936	420	595	110		-	-	-	-
Operating Transfers to Other Funds	-	(12)	-	-	-		-	-	-	-
Total Transfers From (To) Other Funds	808	965	431	617	132		22	-	-	-
Capital Contributions										
Grants in Aid of Construction	50	61	179	154	38		-	-	-	-
Non-cash Capital Contributions	-	2,033	-	-	-		-	-	-	-
Total Capital Contributions	50	2,095	179	154	38		-	-	-	-
Increase (Decrease) in Retained Earnings	\$ 778	\$ 2,848	\$ 531	\$ (854)	\$ 7		\$ (156)	\$ (183)	\$ (186)	\$ (192)
Adjust to a Cash Flow Basis										
Add Back Depreciation	81	114	85	148	145		148	148	148	148
Changes in Working Capital	(35)	92	-	2,033	-		-	-	-	-
Principal Payments on Long-term Debt	(37)	(37)	-	-	-		-	-	-	-
Non-Cash Capital Contributions	-	(2,033)	-	-	-		-	-	-	-
Total Adjustments to Retained Earnings	10	(1,864)	85	2,181	145		148	148	148	148
Cash Available for Capital Outlay	788	984	616	1,327	152		(7)	(34)	(37)	(43)
Capital Outlay										
AFC Fire Station - C00731	600	-	-	-	-		-	-	-	-
Elizabeth Hager Center - C0803	-	-	30	15	20		20	20	20	20
Hagerstown Small Business Center - C0828	265	183	256	572	38		-	-	-	-
36-40 N Potomac Street - C0836	-	348	375	475	110		-	-	-	-
Total Capital Outlay	865	531	661	1,062	168		20	20	20	20
Net Surplus (Deficit)	\$ (77)	\$ 453	\$ (46)	\$ 265	\$ (16)		\$ (27)	\$ (54)	\$ (57)	\$ (63)
Beginning Cash Balance	\$ 329	\$ 251	\$ 704	\$ 704	\$ 969		\$ 953	\$ 926	\$ 871	\$ 814
Ending Cash Balance	\$ 251	\$ 704	\$ 659	\$ 969	\$ 953		\$ 926	\$ 871	\$ 814	\$ 751

HEALTH CARE FUND PROJECTIONS
FISCAL YEAR 2014/2018
ASSUMPTIONS

Health Care Fund Coverage

Structure: The Health Care Fund was created in 2000 to manage the City's self-insurance program for health care. Under this self-funded plan the City pays a standard monthly administrative fee for each covered member and accepts claim risk up to a specific stop loss for each individual covered. In addition, there is a second level of insurance called the aggregate stop loss which assures that the City does not pay more than the maximum projected expenses. Administratively, all City departments are billed pre-established internal "insurance" rates for their department's share of cost of insurance for its employees, retiree and dependents. Similarly, the active employees and retirees pay internal "insurance" rates for their share of dependent coverage and their individual coverage (20%). These billings represent funding sources for the Health Care Fund from which all health care related administrative and medical reimbursement costs are paid.

Health Insurance Plan Options

Active employees have the option of choosing between the City's Level Plan and a less costly 'Plus' Plan. The City pays the Level Plan cost at 80% for each individual active employee and between 43% and 48% for the dependents of an active employee. Retirees and their dependents under 65 are enrolled in the City's "80/20" Plan with a similar cost sharing arrangement. The City provides a \$4,800 annual stipend to all retirees and their spouses over 65. These retirees and their spouses can choose to use this stipend to partially pay for their coverage in the City's Medicare supplementary health insurance plan or can use this stipend to help pay for a health insurance policy which they privately purchase.

Claims ("Run Out") Reserve Policy

The Claims ("Run Out") Reserve is defined as costs incurred at the end of a fiscal year which due to timing will be paid out in the following year. If the City would decide to change back to a traditional insurance coverage plan, this would be the cost amount left to be paid out from previous year billings to the City departments, its active employees and retirees. To properly match revenues and costs, and to minimize the cost effect of changing back to a traditional insurance plan, the City attempts to provide for a "Run-Out" Reserve approximately equivalent to two months of its Medical Expense Reimbursement expenditures. To be effective, the liability for this reserve on the Health Care Fund's balance sheet must be fully offset by an equal cash balance.

Estimated Actual Projections

At the end of Fiscal Year 2012/13, the City projects cash balances just over \$4.0 million which provide future funding for any required Claims Reserve. Additionally, our fund balance reserve will remain at \$3.5 million.

Proposed Fiscal Year 2013/14 Budget

We project no deficit in Fiscal Year 2013/2014. We anticipate growing premiums and claims costs to rise as the overall national trend in healthcare coverage and costs climbs. At the end of Fiscal Year 2017/18, we still anticipate a fund balance reserve over \$4.0 million and cash of approximately \$4.6 million.

Four Year Forecast Beyond Proposed Fiscal Year 2013/14 Budget

Direct health care costs nationally continue to increase at rates often exceeding 10% on an annual basis. The City of Hagerstown is just now starting to experience similar trends. This was not so prior to our FY2012/13 budget due to cost control measures and some staffing restructuring. With our recent history and some uncertainty regarding the financial impact of Healthcare Reform, the projections into the future include 5.0% increases.

New Accounting Rules for Other Post Employment Benefits (GASB 43)

Like pension benefits, City employees and their dependents receive health and dental benefits after retirement based upon years of employment with the City. In fiscal year (2008/09), the City had to conform to new accounting rules to remain in compliance with generally accepted accounting procedures. These accounting rules changed how the City accounts for the cost of its post employment benefits. Instead of recognizing these expenses when paid, we had to begin to recognize the expenses as they are earned. The City annually contracts with an actuarial firm, CBIZ Benefits & Insurance Services, Inc., to calculate the City's Annual Required Contribution (ARC). The additional annual required contribution (ARC) for the City to fund our OPEB liability is reflected as a separate line item in our financial projections. Per our actuary's report, we provided \$650,000 in Fiscal Year 2011/12 estimated actual for this additional annual required contribution. Based on the current structure of our Health Insurance Fund's plan, we expect that the required ARC will increase at the same rate as our Medical Expense Reimbursements.

HEALTH CARE FUND PROJECTIONS
FISCAL YEAR 2014/2018
PROPOSED EXPENSES & REVENUES
(IN THOUSANDS)

	2010/11 ACTUAL	2011/12 ACTUAL	2012/13		2013/14		PROJ. CHG%	2014/15 PROJ.	2015/16 PROJ.	2016/17 PROJ.	2017/18 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET						
Premium Revenues								5.00%	5.00%	5.00%	5.00%
Premium Revenues - City	\$ 4,293	\$ 4,449	\$ 4,569	\$ 5,335	\$ 5,880		\$ 6,174	\$ 6,483	\$ 6,807	\$ 7,147	
Premium Revenues - Employees	1,119	1,130	1,085	1,085	1,242		1,304	1,369	1,438	1,510	
Premium Revenues - Retirees	243	230	338	238	240		252	265	278	292	
Total Premium Revenue	5,655	5,809	5,992	6,658	7,362		7,730	8,117	8,522	8,949	
Interest From Investments	15	21	15	12	12	2.5%	12	13	13	13	
Medicare Part D Reimbursements	2	-	-	-	-		-	-	-	-	
Prescription Rebates	111	74	80	77	73	2.5%	75	77	79	81	
Stop Loss Reimbursement	-	-	20	40	16		21	26	31	36	
Miscellaneous Revenue	2	-	3	-	1	0.0%	1	1	1	1	
Total Revenue	5,785	5,904	6,110	6,787	7,464		7,839	8,233	8,646	9,079	
Administrative Expenses	344	345	461	350	351	3.0%	362	372	384	395	
Premium Expenses	221	246	258	257	257	20.0%	308	370	444	533	
Medical Expense Reimbursement	4,287	4,856	4,649	5,291	5,927	5.0%	6,223	6,535	6,861	7,204	
Health Savings Account Contributions	17	17	17	18	18		21	23	26	28	
Claims Reserve Expense	41	(14)	74	74	74	2.0%	75	77	79	80	
Transfer to General Fund	-	-	25	25	55		-	-	-	-	
Other Post Employment Benefits Contributions	625	650	650	650	650	5.0%	683	717	752	790	
Total Expenses	5,535	6,100	6,134	6,665	7,332		7,672	8,094	8,545	9,030	
Operating Income (Loss)	250	(196)	(24)	122	132		167	139	101	49	
Increase (Decrease) in Retained Earnings	\$ 250	\$ (196)	\$ (24)	\$ 122	\$ 132		\$ 167	\$ 139	\$ 101	\$ 49	
Beginning Fund Balance	3,298	3,551	3,355	3,355	3,476		3,608	3,775	3,915	4,015	
Ending Fund Balance	3,548	3,355	3,331	3,477	3,608		3,775	3,915	4,015	4,064	
Ending Cash Balance	\$ 4,096	\$ 3,924	\$ 3,900	\$ 4,046	\$ 4,178		\$ 4,345	\$ 4,485	\$ 4,585	\$ 4,634	

DENTAL INSURANCE FUND
FISCAL YEAR 2014/2018
PROPOSED EXPENSES & REVENUES
(IN THOUSANDS)

	2010/11 ACTUAL	2011/12 ACTUAL	2012/13		2013/14	PROJ. CHG%	2014/15 PROJ.	2015/16 PROJ.	2016/17 PROJ.	2017/18 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET					
Premium Revenues							2.00%	2.00%	2.00%	2.00%
Premium Revenues - City	\$ 149	\$ 146	\$ 169	\$ 170	\$ 187		\$ 191	\$ 195	\$ 198	\$ 202
Premium Revenues - Employees	143	145	140	140	152		155	158	161	165
Premium Revenues - Retirees	56	53	74	54	60		61	62	64	65
Total Premium Revenue	348	344	383	364	399		407	415	423	432
Interest From Investments	3	-	-	-	-		1	1	1	1
Total Revenue	351	344	383	364	399		408	416	424	433
Administrative Expenses	-	4	35	35	36	3.0%	37	38	39	41
Medical Expense Reimbursement	367	350	348	348	320	2.0%	326	333	340	346
Claims Reserve Expense	(16)	11	-	-	-		-	-	-	-
Total Expenses	351	365	383	383	356		363	371	379	387
Increase (Decrease) in Retained Earnings	\$ -	\$ (21)	\$ -	\$ (19)	\$ 43		\$ 45	\$ 45	\$ 45	\$ 46
Beginning Fund Balance	78	78	57	57	38		81	126	170	216
Ending Fund Balance	78	57	57	38	81		126	170	216	262
Ending Cash Balance	\$ 87	\$ 81	\$ 81	\$ 62	\$ 105		\$ 150	\$ 194	\$ 240	\$ 286

**SCHEDULE OF FEES AND SERVICE CHARGES
SECTION 8**

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**SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2013/2014**

NAME OF FEE/PURPOSE	EFF DATE	FY13 RATE	FY14 PROPOSED	FY12 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
CITY CLERK						
01030022 - 4271 Auctioneer-to Conduct an Auction				\$ 2,590	Salisbury-Auction house \$250+\$2,000 bond: Home \$10	Ordinance
In-County Annual Fee	1992	\$25	None			
Out-of-County Annual Fee	1992	\$25	\$100			
Peddler:						
Class I(Stand or Truck) Annual Fee	1992	\$125	\$175			
Class II(Door-to-Door)						
Daily Fee	1992	\$15	\$25			
Annual Fee	1992	\$50	\$75			
Transient Dealer Annual Fee	1983	\$1,000	\$250-\$1,000			
Parade Per Event Fee	1992	\$125	None			
Circus/Carnival Weekly Fee	1992	\$125	None	(Waived)	\$125 Fee+\$1,000 bond (County is the same as the City)	Ordinance Ordinance
Special Sales(Auctions, Going-out-of Business, Etc.)	1992	\$125	None			
Theatre Annual Fee	1967	\$100	None		Special Sales \$5 for 1	Ordinance
01030022 - 4221 Utility License Annual Fee	2007	\$4,500		\$ 54,000	\$125 Fee+\$1,000 bond	Ordinance
01030022 - 4221 City Code Annual Fee	1990	\$125		\$ -	For all private & City owned utilities	Resolution
City Code Supplement	1998	\$40				Admin Order Admin Order
01030021 - 489903 Souvenirs/Maps		Various		\$ -		

SUPPORT SERVICES

01070022 - 4494 Bad Check Fee Per Check (To compensate the City for Bank charges & employee time)	2007	\$37.50	None	\$ 8,963	\$35-\$39 Area Banks	Admin Order
01072062 - 4490 Pay-By-Phone Transaction Fee	2012	\$5.00	None	\$ 15,414	Allegheny Power \$7	Admin Order
01072062 - 489606 Bill Re-Prints	2012	\$1.00	\$0.00	\$ 3,592	Unnecessary moving forward as there is no need to print a bill to process a payment.	Admin Order
New Fee Credit Card Convenience Fee			\$2.00	\$ -	Pending ability for MUNIS online system to accept and apply fee.	Admin Order

FINANCE

New Fee Utility Monthly Late Fee			1% per month on past due unpaid balance	\$ -		Ordinance
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COMMUNITY DEVELOPMENT BLOCK GRANT FUND

10000002 - 441596 Loan Application Fees:				\$ -	No fees in Frederick or Cumberland	Admin Order
Multifamily Residence	1986	\$50	None			
Mixed Use or Commercial		\$50	None			
Economic Development		\$100	None			
Hagerstown Revolving Loan Fund	2001					
Based on loan request amount:					Admin Order	
\$5,000- 50,000		\$100	None			
\$50,001- 100,000		\$150	None			
\$100,001- 150,000		\$200	None			
\$150,001 - 200,000		\$250	None			

PLANNING

01090012 - 441131 Subdivision: Simplified Plat	2006	\$300	None	\$ 800	Washington County-\$365	Admin Order
01090012 - 441122 Subdivision: Final Plat Per Lot Created	2006	\$500+\$40	None	\$ 2,920	Washington County: \$665+\$250/lot (<50 lots) \$665+\$150/lot (>50 lots)	Admin Order
01090012-44124 Subdivision: Sketch Plans				\$ -	N/A N/A N/A N/A	Admin Order Admin Order Admin Order Admin Order
Nonresidential - 2 ≤ acres			\$500			
Nonresidential - > 2 acres			\$1,000			
Residential - < 50 lots			\$500			
Residential - ≥ 50 lots			\$1,000			
01090012 - 441121 Subdivision: Development Plan	2006	\$1000+\$40/Lot	None	\$ -	Washington County -\$915+\$100/Lot	Admin Order
01090012 - 441125 Minor Subdivision	2012	\$300	None	\$ -	Washington County-\$365	Admin Order
01090012 - 441126 Subdivision Variance/Waiver Request	2012	\$0	None	\$ -	Washington County-\$115	Admin Order

SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2013/2014

NAME OF FEE/PURPOSE	EFF DATE	FY13 RATE	FY14 PROPOSED	FY12 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
PLANNING (continued)						
01090012 - 441161 Concept Plan/Sketch Plans: CR Sketch Plan Multi-Family Development	2006	\$1,000	\$1,000	\$ -		Admin Order Admin Order
01090012 - 441119 BZA Filing Fee: Special Exception Variances: Residential Non-Residential Residential Fence Variance Nonconforming Uses: Change Expansion Administrative Appeals	2006 2012 2012 2006 2006 2012 2012	\$500 \$150 \$300 \$150 \$500 \$500 \$225	None None None None None None None	\$ 4,625	Washington County-\$500 Washington County-\$150 Washington County-\$300 Washington County-\$150 Washington County-\$500 Washington County-\$500 Washington County-\$150	Admin Order Admin Order Admin Order Admin Order Admin Order Admin Order Admin Order
01090012 - 441112 Rezoning Fees: Preliminary Consultation Rezoning Filing Fee Local Conversation District PUD Master Plan	2006 2006 2010 2006	\$500 \$2,000 + \$10/APO \$500 \$2,000 + \$10/APO	None None None None	\$ 2,770	Washington County-\$515+\$20/acre Washington County - \$2015+\$20/acre Washington County - \$1000+\$30/lot	Admin Order Admin Order Admin Order Admin Order
01090012 - 441102 Full Site Plan Fees: Residential Nonresidential	2006 2006	\$1000 + \$15/unit \$1000 + \$50/acre	None None	\$ 9,610	Washington Co - Res. \$765+\$10/unit Washington Co -Non \$765+\$50/acre	Admin Order Admin Order
01090012 - 441101 Minor Site Plan	2006	\$500	None	\$ 4,000	Washington Co - Res. \$665	Admin Order
01090012 - 441103 Site Plan Variance/Waiver Request	2012	\$0	None	\$ -	Washington County-\$115	Admin Order
01090012 - 441111 Zoning Certificate Fees: Home Work Stations & CC-MU All other commercial Zoning Verification Letter: One SFR Zoning Verification Letter: All Others Fence Permits: Residential: Single Family, Two-Family Commercial, Industrial, Multi-Family	2012 2012 2004 2006 2005 2005	\$25 \$100 \$25 \$100 \$25 \$100	None None None None None None	\$ 11,300	Washington Co - \$80 Washington Co - \$165 Washington Co - \$100 Washington Co - \$100 Washington Co - Res. \$50 Washington Co -Non \$165	Admin Order Admin Order Admin Order Admin Order Admin Order Admin Order
01090012 - 489603 Comprehensive Plan	2012	\$5 (disc only)	None	\$ -	Washington County - \$50 (\$5 on CD)	Admin Order
01090012 - 489604 Land Management Code Design Review Guidelines	2013 2013	\$5 (disc only) \$5 (disc only)	None None	\$ -	Washington County - \$20 zoning Washington County - \$12 subdivision Washington County - \$100	Admin Order Admin Order
01090012 - 441141 Zoning Text Amendment Subdivision Text Amendment	2006 2006	\$2,000 \$2,000	None None	\$ -	Washington County - \$2015 Washington County - \$2015	Admin Order Admin Order
01090012 - 4899 Copies of Recorded Meetings	2006	\$25/mtg + \$10/tape	None	\$ 637		Admin Order
01090012 - 426902 Forest Conservation Fee: Delineation Final Plan & Easements Fee Per Acre Forest Conservation Waiver/Variance Request Forest Conservation Exemption Certification	2006 2006 2006 2008	\$250 \$500+\$10 \$25 \$25	None None None None	\$ 5,169	Washington Co-\$265 Washington Co. \$750+\$10/acre Washington Co-\$40 Washington Co-\$25	Admin Order Admin Order
01090012 - 441151 Pre-Annexation Agreement Review Fees: Infill residential lot - 1 or 2 units Minor residential development - ≤ 5 units Major residential development - ≥ 5 units Nonresidential	2012 2012 2012 2012	\$150 \$500 \$1,000 +\$15/unit \$1,000+\$50/acre	None None None None	\$ 3,211	N/A N/A N/A N/A	Admin Order Admin Order Admin Order Admin Order
CODE ADMINISTRATION						
01140012 - 441502 Pre-Sale Inspections, First unit Each Add'l Unit	2011	\$100 \$40	None	\$ -		Admin order

SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2013/2014

NAME OF FEE/PURPOSE	EFF DATE	FY13 RATE	FY14 PROPOSED	FY12 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
CODE ADMINISTRATION (continued)						
01140012 - 4210 Building Permits: Application Fee Tech Fee Commercial & New Residential: up to \$10,000 \$10,000 and greater Misc Residential: up to \$10,000 \$10,000 and greater	2011	\$20 \$20 \$8.50 / thousand \$5.00 / thousand \$8.50 / thousand \$3.50 / thousand	None None None None None None	\$ 154,188	Washington County: Comm app \$150+ \$15 tech fee+ \$0.15 per sq ft Res app \$65 + \$15 tech + \$.10 per sq ft. Frederick City: Comm \$0.009 x cost (\$128 min) Res SFD \$0.20, Multi \$0.15 per sq ft.(\$64 min) Frederick County: Comm app \$35 + \$0.21 per sq ft Res app \$35 + \$741 SFD < 4000 sq ft / \$395 per multi unit	Ordinance
01140012 - 421101 Plumbing Permits: Application Fee: Residential/Comm/Apmt Tech Fee Fixture fees (varies) Single fixture (app fee is waived)	2011	\$50/\$100/\$100 \$20 \$4- \$40 Tech fee + fixture only	None None None None	\$ 57,354	Wash. Co.\$65 Res/\$125Comm+\$15 tech fee Fred City: \$30 single fix, \$10 each additional Fred Co: \$45 Res/\$110 Comm min + \$10 enhance fee, fixture fees vary	Ordinance
01140012 - 4202 Plumbers license/registration (Biannual): Master Journeyman Apprentice If license has lapsed more than 30 days	2007	(\$40 of fee is tech fee) New: \$150/ Renew: \$125 New: \$95/ Renew: \$70 New: \$85/ Renew: \$60 New rate is charged	None None None None	\$ 5,650	Wash. Co.(2 yr) Master \$50/res, \$100 non-res Journeyman \$20/\$40 Apprentice \$15/\$30 Fred City (2 yr): Master \$100, Journeyman \$30, Apprentice \$10 Fred Co (2 yr). Master \$150 Journeyman \$55	Ordinance
01140012 - 421102 Electrical Permits Application Fee: Residential/Comm/Apmt Tech Fee Fixture fees (vary)	2011	\$50/\$100/\$100 \$20 \$3-\$50	None None None	\$ 98,223	Wash Co: \$65 Res/ \$125 Comm+\$15 tech+ \$15-\$50 fixture fees Fred City: Min chg \$61 Res or Comm.(Most over \$122) Fred Co: \$45 Res/ \$147 Comm min + \$10 enhance fee fixture fees vary	Ordinance
01140012 - 421103 Mechanical Permits: Application Fee: Residential/Comm/Apmt Tech Fee Fixture fees (vary)	2011	\$50/\$100/\$100 \$20 \$5-\$30	None None None	\$ 41,295	Wash Co: \$65Res/\$125Comm+\$15 tech+ \$3-\$60 fixture fees additional enhance fee fixture fees vary Frederick City : Same as plumbing Frederick County: Same as Plumbing	Ordinance
01140012 - 4203 Contractor's Licenses (Biennial)	2011	(\$40 of fee is tech fee) \$125	None	\$ 14,600	Wash Co Mechanical (2yr): \$50/res, \$100 non-res Fred City: Heat/Nat.gas/propane(2 yr): \$100 Fred Co: Appliance installer (2 yr): \$125	Ordinance
01140012 - 4204 Electrician's Licenses (Biennial) Master/ Restricted Master If license has lapsed more than 30 days	2007	(\$40 of fee is tech fee) New: \$150/ Renew: \$125 New rate is charged	None None	\$ 5,770	Wash Co (3 yr): Mstr or low volt \$150, inactive \$50 Fred City (2 yr): \$240 Fred Co (2 yr):\$150 (all types)	Ordinance
01140012 - 441593 Administrative Fee for Excise Tax	2005	2% of 72% of excise tax	None	\$ 4,597		Admin Order
01140012 - 450102 Municipal Infractions: Fee Per Citation	2008	\$200-\$1,000	\$25-\$1,000	\$ 36,695	Most citations are \$200-\$1,000; however, trash citations start at \$25	Ordinance
01140012 - 4205 Rental Registration Fee Per Unit Fee Per Rooming House + Per Unit Fee	2008	\$50 \$100+\$10	None None	\$ 413,300	Cumberland: \$25 per unit (annual) Gaithersburg: \$150 per unit (Biennial) Mont Co: \$98 per unit (annual)/ \$56 per multi-unit bldg Howard Co: \$93.50 per unit (Biennial). Incl roomers	Ordinance
01140012 - 4504 CAD Administrative Fees: Snow Removal Fee All Others: Fee + Tech Fee	2003 2011	\$50 \$100+\$20	None None	\$ 25,701		Admin Order
01140012 - 441503 Reinspection fee	2011	\$50	None	\$ 200	Wash Co: 1st- \$50, 2nd- \$75, 3rd- \$100 Fred City: 1st- \$75, 2nd- \$200, 3rd- \$500; Fred Co: \$45/ea	Admin Order
01140012 - 441512 Vacant Structures, Residential	2007	\$100	None	\$ 5,550		Ordinance
01140012 - 441513 Vacant Structures, Commercial	2007	\$250-\$1,000	None	\$ -		Ordinance
01140012 - 441594 Secure Vacant Structure: Fee Per Building Admin fee Tech fee Material fees	2007 2011	\$100 \$100 \$20 Various	None None None None	\$ 1,300		Ordinance
01140012 - 441601 New Fee Refuse Pickup Admin Fee Tech fee			\$50 \$20	\$ -		Admin Order
01140012 - 441602 New Fee Trash Pickup Fee Tech fee			\$5 per bag \$20	\$ -		Admin Order
01140012 - 449101 Rental License Late Fee, Per Incident	2011	\$50	None	\$ 30,200		Ordinance

SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2013/2014

NAME OF FEE/PURPOSE	EFF DATE	FY13 RATE	FY14 PROPOSED	FY12 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
MARKET HOUSE						
01402042-481005 Market House Stall Rentals: Annual Rates: Reg Space: 6ft Quarterly Fee Reg Space: 6ft Monthly Fee Reg Space: 3ft Quarterly Fee Reg Space: 3ft Monthly Fee Prem Space: 6ft Quarterly Prem Space: 6ft Monthly Prem Space: 3ft Quarterly Prem Space: 3ft Monthly Electric Monthly Fee Seasonal Rates: Reg Space: 6ft Quarterly Fee Reg Space: 6ft Monthly Fee Reg Space: 3ft Quarterly Fee Reg Space: 3ft Monthly Fee Prem Space: 6ft Quarterly Prem Space: 6ft Monthly Prem Space: 3ft Quarterly Prem Space: 3ft Monthly Electric Monthly Fee Weekly Rates: Reg Space: 6ft Fee Prem Space: 6ft Fee	2013	\$54 \$18 \$39 \$13 \$66 \$22 \$51 \$17 \$10 \$60 \$20 \$45 \$15 \$72 \$24 \$57 \$119 \$10 \$15 \$15	None None	\$ 19,432	Washington County Farmer's Market - \$15.24/ft Stall Washington County Farmer's Market \$10 per day Wed. & Sat. Receive 10% discount if choose to be a part of the entire season	Admin Order
01402042-489905 City Farmer's Market Mugs		None	None	\$ 20		Admin Order

ENGINEERING

01140012 - 4505 Appeals Fee-Board of Code Appeals Fee Per Case	2002	\$50	None	\$ 283	Annapolis/Rockville/Mont Co \$75/case Wash Co \$250/case	Admin Order
01090042 - 421202 Street Cutting Permits Per Cut Minimum Fee Plus Tech Fee	2010	\$25 & \$150 \$25	None None	\$ 89,647	Some street can cost thousand's depending on situation Washington County \$35/cut	Ordinance
01090042 - 4899 Sale of Construction Standards Sale of Construction Documents	Varies Per Contract	Varies from \$5-\$200	None	\$ 2,245	Frederick City \$20 Washington Co \$25-50	Admin Order Admin Order
01090042 - 4711 Sale of Maps Sale of Prints/Copies	2012	Varies	Increase & Update	\$ -	Frederick County \$3/map Washington Co. \$3 or .50-/SF	Admin Order
01090042 - 421203 Curb/Sidewalk/Driveway Permits Fee Per Driveway Fee Per Curb/Sidewalk Plus Tech Fee	1995	\$25 \$10 \$5	None None None	\$ 2,560	Cumberland \$15,Fred.Co \$35+bond	Resolution
01090042 - 421205 Site Grading Permit Flat Fee for Site Cost Plus % of Total Work Cost Plus Tech Fee	2004	\$15 1% \$25	None None None	\$ 15,336	Fred Co \$109Minor,\$239Major or 1.5% Wash Co \$25minor,5 acre min-\$20 ac	Admin Order
01090042 - 421201 General Street Construction Permit Fee: Flat Fee Plus % of Total Work Cost Plus Tech Fee	2003	\$25 2% \$25	None None None	\$ -	Based on % so rate adjusts automatically as project costs change	Ordinance
01090042 - 421204 Storm Water Management Permit Flat Fee Plus % of Total Work Cost Plus Tech Fee	1995	\$25 2% \$25	None None None	\$ 4,615	Based on % so rate adjusts automatically as project costs change	Admin Order
01090042 - 441201 Engineering Review Fees Fee Per Lot - Subdivision Fee Per AC-Site Plan Sim. Plats	2013	\$150 + \$200/acre \$150+\$200/acre \$100	None None None	\$ 5,010	Washington County - Min Fee of \$600: \$150 + \$280/acre (<10 acres) \$150 + \$140/acre (>10-<50 acres) \$150 +	Admin Order
01090042 - 421206 Right of Way Closure Permit Application Fee Tech Fee Closure Fee	2005	\$10 \$5 Fee Varies	None None None	\$ 5,658	None - Washington County	Admin Order

SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2013/2014

NAME OF FEE/PURPOSE	EFF DATE	FY13 RATE	FY14 PROPOSED	FY12 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
PARKS & RECREATION						
Various Accounts Golf Course						
Greens Fees at Hamilton Run	2012			\$ 73,603	Town of Waynesboro:	Admin Order
9 Hole/18 Hole		\$11/\$14	None		\$10.75/\$14.75	
Senior 9 Hole/Senior 18 Hole		\$9/\$12	None		\$10.25/\$13.75	
Twilight		\$8	None		N/A	
Weekend or Holiday 9 Hole/18 Hole		\$14/\$17	None		\$12.50/\$17.25	
Season Pass (City Residents Only)	2012			\$ 2,475		Admin Order
Individual		\$425	None		\$350	
Senior Individual		\$300	None		\$300	
Coupon Book for (9) Greens Fee	2007					Admin Order
Regular Rate		\$60	None			
Senior Rate		\$50	None			
Tournaments & Specials	2011	Varies	None	\$ 26,888		Admin Order
Cart Rentals, Per Person:	2012			\$ 37,991		Admin Order
9 Hole/18 Hole	2012	\$6.50/\$11	None		\$6/\$9.50	
Senior 9 Hole/Senior 18 Hole	2012	\$5.50/\$9	None		\$5.50/\$8.50	
Pull Cart Fee		\$2	None			
01450012 - 481011				\$ 350		
Municipal Stadium-Facility Reservations:						
Field-No Lights: Rate Per Game	2012	\$250/Youth;	None		Frederick \$500/day,\$660/night game	Admin Order
Field-With Lights: Add'l Rate Per Game		\$100	None			
Parking Lot Rental	2009	\$50	None		Frederick \$250	
01450012 - 481013				\$ 19,985		
Pavilion Facility Reservations:	2006	\$50	None		Washington Co: Residents \$50; Nonresidents \$70	Admin Order
Bandshell Facility Reservations:	2012				Arts Pavilion \$70/\$90	Admin Order
4hr Rate/All Day Rate		\$25/\$50	None		Pen-Mar \$125/\$135	
01450012 - 481012				\$ 60		
Softball Field Facility Reservation:						
4hr Rate/All Day Rate	2003	\$25/\$50	None		Same as County Rates	Admin Order
01450112 - 481010				\$ -		
Fairground Park Multipurpose Fields	2012	\$25/\$50	None			Admin Order
Facility Reservations:						
Non-Tournament, Per 4 hours/All Day		\$15	None			
Tournament, Per Team/Per Season		\$5/\$250	None			
Stable Rental - 8hr Rate/All Day Rate	2012	\$250/\$500	None			Admin Order
Chair Rental Daily Rate	2012	Discontinue	None			Admin Order
Table Rental Daily Rate	2012	Discontinue	None			Admin Order
01450112 - 481011				\$ 350		
Fairground Park Special Event Rentals						
Special Events	2002	Rate Varies	None			Admin Order
Tennis/Basketball/Hockey Courts and all other areas:						
4hr Rate/All Day Rate	2012	\$25/\$50	None			Admin Order
01404023-4711				\$ 2,980		
Hager House	2012	No admission fee;			Miller House: \$3/adult,\$2/senior	Admin Order
Adult/Senior/Child (Ages 6-12)		Donation Only	None		Free to school age	
01404022 - 481006				\$ 2,050		
Autumn Arts Festival:						
Vendor Stall Rental Fee	2007	\$25	None		Boonsboro: \$50/each	Admin Order
County Res Vendor Stall Rental Fee		\$50	None			
Food Vendor: Fee Per Vendor		\$150	None			
01402022 - Various Accounts				\$ 70,347		
Potterfield Pool:						
Daily Rates:	2011				County Pool:	Admin Order
2 and Under/Pre-school		Free/\$1.50	None		Free/\$1.50	
Youth: Ages 5-12		\$3	None		\$3 (ages 5-12)	
Adult: 13 and Older		\$3.50	None		\$3.50 (ages 13-61)	
Senior: 62 and Older		\$3	None		\$3 (age 62+)	
Season Pass - City Residents:	2011				County Pool:	
Age 2 & Under		Free	None		\$60/child,\$80/Adult,\$150/Family	
Pre-school/Youth		\$25/\$55	None		(max 5 + \$20/pp additional)	
Adult/Senior		\$75/\$50	None			
Family/Over 5 member fee per person		\$125/\$25	None			
Season Pass - Non-City Residents:	2011					
Age 2 & Under		Free	None			
Pre-school/Youth		\$40/\$80	None			
Adult/Senior		\$100/\$70	None			
Family/Over 5 member fee per person		\$175/\$35	None			

SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2013/2014

NAME OF FEE/PURPOSE	EFF DATE	FY13 RATE	FY14 PROPOSED	FY12 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
PARKS & RECREATION (continued)						
Pool Rentals:	2011					Admin Order
1-50 People Hourly Rate		\$80	None		6:30pm - 8:30pm (rates are for 2 hrs): 0-75 \$140 76+ \$200	
51-75 People Hourly Rate		\$90	None			
76-100 People Hourly Rate		\$125	None			
Over 100 People		Special Quote	None			
Baby Pool Hourly Rate		\$35	None			
Swim Lessons	2011	TBD by YMCA	None		Progressive \$40R/\$45NR	
Fitness Swim (3 or 4 days a week, Lap or water workouts)	2011	TBD by YMCA	None			
Lounge Chair Rental Daily Rate	2011	\$2	None			
RECYCLING AND TRASH COLLECTION						
01300012 - 4416				\$ 2,293,125		
Recycling & Refuse Collection	2012				Private Contract Hauler \$106/Qtr plus \$25/Mo for Yard Waste	Admin Order
Quarterly Fee - Residence		\$39.00	None			
Quarterly Fee - Commercial		\$50.00	None			
01300012 - 4417				\$ 3,598		
Bulk Trash Pick-up and Disposal Fee:						Admin Order
Per Load Fee		\$25	None			
Appliance with Freon Fee		\$25	None			
POLICE DEPARTMENT						
01100012 - 4896				\$ 7,095		
Copy Charges	2012				WCSO-\$5/1st page,\$1/each add'l page	Admin Order
Fee Per Page		\$0.25	None			
01100012 - 441301				\$ 3,610		
Fingerprinting-Civilian	2004	\$13	None		WCSO-\$10 WCSO-\$10/1st hour, \$5 each add'l hour.	Admin Order
Electronic Media Duplication	2004	\$25 + Cos Media	None			
01104012 - 441331				\$ 109,692		
Special Assignments- Hrly Fee (Dance, School Event, etc)	2010	\$49.91	None		115% of top officer's pay overtime rate per AFSCME 3373 Bargaining Agreement	Barg. Agrmt
01102052 - 441311				\$ 84,154		
Drug Analysis-Washington County (Fee is 50% of Actual Cost for Supervisory Forensic Scientist and Forensic Technician)	1992	50% of actual Costs	None			MOU
Drug Analysis-Other Agencies	2003	\$35	None			
01100012 - 4503				\$ 21,993		
Vehicle Storage Fee Per Day (Storage, Towed Vehicles, Public Auctions)	2007	\$20	None		WCSO - \$15 County - for tow companies on rotating call list - \$25	Admin Order
01100012-4455301 New Fee				\$ -	<u>Annapolis</u> <u>Frederick</u>	Ordinance
Red Curb & Handicap Fines					\$100 red, \$25 yellow \$ 30 yellow \$100 \$100 \$100 \$100 \$100 \$100	
Fine - Parking on Red Curb			\$25			
Fine - Parking on Handicap Zone			\$100			
Fine - Parking in Fire Lane			\$25			
Fine - Parking in front of Fire Hydrant			\$100			
Late Fees for Fines paid After 10 days/After 30 days			\$10/\$20		Ordinance	
01104072 - 4509				\$ 291,300		
Speed Camera Fine	2012	\$40 (\$35 if paid within 7 days of issuance)	None			Ordinance
01104072-4552				\$ 6,460		
Speed Camera Fine Late Fee	2012	\$20	None			Ordinance
FIRE DEPARTMENT						
01120012 - 441402				\$ 1,250		
False Call/Failure to notify FD working	2012	\$250	None			Ordinance
01120012 - 421302				\$ -		
Blasting Permits	2012	\$50	None			Ordinance
01120012 - 4210				\$ 32,443		
GBSD Permit	2012	\$250	None		State Fire Marshal Assembly Permit: 50-300 \$120; 301-1,000 \$240; 1,001+ \$360	Ordinance
Assembly Permit	2012	\$50	None			
Building Permits: % of Total Building Permit Fee	2013	25%	None			
0112012 - 441401				\$ 15,837		
Reinspection Fee	2012	\$150	None		State Fire Marshal 1st \$200; 2nd \$250 State Fire Marshal \$150/system with add'l charges per system fixture or device \$2.00	Ordinance
Plan Review & Inspection for Fire Protection System Installation		\$100 with add'l chgs per system fixture or device	\$100 with add'l chgs per system fixture or \$1.50 per device			
Per System						
01120012 - 4899				\$ 466		
Technical Assistance Hourly Fee	2013	\$50	None		State Fire Marshall Office \$75/hr	Ordinance
Municipal Infractions & Misc. Revenues	2006	Various	None			
Fire Report Fee	2004	\$5 for 4 pages	None			

SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2013/2014

NAME OF FEE/PURPOSE	EFF DATE	FY13 RATE	FY14 PROPOSED	FY12 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
FIRE DEPARTMENT (continued)						
01120012 - 441403 Juvenile Intervention Program	2004	\$150	None	\$ 300		Admin Order
01120012 - 441404 Fire Call Service Charges:	2011			\$ 3,231		Ordinance
Engine Hourly Rate		\$150	None			
Utility Hourly Rate		\$100	None			
Officer Hourly Rate		\$50	None			
Fire Marshall Hourly Rate		\$50	None			
Truck Hourly Rate		\$150	None			
01120012 - 441405 Responding to Motor Vehicle Collisions				\$ 22,925		Ordinance
Engine: Hourly Rate (Min Billing Amt)	2012	\$150				
Utility: Hourly Rate (Min Billing Amt)	2012	\$100				
Officer: Hourly Rate (Min Billing Amt)	2013	\$50				
Truck: Hourly Rate (Min Billing Amt)	2012	\$150				
PUBLIC WORKS						
01160012 - 483006 Signal-State Highway Administration Fee Per Intersection	2005	\$1,500	None	\$ 52,500	\$1,500 each	Admin Order
PARKING FACILITIES						
56740112 - 4451 Parking Deck Permits - Monthly Fee:	2009			\$ 164,703	Annapolis: \$60/\$250 month Cumberland: \$55/\$90 month Winchester: \$35/\$42 month Frederick: \$96 month	Resolution Resolution Admin Order
Regular Customers		\$60	None			
Personally Assigned Space		\$120	None			
Late Fee Parking Deck Permit		\$15	None			
56740112 - 4452 Parking Deck Fees				\$ 30,527	Annapolis: \$1hr,\$10 max/\$2hr, \$20max Cumberland:\$1hr,\$8max Winchester: \$0.50hr; \$10 max Frederick: \$1/hr,\$10 max	Resolution
Minimum Fee	2010	\$1	None			
Half Hour Fee	2010	\$0.50	None			
Maximum Daily Rate	2012	\$8	None			
Monthly	2012	\$60	None			
Exiting Fee Between 4pm-6am weeknights & weekends	2010	\$1	None			
56740112 - 4453 Special Event Parking (i.e. Blues Fest)		\$5	None	\$ 5,233		
56740112 - 4454 Parking and Shop Hourly Fee	2010	\$0.80	None	\$ 4,300		Resolution
56740112 - 4455 Parking Meter Fees	1992			\$ 10,419	Annapolis: \$1/hour Winchester: \$0.50/hour Frederick: \$1/hour Cumberland: \$.50/hour	Resolution
Twelve (12) Minutes		\$0.10	None			
Thirty (30) Minutes		\$0.25	None			
Sixty (60) Minutes	2012	\$0.50	None			
Thirty Minute Parking Meters	2003					Resolution
Six (6) Minutes		\$0.10	None			
Twelve (12) Minutes		\$0.20	None			
Thirty (30) Minutes		\$0.50	None			
Monthly Permit Fees Parking Lots:	2012				Annapolis: \$50/\$225 month Frederick: \$50/month Cumberland: \$35 month Winchester: N/A	Resolution
Central Lot		\$46	None			
Church Street Lot		\$46	None			
Market Lot		\$46	None			
Rochester Lot		\$46	None			
56740132 - 445899 Department Charges Monthly Fee	2012	\$45	None	\$ 35,934	Annapolis: \$25/expired,\$100/handicap Cumberland: \$25/expired,\$25/handicap Frederick: \$10/expired,\$100/handicap Winchester: \$10/expired,\$100/handicap	Admin Order Ordinance
Parking/Expired Meter	2003	\$10/\$25/\$35	None			
Fire Hydrant		\$100/\$110/\$120	None			
Non-Meter/All Other		\$15/\$25/\$35	None			
Handicap Zone		\$100/\$110/\$120	None			
Parking Boot Fee		\$100	None			Resolution

SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2013/2014

NAME OF FEE/PURPOSE	EFF DATE	FY13 RATE	FY14 PROPOSED	FY12 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
ELECTRIC DEPARTMENT						
50000002 - 442101 Residential - All KWH Base rate Purchased Power Adj. Rate (Est Ave rate)	2005	\$0.06263 \$0.02383	None \$0.01478	\$ 12,947,830	and net energy metering tariff Potomac Edison bill Dec 2012 \$0.102213/kWh	Maryland PSC
50000002 - 442201 General and Commercial 1st 700 KWH >700 KWH Demand over 7.5 KW Purchased Power Adj. Rate (Est. aver. rate)	2005	\$0.08314 \$0.05257 \$4.06817 \$0.02383	None None None \$0.01478	\$ 5,470,221	\$0.115140 \$0.060200 \$7.060000	Maryland PSC
50000002 - 442301 Industrial-Low Load 1st 100,000 KWH Over 100,000 KWH Demand all KW Purchased Power Adj. Rate (Est. ave. rate)	2005	\$0.05040 \$0.04220 \$3.4090 \$0.02383	None None None \$0.01478	\$ 2,602,718	AP Schedule "PP" No comparison due to AP Large Industrial customers experiencing hourly load pricing	Maryland PSC
50000002 - 442302 Industrial-High Load 1st 100,000 KWH Over 100,000 KWH Demand all KW Purchased Power Adj. Rate (Est. ave. rate)	2005	\$0.04052 \$0.03606 \$6.26929 \$0.02383	None None None \$0.01478	\$ 5,209,809	AP Schedule "PH" No comparison due to AP Large Industrial customers experiencing hourly load pricing	Maryland PSC
50000002 - 4424 Outdoor Lighting 175 Watt Monthly Fee 250 Watt Monthly Fee 400 Watt Monthly Fee Purchased Power Adj. Rate (Est. ave. rate)	1996	\$5.25 \$6.96 \$10.03 \$0.02383	None None None \$0.01478	\$ 25,242	No comparison, due to Structuring difference	Maryland PSC
50000002 - 442501 Street & Highway Lighting Per KWH Purchased Power Adj. Rate (Est. ave. rate)	2005	\$0.06842 \$0.02281	None \$0.01478	\$ 704,621	No comparison	Maryland PSC
50000002 - 442502 Traffic Lights Per KWH 1st 700 KWH >700 Purchased Power Adj. Rate (Est. ave. rate)	1996	\$0.06749 \$0.03865 \$0.02383	None None \$0.01478	\$ 25,917	No comparison	Maryland PSC
50000002 - 442303 High Voltage-Cascades Per KW Per KWH Per KWH	1995	\$10.5380 \$0.01092 \$0.03441	None None \$0.02638	\$ 102,369	AP Schedule "PP", No comparison	Maryland PSC
50000002 - 481813 Pole Rental - Fee Per Pole Pole Rental (Prior 2001 grandfathered)	2001 1966	\$20.00 \$4.50	None	\$ 19,557		Maryland PSC
50000002 - 481814 28 W. Church Street Monthly Fee	2013	\$0	None	\$ 3,796	N/A	Resolution
50000002 - 481815 Central Maintenance Garage Monthly Fee	2012	\$3,083	\$3,167	\$ 37,000	N/A	Admin Order
50000002 - 489908 Reimbursed Line Dept. Overtime Call out charge-Reconnect Call out Charge-Pole Reconnect	1984	Actual Cost \$85 Est. Actual Cost	None None None	\$ 45,869	AP \$80	Maryland PSC
50000002 - 4238 Connection Fees Reconnection Fees	1992	\$10 \$15	None None	\$ 59,520	AP \$0 AP \$16	Maryland PSC

**SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2013/2014**

NAME OF FEE/PURPOSE	EFF DATE	FY13 RATE	FY14 PROPOSED	FY12 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
WATER DEPARTMENT						
52000002 - 4249 Contracted service-payment for services rendered not w/in the existing level Labor Fee Plus (Schedule)	1991	\$2.64 Multiplier Material, 25% Equip	None	\$ 7,815	Frederick - Labor 38.5%,Material 10%	Admin Order
52000002 - 4231 52000002 - 4245 Water Plan Review/Inspection Fee Per Application Fee Plus Fee Per Ft Main Review Inspection Fee Per Ft PS Fee Per Gallon (Minimum of PS Capacity)	2006	\$50 \$50 0.50 \$3 \$14	None None None None None	\$ 31,142 Total Fees		Ordinance
52000002 - 4235 Non-Utility Misc-payment for providing consumption data to WCWSD Annual Fee Per Account	Annual Per Agree 2012	\$10.60	\$11.00	\$ 54,015		Admin Order
52000002 - 481002 Rent-City Employee Willson (Tenants Pay Fuel) Smithsburg (Tenants Pay Fuel) Edgemont (Tenants Pay Fuel) Ritchie Rd (Tenants Pay Fuel)	2008 2008 2008 2008	\$580 \$495 \$505 \$500	None None None None	\$ 24,960	Wheaton Park \$207 Funkhouser Park \$427 Hager Park \$290	Admin Order
52000002 - 481003 Cell Tower Rental	2007	\$897/month	None	\$ 10,359		Motion
52000002 - 4899 Misc. Other Revenues Hunting Permits Maps (Free with Permit)	2006	\$10 \$1	None None	\$ 1,230	N/A	Admin Order
52000002 - 4240 Transfer Fee Meter Testing Fee	2007 2007	\$30 \$30	None None	\$ 7,260	New for prop transfers New fee for customers initiated meter tests	M&C
52000004 - 4722 Benefit charges-charged to new customers for impact of additional demand to major system components Fee Per Gallon of Average Daily Usage Fee Min 200 Gallon	2006	\$12.50 \$2,500	None None	\$ 562,990	Washington County: Initial alloc is part of connection fee / additional alloc is \$1,950 per EDU	Ordinance
52000002 - 443201 52000002 - 443101 Metered Sales - City: Residential: Consumption: Per K, 1st 18,000 Consumption: Per K, Over 18,000 Fixed: 5/8" - 10" Non-Residential: Consumption: Per K, 1st 100,000 Consumption: Per K, Over 100,000 Fixed: 5/8" - 10"	2012 2012	Eff July 1, 2012 Rate Increase - 5% City & 6.5% County \$1.40 \$2.65 \$6.19-\$854.22	Eff July 1, 2013 Rate Increase - 5% City & 6.5% County \$1.47 \$2.78 \$6.49-\$895.62	\$ 1,913,641 Total Fees	5 Year Agreement previous approved by Mayor and Council for FY10-FY14 FY13: Frederick City-Qrtly + usage fee \$3.32/K-1st 6,000 gals \$4.8/K-next 10,000 gals \$5.08/K next 8,000 gals \$34.94-\$1,013.19	Ordinance
52000002 - 443202 52000002 - 443102 Metered Service - County: Residential: Consumption: Per K, 1st 18,000 Consumption: Per K, Over 18,000 Fixed: 5/8" - 10" Non-Residential: Consumption: Per K, 1st 100,000 Consumption: Per K, Over 100,000 Fixed: 5/8" - 10"	2012 2012	Eff July 1, 2012 Rate Increase - 5% \$3.32 \$6.32 \$17.76-\$2,450.88	Eff July 1, 2013 Rate Increase - 5% City & 6.5% County \$3.54 \$6.73 \$18.92-\$2,610.96	\$ 7,372,699 Total Fees	5 Year Agreement previous approved by Mayor and Council for FY11-FY14 Frederick City: double inside City Rate FY13 Washington County: 1st 6,000 gals = \$91.65 Over 6,000 gals = \$9.06 per 1,000 gal	Ordinance Ordinance
52000002 - 4237 Fire Protection: City - 4" - 12" County - 4" - 12"	2009	\$166 - \$1,492 \$222 - \$1,990	None None	\$ 141,332	Chambersburg - City & County 4" \$81.60, 6" \$204.36, 8" \$326.76 10" \$489.84, 12" \$680.40	Ordinance
52000002 - 4232 New Services: 3/4" 1" 1" Double Application Fee	2003	\$715 \$925 \$1,160 \$50	None None None None	\$ 165,410	Wash Co. Residential - \$1950+\$325 meter fee	Resolution
52000002 - 4238 Reconnection Fee: 8:00am-3:00pm After 3:00pm	2006 2001	\$35 \$85	None None	\$ 56,730	Frederick City: \$25 on/\$25 off	Ordinance

SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2013/2014

NAME OF FEE/PURPOSE	EFF DATE	FY13 RATE	FY14 PROPOSED	FY12 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
WASTEWATER DEPARTMENT						
54000002 - 4243 Connection Charge: City County	2003	\$1,200 \$1,800	None None	\$ 1,250	Washington Co - Connection/Allocation \$6,300	Ordinance
54000002 - 4242 54000002 - 4245 Sewer Plan Review/Inspection Fee: Application Fee + Review Fee Per Ft. Inspection Fee Per Ft. PS Fee Per Gal. (Minimum of PS Capacity)	2006	\$50 + \$0.50 \$3 \$14	None None None	\$ 1,150 Total Fees		Ordinance
54000002 - 4810 Rental Income per year	1984	\$365	None	\$ 365		Admin Order
54000004 - 4722 55000004 - 4722 Benefit Charges-Fee Per Gallon: In City w/\$4,400 Minimum In County w/\$5,000 Minimum	2006	\$22 \$25	None None	\$ 656,326 Total Fees	Washington Co - Alloc is part of connection charge; additional assessment for non-residential is \$5,900 per EDU	Ordinance
54000002 - 444201 54000002 - 444101 Sewer Service Charges-City Consumption: Per 1,000 Gallons Fixed Charges: 5/8" - 10"	2012	Eff July 1, 2012 Rate Increase - 5% City & 3.0% County \$4.15 \$17.06-\$2354.28	Eff July 1, 2013 Rate Increase - 5% City & 3.0% County \$4.36 \$17.90-\$2,470.20	\$ 5,316,613 Total Fees	5 Year Agreement previous approved by Mayor and Council for FY10-FY14 Frederick City: In-City FY13 Tiered Rates: \$3.32 to \$5.76 / 1,000 gals Base Charge: \$34.94-\$1,013.19	Ordinance
54000002 - 444202 54000002 - 444102 Sewer Service Charges- County Consumption: Per 1,000 Gallons Fixed Charges: 5/8" - 10"	2012	Eff July 1, 2012 Rate Increase - 5% City & 3.0% County \$7.09 \$28.86-\$3982.68	Eff July 1, 2013 Rate Increase - 5% City & 3.0% County \$7.30 \$29.73-\$4,102.74	\$ 2,789,498 Total Fees	5 Year Agreement previous approved by Mayor and Council for FY10-FY14 Frederick City - Double the inside rate	Ordinance
54000002 - 444203 54000002 - 444103 Sewer Service Charges-Joint County Consumption: Per 1,000 Gallons Fixed Charges: 5/8" - 10"	2012	\$6.17 \$25.11-\$3465.18	Eff July 1, 2013 Rate Increase - 5% City & 3.0% County \$6.35 \$25.86-\$3,568.68	\$ 1,859,645 Total Fees	5 Year Agreement previous approved by Mayor and Council for FY10-FY14	Ordinance
54000002 - 4443 Low Pressure Systems Per Dwelling Quarterly Fee If 2 Dwelling Pump Quarterly Fee	2010	\$97.80 \$53.73	None None	\$ 105,400		Ordinance
54000002 - 4246 Monitoring Report/Lab Testing Fees: Meter Set-Up Charge Per Test Biochemical Oxygen Demand Chemical Oxygen Demand Fats, Oils & Grease Suspended Solids PH Metals	2012	\$85 \$30 \$30 \$40 \$15 \$8 \$15	None None None None None None None	\$ 2,106	Frederick - part of permit fee Wash. Co: \$25,\$35,\$12 Carlisle: Calculated assessment	Admin Order
54000002 - 4241 54000002 - 4244 Industrial Permit Fee/year Industrial Surcharge Per 1,000 lbs: Chemical Oxygen Demand Fee Suspended Solids Fee Grease & Oil Fee Biochemical Oxygen Demand	2001 2008	\$250 - \$2,000 \$0.33 \$0.82 \$0.47 \$0.82	None None None None	\$ 93,853 Total Fees	Frederick: Increment calculated every 6mo Wash Co: 1.9% Residential Carlisle: Calculated assessment	Ordinance

CAPITAL IMPROVEMENT PROGRAM

SECTION 9

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CAPITAL IMPROVEMENT PROJECTS – PROGRAM SUMMARY
FISCAL YEAR 2013/2014

All Departments – Consolidated

PROGRAM OVERVIEW

The City plans its capital improvement projects over a five-year period. Capital improvements programming and budgeting involves the development of a long-term plan for capital expenditures. Capital expenditures include buildings and facilities, significant ongoing maintenance and improvements to current facilities, land, major equipment, and other commodities which are of significant value and have useful life of several years. It is both a fiscal and planning document that allows the City to monitor and inventory all capital project costs, funding sources, departmental responsibilities, and project schedules. The program includes comprehensively reviewing all capital needs; obtaining citizens' opinions about needs and proposed expenditures; and setting criteria policy-makers can use to choose among competing projects.

The proposed Capital Improvements Program (CIP) for FY 2012/13 and FY 2013/14 is summarized below:

Fund	FY13		FY14
	Revised Budget	Estimated Actual	Proposed Budget
General / CIP Fund	\$ 6,184,130	\$ 3,771,397	\$ 15,560,268
Electric Fund	470,000	129,100	428,000
Water Fund	7,362,000	6,938,098	13,421,000
Wastewater Fund	2,220,000	1,766,032	2,139,500
Parking Fund	125,000	119,682	1,460,000
Golf Fund	28,550	33,550	40,000
Property Management Fund	661,108	1,145,061	173,079
TOTALS	\$ 17,050,788	\$ 13,902,920	\$ 33,221,847

MAJOR 2013/14 PROGRAM OBJECTIVES

- Further the City's goals and objectives as outlined in the City's Comprehensive and Strategic Plans.
- Maximize opportunities for community development and infrastructure replacement while staying within debt affordability guidelines, available resources and complying with the City's debt policies.
- Increase opportunities to obtain funding from outside sources such as the Federal, State and County Governments and other private parties.
- Assist in planning, budgeting and coordinating the operational and capital efforts of all City Departments.
- Provide guidance for making decisions about requests for routine or emergency capital expenditures.
- Attract private investment by planning for future amenities and infrastructure improvements to support public capital commitments.
- Maintain or improve the City's bond rating through effective financial planning and management.

THE CITY'S STRATEGIC PLAN

In September 2010, the Mayor and City Council approved a formal Strategic Plan for the City's future. 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 policy makers, the CIP's five year forecast included in this section reflects the financial impact of their decisions. The Strategic 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.

A Prosperous Community

In order to provide a prosperous community, the City strives to create incentives and programs that attract higher paying jobs, increase private sector investment and market Hagerstown as the premier community for residential and economic development; as a result \$2.7 million has been included in the budget to assist in the demolition and

CAPITAL IMPROVEMENT PROJECTS – PROGRAM SUMMARY
FISCAL YEAR 2013/2014

land acquisition of the former Municipal Electric Light Plant (MELP) site, to help fund a major downtown redevelopment project, for on-going renovation of 36-40 N Potomac Street to renovate the vacant commercial space, continuing renovation of the Hagerstown Small Business Center (the old CVS building) in City Center as a small business incubator, and renovations to the Elizabeth Hager Center also in City Center.

A Vibrant, Active, and Livable Community

To ensure a vibrant, active, and livable community, the City helps policy makers focus on specific areas, buildings and projects that create a rich, social and culturally vibrant community. The budget plan includes \$9.0M for a new parking deck, construction of a stadium/multi-use facility, pocket parks, possible stormwater management planning, new sidewalks, rehabilitation of Marsh Run walls, a new statue, and other miscellaneous community initiatives.

A Safe and Healthy Community

To create and maintain a community that is safe, inviting, and environmentally healthy, with an emphasis on resource conservation, the budget proposal provides \$19.8 million for bridge repairs, City Hall “green” renovations, pavement preservation and maintenance, signal controller upgrades, culvert repairs, water main replacements, improvements to water treatment plants to improve safe drinking water standards, and collection system rehabilitations.

An Innovative and Sustainable Government

In order to have an innovative and sustainable government, the City invigorates the organization and identifies techniques that allow services to be delivered in the most efficient and cost effective manner. In order to achieve this efficiency, there is \$1.7 million planned for MUNIS financial system upgrades, Geographic Information System (GIS) upgrades, Cable PEG and Internet upgrades, telemetry equipment, and Supervisory Control and Data Acquisition (SCADA) Systems.

OVERVIEW OF THE PROJECTS IN THE CIP

The CIP section presents comprehensive descriptions of major project needs for FY2014 through FY2018. Pages 11 through 45 provide summary schedules by fund outlining funding sources and project expenditures and are organized by Fund and department. Pages 46 through 182 contain detailed descriptions pertaining to individual CIP projects and are organized by Fund and project number. These pages describe each project in more detail, and include a justification section. Additionally, these pages include information relating to the potential budget impact that each recurring and non-recurring capital investment may have on current and future operating budget and services provided by the City.

The City’s Capital Improvement Program budget for FY 2013/14 at \$33.2 million has increased from \$17.1 million in FY 2012/13 revised budget. In total, CIP continues the same trend higher in the FY 2013/14 budget over the current fiscal year as a result of several contributing factors and projects:

- Over a three year span from FY 2009/10 through FY 2011/12, vehicle purchases were deferred in an effort to minimize costs and aid in the overall financial condition of the City. As a result, the City is now in a position where vehicles are well past their useful lives and are beginning to impact negatively on operating maintenance costs. Beginning in our current budget FY 2012/13, the City began to include funding for the replacement of vehicles and equipment. In our FY 2013/14 budget, it is important to note that the only additions to our existing vehicle fleet are in the Police Department, and are contingent upon Mayor and Council approval of a new take home vehicle program to be introduced in FY 2013/14. If this new program is not approved, we will continue to replace existing Patrol vehicles as needed. In our FY 2013/14 budget, the General Fund has included \$1,943,000 for vehicles, which includes the replacement of a Fire Engine that carried forward from FY 2012/13 (\$450,000), replacement of a Ladder Truck (\$900,000), and 5 additional Patrol vehicles (\$200,000). In addition, the Enterprise Funds include a total of \$932,400 for vehicle replacements, which includes the replacement of a Wastewater Vac Truck (\$425,000).

CAPITAL IMPROVEMENT PROJECTS – PROGRAM SUMMARY
FISCAL YEAR 2013/2014

- The City is committed to assist in the demolition of the former Municipal Electric Light Plant (MELP), help remediate for environmental issues, and reacquire the land. Subsequently, we have included \$1.0 million in our FY 2013/14 budget.
- The City has included \$1.5 million in our FY 2013/14 budget for a Downtown Redevelopment project(s) to help revitalize our downtown area and help spur economic redevelopment. A specific project has not yet been identified, but funding has been included to help address Mayor and Council priority items.
- The City has included a Stadium/Multi-use Facility in our FY 2013/14 budget. Currently, a second feasibility study is underway to assess two potential sites for this project. The FY 2013/14 budget includes a total of \$6.25 million for land acquisition, demolition, planning, and design. It is anticipated that this project would be a collaborative endeavor between the City, Washington County, State of Maryland, local baseball owners, and private contributors. The total costs are included in our FY 2013/14 budget as well as shared funding sources from the various groups mentioned.
- The City is contemplating the construction of a third parking deck. As a result, we have included \$1.4 million in our FY 2013/14 budget for potential land acquisition, demolition, and necessary planning and design work.
- The design and bidding phase of the RC Willson Phase IV Improvements for Stage 2 DPBR Compliance is included in our FY 2013/14 budget. This project includes necessary upgrades to our chemical, SCADA, and electrical systems. The improvements and upgrades will ensure compliance with the Maryland Department of the Environment's Disinfected Byproduct II regulations and Safe Drinking Water Act Regulations.
- Several other large projects within the FY 2013/14 budget are: funding for the Pavement preservation program for upkeep and maintenance of City streets; an on-going Bridge repair program to rehab three (3) existing bridges located on Burhans Boulevard; construction and improvements to the existing Frederick Street culvert and connecting sidewalk; continuation of the Wastewater's Collection system rehab efforts for necessary repairs; and, continuation of efficiency enhancements included as part of the Water department's residential and large meter replacement program.

DEFINITIONS

For the purposes of this program, the definitions for “operating” and “capital” budget costs are as follows:

Operating costs are those recurring personal service or consumable asset expenditures, the costs of which are usually consistent and annual. Those costs are not included in the Capital Improvements Program.

Capital costs for purposes of the Capital Improvement Program are non-recurring, have a useful life of more than four (4) years, and exceed \$5,000 (\$10,000 for Enterprise Funds). Capital budget costs include both capital “projects” and major capital “outlays”. Project expenditures are for the construction, purchase or major renovation of buildings, utility systems, or other physical structures. Outlay expenditures are for the acquisition of furniture, equipment, or fixed assets; such as trucks, land, or buildings, which otherwise meet the definition of “capital.”

For detailed definitions on other terms, please refer to the Glossary in Section 10.

CAPITAL IMPROVEMENTS PROGRAM - ALL FUNDS
 FISCAL YEARS 2014/18
 LIST OF PROJECTS ALPHABETICAL BY PROJECT NAME

PROJECT NAME	PROJECT NUMBER	PROJECT PRIORITY
36-40 North Potomac Street	58-C0836	Planned Improvement
Adm. & Engineering Equipment	52-C0648	Planned Improvement
Alley Reconstruction	45-C0324	Planned Improvement
Alms House Repairs	58-C0755	Planned Improvement
Antietam Creek Greenway Trail	45-C0774	Planned Improvement
Bester Elementary School	50-C0841	Planned Improvement
Breichner WTP Improvements	52-C0405	Planned Improvement
Bridge Repair Program	45-C0400	Cost Avoidance
Building and Site Improvements	50-C0542	Planned Improvement
Buildings and Structures	54-C0585	Planned Improvement
Cable PEG/I-Net	45-C0568	Contract Obligation
Central Substation	50-C0118	Planned Improvement
Circuit Upgrades	50-C0842	Planned Improvement
City Hall Improvements	45-C0326	Planned Improvement
City Park Bridge Light Replacement	50-C0610	Cost Avoidance
City Park Lake Improvements	45-C0047	Planned Improvement
City Park Parking Improvements	45-C0522	Planned Improvement
City Park Walkways	45-C0844	Planned Improvement
Citywide - CS Rehabilitation	54-C0800	Public Safety
Clarifiers 4 & Weir Covers 6	54-C0845	Contract Obligation
Collection System Equipment	54-C0713	Planned Improvement
Collection System Rehabilitation	54-C0327	Public Safety
Community & Economic Development Vehicles	45-C0249	Cost Avoidance
Computer Equipment and Software	45-C0006	Planned Improvement
Curb and Sidewalk Replacement Program	45-C0458	Planned Improvement
Deerfield Knolls	50-C0707	Planned Improvement
Distribution Services - Meter Program	52-C0653	Cost Avoidance
Distribution System Rehab - Main Replacement	52-C0709	Planned Improvement
Dog Park	45-C0851	Planned Improvement
Downtown Beautification Program	45-C0280	Planned Improvement
Downtown Gateway Signs	45-C0579	Planned Improvement
Downtown Redevelopment	45-C0854	Planned Improvement
East End Pump Station	54-C0565	Planned Improvement
Edgemont Reservoir Improvements	52-C0168	Planned Improvement
Electric Vehicles	50-C0090	Planned Improvement
Eliminate Pump Stations	54-C0832	Planned Improvement
Elizabeth Hager Center	58-C0803	Planned Improvement
Engineering Vehicles	45-C0133	Cost Avoidance
Fairchild Heights	50-C0613	Planned Improvement
Fairground Grandstand Improvements	45-C0624	Contract Obligation
Feeder Coordination	50-C0833	Planned Improvement
Fire Apparatus Computer Equipment	45-C0849	Public Safety
Fire Department Vehicle Replacement	45-C0010	Planned Improvement
Fire Training Tower	45-C0241	Planned Improvement
Frederick Street Culvert	45-C0811	Documented Savings
Gasboy Fuel Mgmt System Upgrade	45-C0855	Public Safety
Geographic Information System	45-C0451	Planned Improvement
George Washington Statue	45-C0837	Planned Improvement

CAPITAL IMPROVEMENTS PROGRAM - ALL FUNDS
 FISCAL YEARS 2014/18
 LIST OF PROJECTS ALPHABETICAL BY PROJECT NAME

PROJECT NAME	PROJECT NUMBER	PROJECT PRIORITY
GIS Facility Software	50-C0777	Planned Improvement
Golf Cart Storage	57-C0825	Improve Service
Golf Course - Vehicles/Equipment	57-C0395	Cost Avoidance
Grinder Pump Replacement Program	54-C0767	Planned Improvement
Hagerstown Business Park	50-C0258	Planned Improvement
Hagerstown Ice Rink	45-C0843	Cost Avoidance
Hagerstown Small Business Center	58-C0828	Planned Improvement
Hamilton Hotel	50-C0819	Planned Improvement
Handicapped Access	45-C0217	Probable Grant
Installation of Street Trees	45-C0594	Planned Improvement
Kiwanis Park	45-C0773	Contract Obligation
Laboratory Equipment	54-C0745	Planned Improvement
LED Signal Lights	45-C0245	Cost Avoidance
Major Signal Intersection Upgrades	45-C0243	Planned Improvement
Manhole Raising	54-C0267	Public Safety
Market House Improvements	45-C0099	Planned Improvement
Marsh Run Walls Rehabilitation	45-C0853	Cost Avoidance
MELP	45-C0839	Planned Improvement
Memorial Park	45-C0784	Improve Service
Mills Park Hiker/Biker Trail	45-C0737	Planned Improvement
Mitchell Substation Third Bay	50-C0778	Planned Improvement
Multi-Use Paths	45-C0717	Planned Improvement
Municipal Financial System	45-C0739	Planned Improvement
Municipal Stadium Improvements	45-C0040	Cost Avoidance
Neighborhood Parks	45-C0751	Planned Improvement
New Sidewalks	45-C0595	Public Safety
Noland Drive Boys & Girls Club	50-C0818	Planned Improvement
North Potomac Street Parking Facilities	56-C0749	Planned Improvement
Northwest Connector	45-C0735	Planned Improvement
Old Trail Estates/Peachtree Suites	50-C0673	Planned Improvement
Oxygen System Improvements	54-C0657	Public Safety
Pangborn Lake Reconstruction	45-C0812	Documented Savings
Park Circle Improvements	45-C0373	Public Safety
Park Equipment	45-C0237	Planned Improvement
Parking Facilities - 3rd Parking Deck	56-C0173	Planned Improvement
Parking Fund Vehicles	56-C0829	Planned Improvement
Parking System Way Finding Signs	56-C0848	Planned Improvement
Parks Vehicles and Equipment	45-C0570	Planned Improvement
Pavement Markings	45-C0093	Public Safety
Pavement Preservation Program	45-C0025	Planned Improvement
Pedestrian Lighting	50-C0388	Planned Improvement
Plant Equipment	54-C0584	Public Safety
Police Building Renovation	45-C0308	Planned Improvement
Police Crime Lab Equipment	45-C0182	Planned Improvement
Police Firing Range	45-C0226	Planned Improvement
Police Radios	45-C0128	Public Safety
Police Vehicles	45-C0129	Public Safety
Poplar Square (former Linwood Hollow)	50-C0706	Planned Improvement

CAPITAL IMPROVEMENTS PROGRAM - ALL FUNDS
 FISCAL YEARS 2014/18
 LIST OF PROJECTS ALPHABETICAL BY PROJECT NAME

PROJECT NAME	PROJECT NUMBER	PROJECT PRIORITY
Potomac Manor	50-C0674	Planned Improvement
Potterfield Pool Improvements	45-C0822	Improve Service
Public Works Operations Center Improvement Program	45-C0250	Planned Improvement
Public Works Storage Yard Expansion	45-C0718	Planned Improvement
Public Works Vehicles	45-C0065	Planned Improvement
Pump Station Improvements	52-C0651	Planned Improvement
Pump Station Improvements	54-C0299	Public Safety
R. Paul Smith Boulevard	45-C0733	Planned Improvement
Sign Plotter Replacement	45-C0847	Planned Improvement
Signal Controller Upgrades	45-C0433	Planned Improvement
Signal Timing Optimization	45-C0640	Planned Improvement
Solids Processing-Pelletizer and WWTP Improvements	54-C0711	Contract Obligation
Spare Regulators	50-C0797	Improve Service
Stadium/Multi-use Facility Construction	45-C0041	Planned Improvement
Standby Generator Replacement	45-C0846	Public Safety
State Highway Retrofit Sidewalk Program	45-C0527	Probable Grant
Steam Engine Museum	45-C0439	Planned Improvement
Storm Water Management Implementation	45-C0637	Contract Obligation
Stormdrain System Upgrades	45-C0444	Planned Improvement
Substation Breaker Replacement	50-C0776	Planned Improvement
System Reconductoring	50-C0259	Planned Improvement
Telemetry Equipment	50-C0111	Planned Improvement
Test Equipment	50-C0609	Planned Improvement
Time & Attendance Software and Equip	45-C0007	Planned Improvement
Traffic Calming	45-C0560	Planned Improvement
Tree Boxes	45-C0852	Planned Improvement
Trunk Lines and Laterals	54-C0834	Contract Obligation
W Washington Streetscape Improvements	45-C0827	Planned Improvement
Wastewater Vehicle Replacement	54-C0004	Planned Improvement
Water System SCADA Improvements	52-C0820	Cost Avoidance
Water Vehicles	52-C0117	Planned Improvement
Wesel Boulevard Development	50-C0220	Planned Improvement
West End Fire and EMS (Relocation)	45-C0730	Planned Improvement
Wildlife Protection	50-C0802	Improve Service
Willson Plant Improvements Phase IV	52-C0740	Planned Improvement
Willson Transmission Mains	52-C0167	Planned Improvement
Willson Treatment Plant	52-C0166	Planned Improvement
Winter Street School-Neighborhood Park	45-C0764	Probable Grant
Work Management System	50-C0618	Planned Improvement
Zone 3 Standpipe	52-C0323	Planned Improvement

**VEHICLE & EQUIPMENT REPLACEMENT SCHEDULE - ALL FUNDS
FIVE YEAR PLAN - FISCAL YEARS 2014/18**

UNIT	VEHICLE	YEAR	DESCRIPTION	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
COMMUNITY & ECONOMIC DEVELOPMENT								
401			CHEVY TRUCK				20,000	
711	5674	2003	CHEVY S10					
712	5779	2005	JEEP LIBERTY				25,000	
717	5699	2003	CHEVY CAVALIER		18,000			
718	5815	2006	CHEVY TRUCK		20,000			
716	5698	2003	CHEVY CAVALIER					
750	5822	2006	CHEVY TRUCK			20,000		
752	5786	2005	CHEVY COLORADO	20,000				
755	5751	2004	CHEVY COLORADO		20,000			
850			JEEP LIBERTY			25,000		
COMMUNITY & ECONOMIC DEVELOPMENT TOTAL				20,000	58,000	45,000	45,000	-
ENGINEERING DEPARTMENT								
702	5814	2006	CHEVY COLORADO P/U			16,000		
705	5609	2000	GMC SONOMA P/U		16,000			
707	5865	2007	FORD FOCUS				17,000	
710	5542	1998	GMC SAFARI VAN					
ENGINEERING DEPARTMENT TOTAL				-	16,000	16,000	17,000	-
PARKS DEPARTMENT								
300	5819	2006	CHEVY 3/4 TON 4WD P/U					
301	5755	2004	FORD F150 PICKUP			30,000		
303	5716	2003	FORD F550 4WD DUMP TRUCK		60,000			
308	5662	2002	FORD F550 4WD DUMP TRUCK			80,000		
309	5638	2001	GMC 1500 2WD PICKUP		30,000			
311	5515	1997	GMC 1500 P/U	30,000				
312	5756	2004	FORD F150 PICKUP			30,000		
316	5743	2004	JD 4X2 GATOR					
317	5744	2004	JD 4X2 GATOR	8,000				
322	5797	2005	GRAVELY PM320 MOWER					
331	5850	2007	CHEVY 3/4 TON 4WD P/U					30,000
350	5306	1990	JD 2355 TRACTOR		65,000			
369	5800	2005	GRAVELY 260Z MOWER					12,000
371	5484	1996	FORD F150 PICKUP					
378	5884	2007	JD TX GATOR			10,000		
379	5460	1995	GRAVELY PM 300 MOWER					12,000
380	5615	2000	SHUR-TRAIL TRAILER					5,000
PARKS DEPARTMENT TOTAL				38,000	155,000	150,000	-	59,000
PUBLIC WORKS DEPARTMENT								
003	5688	2003	CHEVY BLAZER				25,000	
005	5213	1981	FORD TRACTOR				25,000	
006	5854	2006	BOBCAT A300					
017	5717	2003	FORD 4X4 DUMP				60,000	
019	5498	1996	GMC 1-TON DUMP TRUCK	60,000				
020	5606	1999	CHEVY C8500 DUMP TRUCK		140,000			
023	5451	1995	GMC 7000 DUMP TRUCK					
024	5452	1995	GMC 7000 DUMP TRUCK	140,000				
025	5647	2001	FORD F550 4WD DUMP TRUCK		60,000			
026	5780	2005	STERLING ACTERA DUMP			150,000		
027	5781	2005	STERLING ACTERA DUMP					150,000
030	5610	2000	GMC 1/2 T 4WD					
034	5713	2004	CHEVY CREW CAB P/U				30,000	
045	5537	1998	GMC 1/2 TON P/U	25,000				
046	5713	2004	CHEVY CREW CAB P/U				25,000	
062	5664	2002	GRAVELY 300 MOWER				15,000	
063	5969	2011	Z930A JD MOWER			11,000		
079	5444	2000	TRAILER OWEN CLASSIC		4,000			
081	5377	1991	TRAILER PERMIER					4,000
083	5111	1987	IR AIR COMPRESSOR			12,000		
084	5433	1993	WACKER ROLLER			12,000		
085	5523	1997	WACKER TAMPER		3,000			
089	5618	2000	TRAILER, SHUR TRAIL		4,000			
092	5795	2005	SCHWARZE SWEEPER					200,000
094	5578	1999	GMC SIERRA PICKUP		40,000			
601	5629	2000	F550 BUCKET TRUCK			75,000		
PUBLIC WORKS DEPARTMENT TOTAL				225,000	251,000	260,000	180,000	354,000

**VEHICLE & EQUIPMENT REPLACEMENT SCHEDULE - ALL FUNDS
FIVE YEAR PLAN - FISCAL YEARS 2014/18**

UNIT	VEHICLE	YEAR	DESCRIPTION	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
POLICE DEPARTMENT								
NEW			VEHICLES (6)	200,000	240,000			
900	5631	1990	TOYOTA FOUR RUNNER	5,000				
924	5944	2009	DODGE CHARGER					
925	5943	2009	DODGE CHARGER					
926	5942	2009	DODGE CHARGER					
927	5941	2009	DODGE CHARGER					
928	5889	1999	FORD EXPEDITION		5,000			
929	5888	2004	CHEVROLET IMPALA					
930	5878	2007	DODGE CHARGER				40,000	
931	5879	2007	DODGE CHARGER					
932	5880	2007	DODGE CHARGER				40,000	
933	5838	2006	FORD CROWN VICTORIA INTERCEPTOR					
934	5839	2006	FORD CROWN VICTORIA INTERCEPTOR					40,000
935	5840	2006	FORD CROWN VICTORIA INTERCEPTOR				40,000	
936	5841	2006	FORD CROWN VICTORIA INTERCEPTOR			40,000		
937	5940	2009	DODGE CHARGER					
938	5794	2006	CAR MATE TRAILER					
939	5812	2006	FORD CROWN VICTORIA INTERCEPTOR				40,000	
940	5811	2006	FORD CROWN VICTORIA INTERCEPTOR			40,000		
941	5805	2006	FORD CROWN VICTORIA INTERCEPTOR			40,000		
942	5843	2006	FORD CROWN VICTORIA INTERCEPTOR				40,000	
943	5960	1997	FORD EXPLORER	5,000				
944	5752	2004	FORD CROWN VICTORIA INTERCEPTOR					40,000
946	5881	2007	DODGE CHARGER					40,000
948	5514	1997	GMC JIMMY					
953	5783	2005	FORD EXPEDITION					
954	5528	1997	CHEVY LUMINA					
955	5541	1998	JEEP CHEROKEE					
957	5552	1998	FORD CROWN VICTORIA			40,000		
958	5919	2009	FORD CROWN VICTORIA INTERCEPTOR					
961	5921	2009	FORD CROWN VICTORIA INTERCEPTOR					
962	5620	2000	FORD CROWN VICTORIA					40,000
963	5667	2003	FORD CROWN VICTORIA INTERCEPTOR			40,000		
964	5860	2000	FORD FOCUS			5,000		
967	5621	2000	FORD CROWN VICTORIA					40,000
970	5837	2000	CHRYSLER CIRRUS				5,000	
972	5753	2004	FORD CROWN VICTORIA INTERCEPTOR				40,000	
973	5626	2001	CHEVY LUMINA			5,000		
975	5882	2007	DODGE CHARGER					40,000
976	5959	2004	SATURN VUE					
977	5887	1975	CHEVY S-10				5,000	
978	5622	2000	FORD CROWN VICTORIA INTERCEPTOR					
979	5776	1999	HONDA ACCORD					
981	5883	2007	DODGE CHARGER					
982	5623	2000	FORD CROWN VICTORIA INTERCEPTOR					
984	5572	1999	FORD EXPLORER					5,000
988	5668	2003	FORD CROWN VICTORIA INTERCEPTOR			40,000		
993	5495	1996	OLDSMOBILE CUTLASS		5,000			
999	5723	2001	FORD CROWN VICTORIA INTERCEPTOR					
9111	206004	2013	FORD TAURUS					5,000
POLICE DEPARTMENT TOTAL				210,000	250,000	250,000	250,000	250,000
FIRE DEPARTMENT								
ENG1	5435	1994	KME RENEGADE LFD	450,000				
CAR2	5724	2004	GMC SAFARI VAN			50,000		
CAR3	5740	2004	CHEVY TAHOE					
CAR4	5768	2005	CHEVY BLAZER			35,000		
CAR7	5813	2005	CHEVY TRAILBLAZER			35,000		
CAR8	5856	2007	FORD EXPEDITION				40,000	
RE4	5349	1991	KME RENEGADE LFD		125,000			
TRK1		1998	AI 105' LADDER	900,000				
TRK4		1998	AI 105' LADDER		950,000			
U3A	5920	2008	FORD F350 PICKUP	100,000				
FIRE DEPARTMENT TOTAL				1,450,000	1,075,000	120,000	40,000	-
GENERAL FUND TOTAL				\$ 1,943,000	\$ 1,805,000	\$ 841,000	\$ 532,000	\$ 663,000

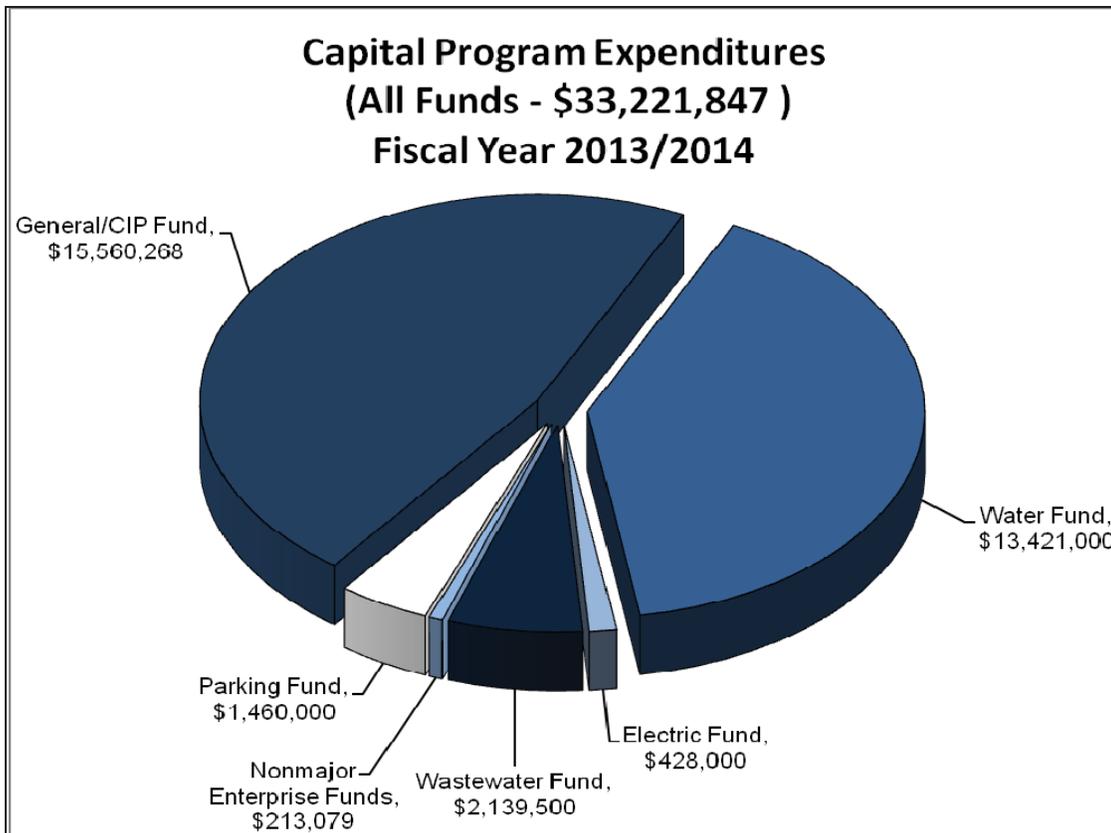
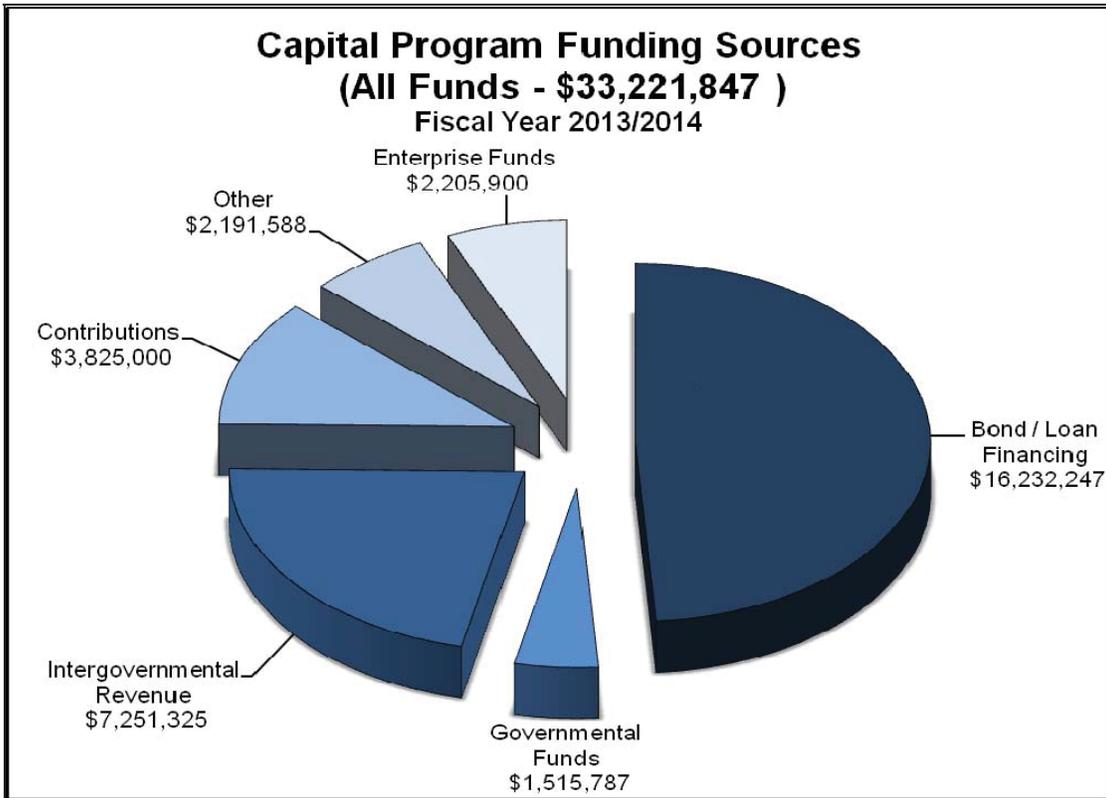
**VEHICLE & EQUIPMENT REPLACEMENT SCHEDULE - ALL FUNDS
FIVE YEAR PLAN - FISCAL YEARS 2014/18**

UNIT	VEHICLE	YEAR	DESCRIPTION	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
ELECTRIC FUND								
107	5520	1997	GMC SIERRA P/U					
109	5684	2003	CHEVY CAVALIER				20,000	
110	5672	2002	CHEVY CAVALIER				20,000	
111	5573	1999	GMC SONOMA				20,000	
112	5574	1999	GMC SONOMA				20,000	
113	5575	1999	GMC SONOMA				20,000	
121	5582	1999	GMC WITH ALTEC BUCKET			190,000		
103	5681	2003	CHEVROLET CAVALIER					
104	5682	2003	CHEVROLET CAVALIER					
109	5684	2003	CHEVROLET CAVALIER					
110	5672	2002	CHEVROLET CAVALIER					
117	5307	1990	JOHN DEERE 410C				84,000	
120	5441	1994	GMC/TEXOMA DIG/DERR					210,000
122	5869	2007	CHEVY 3/4 TON 4WD	10,000				
126	5871	2007	CHEVY 3/4 TON 4WD PICK-UP	15,000				
129	5569	1998	GMC WITH STAKE BODY					
135	5347	1991	GMC HOLAN STALLION BUCK		165,000			
138	5516	1997	PRO-CHIP WOOD CHIPPER	25,000				
ELECTRIC FUND TOTAL				50,000	165,000	190,000	184,000	210,000
WATER FUND								
P03	5874	2007	CHEVY COLORADO P/U				21,500	
200	5911	2008	CHEVY TRAIL BLAZER 4WD					24,000
201	5862	2007	TRAIL BLAZER					25,000
202	5828	2006	CHEVY 2500 4WD P/U			29,500		
203	5825	2006	CHEVY 2500 P/U			28,300		
205	5712	2003	FORD F550		75,500			
206	5627	2000	FORD F450					
207	5661	2002	INTERNATIONAL DUMP					
208	5792	2005	FORD F550				68,100	
209	5761	2004	CHEVY 3/4 TON VAN	18,500				
210	5614	2000	CHEVY 2500 4WD P/U		31,000			
212	5785	2005	CHEVY 2500 4WD P/U			25,600		
213	5962	2010	ARIENS ZOOM XL 54 MOWER			5,000		
214	5691	2003	CHEVY S10 P/U	20,000				
215	5820	2006	STERLING ACTERA DUMP				86,800	
216	5628	2000	FORD F450					
217	5581	1999	CHEVY 2500 P/U	32,200				
218	5793	2005	FORD F450					46,000
219	5449	1994	VOLVO CRANE TRUCK		152,000			
221	5963	2010	ARIENS ZOOM XL 54 MOWER					5,000
223	5853	2006	JD 310SG BACKHOE	85,000				
224	5407	1993	JCB BACKHOE		78,300			
225	5754	2004	JEEP LIBERTY				22,400	
226	5902	2008	CHEVY COLORADO				22,500	
227	5705	2003	CHEVY 2500 4WD P/U				26,400	
228	5656	2001	JOHN DEERE 4106 BACKHOE LOADER					96,200
230	5640	2001	GMC JIMMY					
234	5750	2004	FORD F550	73,300				
237	5540	1998	JD 310E BACKHOE			80,200		
235	5643	2001	GMC S15					
238	5686	2003	KUT KWICK SLOPE MOWER 38HP					54,000
239	5635	2001	FORD ESCAPE					
241	5576	1999	GMC JIMMY	26,400				
244	5818	2006	JEEP LIBERTY			21,600		
254	5760	2004	FORD F250 P/U				25,100	
260	5474	1995	CHEVY 3500 UTILITY					
261	5642	2001	GMC SONOMA	20,000				
WATER FUND TOTAL				275,400	336,800	190,200	272,800	250,200

**VEHICLE & EQUIPMENT REPLACEMENT SCHEDULE - ALL FUNDS
FIVE YEAR PLAN - FISCAL YEARS 2014/18**

UNIT	VEHICLE	YEAR	DESCRIPTION	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
WASTEWATER FUND								
501	5546	1998	JEEP CHEROKEE		30,000			
512	5616	2000	GMC TOPKICK DUMP TRUCK		135,000			
520	5248	1988	CASE TRACTOR 245/255		25,000			
522	5357	1991	INGERSOLL RAND LIGHT PLANT					25,000
527	5539	1998	FORD W86 225 FLUSHER	425,000				
530	5378	1987	GARDNER DENVER AIR COMPRESSC	17,000				
532	5611	2000	GMC SONOMA PICKUP TRUCK	30,000				
533	5657	2002	FORD RANGER P/U					
534	5660	2002	FORD ESCAPE			30,000		
535	5657	2002	FORD RANGER P/U				25,000	
592	5633	2001	JD 310SG BACKHOE			95,000		
594	5570	1999	JOHN DEERE BACKHOE LOADER 31C	95,000				
595	5562	1998	CHEVY C8500 DUMP					
WASTEWATER FUND TOTAL				567,000	190,000	125,000	25,000	25,000
PARKING FUND								
033	5395	1992	CHEVY 3/4T 4WD P/U					
036	5613	2000	GMC SONOMA P/U		20,000			
037	5789	1994	GEO TRACKER			20,000		
050	5619	2000	MADVAC SWEEPER				25,000	
PARKING FUND TOTAL				-	20,000	20,000	25,000	-
GOLF COURSE								
326	5859	2007	JACOBSEN III TRIPLEX REEL MOWER		30,000			
330	5485	1996	FORD F-150 P/U					
351	5801	2005	LIGHTWEIGHT MOWER	40,000				
353	5465	1995	KUBOTA L4200GST			20,000		
373A	5478	1996	CUSHMAN TURF TRUCKSTER				20,000	
389	5774	2004	CUSHMAN SPRAYER			30,000		
GOLF FUND TOTAL				40,000	30,000	50,000	20,000	-
GRAND TOTAL - ALL FUNDS				\$ 2,875,400	\$ 2,546,800	\$ 1,416,200	\$ 1,058,800	\$ 1,148,200

ALL FUNDS - FUNDING SOURCES AND EXPENDITURES
FISCAL YEAR 2013/14



CAPITAL IMPROVEMENT PROGRAM - ALL FUNDS
 FIVE YEAR PLAN - FISCAL YEARS 2014/18
 EXPENDITURES SUMMARY BY FUND

DEPARTMENT	FY14	FY15	FY16	FY17	FY18	Total
Community Development	20,000	58,000	45,000	45,000	-	168,000
Engineering	9,751,450	29,291,000	1,951,000	3,962,000	8,695,000	53,650,450
Finance	2,500,000	-	-	-	-	2,500,000
Fire	1,466,500	1,075,000	220,000	790,000	1,150,000	4,701,500
Information Technology	431,818	181,000	201,000	336,000	175,200	1,325,018
Parks	767,500	955,000	1,603,451	5,050,000	4,359,000	12,734,951
Planning	46,500	-	-	-	-	46,500
Police	243,500	305,000	560,000	450,000	450,000	2,008,500
Public Works	333,000	357,000	746,000	1,076,000	410,000	2,922,000
General/CIP Fund Total	\$ 15,560,268	\$ 32,222,000	\$ 5,326,451	\$ 11,709,000	\$ 15,239,200	\$ 80,056,919
Electric Fund	428,000	825,000	1,121,000	1,310,000	1,026,000	4,710,000
Water Fund	13,421,000	5,165,568	8,271,581	7,051,415	2,493,379	36,402,943
Wastewater Fund	2,139,500	3,306,500	2,258,500	908,500	908,500	9,521,500
Parking Fund	1,460,000	8,550,000	50,000	55,000	30,000	10,145,000
Golf Fund	40,000	30,000	72,000	20,000	-	162,000
Property Management Fund	173,079	20,000	20,000	25,000	20,000	258,079
Grand Total - All Funds	\$ 33,221,847	\$ 50,119,068	\$ 17,119,532	\$ 21,078,915	\$ 19,717,079	\$ 141,256,441

City of Hagerstown, Maryland

GENERAL/CIP FUND

FY '14 thru FY '18

FUNDING SOURCE SUMMARY

Source	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Bond Financing - Future Issue	1,041,667					1,041,667
Bond Financing (General Fund)	2,582,980	6,125,000	865,000	2,645,000	2,350,000	14,567,980
CIP Fund Balance	835,818	20,000	13,451	200,000		1,069,269
Contribution by Others	700,000	375,000	500,000	5,000,000	10,900,000	17,475,000
Excise Tax Fund	627,919		280,000		150,000	1,057,919
Grants-County				60,000		60,000
Grants-Federal	1,712,760		110,000	540,000		2,362,760
Grants-State	2,289,333	9,685,000	562,000	300,000	100,000	12,936,333
Grants-State Aid in Lieu of Urban Funds	203,271					203,271
Grants-State Program Open Space	135,000	27,000	225,000	225,000	200,000	812,000
PEG Fee	56,000	56,000	56,000	56,000	56,000	280,000
Prior Bond Proceeds	567,020					567,020
Reforestation Funds		30,000	30,000	30,000	30,000	120,000
Stadium County Contribution	1,041,667	4,600,000				5,641,667
Stadium Private Contribution	2,083,333	9,200,000				11,283,333
State Highway User Revenue	722,882	600,000	600,000	600,000	600,000	3,122,882
Transfers to CIP-CDBG Fund	200,000	160,000	310,000	40,000	40,000	750,000
Transfers to CIP-Electric Fund	24,250	35,000	40,000	20,000	32,000	151,250
Transfers to CIP-General Fund	687,868	1,239,000	1,655,000	1,953,000	717,200	6,252,068
Transfers to CIP-Wastewater Fund	24,250	35,000	40,000	20,000	32,000	151,250
Transfers to CIP-Water Fund	24,250	35,000	40,000	20,000	32,000	151,250
GRAND TOTAL	15,560,268	32,222,000	5,326,451	11,709,000	15,239,200	80,056,919

City of Hagerstown, Maryland

GENERAL/CIP FUND

FY '14 thru FY '18

PROJECTS BY FUNDING SOURCE

Source	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Bond Financing - Future Issue								
Stadium/Multi-use Facility Construction	45-C0041	5	1,041,667					1,041,667
Bond Financing - Future Issue Total			1,041,667					1,041,667
Bond Financing (General Fund)								
Fire Department Vehicle Replacement	45-C0010	5	800,000	750,000	70,000	40,000		1,660,000
Stadium/Multi-use Facility Construction	45-C0041	5		4,600,000				4,600,000
City Park Lake Improvements	45-C0047	5				500,000		500,000
Public Works Vehicles	45-C0065	5	182,980	140,000	150,000		350,000	822,980
Market House Improvements	45-C0099	5				75,000		75,000
Major Signal Intersection Upgrades	45-C0243	5		100,000	40,000	80,000		220,000
City Hall Improvements	45-C0326	5			50,000	250,000		300,000
Park Circle Improvements	45-C0373	1		40,000				40,000
Stormdrain System Upgrades	45-C0444	5		75,000				75,000
City Park Parking Improvements	45-C0522	5				25,000		25,000
Parks Vehicles and Equipment	45-C0570	5		100,000	80,000			180,000
Public Works Storage Yard Expansion	45-C0718	5			375,000	525,000		900,000
West End Fire and EMS (Relocation)	45-C0730	5			100,000	150,000	1,150,000	1,400,000
Northwest Connector	45-C0735	5				1,000,000	850,000	1,850,000
Pangborn Lake Reconstruction	45-C0812	3		175,000				175,000
W Washington Streetscape Improvements	45-C0827	5		145,000				145,000
Marsh Run Walls Rehabilitation	45-C0853	4	100,000					100,000
Downtown Redevelopment	45-C0854	5	1,500,000					1,500,000
Bond Financing (General Fund) Total			2,582,980	6,125,000	865,000	2,645,000	2,350,000	14,567,980
CIP Fund Balance								
Computer Equipment and Software	45-C0006	5	20,000					20,000
Time & Attendance Software and Equip	45-C0007	5	32,000					32,000
Downtown Beautification Program	45-C0280	5	15,000					15,000
Steam Engine Museum	45-C0439	5		10,000	13,451			23,451
Geographic Information System	45-C0451	5	39,200			200,000		239,200
Cable PEG/I-Net	45-C0568	2	179,000					179,000
Storm Water Management Implementation	45-C0637	2	50,000					50,000
Public Works Storage Yard Expansion	45-C0718	5		10,000				10,000
Municipal Financial System	45-C0739	5	25,618					25,618
George Washington Statue	45-C0837	5	25,000					25,000
MELP	45-C0839	5	450,000					450,000
CIP Fund Balance Total			835,818	20,000	13,451	200,000		1,069,269
Contribution by Others								
Fire Department Vehicle Replacement	45-C0010	5	350,000	200,000				550,000

Source	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Police Firing Range	45-C0226	5		25,000				25,000
Fairground Grandstand Improvements	45-C0624	2			500,000	4,000,000	4,000,000	8,500,000
R. Paul Smith Boulevard	45-C0733	5				500,000	4,500,000	5,000,000
Northwest Connector	45-C0735	5				500,000	2,400,000	2,900,000
Antietam Creek Greenway Trail	45-C0774	5		150,000				150,000
George Washington Statue	45-C0837	5	21,500					21,500
MELP	45-C0839	5	300,000					300,000
Dog Park	45-C0851	5	28,500					28,500

Contribution by Others Total

700,000	375,000	500,000	5,000,000	10,900,000	17,475,000
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Excise Tax Fund

Bridge Repair Program	45-C0400	4	425,690					425,690
Northwest Connector	45-C0735	5			280,000		150,000	430,000
Memorial Park	45-C0784	8	5,500					5,500
Frederick Street Culvert	45-C0811	3	156,729					156,729
Dog Park	45-C0851	5	40,000					40,000

Excise Tax Fund Total

627,919	280,000	150,000	1,057,919
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Grants-County

Fire Training Tower	45-C0241	5				60,000		60,000
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Grants-County Total

60,000	60,000
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Grants-Federal

Police Crime Lab Equipment	45-C0182	5			110,000			110,000
Fire Training Tower	45-C0241	5				540,000		540,000
Bridge Repair Program	45-C0400	4	1,702,760					1,702,760
Standby Generator Replacement	45-C0846	1	10,000					10,000

Grants-Federal Total

1,712,760	110,000	540,000	2,362,760
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Grants-State

Stadium/Multi-use Facility Construction	45-C0041	5	2,083,333	9,200,000				11,283,333
Park Equipment	45-C0237	5	26,000					26,000
State Highway Retrofit Sidewalk Program	45-C0527	6		140,000	100,000			240,000
Installation of Street Trees	45-C0594	5	30,000					30,000
Multi-Use Paths	45-C0717	5	100,000			300,000	100,000	500,000
Mills Park Hiker/Biker Trail	45-C0737	5			30,000			30,000
Kiwanis Park	45-C0773	2	50,000					50,000
Antietam Creek Greenway Trail	45-C0774	5			432,000			432,000
Memorial Park	45-C0784	8		70,000				70,000
Pangborn Lake Reconstruction	45-C0812	3		175,000				175,000
W Washington Streetscape Improvements	45-C0827	5		100,000				100,000

Grants-State Total

2,289,333	9,685,000	562,000	300,000	100,000	12,936,333
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Grants-State Aid in Lieu of Urban Fu

Frederick Street Culvert	45-C0811	3	203,271					203,271
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Source	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Grants-State Aid in Lieu of Urban Funds			203,271					203,271
Total								
Grants-State Program Open Space								
Park Equipment	45-C0237	5		27,000				27,000
City Park Parking Improvements	45-C0522	5			225,000	225,000		450,000
Winter Street School-Neighborhood Park	45-C0764	6					200,000	200,000
Kiwanis Park	45-C0773	2	22,500					22,500
Memorial Park	45-C0784	8	49,500					49,500
Potterfield Pool Improvements	45-C0822	8	63,000					63,000
Grants-State Program Open Space Total			135,000	27,000	225,000	225,000	200,000	812,000
PEG Fee								
Cable PEG/I-Net	45-C0568	2	56,000	56,000	56,000	56,000	56,000	280,000
PEG Fee Total			56,000	56,000	56,000	56,000	56,000	280,000
Prior Bond Proceeds								
Fire Department Vehicle Replacement	45-C0010	5	300,000					300,000
Public Works Vehicles	45-C0065	5	17,020					17,020
MELP	45-C0839	5	250,000					250,000
Prior Bond Proceeds Total			567,020					567,020
Reforestation Funds								
Installation of Street Trees	45-C0594	5		30,000	30,000	30,000	30,000	120,000
Reforestation Funds Total				30,000	30,000	30,000	30,000	120,000
Stadium County Contribution								
Stadium/Multi-use Facility Construction	45-C0041	5	1,041,667	4,600,000				5,641,667
Stadium County Contribution Total			1,041,667	4,600,000				5,641,667
Stadium Private Contribution								
Stadium/Multi-use Facility Construction	45-C0041	5	2,083,333	9,200,000				11,283,333
Stadium Private Contribution Total			2,083,333	9,200,000				11,283,333
State Highway User Revenue								
Pavement Preservation Program	45-C0025	5	640,000	600,000	600,000	600,000	600,000	3,040,000
Alley Reconstruction	45-C0324	5	73,000					73,000
Curb and Sidewalk Replacement Program	45-C0458	5	9,882					9,882
State Highway User Revenue Total			722,882	600,000	600,000	600,000	600,000	3,122,882
Transfers to CIP-CDBG Fund								
Handicapped Access	45-C0217	6	50,000	55,000	40,000	40,000	40,000	225,000
Downtown Gateway Signs	45-C0579	5			55,000			55,000
New Sidewalks	45-C0595	1		25,000	35,000			60,000

Source	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Neighborhood Parks	45-C0751	5	150,000	80,000	100,000			330,000
Memorial Park	45-C0784	8			80,000			80,000
Transfers to CIP-CDBG Fund Total			200,000	160,000	310,000	40,000	40,000	750,000

Transfers to CIP-Electric Fund

Computer Equipment and Software	45-C0006	5	20,000	15,000	20,000	20,000	20,000	95,000
Geographic Information System	45-C0451	5		20,000	20,000		12,000	52,000
Gasboy Fuel Mgmt System Upgrade	45-C0855	1	4,250					4,250
Transfers to CIP-Electric Fund Total			24,250	35,000	40,000	20,000	32,000	151,250

Transfers to CIP-General Fund

Computer Equipment and Software	45-C0006	5	20,000	15,000	20,000	20,000	20,000	95,000
Fire Department Vehicle Replacement	45-C0010	5		125,000	50,000			175,000
Municipal Stadium Improvements	45-C0040	4	35,000	35,000				70,000
Public Works Vehicles	45-C0065	5	25,000	111,000	110,000	180,000	4,000	430,000
Pavement Markings	45-C0093	1	15,000	15,000	15,000	15,000	15,000	75,000
Police Radios	45-C0128	1			170,000	170,000	170,000	510,000
Police Vehicles	45-C0129	1	210,000	250,000	250,000	250,000	250,000	1,210,000
Engineering Vehicles	45-C0133	4		16,000	16,000	17,000		49,000
Park Equipment	45-C0237	5		3,000				3,000
LED Signal Lights	45-C0245	4			15,000	15,000	15,000	45,000
Community & Economic Development Vehicles	45-C0249	4	20,000	58,000	45,000	45,000		168,000
Public Works Operations Center Improvement Program	45-C0250	5	6,000	6,000	6,000	6,000	6,000	30,000
Downtown Beautification Program	45-C0280	5	10,000	25,000	25,000	25,000	25,000	110,000
Police Building Renovation	45-C0308	5	33,500	30,000	30,000	30,000	30,000	153,500
Alley Reconstruction	45-C0324	5	15,000	75,000	75,000	65,000	60,000	290,000
City Hall Improvements	45-C0326	5	25,000	50,000			10,000	85,000
Signal Controller Upgrades	45-C0433	5	15,000	15,000	15,000			45,000
Stormdrain System Upgrades	45-C0444	5			40,000	40,000	40,000	120,000
Geographic Information System	45-C0451	5		5,000	5,000		3,200	13,200
Curb and Sidewalk Replacement Program	45-C0458	5	15,118	25,000	25,000	25,000		90,118
City Park Parking Improvements	45-C0522	5			25,000			25,000
Traffic Calming	45-C0560	5	20,000	20,000	20,000	20,000		80,000
Parks Vehicles and Equipment	45-C0570	5	38,000	55,000	70,000		59,000	222,000
Installation of Street Trees	45-C0594	5	10,000	10,000	10,000	10,000	10,000	50,000
New Sidewalks	45-C0595	1	15,000					15,000
Storm Water Management Implementation	45-C0637	2	50,000	200,000	550,000	1,000,000		1,800,000
Signal Timing Optimization	45-C0640	5	20,000	20,000	20,000	20,000		80,000
Multi-Use Paths	45-C0717	5		30,000				30,000
Kiwanis Park	45-C0773	2	2,500					2,500
Antietam Creek Greenway Trail	45-C0774	5			48,000			48,000
Potterfield Pool Improvements	45-C0822	8	7,000					7,000
Hagerstown Ice Rink	45-C0843	4	25,000					25,000
City Park Walkways	45-C0844	5	25,000					25,000
Standby Generator Replacement	45-C0846	1	2,000					2,000
Sign Plotter Replacement	45-C0847	5	8,000					8,000
Fire Apparatus Computer Equipment	45-C0849	1	16,500					16,500
Tree Boxes	45-C0852	5		45,000				45,000
Gasboy Fuel Mgmt System Upgrade	45-C0855	1	4,250					4,250
Transfers to CIP-General Fund Total			687,868	1,239,000	1,655,000	1,953,000	717,200	6,252,068

Source	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Transfers to CIP-Wastewater Fund								
Computer Equipment and Software	45-C0006	5	20,000	15,000	20,000	20,000	20,000	95,000
Geographic Information System	45-C0451	5		20,000	20,000		12,000	52,000
Gasboy Fuel Mgmt System Upgrade	45-C0855	1	4,250					4,250
Transfers to CIP-Wastewater Fund Total			24,250	35,000	40,000	20,000	32,000	151,250
Transfers to CIP-Water Fund								
Computer Equipment and Software	45-C0006	5	20,000	15,000	20,000	20,000	20,000	95,000
Geographic Information System	45-C0451	5		20,000	20,000		12,000	52,000
Gasboy Fuel Mgmt System Upgrade	45-C0855	1	4,250					4,250
Transfers to CIP-Water Fund Total			24,250	35,000	40,000	20,000	32,000	151,250
GRAND TOTAL			15,560,268	32,222,000	5,326,451	11,709,000	15,239,200	80,056,919

City of Hagerstown, Maryland

GENERAL/CIP FUND

FY '14 thru FY '18

DEPARTMENT SUMMARY

Department	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Community Development	20,000	58,000	45,000	45,000		<i>168,000</i>
Engineering	9,751,450	29,291,000	1,951,000	3,962,000	8,695,000	<i>53,650,450</i>
Finance	2,500,000					<i>2,500,000</i>
Fire	1,466,500	1,075,000	220,000	790,000	1,150,000	<i>4,701,500</i>
Information Technology	431,818	181,000	201,000	336,000	175,200	<i>1,325,018</i>
Parks	767,500	955,000	1,603,451	5,050,000	4,359,000	<i>12,734,951</i>
Planning	46,500					<i>46,500</i>
Police	243,500	305,000	560,000	450,000	450,000	<i>2,008,500</i>
Public Works	333,000	357,000	746,000	1,076,000	410,000	<i>2,922,000</i>
TOTAL	15,560,268	32,222,000	5,326,451	11,709,000	15,239,200	<i>80,056,919</i>

City of Hagerstown, Maryland

GENERAL/CIP FUND

FY '14 thru FY '18

CATEGORY SUMMARY

Category	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Amenities	125,000	45,000				170,000
Automobiles and Trucks	1,943,000	1,805,000	841,000	532,000	663,000	5,784,000
Buildings and Structures	8,059,500	28,341,000	1,674,451	6,161,000	5,796,000	50,031,951
Energy Savings	25,000					25,000
Infrastructure-Alleys	88,000	75,000	75,000	65,000	60,000	363,000
Infrastructure-Bridges	2,128,450					2,128,450
Infrastructure-Parks	123,500	70,000	80,000			273,500
Infrastructure-Sidewalks	90,000	245,000	200,000	65,000	40,000	640,000
Infrastructure-Storm Drains	100,000	275,000	590,000	1,040,000	40,000	2,045,000
Infrastructure-Streets	35,000	320,000	315,000	2,035,000	7,915,000	10,620,000
Infrastructure-Utilities		100,000	40,000	80,000		220,000
Land Acquisition					200,000	200,000
Land Improvements	436,500	325,000	980,000	1,115,000	165,000	3,021,500
Machinery and Equipment	429,500	206,000	466,000	416,000	321,000	1,838,500
Software	96,818	65,000	65,000	200,000	39,200	466,018
Storm Drainage	360,000					360,000
Storm Water		350,000				350,000
Unassigned	1,520,000					1,520,000
TOTAL	15,560,268	32,222,000	5,326,451	11,709,000	15,239,200	80,056,919

City of Hagerstown, Maryland

GENERAL/CIP FUND

FY '14 thru FY '18

EXPENDITURE TYPE SUMMARY

Expenditure Type	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Planning/Design	2,134,700	255,000	675,000	893,000	14,700	3,972,400
Land Acquisition	4,600,000	150,000	400,000			5,150,000
Construction/Maintenance	4,054,450	29,801,000	2,894,451	9,963,000	14,216,000	60,928,901
Equip/Vehicles/Furnishings	2,315,500	1,931,000	1,262,000	808,000	939,000	7,255,500
Other	1,648,000	85,000	95,000	45,000	69,500	1,942,500
Demolition	750,000					750,000
Software	57,618					57,618
TOTAL	15,560,268	32,222,000	5,326,451	11,709,000	15,239,200	80,056,919

City of Hagerstown, Maryland

GENERAL/CIP FUND

FY '14 thru FY '18

PROJECTS BY DEPARTMENT

Department	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Community Development								
Community & Economic Development Vehicles	45-C0249	4	20,000	58,000	45,000	45,000		168,000
Community Development Total			20,000	58,000	45,000	45,000		168,000
Engineering								
Pavement Preservation Program	45-C0025	5	640,000	600,000	600,000	600,000	600,000	3,040,000
Stadium/Multi-use Facility Construction	45-C0041	5	6,250,000	27,600,000				33,850,000
Pavement Markings	45-C0093	1	15,000	15,000	15,000	15,000	15,000	75,000
Engineering Vehicles	45-C0133	4		16,000	16,000	17,000		49,000
Handicapped Access	45-C0217	6	50,000	55,000	40,000	40,000	40,000	225,000
Major Signal Intersection Upgrades	45-C0243	5		100,000	40,000	80,000		220,000
Alley Reconstruction	45-C0324	5	88,000	75,000	75,000	65,000	60,000	363,000
Park Circle Improvements	45-C0373	1		40,000				40,000
Bridge Repair Program	45-C0400	4	2,128,450					2,128,450
Stormdrain System Upgrades	45-C0444	5		75,000	40,000	40,000	40,000	195,000
Curb and Sidewalk Replacement Program	45-C0458	5	25,000	25,000	25,000	25,000		100,000
State Highway Retrofit Sidewalk Program	45-C0527	6		140,000	100,000			240,000
Traffic Calming	45-C0560	5	20,000	20,000	20,000	20,000		80,000
Downtown Gateway Signs	45-C0579	5			55,000			55,000
Installation of Street Trees	45-C0594	5	40,000	40,000	40,000	40,000	40,000	200,000
New Sidewalks	45-C0595	1	15,000	25,000	35,000			75,000
Storm Water Management Implementation	45-C0637	2	100,000	200,000	550,000	1,000,000		1,850,000
Signal Timing Optimization	45-C0640	5	20,000	20,000	20,000	20,000		80,000
R. Paul Smith Boulevard	45-C0733	5				500,000	4,500,000	5,000,000
Northwest Connector	45-C0735	5			280,000	1,500,000	3,400,000	5,180,000
Frederick Street Culvert	45-C0811	3	360,000					360,000
W Washington Streetscape Improvements	45-C0827	5		245,000				245,000
Engineering Total			9,751,450	29,291,000	1,951,000	3,962,000	8,695,000	53,650,450
Finance								
MELP	45-C0839	5	1,000,000					1,000,000
Downtown Redevelopment	45-C0854	5	1,500,000					1,500,000
Finance Total			2,500,000					2,500,000
Fire								
Fire Department Vehicle Replacement	45-C0010	5	1,450,000	1,075,000	120,000	40,000		2,685,000
Fire Training Tower	45-C0241	5				600,000		600,000
West End Fire and EMS (Relocation)	45-C0730	5			100,000	150,000	1,150,000	1,400,000
Fire Apparatus Computer Equipment	45-C0849	1	16,500					16,500
Fire Total			1,466,500	1,075,000	220,000	790,000	1,150,000	4,701,500
Information Technology								
Computer Equipment and Software	45-C0006	5	100,000	60,000	80,000	80,000	80,000	400,000

Department	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Time & Attendance Software and Equip	45-C0007	5	32,000					32,000
Geographic Information System	45-C0451	5	39,200	65,000	65,000	200,000	39,200	408,400
Cable PEG/I-Net	45-C0568	2	235,000	56,000	56,000	56,000	56,000	459,000
Municipal Financial System	45-C0739	5	25,618					25,618
Information Technology Total			431,818	181,000	201,000	336,000	175,200	1,325,018

Parks

Municipal Stadium Improvements	45-C0040	4	35,000	35,000				70,000
City Park Lake Improvements	45-C0047	5				500,000		500,000
Park Equipment	45-C0237	5	26,000	30,000				56,000
Steam Engine Museum	45-C0439	5		10,000	13,451			23,451
City Park Parking Improvements	45-C0522	5			250,000	250,000		500,000
Parks Vehicles and Equipment	45-C0570	5	38,000	155,000	150,000		59,000	402,000
Fairground Grandstand Improvements	45-C0624	2			500,000	4,000,000	4,000,000	8,500,000
Multi-Use Paths	45-C0717	5	100,000	30,000		300,000	100,000	530,000
Mills Park Hiker/Biker Trail	45-C0737	5			30,000			30,000
Neighborhood Parks	45-C0751	5	150,000	80,000	100,000			330,000
Winter Street School-Neighborhood Park	45-C0764	6					200,000	200,000
Kiwanis Park	45-C0773	2	75,000					75,000
Antietam Creek Greenway Trail	45-C0774	5		150,000	480,000			630,000
Memorial Park	45-C0784	8	55,000	70,000	80,000			205,000
Pangborn Lake Reconstruction	45-C0812	3		350,000				350,000
Potterfield Pool Improvements	45-C0822	8	70,000					70,000
Hagerstown Ice Rink	45-C0843	4	25,000					25,000
City Park Walkways	45-C0844	5	25,000					25,000
Dog Park	45-C0851	5	68,500					68,500
Tree Boxes	45-C0852	5		45,000				45,000
Marsh Run Walls Rehabilitation	45-C0853	4	100,000					100,000
Parks Total			767,500	955,000	1,603,451	5,050,000	4,359,000	12,734,951

Planning

George Washington Statue	45-C0837	5	46,500					46,500
Planning Total			46,500					46,500

Police

Police Radios	45-C0128	1			170,000	170,000	170,000	510,000
Police Vehicles	45-C0129	1	210,000	250,000	250,000	250,000	250,000	1,210,000
Police Crime Lab Equipment	45-C0182	5			110,000			110,000
Police Firing Range	45-C0226	5		25,000				25,000
Police Building Renovation	45-C0308	5	33,500	30,000	30,000	30,000	30,000	153,500
Police Total			243,500	305,000	560,000	450,000	450,000	2,008,500

Public Works

Public Works Vehicles	45-C0065	5	225,000	251,000	260,000	180,000	354,000	1,270,000
Market House Improvements	45-C0099	5				75,000		75,000
LED Signal Lights	45-C0245	4			15,000	15,000	15,000	45,000
Public Works Operations Center Improvement Program	45-C0250	5	6,000	6,000	6,000	6,000	6,000	30,000
Downtown Beautification Program	45-C0280	5	25,000	25,000	25,000	25,000	25,000	125,000
City Hall Improvements	45-C0326	5	25,000	50,000	50,000	250,000	10,000	385,000
Signal Controller Upgrades	45-C0433	5	15,000	15,000	15,000			45,000
Public Works Storage Yard Expansion	45-C0718	5		10,000	375,000	525,000		910,000
Standby Generator Replacement	45-C0846	1	12,000					12,000
Sign Plotter Replacement	45-C0847	5	8,000					8,000

Department	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Gasboy Fuel Mgmt System Upgrade	45-C0855	1	17,000					17,000
Public Works Total			333,000	357,000	746,000	1,076,000	410,000	2,922,000
GRAND TOTAL			15,560,268	32,222,000	5,326,451	11,709,000	15,239,200	80,056,919

City of Hagerstown, Maryland

GENERAL/CIP FUND

FY '14 thru FY '18

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Community Development								
Community & Economic Development Vehicles	45-C0249	4	20,000	58,000	45,000	45,000		168,000
<i>Transfers to CIP-General Fund</i>			<i>20,000</i>	<i>58,000</i>	<i>45,000</i>	<i>45,000</i>		<i>168,000</i>
Community Development Total			20,000	58,000	45,000	45,000		168,000
Engineering								
Pavement Preservation Program	45-C0025	5	640,000	600,000	600,000	600,000	600,000	3,040,000
<i>State Highway User Revenue</i>			<i>640,000</i>	<i>600,000</i>	<i>600,000</i>	<i>600,000</i>	<i>600,000</i>	<i>3,040,000</i>
Stadium/Multi-use Facility Construction	45-C0041	5	6,250,000	27,600,000				33,850,000
<i>Bond Financing - Future Issue</i>			<i>1,041,667</i>					<i>1,041,667</i>
<i>Bond Financing (General Fund)</i>				<i>4,600,000</i>				<i>4,600,000</i>
<i>Grants-State</i>			<i>2,083,333</i>	<i>9,200,000</i>				<i>11,283,333</i>
<i>Stadium County Contribution</i>			<i>1,041,667</i>	<i>4,600,000</i>				<i>5,641,667</i>
<i>Stadium Private Contribution</i>			<i>2,083,333</i>	<i>9,200,000</i>				<i>11,283,333</i>
Pavement Markings	45-C0093	1	15,000	15,000	15,000	15,000	15,000	75,000
<i>Transfers to CIP-General Fund</i>			<i>15,000</i>	<i>15,000</i>	<i>15,000</i>	<i>15,000</i>	<i>15,000</i>	<i>75,000</i>
Engineering Vehicles	45-C0133	4		16,000	16,000	17,000		49,000
<i>Transfers to CIP-General Fund</i>				<i>16,000</i>	<i>16,000</i>	<i>17,000</i>		<i>49,000</i>
Handicapped Access	45-C0217	6	50,000	55,000	40,000	40,000	40,000	225,000
<i>Transfers to CIP-CDBG Fund</i>			<i>50,000</i>	<i>55,000</i>	<i>40,000</i>	<i>40,000</i>	<i>40,000</i>	<i>225,000</i>
Major Signal Intersection Upgrades	45-C0243	5		100,000	40,000	80,000		220,000
<i>Bond Financing (General Fund)</i>				<i>100,000</i>	<i>40,000</i>	<i>80,000</i>		<i>220,000</i>
Alley Reconstruction	45-C0324	5	88,000	75,000	75,000	65,000	60,000	363,000
<i>State Highway User Revenue</i>			<i>73,000</i>					<i>73,000</i>
<i>Transfers to CIP-General Fund</i>			<i>15,000</i>	<i>75,000</i>	<i>75,000</i>	<i>65,000</i>	<i>60,000</i>	<i>290,000</i>
Park Circle Improvements	45-C0373	1		40,000				40,000
<i>Bond Financing (General Fund)</i>				<i>40,000</i>				<i>40,000</i>
Bridge Repair Program	45-C0400	4	2,128,450					2,128,450
<i>Excise Tax Fund</i>			<i>425,690</i>					<i>425,690</i>
<i>Grants-Federal</i>			<i>1,702,760</i>					<i>1,702,760</i>
Stormdrain System Upgrades	45-C0444	5		75,000	40,000	40,000	40,000	195,000
<i>Bond Financing (General Fund)</i>				<i>75,000</i>				<i>75,000</i>
<i>Transfers to CIP-General Fund</i>					<i>40,000</i>	<i>40,000</i>	<i>40,000</i>	<i>120,000</i>
Curb and Sidewalk Replacement Program	45-C0458	5	25,000	25,000	25,000	25,000		100,000
<i>State Highway User Revenue</i>			<i>9,882</i>					<i>9,882</i>
<i>Transfers to CIP-General Fund</i>			<i>15,118</i>	<i>25,000</i>	<i>25,000</i>	<i>25,000</i>		<i>90,118</i>
State Highway Retrofit Sidewalk Program	45-C0527	6		140,000	100,000			240,000
<i>Grants-State</i>				<i>140,000</i>	<i>100,000</i>			<i>240,000</i>
Traffic Calming	45-C0560	5	20,000	20,000	20,000	20,000		80,000
<i>Transfers to CIP-General Fund</i>			<i>20,000</i>	<i>20,000</i>	<i>20,000</i>	<i>20,000</i>		<i>80,000</i>
Downtown Gateway Signs	45-C0579	5			55,000			55,000

Department	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
<i>Transfers to CIP-CDBG Fund</i>						55,000		55,000
Installation of Street Trees	45-C0594	5	40,000	40,000	40,000	40,000	40,000	200,000
<i>Grants-State</i>			30,000					30,000
<i>Reforestation Funds</i>				30,000	30,000	30,000	30,000	120,000
<i>Transfers to CIP-General Fund</i>			10,000	10,000	10,000	10,000	10,000	50,000
New Sidewalks	45-C0595	1	15,000	25,000	35,000			75,000
<i>Transfers to CIP-CDBG Fund</i>				25,000	35,000			60,000
<i>Transfers to CIP-General Fund</i>			15,000					15,000
Storm Water Management Implementation	45-C0637	2	100,000	200,000	550,000	1,000,000		1,850,000
<i>CIP Fund Balance</i>			50,000					50,000
<i>Transfers to CIP-General Fund</i>			50,000	200,000	550,000	1,000,000		1,800,000
Signal Timing Optimization	45-C0640	5	20,000	20,000	20,000	20,000		80,000
<i>Transfers to CIP-General Fund</i>			20,000	20,000	20,000	20,000		80,000
R. Paul Smith Boulevard	45-C0733	5				500,000	4,500,000	5,000,000
<i>Contribution by Others</i>						500,000	4,500,000	5,000,000
Northwest Connector	45-C0735	5			280,000	1,500,000	3,400,000	5,180,000
<i>Bond Financing (General Fund)</i>						1,000,000	850,000	1,850,000
<i>Contribution by Others</i>						500,000	2,400,000	2,900,000
<i>Excise Tax Fund</i>					280,000		150,000	430,000
Frederick Street Culvert	45-C0811	3	360,000					360,000
<i>Excise Tax Fund</i>			156,729					156,729
<i>Grants-State Aid in Lieu of Urban Funds</i>			203,271					203,271
W Washington Streetscape Improvements	45-C0827	5		245,000				245,000
<i>Bond Financing (General Fund)</i>				145,000				145,000
<i>Grants-State</i>				100,000				100,000
Engineering Total			9,751,450	29,291,000	1,951,000	3,962,000	8,695,000	53,650,450

Finance								
MELP	45-C0839	5	1,000,000					1,000,000
<i>CIP Fund Balance</i>			450,000					450,000
<i>Contribution by Others</i>			300,000					300,000
<i>Prior Bond Proceeds</i>			250,000					250,000
Downtown Redevelopment	45-C0854	5	1,500,000					1,500,000
<i>Bond Financing (General Fund)</i>			1,500,000					1,500,000
Finance Total			2,500,000					2,500,000

Fire								
Fire Department Vehicle Replacement	45-C0010	5	1,450,000	1,075,000	120,000	40,000		2,685,000
<i>Bond Financing (General Fund)</i>			800,000	750,000	70,000	40,000		1,660,000
<i>Contribution by Others</i>			350,000	200,000				550,000
<i>Prior Bond Proceeds</i>			300,000					300,000
<i>Transfers to CIP-General Fund</i>				125,000	50,000			175,000
Fire Training Tower	45-C0241	5				600,000		600,000
<i>Grants-County</i>						60,000		60,000
<i>Grants-Federal</i>						540,000		540,000
West End Fire and EMS (Relocation)	45-C0730	5			100,000	150,000	1,150,000	1,400,000
<i>Bond Financing (General Fund)</i>					100,000	150,000	1,150,000	1,400,000
Fire Apparatus Computer Equipment	45-C0849	1	16,500					16,500
<i>Transfers to CIP-General Fund</i>			16,500					16,500

Department	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Fire Total			1,466,500	1,075,000	220,000	790,000	1,150,000	4,701,500
Information Technology								
Computer Equipment and Software	45-C0006	5	100,000	60,000	80,000	80,000	80,000	400,000
<i>CIP Fund Balance</i>			20,000					20,000
<i>Transfers to CIP-Electric Fund</i>			20,000	15,000	20,000	20,000	20,000	95,000
<i>Transfers to CIP-General Fund</i>			20,000	15,000	20,000	20,000	20,000	95,000
<i>Transfers to CIP-Wastewater Fund</i>			20,000	15,000	20,000	20,000	20,000	95,000
<i>Transfers to CIP-Water Fund</i>			20,000	15,000	20,000	20,000	20,000	95,000
Time & Attendance Software and Equip	45-C0007	5	32,000					32,000
<i>CIP Fund Balance</i>			32,000					32,000
Geographic Information System	45-C0451	5	39,200	65,000	65,000	200,000	39,200	408,400
<i>CIP Fund Balance</i>			39,200			200,000		239,200
<i>Transfers to CIP-Electric Fund</i>				20,000	20,000		12,000	52,000
<i>Transfers to CIP-General Fund</i>				5,000	5,000		3,200	13,200
<i>Transfers to CIP-Wastewater Fund</i>				20,000	20,000		12,000	52,000
<i>Transfers to CIP-Water Fund</i>				20,000	20,000		12,000	52,000
Cable PEG/I-Net	45-C0568	2	235,000	56,000	56,000	56,000	56,000	459,000
<i>CIP Fund Balance</i>			179,000					179,000
<i>PEG Fee</i>			56,000	56,000	56,000	56,000	56,000	280,000
Municipal Financial System	45-C0739	5	25,618					25,618
<i>CIP Fund Balance</i>			25,618					25,618
Information Technology Total			431,818	181,000	201,000	336,000	175,200	1,325,018

Parks								
Municipal Stadium Improvements	45-C0040	4	35,000	35,000				70,000
<i>Transfers to CIP-General Fund</i>			35,000	35,000				70,000
City Park Lake Improvements	45-C0047	5				500,000		500,000
<i>Bond Financing (General Fund)</i>						500,000		500,000
Park Equipment	45-C0237	5	26,000	30,000				56,000
<i>Grants-State</i>			26,000					26,000
<i>Grants-State Program Open Space</i>				27,000				27,000
<i>Transfers to CIP-General Fund</i>				3,000				3,000
Steam Engine Museum	45-C0439	5		10,000	13,451			23,451
<i>CIP Fund Balance</i>				10,000	13,451			23,451
City Park Parking Improvements	45-C0522	5			250,000	250,000		500,000
<i>Bond Financing (General Fund)</i>						25,000		25,000
<i>Grants-State Program Open Space</i>					225,000	225,000		450,000
<i>Transfers to CIP-General Fund</i>					25,000			25,000
Parks Vehicles and Equipment	45-C0570	5	38,000	155,000	150,000		59,000	402,000
<i>Bond Financing (General Fund)</i>				100,000	80,000			180,000
<i>Transfers to CIP-General Fund</i>			38,000	55,000	70,000		59,000	222,000
Fairground Grandstand Improvements	45-C0624	2			500,000	4,000,000	4,000,000	8,500,000
<i>Contribution by Others</i>					500,000	4,000,000	4,000,000	8,500,000
Multi-Use Paths	45-C0717	5	100,000	30,000		300,000	100,000	530,000
<i>Grants-State</i>			100,000			300,000	100,000	500,000
<i>Transfers to CIP-General Fund</i>				30,000				30,000
Mills Park Hiker/Biker Trail	45-C0737	5			30,000			30,000
<i>Grants-State</i>					30,000			30,000
Neighborhood Parks	45-C0751	5	150,000	80,000	100,000			330,000
<i>Transfers to CIP-CDBG Fund</i>			150,000	80,000	100,000			330,000

Department	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Winter Street School-Neighborhood Park <i>Grants-State Program Open Space</i>	45-C0764	6					200,000 <i>200,000</i>	200,000 <i>200,000</i>
Kiwanis Park <i>Grants-State</i> <i>Grants-State Program Open Space</i> <i>Transfers to CIP-General Fund</i>	45-C0773	2	75,000 <i>50,000</i> <i>22,500</i> <i>2,500</i>					75,000 <i>50,000</i> <i>22,500</i> <i>2,500</i>
Antietam Creek Greenway Trail <i>Contribution by Others</i> <i>Grants-State</i> <i>Transfers to CIP-General Fund</i>	45-C0774	5		150,000 <i>150,000</i>	480,000 <i>432,000</i> <i>48,000</i>			630,000 <i>150,000</i> <i>432,000</i> <i>48,000</i>
Memorial Park <i>Excise Tax Fund</i> <i>Grants-State</i> <i>Grants-State Program Open Space</i> <i>Transfers to CIP-CDBG Fund</i>	45-C0784	8	55,000 <i>5,500</i> <i>49,500</i>	70,000 <i>70,000</i>	80,000 <i>80,000</i>			205,000 <i>5,500</i> <i>70,000</i> <i>49,500</i> <i>80,000</i>
Pangborn Lake Reconstruction <i>Bond Financing (General Fund)</i> <i>Grants-State</i>	45-C0812	3		350,000 <i>175,000</i> <i>175,000</i>				350,000 <i>175,000</i> <i>175,000</i>
Potterfield Pool Improvements <i>Grants-State Program Open Space</i> <i>Transfers to CIP-General Fund</i>	45-C0822	8	70,000 <i>63,000</i> <i>7,000</i>					70,000 <i>63,000</i> <i>7,000</i>
Hagerstown Ice Rink <i>Transfers to CIP-General Fund</i>	45-C0843	4	25,000 <i>25,000</i>					25,000 <i>25,000</i>
City Park Walkways <i>Transfers to CIP-General Fund</i>	45-C0844	5	25,000 <i>25,000</i>					25,000 <i>25,000</i>
Dog Park <i>Contribution by Others</i> <i>Excise Tax Fund</i>	45-C0851	5	68,500 <i>28,500</i> <i>40,000</i>					68,500 <i>28,500</i> <i>40,000</i>
Tree Boxes <i>Transfers to CIP-General Fund</i>	45-C0852	5		45,000 <i>45,000</i>				45,000 <i>45,000</i>
Marsh Run Walls Rehabilitation <i>Bond Financing (General Fund)</i>	45-C0853	4	100,000 <i>100,000</i>					100,000 <i>100,000</i>
Parks Total			767,500	955,000	1,603,451	5,050,000	4,359,000	12,734,951
Planning								
George Washington Statue <i>CIP Fund Balance</i> <i>Contribution by Others</i>	45-C0837	5	46,500 <i>25,000</i> <i>21,500</i>					46,500 <i>25,000</i> <i>21,500</i>
Planning Total			46,500					46,500
Police								
Police Radios <i>Transfers to CIP-General Fund</i>	45-C0128	1			170,000 <i>170,000</i>	170,000 <i>170,000</i>	170,000 <i>170,000</i>	510,000 <i>510,000</i>
Police Vehicles <i>Transfers to CIP-General Fund</i>	45-C0129	1	210,000 <i>210,000</i>	250,000 <i>250,000</i>	250,000 <i>250,000</i>	250,000 <i>250,000</i>	250,000 <i>250,000</i>	1,210,000 <i>1,210,000</i>
Police Crime Lab Equipment <i>Grants-Federal</i>	45-C0182	5			110,000 <i>110,000</i>			110,000 <i>110,000</i>
Police Firing Range <i>Contribution by Others</i>	45-C0226	5		25,000 <i>25,000</i>				25,000 <i>25,000</i>
Police Building Renovation	45-C0308	5	33,500	30,000	30,000	30,000	30,000	153,500

Department	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
<i>Transfers to CIP-General Fund</i>			33,500	30,000	30,000	30,000	30,000	153,500
Police Total			243,500	305,000	560,000	450,000	450,000	2,008,500
Public Works								
Public Works Vehicles	45-C0065	5	225,000	251,000	260,000	180,000	354,000	1,270,000
<i>Bond Financing (General Fund)</i>			182,980	140,000	150,000		350,000	822,980
<i>Prior Bond Proceeds</i>			17,020					17,020
<i>Transfers to CIP-General Fund</i>			25,000	111,000	110,000	180,000	4,000	430,000
Market House Improvements	45-C0099	5				75,000		75,000
<i>Bond Financing (General Fund)</i>						75,000		75,000
LED Signal Lights	45-C0245	4			15,000	15,000	15,000	45,000
<i>Transfers to CIP-General Fund</i>					15,000	15,000	15,000	45,000
Public Works Operations Center Improvement Program	45-C0250	5	6,000	6,000	6,000	6,000	6,000	30,000
<i>Transfers to CIP-General Fund</i>			6,000	6,000	6,000	6,000	6,000	30,000
Downtown Beautification Program	45-C0280	5	25,000	25,000	25,000	25,000	25,000	125,000
<i>CIP Fund Balance</i>			15,000					15,000
<i>Transfers to CIP-General Fund</i>			10,000	25,000	25,000	25,000	25,000	110,000
City Hall Improvements	45-C0326	5	25,000	50,000	50,000	250,000	10,000	385,000
<i>Bond Financing (General Fund)</i>					50,000	250,000		300,000
<i>Transfers to CIP-General Fund</i>			25,000	50,000			10,000	85,000
Signal Controller Upgrades	45-C0433	5	15,000	15,000	15,000			45,000
<i>Transfers to CIP-General Fund</i>			15,000	15,000	15,000			45,000
Public Works Storage Yard Expansion	45-C0718	5		10,000	375,000	525,000		910,000
<i>Bond Financing (General Fund)</i>					375,000	525,000		900,000
<i>CIP Fund Balance</i>				10,000				10,000
Standby Generator Replacement	45-C0846	1	12,000					12,000
<i>Grants-Federal</i>			10,000					10,000
<i>Transfers to CIP-General Fund</i>			2,000					2,000
Sign Plotter Replacement	45-C0847	5	8,000					8,000
<i>Transfers to CIP-General Fund</i>			8,000					8,000
Gasboy Fuel Mgmt System Upgrade	45-C0855	1	17,000					17,000
<i>Transfers to CIP-Electric Fund</i>			4,250					4,250
<i>Transfers to CIP-General Fund</i>			4,250					4,250
<i>Transfers to CIP-Wastewater Fund</i>			4,250					4,250
<i>Transfers to CIP-Water Fund</i>			4,250					4,250
Public Works Total			333,000	357,000	746,000	1,076,000	410,000	2,922,000
GRAND TOTAL			15,560,268	32,222,000	5,326,451	11,709,000	15,239,200	80,056,919

City of Hagerstown, Maryland

ELECTRIC FUND

FY '14 thru FY '18

PROJECTS BY FUNDING SOURCE

Source	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Electric Fund								
Electric Vehicles	50-C0090	5	50,000	165,000	190,000	184,000	210,000	799,000
Telemetry Equipment	50-C0111	5	40,000	40,000	40,000	30,000	20,000	170,000
Central Substation	50-C0118	5			200,000	500,000	200,000	900,000
Wesel Boulevard Development	50-C0220	5		50,000	50,000	50,000	50,000	200,000
Hagerstown Business Park	50-C0258	5		50,000	50,000	50,000	50,000	200,000
System Reconductoring	50-C0259	5	20,000	21,000	21,000	21,000	21,000	104,000
Pedestrian Lighting	50-C0388	5	10,000	100,000	100,000	100,000	100,000	410,000
Building and Site Improvements	50-C0542	5	25,000	20,000	20,000	20,000	20,000	105,000
Test Equipment	50-C0609	5	17,000	15,000	15,000	15,000	15,000	77,000
City Park Bridge Light Replacement	50-C0610	4			25,000			25,000
Fairchild Heights	50-C0613	5	8,000	8,000				16,000
Work Management System	50-C0618	5		50,000	50,000	100,000	100,000	300,000
Old Trail Estates/Peachtree Suites	50-C0673	5	3,000	3,000				6,000
Potomac Manor	50-C0674	5	3,000	3,000				6,000
Poplar Square (former Linwood Hollow)	50-C0706	5		10,000	20,000	20,000	20,000	70,000
Deerfield Knolls	50-C0707	5		10,000	20,000	20,000	20,000	70,000
Substation Breaker Replacement	50-C0776	5	10,000					10,000
GIS Facility Software	50-C0777	5	10,000	10,000	10,000	10,000	10,000	50,000
Mitchell Substation Third Bay	50-C0778	5	10,000	60,000	100,000			170,000
Spare Regulators	50-C0797	8	20,000	20,000	20,000			60,000
Wildlife Protection	50-C0802	8	15,000	15,000	15,000	15,000	15,000	75,000
Noland Drive Boys & Girls Club	50-C0818	5	52,000					52,000
Hamilton Hotel	50-C0819	5	9,000					9,000
Feeder Coordination	50-C0833	5	25,000	25,000	25,000	25,000	25,000	125,000
Bester Elementary School	50-C0841	5	41,000					41,000
Circuit Upgrades	50-C0842	5	60,000	150,000	150,000	150,000	150,000	660,000
Electric Fund Total			428,000	825,000	1,121,000	1,310,000	1,026,000	4,710,000
GRAND TOTAL			428,000	825,000	1,121,000	1,310,000	1,026,000	4,710,000

City of Hagerstown, Maryland

ELECTRIC FUND

FY '14 thru FY '18

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Electric Fund								
Electric Vehicles	50-C0090	5	50,000	165,000	190,000	184,000	210,000	799,000
<i>Electric Fund</i>			<i>50,000</i>	<i>165,000</i>	<i>190,000</i>	<i>184,000</i>	<i>210,000</i>	<i>799,000</i>
Telemetry Equipment	50-C0111	5	40,000	40,000	40,000	30,000	20,000	170,000
<i>Electric Fund</i>			<i>40,000</i>	<i>40,000</i>	<i>40,000</i>	<i>30,000</i>	<i>20,000</i>	<i>170,000</i>
Central Substation	50-C0118	5			200,000	500,000	200,000	900,000
<i>Electric Fund</i>					<i>200,000</i>	<i>500,000</i>	<i>200,000</i>	<i>900,000</i>
Wesel Boulevard Development	50-C0220	5		50,000	50,000	50,000	50,000	200,000
<i>Electric Fund</i>				<i>50,000</i>	<i>50,000</i>	<i>50,000</i>	<i>50,000</i>	<i>200,000</i>
Hagerstown Business Park	50-C0258	5		50,000	50,000	50,000	50,000	200,000
<i>Electric Fund</i>				<i>50,000</i>	<i>50,000</i>	<i>50,000</i>	<i>50,000</i>	<i>200,000</i>
System Reconductoring	50-C0259	5	20,000	21,000	21,000	21,000	21,000	104,000
<i>Electric Fund</i>			<i>20,000</i>	<i>21,000</i>	<i>21,000</i>	<i>21,000</i>	<i>21,000</i>	<i>104,000</i>
Pedestrian Lighting	50-C0388	5	10,000	100,000	100,000	100,000	100,000	410,000
<i>Electric Fund</i>			<i>10,000</i>	<i>100,000</i>	<i>100,000</i>	<i>100,000</i>	<i>100,000</i>	<i>410,000</i>
Building and Site Improvements	50-C0542	5	25,000	20,000	20,000	20,000	20,000	105,000
<i>Electric Fund</i>			<i>25,000</i>	<i>20,000</i>	<i>20,000</i>	<i>20,000</i>	<i>20,000</i>	<i>105,000</i>
Test Equipment	50-C0609	5	17,000	15,000	15,000	15,000	15,000	77,000
<i>Electric Fund</i>			<i>17,000</i>	<i>15,000</i>	<i>15,000</i>	<i>15,000</i>	<i>15,000</i>	<i>77,000</i>
City Park Bridge Light Replacement	50-C0610	4			25,000			25,000
<i>Electric Fund</i>					<i>25,000</i>			<i>25,000</i>
Fairchild Heights	50-C0613	5	8,000	8,000				16,000
<i>Electric Fund</i>			<i>8,000</i>	<i>8,000</i>				<i>16,000</i>
Work Management System	50-C0618	5		50,000	50,000	100,000	100,000	300,000
<i>Electric Fund</i>				<i>50,000</i>	<i>50,000</i>	<i>100,000</i>	<i>100,000</i>	<i>300,000</i>
Old Trail Estates/Peachtree Suites	50-C0673	5	3,000	3,000				6,000
<i>Electric Fund</i>			<i>3,000</i>	<i>3,000</i>				<i>6,000</i>
Potomac Manor	50-C0674	5	3,000	3,000				6,000
<i>Electric Fund</i>			<i>3,000</i>	<i>3,000</i>				<i>6,000</i>
Poplar Square (former Linwood Hollow)	50-C0706	5		10,000	20,000	20,000	20,000	70,000
<i>Electric Fund</i>				<i>10,000</i>	<i>20,000</i>	<i>20,000</i>	<i>20,000</i>	<i>70,000</i>
Deerfield Knolls	50-C0707	5		10,000	20,000	20,000	20,000	70,000
<i>Electric Fund</i>				<i>10,000</i>	<i>20,000</i>	<i>20,000</i>	<i>20,000</i>	<i>70,000</i>
Substation Breaker Replacement	50-C0776	5	10,000					10,000
<i>Electric Fund</i>			<i>10,000</i>					<i>10,000</i>
GIS Facility Software	50-C0777	5	10,000	10,000	10,000	10,000	10,000	50,000
<i>Electric Fund</i>			<i>10,000</i>	<i>10,000</i>	<i>10,000</i>	<i>10,000</i>	<i>10,000</i>	<i>50,000</i>
Mitchell Substation Third Bay	50-C0778	5	10,000	60,000	100,000			170,000
<i>Electric Fund</i>			<i>10,000</i>	<i>60,000</i>	<i>100,000</i>			<i>170,000</i>
Spare Regulators	50-C0797	8	20,000	20,000	20,000			60,000

Department	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
<i>Electric Fund</i>			<i>20,000</i>	<i>20,000</i>	<i>20,000</i>			<i>60,000</i>
Wildlife Protection	50-C0802	8	15,000	15,000	15,000	15,000	15,000	75,000
<i>Electric Fund</i>			<i>15,000</i>	<i>15,000</i>	<i>15,000</i>	<i>15,000</i>	<i>15,000</i>	<i>75,000</i>
Noland Drive Boys & Girls Club	50-C0818	5	52,000					52,000
<i>Electric Fund</i>			<i>52,000</i>					<i>52,000</i>
Hamilton Hotel	50-C0819	5	9,000					9,000
<i>Electric Fund</i>			<i>9,000</i>					<i>9,000</i>
Feeder Coordination	50-C0833	5	25,000	25,000	25,000	25,000	25,000	125,000
<i>Electric Fund</i>			<i>25,000</i>	<i>25,000</i>	<i>25,000</i>	<i>25,000</i>	<i>25,000</i>	<i>125,000</i>
Bester Elementary School	50-C0841	5	41,000					41,000
<i>Electric Fund</i>			<i>41,000</i>					<i>41,000</i>
Circuit Upgrades	50-C0842	5	60,000	150,000	150,000	150,000	150,000	660,000
<i>Electric Fund</i>			<i>60,000</i>	<i>150,000</i>	<i>150,000</i>	<i>150,000</i>	<i>150,000</i>	<i>660,000</i>
Electric Fund Total			428,000	825,000	1,121,000	1,310,000	1,026,000	4,710,000
GRAND TOTAL			428,000	825,000	1,121,000	1,310,000	1,026,000	4,710,000

City of Hagerstown, Maryland

WATER FUND

FY '14 thru FY '18

PROJECTS BY FUNDING SOURCE

Source	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total				
ARDI Fund Balance												
Zone 3 Standpipe	52-C0323	5					100,000	100,000				
ARDI Fund Balance Total							100,000	100,000				
Bond Financing (Water Fund)												
Willson Treatment Plant	52-C0166	5	170,000	172,500	183,000	194,025	205,601	925,126				
Distribution Services - Meter Program	52-C0653	4	1,205,600	1,241,768	1,279,021			3,726,389				
Distribution System Rehab - Main Replacement	52-C0709	5	400,000	412,000	424,360	437,090	450,204	2,123,654				
Water System SCADA Improvements	52-C0820	4	665,000	250,000				915,000				
Bond Financing (Water Fund) Total							2,440,600	2,076,268	1,886,381	631,115	655,805	7,690,169
Contribution by Others												
Pump Station Improvements	52-C0651	5		150,000	762,500	637,500		1,550,000				
Contribution by Others Total							150,000	762,500	637,500	1,550,000		
Grant-State MDE												
Willson Plant Improvements Phase IV	52-C0740	5	1,500,000					1,500,000				
Grant-State MDE Total							1,500,000	1,500,000				
MDE Loan												
Willson Transmission Mains	52-C0167	5			3,815,000	4,615,000	750,000	9,180,000				
Edgemont Reservoir Improvements	52-C0168	5		70,000	170,000	170,000		410,000				
Breichner WTP Improvements	52-C0405	5	300,000	1,750,000	1,100,000	52,500	55,125	3,257,625				
Willson Plant Improvements Phase IV	52-C0740	5	7,600,000					7,600,000				
Water System SCADA Improvements	52-C0820	4	500,000					500,000				
MDE Loan Total							8,400,000	1,820,000	5,085,000	4,837,500	805,125	20,947,625
Water Fund												
Water Vehicles	52-C0117	5	275,400	336,800	190,200	272,800	250,200	1,325,400				
Willson Treatment Plant	52-C0166	5	30,000	37,500	37,500	37,500	37,500	180,000				
Willson Transmission Mains	52-C0167	5		500,000				500,000				
Edgemont Reservoir Improvements	52-C0168	5	150,000	150,000	150,000	150,000	150,000	750,000				
Adm. & Engineering Equipment	52-C0648	5	10,000	10,000	10,000	10,000	10,000	50,000				
Pump Station Improvements	52-C0651	5	75,000	75,000	75,000	75,000	75,000	375,000				
Distribution Services - Meter Program	52-C0653	4				325,000	334,749	659,749				
Willson Plant Improvements Phase IV	52-C0740	5	500,000					500,000				
Water System SCADA Improvements	52-C0820	4	40,000	10,000	75,000	75,000	75,000	275,000				

Source	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Water Fund Total			1,080,400	1,119,300	537,700	945,300	932,449	4,615,149
GRAND TOTAL			13,421,000	5,165,568	8,271,581	7,051,415	2,493,379	36,402,943

City of Hagerstown, Maryland

WATER FUND

FY '14 thru FY '18

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Water Fund								
Water Vehicles	52-C0117	5	275,400	336,800	190,200	272,800	250,200	1,325,400
<i>Water Fund</i>			<i>275,400</i>	<i>336,800</i>	<i>190,200</i>	<i>272,800</i>	<i>250,200</i>	<i>1,325,400</i>
Willson Treatment Plant	52-C0166	5	200,000	210,000	220,500	231,525	243,101	1,105,126
<i>Bond Financing (Water Fund)</i>			<i>170,000</i>	<i>172,500</i>	<i>183,000</i>	<i>194,025</i>	<i>205,601</i>	<i>925,126</i>
<i>Water Fund</i>			<i>30,000</i>	<i>37,500</i>	<i>37,500</i>	<i>37,500</i>	<i>37,500</i>	<i>180,000</i>
Willson Transmission Mains	52-C0167	5		500,000	3,815,000	4,615,000	750,000	9,680,000
<i>MDE Loan</i>					<i>3,815,000</i>	<i>4,615,000</i>	<i>750,000</i>	<i>9,180,000</i>
<i>Water Fund</i>				<i>500,000</i>				<i>500,000</i>
Edgemont Reservoir Improvements	52-C0168	5	150,000	220,000	320,000	320,000	150,000	1,160,000
<i>MDE Loan</i>				<i>70,000</i>	<i>170,000</i>	<i>170,000</i>		<i>410,000</i>
<i>Water Fund</i>			<i>150,000</i>	<i>150,000</i>	<i>150,000</i>	<i>150,000</i>	<i>150,000</i>	<i>750,000</i>
Zone 3 Standpipe	52-C0323	5					100,000	100,000
<i>ARDI Fund Balance</i>							<i>100,000</i>	<i>100,000</i>
Breichner WTP Improvements	52-C0405	5	300,000	1,750,000	1,100,000	52,500	55,125	3,257,625
<i>MDE Loan</i>			<i>300,000</i>	<i>1,750,000</i>	<i>1,100,000</i>	<i>52,500</i>	<i>55,125</i>	<i>3,257,625</i>
Adm. & Engineering Equipment	52-C0648	5	10,000	10,000	10,000	10,000	10,000	50,000
<i>Water Fund</i>			<i>10,000</i>	<i>10,000</i>	<i>10,000</i>	<i>10,000</i>	<i>10,000</i>	<i>50,000</i>
Pump Station Improvements	52-C0651	5	75,000	225,000	837,500	712,500	75,000	1,925,000
<i>Contribution by Others</i>				<i>150,000</i>	<i>762,500</i>	<i>637,500</i>		<i>1,550,000</i>
<i>Water Fund</i>			<i>75,000</i>	<i>75,000</i>	<i>75,000</i>	<i>75,000</i>	<i>75,000</i>	<i>375,000</i>
Distribution Services - Meter Program	52-C0653	4	1,205,600	1,241,768	1,279,021	325,000	334,749	4,386,138
<i>Bond Financing (Water Fund)</i>			<i>1,205,600</i>	<i>1,241,768</i>	<i>1,279,021</i>			<i>3,726,389</i>
<i>Water Fund</i>						<i>325,000</i>	<i>334,749</i>	<i>659,749</i>
Distribution System Rehab - Main Replacement	52-C0709	5	400,000	412,000	424,360	437,090	450,204	2,123,654
<i>Bond Financing (Water Fund)</i>			<i>400,000</i>	<i>412,000</i>	<i>424,360</i>	<i>437,090</i>	<i>450,204</i>	<i>2,123,654</i>
Willson Plant Improvements Phase IV	52-C0740	5	9,600,000					9,600,000
<i>Grant-State MDE</i>			<i>1,500,000</i>					<i>1,500,000</i>
<i>MDE Loan</i>			<i>7,600,000</i>					<i>7,600,000</i>
<i>Water Fund</i>			<i>500,000</i>					<i>500,000</i>
Water System SCADA Improvements	52-C0820	4	1,205,000	260,000	75,000	75,000	75,000	1,690,000
<i>Bond Financing (Water Fund)</i>			<i>665,000</i>	<i>250,000</i>				<i>915,000</i>
<i>MDE Loan</i>			<i>500,000</i>					<i>500,000</i>
<i>Water Fund</i>			<i>40,000</i>	<i>10,000</i>	<i>75,000</i>	<i>75,000</i>	<i>75,000</i>	<i>275,000</i>
Water Fund Total			13,421,000	5,165,568	8,271,581	7,051,415	2,493,379	36,402,943
GRAND TOTAL			13,421,000	5,165,568	8,271,581	7,051,415	2,493,379	36,402,943

City of Hagerstown, Maryland

WASTEWATER FUND

FY '14 thru FY '18

PROJECTS BY FUNDING SOURCE

Source	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Bond Financing (Wastewater Fund)								
Collection System Rehabilitation	54-C0327	1	150,000	900,000	400,000	400,000	400,000	2,250,000
East End Pump Station	54-C0565	5		250,000				250,000
Plant Equipment	54-C0584	1	125,000	150,000	125,000	100,000	100,000	600,000
Solids Processing-Pelletizer and WWTP Improvements	54-C0711	2	150,000	500,000	250,000	50,000	50,000	1,000,000
Collection System Equipment	54-C0713	5	80,000	80,000	80,000	80,000	80,000	400,000
Grinder Pump Replacement Program	54-C0767	5	85,000	85,000	85,000	85,000	85,000	425,000
Eliminate Pump Stations	54-C0832	5	127,000	88,000	300,000			515,000
Bond Financing (Wastewater Fund) Total			717,000	2,053,000	1,240,000	715,000	715,000	5,440,000
Contribution by Others								
Collection System Rehabilitation	54-C0327	1		700,000				700,000
East End Pump Station	54-C0565	5			675,000			675,000
Contribution by Others Total				700,000	675,000			1,375,000
Grant-State MDE								
Citywide - CS Rehabilitation	54-C0800	1	300,000					300,000
Grant-State MDE Total			300,000					300,000
Prior Bond Proceeds								
Wastewater Vehicle Replacement	54-C0004	5	425,000					425,000
Prior Bond Proceeds Total			425,000					425,000
Wastewater Fund								
Wastewater Vehicle Replacement	54-C0004	5	142,000	190,000	125,000	25,000	25,000	507,000
Manhole Raising	54-C0267	1	33,500	33,500	33,500	33,500	33,500	167,500
Pump Station Improvements	54-C0299	1	57,000	90,000	70,000	45,000	45,000	307,000
Collection System Rehabilitation	54-C0327	1	150,000					150,000
Buildings and Structures	54-C0585	5	150,000	100,000	50,000	25,000	25,000	350,000
Oxygen System Improvements	54-C0657	1	10,000					10,000
Laboratory Equipment	54-C0745	5	10,000	20,000	20,000	20,000	20,000	90,000
Grinder Pump Replacement Program	54-C0767	5	30,000	30,000	30,000	30,000	30,000	150,000
Trunk Lines and Laterals	54-C0834	2	15,000	15,000	15,000	15,000	15,000	75,000
Clarifiers 4 & Weir Covers 6	54-C0845	2	100,000	75,000				175,000
Wastewater Fund Total			697,500	553,500	343,500	193,500	193,500	1,981,500

Source	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
GRAND TOTAL			2,139,500	3,306,500	2,258,500	908,500	908,500	9,521,500

City of Hagerstown, Maryland

WASTEWATER FUND

FY '14 thru FY '18

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Wastewater Fund								
Wastewater Vehicle Replacement	54-C0004	5	567,000	190,000	125,000	25,000	25,000	932,000
<i>Prior Bond Proceeds</i>			425,000					425,000
<i>Wastewater Fund</i>			142,000	190,000	125,000	25,000	25,000	507,000
Manhole Raising	54-C0267	1	33,500	33,500	33,500	33,500	33,500	167,500
<i>Wastewater Fund</i>			33,500	33,500	33,500	33,500	33,500	167,500
Pump Station Improvements	54-C0299	1	57,000	90,000	70,000	45,000	45,000	307,000
<i>Wastewater Fund</i>			57,000	90,000	70,000	45,000	45,000	307,000
Collection System Rehabilitation	54-C0327	1	300,000	1,600,000	400,000	400,000	400,000	3,100,000
<i>Bond Financing (Wastewater Fund)</i>			150,000	900,000	400,000	400,000	400,000	2,250,000
<i>Contribution by Others</i>				700,000				700,000
<i>Wastewater Fund</i>			150,000					150,000
East End Pump Station	54-C0565	5		250,000	675,000			925,000
<i>Bond Financing (Wastewater Fund)</i>				250,000				250,000
<i>Contribution by Others</i>					675,000			675,000
Plant Equipment	54-C0584	1	125,000	150,000	125,000	100,000	100,000	600,000
<i>Bond Financing (Wastewater Fund)</i>			125,000	150,000	125,000	100,000	100,000	600,000
Buildings and Structures	54-C0585	5	150,000	100,000	50,000	25,000	25,000	350,000
<i>Wastewater Fund</i>			150,000	100,000	50,000	25,000	25,000	350,000
Oxygen System Improvements	54-C0657	1	10,000					10,000
<i>Wastewater Fund</i>			10,000					10,000
Solids Processing-Pelletizer and WWTP Improvements	54-C0711	2	150,000	500,000	250,000	50,000	50,000	1,000,000
<i>Bond Financing (Wastewater Fund)</i>			150,000	500,000	250,000	50,000	50,000	1,000,000
Collection System Equipment	54-C0713	5	80,000	80,000	80,000	80,000	80,000	400,000
<i>Bond Financing (Wastewater Fund)</i>			80,000	80,000	80,000	80,000	80,000	400,000
Laboratory Equipment	54-C0745	5	10,000	20,000	20,000	20,000	20,000	90,000
<i>Wastewater Fund</i>			10,000	20,000	20,000	20,000	20,000	90,000
Grinder Pump Replacement Program	54-C0767	5	115,000	115,000	115,000	115,000	115,000	575,000
<i>Bond Financing (Wastewater Fund)</i>			85,000	85,000	85,000	85,000	85,000	425,000
<i>Wastewater Fund</i>			30,000	30,000	30,000	30,000	30,000	150,000
Citywide - CS Rehabilitation	54-C0800	1	300,000					300,000
<i>Grant-State MDE</i>			300,000					300,000
Eliminate Pump Stations	54-C0832	5	127,000	88,000	300,000			515,000
<i>Bond Financing (Wastewater Fund)</i>			127,000	88,000	300,000			515,000
Trunk Lines and Laterals	54-C0834	2	15,000	15,000	15,000	15,000	15,000	75,000
<i>Wastewater Fund</i>			15,000	15,000	15,000	15,000	15,000	75,000
Clarifiers 4 & Weir Covers 6	54-C0845	2	100,000	75,000				175,000
<i>Wastewater Fund</i>			100,000	75,000				175,000
Wastewater Fund Total			2,139,500	3,306,500	2,258,500	908,500	908,500	9,521,500

Department	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
GRAND TOTAL			2,139,500	3,306,500	2,258,500	908,500	908,500	9,521,500

City of Hagerstown, Maryland

PARKING FUND

FY '14 thru FY '18

PROJECTS BY FUNDING SOURCE

Source	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Bond Financing - Future Issue								
Parking Facilities - 3rd Parking Deck	56-C0173	5	550,000					550,000
Bond Financing - Future Issue Total			550,000					550,000
Bond Financing (Parking Fund)								
Parking Facilities - 3rd Parking Deck	56-C0173	5	500,000	8,500,000				9,000,000
Bond Financing (Parking Fund) Total			500,000	8,500,000				9,000,000
Grants-Federal								
Parking Facilities - 3rd Parking Deck	56-C0173	5	350,000					350,000
Grants-Federal Total			350,000					350,000
Parking Fund								
North Potomac Street Parking Facilities	56-C0749	5	30,000	30,000	30,000	30,000	30,000	150,000
Parking Fund Vehicles	56-C0829	5		20,000	20,000	25,000		65,000
Parking System Way Finding Signs	56-C0848	5	30,000					30,000
Parking Fund Total			60,000	50,000	50,000	55,000	30,000	245,000
GRAND TOTAL			1,460,000	8,550,000	50,000	55,000	30,000	10,145,000

City of Hagerstown, Maryland

PARKING FUND

FY '14 thru FY '18

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Parking Fund								
Parking Facilities - 3rd Parking Deck	56-C0173	5	1,400,000	8,500,000				9,900,000
<i>Bond Financing - Future Issue</i>			550,000					550,000
<i>Bond Financing (Parking Fund)</i>			500,000	8,500,000				9,000,000
<i>Grants-Federal</i>			350,000					350,000
North Potomac Street Parking Facilities	56-C0749	5	30,000	30,000	30,000	30,000	30,000	150,000
<i>Parking Fund</i>			30,000	30,000	30,000	30,000	30,000	150,000
Parking Fund Vehicles	56-C0829	5		20,000	20,000	25,000		65,000
<i>Parking Fund</i>				20,000	20,000	25,000		65,000
Parking System Way Finding Signs	56-C0848	5	30,000					30,000
<i>Parking Fund</i>			30,000					30,000
Parking Fund Total			1,460,000	8,550,000	50,000	55,000	30,000	10,145,000
GRAND TOTAL			1,460,000	8,550,000	50,000	55,000	30,000	10,145,000

City of Hagerstown, Maryland

GOLF FUND

FY '14 thru FY '18

PROJECTS BY FUNDING SOURCE

Source	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Golf Fund								
Golf Course - Vehicles/Equipment	57-C0395	4	40,000	30,000	50,000	20,000		140,000
Golf Cart Storage	57-C0825	8			2,200			2,200
Golf Fund Total			40,000	30,000	52,200	20,000		142,200
Grants-State Program Open Space								
Golf Cart Storage	57-C0825	8			19,800			19,800
Grants-State Program Open Space Total					19,800			19,800
GRAND TOTAL			40,000	30,000	72,000	20,000		162,000

City of Hagerstown, Maryland

GOLF FUND

FY '14 thru FY '18

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Golf Fund								
Golf Course - Vehicles/Equipment	57-C0395	4	40,000	30,000	50,000	20,000		140,000
<i>Golf Fund</i>			<i>40,000</i>	<i>30,000</i>	<i>50,000</i>	<i>20,000</i>		<i>140,000</i>
Golf Cart Storage	57-C0825	8			22,000			22,000
<i>Golf Fund</i>					<i>2,200</i>			<i>2,200</i>
<i>Grants-State Program Open Space</i>					<i>19,800</i>			<i>19,800</i>
Golf Fund Total			40,000	30,000	72,000	20,000		162,000
GRAND TOTAL			40,000	30,000	72,000	20,000		162,000

City of Hagerstown, Maryland
PROPERTY MANAGEMENT FUND
 FY '14 thru FY '18

PROJECTS BY FUNDING SOURCE

Source	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Grants-Federal								
Hagerstown Small Business Center	58-C0828	5	38,079					38,079
Grants-Federal Total			38,079					38,079
Property Management Fund								
Alms House Repairs	58-C0755	5	5,000			5,000		10,000
Elizabeth Hager Center	58-C0803	5	20,000	20,000	20,000	20,000	20,000	100,000
Property Management Fund Total			25,000	20,000	20,000	25,000	20,000	110,000
Transfer to Prop Mgmt-Econ Redevel								
36-40 North Potomac Street	58-C0836	5	35,000					35,000
Transfer to Prop Mgmt-Econ Redevelop Fund Total			35,000					35,000
Transfers to Prop Mgmt-CDBG Fund								
36-40 North Potomac Street	58-C0836	5	75,000					75,000
Transfers to Prop Mgmt-CDBG Fund Total			75,000					75,000
GRAND TOTAL			173,079	20,000	20,000	25,000	20,000	258,079

City of Hagerstown, Maryland
PROPERTY MANAGEMENT FUND

FY '14 thru FY '18

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project#	Priority	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Property Management Fund								
Alms House Repairs	58-C0755	5	5,000			5,000		10,000
<i>Property Management Fund</i>			<i>5,000</i>			<i>5,000</i>		<i>10,000</i>
Elizabeth Hager Center	58-C0803	5	20,000	20,000	20,000	20,000	20,000	100,000
<i>Property Management Fund</i>			<i>20,000</i>	<i>20,000</i>	<i>20,000</i>	<i>20,000</i>	<i>20,000</i>	<i>100,000</i>
Hagerstown Small Business Center	58-C0828	5	38,079					38,079
<i>Grants-Federal</i>			<i>38,079</i>					<i>38,079</i>
36-40 North Potomac Street	58-C0836	5	110,000					110,000
<i>Transfer to Prop Mgmt-Econ Redevelop Fund</i>			<i>35,000</i>					<i>35,000</i>
<i>Transfers to Prop Mgmt-CDBG Fund</i>			<i>75,000</i>					<i>75,000</i>
Property Management Fund Total			173,079	20,000	20,000	25,000	20,000	258,079
GRAND TOTAL			173,079	20,000	20,000	25,000	20,000	258,079

CAPITAL IMPROVEMENT PROGRAMFY '14 *thru* FY '18**City of Hagerstown, Maryland**

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Bond Financing - Future Issue	1,041,667					1,041,667
Bond Financing (General Fund		4,600,000				4,600,000
Grants-State	2,083,333	9,200,000				11,283,333
Stadium County Contribution	1,041,667	4,600,000				5,641,667
Stadium Private Contribution	2,083,333	9,200,000				11,283,333
Total	6,250,000	27,600,000				33,850,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project # 45-C0065
Project Name Public Works Vehicles

Type Replacement **Department** Public Works
Useful Life 10 years **Contact** Deike
Category Automobiles and Trucks **Priority** Planned Improvement
Location: Public Works
Year Submitted: Ongoing
Status Active



Description

Per Vehicle and Equipment schedule. Two of the vehicles proposed for FY13 have been deferred for the prior 3 years (units #019 and #023) and the other vehicle has been deferred for the prior 2 years (unit #030).

FY14: GMC dump truck #024 (\$140,000), GMC truck #045 (\$25,000), and GMC dump truck #019 (\$60,000) - unit #019 was approved in FY13 budget with bond financing.
 FY15: Chevy dump truck #020 (\$140,000), Trailer #079 (\$4,000), Tamper #085 (\$3,000), Trailer #089 (\$4,000), GMC truck #094 (\$40,000), Ford dump truck #025 (\$60,000)
 FY16: John Deere Mower #063 (\$11,000), Air compressor #083 (\$12,000), Roller #084 (\$12,000), Bucket truck #601 (\$75,000), Sterling dump truck #026 (\$150,000)
 FY17: Chevy blazer #003 (\$25,000), Ford tractor #005 (\$25,000), Ford dump truck #017 (\$60,000), Chevy truck #034 (\$30,000), Chevy truck #046 (\$25,000), Unit #62 Mower (\$15,000)
 FY18: Sterling Actera Dump #027 (\$150,000), Trailer Permier #081 (\$4,000), Schwarze Sweeper #092 (\$200,000).

Justification

Vehicle repair costs and maintenance increase with the age of a vehicle. On average, vehicles should be replaced every 10 years. Some equipment and vehicles should be replaced sooner than 10 years while others can go longer.

Budget Impact/Other

New vehicles and equipment should operate more efficiently and need less maintenance. Newer vehicles will have better fuel economy and less labor and material costs for maintenance.

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Equip/Vehicles/Furnishings	225,000	251,000	260,000	180,000	354,000	1,270,000
Total	225,000	251,000	260,000	180,000	354,000	1,270,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Bond Financing (General Fund)	182,980	140,000	150,000		350,000	822,980
Prior Bond Proceeds	17,020					17,020
Transfers to CIP-General Fund	25,000	111,000	110,000	180,000	4,000	430,000
Total	225,000	251,000	260,000	180,000	354,000	1,270,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 thru FY '18

City of Hagerstown, Maryland

Project # 45-C0129
Project Name Police Vehicles

Type Replacement
Useful Life 5 years
Category Automobiles and Trucks
Location: Police Department
Year Submitted: Ongoing

Department Police
Contact Holtzman
Priority Public Safety

Status Active



Description

FY14: 5 new patrol vehicles, plus all auxillary equipment (radios, computers, e-tickets, prisoner transport cages, weapon mounts, emergency lighting, etc.) @ \$40,000 each (\$200,000) contingent upon Mayor & Council approval of a new take home program, and 2 replacement low-mileage pre-owned staff cars to be purchased from other agencies @ \$5,000 each (\$10,000) Unit 900 and 943.

FY15: Same as FY14 for continuation of adding new vehicles to fleet for take home program (if approved by Mayor & Council) 6 patrol vehicles @ \$40,000 (\$240,000), and 2 replacement low mileage pre-owned cars @\$5,000 each (\$10,000) Unit 928 and 993.

FY16: Unit 936 06 Crown Victoria (\$40,000), Unit 940 06 Crown Victoria (\$40,000), Unit 941 06 Crown Victoria (\$40,000), Unit 957 98 Crown Victoria, Unit 963 03 Crown Victoria (\$40,000), Unit 964 00 Focus (\$5,000), Unit 973 01 Lumina (\$5,000), and Unit 988 03 Crown Victoria (\$40,000).

FY17: Unit 930 07 Charger (\$40,000), Unit 932 07 Charger (40,000), Unit 935 06 Crown Victoria (\$40,000), Unit 939 06 Crown Victoria (\$40,000), Unit 942 06 Crown Victoria (\$40,000), Unit 970 00 Cirrus (\$5,000), Unit 972 04 Crown Victoria (\$40,000), and Unit 977 75 Chevy S-10 (\$5,000).

FY18: Unit 934 06 Crown Victoria (\$40,000), Unit 944 04 Crown Victoria (\$40,000), Unit 946 07 Charger (\$40,000), Unit 962 00 Crown Victoria (\$40,000), Unit 967 00 Crown Victoria (\$40,000), Unit 975 07 Charger (\$40,000), Unit 9111 13 Taurus (\$5,000), and Unit 984 99 Ford Explorer (\$5,000).

Justification

Many patrol vehicles are operated around the clock with in-town driving and considerable idling. A recent staff assessment has identified the need for a baseline minimum of 30 patrol cars. This need is affected by the overlapping 10 hour shifts, special enforcement details, and down time due to maintenance or damage. Cost increases from previous budgets represent the addition of mobile data terminals that had been included with the police department's IT budget, and electronic ticketing equipment that will need to be included in all patrol vehicles. Equipment will be reused when practical.

Staff cars are needed for other agency components such as the Criminal Investigation Division, Crime Lab, Professional Standards, and Training. The budget is intended to enable the acquisition of reliable, low-mileage pre-owned cars being retired by other agencies as available.

Budget Impact/Other

After the warranties expire, the City assumes maintenance costs which are included in the department operating budget.

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Equip/Vehicles/Furnishings	210,000	250,000	250,000	250,000	250,000	1,210,000
Total	210,000	250,000	250,000	250,000	250,000	1,210,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Transfers to CIP-General Fund	210,000	250,000	250,000	250,000	250,000	1,210,000
Total	210,000	250,000	250,000	250,000	250,000	1,210,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project # 45-C0249
Project Name Community & Economic Development Vehicles



Type Replacement **Department** Community Development
Useful Life 10 years **Contact** Lestitian
Category Automobiles and Trucks **Priority** Cost Avoidance
Location: Downtown
Year Submitted: 2011

Status Active

Description
 See Vehicle and Equipment replacement schedule. Vehicle and equipment replacements have been deferred during the prior 2 budget cycles.
 FY14 Code Admin: Chevy truck #752 (\$20,000)
 FY15 Code Admin: Chevy truck #755 (\$20,000); Chevy truck #718 (\$20,000)
 FY15 Econ Develop: Chevy Cavalier #717 (\$18,000)
 FY16 Code Admin: Chevy truck #750 (\$20,000)
 FY16 Econ Develop: Jeep Liberty #850 (\$25,000)
 FY17 Code Admin: Jeep Liberty #712 (\$25,000)
 FY17 Planning: Chevy truck #401 (\$20,000)

Justification
 Replace deteriorating equipment

Budget Impact/Other

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Equip/Vehicles/Furnishings	20,000	58,000	45,000	45,000		168,000
Total	20,000	58,000	45,000	45,000		168,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Transfers to CIP-General Fund	20,000	58,000	45,000	45,000		168,000
Total	20,000	58,000	45,000	45,000		168,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project # 45-C0250
Project Name Public Works Operations Center Improvement Program



Type Improvement **Department** Public Works
Useful Life 5 - 10 years **Contact** Deike
Category Buildings and Structures **Priority** Planned Improvement
Location: City Shed
Year Submitted: Ongoing
Status Active

Description
 Various improvements to building built in 1938. Improvement projects include the following:
 FY 14: Remodel of offices
 FY 15: New fencing for additional storage

Justification
 This facility was built in 1938. Since its construction, multiple departments have used it. The building needs continual repairs due to its age.

Budget Impact/Other
 Operational costs will not be affected at this time. Most of these projects are replacements or reconstruction of existing amenities.

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Construction/Maintenance	6,000	6,000	6,000	6,000	6,000	30,000
Total	6,000	6,000	6,000	6,000	6,000	30,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Transfers to CIP-General Fund	6,000	6,000	6,000	6,000	6,000	30,000
Total	6,000	6,000	6,000	6,000	6,000	30,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project # 45-C0280
Project Name Downtown Beautification Program

Type Improvement **Department** Public Works
Useful Life 50 years **Contact** Deike
Category Land Improvements **Priority** Planned Improvement
Location: Downtown
Year Submitted: Ongoing
Status Active



Description
 Complements pedestrian street lighting program with trees, pole banners, and other amenities.
 FY 14: Funds for streetscape improvements in the downtown area.

Justification
 Enhances and improves the appearance of the downtown.
 The Comp Plan recommends the continuation of a full range of physical improvements on an incremental basis to the downtown area. These should be aimed at improving the downtown's image and attractiveness through traffic calming measures; gateway and pedestrian enhancements; landscaping and streetscaping; and improvement of public parking facilities.

Budget Impact/Other
 Depending upon the amenities or enhancements, operational costs could be affected.
 Example: Additional lighting would add to electrical costs.

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Construction/Maintenance	25,000	25,000	25,000	25,000	25,000	125,000
Total	25,000	25,000	25,000	25,000	25,000	125,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
CIP Fund Balance	15,000					15,000
Transfers to CIP-General Fund	10,000	25,000	25,000	25,000	25,000	110,000
Total	25,000	25,000	25,000	25,000	25,000	125,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project # 45-C0308
Project Name Police Building Renovation

Type Improvement **Department** Police
Useful Life 10 - 20 years **Contact** Holtzman
Category Buildings and Structures **Priority** Planned Improvement
Location: Police Department
Year Submitted: Ongoing
Status Active



Description

FY14 Includes: replacement of 2 small overhead air handlers or 1 larger unit (\$10,000); add access control system to existing doors (\$20,000); new doorway in main level hall to restrict access; and additional security measures-per discussion with city staff (\$3,500).
 FY15-18: Other projects for building renovations/infrastructure to be determined in out years.

Justification

*The 14 heat pumps in the police building are an integral part of the HVAC system in the police building and many are beyond their expected useful life. Replacement will occur only as needed.

*Adding specific doors to the access control system is the next step in improving security in the police building. When first constructed, the building had an open floor plan and did not provide for restricted access. While previous measures have improved this, the nature of the job still results in a variety of civilian personnel being able to have access to areas that need to be restricted.

*The additional security measures will be discussed with staff as they are not appropriate for publication.

*Office chairs throughout the building are in need of replacement.

*Conference chairs for the CompStat room are needed to accommodate the individual heights. This room is used regularly for a variety of meetings and training classes by HPD and non-HPD personnel. The current static chairs do not fit everyone equally.

Budget Impact/Other

No new or additional impact on the operational budget is expected from these renovations.

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Construction/Maintenance	33,500	30,000	30,000	30,000	30,000	153,500
Total	33,500	30,000	30,000	30,000	30,000	153,500

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Transfers to CIP-General Fund	33,500	30,000	30,000	30,000	30,000	153,500
Total	33,500	30,000	30,000	30,000	30,000	153,500

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project #	45-C0326
Project Name	City Hall Improvements



Type	Replacement	Department	Public Works
Useful Life	15 years	Contact	Deike
Category	Buildings and Structures	Priority	Planned Improvement
Location:	City Hall		
Year Submitted:	1990		
		Status	Active

Description
FY14: Continue to repair windows with internal staffing as no grant was available for replacements (\$5,000)
FY14: Remodel in IT area and other departmental area carpet replacement (\$20,000)
FY15: Paint clock tower (\$50,000)
FY16: Install a separate A/C system for the Council Chambers.
FY17: Replace the existing heating system and install a new building wide A/C system.
FY18: Bathroom exhaust fans (\$7,000) and various minor projects throughout building (\$3,000)

Justification
To improve energy efficiency of City Hall.
To meet ADA requirements. SAFETY

Budget Impact/Other
Reduce heating and cooling costs.
Alarm monitoring fees - \$100 / month. Will nominally increase electrical costs and may incur additional yearly inspection fees.

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Construction/Maintenance	25,000	50,000	50,000	250,000	10,000	385,000
Total	25,000	50,000	50,000	250,000	10,000	385,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Bond Financing (General Fund			50,000	250,000		300,000
Transfers to CIP-General Fund	25,000	50,000			10,000	85,000
Total	25,000	50,000	50,000	250,000	10,000	385,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 thru FY '18

City of Hagerstown, Maryland

Project # 45-C0568
Project Name Cable PEG/I-Net

Type Improvement **Department** Information Technology
Useful Life 10 years **Contact** Nicewarner
Category Machinery and Equipment **Priority** Contract Obligation
Location: City-Wide
Year Submitted: 2001
Status Active



Description

Public television and institutional network capital facilities and equipment. Improvement to I-Net connectivity and PEG Channel capabilities. Near term projects include continued build out of Channel 6 studios, City web page redevelopment, and I-Net infrastructure upgrades.

FY14: The current 12 year franchise agreement expires on 11/1/2013. We plan to move forward with renegotiating the contract and estimate that the PEG fee revenues will continue through FY18.

Justification

The needs continue for the sharing of data between the major governmental agencies within the County due to consolidation opportunities, especially within our Public Safety and EDC areas. The use of these funds is contractually required for this type of project through the cable franchise agreement in place with Antietam Cable.

Budget Impact/Other

The franchise agreement will in renewal negotiations throughout 2013.

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Equip/Vehicles/Furnishings	235,000	56,000	56,000	56,000	56,000	459,000
Total	235,000	56,000	56,000	56,000	56,000	459,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
CIP Fund Balance	179,000					179,000
PEG Fee	56,000	56,000	56,000	56,000	56,000	280,000
Total	235,000	56,000	56,000	56,000	56,000	459,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project # 45-C0595
Project Name New Sidewalks

Type Improvement **Department** Engineering
Useful Life 30 years **Contact** Tissue
Category Infrastructure-Sidewalks **Priority** Public Safety
Location: Various locations
Year Submitted: Ongoing
Status Active



Description

The City would like to complete the network of sidewalks in the community, creating a path that connects several neighborhoods and commercial areas. Grant assistance will be sought when possible.

FY14: Repair various City-owned curb/sidewalk adjacent street overlays
 FY15: North Burhans Blvd north of Church Street (remove RR tracks and install sidewalk)
 FY16: CDBG funded Carr Street (\$35,000)

Justification

A sidewalk system encourages city residents to walk rather than drive to their destination. New sidewalks will help complete the current system on City-owned property, targeted to be built near schools and where residential and commercial areas border one another. The sidewalk system will be further enhanced by upgraded park amenities and additional landscaping as part of the Livable City initiatives.

Budget Impact/Other

Enforcement of snow removal, but all maintenance costs transferred to adjoining property owner.

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Construction/Maintenance	15,000	25,000	35,000			75,000
Total	15,000	25,000	35,000			75,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Transfers to CIP-CDBG Fund		25,000	35,000			60,000
Transfers to CIP-General Fund	15,000					15,000
Total	15,000	25,000	35,000			75,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project #	45-C0637
Project Name	Storm Water Management Implementation



Type	Improvement	Department	Engineering
Useful Life	Indefinite	Contact	Tissue
Category	Infrastructure-Storm Drains	Priority	Contract Obligation
Location:	City-Wide		
Year Submitted:	Ongoing		
		Status	Active

Description

Purpose of this project is to address Environmental Protection Agency and Maryland Department of the Environment mandates to reduce the pollutants discharged into State waterways and the Chesapeake Bay. In accordance with the State's Watershed Implementation Plan (WIP) initiative, the City must implement Best Management Practices (BMPs) to improve stormwater quality; BMP's likely to be explored include stream restorations, urban tree planting, urban nutrient management programs, the retrofit of existing stormwater facilities to enhance their pollutant reduction efficiency, and the construction of new management facilities. Full compliance with the State/Federal regulations will pose a major financial challenge to the City.

Justification

Compliance with EPA/MDE mandates will require significant funding for analysis, design, construction, and maintenance of new or enhanced stormwater management facilities. While the exact cost of this effort is undetermined, preliminary estimates of the cost to meet EPA/MDE goals by 2025 are in the range of \$30 - \$60 million. While a portion of this cost may be funded through current General Fund revenue and unreserved fund balance, future bonds, and future State/Federal grants, the City must likely consider implementation of a stormwater utility fee to fund the required improvements.

Budget Impact/Other

As new stormwater facilities are constructed, maintenance costs for the City will increase accordingly.

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Planning/Design	100,000	200,000	50,000			350,000
Construction/Maintenance			500,000	1,000,000		1,500,000
Total	100,000	200,000	550,000	1,000,000		1,850,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
CIP Fund Balance	50,000					50,000
Transfers to CIP-General Fund	50,000	200,000	550,000	1,000,000		1,800,000
Total	100,000	200,000	550,000	1,000,000		1,850,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project #	45-C0717
Project Name	Multi-Use Paths



Type	Improvement	Department	Parks
Useful Life	15 - 25 years	Contact	Tissue
Category	Land Improvements	Priority	Planned Improvement
Location:	Memorial Blvd		
Year Submitted:	2011		
		Status	Active

Description

Construct a multi-use (pedestrian, bicycle, rollerblade, etc.) path and/or trail at various locations:

FY14: Widening trail along Memorial Blvd in conjunction with new Bester Elementary school (\$1000,000) from Safe Routes to School Grant.
 FY15: Lighting for trail along Memorial Blvd.
 FY17: Construct trail along Memorial Blvd from Potomac to City Park (\$300,000) per 2012 feasibility study.
 FY18: Possible short path on former CSX railroad bed between Frederick Street and Wilson Blvd.

Staff has already submitted grant application for FY14 Safe Streets.

Justification

The Bicycle Advisory Committee endorsed a plan to create a multi-use trail from Hager Park to City Park.

Budget Impact/Other

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Construction/Maintenance	100,000	30,000		300,000	100,000	530,000
Total	100,000	30,000		300,000	100,000	530,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Grants-State	100,000			300,000	100,000	500,000
Transfers to CIP-General Fund		30,000				30,000
Total	100,000	30,000		300,000	100,000	530,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project # 45-C0730
Project Name West End Fire and EMS (Relocation)



Type Increase Capacity **Department** Fire
Useful Life 25 - 50 years **Contact** Dieterich
Category Buildings and Structures **Priority** Planned Improvement
Location: To be determined
Year Submitted: 2006

Status Active

Description
 Construct a combined Fire Station and EMS station in the West End of town.
 FY 16: Land acquisition
 FY 17: Design
 FY 18: Construction

Justification
 The City's Comprehensive Plan recommends relocating one downtown station out to more geographically suitable location in the West End. This action is intended to improve emergency response times to areas along the City's periphery. The current location is time prohibitive as it is physically located on a one-way street.

Budget Impact/Other
 Relocation should have no operational impact as this is a volunteer operated fire company.

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Planning/Design				150,000		150,000
Land Acquisition			100,000			100,000
Construction/Maintenance					1,150,000	1,150,000
Total			100,000	150,000	1,150,000	1,400,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Bond Financing (General Fund)			100,000	150,000	1,150,000	1,400,000
Total			100,000	150,000	1,150,000	1,400,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project # 45-C0733
Project Name R. Paul Smith Boulevard



Type Increase Capacity **Department** Engineering
Useful Life 25 years **Contact** Tissue
Category Infrastructure-Streets **Priority** Planned Improvement
Location: Howell Road at US 40
Year Submitted: 2006
Status Active

Description

FY17 & FY18: Construct a new connector/access road to be fully developer funded. Alignment based on Metropolitan Planning Organization study of the area.

Justification

Required to develop Harrison's tract.
 Included in the long-range Transportation Plan of the Hagerstown/Eastern Panhandle region, as well as the Comprehensive Plan, recommend this project to improve the regional transportation system.

Budget Impact/Other

Long-term increase of roughly \$30,000 annually for plowing, pavement maintenance, signal maintenance, and pavement markings on new road within City limits. Additional lighting costs of \$4,000 annually.

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Planning/Design				500,000		500,000
Construction/Maintenance					4,500,000	4,500,000
Total				500,000	4,500,000	5,000,000

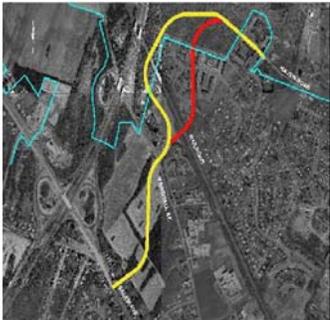
Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Contribution by Others				500,000	4,500,000	5,000,000
Total				500,000	4,500,000	5,000,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 thru FY '18

City of Hagerstown, Maryland

Project # 45-C0735
Project Name Northwest Connector



Type Increase Capacity **Department** Engineering
Useful Life 25 years **Contact** Tissue
Category Infrastructure-Streets **Priority** Planned Improvement
Location: Haven Road to Marshall Street
Year Submitted: 2006
Status Active

Description
 In conjunction with development and consistent with a presentation to City Council in July, 2006, the City share would be 60' clear span bridge over railroad and a road from the bridge to Marshall Street (unless development proposed otherwise). The traffic study was finalized in January 2012.

Justification
 Traffic volumes on Salem Avenue have increased 90% since 1997 and 34% on Burhans and Pennsylvania Avenue. Salem cannot be widened and anything to decrease traffic on Salem would benefit long term congestion. This road is "missing link" in the transportation system.
 The Comprehensive Plan recommends working with other agencies to pursue the timely completion of selected projects that facilitate traffic movement around the City's periphery. This project was specifically identified.

Budget Impact/Other
 Long-term increase in maintenance costs of roughly \$20,000 annually for plowing, pavement maintenance, bridge maintenance, and pavement markings for road within City limits. Additional lighting costs of \$3,000 annually.

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Planning/Design			80,000			80,000
Land Acquisition			200,000			200,000
Construction/Maintenance				1,500,000	3,400,000	4,900,000
Total			280,000	1,500,000	3,400,000	5,180,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Bond Financing (General Fund)				1,000,000	850,000	1,850,000
Contribution by Others				500,000	2,400,000	2,900,000
Excise Tax Fund			280,000		150,000	430,000
Total			280,000	1,500,000	3,400,000	5,180,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project #	45-C0739
Project Name	Municipal Financial System

Type	Maintenance	Department	Information Technology
Useful Life	5 years	Contact	Nicewarner
Category	Software	Priority	Planned Improvement
Location:	City Hall		
Year Submitted:	2007-2008		



Status Active

Description

This project will allow for improvements to our MUNIS financial software that are beyond the current features in the software and specific to City operations. This will include forms enhancements, custom programming, and other work not applicable to our maintenance agreement.

Justification

Specific customizations to meet regulatory / customer needs as we progress through software versions.

Budget Impact/Other

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Software	25,618					25,618
Total	25,618					25,618

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
CIP Fund Balance	25,618					25,618
Total	25,618					25,618

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project # 45-C0811
Project Name Frederick Street Culvert



Type Unassigned **Department** Engineering
Useful Life 50 years **Contact** Tissue
Category Storm Drainage **Priority** Documented Savings
Location: Frederick Street
Year Submitted: 2010
Status Active

Description
 Extend existing box culvert both downstream and upstream to remove narrowed road situation and connect missing segment of sidewalk system.

Justification
 Town of Funkstown has requested that we address this and install missing segment of sidewalk. We also have had several citizen requests, including an ADA related request to install to sidewalk. This project involves extensive permitting from environmental agencies.
 Will coordinate with possible SHA Sidewalk retrofit project (CIP 45-C0527) work.

Budget Impact/Other

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Construction/Maintenance	360,000					360,000
Total	360,000					360,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Excise Tax Fund	156,729					156,729
Grants-State Aid in Lieu of Urb	203,271					203,271
Total	360,000					360,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project # 45-C0839

Project Name MELP

Type Improvement **Department** Finance
Useful Life 50 years **Contact** Spiker
Category Buildings and Structures **Priority** Planned Improvement
Location: Eastern Blvd @ Mt. Aetna Roa
Year Submitted: 2012
Status Active



Description

The MELP was owned by the City of Hagerstown and operated as an electric generation facility for over fifty years. The property was sold to Hagerstown Fiber and Light to be utilized as a generation facility twenty years ago and subsequently sold to Partners Marketing LLP. MELP has not been utilized in over twenty years and has deteriorated to the point where demolition is the only viable option.

State Delegate Donoghue supports and will file a request during the current session of the Maryland General Assembly for state aid in the amount of \$300,000 to help offset the cost of demolition. This is reflected in our current funding plan for this project.

The City has offered the property owner \$1,000,000 in funding support for the demolition and clean-up of the property with the understanding that the owner will then transfer the property to the City once all environmental clean-up and remediation requirements have been met. The agreement between the City and owner on this project is still being developed by the property owner. The Mayor and Council will consider future redevelopment of this property and possible funding sources at a later date, when the demolition and clean-up of the property proceed.

Justification

The City of Hagerstown owns all of the surrounding property and owns considerable rights-of-way and easements on the MELP property. It is in the best interest of the City to protect our aforementioned property rights, participate in the demolition of the facility, and ultimately receive ownership of the property.

Budget Impact/Other

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Land Acquisition	250,000					250,000
Demolition	750,000					750,000
Total	1,000,000					1,000,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
CIP Fund Balance	450,000					450,000
Contribution by Others	300,000					300,000
Prior Bond Proceeds	250,000					250,000
Total	1,000,000					1,000,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project # 45-C0846
Project Name Standby Generator Replacement



Type Replacement **Department** Public Works
Useful Life 25 years **Contact** Deike
Category Unassigned **Priority** Public Safety
Location: Public Works
Year Submitted: 2013
Status Active

Description

Replacement of the existing standby generator that powers the fueling station located at 51 W. Memorial Blvd. Replacement unit would include an enclosure.

Justification

Existing generator is over 25 years old. The enclosure is in need of Replacement. The fueling station services all departments and Community Rescue Service.

Budget Impact/Other

Ensures that standby power is available in an emergency so the fuel pumps will continue to operate during a power failure.
 NOTE: Grant funding may be available for this generator through FEMA/MEMA. However, if funding is unavailable, costs will need to come from the general fund and utilities since this serves all departments and CRS.

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Construction/Maintenance	2,000					2,000
Equip/Vehicles/Furnishings	10,000					10,000
Total	12,000					12,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Grants-Federal	10,000					10,000
Transfers to CIP-General Fund	2,000					2,000
Total	12,000					12,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project # 50-C0111
Project Name Telemetry Equipment

Type Improvement **Department** Electric Fund
Useful Life 10 years **Contact** Fridinger
Category Machinery and Equipment **Priority** Planned Improvement
Location: Electric Department
Year Submitted: 1997
Status Active



Description
 Construction of communication networks (wired and wireless) to facilitate transmission of data and/or voice from installed devices in the electric system. These devices may be located in a substation, a vehicle, or a city owned electric meter.

Justification
 The funding in fiscal years 2014 through 2016 will complete the fiber optic communications to three of our substations. Currently these stations are communicating with our SCADA system through a third-party wireless network. There is question as to whether this network will be available in the future. Funds in fiscal year 2017 shall improve communication delay and errors between devices monitored within the substations by the SCADA system with the purchase of additional RS-232 to Ethernet converters. Fiscal Year 2018 funds are to provide for maintenance of operation. There are presently no plans for vehicle or electric meter communications.

Budget Impact/Other
 HLD installation of communications for SCADA, metering, and system monitoring.

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Construction/Maintenance	30,000	30,000	30,000	5,000	10,000	105,000
Equip/Vehicles/Furnishings	10,000	10,000	10,000	25,000	10,000	65,000
Total	40,000	40,000	40,000	30,000	20,000	170,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Electric Fund	40,000	40,000	40,000	30,000	20,000	170,000
Total	40,000	40,000	40,000	30,000	20,000	170,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project # 50-C0542
Project Name Building and Site Improvements

Type Improvement **Department** Electric Fund
Useful Life 20 years **Contact** Fridinger
Category Buildings and Structures **Priority** Planned Improvement
Location: 425 E. Baltimore Street
Year Submitted: 2001
Status Active



Description

Make improvements to the HLD facility on East Baltimore Street and at the Eastern Blvd. Storage Building.
 FY14 - Replace HLD windows, etc.
 FY15 - Replace additional HLD windows, etc.

Justification

Cost avoidance, planned improvement, and improved service. Installation of insulated windows will result in significant savings in heating and cooling costs.

Budget Impact/Other

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Construction/Maintenance	25,000	20,000	20,000	20,000	20,000	105,000
Total	25,000	20,000	20,000	20,000	20,000	105,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Electric Fund	25,000	20,000	20,000	20,000	20,000	105,000
Total	25,000	20,000	20,000	20,000	20,000	105,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project # 50-C0673
Project Name Old Trail Estates/Peachtree Suites



Type Increase Capacity **Department** Electric Fund
Useful Life 50 years **Contact** Fridinger
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: Fridinger/Vale Streets
Year Submitted: 2005
Status Active

Description

To provide underground electrical services to new development. The developer will install all conduits and street lighting systems.
 Install services and meters to remaining 4 lots on Fridinger Ave.

Justification

Will provide service to the lots as they develop. The original primary installation of the facilities occurred in FY07.

Budget Impact/Other

Will provide service to the lots as they develop. The original primary installation of the facilities occurred in FY 07.

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Construction/Maintenance	1,500	1,500				3,000
Equip/Vehicles/Furnishings	1,500	1,500				3,000
Total	3,000	3,000				6,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Electric Fund	3,000	3,000				6,000
Total	3,000	3,000				6,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 thru FY '18

City of Hagerstown, Maryland

Project # 50-C0674
Project Name Potomac Manor

Type Increase Capacity **Department** Electric Fund
Useful Life 50 years **Contact** Fridinger
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: Potomac Manor
Year Submitted: 2005

Status Active



Description

This development has the unique properties of the HLD/Allegheny Power boundary line bisecting the property at the end of Dayspring Lane and Willow Grove Way in Potomac Heights. Market functions will dictate the timing of this project. The developer will install all conduits and street lighting system.
 Ten lots of this development are within the HLD's service area and seven lots remain to be developed.

Justification

Provide electric service to new customers within the service territory of the HLD.

Budget Impact/Other

Will provide underground service to lots as they develop. Primary underground facilities were installed in FY 05.

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Construction/Maintenance	1,500	1,500				3,000
Equip/Vehicles/Furnishings	1,500	1,500				3,000
Total	3,000	3,000				6,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Electric Fund	3,000	3,000				6,000
Total	3,000	3,000				6,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project # 50-C0706
Project Name Poplar Square (former Linwood Hollow)



Type Increase Capacity **Department** Electric Fund
Useful Life 50 years **Contact** Fridinger
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: Extension of Hagerstown Bus P
Year Submitted: 2006
Status Active

Description
 This property is an extension of Sweeney Drive. The plan for residential development has been abandoned by the developer. Future funds will provide for any residential improvements that may take place. Commercial or industrial redevelopment is budgeted under C0258.

Justification
 Provide electric service to new customers within the service territory of the HLD.

Budget Impact/Other
 Developer will install all conduits and street lighting. HLD crews will pull in wire, set transformers and meters.

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Construction/Maintenance		5,000	10,000	10,000	10,000	35,000
Equip/Vehicles/Furnishings		5,000	10,000	10,000	10,000	35,000
Total		10,000	20,000	20,000	20,000	70,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Electric Fund		10,000	20,000	20,000	20,000	70,000
Total		10,000	20,000	20,000	20,000	70,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 thru FY '18

City of Hagerstown, Maryland

Project # 50-C0707
Project Name Deerfield Knolls



Type Increase Capacity **Department** Electric Fund
Useful Life 50 years **Contact** Fridinger
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: North Burhans Blvd.
Year Submitted: 2006
Status Active

Description

Proposed development across from TBH Concrete connecting Burhans Blvd. and Mitchell Ave. requiring underground electric service.
 82 units proposed.

Justification

Provide electric service to new customers within the service territory of the HLD.

Budget Impact/Other

Developer will install all conduits and street lighting. HLD crews will pull in wire, set transformers, and meters.

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Construction/Maintenance		5,000	10,000	10,000	10,000	35,000
Equip/Vehicles/Furnishings		5,000	10,000	10,000	10,000	35,000
Total		10,000	20,000	20,000	20,000	70,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Electric Fund		10,000	20,000	20,000	20,000	70,000
Total		10,000	20,000	20,000	20,000	70,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project # 50-C0818
Project Name Noland Drive Boys & Girls Club

Type Increase Capacity **Department** Electric Fund
Useful Life 50 years **Contact** Fridinger
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: Noland Village
Year Submitted: 2011
Status Active



Description
 Reconstruct overhead facilities offsite and install necessary underground equipment onsite to provide electric service. The developer will install all conduits.
 Location in empty lot in Noland Village.

Justification
 Provide electric service to new customers within the service territory of the HLD.

Budget Impact/Other

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Construction/Maintenance	36,000					36,000
Equip/Vehicles/Furnishings	16,000					16,000
Total	52,000					52,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Electric Fund	52,000					52,000
Total	52,000					52,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project # 50-C0819
Project Name Hamilton Hotel



Type Increase Capacity **Department** Electric Fund
Useful Life 50 years **Contact** Fridinger
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: W Washington Street
Year Submitted: 2010
Status Active

Description

Reconstruct overhead facilities offsite and install necessary underground equipment onsite to provide electric service. The developer will install all conduits. Location is at the corner of W. Washington Street and Jonathan Street.

Justification

Provide new electric service to customers within the service territory of the HLD.

Budget Impact/Other

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Construction/Maintenance	4,500					4,500
Equip/Vehicles/Furnishings	4,500					4,500
Total	9,000					9,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Electric Fund	9,000					9,000
Total	9,000					9,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project #	52-C0117
Project Name	Water Vehicles



Type	Replacement	Department	Water Fund
Useful Life	10 years	Contact	Hausrath
Category	Automobiles and Trucks	Priority	Planned Improvement
Location:	Water Department		
Year Submitted:	Ongoing		
		Status	Active

Description
FY14: Unit 209 04 Util Van (\$18,500), Unit 241 99 SUV (\$26,400), Unit 214 03 Mtr Rd (\$20,000), Unit 223 88 Backhoe (\$85,000), Unit 217 Util Truck (\$32,200), Unit 234 Svc Truck (\$73,300), and Unit 261 01 Mtr Rd (\$20,000)
FY15: Unit 205 03 Svc Truck (\$75,500), Unit 219 Crane Truck (\$152,000), Unit 210 00 Trk Plant (\$31,000), and Unit 224 93 Backhoe (\$78,300)
FY16: Unit 202 05 Trk PS (\$29,500), Unit 203 06 4x4 Trk (\$28,300), Unit 213 Mower (\$5,000), Unit 237 98 Backhoe (\$80,200), Unit 212 05 Trk PS (\$25,600), and Unit 244 06 SUV (\$21,600)
FY17: Unit 225 04 SUV (\$22,400), Unit 227 03 PS Trk (\$26,400), Unit 254 04 Plant Trk (\$25,100), Unit 226 07 Mtr Rd (\$22,500), Unit 208 05 Svc Trk (\$68,100), Unit 215 Dump Trk (\$86,800), and Unit P03 07 Mail Trk (\$21,500)
FY18: Unit 200 08 Trail Blazer (\$24,000), Unit 218 05 Ford F450 (\$46,000), Unit 228 01 Backhoe (\$96,200), Unit 201 07 Trail Blazer (\$25,000), Unit 221 10 Mower (\$5,000), and Unit 238 03 Mower (\$54,000).

Justification
Replace Fleet Vehicles schedules for replacement under the Vehicle Replacement Program - No additional vehicles are being added to the Water Dept. Fleet. FY18 estimate based on current fleet status.
Replace deteriorating mobile equipment to improve safety for workers and to customer service request time.
Note: The Water Division has delayed vehicle purchases in FY09 through FY12 - the only vehicles replaced between FY09 and FY11 were Unit 211 (dump truck in FY09) and Unit 230 (SUV in FY12). All other vehicle purchases were delayed.

Budget Impact/Other
Maintenance costs will be reduced with the replacement of older fleet vehicles.

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Equip/Vehicles/Furnishings	275,400	336,800	190,200	272,800	250,200	1,325,400
Total	275,400	336,800	190,200	272,800	250,200	1,325,400

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Water Fund	275,400	336,800	190,200	272,800	250,200	1,325,400
Total	275,400	336,800	190,200	272,800	250,200	1,325,400

CAPITAL IMPROVEMENT PROGRAM

FY '14 thru FY '18

City of Hagerstown, Maryland

Project # 52-C0648
Project Name Adm. & Engineering Equipment

Type Improvement
Useful Life 5 years
Category Infrastructure-Utilities
Location: Wastewater treatment plant
Year Submitted: Ongoing
Department Water Fund
Contact Hausrath
Priority Planned Improvement
Status Active



Description
 FY14-18: Upgrade computer equipment and info-water program (Hydraulic Model and GIS).
 The Hydraulic Model is included in this CIP which is interfaced with the City GIS Project.

Justification
 To replace and/or upgrade engineering computer hardware and software.

Budget Impact/Other
 To ensure accuracy and reliability of engineering equipment.
 Will require funding through the operations budget 52-74001 to keep software management agreements current.

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Software	10,000	10,000	10,000	10,000	10,000	50,000
Total	10,000	10,000	10,000	10,000	10,000	50,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Water Fund	10,000	10,000	10,000	10,000	10,000	50,000
Total	10,000	10,000	10,000	10,000	10,000	50,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project # 52-C0651
Project Name Pump Station Improvements



Type Improvement **Department** Water Fund
Useful Life 25 years **Contact** Hausrath
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: Various locations
Year Submitted: Ongoing
Status Active

Description
 FY14-FY18: \$75,000 for replacement of critical equipment at all stations (pumps, SCADA Upgrade, etc.)
 FY15: Design of new suction and discharge mains at PS6 at Greendale Street (\$225,000); Misc. pump replacements (developer driven)
 FY16-18: Design for the relocation of PS2; construction of new PS2; and removal of old PS2 (\$1,625,000). PS2 is located on Northern Avenue and this project is developer driven.

Justification
 Replace and/or upgrade deteriorating infrastructure-reliability. PS2 (Northern Ave) relocation will be development driven. It is possible that a portion of the funding will be through developer contribution.

Budget Impact/Other
 Replace and/or upgrade deteriorating infrastructure - reliability.
 Note: upgrades to the pump stations will not likely change the overall operating costs.

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Construction/Maintenance	75,000	75,000	712,500	587,500	75,000	1,525,000
Engineering		150,000	125,000	125,000		400,000
Total	75,000	225,000	837,500	712,500	75,000	1,925,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Contribution by Others		150,000	762,500	637,500		1,550,000
Water Fund	75,000	75,000	75,000	75,000	75,000	375,000
Total	75,000	225,000	837,500	712,500	75,000	1,925,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project # 52-C0709
Project Name Distribution System Rehab - Main Replacement



Type Replacement **Department** Water Fund
Useful Life 50 years **Contact** Hausrath
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: Water Department
Year Submitted: Ongoing
Status Active

Description
 FY14: Continue the leak detection program.
 FY14: Continue to replace aging infrastructure throughout the Distribution System - will coordinate with City/County and State road projects.
 FY14-FY18: Continue to replace aging infrastructure throughout the Distribution System.
 FY14-FY18: \$50,000 per year will be dedicated to the hydrant and valve program.

Justification
 Replace deteriorating infrastructure, improve safety for workers, and improve customer service.
 Main replacement will be based on age of mains, main failure and the removal of transite (asbestos concrete) pipe.

Budget Impact/Other
 Replace and/or upgrade deteriorating infrastructure - reliability.
 Reduction in operating cost associated with road repairs as distribution system is upgraded (materials and road repairs.)

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Construction/Maintenance	200,000	206,000	212,180	218,545	225,102	1,061,827
Allocated Labor	200,000	206,000	212,180	218,545	225,102	1,061,827
Total	400,000	412,000	424,360	437,090	450,204	2,123,654

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Bond Financing (Water Fund)	400,000	412,000	424,360	437,090	450,204	2,123,654
Total	400,000	412,000	424,360	437,090	450,204	2,123,654

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project # 52-C0740
Project Name Willson Plant Improvements Phase IV

Type Improvement **Department** Water Fund
Useful Life 50 years **Contact** Hausrath
Category Infrastructure-Utilities **Priority** Planned Improvement
Location: Willson Plant
Year Submitted: 2006
Status Active



Description
 FY14 - Constuction of improvements.

Justification
 To comply with Safe Drinking Water Act Standards - Upgrade will include modifications of the filter backwash water recycle and residual treatment/disposal. If funding allows, project will include improvements to the existing structure to upgrade the Operator Booth and construction of a Conference Room.

Budget Impact/Other
 Replace and/or upgrade deteriorating infrastructure - reliability.

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Construction/Maintenance	9,000,000					9,000,000
Engineering	600,000					600,000
Total	9,600,000					9,600,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Grant-State MDE	1,500,000					1,500,000
MDE Loan	7,600,000					7,600,000
Water Fund	500,000					500,000
Total	9,600,000					9,600,000

CAPITAL IMPROVEMENT PROGRAM

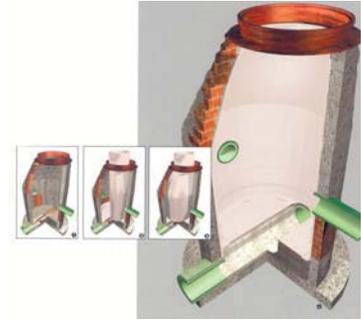
FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project # 54-C0327
Project Name Collection System Rehabilitation

Type Improvement **Department** Wastewater Fund
Useful Life 40 years **Contact** Moss
Category Infrastructure-Utilities **Priority** Public Safety
Location: City-Wide
Year Submitted: Ongoing

Status Active



Description
Collection system personnel to continue Point repairs through out the system (estimated at \$300,000 / year). FY15 - Re-route forcemain for Station #8 to discharge into Station #18 & #26 (\$1,200,000) Relocate Gravity at Pump Station #3 (\$30,000) Service connection & main rehabilitation (\$300,000) Manhole rehabilitation (\$80,000)
Justification
Reducing the inflow and infiltration will provide future re-capturing of allocation for the WWTP. Consistent with Comprehensive Plan - identified need to address long-term wastewater issues with projected capacity deficits FY15 - By re-routing the forcemain for Station #8 into #18 & #26 it will reduce the burden on Station #4 and open that area up to development.
Budget Impact/Other
Reduction of I/I will free up capacity for future growth (future revenues).

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Construction/Maintenance	300,000	1,600,000	400,000	400,000	400,000	3,100,000
Total	300,000	1,600,000	400,000	400,000	400,000	3,100,000
Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Bond Financing (Wastewater F	150,000	900,000	400,000	400,000	400,000	2,250,000
Contribution by Others		700,000				700,000
Wastewater Fund	150,000					150,000
Total	300,000	1,600,000	400,000	400,000	400,000	3,100,000

CAPITAL IMPROVEMENT PROGRAM

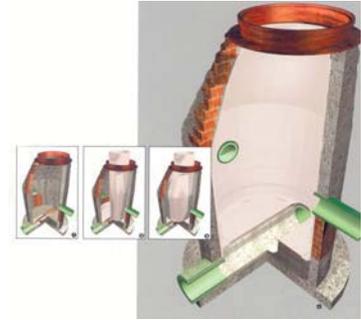
FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project # 54-C0800
Project Name Citywide - CS Rehabilitation

Type Improvement **Department** Wastewater Fund
Useful Life 40 years **Contact** Moss
Category Infrastructure-Utilities **Priority** Public Safety
Location: City-Wide
Year Submitted: 2008

Status Active



Description
Correct infiltration & inflow into the wastewater collection system by replacement or re-lining defective piping. Will submit application for grant funding to MDE by January 31, 2013. The project will repair segments that were identified in the 2007 Sanitary Sewer Evaluation Study (SSES).
Justification
Reducing the inflow & infiltration will provide future re-capturing of allocation for the WWTP. Consistent with Comprehensive Plan - identified need to address long-term wastewater issues with projected capacity deficits.
Budget Impact/Other
Reduction of I/I will free up capacity for future growth (future revenues)

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Construction/Maintenance	300,000					300,000
Total	300,000					300,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Grant-State MDE	300,000					300,000
Total	300,000					300,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project # 56-C0173
Project Name Parking Facilities - 3rd Parking Deck

Type Improvement **Department** Parking Fund
Useful Life 50 years **Contact** Deike and Tissue
Category Buildings and Structures **Priority** Planned Improvement
Location: To be determined
Year Submitted: 2011

Status Active



Description

Mayor and Council are contemplating the construction of a third parking deck on West Antietam Street. A new parking deck would be financed by City issued bonds to be repaid by City Parking users and contributions from others. In addition, City staff is in the process of applying for an ARC grant (Appalachian Regional Commission) to help fund half (1/2) of the design costs.

This project is still in preliminary discussions and funding sources are not yet finalized. As a result, it is anticipated that only a small portion will be included in our FY2014 City bond issue and the remaining balance will be included with a future FY2015 bond issue.

The possible funding sources for this project could include City, County, State, and private contributions. A more definitive funding plan will be completed once a decision is reached on whether to pursue construction of a third deck. Rich and Associates completed a parking study analysis in 2012 and communicated that current parking demand will not support a third deck.

FY14: Land acquisition and design phase
 FY15: Construction phase of a new approximately 500 space deck

Justification

Provide additional needed parking to support redevelopment of the city center area including: residential, office, and commercial development, as well as any other downtown revitalization projects.

The Mayor and Council have expressed interest in working with a private developer on a public private partnership that could lead to a major downtown revitalization project.

Budget Impact/Other

For this deck to be financially viable to the City, it is critical to have new and additional paying customers in our downtown area.

The operating revenue from a third deck, combined with other Parking Fund revenue, would need to meet total Parking operating expenses plus related debt service expenses to avoid general fund subsidies and revenue shortfalls.

Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Planning/Design	700,000					700,000
Land Acquisition	700,000					700,000
Construction/Maintenance		8,500,000				8,500,000
Total	1,400,000	8,500,000				9,900,000

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Bond Financing - Future Issue	550,000					550,000
Bond Financing (Parking Fund)	500,000	8,500,000				9,000,000
Grants-Federal	350,000					350,000
Total	1,400,000	8,500,000				9,900,000

CAPITAL IMPROVEMENT PROGRAM

FY '14 *thru* FY '18

City of Hagerstown, Maryland

Project # 58-C0828
Project Name Hagerstown Small Business Center



Type Improvement **Department** Property Management Fund
Useful Life 25 - 50 years **Contact** Lestitian
Category Buildings and Structures **Priority** Planned Improvement
Location: 60 W Washington Street
Year Submitted: 2011
Status Active

Description

The creation of the Hagerstown Small Business Center includes renovations and improvements to the building located at 60 W Washington Street. The south portion of the building has a newly renovated retail space which was completed in July 2011. The north portion of the building has newly renovated classrooms and office space for the University System of Maryland. These renovations were completed in September of 2012.

FY14: Phase III Future renovations will finish space for a small business incubator in the center of the structure.

Justification

As part of the City of Hagerstown's commitment to enhance economic development in the City Center, the building was acquired in April 2011 in order to create a small business incubator. The small business incubator will aide in the creation of small businesses and allow small businesses to grow and expand.

Budget Impact/Other

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Expenditures	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Construction/Maintenance	38,079					38,079
Total	38,079					38,079

Funding Sources	FY '14	FY '15	FY '16	FY '17	FY '18	Total
Grants-Federal	38,079					38,079
Total	38,079					38,079

**GLOSSARY AND FISCAL POLICIES
SECTION 10**

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GLOSSARY
FISCAL YEAR 2013/2014

Definitions of terms used in preparation of the Budget are listed below and in the pages that follow.

Accounting System – The total structure of records and procedures that identify, record, classify, summarize, and report information on the financial position and results of operations of a government.

Accrual Basis of Accounting – The method of accounting where transactions are recognized when they occur, regardless of the timing of related cash flows.

Appropriations – The legal authorizations made by the Mayor and Council to the departments, offices, and agencies of the City which approves their budgets and allows them to make expenditures and incur obligations for purposes with the accounts approved.

Assessable Base – The total value of all real and personal property in the city which is used as a basis for levying taxes. Tax exempt property is excluded from the assessable base.

Assigned Fund Balance – The portion of net resources intended for a specific use by the City, as determined by the designee of the Mayor and council.

Balanced Budget – A budget that has operating revenues equal to operating expenditures.

Bloom-Carlile Fund - The Bloom-Carlile Trust Fund was established to segregate funds received from the estates of S. Martin Bloom, Annie Gill Carlile, and others from the general accounts of the City. The donors' intent was to establish a permanent endowment fund. The income earned on investment of the fund is used to provide assistance to the poor and needy of Hagerstown.

Bond – A written promise to pay a specified amount of money, called the principal amount, at specific dates in the future called maturity dates along with interest at specific rate.

Bond Anticipation Notes – Short-term interest-bearing notes issued by a government in anticipation of bonds to be issued at a later date. The notes are retired from proceeds of the bond to which they are related.

Bonds Issued – Bonds sold.

Bond Rating – A rating that indicates the probability of timely repayment of principal and interest on bonds issued.

Budget – A financial plan containing estimated revenues and expenses for an organization. The plans are prepared by the individual departments and reviewed and submitted by the City Administrator to the Mayor and Council for their review and approval.

Budget Year – The fiscal year for which the budget is being considered. (See also FISCAL YEAR.)

Business Revolving Loan Fund - This fund is designed to assist in the recruitment, retention and expansion of businesses within the City of Hagerstown, Maryland.

Capital Budget – The annual adoption of project appropriations by the Mayor and Council. Project appropriations are for the amount necessary to carry out a capital project's expenditure plan, including multi-year contracts for which a total appropriation covering several years planned expenditures may be required.

Capital Improvements Program (CIP) – The annual updated 6-year plan or schedule of projected expenditures for buildings, public facilities, and other improvements which are of significant value and have a useful life of several years. The City's program includes estimated project costs, sources of funding, and timing of work for each project. The capital improvement program is the basis for the annual CIP appropriations and any new bond issues.

Capital Expenses (Outlays) – Departmental expenditures which generally result in the acquisition of furniture, equipment, and/or computers, which have a value of less than \$5,000 (\$10,000 for Enterprise

GLOSSARY
FISCAL YEAR 2013/2014

Funds), and have a useful economic life of more than one year. Capital expenses are reflected in the budget document in each department requesting the items.

Capital Projects – A specific activity or element of the Capital Improvements Program involving expenditures and funding for the creation of permanent facilities or other public assets that have a relatively long useful life.

CDBG – See Community Development Block Grant

CIP – See Capital Improvements Program

Committed Fund Balance – Portion of net resources with imposed limitations set at the highest level of decision making authority. Such authority includes ordinances, resolutions of the Mayor and Council and the City's charter. Formal action at the same level of authority is required to remove such limitations.

Community Development Block Grant (CDBG) – A general purpose, federal grant primarily used to promote rehabilitation and development of residential and commercial neighborhoods, and to meet all urgent community development needs.

Current Year – The fiscal year that is prior to the budget year.

Debt Issuance – The sale or issuance of any type of debt instrument, such as bonds.

Debt Limit – The statutory or constitutional maximum debt that an issuer can legally incur.

Debt Ratios – The ratios that provide measures of assessing debt load and ability to repay debt, which play a part in the determination of credit ratings. They also are used to evaluate the City's debt position over time against its own standards and policies.

Debt Service – The payment of principal and interest on borrowed funds such as bonds.

Deficit – The amount by which a government's budget outlays exceed its budget revenues for a given period, usually a fiscal year.

Dental Care Fund – Similar to the Health Insurance Fund this Fund manages the Dental Insurance. It allocates the costs by billing a pre-established internal "insurance" rate for each fund's employees, retirees, and dependents. This charge represents funding sources from which the dental care related administrative and reimbursement costs are paid.

Department – The major organizational divisions in the City government with overall responsibility for one or activities or functions of the City.

Depreciation – An allocation made for the decrease in value of physical assets through wear, deterioration, or obsolescence. It allocates the asset's cost over its useful life.

Distinguished Budget Presentation Award – A voluntary program administered by the Government Finance Officers Association (GFOA) to encourage governments to publish efficiently organized and easily readable budget documents and to provide peer recognition and technical assistance to the fiscal officers preparing them.

Economic Redevelopment Fund - This fund is used to account for activities related to purchase and redevelopment of targeted properties in the City's downtown central business district. These activities are primarily funded by federal and state grants.

Electric Fund - This fund is used to account for the activities of the City's electric distribution operations.

GLOSSARY
FISCAL YEAR 2013/2014

Encumbrance – A firm commitment to pay for future goods and services formally documented with a contract or agreement that may extend over more than one budget year. Both encumbrances and planned expenditures on a project must fit within an agency's appropriation.

Enterprise Fund – A fund used to account for operations that are financed and operated in a manner similar to private business enterprises, where the costs of providing goods or services to the general public are financed or recovered primarily through user charges. The City has six enterprise funds: Electric, Water, Wastewater, Parking, Golf Course, and Property Management.

Estimated Actual (Revenue, Expenditures) – Projected amounts to be paid or collected for the current year estimate through analysis of year-to-date financial trends or schedules.

Excise Tax Fund – This fund was created to account for funds received from the excise tax. Revenues from the excise tax imposed through Washington County may only be used for specific purposes and this fund will be used to account for those funds.

Expenditure – An actual payment made by check, inter-fund transfer, or by recordation of an amount due for goods received or services rendered.

Expenditure Summary – A top-level summary of expenditures by category for each department. The expenditure summary is a component of the departmental Program Summary in the budget document.

Fees – Income resulting from a billing for services or sale made by the City. For example, building permit fees, license fees, and service fees for water, wastewater, and electric, etc.

Fiscal Policies – The City's financial management policies relating to the operating budget, revenues, capital improvements program, general fund balance levels, liability coverage and workers compensation risk management, debt, investments, purchasing, Electric Fund dividend transfer, and Community Betterment Fund use.

Fiscal Year – An organization's accounting or financial year. The City's fiscal year starts July 1 and ends June 30.

Fixed Asset – Assets of a long-term character which are intended to continue to be held and used. Examples of fixed assets include items such as land, buildings, machinery, furniture, and other equipment.

Flexible Spending Fund - This fund was established to account for the City Employee Flexible Spending Account (FSA) Program. Funds are designated on a pre-tax basis to this fund by employees participating in the FSA Program for unreimbursed medical and dependent care costs and reimbursements are made to employees for these costs up to the annual amounts each employee chose to designate. Employer FICA savings are contributed to this fund and are used to pay for administrative costs.

Full-Time Staffing – Indicated the authorized number of full-time number of employees in department by position type. Part-time staffing reflected on the full-time staffing schedule does not include temporary and seasonal positions. Full-time staffing levels are reflected in each Program Summary.

Fund – A fiscal and accounting entity with a self-balancing set of accounts recording cash and all other financial resources or assets, together with all related liabilities or outside claims to those assets; and the remaining unclaimed net worth or residual equity in those assets, which are segregated for the purpose of carrying on specific activities or attaining specific program objectives.

Fund Balance – The cumulative difference between expenditures and revenue accumulated over the life of a fund. A negative fund balance is usually referred to as a deficit.

FY – See Fiscal Year

GAAP – See Generally Accepted Accounting Principles.

GLOSSARY
FISCAL YEAR 2013/2014

GASB – See Governmental Accounting Standards Board.

General Fund – The major operating fund of the City used to account for all financial resources and activities, except those accounted for in one of the City's other funds.

Generally Accepted Accounting Principles (GAAP) – Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles as determined through common practice or as promulgated by the Governmental Accounting Standards Boards, Financial Accounting Standards Board, or various other accounting standard setting bodies.

GFOA – See Government Finance Officers Association.

Golf Course Fund - This fund is used to account for all activities relating to the City's public golf course.

Governmental Accounting Standards Board (GASB) – This organization was established as an arm of the Financial Accounting Foundation in April 1984 to promulgate standards of financial accounting and reporting with respect to activities and transactions of state and local governmental entities.

Governmental Fund – The funds through which most government functions are financed. The City's governmental funds are the General, Debt Service, Capital Projects, and Special Revenue Funds.

Grants – A transfer of county, state or federal monies to the City, usually for specific programs or activities.

Infrastructure – The physical assets of a city (streets, water, wastewater, public buildings, and/or parks) upon which the continuance and growth of a community depend.

Health Care Fund (HCF) - The City manages a self-insurance program for health care for its active and retired employees and their dependents in this Internal Service fund. Under this self-funded plan the City pays a standard monthly administrative fee for each covered member and accepts claim risks up to a specific stop loss for each individual covered. In addition, a second level of insurance called the aggregate stop loss assures that the City does not pay more than a maximum of projected expenses. All funds to which employees are assigned participate in the HIF. It allocates to costs by billing a pre-established internal insurance rate for each fund's employees, retirees and dependents. This charge represents the funding sources for the HCF from which all health care related administrative and medical reimbursements costs are paid.

Interfund Transfers – Payments made from one operating fund to another as a contribution to defray a portion of the recipients fund's costs.

Intergovernmental Revenues – The revenues from other governments in the form of grants, entitlements, shared revenues, or payments in lieu of taxes.

IT – Department of Information and Technology.

Levy – (Verb) To impose taxes or special assessments for the support of governmental activities. (Noun) A tax or special assessment imposed by a government.

Liabilities – Debts or other legal obligations arising out of transactions in the past that must be liquidated, renewed, or refunded at some future date. This term does not include encumbrances.

Liability Coverage Service Fund – An internal service fund used to provide for potential uninsured liability claims.

Line-Item Budget – The traditional form of budgeting, where proposed expenditures are based on individual types of expenditures within a department or program. The Hagerstown City Budget is a line item budget with summary and program information to aid in obtaining a more complete picture of the budget.

GLOSSARY
FISCAL YEAR 2013/2014

Long-Term Debt – Debt or obligations of the City with a final maturity or payment date of greater than one year.

Major Budget Highlights – A component of the Program Summary that explains significant changes or highlights in each department's proposed budget as compared to the previous year's budget.

Major Budget Year Initiatives – A component of the Program Description that details departmental goals for the fiscal year. These objectives are tied to the City's overall strategic plan.

Matured Bonds Payable – A liability account reflecting unpaid bonds that have reached or passed their maturity date.

MGD – Million Gallons per Day.

Modified Accrual Basis Of Accounting – The accrual basis of accounting adapted to the governmental fund type. It is a modified version of the full accrual basis of accounting in that it, in general, measures financial flow (tax and spend) of an organization, rather than capital accumulation (profit or loss).

Net Bonded Debt – Gross bonded debt less any cash or other assets available and earmarked for its retirement.

Non-Departmental Operating Expenditures – Operating expenditures which are not charged directly to specific departments but are cost to the City as a whole, such as debt service payments and general liability insurance.

Nonspendable Fund Balance – Portion of net resources that cannot be spent either (a) because of their form, or (b) because they must be maintained in tact.

Obligations – Amounts that a government may be required legally to meet out of its resources. They include not only actual liabilities, but also unliquidated encumbrances.

Operating Budget – The portion of the City's budget that provides resources for the day-to-day operations of the City.

Ordinance – A formal legislative enactment by the governing board of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and resolution is that the latter requires less legal formality and has a lower legal status. Ordinarily, the statutes or charter will specify or imply those legislative actions that must be enacted by ordinance and those which may be enacted by resolution.

Parking Fund - This fund is used to account for the activities of the City's parking lots and decks.

Pay-As-You-Go – Capital expenditures which are funded from current revenues.

Payment In Lieu Of Taxes – Payments made by entities not legally required to pay taxes in order that they may receive the same services as private taxpayers.

Per Capita – Per unit of population; by or for each person.

Performance Indicators – A component of the Program Description that reflects statistical indicators of levels of service or performance measures by department. Current fiscal year and budget year are projected.

Personnel (Costs) – Expenditures that include salary costs for full-time, part-time, temporary and contract employees, overtime expenses and all associated fringe benefits.

Prior Year(s) – The fiscal year(s) preceding the current year.

GLOSSARY
FISCAL YEAR 2013/2014

Program Description – One of the major sections of the budget document that serves as an introduction for each department, and includes the department's function, program objectives, and performance indicators.

Program Elements - The major functional areas in which each department directs its resources, such as Personal Computer Support in the Information Technology department or Insurance Administration in the Purchasing department. The program elements are a component of the Program Summary.

Program Function – A component of the Program Description that describes the primary responsibility of the department.

Program Summary – One of the major sections of the budget document that details each department's budgetary activity. The summary includes the expenditure summary, major budget highlights, and staffing levels.

Projections – The estimate of budget authority, outlays, receipts, or other amounts extending several years into the future. Projections generally are intended to indicate the budgetary implications of existing or proposed programs.

Property Management Fund - This fund is used to account for all activities related to rental properties owned and managed by the City.

Proposed Budget – Reflects the budget or line-item amount recommended by the City Administrator to the Mayor and Council for their review and consideration. It reflects either his assessment of what is needed to accomplish the department's objectives, or the limited resources available to accomplish the intended objectives.

Resolution – A special or temporary order of a legislative body that requires less legal formality than an ordinance or statute.

Retained Earnings – The cumulative annual net income or loss of an Enterprise fund's operations since the inception of the fund which are retained for future operation or needs.

Receipts – Collections from the public based on a government's exercise of its sovereign powers. Governmental receipts consist of receipts from taxes, court fines, gifts and contributions, and compulsory licenses.

Restricted Fund Balance – Portion of net resources with imposed limitations set by either (a) creditors, grantors, contributors, or the laws and regulations of other governments, or (b) laws through constitutional provisions or enabling legislation.

Revenue – Income received by the City to support its program of services to the community. It includes sources such as property taxes, admission fees, service charges, Federal and State grants, and parking fines to name just a few.

Revenue Anticipation Notes – Notes (sometimes called warrants) issued in anticipation of collection of non-tax revenues, retired after the collection of such revenues.

Revenue Bonds – The type of bonds where principal and interest payments are payable exclusively from the earnings from an enterprise funds. In addition to a pledge of revenues, such bonds sometimes contain mortgages on enterprise fund property.

RFP – Request for Proposals, Federal mandate to request proposals from potential contractors for outsourced government services.

Short-Term Debt – Debt or obligations of the City due within one year or less.

GLOSSARY
FISCAL YEAR 2013/2014

Special Assessment – A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

Special Revenue Grant Fund – This fund was created to account for operating grant revenues from various agencies – federal, state, and local.

State & County Shared Taxes – Taxes levied by one government but shared on a predetermined basis with another government.

Stormwater Management Fund - This fund is used to account for the activities resulting from storm water run-off and management of infrastructure for the City's wastewater systems.

Tax Base – All forms of wealth under the City's jurisdiction that are taxable.

Tax Rate – The amount levied for every \$100 of assessed property value, as determined by the Maryland State Assessment Department on both real and personal property within the Hagerstown City limits. Beginning 10/1/2000 the assessable base for real property was increased from 40% to 100% of estimated fair market value. The real estate tax rate was reduced to 40% of the prior rate but since the assessment for personal property did not change, its rate stayed the same or 2.5 times the real property rate. Current State law requires this rate differential to be maintained for Counties and the City is following the same policy.

Telework Center Fund - This fund is used to account for activities related to the City's participation in the federal government's telecommunications work center pilot program. These activities are primarily funded by federal grants.

Unassigned Fund Balance – The portion of net resources in excess of the nonspendable, restricted, committed, and assigned balances.

Wastewater Fund - This fund is used to account for the activities of the City's sewage collection and treatment operations.

Water Fund - This fund is used to account for the activities of the City's water treatment and distribution operations.

Workers Compensation Fund (WCF) - The City manages its uncovered workers' compensation risks and sets aside assets for claim settlement in this Internal Service Fund. WCF services claims for risk of loss to which the City was exposed for workers' compensation injuries. All funds to which employees are assigned participate in the WCF. It allocates the cost of providing claims servicing and claims payments by charging a premium to each fund based on its exposure. This charge considers recent trends in actual claims experience of the City as a whole and makes provision for catastrophic losses.

Working Capital – A term used to describe the unreserved fund balance calculated by subtracting current liabilities from current assets. This is used for the City's enterprise funds.

Zoning – The partitioning of a city, borough, or township by ordinance into sections reserved for different land use purposes (i.e. residential, offices, manufacturing, commercial, etc.)

OPERATING BUDGET POLICY

1. The budget will be prepared, presented and administered by the City Administrator. The budget is a resource-allocation policy document for the Mayor and City Council.
2. The budget document will be prepared so that it facilitates public study and effectively communicates key economic issues and fiscal policies. The budget process will encourage public involvement.
3. By Charter, the budget must be balanced. Revenues must equal or exceed expenditures. As a general rule, current operating revenue needs to be sufficient to support current operating expenditures.
4. Debt or bond financing will not be used to finance current operating expenditures.
5. Every effort will be made to maintain existing levels of essential public services.
6. All enterprise funds will be fully self-supporting, pay their own way and provide for their own system improvement and expansion needs.
7. Each fund will budget for, and pay, their fair share of public utility and public service costs or fees. Each fund is to be treated as though it were a private customer or taxpayer to properly provide for payments between funds.
8. In addition to its annual operating budget, the City will prepare five-year budget projections, as well as, an analysis of its past financial trends to obtain a broader, more comprehensive picture of the impact of decisions involving the current year's budget or other financial plans.
9. The City will develop a program to integrate performance measurement and productivity indicators with the annual budget.
10. Whenever possible, the City will take advantage of technological improvements to improve productivity and lower costs.
11. Budget performance will be monitored and reported on throughout the year. The department managers are an integral part of the budget control process and will be responsible for their individual department's performance.
12. Prior year's fund balances are to be treated as a "rainy day" fund and are not to be used in budgeting for operating expenditures.
13. As a target, annual "pay as you go" capital expenditures, including both capital improvement program (CIP) and non-CIP, funded by current General Fund dollars shall be greater than the annual depreciation on non-infrastructure General Fund assets plus current cost of maintaining the City's streets through the annual resurfacing program. Other infrastructure assets will be funded through grants and/or debt financing.

REVENUE POLICY

1. The City will try to maintain a diversified and stable revenue system to aid in sheltering it from the impact of short-term fluctuations in any one revenue source.
2. The City will attempt to continually search for new revenue, both financial and non-financial, as a way to diversify its revenue base and help ensure a balanced budget.
3. Wherever possible, those receiving the benefits of a government or utility service will pay for what they receive in full; through current fees, charges, or other assessments. This includes the City's own utilities and other departments who are service "users".
4. The City will follow an aggressive policy of collecting the revenues which are due it.
5. Nonrecurring revenues and other financing resources will not be used to finance continuing operations. Long-term financial commitments to continuing outlays will be avoided unless sustained revenue growth is assured.
6. The City will project revenues for five years and will update the projections annually.
7. Revenue estimates will be based on reasonable expectations and be as realistic as possible, unless fund balances become insufficient to absorb occasional shortfalls, then more conservative estimates should be used.
8. The City will annually review its fees and other charges for service, property tax rates, and utilize annual incremental increases in these to ensure that the City is maintaining existing levels of essential public services.
9. Market rates and charges levied by other public and private organizations for similar services will be considered in establishing rates, fees, and charges.

PURCHASING POLICY

1. The City shall attempt to buy materials and services of high quality at a reasonable cost.
2. The City shall make sure that all purchasing actions are fair and impartial with no impropriety or appearance of impropriety. All qualified buyers and sellers shall have access to City business, and no individual or firm shall be arbitrarily excluded.
3. Every attempt will be made to secure the maximum feasible amount of competition.
4. All purchases and contracts shall be made by the City Administrator. The City Administrator may delegate the responsibility for all major construction contracts to the City Engineer and the Director of Utilities, and the responsibility for all other city purchases to the Purchasing Manager.
5. All budgeted purchase requisitions are subject to the following approvals:
 - Purchase requisitions up to \$1,000 are to be approved by the Department Manager.
 - Purchase requisitions from \$1,000 up to \$4,999 are to be approved by the Purchasing Manager.
 - Purchase requisitions from \$5,000 up to \$9,999 are to be approved by the Finance Director.
 - Purchase requisitions from \$10,000 up to \$24,999 are to be approved by the City Administrator.
 - Purchase requisitions over \$25,000 are to be approved by the Mayor and Council.If budgeted funds are not available, the Director of Finance shall be contacted to locate a source of funds prior to any purchase occurring.
6. Purchases of \$1000 and under may be made using the Purchasing Card (PCard) Program.
7. Purchases of \$30 and under may be made through petty cash.
8. The City shall maintain a yearly open purchase order system (\$200 maximum per transaction) to cover purchases from specified vendors who supply the City with a high volume of the same or similar goods or services during the course of a year.
9. The City of Hagerstown Purchasing Manual shall cover all detailed City purchasing policies and procedures and is available from the Purchasing Department.

INVESTMENT POLICY

1. This policy establishes guidelines for the investing of the financial assets for the City, except as specifically excluded by the Mayor and Council or restrictive covenants. Assets held in trust and agency funds (Pension plans and OPEB plans) are exempt from this policy and are covered under separate policies, procedures, and committees.
2. All investments shall conform to the laws of the State of Maryland. Funds are to be managed in such a way that income earned will be maximized and the portfolio capital is preserved, while simultaneously planning for cash flow and budgetary needs.
3. Although the City Administrator must approve each City investment, the Director of Finance and the designated Investment Officer have the authority to develop and maintain written administrative procedures consistent with the Investment Policy.
4. All investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.
5. Internal controls are established by the Director of Finance to prevent loss of funds due to human and market miscalculations.
6. The City's priorities for investment and management of public funds are: Safety of principal, Liquidity, and Return on investments.
7. The Policy designates allowable types of investment instruments with limitations on amounts invested in any one institution. The investment of funds is also restricted by maturity terms.
8. The policy outlines criteria to rate financial institutions to qualify as eligible for City investment purposes. The criteria consider the following items for each financial institution: total assets, core capital-to-total assets ratio, nationally recognized financial statistical rating, and charter.
9. An Investment Committee, consisting of the City Administrator, Director of Finance, and Budget and/or Investment Officer has been established to develop general direction and guidance for the City's investment activities.
10. The detailed investment policies, which have been approved by the Mayor and Council, are available from the City Administrator.

DEBT POLICY

1. The City will limit its long-term borrowing to Capital Improvements or projects that cannot be financed on a “pay-as-you-go” basis within a reasonable period of time from current revenues.
2. The City will not use long-term debt to fund current operating costs.
3. Capital Projects financed through the issuance of bonds shall not be financed for longer than the expected useful life of the project.
4. Interest, operating and maintenance expenses will be capitalized only for enterprise or utility fund facilities and will be strictly limited to those expenses incurred prior to actual operation of the facilities.
5. The City will make its best effort to keep the average maturity of general obligation bonds at or below 20 years.
6. Total debt service for general long-term debt will not exceed 10% of total operating revenues.
7. Enterprise or Utility fund related debt service will be self liquidating or supported by the revenues of the utility itself. Given the City’s historical low level of general long-term debt outstanding, general obligation debt has been used by the utility funds to lower their interest borrowing costs.
8. Total general obligation debt will not exceed 10% of the assessed valuation of taxable property or \$1,000 per capita.
9. The City will avoid the use of short-term tax anticipation or other short term debt for non-capital purposes except when necessitated by cash flow or other “emergency” situations. Any bond anticipation debt will be retired within 6 months after completion of the project it financed. Continual rollover of short term debt without principal pay down will be avoided.
10. The City will maintain good communications with the bond rating agencies about its financial condition and will follow a policy of full and open disclosure on every financial report and bond prospectus.

CAPITAL IMPROVEMENTS PROGRAM

1. The City will prepare and adopt a five-year Capital Improvement Program which will detail each capital project, the estimated project cost, description and funding source. The overall goal of the Capital Improvements Plan is to order the City’s fiscal expenditures while coordinating public investment with adopted plans and policies to properly manage the City’s long term investments. To that end, the program is expected to:
 - increase opportunities to obtain funding from outside sources, such as the state and federal government;
 - assist in the planning, budgeting and coordinating the operation and capital efforts of the various City Departments;
 - provide a rational basis by having supporting public capital commitments; and
 - result in a more favorable bond rating by giving evidence of effective management.
2. Operating expenditures will be programmed to include the cost of implementing the approved Capital Improvement Program and providing all manpower, operating costs and capital outlay require by it.
3. All capital projects must be justified on the basis of providing a basic service, improving or rehabilitating deteriorated facilities, reducing costs, promoting jobs or benefiting a large population segment or a target area of the City. They must also be compatible with other planned projects and overall City development plans.
4. All projects are to be prioritized according to the following criteria levels:
 - FIRST – clear and present danger to the public; or contractual obligation; or written commitment of grant funding.
 - SECOND – documented cost savings; or probable grant commitments; or other justified need.
 - THIRD – future cost avoidance; or planned improvements; or significant improvement of service.
5. Appropriations for all Capital Improvement Projects are approved on an annual basis only. All uncompleted projects must be reconsidered annually to determine if unspent funds need to be recommitted to a given project or reallocated to other planned projects.

WATER AND ELECTRIC FUND DIVIDEND POLICY

1. As part of its year end annual financial evaluation process, the City will consider whether it is appropriate and prudent to transfer a portion of the unused retained earnings of the water utility to the City's General Fund and of the electric utility to the Community Betterment Special Revenue Fund.
2. This transfer payment cannot be considered a normal cost of utility operations recoverable through the utility rate base. Rather, it is to be paid out of the annual net profits of the prior year just as a private investor owned utility would pay their shareholders a dividend from these sources.
3. The following controls will be developed to ensure that the payment of dividends by the Water or Electric Fund does not jeopardize the financial health of the utility. Profits from the utility's operation need to help pay for system debt retirement and capital improvements as well as provide a working capital reserve for unexpected items.
 - On an annual basis in November or December, after the prior fiscal year end audited financial statements are presented, an updated six year financial projection analysis of the Water or Electric Fund will be done. The analysis will include all expected sources and uses of funds for the current year as well as a five year future projection.
 - A minimum working capital reserve level equal to two months of operating costs must be maintained at all times. Operating cost is defined as total operating expenses less depreciation and interest expense.
 - Adequate funds must be provided for debt interest and principal repayments and any debt coverage requirements.
 - Capital expenditures on average during the six year projection period must be at a level at least equal to the average depreciation expense during the projection period. (This control is intended to prevent under funding replacement capital expenditures to allow for dividend transfers).
 - Payment will be made after reviewing the prior year's audited financial statements, and preparation of an updated financial projection analysis for the Water and Electric Fund.
 - Mayor and Council act on staff recommendation and declare dividend if appropriate and in compliance with this policy.
4. These needs must be anticipated and adequately provided for in the Water and Electric Fund in determining what level of dividend can be sustained from year to year without depleting necessary Water and Electric Fund reserves or service delivery capabilities.

COMMUNITY BETTERMENT SPECIAL REVENUE FUND USE POLICY

1. The Community Betterment Fund is designed to be used for special one-time projects or contributions to be used for the betterment of the City of Hagerstown. The Fund will be used for non-recurring expenditures and should not be used for regular operating expenses. Use of the funds must be consistent with the City's financial policies, accounting standards, and the eligible uses outlined below.
2. Source of funds will be the Electric Fund dividend transfer payments, host fees from First Urban Fiber, when those payments start and other sources of funds such as grants and contributions as the Mayor and Council may direct.
3. Uses of the fund will include non-recurring expenditures for city neighborhoods, downtown redevelopment, economic development projects, special one-time projects. Public art, park improvements or beautification are a few of the one-time special projects. Contributions to non-profit agencies for special one-time projects supportive of the City's goals may be 15% of the annual budgeted amount with no one agency receiving more than 25% of the amount set aside for non-profit agencies. Other uses of the fund may also include other similar one-time Community Betterment projects deemed appropriate by the Mayor and Council.

The City will budget use of the funds for eligible purposes in the year after they are received and available. City will not budget or commit to spend dollars until they are received. A portion of the expected available funds should be held in a contingency fund for use for special opportunities or other needs that may develop during the fiscal year. Due to the nature of this fund and its dependence on the ability of the Electric Fund to generate dividend payments it is not currently active and is not presented in the current year budget document.

WORKERS COMPENSATION RISK MANAGEMENT REPLENISHMENT POLICY

In the event that accumulated expenses (claims, premiums, claims administration, or other costs) or losses were to result in a significant shortfall or depletion of a given fund's equity in the Workers Compensation Risk Management Fund, reimbursement to the fund would be made on the following basis:

1. Assuming a shortfall of less than \$50,000, the reimbursement will be immediate.
2. Assuming a shortfall between \$50,000 and \$250,000, then the reimbursement will be at a minimum rate of \$50,000 per year over no more than five years.
3. If the shortfall exceeds \$250,000, the reimbursement should be financed to reimburse the Workers Compensation Risk Management Fund immediately. The repayment term on the financing will not exceed fifteen years.

GENERAL FUND BALANCE/RETAINED EARNINGS POLICY

1. The City will maintain a minimum undesignated fund balance (to be used for unanticipated emergencies) of ten (10) percent of the General Operating Budget (excluding Capital Outlay). These funds will be used to avoid cash flow interruptions, generate interest income, reduce the need for short-term borrowing and assist in maintaining an investment grade bond rating.
2. If the fund balance should fall below the above minimum balance, the City will budget one (1) percent of the general fund revenue estimated for that fiscal year to get back to ten (10) percent within five (5) years.
3. The City will strive to maintain sufficient retained earnings in the utility funds to provide for their working capital needs, minor continuing system improvements, and general system improvements

GRANT MANAGEMENT POLICY

The City, through individual departments, shall actively pursue grant resource opportunities and utilize grant funds to supplement and enhance the City's goals and objectives. Grant application, approval and administration shall be finalized with the knowledge and participation of the Finance Department and the City Administrator's Office. Grants providing funding of City staff positions must be finalized with the knowledge and participation of the Human Resources Department. The activities of the grant and the expenditure of grant funds will be performed in accordance with the approved application and resulting agreement with the grantor and in accordance with all grant conditions.

1. The City shall generally not solicit grant funds from government and private agencies less than \$1,500.00
2. All departments may apply for any grants that contribute to the overall mission and goals of the City. Department Managers must approve all grant applications for their respective departments. Department Managers shall report accurate data and information on all applications, consistent with the City's reports, records, and operations.
3. Prior to submitting the grant application to the granting entity, Department Managers must input the application information into the Grant Master module in Munis, and attach complete scans of the grant application and any program or guides into Tyler Content Manager.
4. The Finance Department must be notified that a grant application has been entered for Finance Department review.
5. Electronically submitted grants must include the Director of Finance as an authorizing agent or person. The grantee should be listed as "City of Hagerstown", not the requesting department.
6. Prior to submission of a grant application, the Department seeking the grant must complete all necessary Human Resources Department, Finance Department, City Administrator, and Mayor & Council approvals. This approval requirement applies to both first time and ongoing grants, and will include the following:
 - The Department Manager must approve all new and ongoing grant applications of less than \$30,000 and less than \$25,000 in City matching funds. The Department must notify the Finance Department of the grant application for review prior to submission.
 - Prior to submission, the Department Manager along with both the Director of Finance and the City Administrator must approve all new grant applications between \$30,000 and \$50,000 and requiring less than \$25,000 in City matching funds, and all ongoing grants greater than \$30,000 and requiring less than \$25,000 in City matching funds. The Department Manager, Director of Finance, and City Administrator are the only personnel authorized to sign applications, agreements, contracts and grant documents on behalf of the City for grants of \$30,000 or greater.

GRANT MANAGEMENT POLICY (continued)

- A. Prior to submission, the Department Manager, the Director of Finance, the City Administrator and the Mayor and Council must approve all grant applications that meet any of the following conditions:
 - i. Any new grant funding the addition of a new position. Additionally, approval from the Human Resource Director is required for position additions.
 - ii. Any new grant in excess of \$50,000.
 - iii. Any new or ongoing grant requiring City matching of funds of \$25,000 or more.
 - iv. Any new or ongoing grant requiring either Mayor or Council approval of or understanding of the City's ongoing obligations to retain the grant.
7. The Department Manager shall notify the Finance Department of whether the grant has been awarded or denied and make necessary updates to the grant status in the Grant Master. Copies of the grant award notification, approved grant budget, and conditions must be scanned and attached to the Grant Master through Tyler Content Manager.
8. Upon notification from the Department originating the grant, the Finance Department will establish a new project number for the grant, and set up the appropriate budget, income, and expenditure accounts in the City's General Ledger system. The Finance Department will notify the Department of the new project and account numbers.
9. Grant financial records, supporting documentation and all other records pertinent to the grant shall be retained by the City permanently following the submission of the final report to the grantor. Copies of all applications, award letters, budget notices, award conditions, reimbursement requests, expenditures, quarterly reports, performance measures, and close out reports must be scanned and attached to the Grant Master through Tyler Content Manager.
10. Federal and State grants are subject to annual audits by the City's external auditors and must comply with certain standards. The Finance Department will prepare the Schedule of Expenditures of Federal Awards and State Financial Assistance (SEFA) to comply with the City's Single Audit requirements.

