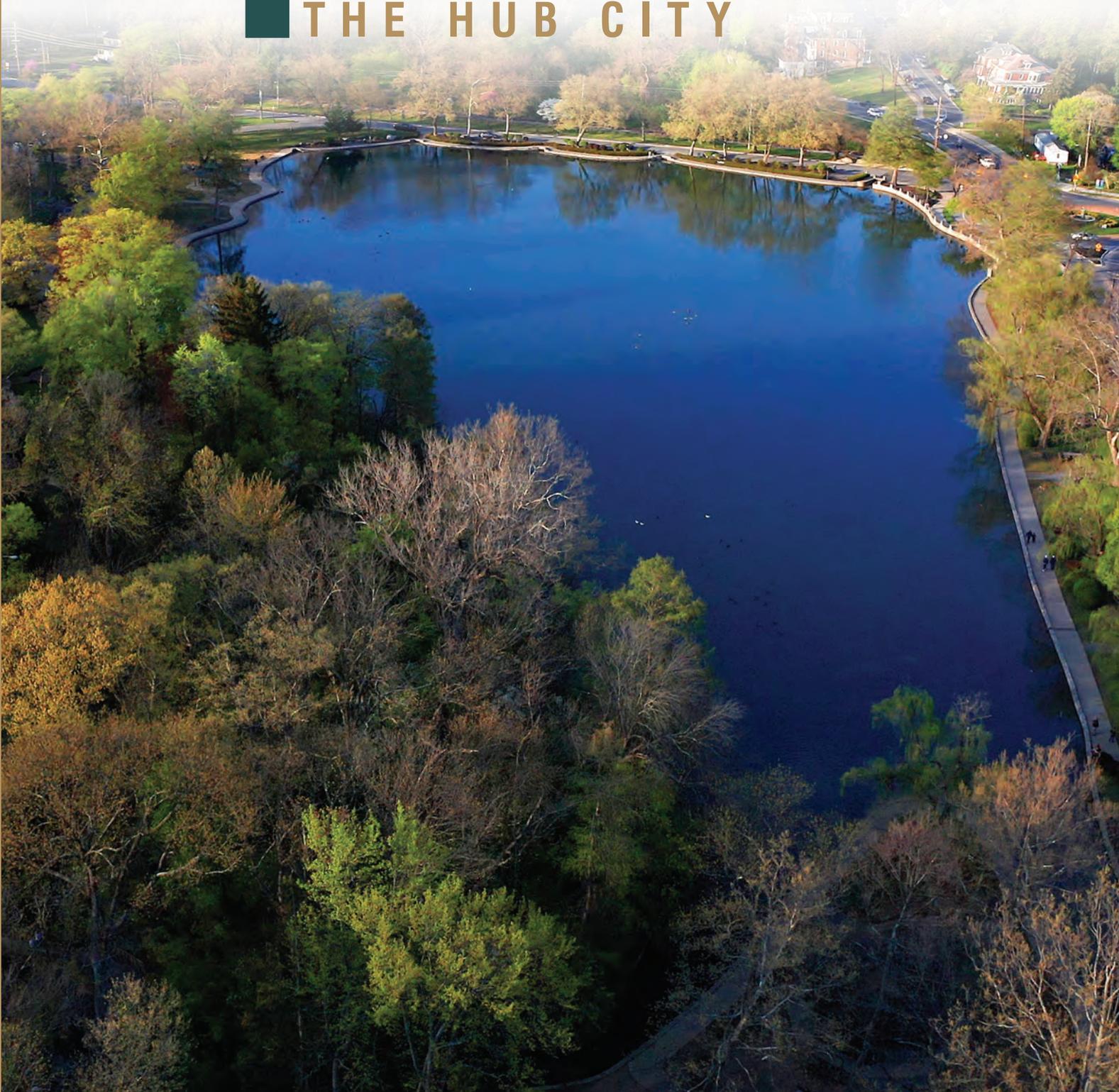


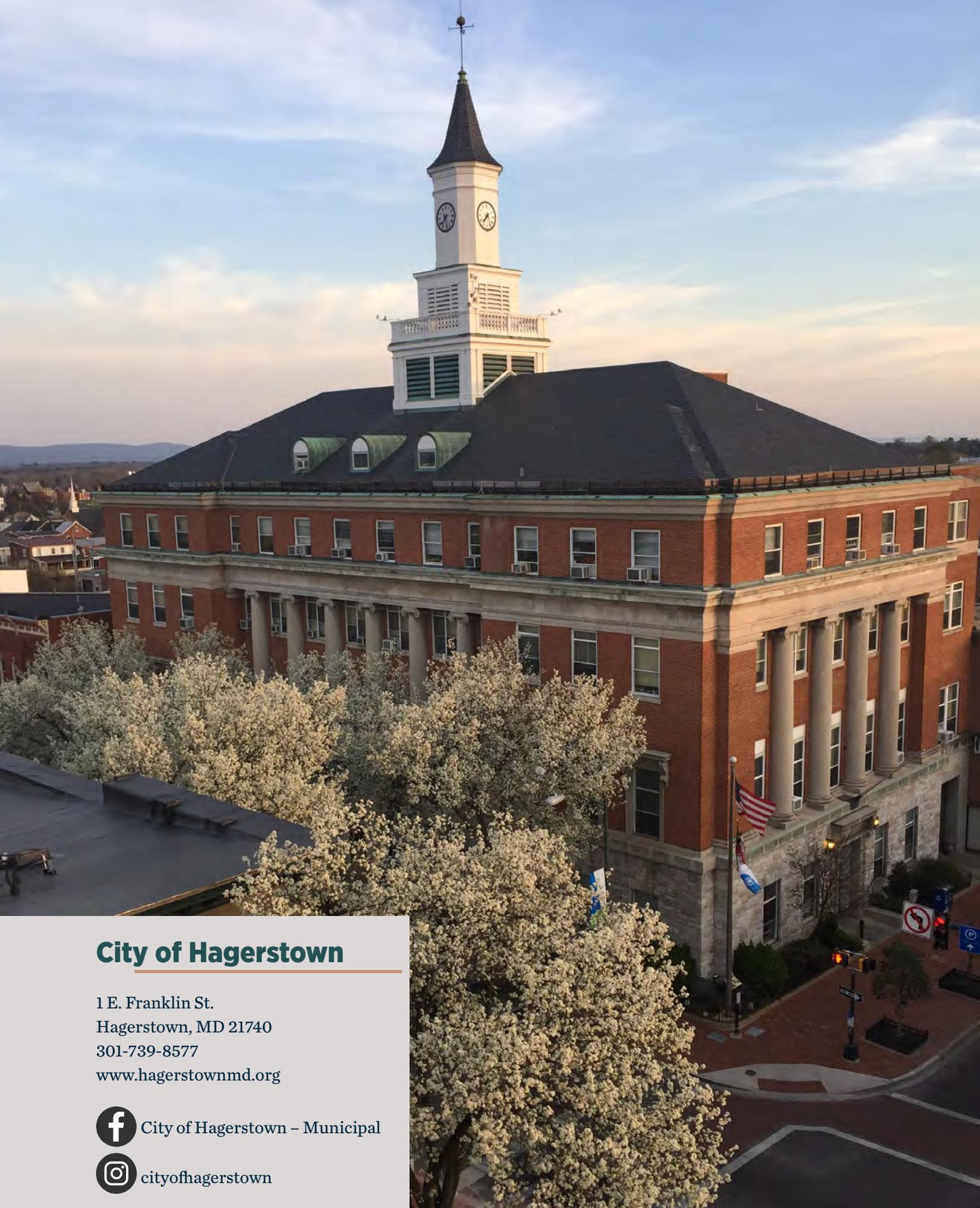


Popular Annual Financial Report

For The Fiscal Year Ended June 30, 2021

H A G E R S T O W N : **experience** THE HUB CITY





City of Hagerstown

1 E. Franklin St.
Hagerstown, MD 21740
301-739-8577
www.hagerstownmd.org



City of Hagerstown – Municipal



[cityofhagerstown](https://www.instagram.com/cityofhagerstown)



To the Mayor, City Council, and citizens of Hagerstown:

I am pleased to present the Popular Annual Financial Report for Fiscal Year 2021 for the City of Hagerstown. This report highlights the City's financial position and capital investments at a glance. All of this information is presented in a more precise, user-friendly format than our annual Comprehensive Annual Financial Report.

The City ended FY 2021 with an overall net position of \$218.7 million. FY 2021 revenues remained strong as a result of increases in federal grants, increases in total property tax revenues from the growth of assessed values related to existing properties, new commercial development, and new annexations. Citywide, expenditures increased slightly over prior year levels across most areas, most notably in Public Safety. However, the slight increases were not as great as the revenue growth. The City's General Fund reserve exceeded policy targets and is equal to 38.7% or 4.6 months of expenditures. Our bond rating is AA/Aa3.

Moving forward, opportunities provided by the Federal Government through the American Rescue Plan Act of 2021 significantly enhances the City's abilities to fund one-time large scale projects as well as reaching out to the community in areas affected by the COVID-19 pandemic. Staff continue to work with community stakeholders and our elected body to ensure that we are good stewards of this funding for both FY 2022 and FY 2023 and that this money is truly the transformational opportunity this community needs.

This document, which provides to our citizens a layman's viewpoint to complex financial reporting, is a fantastic tool created by our Accounting and Finance Department. Thank you to each staff member in this department for their commitment in providing transparency to our taxpayers for what was a very fluid and uncertain 2nd year of the COVID-19 pandemic. If any reader of this information has questions, please do not hesitate to contact me.

Sincerely,

Scott Nicewarner
City Administrator
snicewarner@hagerstownmd.org



What is the PAFR?

The Popular Annual Financial Report (PAFR) is a document that contains information from the Comprehensive Annual Financial Report. It provides the City of Hagerstown's financial and statistical information in a user-friendly format. The PAFR is intended to increase awareness throughout the community on the financial operations of the City.

Unlike the Comprehensive Annual Financial Report, the PAFR is not prepared in accordance with Generally Accepted Accounting Principles (GAAP). Residents who prefer to review a report that is GAAP compliant may review the audited financial statements on the City's website at hagerstownmd.org/272/Annual-Reports.

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Services Provided by the City:

- police protection
- fire protection
- electric, water, and waste-water utilities
- economic development
- recycling and refuse collection
- snow removal
- stormwater management
- street maintenance
- public parks
- recreation programs
- public parking
- traffic control
- planning and zoning
- licensing, permitting, and inspections
- farmer's market
- public pool and golf course

Washington County provides the public education system.



What is the form of government?

The City of Hagerstown operates under a council-manager form of municipal government. The City has a Mayor that serves as President of the five member Council who is elected on an at large basis for four-year terms. The Mayor may participate in all Council discussions with veto powers on all ordinances passed by the council and is also the ceremonial head of the City government. The City Administrator is appointed by the Mayor and Council to serve as the Chief Executive Officer of the City.

Hagerstown's Mayor & Council

November 2020 – November 2024



Back: (l-r) Tiara Burnett, Shelley McIntire, Tekesha Martinez
 Front: (l-r) Kristin Aleshire, Mayor Emily Keller, Robert E. Bruchey, II

What makes up the community?

The City of Hagerstown is the county seat of Washington County, Maryland. The City is the ideal combination of city living and small-town charm. The community enjoys 23 parks and many attractions and recreation facilities such as the historic Maryland Theatre, the Hagerstown Cultural Trail, the Washington County Museum of Fine Arts, the Greens at Hamilton Run golf course, and the Claude M. Potterfield pool.

Where is Hagerstown located?

The City of Hagerstown is known as the “Hub City” because of its unique positioning at the hub of Interstate 81 and Interstate 70. The City is located approximately 70 miles northwest of Washington D.C., about 72 miles west of Baltimore, MD, and approximately 65 miles southwest of Harrisburg, PA. It occupies an area of 12.57 square miles and serves a population of 43,527.



What is the American Rescue Plan Act of 2021?

The American Rescue Plan Act of 2021 (ARPA) provides \$350 billion for state, local, territorial, and Tribal governments to respond to the COVID-19 emergency and bring back jobs. The Coronavirus State and Local Fiscal Recovery Funds (SLFRF), established by the U.S. Department of the Treasury, provides a substantial infusion of resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

How much funding will the City receive?

The City of Hagerstown has been allocated a total of \$20.4 million. \$10.2 million was received in May 2021, and the remaining \$10.2 million in funding is scheduled to be received approximately 12 months later. The funding must be spent or appropriated by December 2024.

How does the City plan to spend the funds?

Mayor and City Council have had several work session discussions and three strategic planning sessions to determine how the funding should be allocated to best serve the City of Hagerstown. In addition, there is an internal committee that meets regularly. All projects funded with SLFRF funding must fall under one of the following federal expenditure categories:

- Support Public Health Response
- Address Negative Economic Impacts
- Services to Disproportionately Impacted Communities
- Premium Pay for Essential Workers
- Water, Sewer, and Broadband Infrastructure
- Replace Public Sector Revenue Loss
- Administrative Costs

Expenditures in FY 2021:

The City spent \$2,153,000 in premium pay for essential City of Hagerstown full-time employees that continued to provide onsite government services in 2020.



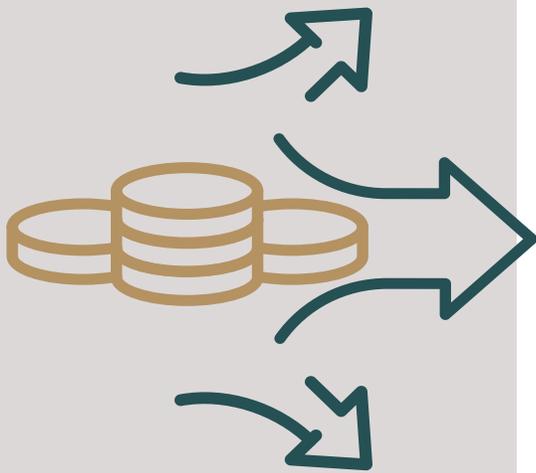
Coming in 2022:

Project	Description	Federal Expenditure Category	Cost
Relocate Customer Service	Customer Service in City Hall will relocate to a more spacious and convenient downtown location to better serve the community.	Support Public Health Response	\$1,000,000
HFD Ladder Truck	Funds will help with the purchase of a necessary additional ladder truck for Hagerstown Fire Department.	Replace Public Sector Revenue Loss	\$1,200,000
Backhoe	Long needed equipment to perform services and maintenance in Public Works and Parks.	Replace Public Sector Revenue Loss	\$129,000
Camera Truck	Replacement of a camera rig for maintenance and repair of the Wastewater pipe system.	Replace Public Sector Revenue Loss	\$426,000
Grant Coordinator Position	This position will serve as the primary administrator of ARPA funding. Includes salary and benefits.	Administrative Costs	\$96,000

FOR MORE INFORMATION, PLEASE VISIT WWW.TREASURY.GOV/SLFRP.

What is the City of Hagerstown's financial structure?

The City uses fund accounting to maintain control over resources that have been segregated for specific activities or objectives. The funds can be divided into 3 categories: governmental, proprietary, and fiduciary. Governmental funds account for the City's basic operations. Proprietary funds are self-supporting, where costs are covered by charges and fees. Fiduciary funds account for resources held for the benefit of parties outside the government.



	Fund Name	Purpose
Governmental Funds	General Fund	Primary governmental fund that supports the City's programs and services
	Community Development Block Grant Fund	Promotes the rehabilitation and development of neighborhoods by providing loans, grants, and public facilities and services
	Economic Redevelopment Fund	Redevelopment of targeted properties across the City through incentives and grants
	Flexible Spending Fund	Employee Flexible Spending Account (FSA) program
	Business Revolving Loan Fund	Assists with recruitment, retention, and expansion of businesses within the City
	Excise Tax Fund	Administration of funds received from the excise tax that may only be used for specific purposes for the County
	Grant Revenue Fund	Accounts for operating grants received from various agencies - federal, state, and local
	Forest Conservation Fund	Developer option to pay for offsite forestation activities that the City uses to plant trees
	Capital Projects Fund	Capital Improvement Projects (CIP) include buildings, improvements, land, and equipment
	Proprietary Funds Enterprise Funds	Electric Fund
Water Fund		Provides water to customers
Wastewater Fund		Collection and treatment of wastewater and safe disposal of residuals for customers
Parking Fund		Parking enforcement, parking decks, and parking lots that are owned and managed by the City
Golf Fund		Activities related to the City's public golf course, The Greens At Hamilton Run
Property Management Fund		Activities related to rental properties owned and managed by the City
Proprietary Funds Internal Service Funds	Stormwater Management Fund	Accounts for all aspects of storm drainage and stormwater management networks in the City that convey or treat runoff
	Workers' Compensation Fund	The City sets aside assets for claim settlement in order to manage its uncovered workers' compensation risks
	Health Insurance Fund	Manages the City's self-insurance health care program for employees, retirees, and dependents
Fiduciary Funds	Dental Insurance Fund	Manages the City's dental insurance benefit for employees, retirees, and dependents
	Pension Trust Fund	Accounts for the activities of the Public Safety Employees Pension System
	Other Post Employment Benefits (OPEB) Trust Fund	Accounts for the resources that provides health benefits to eligible retirees, and in certain instances, their eligible survivors and dependents

Summary of Total Net Position:

Fiscal Year	Total Assets and Deferred Outflows of Resources	Total Liabilities and Deferred Inflows of Resources	Total Net Position
FY 2017	\$365,070,841	\$143,827,326	\$221,243,515
FY 2018	\$361,952,666	\$167,113,348	\$194,839,318
FY 2019	\$373,152,591	\$173,518,391	\$199,634,200
FY 2020	\$371,161,535	\$167,563,032	\$203,598,503
FY 2021	\$389,406,314	\$170,747,803	\$218,658,511

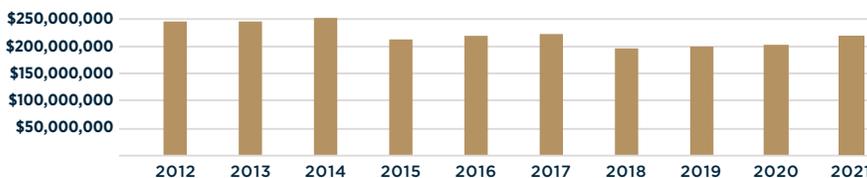
Source: City of Hagerstown FY 2021 Comprehensive Annual Financial Report, page 8.

Changes in Net Position:

June 30, 2021 and 2020						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for services	\$9,455,056	\$8,227,084	\$53,458,451	\$52,065,364	\$62,913,507	\$60,292,448
Operating grants and contributions	4,923,824	2,246,769	894,857	240,000	5,818,681	2,486,769
Capital grants and contributions	5,151,802	1,006,232	4,965,080	5,037,394	10,116,882	6,043,626
General Revenues:						
Property taxes	33,417,546	32,399,365	-	-	33,417,546	32,399,365
Income and other taxes	6,749,366	5,930,706	-	-	6,749,366	5,930,706
Miscellaneous	614,928	943,594	41,928	295,674	656,856	1,239,268
Total Revenues	60,312,522	50,753,750	59,360,316	57,638,432	119,672,838	108,392,182
Expenses:						
Program Expenses:						
General government	10,425,129	10,986,324	-	-	10,425,129	10,986,324
Public safety	26,871,881	26,395,843	-	-	26,871,881	26,395,843
Highways and streets	2,693,869	3,044,652	-	-	2,693,869	3,044,652
Waste collection and disposal	2,834,652	2,621,986	-	-	2,834,652	2,621,986
Culture and recreation	2,946,663	3,267,389	-	-	2,946,663	3,267,389
Economic and community development	4,719,711	4,958,500	-	-	4,719,711	4,958,500
Interest on long-term debt	475,278	668,563	-	-	475,278	668,563
Utilities and other proprietary funds	-	-	53,645,648	52,484,620	53,645,648	52,484,620
Total Expenses	50,967,183	51,943,257	53,645,648	52,484,620	104,612,831	104,427,877
Transfers:						
Excess (deficiency) before transfers	9,345,339	(1,189,507)	5,714,668	5,153,812	15,060,007	3,964,305
Transfers	(295,571)	(325,719)	295,571	325,719	-	-
Transfers of long-term debt	558,138	-	(558,138)	-	-	-
Net						
Change in net position	9,607,906	(1,515,226)	5,452,101	5,479,531	15,060,007	3,964,305
Net position - beginning	28,360,741	28,010,312	169,758,232	169,758,232	203,598,504	199,634,199
Net Position - Ending	\$37,968,647	\$28,360,741	\$180,689,864	\$175,237,763	\$218,658,511	\$203,598,504

Source: City of Hagerstown FY 2021 Comprehensive Annual Financial Report, page 9.

History of Net Position:



Source: City of Hagerstown FY 2021 Comprehensive Annual Financial Report, page 115.

What is the City of Hagerstown's net position?

Net position, the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, serves over time as a useful indicator of a government's overall financial condition. (Simply put, deferrals result from inflows and outflows of resources that have already taken place but which are not ready to be recognized in the financial statements as revenues and expenses because some future event has yet to occur). Net position is divided into three categories: net investment in capital assets, restricted net position, and unrestricted net position.

The City of Hagerstown's overall net position was \$218.7 million in FY 2021. This was a 7.4% increase of \$15.1 million from FY 2020. Approximately 75.6% of overall net position is attributable to the City's three utilities (Electric, Water, and Wastewater).

The City's net investment in capital assets was \$229.6 million, an increase of \$2.0 million from FY 2020. This was due to infrastructure investments in both governmental and business-type activities.

Restricted net position, resources that are subject to external restrictions on how they may be used, represents \$5.5 million of the City's total net position.

Unrestricted net position, which is used to meet the City's ongoing obligations to citizens, creditors, and employee pension plans, represents <\$16.4 million>. Business-type activities account for \$22.7 million of this total, while <\$39.1 million> account for governmental activities.

What is the reserve policy?

The City's financial policy requires a minimum unassigned fund balance of 17% and 2.0 months of General Fund operating expenditures (through FY 2017 the percentage was 10%).

When can reserves be used?

Reserves may be used in an emergency or disaster. If reserves exceed the policy target, they can be used to finance capital projects or other one-time needs.

Why do we need reserves?

The purpose is to alleviate significant unanticipated expenditures or revenue shortfalls and to ensure the orderly provision of services to residents.

What were some of the major financial result changes between FY 2020 and FY 2021?

License and permit fee revenues increased by \$1.1M or 52.6% over FY 2020 due primarily to an increase in building and fire permits collected for the NorthPoint Development. Intergovernmental Grants revenue increased by \$2.8M or 678.8% due largely to the City utilizing \$1.5M in American Rescue Plan Act funds and \$1.4M in CARES Act COVID-19 relief funding through Washington County. Debt service expense decreased by \$787K or 26.7% due primarily to loan and bond payment obligations being retired in FY 2020 with no additional payments due in FY 2021. Community and Economic development expenses decreased by \$94K or 15.6% due to one time payments of economic incentives no longer available in FY 2021.

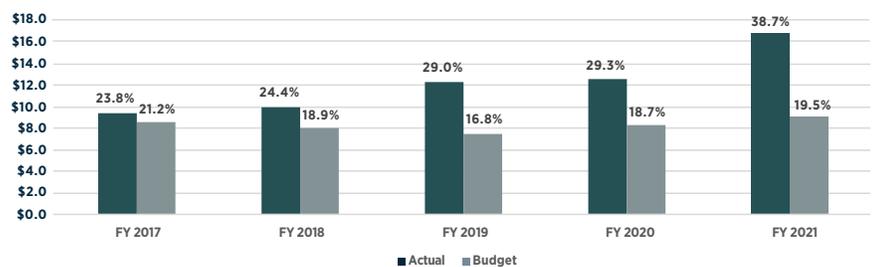
Revenue Category	FY 2019	FY 2020	FY 2021	Change
Property Taxes	32,047,754	32,399,365	33,417,546	3.1%
Income & Other Taxes	4,187,104	4,268,856	4,756,498	11.4%
Licenses & Permits	2,144,825	2,144,423	3,271,882	52.6%
Intergovernmental Grants	525,856	419,557	3,267,403	678.8%
Charges for Services	3,787,489	3,332,932	3,686,465	10.6%
Fines & Forfeitures	949,862	966,215	1,022,555	5.8%
Other	2,452,425	2,415,823	2,140,817	-11.4%
Internal Transfers	564,827	640,550	35,786	-94.4%
Total Revenues (\$)	46,660,142	46,587,721	51,598,952	10.8%

Source: City of Hagerstown FY 2020 Comprehensive Annual Financial Report, page 23 and FY 2021 Comprehensive Annual Financial Report, page 25.

Expenditure Category	FY 2019	FY 2020	FY 2021	Change
General Government	5,984,620	5,875,501	5,938,829	1.1%
Public Safety	23,169,590	23,774,917	25,169,407	5.9%
Highways & Streets	3,057,832	2,644,230	2,483,251	-6.1%
Waste Collection & Disposal	2,562,818	2,622,380	2,835,197	8.1%
Parks & Recreation	2,610,018	2,726,959	2,442,662	-10.4%
Community & Economic Development	792,815	602,568	508,310	-15.6%
Debt Service	2,532,784	2,949,753	2,162,625	-26.7%
Unallocated General Expenditures	1,914,332	1,712,820	1,606,258	-6.2%
Transfers to Other Funds	2,285,516	3,568,139	3,950,439	10.7%
Total Expenditures (\$)	44,910,325	46,477,267	47,096,978	1.3%

Source: City of Hagerstown FY 2020 Comprehensive Annual Financial Report, page 23 and FY 2021 Comprehensive Annual Financial Report, page 25.

Actual vs. Budget General Fund Reserve (millions) % of General Fund Operating Expenditures



Source: City of Hagerstown FY 2017 - FY 2021 Comprehensive Annual Financial Report: Balance Sheet - Governmental Funds; Adopted Budget



Fiscal Year 2021 General Fund Expenditures

Where Does Your Money Go?



General Government*

\$5,938,829

Highways & Streets

\$2,483,251

Parks & Recreation

\$2,442,662

Debt Service

\$2,162,625

Transfers to Other Funds

\$3,950,439

Public Safety

\$25,169,407

Waste Collection & Disposal

\$2,835,197

Community & Economic Development

\$508,310

Unallocated General Expenditures

\$1,606,258

Total Fiscal Year 2021 General Fund Expenditures

\$47,096,978

*Includes: Mayor & Council, City Administrator, City Clerk, City Hall, Communications, Engineering, Finance, Human Resources, IT, Legal, Planning, Public Functions, and Support Services

Source: City of Hagerstown FY 2021 Comprehensive Annual Financial Report, page 97-98.

City of Hagerstown's Property Tax Rates

The City of Hagerstown charges residents a real property tax and charges businesses a real and personal property tax. The amounts charged are based on the City's tax rate and the value of the properties. There was no change in tax rates in FY 2021.

FY 2021 real property tax rates are \$1.032 per \$100 assessed value for apartments and \$1.002 per \$100 assessed value for all other real properties. The personal property rate is \$2.505 per \$100 assessed value.

The State Department of Assessments and Taxation (SDAT) is responsible for determining the assessed values for all properties located in the City. Assessments occur every three years. If a property increases in value, it is phased in over three years. If a property decreases in value, the decrease is reflected in the first year levy after the assessment.

Property Tax Revenues

In FY 2021, every \$0.01 charged in real estate property tax generates approximately \$267,000 in revenue. Total FY 2021 property tax revenues of \$33.4 million were above projections by \$1.6 million and higher than FY 2020 by \$1.0 million. The increase is a result of the growth in assessable base values and the real estate two-tier tax rate, new development, and new annexations.

Assessed Value and Estimated Actual Value of Taxable Property (in thousands)

Fiscal Year Ended	Real Property	Apartment Real Property
2012	2,625,439	-
2013	2,601,940	-
2014	2,599,512	-
2015	2,468,251	-
2016	2,521,123	-
2017	2,521,811	-
2018	2,538,466	-
2019	2,334,413	239,447
2020	2,400,047	240,820
2021	2,598,601	244,911

Source: City of Hagerstown FY 2021 Comprehensive Annual Financial Report, page 121.

Principal Property Taxpayers

Top 10 City Taxpayers	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Washington REIT Centre at Hagerstown	\$54,790,633	2.28%
Lowes Home Centers, Inc.	29,764,400	1.24%
Board of Education	26,590,800	1.11%
Suso 4 Stone House LP	21,979,900	0.92%
Tractor Supply Company	21,839,900	0.91%
RPAI Hagerstown LLC	20,614,200	0.86%
Walmart Real Estate Business Trust	18,751,300	0.78%
Washington County Centre at Antietam	15,294,367	0.64%
Hagerstown Plaza LLC	15,257,100	0.64%
FB Hagerstown LLC	15,113,500	0.63%
Totals	\$239,996,100	9.99%

Source: City of Hagerstown FY 2021 Comprehensive Annual Financial Report, page 123.





Real Estate Tax

For Fiscal Year July 2021 through June 2022 ¹

Parcel Number: 03-000000 ²
Assessment: \$105,967 ³
Tax Rate: \$ 0.010020 ⁴

Bill Number: 2200000
Print Date: 6/23/2021
Class: R ⁵
Jurisdiction: R

Base Tax Due: \$1,061.79 ⁶

Property Description: LT7 40X150 .138 AC
300 ANYWHERE ST

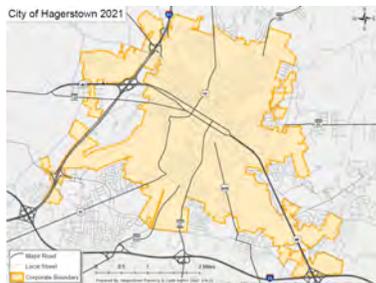
JOHN SMITH
300 ANYWHERE ST
HAGERSTOWN MD 21740

Interest applies after October 1 at a rate of 1% per month.

Payment Due (including interest)		Annual
July	\$1,059.14	⁷
August	\$1,061.79	
September	\$1,061.79	
October	\$1,072.41	
November	\$1,083.03	
December	\$1,093.64	

1. Fiscal Year: Represents the time period the tax bill covers.
2. Parcel Number: A parcel number is assigned by the Maryland State Department of Assessments and Taxation (SDAT) and is used to help identify your property for tax, title, deed, and property line reasons.
3. Assessment: Assessment is determined by the Maryland State Department of Assessments and Taxation (SDAT). An assessment is based on an appraisal of the fair market value of the property.
4. Tax Rate: FY 2021 real property tax rates are \$1.032 per \$100 assessed value for apartments and \$1.002 per \$100 assessed value for all other real properties. The personal property rate is \$2.505 per \$100 assessed value.
5. Class: Identifies the type of property.

Class Code	Description
A	AGRICULTURE
C	COMMERCIAL
CA	COUNTRY CLUB
CC	COMMERCIAL CONDO
CR	COMMERCIAL RESIDENTIAL
E	EXEMPT
EC	EXEMPT COMMERCIAL
I	INDUSTRIAL
M	APARTMENTS
R	RESIDENTIAL
RC	RESIDENTIAL COMMERCIAL
RE	REAL ESTATE - CONVERTED
TH	TOWN HOUSE
U	RESIDENTIAL CONDO



6. Base Tax Due: The annual amount that is due to the City for real property tax. This amount is calculated by multiplying the assessed value by the appropriate property tax rate.
7. Payment Due: Receive a .25% discount in paid in July. Annual tax payments or first semiannual payments not paid by October 1 are considered in arrears and are subject to interest at a rate of 1% per month.

Tax Credits Available

You may be eligible for a property tax reduction! The Maryland State Department of Assessments and Taxation has a variety of programs that may help homeowners with property taxes:

- The Homeowners' Property Tax Credit
- The Renters' Tax Credit
- The Homestead Property Tax Credit
- Service Connected Disabled American Veterans' and Surviving Spouses' Credit

For information on these and other programs, contact the Maryland State Department of Assessment and Taxation at 800-944-7403 or visit their website at <http://dat.maryland.gov/Pages/Tax-Credit-Programs.aspx>.

**Credits are not included on the sample tax bill.

Coming in 2022

PLANNED ENHANCEMENTS TO ONLINE PAYMENTS!

How does the City pay for Capital Investments?

Capital Investments are funded from various sources, including: transfers from the General or other funds, highway user revenues, federal and state grants, developer and community contributions, user charges and fees, and bond proceeds.

Why does the City issue Bonds?

The City issues bonds to pay for large, expensive and long-lived capital projects. Although the City can and does pay for capital investments with current revenues, borrowing allows the spread of costs across multiple generations. General tax revenues pay for bonds used to support non-enterprise projects accounted for in the Capital Improvements Program Fund. Revenues from utility rates and charges pay for bonds used to support the projects funded through each enterprise fund.

Is there a limit on the amount of Bonds the City can issue?

The Mayor & Council approve the issuance of all new debt. Neither Maryland law nor the City Charter set a limit on municipal debt. However, the City ensures that debt is being used responsibly from an established debt policy. In FY 2021, total taxpayer supported debt was \$16.62 million. This equates to 0.55% of assessed value or \$382 per citizen of the City.

Source: City of Hagerstown FY 2021 Comprehensive Annual Financial Report, page 126.

City of Hagerstown’s Capital Budget

The City plans its capital improvement projects (CIP) over a five-year period. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 in the governmental funds or \$10,000 in the proprietary funds and an estimated useful life in excess of four years. The City’s capital budget focuses on projects that build upon the City’s Strategic Plan which 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. In FY 2021, the City spent \$7.6 million in additions for capital assets and improvements for the City’s governmental activities and \$4.7 million in additions for construction in progress of capital improvements and other capital assets for the City’s business/proprietary activities. Example CIP projects are given below that encompass the following categories of the Mayor & Council Goals and Priorities:

Goal	Amount	Examples
Neighborhoods Revitalization and Sustainability	\$145K	public art, downtown beautification programs, accessibility ramps
Public Safety	\$1.2M	purchase of fire vehicles, fire breathing apparatus and other fire equipment, police radios, police vehicles, street crime cameras, police crime lab software and equipment
Public Facilities and Infrastructure	\$9.3M	safe parking, new sidewalks, bridge repairs, signal intersection upgrades, alley and street reconstructions, pavement preservation, various upgrades and renovations related to the electrical services provided to Hagerstown Light Division customers, water main replacements, improvements to water treatment plants to improve safe drinking water standards, various wastewater collection system rehabilitations, and stormwater management implementation and upgrades
Economic Development	\$495K	multi-use trails, including the cultural trail and plaza, investments to emphasize business development in the City Center
Parks and Recreation for Active/Healthy Living	\$1.0M	providing parks and public gathering spaces and enhanced amenities and expanded programs in the Parks & Recreation division
Economic Development through Sports and Tourism	\$99K	upgrades to Hager House Museum, Steam Engine Museum, and the Hagerstown Ice and Sports Complex
Citizen Based Government	\$35K	integration of technology throughout City Operations to enhance the Customer experience and increase citizen access to City services and information

The City has been evaluated for its overall debt burden, financial management, financial performance, and the City’s economic base and prospects. The City currently maintains an AA bond rating from Standard and Poor’s and an Aa3 rating by Moody’s Investor Services, which are obligations that are judged to be of high quality and are subject to very low credit risk. The City is rated as having a very strong capacity to meet its financial commitments.

AA/Aa3



Wesel Boulevard Reconstruction

FY 2021 Expenditures: \$3,552,039

(project ongoing in FY 2022)

FY 2021 Budget: \$6,192,000

The reconstruction of Wesel Boulevard is taking place in conjunction with Northpoint Development, which includes 2.2 million square feet of new warehouse construction consisting of four buildings. This is a \$133 million investment for the developer, with the possibility of generating 1,500 jobs. The Hagerstown Light Department provided electric services to the new customers that are within the service territory. When the City constructed Wesel Boulevard in the late 1980s, the pavement was designed for 8,000 vehicles per day. The NorthPoint Development truck traffic would have caused widespread pavement failure on Wesel Boulevard if not addressed.



Fire Breathing Apparatus

FY 2021 Expenditures: \$672,765

FY 2021 Budget: \$673,760

This purchase fully outfits all front line fire equipment as well as outfits the reserve equipment when called into duty. Utilizing a FEMA Grant award of \$612,510 and other funding sources, the City purchased 86 self-contained breathing apparatus with two cylinders and 104 high heat facepieces with integrated voice amps.



Pangborn Lake Reconstruction

FY 2021 Expenditures: \$612,943

(project ongoing in FY 2022)

FY 2021 Budget: \$1,036,340

Work included dredging of the lake, replacement of deteriorating stone perimeter walls, improvement of the lake inflow/outflow drain system, restoration of adjacent Hamilton Run with natural techniques, and improved site lighting.



Traffic Signal Upgrades - Mitchell Avenue

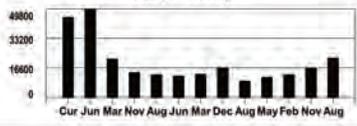
FY 2021 Expenditures: \$201,138

FY 2021 Budget: \$199,754

The Mitchell Avenue railroad overpass is a narrow, one lane structure built in 1917. Motorists sounded their horn to advise motorists on the other side that they were proceeding through. As suggested by the local Neighborhood 1st group, a traffic signal was installed at each side of this railroad overpass to eliminate the need to sound their horn. The work also included lighting upgrades and the installation of a stormdrain, curb, and walls.

Upcoming Projects in FY 2022: Wheaton Park Upgrades, Hagerstown Skate Park, Second Phase of the Cultural Trail & University Plaza, Mack Water Tank Replacement



 HAGERSTOWN WATER & WASTEWATER DEPARTMENT 1 East Franklin Street, Hagerstown, MD 21740 301-790-4160 (Tel.), 301-739-4028 (Fax) Customerservice@hagerstownmd.org (Email) Office Hours - 8:00 a.m. to 4:00 p.m., Monday to Friday; website - www.hagerstownmd.org							
Customer JOHN DOE				Service Address 10000 MAIN STREET			
Account No. 6000000	Customer No. 500000	Bill No. 4000000	Statement Date 09/02/21	Due Date 09/23/21			
Due Date applies only to Current Bill. Failure to pay the previous balance may result in an interruption of service. Failure to receive bill does not relieve the obligation to pay bill and late payment charge of 10%.							
Meter Number/s	Read Code	Number Of Days	Meter Reads				Usage in Gallons
			Start Date	End Date	Start Read	End Read	
12345678	ACTUAL	① 91	06/01/21	08/31/21	544600	590000	② 45400
Current Water/Wastewater Charges						Account Summary	
③ Water Usage Fee Inside City	18,000 Gals at \$1.77/1,000 Gals				\$124.20	Previous Balance	817.14
④ Wastewater Usage Fee Inside City	27,400 Gals at \$3.37/1,000 Gals				\$264.68	Adjustments	0.00
⑤ Water Fixed Fee Inside City					\$7.84	Late Payment Charge	52.90
⑤ Wastewater Fixed Fee Inside City					\$23.93	Payments through 09/02/21	538.26
						Current Charges	498.65
						Deposits Applied	0.00
						Total Amount Due	\$830.43
Other Charges						Usage History	
⑥ Bay Fee Residential on City Sewer	1.00 unit(s)				\$15.00		
⑦ Trash Services	1.00 unit(s)				\$47.00		
⑧ Storm Water Protection Fee	1.00 unit(s)				\$16.00		
Total Current Charges						\$498.65	
Consumer Confidence Report available at www.hagerstownmd.org/CCR Rate increase of 3% on Water charges and 2% on Sewer charges on all bills rendered on or after July 1, 2021							

NEW IN FY 2021 Stormwater Protection Program

Almost any time that it rains or snows, stormwater runoff is created. Much of this runoff is caused by impervious surfaces (pavement, roofs, sidewalks, etc.) that prevent water from soaking into the ground. The more impervious surfaces, the greater the amount of runoff that is generated. This runoff picks up trash, oil, sediment, and other pollutants and carries them into the City's storm drainage system. The pollutants are discharged into the Antietam and Conococheague Creeks, and continue downstream to the Potomac River and the Chesapeake Bay.

The Stormwater Protection Program covers all aspects of storm drainage and stormwater management networks in the City that convey or treat this runoff. This program is funded by the Stormwater Utility Fee which is charged to each property that has more than 500 square feet of impervious area.

1. Number of Days: Represents the number of days in a billing period.
2. Usage in Gallons: Represents the usage in gallons for a billing period.
3. Water Usage Fee: Water Usage Fees are based on a two-tier structure for both Residential and Non-Residential accounts and for Inside City and Outside City accounts. Residential Inside City Accounts are billed \$1.77 per 1,000 gallons for the first 18,000 gallons and \$3.37 per 1,000 gallons for usage over 18,000 gallons.
4. Wastewater Usage Fee: Wastewater Usage Fees are a flat rate per 1,000 gallons. For Inside City accounts, the rate is \$5.83.
5. Water and Wastewater Fixed Fees: Water and Wastewater Fixed Fees are charges that cover a portion of the fixed costs of the Water and Wastewater operations. The amount of the charge is based on the meter size and location (Inside City, Outside City, or Joint).
6. Bay Fee: The Bay Fee is a fee mandated by the State of Maryland.
7. Trash Services Fee: The Trash Services Fee is for trash collection, recycling, and yard waste collection. It is available to Inside City accounts only.
8. Storm Water Protection Fee: The Storm Water Protection fee is an annual rate of \$32.00 per 1,000 square feet of impervious area. The total annual fee is divided by the number of billing cycles assigned to each property.

Water and Wastewater Utility Rates

For a complete listing of Water and Wastewater rates (both Inside City and Outside City), please visit www.hagerstownmd.org and search for Rates and Fees.



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Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

City of Hagerstown

Maryland

For its Annual Financial Report
for the Fiscal Year Ended

June 30, 2020

Executive Director/CEO

Acknowledgements:

Michelle Hepburn, CFO

Brooke Garver, Accounting & Budget Manager

Jeffrey Lear, Senior Financial Accountant

Brooke Gue, Senior Financial Accountant

Award for Outstanding Achievement in Popular Annual Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Hagerstown for its Popular Annual Financial Report for the fiscal year ended June 30, 2020. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.

