



# Popular Annual Financial Report

For The Fiscal Year Ended June 30, 2022

# 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](http://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 2022 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 Financial Report.

The City ended FY 2022 with an overall net position of \$229.2 million. FY 2022 revenues remained strong as a result of increases in total property tax revenues from the growth of assessed values related to existing properties, new commercial development, and new annexations. However, decreases in other revenue sources, such as grants and licenses and permits, resulted in lower revenues than the previous fiscal year. Citywide, expenditures increased over prior year levels across most areas, most notably in Public Safety. As a result, the General Fund fund balance decreased by <\$0.6> million. The City's General Fund reserve exceeded policy targets and is equal to 34.1% or 4.2 months of expenditures. Our bond rating is AA/Aa3.

The challenge for the City of Hagerstown moving forward into FY 2023 will be the inflationary pressures that will be exerted on our operations for what appears to be the foreseeable future. The funds received related to the COVID-19 pandemic from the Federal government certainly aided the City's ability to partially or fully fund several projects over the past year and into the next. However, the effects of inflation will directly affect not only the cost of those capital projects but also the daily costs to maintain and enhance basic City services. It will be incumbent upon us to closely monitor these costs as they will have a significant effect on the forthcoming FY 2024 budget.

Again, as I stated in 2021, this easy-to-read document promotes the transparency of the City's financial standing in a way that any citizen may understand. The coming years will find this to be the most important function of government, ensuring that our citizens understand where their tax dollars are going and the reasoning behind the expenditures. A big thank you to the Accounting and Finance Department for putting this document together and laying out a complex financial operation in an understandable and relatable way.

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 Annual Comprehensive 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 Annual Comprehensive 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](http://hagerstownmd.org/272/Annual-Reports).

## What's Inside

A Message from the City Administrator	1
About the City of Hagerstown	2
American Rescue Plan Act of 2021	3
Financial Structure	4
Financial Results	5
The General Fund	6
Where Does Your Money Go?	7
Property Taxes	8
Understanding Your Property Tax Bill	9
Capital Investments and City Debt	10
Featured Capital Improvement Projects	11
Understanding Your Utility Bill	12
Award for Outstanding Achievement	13

## Services Provided by the City:

- police protection
- fire protection
- electric, water, and wastewater 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
- seasonal farmer's market
- public pool, golf course, and skatepark

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 29 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, the Claude M. Potterfield pool, and the Hagerstown Skatepark.

## 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 43,487.



## 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 is the City spending the funds?

The City of Hagerstown has been allocated a total of \$20.4 million which must be spent or appropriated by December 2024. The Mayor and City Council have developed a plan on how to spend the funding to best serve the City of Hagerstown and continue to have work session discussions with city staff to make adjustments to the plan as necessary. 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



### ***FY 2022 Project Highlights:***

Project	Description	Federal Expenditure Category	Cost
Purchase of former M&T Building	Customer Service in City Hall will relocate to a more spacious and convenient downtown location to better serve the community.	Support Public Health Response	\$825,000
HFD Ladder Truck	Order a necessary additional ladder truck for Hagerstown Fire Department. Total cost is estimated to be \$1.2M.	Replace Public Sector Revenue Loss	\$732,336
HPD Body Worn Cameras	Enhance public safety with the purchase of body worn cameras, tasers, and virtual training for Police.	Replace Public Sector Revenue Loss	\$174,265

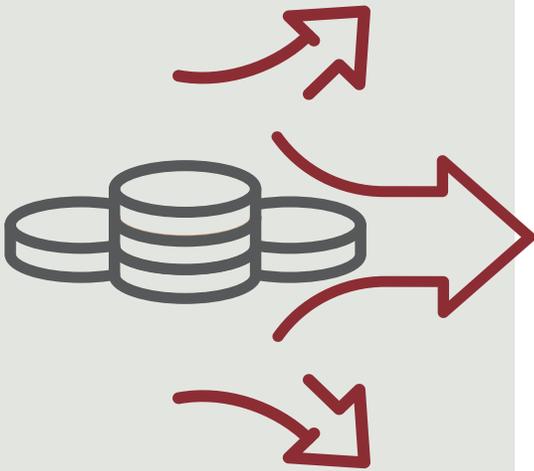
### ***FY 2023 Project Highlights:***

Project	Description	Federal Expenditure Category	Cost
HPD Drones	Enhance public safety with the purchase of 14 drones.	Replace Public Sector Revenue Loss	\$140,370
Community Outreach Coordinator	New position with HPD to act as a liason between the City and social service agencies.	Address Negative Economic Impacts	\$76,864

FOR MORE INFORMATION ON SLFRF, VISIT [WWW.TREASURY.GOV/SLFRP](http://WWW.TREASURY.GOV/SLFRP)  
 TO VIEW A COMPLETE LISTING OF THE CITY'S ARPA PROJECTS, VISIT [WWW.HAGERSTOWNMD.ORG/1610/ARPA](http://WWW.HAGERSTOWNMD.ORG/1610/ARPA)

## 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	<b>General Fund</b>	Primary governmental fund that supports the City's programs and services
	<b>Community Development Block Grant Fund</b>	Promotes the rehabilitation and development of neighborhoods by providing loans, grants, and public facilities and services
	<b>Economic Redevelopment Fund</b>	Redevelopment of targeted properties across the City through incentives and grants
	<b>Flexible Spending Fund</b>	Employee Flexible Spending Account (FSA) program
	<b>Business Revolving Loan Fund</b>	Assists with recruitment, retention, and expansion of businesses within the City
	<b>Excise Tax Fund</b>	Administration of funds received from the excise tax that may only be used for specific purposes for the County
	<b>Grant Revenue Fund</b>	Accounts for operating grants received from various agencies - federal, state, and local
	<b>Forest Conservation Fund</b>	Developer option to pay for offsite forestation activities that the City uses to plant trees
	<b>Capital Projects Fund</b>	Capital Improvement Projects (CIP) include buildings, improvements, land, and equipment
	Proprietary Funds Enterprise Funds	<b>Electric Fund</b>
<b>Water Fund</b>		Provides water to customers
<b>Wastewater Fund</b>		Collection and treatment of wastewater and safe disposal of residuals for customers
<b>Parking Fund</b>		Parking enforcement, parking decks, and parking lots that are owned and managed by the City
<b>Golf Fund</b>		Activities related to the City's public golf course, The Greens At Hamilton Run
<b>Property Management Fund</b>		Activities related to rental properties owned and managed by the City
Proprietary Funds Internal Service Funds	<b>Stormwater Management Fund</b>	Accounts for all aspects of storm drainage and stormwater management networks in the City that convey or treat runoff
	<b>Workers' Compensation Fund</b>	The City sets aside assets for claim settlement in order to manage its uncovered workers' compensation risks
	<b>Health Insurance Fund</b>	Manages the City's self-insurance health care program for employees, retirees, and dependents
Fiduciary Funds	<b>Dental Insurance Fund</b>	Manages the City's dental insurance benefit for employees, retirees, and dependents
	<b>Pension Trust Fund</b>	Accounts for the activities of the Public Safety Employees Pension System
	<b>Other Post Employment Benefits (OPEB) Trust Fund</b>	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 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
FY 2022	\$425,640,511	\$196,429,748	\$229,210,763

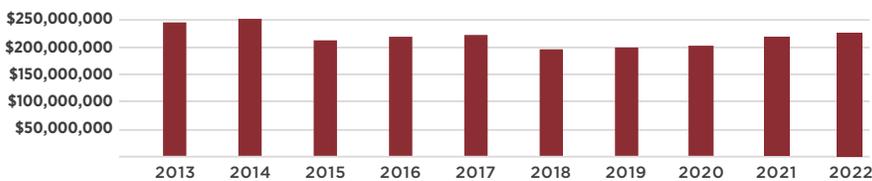
Source: City of Hagerstown FY 2022 Annual Comprehensive Financial Report, page 8.

## Changes in Net Position:

June 30, 2022 and 2021						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Program Revenues:</b>						
Charges for services	\$8,917,531	\$9,455,056	\$58,192,082	\$53,458,451	\$67,109,613	\$62,913,507
Operating grants and contributions	2,053,740	4,923,824	140,695	894,857	2,194,435	5,818,681
Capital grants and contributions	4,155,845	5,151,802	5,806,552	4,965,080	9,962,397	10,116,882
<b>General Revenues:</b>						
Property taxes	34,592,251	33,417,546	-	-	34,592,251	33,417,546
Income and other taxes	7,772,394	6,749,366	-	-	7,772,394	6,749,366
Miscellaneous	283,825	614,928	16,300	41,928	300,125	656,856
<b>Total Revenues</b>	<b>57,775,585</b>	<b>60,312,522</b>	<b>64,155,629</b>	<b>59,360,316</b>	<b>121,931,214</b>	<b>119,672,838</b>
<b>Program Expenses:</b>						
General government	10,360,130	10,425,129	-	-	10,360,130	10,425,129
Public safety	31,231,769	26,871,881	-	-	31,231,769	26,871,881
Highways and streets	2,632,966	2,693,869	-	-	2,632,966	2,693,869
Waste collection and disposal	2,926,233	2,834,652	-	-	2,926,233	2,834,652
Culture and recreation	3,379,595	2,946,663	-	-	3,379,595	2,946,663
Economic and community development	4,866,019	4,719,711	-	-	4,866,019	4,719,711
Interest on long-term debt	466,867	475,278	-	-	466,867	475,278
Utilities and other proprietary funds	-	-	55,515,383	53,645,648	55,515,383	53,645,648
<b>Total Expenses</b>	<b>55,863,579</b>	<b>50,967,183</b>	<b>55,515,383</b>	<b>53,645,648</b>	<b>111,378,962</b>	<b>104,612,831</b>
<b>Excess (deficiency) before transfers</b>	<b>1,912,006</b>	<b>9,345,339</b>	<b>8,640,246</b>	<b>5,714,668</b>	<b>10,552,252</b>	<b>15,060,007</b>
Transfers	(817,249)	(295,571)	817,249	295,571	-	-
Transfers of long-term debt	-	558,138	-	(558,138)	-	-
<b>Change in net position</b>	<b>1,094,757</b>	<b>9,607,906</b>	<b>9,457,495</b>	<b>5,452,101</b>	<b>10,552,252</b>	<b>15,060,007</b>
Net position - beginning	37,968,647	28,360,741	180,689,864	169,758,232	218,658,511	203,598,504
<b>Net Position - Ending</b>	<b>\$39,063,404</b>	<b>\$37,968,647</b>	<b>\$190,147,359</b>	<b>\$180,689,864</b>	<b>\$229,210,763</b>	<b>\$218,658,511</b>

Source: City of Hagerstown FY 2022 Annual Comprehensive Financial Report, page 9.

## History of Net Position:



Source: City of Hagerstown FY 2022 Annual Comprehensive Financial Report, page 118.

## 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 \$229.2 million in FY 2022. This was a 4.8% increase of \$10.6 million from FY 2021. Approximately 75.2% 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 \$234.5 million, an increase of \$5.0 million from FY 2021. 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 \$4.3 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 <\$9.6 million>. Business-type activities account for \$31.4 million of this total, while <\$41.1 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 2021 and FY 2022?

Income & Other taxes increased by \$899.0K or 18.9% due to the increase of \$329K collected in income tax and an increase of \$356K in enterprise zone tax credits due. License and permit fee revenues decreased by \$604.6K or 18.5% due to one-time building and fire permits collected in FY 2021. Intergovernmental Grants revenue decreased by \$2.8M or 85.1% due largely to one-time grant funding received in FY 2021. Parks and Recreation expenditures increased by \$346.6K or 14.2% due to an increase in operating costs for the swimming pool and throughout the Parks and Recreation system. Transfers to other fund increased by \$3.3M or 82.7% due largely to the transfer of \$4.5M in general fund reserves to fund various CIP projects.

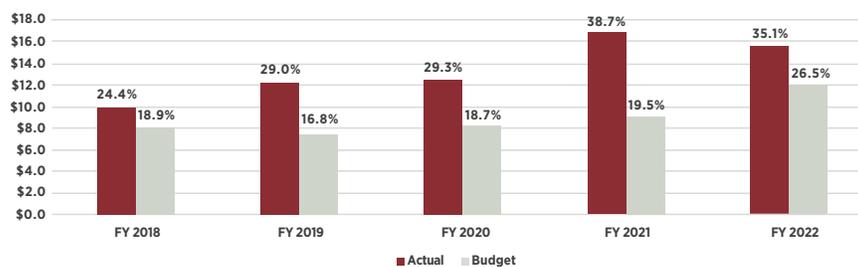
Revenue Category	FY 2020	FY 2021	FY 2022	Change
Property Taxes	32,399,365	33,417,546	34,592,251	3.5%
Income & Other Taxes	4,268,856	4,756,498	5,655,611	18.9%
Licenses & Permits	2,144,423	3,271,882	2,667,306	-18.5%
Intergovernmental Grants	419,557	3,267,403	486,514	-85.1%
Charges for Services	3,332,932	3,686,465	3,914,903	6.2%
Fines & Forfeitures	966,215	1,022,555	938,187	-8.3%
Other	2,415,823	2,140,817	2,169,877	1.4%
Internal Transfers	640,550	35,786	570,492	1494.2%
<b>Total Revenues (\$)</b>	<b>46,587,721</b>	<b>51,598,952</b>	<b>50,995,141</b>	<b>-1.2%</b>

Source: City of Hagerstown Annual Comprehensive Financial Report: FY 2020, page 23; FY2021, page 25; FY 2022, page 26.

Expenditure Category	FY 2020	FY 2021	FY 2022	Change
General Government	5,875,501	5,938,829	6,417,551	8.1%
Public Safety	23,774,917	25,169,407	25,371,785	0.8%
Highways & Streets	2,644,230	2,483,251	2,363,298	-4.8%
Waste Collection & Disposal	2,622,380	2,835,197	2,926,593	3.2%
Parks & Recreation	2,726,959	2,442,662	2,789,208	14.2%
Community & Economic Development	602,568	508,310	532,067	4.7%
Debt Service	2,949,753	2,162,625	2,218,274	2.6%
Unallocated General Expenditures	1,712,820	1,606,258	1,745,325	8.7%
Transfers to Other Funds	3,568,139	3,950,439	7,216,569	82.7%
<b>Total Expenditures (\$)</b>	<b>46,477,267</b>	<b>47,096,978</b>	<b>51,580,670</b>	<b>9.5%</b>

Source: City of Hagerstown Annual Comprehensive Financial Report: FY 2020, page 23; FY 2021, page 25; FY 2022, page 26.

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



Source: City of Hagerstown FY 2018 - FY 2022 Annual Comprehensive Financial Report: Balance Sheet - Governmental Funds; Adopted Budget



# Fiscal Year 2022 General Fund Expenditures

Where Does Your Money Go?



## General Government\*

\$6,417,551

## Highways & Streets

\$2,363,298

## Parks & Recreation

\$2,789,208

## Debt Service

\$2,218,274

## Transfers to Other Funds

\$7,216,569

## Public Safety

\$25,371,785

## Waste Collection & Disposal

\$2,926,593

## Community & Economic Development

\$532,067

## Unallocated General Expenditures

\$1,745,325

## Total Fiscal Year 2022 General Fund Expenditures

**\$51,580,670**

\*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 2022 Annual Comprehensive Financial Report, page 100-101.

## 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 2022.

FY 2022 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 2022, every \$0.01 charged in real estate property tax generates approximately \$271,000 in revenue. Total FY 2022 property tax revenues of \$34.6 million were above projections by \$1.3 million and higher than FY 2021 by \$1.2 million. The increase is a result of the growth in assessable base values, 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
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
2022	2,789,166	245,397

Source: City of Hagerstown FY 2022 Annual Comprehensive Financial Report, page 124.

## Principal Property Taxpayers

Top 10 City Taxpayers	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
CR Hagerstown, LLC	\$41,415,100	1.29%
Lowes Home Centers, Inc.	29,944,400	0.93%
NP Hagerstown Industrial 2, LLC	28,228,770	0.88%
Board of Education	26,811,800	0.84%
Tractor Supply Company	21,839,900	0.68%
RPAI Hagerstown LLC	20,614,200	0.64%
Walmart Real Estate Business Trust	18,751,300	0.59%
Suso 4 Stone House LP	17,317,400	0.54%
FB Hagerstown LLC	15,892,900	0.50%
Washington County Centre at Antietam	15,492,433	0.48%
<b>Totals</b>	<b>\$236,308,203</b>	<b>7.37%</b>

Source: City of Hagerstown FY 2022 Annual Comprehensive Financial Report, page 126.





# Real Estate Tax

For Fiscal Year July 2022 through June 2023 <sup>1</sup>

Parcel Number: 21-000000 <sup>2</sup>  
Assessment: \$164,900 <sup>3</sup>  
Tax Rate: \$ 0.010020 <sup>4</sup>

Bill Number: 2300000  
Print Date: 6/23/2022  
Class: R <sup>5</sup>  
Jurisdiction: R

Base Tax Due: \$1,652.30 <sup>6</sup>

Property Description: LOT 12 BLK C 61X116  
300 ANYWHERE ST

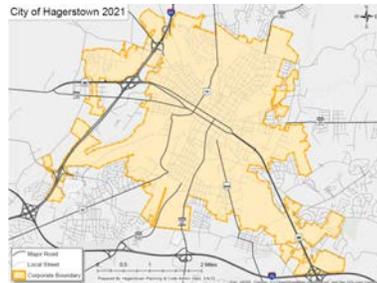
Interest applies after October 1 at a rate of 1% per month.

JOHN SMITH  
300 ANYWHERE ST  
HAGERSTOWN MD 21740

Payment Due (including interest)		
1st Semi-Annual		Annual
\$824.08	July	\$1,648.17 <sup>7</sup>
\$826.15	August	\$1,652.30
\$826.15	September	\$1,652.30
\$834.41	October	\$1,660.56
\$842.67	November	\$1,668.82
	December	\$1,687.82

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 2022 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 if 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.



## Pay Your Bill Online

ONLINE SERVICES *Pay Bill / Check Permit / Jobs*  
visit: [hagerstownmd.org](http://hagerstownmd.org)

## 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 2022, total taxpayer supported debt was \$14.89 million. This equates to 0.46% of assessed value or \$342 per citizen of the City.

Source: City of Hagerstown FY 2022 Annual Comprehensive Financial Report, page 129.

## 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 2022, the City spent \$8.5 million in additions for capital assets and improvements for the City’s governmental activities and \$6.0 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
<b>Neighborhoods Revitalization and Sustainability</b>	\$145K	public art, downtown beautification programs, accessibility ramps
<b>Public Safety</b>	\$2.2M	purchase of fire vehicles and other fire equipment, police radios, police vehicles, street crime cameras, police crime lab software and equipment
<b>Public Facilities and Infrastructure</b>	\$8.4M	safe parking, new sidewalks, 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
<b>Economic Development</b>	\$1.1M	multi-use trails, including the cultural trail and plaza, investments to emphasize business development in the City Center
<b>Parks and Recreation for Active/Healthy Living</b>	\$1.3M	providing parks and public gathering spaces and enhanced amenities and expanded programs in the Parks & Recreation division
<b>Innovative/Progressive Government</b>	\$868K	purchase of the former M and T bank building to provide enhancements for customer service
<b>Community Promotion/Pride</b>	\$36K	improvements to the TV studio and video production systems
<b>Economic Development through Sports and Tourism</b>	\$356K	upgrades to Hager House Museum, Steam Engine Museum, Hagerstown Ice and Sports Complex and design work for the Hagerstown Field House
<b>Citizen Based Government</b>	\$46K	integration of technology throughout City Operations to enhance the Customer experience and increase citizen access to City services and information

AA/Aa3

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.



## Spartan Triple Combination Pumper

**FY 2022 Expenditures: \$611,516**

**FY 2022 Budget: \$660,000**

In FY 2022 the fire department replaced Engine-5, a 2004 KME triple combination pumper with a 2021 Spartan-4- Guys triple combination pumper that is assigned to the city's South End station. There it serves as one of five front-line suppression pumpers, EMS first response unit, and, as an automatic aid pumper serving all areas South of Hagerstown. The pumper is equipped with a hose, ladders, rescue equipment, Lifepak AED, fire hooks, roof hooks, lights, and forcible entry tools.



## Hagerstown Skatepark

**FY 2022 Expenditures: \$490,080**

*(completed early in FY 2023)*

**FY 2022 Budget: \$569,000**

*(additional \$150,000 budget in FY 2023)*

The Hagerstown Skatepark is a state of the art 25,000 square foot concrete skatepark. The park was endorsed by the Tony Hawk Foundation. The park design is the result of two public input sessions, and the project was driven by a City Council appointed Task force of citizens. The goal of the skatepark is to provide a safe, designated place for all-wheeled sport enthusiasts (skateboarders, BMX bike riders, inline skaters, scooter riders, etc.) of all skill levels to develop their skills and enjoy the company of their peers.



## Second Phase Hagerstown Cultural Trail and Plaza

**FY 2022 Expenditures: \$1,142,071**

*(substantial completion in FY 2022)*

**FY 2022 Budget: \$1,441,247**

The construction of the second phase of the multi-use Cultural Trail connects Hagerstown's historic City Park and Fine Arts Museum with the historic Downtown Arts and Entertainment District. The trail connects several historic destinations while providing public art and public open space. The final phase of the Cultural trail extends through the plaza constructed as part of the Urban Improvement Project. The plaza will serve as a multi-purpose public space and will be used for informal student gatherings, downtown events, and staging for buses and theater production vehicles.



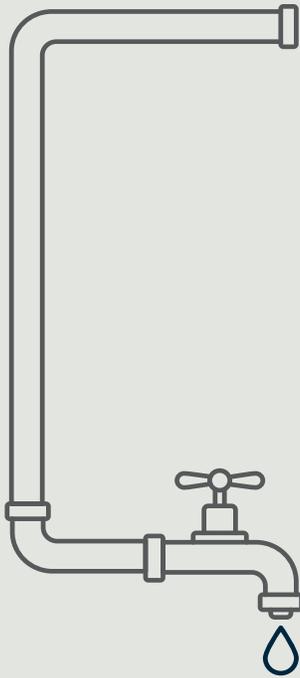
## Curb Replacement Program

**FY 2022 Expenditures: \$95,045**

**FY 2022 Budget: \$100,000**

Replacing the curbs around town has contributed to improving the City's drainage system with stormwater runoff. The partial use of Stormwater Protection funds and its user fee are being allocated towards replacing the existing deteriorated curbs on planned street overlay streets and other locations. Property owners are no longer burdened with the task of curb maintenance. The City has taken over responsibility of curb maintenance and replacements as necessary. The Curb Replacement Program has replaced over 20 curbs in FY 2022, including the curbs on Maryland Ave., W. Franklin St., N. Burhans Blvd., Bryan Place, Church St., and more.

*Upcoming Projects in FY 2023: Wheaton Park Upgrades, Hagerstown Field House, Fire Department Training Center, City Hall Annex Renovation, Professional Court Extension, Public Safety Radios and In-Station Alerting, Consolidation of Public Safety Assets*



**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

<b>Customer</b> JOHN DOE		<b>Service Address</b> 10000 MAIN STREET			
<b>Account No.</b> 6000000	<b>Customer No.</b> 500000	<b>Bill No.</b> 4000000	<b>Statement Date</b> 10/04/22	<b>Due Date</b> 10/25/22	

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	06/29/22	09/28/22	282500	301500	② 19000

Current Water/Wastewater Charges			Account Summary	
③ Water Usage Fee Inside City	18,000 Gals at \$1.82/1,000 Gals 1,000 Gals at \$3.47/1,000 Gals	\$36.23	Previous Balance	245.09
④ Wastewater Usage Fee Inside City	19,000 Gals at \$5.95/1,000 Gals	\$113.05	Adjustments	0.00
⑤ Water Fixed Fee Inside City		\$8.08	Late Payment Charge	0.00
Wastewater Fixed Fee Inside City		\$24.41	Payments through 10/04/22	245.09
			Current Charges	272.27
			Deposits Applied	0.00
			<b>Total Amount Due</b>	<b>\$272.27</b>

Other Charges			Usage History	
⑥ Bay Fee Residential on City Sewer	1.00 unit(s)	\$15.00		
⑦ Trash Services	1.00 unit(s)	\$50.00		
⑧ Storm Water Protection Fee	1.00 unit(s)	\$25.50		
<b>Total Current Charges</b>		<b>\$272.27</b>		

**CHANGE IN FY 2024**

**Bay Restoration Fee Hardship Exemption**

The Maryland Bay Restoration Fee is a statutory fee that the City of Hagerstown is the billing authority for on behalf of the State of Maryland for all City of Hagerstown residents. As the billing authority, the City of Hagerstown is required to establish a program for residents that qualify for a financial hardship exemption as determined by State defined criteria.

Starting in FY 2024, the City will begin administering the program that was previously managed by the Community Action Council. In order to qualify for the exemption, the applicant must meet two (2) of the following qualifying factors: receive an energy assistance subsidy from the Department of Social Services; receive public assistance benefits; receive veterans or social security disability benefits; meet household income criteria; receive the Homeowner's Property Tax Credit for the same fiscal year. An application must be submitted each year to qualify for the exemption.

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 \$1.82 per 1,000 gallons for the first 18,000 gallons and \$3.47 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 \$5.95.
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 \$34.00 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](http://www.hagerstownmd.org) and search for Rates and Fees.



**Pay Your Bill Online**

**ONLINE SERVICES**  
 Pay Bill / Check Permit / Jobs  
 visit: [hagerstownmd.org](http://hagerstownmd.org)

FOR MORE INFORMATION AND TO DOWNLOAD AN APPLICATION, VISIT <https://www.hagerstownmd.org/1294/Online-Forms>.



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, 2021

*Christopher P. Morill*

Executive Director/CEO

Acknowledgements:

Michelle Hepburn, CFO

Brooke Garver, Accounting & Budget Manager

Jeffrey Lear, Senior Financial Accountant

Heidi Herman, Senior 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, 2021. 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.

**IMAGINE**  
HAGERSTOWN

FOURTH FRIDAY MUSIC SERIES  
5-8 pm @ University Plaza  
May 27, June 24, July 22  
August 26, September 23



**M AC**



HAGERSTOWN arts & entertainment DISTRICT

imaginehagerstown.org

