



Popular Annual Financial Report

For The Fiscal Year Ended June 30, 2023





City of Hagerstown

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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 2023 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 2023 with an overall net position of \$239.5 million. FY 2023 revenues remained strong due to increases in total property tax revenues as a result of tax tier rates, new development, new annexations, and growth of assessed values related to existing properties. In addition, increases in other revenue sources, such as income taxes and grants, resulted in higher 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 increased by \$3.3 million. The City's General Fund reserve exceeded policy targets and is equal to 39.6% or 4.7 months of expenditures. Our bond rating is AA/Aa3.

The 2024 fiscal year looks to be another challenging budget given the state of the national economy and the State projections related to revenue related in part to the post-COVID economy but also affected by overall world and national situations that affect supply chains and distribution of goods that increase costs to all including municipalities. We are fortunate, however, to be experiencing a boom in economic development within our downtown with the construction and 2024 opening of the Hagerstown Flying Boxcars facility as well as the construction of the Hagerstown Fieldhouse at the site of the former Municipal Stadium. These activities, as well as the development they produce around them both in new construction and valuation increases of property hopefully will offset some of the increased costs as described above. As always, it will be our fiduciary responsibility to our taxpayers to be able to adjust accordingly to these fast changing economic conditions to maximize taxpayer value.

This easy-to-read document has evolved to further promote 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.

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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



Top row: (l-r) Mayor Tekesha Martinez, Tiara Burnett, Kristin Aleshire
Bottom row: (l-r) Robert E. Bruchey, II, Shelley McIntire, Matthew Schindler

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 43,701.



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 2023 Project Highlights:

Project	Description	Federal Expenditure Category	Cost
HPD Drones	Funds the first year of a new drone program to assist officers in searches, documentation, and pursuits.	Replace Public Sector Revenue Loss	\$140,371
Fairgrounds Park Police Athletic League Building Roof Replacement	Existing roof was decades old and leaking badly causing water intrusion.	Replace Public Sector Revenue Loss	\$424,332
Heart of Art Grant Program	Provide Incentives and support to local artists.	Address Negative Economic Impacts	\$25,000

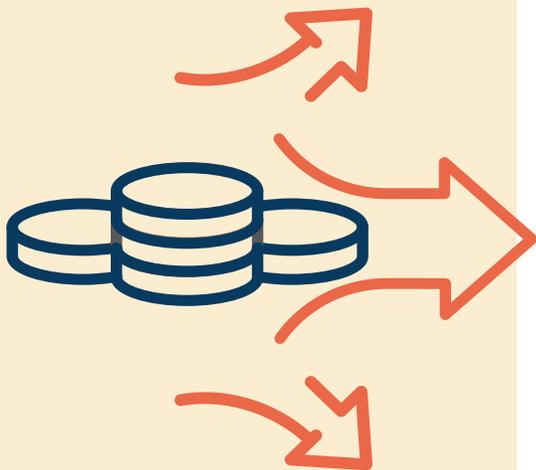
FY 2024 Project Highlights:

Project	Description	Federal Expenditure Category	Cost
Nonprofit Grant Program	Project funding assistance to nonprofits to address negative social and economic impacts exacerbated by the pandemic.	Address Negative Economic Impacts	\$924,670
Professional Court Extension	Costs shared with the County for development of new road access beyond the eastern edge of the City to the Robinwood Drive/ Meritus Medical Center area.	Replace Public Sector Revenue Loss	\$1,150,000

**FOR MORE INFORMATION ON SLFRF, VISIT WWW.TREASURY.GOV/SLFRP
TO VIEW A COMPLETE LISTING OF THE CITY'S ARPA PROJECTS, VISIT 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	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 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
FY 2023	\$441,882,658	\$202,362,119	\$239,520,539

Source: City of Hagerstown FY 2023 Annual Comprehensive Financial Report, page 8.

Changes in Net Position:

June 30, 2023 and 2022						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for services	\$9,144,834	\$8,917,531	\$56,261,546	\$58,192,082	\$65,406,380	\$67,109,613
Operating grants and contributions	3,079,245	2,053,740	-	140,695	3,079,245	2,194,435
Capital grants and contributions	7,036,472	4,155,845	3,478,438	5,806,552	10,514,910	9,962,397
General Revenues:						
Property taxes	36,004,233	34,592,251	-	-	36,004,233	34,592,251
Income and other taxes	8,116,910	7,772,394	-	-	8,116,910	7,772,394
Miscellaneous	1,657,124	283,825	1,079,566	16,300	2,736,690	300,125
Total Revenues	65,038,818	57,775,585	60,819,550	64,155,629	125,858,368	121,931,214
Expenses:						
Program Expenses:						
General government	12,012,068	10,360,130	-	-	12,012,068	10,360,130
Public safety	34,319,588	31,231,769	-	-	34,319,588	31,231,769
Highways and streets	2,748,834	2,632,966	-	-	2,748,834	2,632,966
Waste collection and disposal	3,232,968	2,926,233	-	-	3,232,968	2,926,233
Culture and recreation	3,483,412	3,379,595	-	-	3,483,412	3,379,595
Economic and community development	4,157,725	4,866,019	-	-	4,157,725	4,866,019
Interest on long-term debt	428,192	466,867	-	-	425,192	466,867
Utilities and other proprietary funds	-	-	55,168,805	55,515,383	55,168,805	55,515,383
Total Expenses	60,379,787	55,863,579	55,168,805	55,515,383	115,548,592	111,378,962
Transfers:						
Excess (deficiency) before transfers	4,659,031	1,912,006	5,650,745	8,640,246	10,309,776	10,552,252
Transfers	(972,900)	(817,249)	972,900	817,249	-	-
Transfers of long-term debt	-	-	-	-	-	-
Change in net position	3,686,131	1,094,757	6,623,645	9,457,495	10,309,776	10,552,252
Net						
Net position - beginning	39,063,404	37,968,647	190,147,359	180,689,864	229,210,763	218,658,511
Net Position - Ending	\$42,749,535	\$39,063,404	\$196,771,004	\$190,147,359	\$239,520,539	\$229,210,763

Source: City of Hagerstown FY 2023 Annual Comprehensive Financial Report, page 9.

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. 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 \$239.5 million in FY 2023. This was a 4.5% increase of \$10.3 million from FY 2022. Approximately 73.5% 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 \$240.0 million, an increase of \$5.4 million from FY 2022. This was due to infrastructure investments.

Restricted net position, resources that are subject to external restrictions on how they may be used, represents \$4.4 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 <\$4.9 million>.

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 2022 and FY 2023?

Income & Other taxes increased by \$952.4K or 16.8% due primarily to the increase of \$419.7K or 62.0% collected in monthly State Aid for Police Protection and \$341.2K or 9.0% collected in income tax over FY 2022. Intergovernmental Grants revenue increased by \$601.3K or 123.6% due largely to an increase in utilization of Federal ARPA grant money and in County Grant funding for school resource officers over FY 2022. Other revenues increased by \$1.2M or 53.2% primarily as a result of increased interest revenue. Waste Collection and Disposal expenditures increased by \$306K or 10.5% due to increased removal and recycling costs. Debt Service expenditures decreased by \$649.1K or 29.3% due primarily by paying off the 2006 Public facilities Bond in FY 2022.

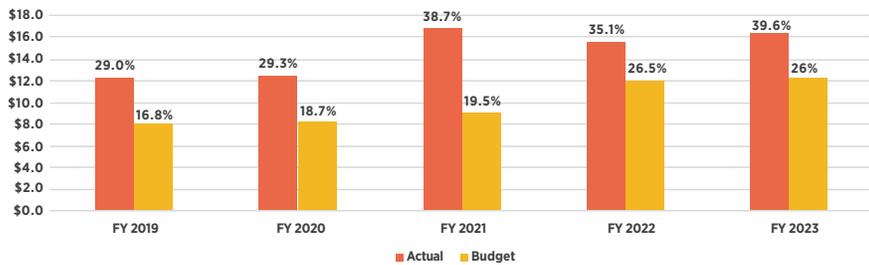
Revenue Category	FY 2021	FY 2022	FY 2023	Change
Property Taxes	33,417,546	34,592,251	36,004,233	4.1%
Income & Other Taxes	4,756,498	5,655,611	6,608,048	16.8%
Licenses & Permits	3,271,882	2,667,306	2,566,286	-3.8%
Intergovernmental Grants	3,267,403	486,514	1,087,802	123.6%
Charges for Services	3,686,465	3,914,903	3,888,705	-0.7%
Fines & Forfeitures	1,022,555	938,187	969,744	3.4%
Other	2,140,817	2,169,877	3,323,793	53.2%
Internal Transfers	35,786	570,492	684,375	20.0%
Total Revenues (\$)	51,598,952	50,995,141	55,132,986	8.1%

Source: City of Hagerstown Annual Comprehensive Financial Report: FY 2021, page 25; FY 2022, page 26; FY2023, page 27.

Expenditure Category	FY 2021	FY 2022	FY 2023	Change
General Government	5,938,829	6,417,551	6,925,957	7.9%
Public Safety	25,169,407	25,371,785	27,336,020	7.7%
Highways & Streets	2,483,251	2,363,298	2,298,843	-2.7%
Waste Collection & Disposal	2,835,197	2,926,593	3,232,599	10.5%
Parks & Recreation	2,442,662	2,789,208	2,801,935	0.5%
Community & Economic Development	508,310	532,067	657,562	21.7%
Debt Service	2,162,625	2,218,274	1,569,144	-29.3%
Unallocated General Expenditures	1,606,258	1,745,325	1,647,864	-5.6%
Transfers to Other Funds	3,950,439	7,216,569	5,346,163	-25.9%
Total Expenditures (\$)	47,096,978	51,580,670	51,806,087	0.4%

Source: City of Hagerstown Annual Comprehensive Financial Report: FY 2021, page 25; FY 2022, page 26; FY 2023, page 27.

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

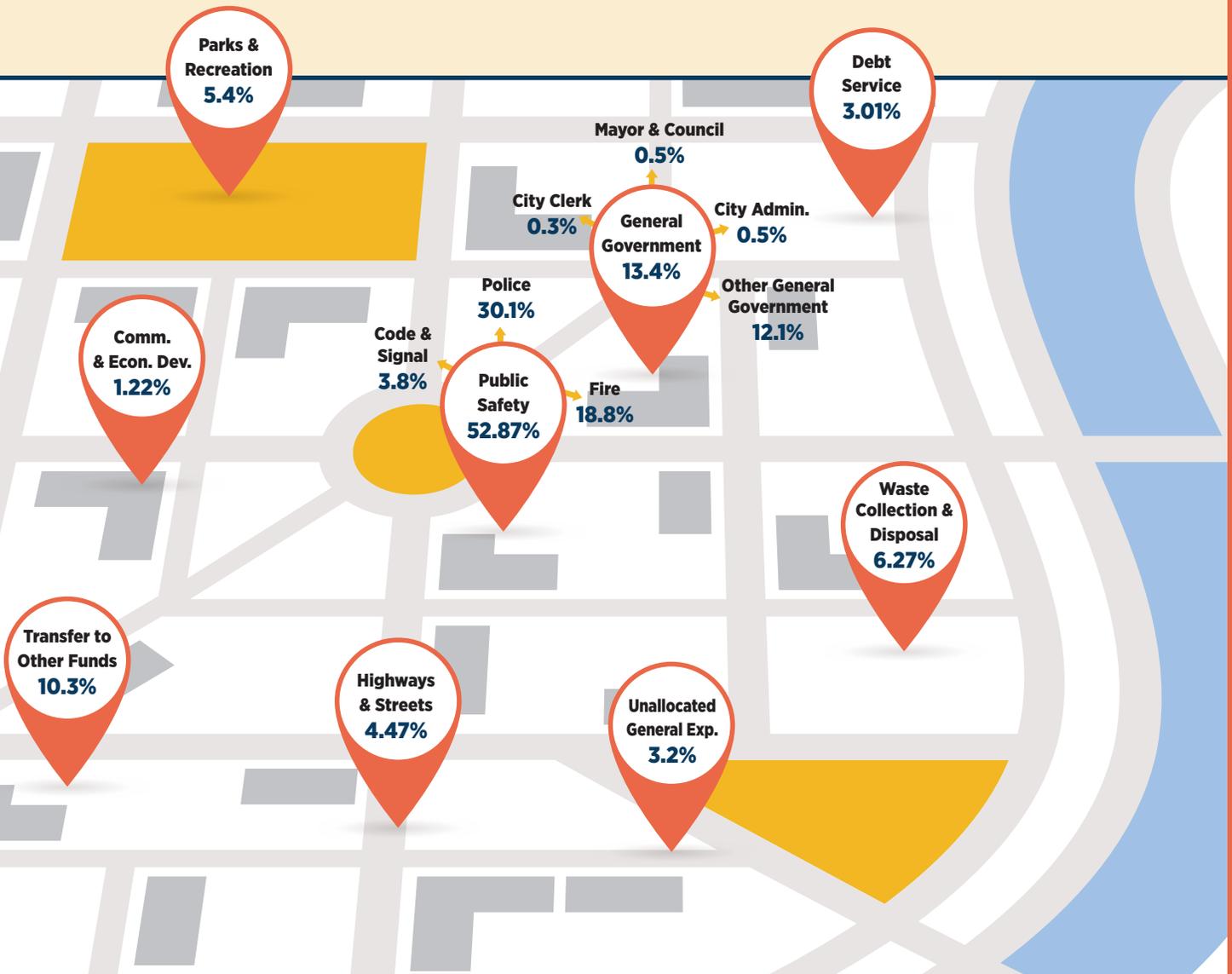


Source: City of Hagerstown FY 2019 - FY 2023 Annual Comprehensive Financial Report: Balance Sheet - Governmental Funds; Adopted Budget



Fiscal Year 2023 General Fund Expenditures

Where Does Your Money Go?



General Government*
\$6,925,957

Debt Service
\$1,569,144

Waste Collection & Disposal
\$3,232,599

Highways & Streets
\$2,298,843

Transfers to Other Funds
\$5,346,163

Community & Economic Development
\$647,562

Parks & Recreation
\$2,801,935

Public Safety**
\$27,336,020

Unallocated General Expenditures
\$1,647,864

Total Fiscal Year 2023 General Fund Expenditures
\$51,806,087

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

**Includes: Police, Fire, Code, and Signal departments

Source: City of Hagerstown FY 2023 Annual Comprehensive Financial Report, page 101-102.

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 2023.

FY 2023 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 2023, every \$0.01 charged in real estate property tax generates approximately \$287,000 in revenue. Total FY 2023 property tax revenues of \$36.0 million were above projections by \$829,470 and higher than FY 2022 by \$1.4 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
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
2023	2,629,542	249,353

Source: City of Hagerstown FY 2023 Annual Comprehensive Financial Report, page 125.

Principal Property Taxpayers

Top 10 City Taxpayers	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Lowes Home Centers, Inc.	30,124,400	0.99%
Board of Education	27,089,400	0.89%
CR Hagerstown LLC	24,238,400	0.80%
RPAI Hagerstown LLC	20,614,200	0.68%
Walmart Real Estate Business Trust	17,807,400	0.59%
Suso 4 Stone House LP	16,100,000	0.53%
Nationwide Health Properties LLC	15,865,200	0.52%
Hagerstown Plaza LLC	15,257,100	0.50%
Washington County Centre at Antietam	15,079,000	0.50%
Mill Street Realty LLC	14,421,400	0.47%
Totals	\$196,596,500	6.47%

Source: City of Hagerstown FY 2023 Annual Comprehensive Financial Report, page 127.





Real Estate Tax

For Fiscal Year July 2023 through June 2024 **1**

Parcel Number: 21-000000 **2**
Assessment: \$164,900 **3**
Tax Rate: \$ 0.010020 **4**

Bill Number: 2400000
Print Date: 6/23/2023
Class: R **5**
Jurisdiction: R

Base Tax Due: \$1,652.30 **6**

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

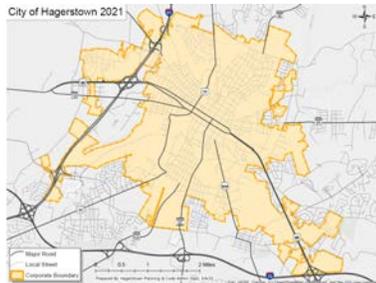
Interest applies after October 1 at a rate of 1% per month.

JOHN SMITH
300 ANYWHERE ST
HAGERSTOWN MD 21740

Payment Due (including interest)		
<u>1st Semi-Annual</u>		<u>Annual</u>
\$824.08	July	\$1,648.17 7
\$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 2023 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

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 2023, total taxpayer supported debt was \$13.76 million. This equates to 0.45% of assessed value or \$315 per citizen of the City.

Source: City of Hagerstown FY 2023 Annual Comprehensive Financial Report, page 130.

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 2023, the City spent \$8.9 million in additions for capital assets and improvements for the City's governmental activities and \$6.4 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	\$177K	public art, downtown beautification programs, accessibility ramps
Public Safety	\$931K	purchase of fire vehicles and other fire equipment, police drones and target system, police vehicles, police crime lab software and equipment
Public Facilities and Infrastructure	\$10.4M	safe parking, bridge repair, 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
Economic Development	\$86K	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	\$918K	providing parks and public gathering spaces and enhanced amenities and expanded programs in the Parks & Recreation division
Innovative/Progressive Government	\$1.1M	renovation of the former M and T bank building to provide enhancements for customer service
Community Promotion/Pride	\$7K	improvements to the TV studio and video production systems
Economic Development through Sports and Tourism	\$1.5M	upgrades to Hager House Museum, Steam Engine Museum, Hagerstown Ice and Sports Complex and design work for the Hagerstown Field House
Citizen Based Government	\$163K	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.



City Park Train Hub Restrooms

FY 2023 Expenditures: \$480,077

FY 2023 Budget: \$481,683

The City's Parks and Recreation Division is constantly working to improve the City park system, including the addition of amenities at each park, upgrades to existing facilities, or the development of totally new parks. In FY 2023, to make the Train Hub more family-friendly, the City constructed a 1,000 square foot restroom building to service both the patrons of the Train Hub as well as to provide better restrooms for the adjacent softball fields which are used consistently.



Distribution Services - Water Meter Program

FY 2023 Expenditures: \$400,946

FY 2023 Budget: \$355,106

The City's Water Department is home to approximately 28,000 water meters that need replacing. These water meters have an estimated useful life of 25 years, and they help ensure that water and sewer rates are being recorded accurately. Updating these meters provides higher accuracy in customer billing and allows for an increase in department efficiencies which includes an anticipated increase in revenue with better meter read accuracy. This is an ongoing project that is funded through the Water Fund and meters are being replaced yearly.



Frederick Street at Eastern Boulevard Traffic Signalization Upgrades

FY 2023 Expenditures: \$422,814

FY 2023 Budget: \$434,694

The traffic signal at this location was not in compliance with current standards. Utilizing Federal Safe Routes to School funds (SRTS) and general fund revenues, funds were used for replacement of the antiquated traffic signal, to provide a walk route for school children to the Potterfield Pool, to improve the curb radius on the southeast corner and to make the intersection fully ADA-compatible with improved sidewalk ramps, audio pedestrian system, and countdown pedestrian lights.



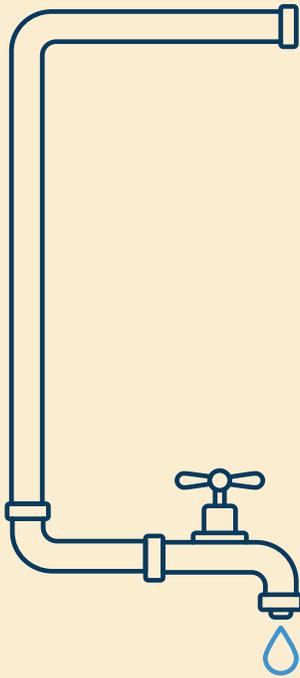
Hub City Parking Garage - Land Acquisition

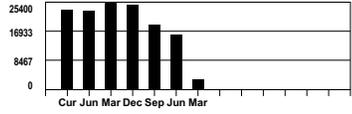
FY 2023 Expenditures: \$1,200,000

FY 2023 Budget: \$1,200,000

The City's third parking deck will be constructed in conjunction with the Hagerstown Multi-Use Sports and Events Facility to be located on the corner of Baltimore St. and Summit Ave. This new parking deck will support the operations of the sports and events facility while providing additional parking for the projected development downtown. The land for the parking deck was purchased during FY23 using funds through the Parking Fund. It is anticipated that this new five-story garage will be open for public use in Spring 2024.

Upcoming Projects in FY 2024: Wheaton Park Upgrades, Hagerstown Field House, Fire Department Training Center, City Hall Annex Renovation, Professional Court Extension, Consolidation of Public Safety Assets, Renovation of locomotive and new shelter pavilion, Public Safety Radios and In-Station Alerting, Construction of the Hub City Parking Garage, Wilson Treatment Plant Improvements, Golf Course Improvements: Clubhouse Deck & Barrier Netting, Stormwater Street Tree Planting, Wastewater Treatment Plant Laboratory Equipment Improvements.



 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				Service Address			
JOHN DOE				10000 MAIN STREET			
Account No.	Customer No.	Bill No.	Statement Date	Due Date			
6000000	500000	4000000	10/03/23	10/24/23			
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	06/28/23	09/27/23	374600	397900	2 23300
Current Water/Wastewater Charges						Account Summary	
3 Water Usage Fee Inside City 18,000 Gals at \$1.87/1,000 Gals 5,300 Gals at \$3.57/1,000 Gals \$52.58						Previous Balance 320.37	
4 Wastewater Usage Fee Inside City 23,300 Gals at \$6.07/1,000 Gals \$141.43						Adjustments 0.00	
5 Water Fixed Fee Inside City \$8.32						Late Payment Charge 0.00	
Wastewater Fixed Fee Inside City \$24.90						Payments through 10/03/23 320.37	
						Current Charges 324.23	
						Deposits Applied 0.00	
						Total Amount Due \$324.23	
Other Charges						Usage History	
6 Bay Fee Residential on City Sewer 1.00 unit(s) \$15.00							
7 Trash Services 1.00 unit(s) \$55.00							
8 Storm Water Protection Fee 1.00 unit(s) \$27.00							
Total Current Charges \$324.23							

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.

In FY 2024, the City began 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 \$1.87 per 1,000 gallons for the first 18,000 gallons and \$3.57 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 \$36.00 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.



Pay Your Bill Online

ONLINE SERVICES
 Pay Bill / Check Permit / Jobs
 visit: 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, 2022

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, 2022. 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 reader appeal, understandability, distribution methods, creativity, and other elements.

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.

