

CITY OF HAGERSTOWN



CITY ADMINISTRATOR'S PROPOSED BUDGET

Fiscal Year 2025-2026
July 1, 2025 - June 30, 2026

CITY OF HAGERSTOWN

STRATEGIC PLAN

VISION STATEMENT:

The City of Hagerstown will inspire an inclusive, business-friendly, and sustainable community with clean, safe and vibrant neighborhoods.

MISSION STATEMENT:

We are dedicated to creating a thriving community where diversity is celebrated, economic development flourishes, and the quality of life is enhanced through collaborative and consistent representation.

AFFORDABLE HOUSING & HOMELESS SOLUTIONS

BLIGHT AND URBAN REVITALIZATION

WATER / WASTEWATER SUSTAINABILITY

DIVERSITY, EQUITY, INCLUSION AND ACCESSIBILITY (DEIA)

ECONOMIC DEVELOPMENT

PUBLIC SAFETY

SOCIAL ISSUES

CIVIC PRIDE

THE ARTS

GREEN SPACE

COMMUNITY ENGAGEMENT

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Summary

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

FY2026 Operating and Capital Budget Process

Throughout the current fiscal year, the City Administrator and Department Managers have presented and discussed various budget agenda topics with Mayor and Council. The budget discussion topics took place between July 2024 through February 2025 and provided opportunities and guidance for the creation of the FY2026 budget document. A listing of discussion topics and dates are located in the budget message in Section 1.

During the month of December 2024, departmental management and staff conducted departmental reviews of the Capital Improvement Program (CIP) projects. The Department Managers obtained requests from departments, neighborhoods, and homeowners for CIP projects. To assist the City Administrator in determining and recommending projects for funding, priorities were placed on capital projects that impact the City's facilities and infrastructure, safety and environment, legal provisions, and budget. During the same timeframe, Department Managers met with Budget staff to review individual departmental CIP requests.

In addition, the first public hearing on Community Development Block Grant funding needs was held on December 5, 2024. A second public hearing will be scheduled for May 6, 2025 to discuss further the CDBG funding needs.

Budget review meetings began in January 2025 between Department Managers and the Budget Committee to consider departmental operating budget requests. In addition, discussions and/or meetings were held with Department Managers to review initial CIP projects for prioritization of timing and funding within department and City goals. From January 2025 through March 2025, priorities for the upcoming year were discussed and outlined. A number of requests for funding changes were discussed and requests that were approved by the City Administrator were incorporated into department budgets. Approved changes and proposed adjustments were then discussed with the departments. As a result of these meetings and deliberations, the Budget staff compiled the FY2026 Proposed Operating Budget and the Capital Improvements Program for FY2026 – FY2030 for presentation to Mayor and Council.

On March 31, 2025, the City Administrator and Budget staff, in conjunction with City Management, will present the Mayor and Council with the FY2026 Proposed Budget for review. The Mayor and Council and the City's senior management will work together from April 1, 2025 to May 6, 2025 to review and discuss the proposed budget and CIP projects. A public hearing will be scheduled for May 6, 2025 to discuss the Operating Budget, Capital Improvement Program (CIP), and property tax rates.

THE BUDGET DEVELOPMENT PROCESS
FISCAL YEAR 2025/2026

Mayor and Council are scheduled to introduce the ordinance for the approval of the budget and CIP projects on May 6, 2025. It is estimated that approval to adopt the ordinances to approve the budget as revised by Mayor and Council, which will include water, wastewater, electric, other service charges and any changes to the property tax rate, will take place on May 13, 2025. To conclude the Budget Development Process, Budget staff will implement the FY2026 Mayor and Council's Adopted Budget and the FY2026 – FY2030 approved CIP budget during June and July 2025. The FY2026 adopted budget will become effective on July 1, 2025. The adopted operating and CIP budget is available on the City's website at www.hagerstownmd.org.

Hagerstown was founded in 1762 by Jonathan Hager, a German immigrant who came to America in search of adventure and potential fortune. The home he built in 1739 is fully restored and open to guests at Hagerstown's City Park. The completion of the National Pike in 1808 and Hagerstown's location along the Philadelphia Wagon Road made the town a prosperous location for trade. The arrival of several railroad companies in the later part of the 19th century cemented Hagerstown's role as a center for trade and manufacturing which led to a building boom in the late 19th and early 20th century. The City's railroading history is preserved at the Hagerstown Roundhouse Museum and at the City Park Train Hub Museum. The City's rich history also includes stories from the Civil War, when the community survived a fierce cavalry battle in the streets on the retreat from Gettysburg in 1863 and managed to spare themselves from ransom and destruction by the Confederate troops in 1864. The City's airplane manufacturing history from the early and mid-20th century is preserved at the Hagerstown Aviation Museum.

Hagerstown was named the "Hub City" back when railroading was a primary source of transportation and commerce; the name has stuck throughout the years due to the City's unique positioning at the hub of Interstate 81 and Interstate 70. Today, creative service and technology-related companies are recognizing Hagerstown's close proximity to Baltimore and the D.C.-metropolitan area as an asset, and Hagerstown is seeing a trend in those companies locating in the City. In the past few years the spike in E-commerce has seen a flood of speculative warehouse development proposals come to the City and nearby suburban tracts along I-81.

The City of Hagerstown is at the heart of a metro area in Washington County of approximately 109,034 residents and at the center of a larger trade area in the Hagerstown-Eastern Panhandle Metropolitan Planning Organization area. The 2020 population of the City of Hagerstown was 43,527 with the suburban fringe around Hagerstown containing another 65,507. In the City of Hagerstown, there are currently 429 housing units with final site plan or plat approval in various stages of development and construction. There are a total of 3,455 units pending for future development still in planning stages. Population growth from these pending housing units could see the City's population increase to over 52,000 over the next 10-15 years.

The City of Hagerstown operates under a council-manager form of municipal government. A charter granted by the General Assembly of Maryland formed the governing authority for the City. The Mayor and Council are the governing body of the City, which is responsible for formulating administrative policies. The Mayor and Council are comprised of a mayor and five council members all directly elected by Hagerstown residents to serve four-year terms. The City Administrator is appointed by the Mayor and Council to serve as the Chief Executive Officer of the City. Washington County is mandated by law to provide schools, libraries, and social services in Hagerstown.

The City of Hagerstown provides the community with a full range of services and programs across multiple departments. The City Administrator directs and supervises all City operations. Within the administration, the City Clerk serves as the record-keeping officer for the Mayor and Council, and is responsible for the preparation, execution, and archiving of all City Council documents as prescribed by State law and City Code. The City is a responsible steward of its resources, and provides accountability for the disbursement of funds, financial reporting, and asset management. The City of Hagerstown continues to streamline operations for efficiency and provides the highest-quality services to enhance our community's quality of life, support community pride, and further the sustainability of the organization. All City employees are supported through the Human Resources department to promote efficient operations.

The City provides a clean, safe, and well-maintained environment in our neighborhoods and community gathering places. The City administers the trash, recycling, and yard waste collection program for the convenience of our customers. Residents and businesses are provided water, wastewater, and electric services at competitive rates. The City's infrastructure is well-maintained to ensure its longevity, provide efficient operations, and reduce costs. Staff ensures traffic flows smoothly throughout the City and sees that our public ways are accessible for all members of the community. The City helps expand, retain and attract businesses, oversees planning and permitting functions, and provides community events programming. The community receives public safety protection through the operation of the City's career Fire and Police Departments. The City's Fire Department helps backstop the County's volunteer system through a mutual aid agreement.

Residents and visitors alike find Hagerstown to be an ideal combination of city living and small-town charm. Downtown Hagerstown's Arts & Entertainment District is home to the Maryland Theatre Performing Arts Center, which hosts the Maryland Symphony Orchestra and other popular performing groups and acts. Area artists proudly display their work at the Washington County Arts Council and other local art galleries. The Washington County Museum of Fine Arts is one of four designated fine arts museums in the State of Maryland and welcomes visitors to its galleries from the picturesque setting of City Park, profiled as the most beautiful city park by a national travel website. Many residents have organized into groups under the City's Neighborhoods 1st program to take responsibility for the well-being of their neighborhood and build community pride. It is a priority of the City to protect our neighborhoods from blight through a variety of proactive programs.

The City of Hagerstown maintains a topnotch parks system with 29 neighborhood and regional parks, playgrounds, and recreation facilities. All parks and recreation facilities owned and managed by the City are smoke-free, with the exception of The Greens at Hamilton Run, a nine-hole golf course overlooking a mountain view. Potterfield Pool is a popular summer retreat for our citizens. The Buys Bandshell at City Park hosts numerous free musical events throughout the summer. The Hagerstown Ice & Sports Complex hosts hockey games, figure skating competitions, and public skate for amateurs on the ice. Fairgrounds Park includes a dog park, BMX track, in-line hockey rink, softball and soccer fields, and skateboard park.

Hagerstown is rich in educational opportunities. The Washington County Public School system provides educational services to City residents in five regional or specialty high schools, four regional middle schools, and ten neighborhood/regional elementary schools. The County's Barbara Ingram School for the Arts is located downtown. Hagerstown Community College's main campus is located near the City and a new satellite facility for workforce development programs is nearing completion in Hagerstown's North End. The University System of Maryland at Hagerstown opened in the heart of downtown in January 2005 and currently there are 5 universities offering 13 undergraduate programs, 10 graduate programs, and 1 doctorate-level degree across a three-building campus. Award Beauty School offers courses in cosmetology, barbering, and nail tech in downtown. Associated Builders & Contractors of the Cumberland Valley, which offers apprenticeship and craft training programs in 20 trades courses, will be relocating to HCC's workforce development center. Our newest institution is The Collegium which offers a four-year liberal arts program in downtown Hagerstown. The City and USMH partnered with developers on two projects to renovate existing downtown buildings into apartments for students. The City is continuing to partner with developers on housing projects downtown for students and other interested residents.

In continuing efforts to strengthen the fiscal sustainability of Hagerstown, the City has taken a proactive approach on annexations in recent years to grow our tax base, particularly for developments on City water and within the City Fire Department mutual aid service area. In 2020, the City annexed 7 pre-annexation agreement parcels near Valley Mall with an assessed value of over \$46 million on July 1, 2025. In FY 2022, the City negotiated annexation agreements for two speculative warehouse development projects that will bring 1.92 million square feet of warehouse space to the region, as well as make the City boundaries contiguous to other properties with pre-annexation agreements. In FY 2023, the City annexed the 116-acre Unger farm on the south side of the city with residential zoning and approved the annexation resolution for one of the warehouses in the FY 2022 agreements (2 Western Marland Parkway). Also in FY 2023, the City annexed land for a proposed residential developments on 82 acres of land adjacent to the Hager's Crossing neighborhood. In FY 2024, the City annexed another of the warehouses from the FY 2020 agreements (55 W. Oak Ridge), as well as State land on our southern border and two residentially zoned tracts of raw land on the west and south sides of the city. In FY 2025, the City annexed the last warehouse from the FY 2020 agreements (45 W. Oak Ridge), as well as two pre-annexation agreement office developments on Western Maryland Parkway.

In the Downtown area, retail, restaurant, housing, hospitality, and office redevelopments are underway or in the planning stages with approximately \$73 million in investment. Many of the projects are directly benefitting from City and State grant programs intended to spur private investment downtown. There also continues to be an uptick in new commercial and industrial development in the arterial areas, business parks, and commercial districts outside the downtown in the City. Of particular note is the booming speculative warehouse development market in our community. The Northpoint development on Wesel Boulevard brought \$132 million of investment and 1.675 million square feet of flex warehouse space in FY 2021 and FY 2022. In FY 2023-FY 2026, construction is and was underway on 3.44 million square feet of warehouse space on Western Maryland Parkway, Breaker Drive, and W. Oak Ridge Drive in the city.

The City of Hagerstown and its community partners are proud to organize and host special events that bring people together from Hagerstown and the surrounding region. Hagerfest Music & Art Festival celebrates the City's music heritage and features local musicians, artisan vendors, craft beer, and food trucks in early spring. MDWK Music and Market brings University Plaza to life with a different genre of music playing each week along with food, beer, and artisan vendors in the summer months. The annual Christkindl Markt is a weekend shopping experience that celebrates the City's German heritage with Bavarian food, entertainment, and merriment. Hagerstown has received national attention for the Krumpke's New Year's Eve Donut Drop, which is hosted by Middletown Valley Bank and The Maryland Theatre and creates a mock midnight celebration for families who count down as a giant paper-mâché donut descends at Meritus Park.

The Hagerstown Cultural Trail was added to the City park system in 2017 and it connects the downtown Arts & Entertainment District with City Park and the Museum of Fine Arts. The trail is one of eight catalyst projects outlined in the Community's City Center Plan, a 10-year roadmap for downtown development that is being implemented through public-private partnerships. Spanning a half-mile, the brick paver pathway makes the route between these two popular destinations more walkable and features open green spaces, gathering areas, and public art that embraces our community's heritage, culture, and values, while also inviting visitors to interact with the pieces. Featured artists along the Trail are regionally and even internationally recognized, including HENSE, who transformed four industrial building facades into a bold, contemporary mural. An extension of the trail was opened in FY 2022 to connect the trail to W. Washington Street through the new Hatter's Plaza. In FY 2025, a portion of the trail relocated around the perimeter of the new Multi-use Sports and Events Facility with the entrance to the new facility located along the trail.

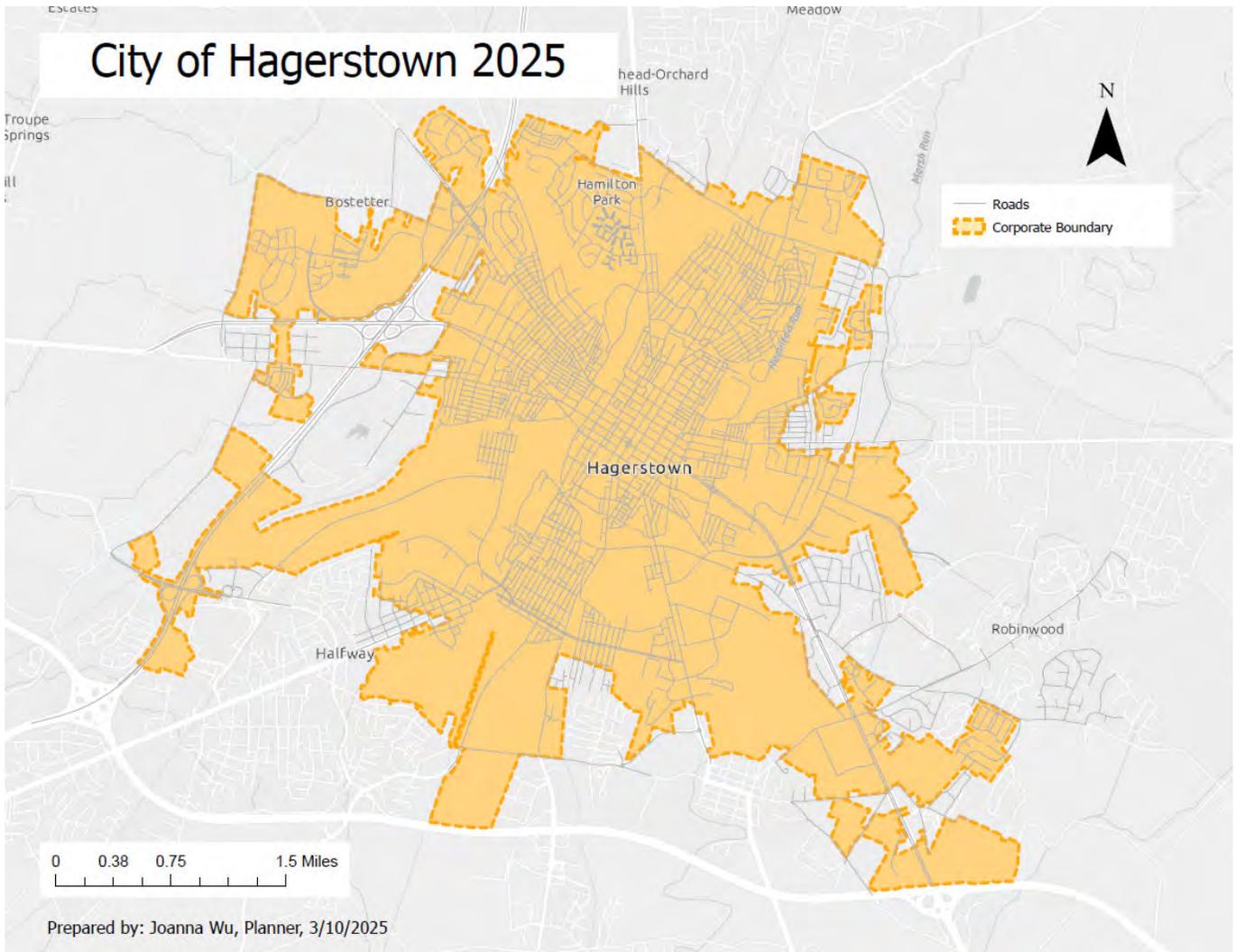
All levels of government, including USMH, the Maryland Theatre, Board of Education, and private developers worked in partnership on the Urban Improvement Project (UIP), a development that has expanded the urban educational complex and helped spur revitalization efforts in downtown Hagerstown. The project included expansions to the Maryland Theatre and Barbara Ingram School for the Arts, new programs in satellite locations downtown for USMH, as well as an outdoor community plaza that ties into the Hagerstown Cultural Trail.

The Maryland Stadium Authority, working in partnership with a team of investors and the Washington County Industrial Foundation, constructed a \$90 million dollar multi-use sports and events facility in downtown Hagerstown, Meritus Park, which opened in the spring of 2024 in time for the first season of a new Atlantic League baseball team. The facility also hosts other sports, cultural, and community events. The announcement of this project spurred investment activity in nearby properties as investors anticipated the revitalization impact of this major investment project. In FY 2023 - FY 2025, the City constructed a \$13 million public parking structure on West Antietam Street that supports this project as well as implements a recommendation from the City's Downtown Parking Master Plan.

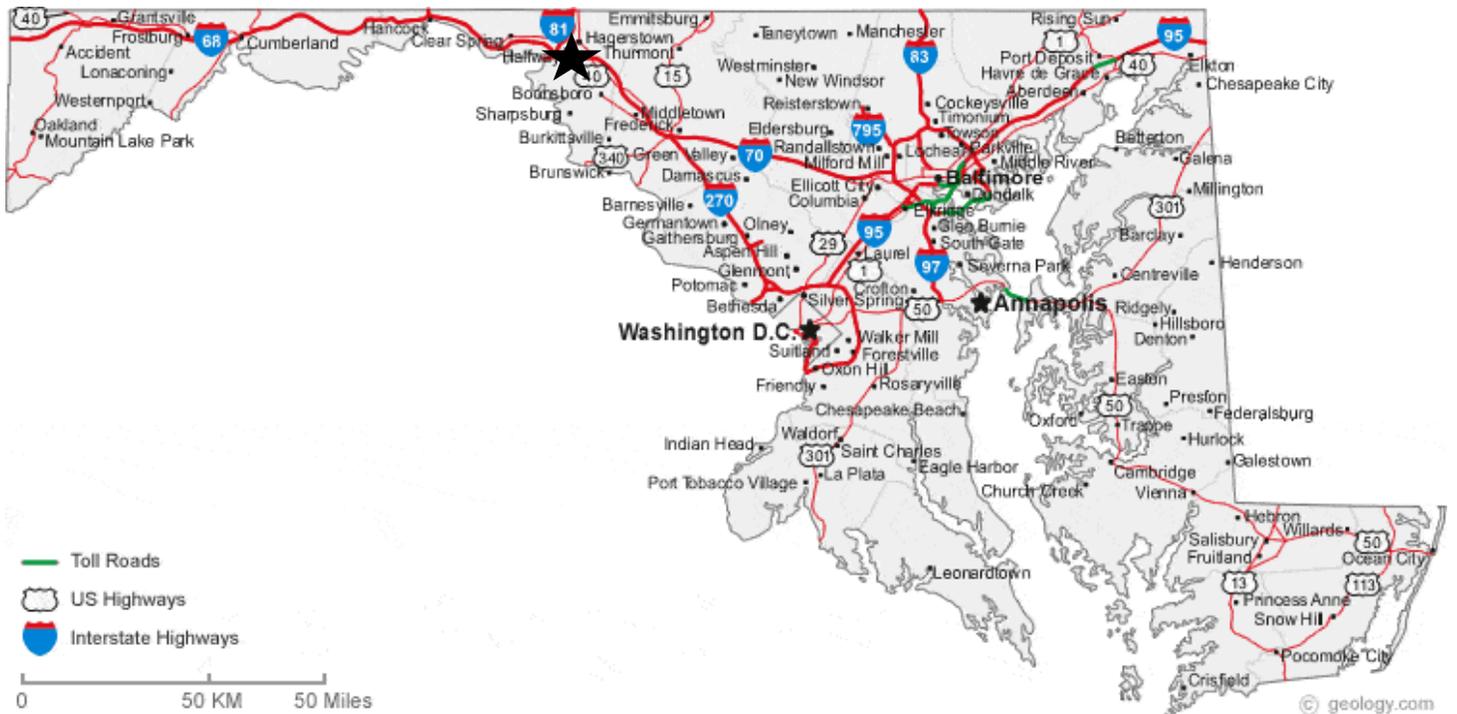
Working in partnership with a private developer, the City constructed a new Hagerstown Field House for indoor turf and court sports. The groundbreaking was held for this \$26 million dollar facility in mid-FY 2024 and opened in mid-FY 2025. The Field House fills a gap in our region for indoor sports and recreation, especially with the closing of the Frederick Indoor Sports Center in FY 2022.

And finally, in order to be more customer friendly, the City acquired 32 N. Potomac Street, a former bank building, for adaptation to new city offices for Customer Service & Utility and Tax Billing. The second floor will house the new Department of Planning & Economic Development. Construction of this project will be completed in FY 2025 with a budget of \$2.4 million.

MAP – CITY OF HAGERSTOWN
FISCAL YEAR 2025/2026



MAP – STATE OF MARYLAND
FISCAL YEAR 2025/2026



MISCELLANEOUS STATISTICS – JUNE 30, 2024
FISCAL YEAR 2025/2026

City Charter Dates

Date founded	1762
Date of incorporation	1813
Date of adoption of present City Charter	1983
Form of Government	Mayor, Council, and Administrator
Area (in square miles)	13.159

Fire Department

Number of Stations (4 volunteer, 1 City owned)	5
Number of Fire Hydrants (within City limits)	1010
Responses to Fire calls	4,251
Average response time (in minutes)	3:58
Public fire education programs	150

Parks and Recreation

Parks and Playgrounds (307 acres)	29
Outdoor Swimming Pool (Claude M Potterfield Pool, 1.5 acres)	1
Municipal Golf Course (The Greens at Hamilton Run, 61.9 acres)	1
Bike Lanes and Paths (miles)	60

Parking Facilities Department

Number of lots	13
Number of Parking Spaces (metered or rented)	
Lots	477
Streets	345
Parking Decks:	2
Number of Parking Spaces	625
Number of Permit Holders	756

Police Department

Parking ticket violations issued	12,175
Net parking fines	\$ 142,926
Safe Speed Program citations issued annually	23,730
Calls for service	68,598
Alarm calls (included in above number)	1,622

Public Works

Miles of paved streets and alleys	156.61
Number of traffic signals maintained	137

Population – per United States Census

Fiscal Year	Population
1900	13,591
1910	16,507
1920	28,064
1930	30,861
1940	32,491
1950	36,260
1960	36,660
1970	35,852
1980	34,132
1990	35,445
2000	36,687
2010	39,996
2020	43,527

Electric Department

Number of active accounts	17,626
Number of meters (in use)	17,665
Kilowatt hours purchased	321,744,207
Kilowatt hours sold	313,531,718
System peak demand-kilowatts	65,134
Number of substations – 34.5KV to 13.8KV	7

Water Department

Number of active accounts-City	13,971
Number of active accounts-County	17,182
Total number of active accounts	31,153
Daily average productions in million gallons	
R.C. Willson Plant (365 days)	11.77
Wm. M. Breichner Plant (365 days)	0
Greatest consumption for a single day	12.95
Plant pumping capacity per day	20
Average daily metered consumption	7.82
Miles of water mains (estimate)	445

Wastewater Department

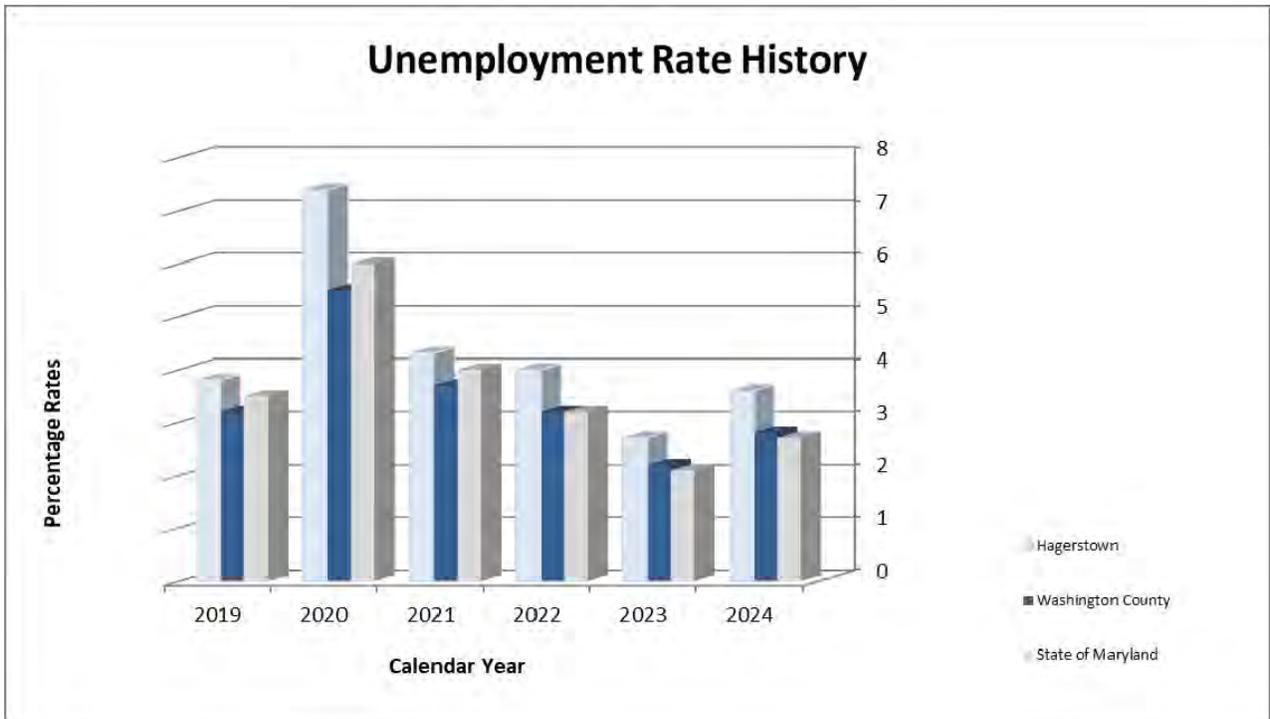
Number of active accounts-City	13,681
Number of active accounts-County	3,169
Number of active accounts-District (JSA)	4,009
Number of active accounts-Total	20,859
Daily average of sewage treated (in million gallons)	5.84
Daily average plant capacity (in million gallons)	8
Number of City owned pumping stations	24
Miles of collection system-City owned	185

MISCELLANEOUS STATISTICS – JUNE 30, 2024
FISCAL YEAR 2025/2026

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

Employer	2024			2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Washington County Public Schools	3,705	1	5.88%	2,970	1	4.46%
Meritus Health	2,740	2	4.35%	2,740	2	4.11%
FedEx Ground	2,654	3	4.21%			
FiServ	2,185	4	3.47%			
Volvo Powertrain NA (Mack Trucks, Inc.)	1,836	5	2.91%	1,517	6	2.28%
Amazon	1,500	6	2.38%			
The Bowman Group	830	7	1.32%	746	9	1.12%
Walmart	565	8	0.90%			
Hagerstown Community College	545	9	0.86%	890	8	1.34%
Merkle Response Management Group	545	10	0.86%			
State of Maryland				2,568	3	3.85%
First Data Merchant Services				2,322	4	3.48%
Citi				2,100	5	3.15%
Washington County Government				1,352	7	2.03%
Federal Government				705	10	1.06%
Total	17,105		27.14%	17,910		26.88%

Source: Principal Employers for Washington County MD provided by Maryland Department of Commerce.
Total County employment for 2024 was 63,010 and for 2015 was 66,660 supplied by U.S. Bureau of Labor Statistics.



MISCELLANEOUS STATISTICS – JUNE 30, 2024
FISCAL YEAR 2025/2026

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

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
MCB Hagerstown LLC	\$ 125,281,633	1	3.92%			
Lowes Home Centers, Inc.	30,144,700	2	0.94%	\$ 22,604,303	2	0.88%
Board of Education	28,819,267	3	0.90%			
CR Hagerstown, LLC	24,875,966	4	0.78%			
KRG Hagerstown LLC	20,872,333	5	0.65%			
Walmart Real Estate Business Trust	17,819,500	6	0.56%	20,128,400	3	0.78%
Washco Centre at Antietam	15,142,467	7	0.47%			
Nationwide Health Properties LLC	15,098,700	8	0.47%			
Suso 4 Stone House, LP	14,934,600	9	0.47%			
FB Hagerstown, LLC	14,649,533	10	0.46%			
Hagerstown Plaza, LLC				14,599,267	10	0.57%
Mill Street Realty LLC						
Washington Real Estate				58,779,866	1	2.28%
OEKOS Stone House LLC				18,543,900	6	0.72%
I-81 Hollyhock LLC				19,181,100	4	0.74%
Verizon - Maryland				16,587,400	7	0.64%
Hagerstown Apartments (Limited) Partnership				19,127,400	5	0.74%
Cortpark LLC				15,082,233	8	0.59%
Cortpark II LLC				15,082,233	9	0.59%
Totals	\$ 307,638,699		9.63%	\$ 219,716,102		8.53%

Source: City of Hagerstown FY2024 Annual Comprehensive Financial Report

Neighborhoods

City of Hagerstown



OVERVIEW SECTION 1

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CITY OF HAGERSTOWN, MARYLAND

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To the Honorable William McIntire and the Hagerstown City Council:

The proposed FY26 budget for the City of Hagerstown is submitted for your review and consideration. As you enter the first year of your administration, and for several of you your first budget deliberation, it is important to note that these are challenging times across the board. The U.S. is facing challenging economic times due to several key factors, including persistent inflation, high interest rates, slowing economic growth, and budget deficits at both federal and state levels. These economic pressures create ripple effects that significantly impact local governments.

While inflation has cooled from its peak, it remains a challenge for all, including local government. Higher costs for goods, services, and wages put pressure on local government budgets. The Federal Reserve has kept interest rates elevated to curb inflation. This makes borrowing more expensive for municipalities that utilize bonds to fund infrastructure and other projects. While unemployment remains low, local governments struggle to attract and retain workers due to higher salaries offered in the private sector. Many local governments rely on federal and state funding for major infrastructure and community development projects, which could shrink if budget deficits force spending cuts at higher levels.

The City of Hagerstown is not immune from these factors. Unfortunately, due to the rise in costs of services, the need to create a pay structure to serve the constituents, the elected officials requirement for enhanced and stable law enforcement staffing, and the significant rise in health and post-employment benefit costs, the increase in tax revenues as provided by the State Department of Assessment and Taxation for FY26 is not enough to fulfill these commitments. This ultimately has resulted in a proposed \$ 0.055 cent increase to the City's tax rate making the rate a proposed \$1.057 per \$100 of assessed value in FY26.

This fiscal year's budget will incorporate the final year of the three-year triennial assessment for properties located within the City of Hagerstown. Unless a resident has recently purchased property or have had a situation that has resulted in an early re-assessment of the property, there should be no increase in assessed value this fiscal year (July, 2025 – June, 2026). Therefore, the only increase the vast majority of residents will see is the \$0.055 increase that is targeted to the costs explained ahead. For example, a property assessed at \$200,000 taxed at the FY25 rate of \$1.002 generates a tax bill of \$2,004. The increase rate of \$1.057 for the same \$200,000 property generates a tax bill of \$2,114. The increase is \$110 for the year.

There are specific factors contributing to this tax increase proposal that will be explained in the following pages. The City will also be utilizing funds to re-organize and re-constitute several operations in the City in an attempt to achieve better operational efficiencies and customer service improvements that have also been a major topic of our constituency.

PUBLIC SAFETY

A \$0.055 cent tax increase is a necessary and responsible measure to ensure the continued safety and well-being of our community. The \$3.1 million increase in the public safety budget in FY26 reflects rising costs in essential services, including police response. These funds will support critical needs such as hiring additional personnel, upgrading equipment, improving response times to emergencies and providing opportunities to retain sworn officers and continue recruiting levels of new officers to increase presence on

CITY OF HAGERSTOWN'S BUDGET MESSAGE
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the streets of our community. With growing demands on public safety infrastructure, maintaining adequate funding is crucial to preserving the high level of service that residents expect and deserve. Without this increase, our ability to respond effectively to emergencies, prevent crime, and protect public property could be compromised.

Additionally, investing in public safety enhances overall community stability and quality of life. Well-funded emergency services reduce crime, improve public confidence, and contribute to economic growth by making the area a safer place to live and do business. A \$0.055 cent tax increase is a measured and reasonable step to ensure these vital services remain effective without placing an undue burden on taxpayers. The cost of inaction—higher crime rates, slower emergency response times, and increased risk to lives and property—far outweighs the modest financial impact of this tax adjustment. By supporting this increase, we are prioritizing safety, preparedness, and the long-term resilience of our community.

Hiring and retaining police officers has become increasingly difficult over the past five years due to several key factors. One major challenge has been the declining interest in law enforcement careers, with fewer individuals applying for positions. Negative public perception, heightened scrutiny, and concerns over job risks have discouraged many from pursuing policing. High-profile incidents and national debates on police reform have also led to increased stress, burnout, and hesitancy among potential recruits. Additionally, shifting generational preferences mean younger workers often seek careers with better work-life balance, lower stress, and fewer risks, making policing a less attractive option. HPD and the local 3373 union executives have done a tremendous job of navigating through these issues to produce in this current academy the most candidates to participate in almost a decade. These increased pay incentives, as well as the department's use of advanced technology to better fight crime without placing officers in direct harm's way have been motivating factors in this trend that we expect to continue.

Retention has also been a significant issue, as officers face demanding workload and increased mental and emotional strain. Many experienced officers are leaving the profession for private-sector security jobs, early retirement, or lateral moves to departments with better pay and benefits. Competitive job markets have forced departments to offer higher salaries and incentives to retain talent, further straining budgets. Without proactive measures—such as improved compensation, mental health support, and community engagement initiatives—departments will continue struggling to maintain adequate staffing levels, impacting public safety and emergency response times. Again, through the labor negotiation process and with the approval of this current elected body, a contract was agreed to that puts our officers at pay rates comparable or higher than most other law enforcement agencies in the four-state area. The ability to recruit to this new pay scale also will provide opportunities for existing officers to advance their career either through the chain of command or through participation in specialized units that focus on enforcement in specific trouble areas or situations. The City made this commitment to the taxpayer that public safety would be of paramount concern in this upcoming fiscal year and this proposed budget is a demonstration of that effort.

The community has made it clear that public safety and the retention / recruitment of law enforcement officers is paramount to their feeling of safety and well-being. For example:

- "If we want quality officers, we have to pay them what they deserve! Hagerstown PD needs competitive salaries to keep good cops in the community."
- "With the risks they take daily, officers deserve a fair wage. Low pay leads to high turnover, and that hurts everyone."
- "Better pay means better policing. Simple as that. Hagerstown should invest in its officers if they want to keep crime down."
- "No wonder cops are leaving Hagerstown! You can't expect people to risk their lives for low wages. Pay them what they're worth!"
- "How do you expect to keep good officers when they can just go to another department for better pay? Step it up, Hagerstown!"

CITY OF HAGERSTOWN'S BUDGET MESSAGE
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-
- "Better pay = better policing. Low wages mean high turnover, and that means inexperienced officers handling serious situations. That's not safe for anyone."

This budget's primary focus, the primary focus of the tax rate increase, and the primary service that we are committing to the public, is the safety and well-being of our residents and those who visit here. This does not guarantee that end result at all times nor in all places but will allow us to strive to that end every day.

HEALTH CARE / EMPLOYEE BENEFIT COSTS

The rise in health benefits costs over the past three years has been driven by several key factors, significantly impacting public and private sector budgets. One primary driver is the overall increase in healthcare expenses, including higher costs for hospital services, prescription drugs, and specialized treatments. Inflation in the healthcare sector has outpaced general economic inflation, making it more expensive for employers, including municipalities, to provide comprehensive health coverage for employees. Additionally, advancements in medical technology and treatments, while improving healthcare outcomes, have added to the overall cost burden. As it relates to the General Fund (details in later pages of this book) the total benefit charge to the City has increased over \$1.3 million or 10.7% from FY25 to proposed FY26 (\$12,197,866 to \$13,504,341).

For City employees, the nature of the work also contributes to rising health benefit costs. These professions experience higher rates of job-related injuries, chronic stress, and mental health concerns, leading to increased medical claims and the need for specialized care. The COVID-19 pandemic further strained health systems, increasing the frequency of healthcare utilization and long-term health complications among employees. As a result, municipalities, including Hagerstown, have had to allocate more funding to maintain competitive health benefits to attract and retain workers while also managing the financial pressures of rising premiums and claims. It is also important to note that the City of Hagerstown has maintained 100% of the increases for the past 15 years as premium changes and deductions by employers are tied to union agreements. That means that no increase in benefit costs has been passed on to the employee. This is unheard of in the labor market today. Due to stipulations in union contracts related to health care plan modifications, the City's ability to make changes or lessen our cost of service is limited.

PUBLIC EMPLOYEE RECRUITMENT AND RETENTION

Hiring for public sector positions has been increasingly challenging over the past two years due to a combination of labor market shifts, wage competition, and evolving job expectations. One significant challenge is the tight labor market, where private-sector employers have been able to offer higher wages, signing bonuses, and flexible work arrangements that many public sector jobs struggle to match. Government agencies often operate under strict budget constraints, making it difficult to compete with private businesses that can rapidly adjust salaries and benefits to attract talent.

Additionally, changing workforce expectations, particularly among younger workers, have made it harder to fill roles in government agencies that may not offer remote work, flexible schedules, or competitive career advancement opportunities. The lingering effects of the COVID-19 pandemic have also contributed to a reshaped workforce, with many employees seeking better work-life balance or shifting away from high-stress professions, including law enforcement and emergency services. Lengthy hiring processes, rigid qualification requirements, and slower bureaucratic decision-making further deter candidates, leaving many public sector positions vacant for extended periods and putting added strain on existing employees.

Overall base wages increased over \$3.17 million (13.0%) from FY25 to proposed FY26 as described above primarily due to the Local 3373 union contract wage scale (\$24,324,538 to \$27,489,807). Between wages and benefits, the City is facing over \$4.4 million in added costs to the general fund to which the third-year triennial tax revenues cannot cover.

ECONOMIC DEVELOPMENT / NEIGHBORHOOD SERVICES

Efforts to make recruitment and retention of small / medium sized business more developer-friendly focus on streamlining processes, increasing transparency, and fostering collaboration between regulatory departments and developers. One key initiative is simplifying and clarifying code requirements to reduce confusion and inconsistencies. Many municipalities are revising outdated regulations, providing more user-friendly guidelines, and offering digital tools to help developers navigate the permitting and compliance process more efficiently.

Additionally, the City will be improving communication by implementing pre-application meetings, designating a business liaison that will work cross-departmentally with our property inspection and neighborhood services teams to assist developers and new business owners to enhance predictability and reduce delays. Staff will be looking at adopting flexible or incentive-based approaches, such as expedited review processes for projects that meet certain criteria, allowing for more innovation while maintaining safety and community standards. By fostering a more cooperative and solutions-oriented approach to neighborhood services, we can encourage responsible development while reducing unnecessary roadblocks and miscommunications that discourage investment.

This budget also maintains our strong offerings of business incentives that have shown great rewards over the past several years. In the wake of what appears to be less help from the Federal government related to small and medium size business funding assistance, the City will do what it can to bridge that gap in some smaller way to ensure each new owner has the best opportunity to succeed in their business venture.

INCREASED ENERGY / WATER COSTS

The increase in energy costs for wholesale providers of electricity like the Hagerstown Light Department over the last year has been driven by several key factors, including rising fuel prices, supply chain disruptions, and growing demand. One major contributor is the volatility in natural gas prices, which plays a significant role in electricity generation and to which the Hagerstown Light Department is charged through the costs to purchase power. Global supply chain challenges, geopolitical conflicts, and production constraints have led to higher fuel costs, directly impacting wholesale electricity prices. Additionally, extreme weather events—such as heat waves, hurricanes, and winter storms—have put additional strain on energy infrastructure, leading to increased demand and price spikes.

Another factor is the transition to renewable energy sources, which, while beneficial in the long term, has presented short-term challenges in grid stability and supply reliability. As older fossil fuel plants retire and renewable infrastructure is still being developed, the energy market has faced fluctuations in supply that drive up costs. Grid congestion and transmission limitations also contribute to higher wholesale energy prices, as providers must adjust to shifting generation patterns. These factors combined have led to increased costs for wholesale energy providers, which are often passed down to consumers in the form of higher utility bills.

The rise in water rates for municipalities has been driven by several key factors, including aging infrastructure, increased treatment costs, and growing demand. Many municipal water systems rely on decades-old pipes, treatment plants, and storage facilities that require significant investment in repairs and upgrades to maintain service reliability and compliance with health and safety regulations. Replacing and maintaining this infrastructure is costly, and municipalities must raise rates to cover these expenses.

Additionally, stricter environmental regulations have increased the cost of water treatment to ensure safe drinking water and proper wastewater management. Rising costs for energy, chemicals, and labor necessary for water treatment have further contributed to higher operational expenses. Climate-related challenges, such as droughts and declining groundwater supplies, have also placed stress on water systems, requiring municipalities to invest in conservation efforts and alternative water sources. As a result,

CITY OF HAGERSTOWN'S BUDGET MESSAGE
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higher water rates have become necessary to sustain municipal water services and ensure long-term water availability for residents and businesses.

CONCLUSION:

Unfortunately, local government is not immune to the economic pressures being experienced throughout the country. It is also not taken lightly that local government's primary way to provide service to the constituency in Maryland is through the levy and collection of real and personal (business) property tax. This is the first proposed tax increase since FY19, at which time that increase (\$0.06) was proposed primarily for economic development incentive enhancements. This increase is proposed, as stated earlier, to ensure that the public's concerns related to public safety are addressed in the pay and benefits to recruit and retain quality law enforcement officers. Public safety, in total, is made up of over 50.22% of the general fund budget so adjustments made here affect the budget more than those departments making up the remaining 45%. However, the commitment being shown in this budget in the attempt to strengthen our public safety effort as well as provide them the innovative tools to keep them safe and to keep our residents and visitors safe is well worth the \$110 additional dollars on average in FY26 to accomplish.

City government for over 20 years, and potentially earlier than that, has operated primarily in a "cut expenses" environment. For non-public safety departments, trying to maintain quality services while also maintaining what amounts to a flat expense budget year-in and year-out is simply not sustainable. Pushing capital projects down the road amounts to never getting to the end of that road. This type of budgeting philosophy, again, is simply not sustainable. As stated, local governments experience the same cost of service challenges as any other business experiences. Governments don't enjoy raising taxes on constituents, just as a restaurant doesn't like to raise the price of an entrée, or a retail store raises the cost of a television or sofa. In the City's case, this tax rate increase will generate the revenue necessary to meet the primary demand of our citizens, business leaders and local and state elected officials; provide a safe and secure Hagerstown. This budget serves that purpose without neglecting the other services our residents expect and demand within their community.

As always, I want to thank the staff of the City of Hagerstown for their commitment to the residents and visitors of this City. Special thanks go to the Accounting and Finance Department led by Chief Financial Officer Michelle Hepburn and Accounting Manager Brooke Garver for pulling this document together. Special thanks also to the executive team and departmental staff that spent some long, and sometimes contentious, time working through their capital and operating budgets to get the deficit that the City started with down to what was proposed in this document.

CITY OF HAGERSTOWN'S BUDGET MESSAGE
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HAGERSTOWN'S ASSESSABLE BASE AND PROPERTY TAX RATE

The 2025 Constant Yield Tax Rate notice from the State Department of Assessments and Taxation (SDAT) indicates a July 1, 2026 constant yield tax rate of \$0.9477 per \$100 for all real estate classifications. The constant yield tax rate is the calculated amount needed to maintain the current revenue levels in the next fiscal year and is based on estimates. The total amount reflected by SDAT as the constant yield tax rate is lower than the current real estate tax rate charged of \$1.002 per \$100 for all real estate classifications. This simply means that the current estimates reflect an overall growth of 5.7% in assessed values will occur which would generate approximately \$2.1M more in revenue than the current fiscal year if the tax rate remains the same.

The FY26 Proposed Budget includes additional property tax revenue needed over Constant Yield. A tax rate increase of \$0.055 is proposed which will bring the tax rate to \$1.057. This additional revenue is necessary to cover: a portion of the 10% increase in approved sworn police officer positions from 91 to 100, approved new sworn officer union contracts, ongoing negotiations of other union contracts, and the rising costs of employer paid benefits.

FY26 is the third year of the triennial assessment period which means that real estate market values will be reassessed again in December 2025. New developments, renovations within the City's Enterprise Zone area, and annexations continue to play a vital role in the growth of the overall assessed base. As a result, the FY26 Proposed Budget includes a growth estimate of 7.0% instead of the 5.7% estimated by SDAT. The majority of all revenue in the City's General Fund is from total property revenue which includes personal property tax. In fact, total property tax revenues represent 69.3% of current revenue sources in the FY26 Proposed Budget or 65.2% of all revenue sources when including transfers and fund balance utilization.

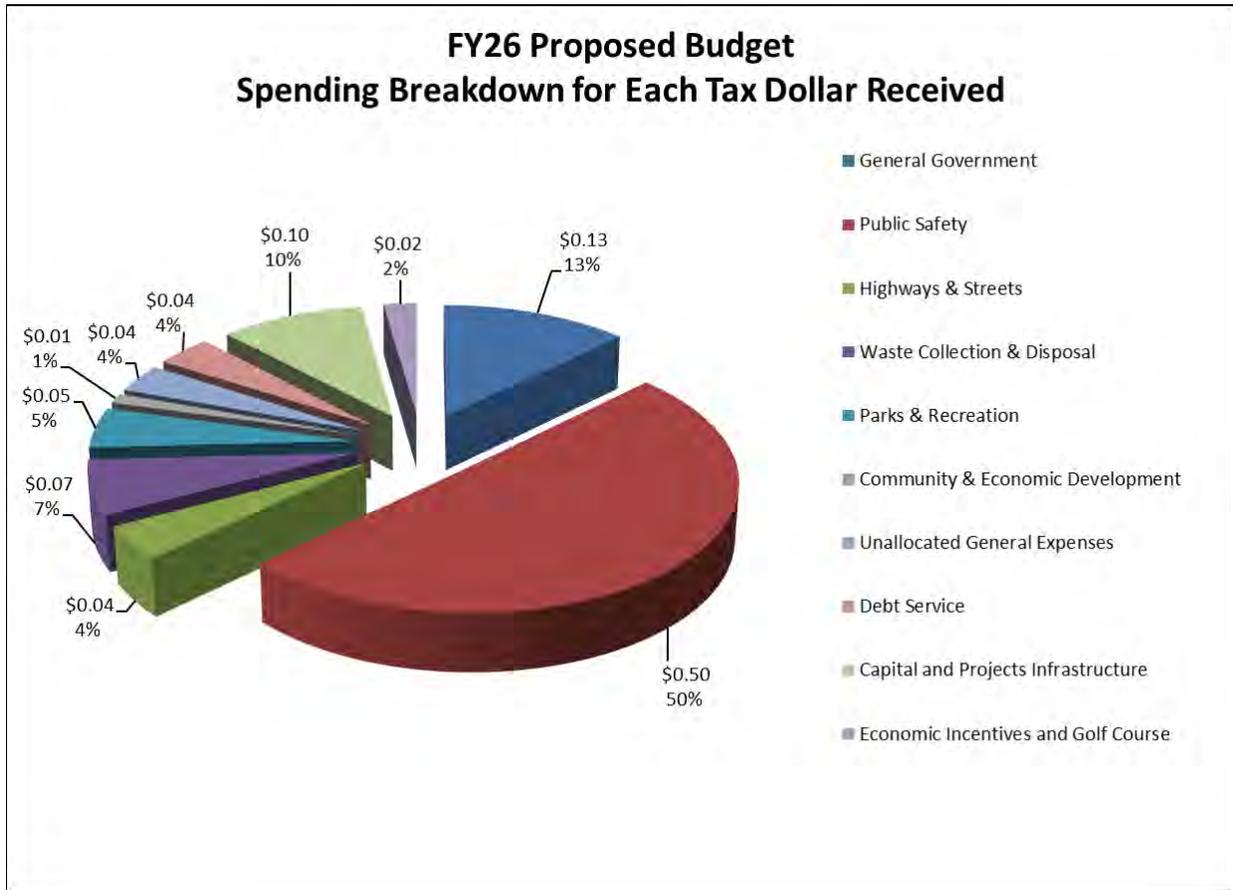
A fifteen-year history of the change in the City's assessable tax base and property tax revenues is included in Section 2 page 6.

While property tax revenue is important to City operations, it impacts all citizens and business owners. The City strives to be fiscally prudent while balancing the needs of the surrounding community. The below charts reflect costs residential homeowners will pay on average based on assessed home value and the impact when assessed values increase:

Current Home Values	1.002	1.057	1.057	Assessed Value Change	1.057	1.057
	Annual FY25 Current Payment	Annual FY26 Proposed Payment	Monthly Average		Annual Payment Change	Monthly Average Change
\$ 75,000	\$ 751.50	\$ 792.75	\$ 66.06	\$ 750	\$ 7.93	\$ 0.66
\$ 100,000	\$ 1,002.00	\$ 1,057.00	\$ 88.08	\$ 1,000	\$ 10.57	\$ 0.88
\$ 125,000	\$ 1,252.50	\$ 1,321.25	\$ 110.10	\$ 1,250	\$ 13.21	\$ 1.10
\$ 150,000	\$ 1,503.00	\$ 1,585.50	\$ 132.13	\$ 1,500	\$ 15.86	\$ 1.32
\$ 200,000	\$ 2,004.00	\$ 2,114.00	\$ 176.17	\$ 2,000	\$ 21.14	\$ 1.76
\$ 250,000	\$ 2,505.00	\$ 2,642.50	\$ 220.21	\$ 2,500	\$ 26.43	\$ 2.20
\$ 300,000	\$ 3,006.00	\$ 3,171.00	\$ 264.25	\$ 3,000	\$ 31.71	\$ 2.64

HAGERSTOWN'S ASSESSABLE BASE AND PROPERTY TAX RATE (CONTINUED)

How is property tax revenue spent? The majority of property tax dollars will be spent to maintain existing City services at current levels; provide salary enhancements as approved in collective bargaining union contracts; cover increasing costs of employer paid benefits; invest in capital infrastructure improvements; and accommodate annual debt service requirements. The chart below reflects a little more detail and specifics on how the City spends each tax dollar received:



CITY OF HAGERSTOWN'S BUDGET MESSAGE
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AMERICAN RESCUE PLAN ACT OF 2021

The American Rescue Plan Act of 2021 (ARPA) provided the City of Hagerstown a total of \$20.4 million. \$10.2 million was received in May 2021, and the remaining \$10.2 million in funding was received in June 2022. As of December 31, 2024, the City has spent \$8.1M or 39.8% of ARPA funds. The funding must have been spent or appropriated by December 2024. The chart below details total appropriations and spend as of March 31, 2025.

Funding Source: American Rescue Plan Act of 2021 (ARPA)	ARPA Expenditure Category	Capital Project Number	FY21, FY22, FY23 & FY24 Actual	FY25 Estimated Actual	FY26 Proposed Budget
General Fund					
Employee Premium Pay	Premium Pay	N/A: Operating	1,517,865	-	-
Grant Coordinator Position	Administrative	N/A: Operating	218,982	24,786	-
Police Body Worn Camera Maintenance Costs	Neg Econ Imp Pub Sect	N/A: Operating	391,347	174,828	-
Police Community Outreach Coordinator	Neg Econ Imp Pub Sect	N/A: Operating	171,676	36,457	-
FSU HUB@USMH Early Childhood Learning Program	Neg Econ Impact	N/A: Operating	20,250	-	-
Police: Drones	Neg Econ Imp Pub Sect	N/A: Operating	140,371	-	-
Trash Collection Totes	Revenue Replacement	N/A: Operating	988,173	22,101	-
Convention & Visitors Bureau (CVB)	Neg Econ Impact	N/A: Operating	125,350	-	-
Goodwill Community Outreach Position	Public Health	N/A: Operating	-	-	-
Goodwill Homeless Quarantine Program	Public Health	N/A: Operating	13,150	-	-
Restaurant Ready Grant Program	Neg Econ Impact	N/A: Operating	-	128,763	-
Heart of the Art - Support Local Artists and Bands	Neg Econ Imp Pub Sect	N/A: Operating	7,100	23,633	-
Public Safety: Facility Emergency Equipment	Neg Econ Imp Pub Sect	N/A: Operating	118,702	-	-
Brothers United Who Care	Neg Econ Impact	N/A: Operating	25,000	-	-
City Clerk: Computer Equipment	Neg Econ Imp Pub Sect	N/A: Operating	-	2,800	-
ENVY Initiatives	Public Health	N/A: Operating	4,982	-	-
Fire: Window Replacements	Neg Econ Imp Pub Sect	45-C0870	-	80,556	-
Fire: Vehicle and Training Equipment	Neg Econ Imp Pub Sect	45-C0871	-	80,188	-
Fire: Paratech Rescue Equipment	Neg Econ Imp Pub Sect	45-C0871	-	330,810	-
Mayor and Council: iPads	Neg Econ Imp Pub Sect	N/A: Operating	-	7,559	-
PCAD: Field Tablets	Neg Econ Imp Pub Sect	N/A: Operating	-	7,984	-
Police: Fire Alarm System	Neg Econ Imp Pub Sect	45-C0308	-	51,084	-
Police: 3rd Floor Renovation	Neg Econ Imp Pub Sect	45-C0308	-	247,937	-
Police: Workstations	Revenue Replacement	45-C0308	-	19,660	-
Police: Flock Raven Detection System	Neg Econ Imp Pub Sect	45-C0130	-	21,013	-
Police: Evidence Lockers	Neg Econ Imp Pub Sect	45-C0308	-	39,537	-
Public Works: 2-Way Radios	Revenue Replacement	N/A: Operating	-	9,894	-
Public Works: Signal Upgrades	Neg Econ Imp Pub Sect	45-C0433	-	27,120	-
Public Works: Line Striping Equipment	Revenue Replacement	45-C0136	-	18,844	-
Public Works: Golf Course Vehicle Equipment	Revenue Replacement	57-C0395	-	52,493	-
Public Works: Traffic Barriers	Neg Econ Imp Pub Sect	N/A: Operating	-	8,700	-
Public Works: Generator	Neg Econ Imp Pub Sect	N/A: Operating	-	455	-
32 N Potomac Building	Public Health	45-C0854	2,060,968	122,335	-
City Hall: Elevator	Neg Econ Imp Pub Sect	45-C0326	349,769	206,689	-
Fire: Ladder Truck (Partial Funding)	Revenue Replacement	45-C0010	1,200,000	-	-
Fire: Natural Gas Generator	Revenue Replacement	45-C0870	132,533	-	-
Fire: Flashover Simulator	Neg Econ Imp Pub Sect	45-C0241	-	119,921	-
Fire: Community Risk Reduction Boards	Neg Econ Imp Pub Sect	45-C0871	-	145,542	-
Hagerstown Ice Rink: Partial Funding Air Quality and Condensation Unit	Public Health	45-C0843	190,425	-	-
Information Technology: 2-Factor Authentication Software	Neg Econ Imp Pub Sect	45-C0006	26,675	-	-
Information Technology: Citywide Software Office 365 Implementation (Telework)	Neg Econ Imp Pub Sect	45-C0006	161,894	-	-
Information Technology: Backup Generator for Server Room	Revenue Replacement	45-C0006	-	85,710	-
Information Technology: Arctic Wolf Software (Cybersecurity)	Revenue Replacement	45-C0006	97,907	-	-
Parks: Wheaton Park Phase II Improvements	Neg Econ Imp Pub Sect	45-C0293	-	134,366	-
Parks: Hagerstown Fairgrounds PAL Roof	Revenue Replacement	45-C0624	424,332	-	-
Parks: Hellane Park Fence	Neg Econ Imp Pub Sect	45-C0665	-	44,860	-
Police: Firing Range Storage and Improvements	Neg Econ Imp Pub Sect	45-C0226	23,900	-	-
Police: Firing Range Security Gate System	Neg Econ Imp Pub Sect	45-C0226	12,659	-	-
Police: Operation Take Back Cameras	Neg Econ Impact	45-C0130	191,731	-	-
Police: Community Outreach Vehicle	Neg Econ Imp Pub Sect	45-C0129	43,200	-	-
Public Works/Parks: Backhoe	Revenue Replacement	45-C0570	128,414	-	-
Public Works Fuel Station Management and Tank Gauge System	Revenue Replacement	45-C0352	12,575	-	-
Public Works Vehicles: Trash Truck	Revenue Replacement	45-C0065	121,875	-	-
Engineering: Traffic Calming	Revenue Replacement	45-C0560	-	20,328	-
Engineering: Professional Boulevard Extension: Partial Funding	Revenue Replacement	45-C0685	-	576,479	-
Engineering: Survey Grade RTK GPS Receiver	Revenue Replacement	45-C0132	-	13,740	-
Engineering: Traffic Signal Upgrades	Revenue Replacement	45-C0243	14,602	449,002	450,000
Subtotal General Fund:			8,936,403	3,336,173	450,000

CITY OF HAGERSTOWN'S BUDGET MESSAGE
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AMERICAN RESCUE PLAN ACT OF 2021 (CONTINUED)

Funding Source: American Rescue Plan Act of 2021 (ARPA)	ARPA Expenditure Category	Capital Project Number	FY21, FY22, FY23 & FY24 Actual	FY25 Estimated Actual	FY26 Proposed Budget
Grant Fund					
Economic Assistance for NonProfits - 19 Grants at \$961,036	Neg Econ Impact	N/A: Operating	420,693	443,472	-
Subtotal Grant Fund:			420,693	443,472	-
Electric Fund					
Employee Premium Pay	Premium Pay	N/A: Operating	134,563	-	-
HLD: Generator	Revenue Replacement	50-C0542	-	157,160	-
Subtotal Electric Fund:			134,563	157,160	-
Water Fund					
Employee Premium Pay	Premium Pay	N/A: Operating	252,978	-	-
Subtotal Water Fund:			252,978	-	-
Wastewater Fund					
Employee Premium Pay	Premium Pay	N/A: Operating	215,300	-	-
Camera Truck: Mainline and Lateral Launcher (approved in FY22)	Revenue Replacement	54-C0004	415,137	-	-
East End Pump Station #33: Funding for Construction of new Pump Station at Hebb R	Infrastructure	54-C0565	822,751	3,985,919	-
Pump Station #11 Generator Replacement	Revenue Replacement	54-C0352	40,927	-	-
WasteWater: Treatment Plant Windows	Revenue Replacement	54-C0584	-	61,939	-
WasteWater: Collections Pump 4 Generator	Infrastructure	54-C0004	-	186,636	-
WasteWater: Collections Pump Station 2 Generator	Infrastructure	54-C0004	-	73,687	-
Subtotal Wastewater Fund:			1,494,114	4,308,182	-
Parking, Golf, and Stormwater Funds:					
Employee Premium Pay	Premium Pay	N/A: Operating	32,295	-	-
32 N Potomac Building Acquisition (approved in FY22)	Public Health	56-ARP06	24,478	-	-
Hagerstown Field House: Stormwater modifications	Infrastructure	59-C0634	150,675	279,825	-
Subtotal Parking, Golf, and Stormwater Funds:			207,448	279,825	-
Total ARPA Funding Used			11,446,198	8,524,812	450,000

CITY OF HAGERSTOWN'S BUDGET MESSAGE
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APPROPRIATION OF GENERAL FUND RESERVES

The City has a Fund Balance/Retained Earnings policy and adheres and remains with key guidelines of this policy. Specific policy details are reflected in Section 9 of this budget book document. The City does not utilize fund balance reserves for recurring operating type of expenditures. However, the City may utilize General Fund balance reserves when balances exceed the policy limits for capital infrastructure needs. A five year history of Unassigned Fund Balance is reflected in the chart below:

General Fund Reserve	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Actual
Unassigned Fund Balance	12,563	16,679	15,574	18,383	22,819
Total Operating Expenditures	42,909	43,147	44,364	46,460	50,122
Percentage	29.3%	38.7%	35.1%	39.6%	45.5%
Number of Month Expenditures	3.5	4.6	4.2	4.7	5.5
City Fund Balance Policy Minimum Target					
Percentage	17.0%	17.0%	17.0%	17.0%	17.0%
Number of Month Expenditures	2.0	2.0	2.0	2.0	2.0

As a result of prior General Fund surplus and approved capital utilization, the FY26 Proposed Budget does include the appropriation and reallocation of General Fund reserves as a means to reduce General Fund direct transfers to CIP (Pay-go) and to help balance the budget. The balance of previously approved fund balance utilization included is \$1.1M to fund a variety of needs across General Fund departments. As a result of infrastructure needs, bond capacity utilized in FY25 for the Hagerstown Field House and the 3rd Parking Deck, and strong FB reserves, there is planned utilization of an additional \$3.1M in the FY26 Budget. While complete listings with detailed information of each of the projects are reflected in Section 7 under the CIP projects, a summary chart is included below for reference:

Funding Source: General Fund FB Reserves	Capital Project Number	FY26 Proposed Bud
Previously Approved and Reallocated Surpluses:		
Consolidation of Public Safety Assets	45-C0687	1,050,249
Subtotal Reallocated Use of FB Reserves:		1,050,249
Additional FB Reserves:		
Fire Department Vehicle Replacement	45-C0010	775,000
Public Works Vehicles	45-C0065	165,000
Police Software and Hardware	45-C0196	40,000
Police Building Renovation	45-C0308	100,000
City Hall Improvements	45-C0326	150,000
Sidewalk Replacement Program	45-C0458	140,000
New Sidewalks	45-C0595	80,000
Parks Citywide Upgrades	45-C0665	75,000
Consolidation of Public Safety Assets	45-C0687	449,751
ERP Software System Replacement	45-C0739	1,100,000
Subtotal Additional FB Reserves:		3,074,751
Total General Fund FB Reserves Used		4,125,000

Details of ending General Fund Balance, including the unassigned reserve, can be found in Section 2 on the bottom of page 2.

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

ECONOMIC INCENTIVES AND INCENTIVE PROGRAMS

One focus area of the Mayor & Council Strategic Plan is Economic Development and being business-friendly to support the community's needs. Economic Development encompasses a variety of departments, projects, programs, and services. To this end, the City has many types of incentive program and initiatives it provides as a vital component to supporting business growth and helping to grow strong neighborhoods. Some of the incentives are strictly locally administered and funded while others are administered and funded by various parties. The chart below summarizes at a very high level the majority of City administered and City funded incentives that are included in the FY26 Proposed Budget:

City Administered and City Funded Incentive Programs	City Fund	FY26 Proposed Budget
Individual/Customized Incentives Customized incentives primarily for businesses	Economic Redevelopment	15,000
Spring Sprout Grants For-profit businesses in downtown CC-MU zoning district Funding is combined total with Individual/Customized Incentives	Economic Redevelopment	Included above
Invest Hagerstown City Center Redevelopment Grant Program City-wide Redevelopment Grant Program Home Ownership Grant Program Rental Property Rehab Grant Program Façade Grant Program	Economic Redevelopment	500,000 210,000 195,000 100,000 75,000
Partners in Economic Progress (PEP) Property owners & businesses in downtown CC-MU zoning district	Economic Redevelopment	400,000
Community Legacy Vacant Store Fronts	Economic Redevelopment	100,000
Single Family Rehab Loans & Rental Rehab Loans Owner-occupied homeowners & investment owners of residential or mixed-use property city wide	CDBG	42,860
Emergency Repair Grants Owner-occupied homeowners city wide	CDBG	125,537
Total City Administered and City Funded Incentive Programs		1,763,397

A few other incentives that are administered by other parties have a direct impact in other ways to the City's budget and include:

- Arts & Entertainment (A&E) District incentives which is a State of Maryland Program and provides ten year tax credits on changes to assessed values from specific renovations projects; exemption from Admissions & Amusement Tax; and personal income subtractions for qualifying resident artists.
- Enterprise Zone Credit which is a State of Maryland Program and provides real estate property tax credits; and income tax credit for wages paid to eligible new employees.
- US Federal programs include: HUB Zone and Opportunity Zone

Again, the chart above is a summary only. For complete details and requirements on all of the incentives, please visit the City's website at www.hagerstownmd.org/dced for more information.

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

COMMUNITY AMENITIES PROVIDED BY THE CITY

The City is committed to not only providing vital services to the community and citizens but also a wide range of amenities. The variety of amenities include green parks, open spaces, a municipal golf course, a municipal pool, parking decks and spaces, a farmers market, and many different events throughout the year. These amenities offer recreation opportunities for families and citizens to enjoy and participate with neighbors.

The amenities listed in the chart below are included in various sections and funds in the FY26 Proposed Budget. The chart below reflects and outlines the revenue and costs associated with providing this assortment and range of Community amenities across the City:

CITY OF HAGERSTOWN SCHEDULE OF AMENITIES FISCAL YEAR 2025 PROJECTED AND FISCAL YEAR 2026 BUDGET										
AMENITY DESCRIPTION	FISCAL YEAR 2025 PROJECTED ACTUAL					FISCAL YEAR 2026 PROPOSED BUDGET				
	DIRECT REVENUE	DIRECT OPERATING EXPENSE	FUNDING FOR CAPITAL BY EXTERNAL PARTIES	CAPITAL EXPENSES	TOTAL	DIRECT REVENUE	DIRECT OPERATING EXPENSE	FUNDING FOR CAPITAL BY EXTERNAL PARTIES	CAPITAL EXPENSES	TOTAL
General Fund:										
Farmers Market	\$ -	\$ 750	\$ -	\$ -	\$ (750)	\$ -	\$ 1,000	\$ -	\$ -	\$ (1,000)
Potterfield Pool	97,800	303,234	-	15,000	(220,434)	93,500	301,027	-	37,000	(244,527)
Hager House	5,350	61,707	-	40,000	(96,357)	5,000	67,830	200,000	360,000	(222,830)
Train Museum	3,000	33,292	-	6,322	(36,614)	3,500	52,591	13,500	50,000	(85,591)
Hagerstown Field House	1	41,056	3,300,000	14,310,097	(11,051,152)	1	66,092	-	10,000	(76,091)
All Other Parks*	91,492	2,265,090	654,233	913,590	(2,432,955)	82,025	2,391,482	778,000	1,755,000	(3,286,457)
Ice Rink	1,238	139,800	48,000	65,226	(155,788)	-	119,800	48,000	48,000	(119,800)
All Other Recreation Events	77,362	362,050	-	45,000	(329,688)	72,600	410,682	-	-	(338,082)
Public Functions	50,828	242,675	-	-	(191,847)	2,200	264,900	-	-	(262,700)
Recreation	19,075	101,100	-	-	(82,025)	16,400	96,500	-	-	(80,100)
Subtotal General Fund	346,146	3,550,754	4,002,233	15,395,235	(14,597,610)	275,226	3,771,904	1,039,500	2,260,000	(4,717,178)
Golf Fund:										
Golf Course	457,893	735,843	52,493	154,163	(379,620)	397,400	777,343	112,500	259,000	(526,443)
Subtotal Golf Fund	457,893	735,843	52,493	154,163	(379,620)	397,400	777,343	112,500	259,000	(526,443)
Parking Fund:										
Parking Decks	950,571	1,441,968	-	386,602	(877,999)	985,200	1,593,502	-	44,000	(652,302)
Parking Lots	315,740	282,558	-	-	33,182	315,740	280,910	-	10,000	24,830
All Other Parking Fund	215,002	164,965	-	-	50,037	215,002	140,018	-	35,000	39,984
Subtotal Parking Fund	1,481,313	1,889,491	-	386,602	(794,780)	1,515,942	2,014,430	-	89,000	(587,488)
Property Management Fund:										
Property Management	271,354	324,563	-	10,000	(63,209)	246,470	459,120	-	140,000	(352,650)
Burobox	-	3,000	-	-	(3,000)	-	3,000	-	-	(3,000)
Subtotal Property Management Fund	271,354	327,563	-	10,000	(66,209)	246,470	462,120	-	140,000	(355,650)
Total	\$ 2,556,706	\$ 6,503,651	\$ 4,054,725	\$ 15,946,000	\$ (15,838,219)	\$ 2,435,038	\$ 7,025,797	\$ 1,152,000	\$ 2,748,000	\$ (6,186,759)

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

MAYOR AND COUNCIL FISCAL WORK SESSIONS AND DISCUSSIONS

During FY25, the City has devoted time to financial related topics during Mayor and Council work sessions. The following schedule is a reminder of these. Hopefully, these discussions serve to assist you throughout the year and help you make informative FY26 Budget decisions.

July 9, 2024	<p>Discussion: Latin Festival State and Federal Lobbyist for FY25 Stormwater Protection Fund Annexation of 45 W. Oak Ridge Drive Retail Electric Rate Settlement Agreement with The Berry Entities</p> <p>Approvals: Annexation of 45 W. Oak Ridge Drive Settlement Agreement with The Berry Entities</p>
July 12, 2024	Topping Off Ceremony of the Hagerstown Field House
July 16, 2024	<p>Discussion: National Opioid Settlement Notice with Kroger Co. Engine 202 Refurbishment Extension of American Rescue Plan Act (ARPA) Restaurant Ready Grant Program FY25 Community Development Block Grant (CDBG) Annual Action Plan Proposal for Community Legacy Upper Floor Housing Grant Duvinage Financial Incentive Agreement Lease Holdover Extension with Maryland Department of Labor Proposal for Reimaging Hagerstown Community Development Elected Official Pay/Benefits/Reimbursements</p> <p>Approvals: City of Hagerstown Public Facilities Bonds of 2024 for the 3rd Parking Deck Project and the Hagerstown Field House Project</p>
July 23, 2024	<p>Approvals: Deed of Easement with Hagerstown Housing Authority (HHA) for Portion of the Cultural Trail Introduced Ordinance for FY26 Water Rates Introduced Ordinance for FY26 Wastewater Rates Annual Rate per Stormwater Billing Fee Unit for Stormwater Utility Fee – FY26 National Opioid Settlement Notice with Kroger Co. FY25 CDBG Annual Action Plan Amendment No. 1 to the Joint Sewer Service Area (JSSA) Agreement Commission of Public Artwork with Five Mural Artists Easement Agreement with University System of Maryland – Hagerstown (USMH) for Creation of a Mural ARPA Restaurant Ready Grant Extensions Letter of Satisfaction for Duvinage Financial Incentive Agreement Lease Holdover Extension with Maryland Department of Labor Community Legacy Upper Floor Housing Grant Government Relations Agreement with Compass GR Partners Purchase of Recycling Totes</p>
August 6, 2024	<p>Discussion: Heart of the Civil War Heritage Area Field House Update Dual Highway Safety Project Main Street Startup Grant Program</p>
August 7, 2024	Grand Opening of Hub City Garage

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

**MAYOR AND COUNCIL FISCAL WORK SESSIONS AND DISCUSSIONS
(CONTINUED)**

August 13, 2024	Discussion: Dual Highway Safety Project Community Health Recycling and Refuse Collection
August 20, 2024	Discussion: Lease Agreement with Eastern Sports Management Legislative Discussion for 2025 Judicial System Discussion Part 1 Judicial System Discussion Part II Enough Act – Community Action Council (CAC) Partnership Request Choice Neighborhoods Update Request for Proposal for Downtown Plan Update
August 27, 2024	Discussion: Public Safety Discussion Approvals: Approval of Ordinance: FY26 Water Rates Approval of Ordinance: FY26 Wastewater Rates Parking Lease with State of Maryland Judiciary Circuit Court Parking Lease with State of Maryland Judiciary District Court Lease Agreement with Eastern Sports Management Right-of-Way for Wastewater Pump Station 33 Snow Operations Contracted Services Grant Agreement with Appalachian Regional Commission for Upgrades to Hager House Contract with Law Office of Kevin Best – Annexation matters Accept Maryland Criminal Intelligence Network (MCIN) Grant Hagerstown Field House Budget Allocation Guidelines and Application Form for Main Steet Start Up Grant Program Funding Support for Heart of the Civil War Heritage Area Grant Agreement with Smart Growth America: Dual Highway Safety Project Trash and Recycling Receptacle and Container Placement Policy City FY25 Budget Amendment to Match Adopted FY25 CDBG Annual Action Plan RFP for 10-year Downtown Plan Update
September 10, 2024	Discussion: Western Maryland Scenic Railroad (Engine 202) Guidelines for CDBG Microenterprise Grant Program Guidelines for CDBG Single-Family Repair and Rehabilitation Grant and Loan Programs ARPA Update
September 16, 2024	Town Hall meeting at Washington County Free Library – Organized by Senator Paul Corderman
September 17, 2024	Discussion: Community Support Groups Tax Sale Properties – Update after Tax Sale Antietam Creek Source Water Supply Vagrancy Discussion Alternative Response Team Program Hagerstown Police Department Sworn Pay Scale and Non-Union Sworn Pay Scale and Police Trainee

CITY OF HAGERSTOWN'S BUDGET MESSAGE
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**MAYOR AND COUNCIL FISCAL WORK SESSIONS AND DISCUSSIONS
(CONTINUED)**

September 24, 2024	<p>Discussion: Social Services Agencies Discussion</p> <p>Approvals: Introduce Resolution to Ratify Annexation A-2024-02 – I-70 ROW, 18320 and 18306 Col Henry K. Douglas Drive, Col Henry K. Douglas Drive ROW User Agreement with Hagerstown Area Youth Athletic League (HAYSL) User Agreement with Police Athletic League (PAL) Amendment and Restated Purchase Agreement with Columbia Gas at 441 S. Potomac Street Office Workspace Agreement with PCMS Real Estate, LLC – 324 E. Antietam Street Updates to Guidelines and Application for CDBG Microenterprise Grant Program Updates to Guidelines and Application for the CDBG Single-family Repair and Rehabilitation Grant and Loan Program Warrant Apprehension Program Grant Conversion of 1 Full-time Civilian Position and Addition of 1 new full-time Civilian Position – Alternative Response Team Union Sworn Pay Scale 3373 Non-Union Sworn Pay Scale and Police Trainee Pay</p>
October 1, 2024	<p>Discussion: Social Service Agencies Discussion Community Coalition Legislative Priorities Arts and Entertainment District Parking Deck – Parking Occupancy Counts and Rates</p>
October 8, 2024	<p>Discussion: Library Services to Downtown Community Compensation for Next Administration Legislation Discussion Follow-up Public Safety Discussion</p>
October 15, 2024	<p>Discussion: Quit Claim Request from Washington County Transit Acceptance of Maryland Department Emergency Management Grant Updates to Application and Guidelines for Invest Hagerstown Homeownership Initiative Grant Request to terminate financial incentive agreement with Blackwell 2, LLC - USMH Student Housing at 100 N. Potomac Street Hagerstown Police Department Hiring Incentive Increase</p>
October 22, 2024	<p>Discussion: Reimagining Hagerstown Community Development Federal Lobbyist Contract</p> <p>Approvals: Amendment No. 2 to the Joint Sewer Service Area (JSSA) Certifying properties to be withheld from the 2025 Tax Sale Funding for Community Coalition Lobbyist Free Holiday Parking Amendments to Guidelines and Application for Invest Hagerstown Homeownership Initiative Program Grant from the Maryland Department of Emergency Management After School Program at Parkside Community Center Bulletproof Vest Grant Increase in Hagerstown Police Department Hiring Bonus</p>

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

**MAYOR AND COUNCIL FISCAL WORK SESSIONS AND DISCUSSIONS
(CONTINUED)**

November 6, 2024	Mayor and City Council General Election
November 12, 2024	Discussion: Customer Service Positions Maryland Municipal Electric Utility Alliance Agreement FY26 Preliminary Budget for General Fund Agency Contributions ARPA Allocations and Update Program Open Space Annual Grant Program Grant Application for Energy Efficiency and Conservation Block Grant from the Department of Energy Safe Streets for All Safety Action Plan update Community City Center Plan 10-year Update
November 19, 2024	Approvals: Subrecipient Agreement for Main Street Startup Grant – The Dog House Two Full-time Positions for Support Services Department Execution of formal collaboration of Maryland Municipal Electric Utility Alliance Federal Lobbyist Contract with The Ferguson Group Application for FY26 Program Open Space Funding Application for Department of Energy Grant
November 20, 2024	Meeting with Washington County Delegation
November 25, 2024	Oath of Office to Newly Elected Mayor and City Council members
February 20, 2024	Discussion: Housing Authority Merger FY25 Downtown Event Grant Process Approval to Submit Application for FY24 Maryland SOLE Grant ARPA Allocations and Update Heavens Heights Homes, LLC Annexation Circuit Court Location Transient Housing Update Field House Operations Lease Agreement
November 26, 2024	First Meeting of Mayor and City Council for 2024-2028
December 3, 2024	Discussion: Area-Wide Optimization Program (AWOP) Award from Maryland Department of the Environment (MDE) Review of Washington County Comprehensive Plan Draft Award of Contract for Preparation of CDBG Five-Year Action Plan and Analysis of Impediments to Fair Housing Restoration of Funding for Hagerstown Police Officer Positions
December 10, 2024	Approvals: Award of Contract to Urban Design Ventures, LLC for CDBG Five-Year Consolidated Plan and Analysis of Impediments to Fair Housing Additional Nine Full-Time Police Officer Positions Three Full-time Civilian Positions and One Temporary Overfull Full-Time Hagerstown Police Cadet Position Discussion: FY24 Audit Presentation Follow up discussion to the Public Hearing to Ratify Annexation A-2024-02 Request for extension to City Water and Wastewater: Patton Hagerstown LLC – Breeze Hill water extension

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

**MAYOR AND COUNCIL FISCAL WORK SESSIONS AND DISCUSSIONS
(CONTINUED)**

December 17, 2024	<p>Approvals: Resolution to Ratify Annexation A-2024-01 Memorandum of Understanding (MOU) with USMH for Operations of University Plaza MOU with USMH for Groundskeeping Services at University Plaza Agreement with American Traffic Solutions, for Red Light Camera Enforcement Water and Wastewater Extension – Patton Hagerstown, LLC Water Services at 22420 Old Georgetown Road and 18005 Showalter Road</p>
January 14, 2025	<p>Discussion: Strategic Plan Save Locomotive 202 Group Presentation Workday Software Response to Senator Paul Corderman's Letter Winter Recreation Programs 2025 Hagerstown Light Department Retail Electric Rate case</p>
January 21, 2025	<p>Discussion: Response to Senator Corderman's Letter Strategic Plan MHAA Grant FY26, Hager House Visitor's Center Video and Virtual Tour Hagerstown Ice Amateur Athletic Association (HIAAA) Annual Report Proposed CDBG Annual Action Plan Amendments to Utilize Program Income Subrecipient Grant Agreement for Main Street Startup Grant Program Review of Lease Holdover – Department of Labor, Licensing and Regulation Noland Village Update Choice Neighborhoods Program Update</p>
January 28, 2025	<p>Discussion: Strategic Plan Approvals: Choice Neighborhoods Planning Grant Agreement with HHA Subrecipient Grant Agreement for Main Street Startup Grant Program Signal Maintenance Agreements with the State Highway Administration User Agreement with Cumberland Valley Model Yacht Club Amendment to CDBG FY25 Annual Action Plan Lease Holdover – Department of Labor, Licensing and Regulation New Enterprise Resource Planning (ERP) Software Vendors</p>
February 4, 2025	<p>Discussion: 2025 Farmers Market Season</p>
February 11, 2025	<p>Approvals: Purchase of Tuition for Nineteen Cadets to Attend the Washington County Police Academy Purchase of Flock Safety Platform License Plate Readers MOU with Washington County Forensic Response Team Discussion: Request for Lights at Wheaton Park AFSCME Local 3373 Labor Contract Tentative Agreement</p>

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

**MAYOR AND COUNCIL FISCAL WORK SESSIONS AND DISCUSSIONS
(CONTINUED)**

February 18, 2025	<p>Discussion:</p> <ul style="list-style-type: none"> Strategic Plan Acceptance of Streets Doub Annexation Agreement Chapter 224 – Vacant, Abandoned Tax Sale Properties Proposed Changes Recommended Consultant for the next 10 Year Downtown Plan Edgemont Reservoir Water/Wastewater Rate Model Update State Revolving Fund (SRF for Maryland Department of the Environment (MDE) Water/Wastewater
February 25, 2025	<p>Approvals:</p> <ul style="list-style-type: none"> Introduce an Ordinance Amending Chapter 224, Tax Sale Property Repurpose Program Stormwater Management Easement Adjacent to Lois Harrison Boulevard Fee Simple Dedication of Portions of Edgewood Drive and Paul Smith Boulevard and the entirety of Lois Harrison Boulevard Fee Simple Dedication of Peleton Street by Burhans Village, LLC AFSCME 3373 Union Contract 2024-2028 Strategic Plan Accept Coverdell Grant Accept Edward J. Byrne Memorial Justice Assistance grant Donation to Police Department Auxiliary Unit City-wide Mowing Contract for 2025 City-wide Dumpster Service contract Flag Design for Sister City with Hagerstown, Indiana Consultant for the Next 10-Year Downtown Plan
March 5, 2025	State of the City

CITY OF HAGERSTOWN'S BUDGET MESSAGE
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EMPLOYEE WAGE ADJUSTMENT HISTORY AND FY26 PROPOSED

The following chart reflects the wage adjustments authorized by Mayor and Council through previous Fiscal Years back to FY22. It provides a good history of the City's employee pay adjustments.

FY22	<p>Non-Union: 1.75% COLA; one step increase effective on anniversary date IBEW 307: No FY22 wage adjustments outside of steps; one step increase on anniversary date AFSCME 1540: 2% COLA; one step increase on anniversary date AFSCME 3373: Market wage adjustments with varying percentages depending on step, changes to Steps 2-14; one step increase on anniversary date IAFF 1605: 3.44 % increase in step 14, 6.58% increase in step 15 of FAO, DFM and Captain scales; one step increase effective on anniversary date <i>Minimum wage increased to \$12.50/hr effective 1/1/22</i></p>
FY23	<p>Non-Union: 3% COLA; one step increase effective on anniversary date IBEW 307: 7% COLA for lineworkers, 3% COLA for all others; one step increase effective on anniversary date AFSCME 1540: 3% COLA; one step increase effective on anniversary date AFSCME 3373: Steps 2-5 21% average COLA; one step increase effective on anniversary date IAFF 1605: FAO: Steps 2-15 10% average increase; FF: Steps 1-3 13% average increase, eliminate Steps 4-15; DFM: Steps 6-15 5% average increase; Captain: Steps 1-11 7% average increase, added Steps 14-15; one step increase effective on anniversary date <i>Minimum wage increased to \$13.25/hr effective 01/01/23</i></p>
FY24	<p>Non-Union: 3% COLA; one step increase effective on anniversary date IBEW 307: 3% COLA; one step increase effective on anniversary date AFSCME 1540: 3% COLA; one step increase effective on anniversary date AFSCME 3373: 14% COLA for Step 1; Step 16 added for 20 years' service; one step increase effective on anniversary date IAFF 1605: FAO: Steps 2-15 8% average increase; FF: Steps 1-3 6% average increase; DFM: Steps 4-9 4% average increase; Captain: Steps 6-12 & 14 3% average increase; one step increase effective on anniversary date <i>Minimum wage increased to \$15.00/hr effective 01/01/24</i></p>
FY25	<p>Non-Union: 3% COLA; one step increase effective on anniversary date IBEW 307: 4% COLA; one step increase effective on anniversary date AFSCME 1540: 3% COLA; one step increase effective on anniversary date AFSCME 3373: Steps 5-15 & 20 2.5% average increase; one step increase effective on anniversary date IAFF 1605: FAO: Steps 3-15 2.4% average increase; FF: Steps 1-3 2.2% average increase; DFM/LT: Steps 4-15 3.3% average increase; Captain: Steps 6-12 & 14-15 1.4% average increase; one step increase effective on anniversary date</p>
FY26	<p>Non-Union: Proposed 3% COLA; one step increase effective on anniversary date IBEW 307: Pending FY26 wage reopener, current contract expires July 4, 2027 AFSCME 1540: Pending negotiations, current contract expires June 30, 2025 AFSCME 3373: Step increase ranges from 0% to 26.89%; top step extended from 20th year to 25th year; 3-year contract with 22.46% average increase over term; one step increase effective on anniversary date IAFF 1605: Pending negotiations, current contract expires June 30, 2025</p>

HIGHLIGHTS OF FY26 PROPOSED BUDGET

The following information included in this section of this budget message provides a summary of the key assumptions and highlights of this FY26 Proposed Budget. These highlights explain the most significant topics and assumptions needed in preparing a balanced FY26 Proposed Budget for Mayor and City Council's consideration. You will find the individual department and fund budget narratives, which appear later in this budget book provide a more detailed explanation.

City-wide Highlights:

1. **Staffing Levels:** The FY26 Proposed Budget includes 459 funded full-time positions with 324 in the General Fund and 135 in other funds and operations. Additionally, there are 38 unfunded positions with 26 unfunded in the General Fund and 12 unfunded in other funds and operations. The changes in staffing in the General Fund include: funding 9 full-time sworn officer positions; adding 4 full-time civilians for Police in various capacity; adding 2 full-time customer service representatives, converting 1 part-time to full-time in Community Engagement; and last proposing to add 1 full-time planner position. All the full-time changes have been previously approved by Mayor & Council through February 2025 except for the proposed addition of 1 full-time planner position. A schedule of City staffing for all of our operations along with a five-year history appears later in this Section on pages 31-32.
2. **Employee Compensation Package:** City employees are given a competitive total compensation package. It should be noted that the cost of wages, associated payroll taxes and benefits continues to be the largest expense segment of the overall budget. This is not unexpected as the City is a service provider; however, the City is one of very few municipalities and counties to provide any sick leave pay-outs upon leaving employment and to provide an insurance benefit beyond Medicare age. Multi-year contracts are in various stages of negotiations with only the police AFSCME 3373 currently approved through FY28. There are two of the City's bargaining units in negotiations that impact the General Fund: AFSCME 1540 and IAFF 1605. The final group is Electric's IBEW 307 with an approved contract through FY27 but is pending current wage reopener negotiations. At the time of budget preparation, the proposed budget includes overall salary enhancement amounts for all full-time staff and includes mandated state minimum wage. A history of wages since FY22 is included in the summary appearing in this Section on Page 19. General Fund employee and retiree benefits detail information is included on Page 9 of Section 6. Due to current high claim trends and no offset of savings in plan changes, it is anticipated that total health costs will be 11.0% more than FY25 estimated actual and 11.2% more than FY25 Budget. The city's consultant for benefits, CBIZ, provides the trends and estimates for most costs in the health insurance including actual medical claims and prescription costs for both active employees and retirees. While the city has absorbed all amounts that could not be achieved through mutually agreeable health plan savings over the last fourteen years, the employees' premium costs have not changed since July 2010 due to collective bargaining contract language. Additionally, the contribution to City Police and Fire Pension will remain at 16% of base salary; which reflects an overall growth of 14.5% as a result of increased staffing and wages negotiated. Finally, the employer contribution to the State of Maryland pension will increase by 10.9% just for the contribution rate to total 13.3% of base salary. Total costs increase for the City's share for employees participating in the State of Maryland Retirement system in the General Fund is 22.8% more than FY25. As shown on the top of page 10 in Section 6, the General Fund portion of employee and retiree health insurance and pension costs amounts to \$9.7M, which is a 13.5% growth over the FY25 Budget. In total, pension, health and dental insurance costs for all non-General Fund employees and retirees are \$4.0M and appear in the presentation of other Funds throughout the Budget. The five-year history of the share of the City and Employee cost appears in the table at the bottom of page 10.
3. **Debt Service Expenditures and Bond Issues:** Information on the City's Bonded Debt Outstanding and Debt Levels and Affordability is presented starting on page 37 of Section 1. The City does not plan to issue any new GO bonds for FY26. After the current FY25 bond issue, the City will remain within its benchmarks as established in our Debt Policy, which was last updated and approved by Mayor and

CITY OF HAGERSTOWN'S BUDGET MESSAGE
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Council in 2014. The chart below provides an overview (in thousands) of the annual debt service requirements compared to all expenses by fund that are included city-wide in the FY26 Budget:

Fund	Total FY26 Operating Expenses	Total FY26 Annual Debt Service Expenses	Percent
General Fund	71,384	2,745	3.8%
Electric Fund	34,934	27	0.1%
Water Fund	20,413	1,872	9.2%
Wastewater Fund	17,122	1,308	7.6%
Parking Fund	2,014	793	39.4%
Property Management Fund	462	10	2.1%
Stormwater Management Fund	1,388	57	4.1%
Subtotal of Funds:	147,719	6,811	4.6%

Section 6 provides five year projections and more information specifically on General Fund annual debt costs and statistics on pages 12-13. Additionally, it is anticipated that MDE bond issues or loans will be needed in FY26 for Water and Wastewater projects. Total loan and bond issues are reflected below:

Fund	Departments	Project #	Amount
Enterprise	Water	52-C0167	5,000,000
Enterprise	Wastewater	54-C0574	1,000,000
Enterprise	Wastewater	54-C0584	9,500,000
Total FY26 Proposed Bond Financing			15,500,000

Staff's assumptions on the size and timing of future Bond Issues including the future projects to need these bond funds appear in the Capital Improvement Program in Section 7 beginning on page 16.

- Overview of Capital Improvement Projects (CIP):** The City's total Capital Improvement Program budget for FY26 at \$58.0M is 9.8% lower than the \$64.3M in the FY25 Revised Budget. The CIP Section 7 presents comprehensive descriptions of major project needs for FY26 through FY30. At minimum, the capital needs are reviewed at least annually and include a five-year forecast to strategically assist in implementing both short-term and long-term goals and priorities.

General Fund Highlights:

- FY26 General Fund Revenues and Expenditures:** The Proposed General Fund revenue of \$71.4M for FY26 represents an increase of \$7.5M or 11.8% over the FY25 Budget. The largest revenue source in the General Fund is total property tax revenue at \$46.6M or 69.3% of all current revenue. Likewise, the Proposed FY26 Budget reflects an increase of \$7.5M or 11.8% in General Fund expenditures for a total of \$71.4M. The key factors for these increases are summarized in this budget message on subsequent pages in this Section. The three largest components of the \$71.4M in expenditures are: wages and benefits at \$43.3 or 60.6% of total and an increase of 12.0% over FY25 Budget; contracted services at \$7.9M or 11.1% of total and an increase of 0.9% over FY25 Budget; and materials, supplies, and utilities at \$2.9M or 4.0% of total which is a decrease in expenditures of 1.7% over FY25 Budget.
- General Fund Five Year Financial Projections:** Using a multi-year focus of the City's financial condition and projections has always been a part of the budget preparation and is continued in this FY26 Proposed Budget. It remains important to examine how the decisions made today and in the current year impact future operational and capital needs. The forecasts for future years encompass

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

strategic planning and short and long term goals and priorities. Section 6 of this document includes the financial projections for various City Funds. The General Fund Projections begin on page 2. These budget deliberations mainly focus on FY26. On page 3 of Section 6, the General Fund reflects a lack of sufficient resources to cover the future projected cost of wages, benefits, debt service, and other operational and capital expenditures in FY27 and beyond. The current projections show a shortfall of \$9.4M for FY27 with varying deficits in subsequent years. Without future changes to service levels, capital equipment and infrastructure, programs, amenities, or increases to revenue, the City cannot continue operations in the manner as projected.

7. **Highway User Revenue (HUR):** Despite \$139.2K restoration of HUR funding in FY24, future amounts remain in question due to State legislation budget forecasts. Assuming that HUR funding will remain at the FY24 levels, \$139.2K of the total \$1.8M in HUR will be utilized directly in the General Fund to cover a portion of the annual debt service requirements for projects that had to be funded with GO bond issues when there was not sufficient HUR funding from the state. The remaining anticipated balance of HUR funding will be utilized for capital and infrastructure projects as outlined in Section 7. The chart below reflects historical trends and funding received from this state source by the City:

City of Hagerstown
State Shared Taxes: State Highway User Revenue Detail
as of March 31, 2025

	Total	Yearly Change	Over FY09	One-Time Allotments	Annual Allocation	Yearly Change	Over FY09
FY14 Actual - includes one-time allotment	1,039,879.51	244%	-45%	722,881.83	316,997.68	5%	-83%
FY15 Actual - includes one-time allotment	1,081,978.18	4%	-43%	748,955.36	333,022.82	5%	-82%
FY16 Actual - includes one-time allotment	1,224,207.10	13%	-36%	884,465.39	339,741.71	2%	-82%
FY17 Actual - includes one-time allotment	1,206,124.86	-1%	-37%	873,766.19	332,358.67	-2%	-83%
FY18 Actual - includes one-time allotment	1,250,240.94	4%	-34%	916,032.11	334,208.83	1%	-82%
FY19 Actual - includes one-time allotment	1,375,305.00	10%	-28%	1,027,992.00	347,313.00	4%	-82%
FY20 Actual	1,558,315.73	13%	-18%	-	1,558,315.73	349%	-18%
FY21 Actual	1,730,254.68	11%	-9%	-	1,730,254.68	11%	-9%
FY22 Actual	1,836,144.34	6%	-3%	-	1,836,144.34	6%	-3%
FY23 Actual	1,816,084.86	-1%	-4%	-	1,816,084.86	-1%	-4%
FY24 Actual	2,230,800.89	23%	17%	-	2,230,800.89	23%	17%
Estimated FY25 based on 9/19/24 memo							
FY25 Projected Annual allotment	2,521,655.00	13%	33%	-	2,521,655.00	13%	33%
Preliminary Estimated FY26 budget based on 9/19/24 memo							
FY26 Preliminary Budget	1,794,175.00	-29%	-6%	-	1,794,175.00	-29%	-6%

8. **Public Safety:** Public Safety is defined to include several areas within the City. The total dollars spent in Public Safety are significant and utilize a large percentage of every tax dollar. In total, it is expected that all of Public Safety will comprise 50.8% of all total operating expense in the current FY25 and will be 50.2% of all total operating expense in the proposed FY26 budget. The chart below reflects not only the operating costs but also the capital project needs and staffing needs of this component within the City.

CITY OF HAGERSTOWN'S BUDGET MESSAGE
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CITY OF HAGERSTOWN
PUBLIC SAFETY SCHEDULE
FY25 PROJECTED AND FY26 BUDGET

DESCRIPTION	FISCAL YEAR 2025 PROJECTED ACTUAL						FISCAL YEAR 2026 PROPOSED BUDGET					
	DIRECT REVENUE	DIRECT OPERATING EXPENSE	FUNDING FOR CAPITAL BY EXTERNAL PARTIES	CAPITAL EXPENSES	TOTAL	TOTAL FUNDED FULL-TIME POSITIONS	DIRECT REVENUE	DIRECT OPERATING EXPENSE	FUNDING FOR CAPITAL BY EXTERNAL PARTIES	CAPITAL EXPENSES	TOTAL	TOTAL FUNDED FULL-TIME POSITIONS
General Fund:												
Police Department	\$ 3,352,546	\$ 17,642,163	\$ 479,281	\$ 2,060,369	\$(15,870,705)	112.00	\$ 3,347,700	\$ 21,223,520	\$ 340,000	\$ 1,300,000	\$(18,835,820)	125.00
Fire Department	279,066	11,267,044	1,050,171	4,756,728	(14,694,535)	79.00	260,400	11,948,056	1,000,000	4,860,000	(15,547,656)	79.00
Code Administration	2,066,534	2,017,353	-	42,538	6,643	17.00	1,577,450	2,040,454	-	45,000	(508,004)	17.00
Signal Department	54,580	531,437	-	44,000	(520,857)	6.00	75,730	640,674	-	35,000	(599,944)	6.00
Subtotal Public Safety	5,752,726	31,457,997	1,529,452	6,903,635	(31,079,454)	214.00	5,261,280	35,852,704	1,340,000	6,240,000	(35,491,424)	227.00
Total Public Safety	\$ 5,752,726	\$ 31,457,997	\$ 1,529,452	\$ 6,903,635	\$(31,079,454)	214.00	\$ 5,261,280	\$ 35,852,704	\$ 1,340,000	\$ 6,240,000	\$(35,491,424)	227.00
Total General Fund	\$63,843,790	\$61,912,915				303.81	\$71,392,453	\$71,384,462				321.15
% Public Safety	9.01%	50.81%				70.44%	7.37%	50.22%				70.68%

9. **Important Supplemental Factors:** There are factors and items that impact the City and community that are or are not included in this FY26 budget:

- a. American Rescue Plan Act of 2021 – The City was awarded \$20.4M through the American Rescue Plan Act of 2021 which was received in two deposits over two years. The 7 federal expenditure categories are Public Health, Negative Economic Impacts, Services to Disproportionately Impacted Communities, Premium Pay, Infrastructure, Revenue Replacement, and Administrative. City leadership, with Mayor and Council, has worked to develop and implement the spending plan found on page 8. FY26 includes \$450.0k in ARPA expenditures across all funds. All ARPA funding was expended or obligated by December 31, 2024, as required.
- b. General Fund Agency Contributions – A summary of the proposed General Fund appropriations for agency funding appears on page 65 of Section 2. In accordance with the General Fund Agency Funding Policy; the Proposed FY26 Budget includes \$205K in funding for City support of community agencies from the General Fund. With the \$195K across eight core agencies, the FY26 funding proration as proposed is the same as current FY25 totals. This leaves \$10K as unspecified for any miscellaneous requests that Mayor & Council may receive.
- c. Ice Rink – The current contract with HIAAA, the operating manager of the ice rink, expires in June 2025. City staff has started preliminary discussions for a new five year agreement. The City receives monthly rental income but covers the cost of all utilities and shares in cost of maintenance as the owner of the building. There have been some discussions in the past surrounding the need for a second sheet of ice which would require an expansion of the current City-owned facility/building. As a result, there is some funding included in the five-year projections in FY29 for this possibility to be funded primarily by others. A more immediate need has been identified and included in FY27 to replace the ice making system.
- d. Reorganization – The City has plans for reorganization across some departments. The FY26 Proposed Budget accounts for all positions and expenses for this reorganization. Renaming of some departments and budget transfers are expected.

General Fund/Capital Improvement Project Highlights:

10. **Capital Improvement Projects (CIP) for General Fund:** The General Fund portion in the Capital Improvement Program budget for FY26 represents 25.3% or \$14.7M of the total \$58.0M. Section 7 of this budget document provides greater details on the capital projects for the General Fund. The largest portion funding source for these projects is anticipated to be CIP fund balance use for multiple projects as reflected in the chart below:

CITY OF HAGERSTOWN'S BUDGET MESSAGE
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Funding Sources	Amount	Percent
Contributions, PEG Fees, & Reforestation Funds	32,000	0.2%
Facilities Rent	36,000	0.2%
Fund Balance Use: CIP Fund	1,878,000	12.8%
Fund Balance Use: General Fund	4,125,000	28.2%
ARPA Grant	450,000	3.1%
Other Grants	3,073,500	21.0%
HUR	1,655,000	11.3%
Transfers from Other City Funds (Pay-go)	3,402,500	23.2%
Total Funding Sources for General Fund CIPs	14,652,000	100.0%

Similarly, a breakdown on the spending of this \$14.7M by General Fund department is outlined below with specific details to follow in Section 7:

Spend by Department	Amount	Percent
Engineering	3,870,000	26.4%
Fire	4,860,000	33.2%
Information Technology	1,675,000	11.4%
Parks & Recreation	2,200,000	15.0%
Planning & Code Administration	45,000	0.3%
Police	1,300,000	8.9%
Public Works	702,000	4.8%
Total Capital Spend by Department:	14,652,000	100.0%

11. **Fire Department Capital Project Highlights (CIP45-C0010, CIP45-C0241, CIP45-C0687):** To address fire facility and deployment needs, several individual projects are included in the FY26 Proposed Budget for the Fire Department. These three specific projects total \$4.5M or 30.7% of the total project costs for the General Fund. Each of these projects provides opportunities to consolidate administrative staff, command staff, purchase of vehicles and apparatus, and training center upgrades. These projects can be explored independently and separately.
12. **Vehicles:** Overall, the FY26 Budget includes \$2.9M for vehicle replacements which represents 19.6% of all planned capital projects for the General Fund. The City strives for a systematic vehicle replacement plan to eliminate costly repairs and to improve efficiency of operations. In Section 7, the Vehicle & Equipment Replacement Schedule is a detailed listing that includes each specific vehicle to be replaced per department. The chart below summarizes the total amount for vehicles each General Fund department has included in the FY26 Budget:

CITY OF HAGERSTOWN'S BUDGET MESSAGE
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General Fund Departments	Amount	Percent
Vehicles:		
Fire	1,750,000	60.9%
Parks & Recreation	120,000	4.2%
Planning & Code Administration	45,000	1.6%
Police	520,000	18.1%
Public Works	437,000	15.2%
Subtotal Vehicles:	2,872,000	100.0%
Grand Total All General Fund CIPs		
	14,652,000	19.6%

Other Governmental Fund Highlights:

13. **Community Development Block Grant Fund (CDBG):** The proposed CDBG Budget is included in Section 4. The City utilizes these Federal Grant funds to support downtown and neighborhood revitalization projects along with community agencies and other projects and priorities. It is important to note at the time of budget deliberations and preparation in January, the potential impact of federal funds was unknown so the budget reflects maintaining current trends. As a result, FY26 budget anticipates the CDBG grant entitlement will be \$800.0K; which is a <3.8%> decrease from FY25. A history of the City's Entitlement Funding is shown on page 6 of Section 4 and reflects fairly consistent allocations from FY21 through current FY25 levels. Total CDBG expenditures are projected to be \$1.3M in FY26, funded by a combination of new and carry over entitlement funds of \$1.3M plus \$88.0K in program income. These projected expenditures include: \$400.0K for Public Facilities and Improvements; \$130.0K to support Public Services; \$295.0K in Housing Rehab Projects; \$48.0K in Commercial & Industrial Improvements; and \$525.4K for overall administration and demolition. A summary of CDBG revenues and expenditures appears on page 5 with more detailed information on pages 6-8.

14. **Economic Redevelopment Fund:** The proposed Economic Redevelopment Fund Budget is included in Section 4. The fund was established to promote the revitalization of the City's downtown and older neighborhood areas. It is used to promote businesses and home ownership in the City Center and has been used for the PEP Program, Invest Hagerstown, and holding real property for resale. For FY26, it is expected that expenditures will be \$1.6M. Of the total expenditures, \$400K for PEP program rent payments; \$100K for various Community Legacy Grant initiatives; \$1.08M combined for Invest Hagerstown incentives; and the remaining \$36.5K for general incentives and overall administration. More detailed information of this Fund is found on pages 10-12.

Enterprise/Business-Type Fund Highlights:

15. **Utility Rates:** A new rate model and cost rate study is currently in process with the City's consultant for the Water and Wastewater funds. The Water Fund FY26 Proposed Budget includes an average increase of 13.6% in total operating revenues which includes the approved rate increase of 14.0%. Future year projections includes continued rate increase of 14% for FY27 through FY29 and 3.0% for FY30. The Wastewater Fund FY26 Proposed Budget includes an approved annual rate increase of 13.0%. Future year projections anticipate 13% annual increases for FY27 through FY28 followed by 3% for FY29 and FY30. A contract for wholesale energy with AEP Energy Partners was approved and is effective until December 31, 2026 with a rate of \$54.05 per megawatt hour. In FY25, Electric cost of service/retail rates were increased for the first time in decades. While the future projections for the Electric Fund do not reflect any additional rate changes, the deficits and negative cash balance created will require that rates are reviewed annually. Electric rates can only be adjusted with the approval of the

CITY OF HAGERSTOWN'S BUDGET MESSAGE
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Maryland Public Services Commission. For all three of our utilities, our customers have some of the lowest service charges in our region when compared to other private providers.

16. **Electric Fund Projects and Equipment:** The capital projects and equipment purchases are summarized in Section 7 on page 32 and total \$3.2M for the Electric Fund in FY26. Key purchases and projects include the following: 50-C0679 Vehicles \$205.0K; Meter Replacement \$1.5M; System Reconductoring \$206.5K, and various smaller projects planned. Electric Fund Revenues, Grants, and Private Contributions will provide the funding for all projects included in the FY26 Budget.
17. **Water Fund Capital Projects and Equipment:** In FY26, \$12.9M is included for Water Fund capital projects and equipment. These expenditures are summarized beginning on page 36 of Section 7. Key purchases and projects include the following: CIP 52-C0117 Vehicles for \$606.5K; CIP 52-C0166 Willson Treatment Plant for \$2.0M; CIP 52-C0167 Willson Transmission Mains for \$6.0M; CIP 52-C0709 Distribution System Rehab – Main Replacement for \$660.0K; and CIP 52-C0877 Water Zone #5 Improvements for \$2.3M. Water Fund Revenue, Bond Financing, and Private Contributions will fund all projects in FY26.
18. **Water and Wastewater Funds – MDE Loans:** There are several larger, potential projects in the Water Fund and Wastewater Fund that have received initial approval by the Maryland Department of the Environment (MDE) for loan funding. These projects include the RCW Transmission Main Project in the Water Fund and the Pump Station #13 Reconstruction and WWT Plant Equipment in the Wastewater Fund.
19. **Wastewater Fund Capital Projects and Equipment:** In FY26, \$21.8M is included for Wastewater Fund capital projects and equipment and is summarized on page 38 of Section 7. Key purchases and projects include the following: CIP 54-C0004 Vehicles for \$390.0K; CIP 54-C0584 WWT Plant Equipment for \$12.0M; and CIP 54-C0574 Pump Station #13 Reconstruction for \$1.5M. A combination of Bond Financing, Grants, and Wastewater Fund Revenue will fund all projects.
20. **Parking Fund Operations:** The new Hub City Garage opened in August of 2024. Now that construction is complete, capital projects in the Parking Fund have returned to typical levels. \$89.0K is included for Parking projects and equipment. These are included in Section 7 on page 164. In FY26, total Parking operating revenue is anticipated to be 11.3% higher than current levels with a total of \$1.4M. Despite the increase in operating revenue, FY26 Budget expects an overall deficit of <\$498K> and decrease in cash balances of <\$314K>.
21. **Property Management Fund:** This Fund provides stewardship over downtown property owned by the City and leased to area business. In Section 3 on page 39 you will find the Expenditure and Revenue Summary showing FY26 Proposed Total Expenditures of \$462.1K and Total Revenues of \$246.5K. Beginning in FY26, there will be three properties remaining in this fund and only two of those buildings have tenants (Elizabeth Hager Center and 60 West Washington Street). There are also anticipated capital projects that total \$140.0K in the FY26 Budget which includes improvements to Elizabeth Hager Center, 60 W Washington Street, and 309 Valley Road. More detailed assumptions through FY30 can be found in Section 6. Decisions about the continued viability of this fund and the properties held there will be needed as we are projecting a negative cash situation for FY26 and beyond, which would mean an increased need for considering contributions from the General Fund.
22. **Stormwater Protection Program:** The goals of the Stormwater Protection Program include: maintain and preserve the existing storm drainage system; limit flooding and runoff-related damages; improve the quality of the water in the Chesapeake Bay and Potomac River through the construction of new treatment facilities and the retrofit of existing facilities; and comply with permit requirements issued by the Environmental Protection Agency. It is estimated that the mandate requirements in improvements will cost the City approximately \$24M. The FY26 Proposed Budget projections include revenue from a stormwater utility fee that was effective March 1, 2021. The current rate in FY25 that became effective January 1, 2023 is \$36.00 per 1,000 square feet of impervious surfaces. An updated three-year cost model approved in July 2024 includes a rate increase to \$38.00 per 1,000 square feet of impervious

CITY OF HAGERSTOWN'S BUDGET MESSAGE
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surfaces. Due to the requirements of the City's MS4 stormwater permit received from Maryland Department of the Environment (MDE), the CIP budget does include project expenditures over the next five years. The funding for these specific projects will primarily be covered by stormwater fees and grants which is reflected in Section 7. There are also current operating expenses reflected in the Stormwater Protection Fund for service costs related to stormwater activity.

- a. Stormwater Operating Expenses - \$1.4M in FY26 budget in Section 3
- b. Stormwater Capital Expenses - \$5.0M in FY26 budget in Section 7

CITY OF HAGERSTOWN'S BUDGET MESSAGE
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**COMBINED USES OF FUNDS
FY26 BUDGET BY FUND**

The Proposed FY26 Budget includes \$223.7M in expenditures for all of the City's funds. The City's largest operating fund, the General Fund, is projected at \$71.4M for the coming year, a 11.8% increase over FY25. Utility operations for next year include \$39.0M for the Electric Fund, \$33.3M for the Water Fund, and \$38.9M for the Wastewater Fund. The City's General Capital Improvement Fund for next year is proposed at \$14.7M. The Parking Fund's Budget is \$2.1M and the Community Development Block Grant Fund totals \$1.4M. These represent Hagerstown's major operating and capital funds. Other Special Revenue funds totaling \$2.3M, along with Service and Trust Funds totaling \$12.7M, are also included for next year. Details on the expenditure and revenue assumptions for each Fund, along with program information, is set forth in their individual budgets, which appear throughout the Adopted Budget.

2025/2026 BUDGET BY FUND

	Revised Budget 2024/2025	Proposed Budget 2025/2026	Increase / (Decrease)	Percent Change
General Fund	\$ 63,854,183	\$ 71,384,462	\$ 7,530,279	11.8%
Community Dev. Block Grant Fund	1,453,164	1,398,361	(54,803)	-3.8%
Special Revenue Funds	4,577,518	2,344,706	(2,232,812)	-48.8%
General/Capital Improvement Projects	33,119,045	14,652,000	(18,467,045)	-55.8%
Total Government-type Funds	103,003,910	89,779,529	(13,224,381)	-12.8%
Electric Fund	33,978,693	38,991,744	5,013,051	14.8%
Water Fund	27,220,471	33,309,806	6,089,335	22.4%
Wastewater Fund	32,808,251	38,897,198	6,088,947	18.6%
Parking Fund	1,891,932	2,103,430	211,498	11.2%
Golf Fund	893,864	1,036,343	142,479	15.9%
Property Management Fund	537,755	602,120	64,365	12.0%
Stormwater Fund	5,513,454	6,338,226	824,772	15.0%
Total Enterprise-type Funds	102,844,420	121,278,867	18,434,447	17.9%
Service & Trust Funds	12,467,849	12,688,904	221,055	1.8%
Total Combined Uses of Funds	\$ 218,316,179	\$ 223,747,300	\$ 5,431,121	2.5%

CITY OF HAGERSTOWN'S BUDGET MESSAGE
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**COMBINED STATEMENT OF REVENUES AND
EXPENDITURES**

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE (ALL FUNDS)
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
REVENUES BY TYPE					
Taxes-Property, Income & Other	\$ 47,570,329	\$ 49,710,621	\$ 52,277,485	\$ 56,044,292	12.7%
Charges for Services	69,412,934	77,746,489	79,996,671	88,543,030	13.9%
Licenses and Permits	2,563,694	2,356,000	2,600,796	2,092,750	-11.2%
Fines and Forfeitures	1,335,641	1,343,650	1,321,100	1,338,100	-0.4%
Other Governmental	12,135,837	25,249,243	18,576,712	8,584,674	-66.0%
Other / Transfers In	37,728,923	37,970,992	36,207,429	26,048,135	-31.4%
Total Current Revenues	\$ 170,747,358	\$ 194,376,995	\$ 190,980,193	\$ 182,650,981	-6.0%
EXPENDITURES BY DEPARTMENT					
General Government	\$ 7,041,400	\$ 8,305,293	\$ 8,359,563	\$ 9,105,579	9.6%
Public Safety	29,125,074	31,999,473	31,457,997	35,852,704	12.0%
Highways & Streets	2,444,727	3,083,374	2,972,575	3,093,211	0.3%
Waste Collection & Disposal	4,484,707	4,897,909	4,637,681	4,907,219	0.2%
Parks and Recreation	2,971,315	3,587,753	3,447,129	3,625,804	1.1%
Community & Economic Development	725,296	914,812	905,278	882,918	-3.5%
Community Development Block Grant	2,488,792	1,453,164	1,204,365	1,398,361	-3.8%
Special Revenue Funds	1,616,874	4,577,518	4,174,011	2,344,706	-48.8%
Enterprise Funds	81,406,706	102,844,420	83,171,578	121,278,867	17.9%
Capital Improvement Projects Fund	21,641,814	33,119,045	30,531,176	14,652,000	-55.8%
Service and Trust Funds	11,249,611	12,467,849	12,218,583	12,688,904	1.8%
Non-Departmental General Fund	9,852,534	11,065,569	10,132,691	13,917,027	25.8%
Total Expenditures	\$ 175,048,850	\$ 218,316,179	\$ 193,212,627	\$ 223,747,300	2.5%

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

CITY OF HAGERSTOWN'S BUDGET MESSAGE
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COMBINED STATEMENT OF REVENUES AND EXPENDITURES
FISCAL YEAR 2025/26

	GOVERNMENTAL FUND TYPES	ENTERPRISE FUND TYPES	SERVICE AND TRUST FUNDS	COMBINED TOTALS
REVENUES				
Property Taxes	\$ 46,577,455	\$ -	\$ -	\$ 46,577,455
Income and Other Taxes	9,461,837	-	-	9,461,837
Licenses and Permits	2,092,750	-	-	2,092,750
Intergovernmental Revenues and Grants	6,384,324	2,202,500	-	8,586,824
Charges for Current Services	5,729,465	71,910,310	11,452,225	89,092,000
Fines and Forfeitures	1,121,800	-	-	1,121,800
Administrative Allocation Revenues	1,997,500	-	-	1,997,500
Program Income	107,000	-	-	107,000
Reforestation Fees	5,000	-	-	5,000
Premium on Bonds	-	8,247	-	8,247
Interest on Investments	1,170,715	1,675,000	81,000	2,926,715
Miscellaneous/Other General Revenues	310,896	4,040,625	1,136,514	5,488,035
TOTAL REVENUES	\$ 74,958,742	\$ 79,836,682	\$ 12,669,739	\$ 167,465,163
EXPENDITURES				
General Government	14,650,579	-	-	14,650,579
Public Safety	42,092,704	-	-	42,092,704
Highways and Streets	3,760,211	-	-	3,760,211
Waste Collection and Disposal	4,907,219	-	-	4,907,219
Parks and Recreation	5,825,804	-	-	5,825,804
Economic and Community Development	882,918	-	-	882,918
Unallocated General Expense	2,539,380	-	-	2,539,380
Debt Service - Principal and Interest	2,744,680	4,066,303	-	6,810,983
Operating Expenses	3,738,067	75,847,262	12,688,904	92,274,233
TOTAL EXPENDITURES	81,141,562	79,913,565	12,688,904	173,744,031
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(6,182,820)	(76,883)	(19,165)	(6,278,868)
OTHER FINANCING SOURCES(USES)				
Add Back Depreciation	-	10,027,400	-	10,027,400
Bond Financing Proceeds	-	-	-	-
Bond Proceeds - Future Issues	-	-	-	-
Prior Bond Proceeds	-	-	-	-
Change in Restricted Cash	-	-	-	-
Developer Contributions	-	-	-	-
MDE Bond Financing	-	15,500,000	-	15,500,000
Operating Transfers from Other Funds	1,428,817	200,000	-	1,628,817
Capital Transfers from Other Funds	3,402,500	-	-	3,402,500
Capital Projects Transfers from General Fund Balance	4,125,000	-	-	4,125,000
Appropriated Use of Fund Balance	6,003,000	-	-	6,003,000
Non-Cash Developer Contributions	-	(936,125)	-	(936,125)
General Fund Balance Transfers (to) Capital Projects	(4,125,000)	-	-	(4,125,000)
Capital Transfers (to) Other Funds	(2,909,150)	(93,350)	-	(3,002,500)
Operating Transfers (to) Other Funds	(1,598,817)	-	-	(1,598,817)
Capital Outlay	-	(44,167,000)	-	(44,167,000)
TOTAL OTHER FINANCING SOURCES (USES)	6,326,350	(19,469,075)	-	(13,142,725)
EXCESS(DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES				
	\$ 143,530	\$ (19,545,958)	\$ (19,165)	\$ (19,421,593)
Beginning Fund Balance	\$ 33,017,655	\$ 216,321,944	\$ 6,929,999	\$ 256,269,598
Less Appropriated Use of Fund Balance	(6,003,000)	-	-	(6,003,000)
Ending Fund Balance	\$ 27,158,185	\$ 219,268,259	\$ 6,910,834	\$ 253,337,278

(Cash Basis)

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

STAFFING CHARTS

STAFFING SCHEDULE
DETAIL OF UNFUNDED FULL-TIME POSITIONS
FISCAL YEAR 2025/26

Department / Description	Proposed Unfunded
Parks & Recreation	
Parks Maintenance Worker I-III	4.00
Department Total	4.00
Fire Department	
Firefighter	3.00
Fire Training Captain	1.00
Fire Public Safety Educator	1.00
Department Total	5.00
Human Resources	
HR Coordinator	1.00
Department Total	1.00
Police Department	
Officers	12.00
Department Total	12.00
Public Works	
Sign/Lines Maintenance Worker I-III	1.00
PW Maintenance Worker I-IV	2.00
Truck Driver	1.00
Department Total	4.00
TOTAL GENERAL FUND	
	26.00
Water Department	
Maintenance Technician I	-
Water Utility Service Technician	1.00
Field Operations (Construction & Maintenance) Technician III	2.00
Engineering Technician	1.00
Department Total	4.00
Wastewater Department	
Collection System Operator IV	2.00
Department Total	2.00
Electric Department	
Senior Meter Repairer	1.00
Meter Reader	1.00
Utility Serviceperson/Building Maintenance	1.00
Senior Electric Construction Worker	1.00
Substation Technician	1.00
Lineworker	1.00
Department Total	6.00
TOTAL OTHER FUNDS	
	12.00
TOTAL ALL FUNDS	
	38.00

**CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026**

**STAFFING SCHEDULE (FULL-TIME AND PART-TIME POSITIONS ONLY)
FIVE YEAR COMPARISON
FISCAL YEARS 2021/22 THROUGH 2025/26**

DEPARTMENT	2021/22			2022/23			2023/24			2024/25			2025/26		
	FULL-TIME	UNFUNDED	PART-TIME												
Office of The Mayor	0.33	-	-	0.33	-	-	0.33	-	-	0.33	-	-	0.33	-	-
City Administrator	1.33	-	-	1.33	-	-	1.33	-	-	1.33	-	-	1.33	-	-
City Clerk	1.34	-	0.50	1.34	-	0.50	1.34	-	0.50	1.34	-	0.50	1.34	-	0.50
Community & Economic Development	6.15	-	2.00	6.15	-	2.00	6.30	-	2.00	6.30	-	2.00	6.30	-	2.00
Unfunded Positions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Funded Positions	6.15	-	2.00	6.15	-	2.00	6.30	-	2.00	6.30	-	2.00	6.30	-	2.00
Planning & Code Administration	20.00	-	1.00	21.00	-	-	21.00	-	-	21.00	-	-	22.00	-	-
Unfunded Positions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Funded Positions	20.00	-	1.00	21.00	-	-	21.00	-	-	21.00	-	-	22.00	-	-
Finance	8.00	-	-	9.00	-	-	9.00	-	-	9.00	-	-	9.00	-	-
Support Services & Billing	9.00	-	3.00	10.00	-	3.00	10.00	-	1.00	10.00	-	3.00	12.00	-	3.00
Unfunded Positions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Funded Positions	17.00	-	3.00	19.00	-	3.00	19.00	-	1.00	19.00	-	3.00	21.00	-	3.00
Information Technology & Communications	6.00	-	-	6.00	-	-	6.00	-	-	6.00	-	-	6.00	-	-
Community Engagement	2.00	-	2.50	2.00	-	2.50	2.00	-	2.00	2.00	-	2.00	2.00	-	2.00
**Included Support Services until FY21	-	-	-	-	-	-	1.00	-	1.00	1.00	-	1.00	2.00	-	2.00
Unfunded Positions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Funded Positions	8.00	-	2.50	8.00	-	2.50	9.00	-	3.00	9.00	-	3.00	10.00	-	2.00
Human Resources	4.00	1.00	4.00	4.00	1.00	4.00	4.00	1.00	3.00	4.00	1.00	3.00	4.00	1.00	3.00
Engineering & Parks Division	24.75	4.00	7.28	-	-	-	-	-	-	-	-	-	-	-	-
Engineering (Without Parks)	-	-	-	10.24	-	1.00	10.44	-	1.00	10.55	-	2.00	10.80	-	2.00
Unfunded Positions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Funded Positions	24.75	4.00	7.28	10.24	-	1.00	10.44	-	1.00	10.55	-	2.00	10.80	-	2.00
Police Sworn	104.00	8.00	-	97.00	15.00	-	91.00	21.00	-	91.00	21.00	2.00	100.00	12.00	4.00
Police Administrative/Civilian	16.00	-	12.00	16.00	-	14.00	18.00	-	12.00	21.00	-	9.00	25.00	-	8.00
Unfunded Positions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Funded Positions	120.00	8.00	12.00	113.00	15.00	14.00	109.00	21.00	12.00	112.00	21.00	11.00	125.00	12.00	12.00
Fire	78.00	6.00	-	78.00	6.00	1.00	78.00	6.00	1.00	79.00	5.00	1.00	79.00	5.00	1.00
Unfunded Positions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Funded Positions	78.00	6.00	-	78.00	6.00	1.00	78.00	6.00	1.00	79.00	5.00	1.00	79.00	5.00	1.00
Public Works	24.95	4.00	-	24.85	4.00	-	25.80	4.00	-	24.90	4.00	1.00	24.90	4.00	1.00
Parks & Recreation	-	-	-	15.86	4.00	8.00	15.06	4.00	7.00	15.06	4.00	6.25	15.15	4.00	6.25
Unfunded Positions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Funded Positions	24.95	4.00	-	40.71	8.00	8.00	40.86	8.00	7.00	39.96	8.00	7.25	40.05	8.00	7.25
Total General Fund	305.85	23.00	32.28	303.10	30.00	36.00	300.60	36.00	28.00	303.81	35.00	30.25	321.15	26.00	30.25
Unfunded Total - General Fund	-	-	-												
Total Funded Positions-General Fund	305.85	23.00	32.28	303.10	30.00	36.00	300.60	36.00	28.00	303.81	35.00	30.25	321.15	26.00	30.25
Electric	28.85	6.00	-	28.85	6.00	-	29.85	6.00	-	28.85	6.00	-	28.85	6.00	-
Unfunded Positions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Funded Positions	28.85	6.00	-	28.85	6.00	-	29.85	6.00	-	28.85	6.00	-	28.85	6.00	-
Water	50.60	4.00	-	49.60	4.00	-	51.10	4.00	-	52.10	4.00	-	52.10	4.00	-
Unfunded Positions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Funded Positions	50.60	4.00	-	49.60	4.00	-	51.10	4.00	-	52.10	4.00	-	52.10	4.00	-
Wastewater	45.55	2.00	-	46.55	2.00	-	44.05	2.00	-	44.05	2.00	-	44.05	2.00	-
Unfunded Positions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Funded Positions	45.55	2.00	-	46.55	2.00	-	44.05	2.00	-	44.05	2.00	-	44.05	2.00	-
Stormwater (Enterprise Fund)	5.36	-	-	4.11	-	-	4.01	-	-	3.90	-	-	3.65	-	-
Golf Course	2.24	-	1.72	2.24	-	1.00	2.24	-	2.00	2.24	-	2.75	2.15	-	2.75
Parking	2.80	-	9.00	2.80	-	9.00	2.90	-	10.00	3.30	-	11.00	3.30	-	11.00
Property Management	0.90	-	-	0.90	-	-	0.55	-	-	1.05	-	-	1.05	-	-
Community Dev Block Grant	2.70	-	-	2.70	-	-	2.70	-	-	2.70	-	-	2.70	-	-
Business Revolving Loan Fund	0.15	-	-	0.15	-	-	-	-	-	-	-	-	-	-	-
City-wide Staffing Levels	445.00	35.00	43.00	441.00	42.00	46.00	438.00	48.00	40.00	442.00	47.00	44.00	459.00	38.00	44.00
Unfunded Total - City-wide	-	-	-												
Total Funded Positions - City-wide	445.00	35.00	43.00	441.00	42.00	46.00	438.00	48.00	40.00	442.00	47.00	44.00	459.00	38.00	44.00
General & Oth Govt Operations	110.70	9.00	20.28	114.95	9.00	21.00	116.30	9.00	15.00	115.51	9.00	18.25	119.85	9.00	17.25
Public Safety: (Police & Fire Only)	198.00	14.00	12.00	191.00	21.00	15.00	187.00	27.00	13.00	191.00	26.00	12.00	204.00	17.00	13.00
Enterprise Funds	136.30	12.00	10.72	135.05	12.00	10.00	134.70	12.00	12.00	135.49	12.00	13.75	135.15	12.00	13.75

FY22 FT Changes: Shift of 0.7 from GF to CDBG; Shift 5.36 FT related to Stormwater to new Enterprise Fund; Unfund 1 FT position in HR; Unfund 8 vacant sworn positions in Police; Unfund 1 FT position in Electric
FY22: Transitioned/moved Parks & Recreation from Engineering umbrella to report under Public Works.
FY23 FT Changes: M&C approved during FY22 (1 PT to 1 FT in Code Administration; 1 PT to 1 FT in Support Services; 1 new FT temp ARPA Grant Coordinator in Finance; Unfund 7 vacant sworn positions in Police)
FY23: Transitioned/moved Community Engagement from Economic Development umbrella.
FY24 FT Changes: M&C approved during FY23 (1 PT to 1 FT in Econ Develop; 1 PT to 1 FT in Police; 1 new FT temp ARPA Comm Liaison in Police; Unfund 6 vacant sworn positions in Police)
FY25 FT Changes: M&C approved during FY24 (2 FT Civilian in HPD for Watch Center; 1 FT in Fire for Deputy Fire Chief)
FY25 FT Changes not yet approved by M&C: Convert 2 PT sworn officers to 1 FT Alternative Response Team (ART) - new proposed program
FY26 FT Changes: M&C approved during FY25 (9 FT funded Sworn Officers; 2 new Customer Services; 1 PT to FT in Community Engagement; 4 FT civilian Police positions)
FY26 FT Changes not yet approved by M&C: 1 FT Senior Planner

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

GOVERNMENTAL FUNDS - COMBINED STATEMENT OF REVENUES AND EXPENDITURES
FISCAL YEAR 2025/2026

	GENERAL	SPECIAL REVENUE	CAPITAL IMPROVEMENT FUNDS	TOTAL
REVENUES				
Property Taxes	\$ 46,577,455	\$ -	\$ -	\$ 46,577,455
Income and Other Taxes	7,806,837	-	1,655,000	9,461,837
Licenses and Permits	2,092,750	-	-	2,092,750
Intergovernmental Revenues and Grants	765,000	2,095,824	3,523,500	6,384,324
Charges for Current Services	5,729,465	-	-	5,729,465
Fines and Forfeitures	1,121,800	-	-	1,121,800
Administrative Allocation Revenues	1,997,500	-	-	1,997,500
Program Income	-	107,000	-	107,000
Reforestation Fees	-	5,000	-	5,000
Interest on Investments	900,000	45,715	225,000	1,170,715
Miscellaneous/Other General Revenues	241,646	1,250	68,000	310,896
TOTAL REVENUES	67,232,453	2,254,789	5,471,500	74,958,742
EXPENDITURES				
General Government	9,105,579	-	5,545,000	14,650,579
Public Safety	35,852,704	-	6,240,000	42,092,704
Highways and Streets	3,093,211	-	667,000	3,760,211
Waste Collection and Disposal	4,907,219	-	-	4,907,219
Parks and Recreation	3,625,804	-	2,200,000	5,825,804
Economic and Community Development	882,918	-	-	882,918
Unallocated General Expense	2,539,380	-	-	2,539,380
Debt Service - Principal and Interest	2,744,680	-	-	2,744,680
Operating Expenses	-	3,738,067	-	3,738,067
TOTAL EXPENDITURES	62,751,495	3,738,067	14,652,000	81,141,562
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	4,480,958	(1,483,278)	(9,180,500)	(6,182,820)
OTHER FINANCING SOURCES(USES)				
Operating Transfers from Other Funds	35,000	1,393,817	-	1,428,817
Capital Transfers from Other Funds	-	-	3,402,500	3,402,500
Operating Transfers (to) Other Funds	(1,598,817)	-	-	(1,598,817)
Capital Transfers (to) Other Funds	(2,909,150)	-	-	(2,909,150)
Appropriated Use of Fund Balance	4,125,000	-	1,878,000	6,003,000
Capital Projects Transfers from General Fund Balance	-	-	4,125,000	4,125,000
General Fund Balance Transfers (to) Capital Projects	(4,125,000)	-	-	(4,125,000)
TOTAL OTHER FINANCING SOURCES (USES)	(4,472,967)	1,393,817	9,405,500	6,326,350
EXCESS(DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES				
	\$ 7,991	\$ (89,461)	\$ 225,000	\$ 143,530
Beginning Fund Balance				
	\$ 26,545,268	\$ 3,272,446	\$ 3,199,941	\$ 33,017,655
Less Appropriated Use of Fund Balance				
	(4,125,000)	-	(1,878,000)	(6,003,000)
Ending Fund Balance	\$ 22,428,259	\$ 3,182,985	\$ 1,546,941	\$ 27,158,185
DETAIL OF ENDING FUND BALANCES:				
Nonspendable	\$ 350,000	\$ -	\$ -	350,000
Restricted	-	1,043,965	-	1,043,965
Assigned	1,000,000	2,139,020	1,546,941	4,685,961
Unassigned	21,078,260	-	-	21,078,260
Ending Fund Balance	\$ 22,428,260	\$ 3,182,985	\$ 1,546,941	\$ 27,158,186

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

SOURCES OF FY26 GENERAL FUND REVENUE

The Proposed General Fund revenue of \$71.4M for FY26 represents an 11.8% increase compared to the FY25 Budget. The primary reasons for this increase in General Fund revenue are: \$6.3M or 15.7% growth in Property Tax Revenue as a result of an estimated 7.0% growth in assessed values, anticipated growth from new developments and potential annexations, and a proposed \$0.055 tax rate increase; \$755.1K or 10.7% growth in Income & Other Taxes resulting from current trends in Enterprise Zone Tax Credits and Highway User Revenues; and \$1.5M in Appropriated Use of Fund Balance for capital infrastructure needs. There are offsetting decreases in Licenses & Permits, Intergovernmental Revenues from final utilization of ARPA funding being expended, Charges for Current Services, Fines & Forfeitures, and Unallocated Revenues.

The following table illustrates the change in the sources of General Fund Revenues from Revised Budget FY25 to Proposed Budget FY26.

<i>Sources of General Fund Revenue Growth</i>		
FY 25/26 General Fund Budgeted Revenues	\$ 71,392,453	
FY 24/25 General Fund Budgeted Revenues	\$ 63,874,417	
Revenue Growth (Decrease)	7,518,036	11.8% Increase
Sources		
Property Tax Revenue	6,315,178	
Income & Other Taxes	755,148	
Licenses & Permits	(263,250)	
Intergovernmental Revenues	(330,955)	
Charges for Current Services	(20,744)	
Fine & Forfeitures	(5,850)	
Unallocated Revenues	(432,184)	
Transfers From Other Funds	-	
Appropriated Use of Fund Balance	1,500,693	
Total	\$ 7,518,036	

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

EXPENDITURES OF FY26 GENERAL FUND RESOURCES

The change in the Proposed General Fund Budget for expenditures in FY26 totals \$7.5M representing an 11.8% increase in expenditures from the revised FY25 Budget of \$63.9M. The following table illustrates the changes in the use of General Fund budget resources by category of expenditure from FY25 to FY26. The total General Fund expenditure increase is primarily a result of the following: Wages & Benefits; Fund Balance Transfers; Debt Service; and Other Expenditures.

<i>Uses of General Fund Revenue Growth</i>		
FY 25/26 General Fund Budgeted Expenditures	\$ 71,384,462	
FY 24/25 General Fund Budgeted Expenditures	63,854,183	
Expenditure Growth (Decrease)	7,530,279	11.8% Increase
Uses		
Wage & Benefits	4,644,144	
Wage & Overhead Allocations	(119,201)	
Contracted Services	70,580	
Materials, Supplies & Utilities	(50,372)	
Insurance	79,839	
Capital Expenditures	(7,094)	
Debt Service	735,849	
Transfers To Other Funds	20,150	
Other Expenditures	655,691	
Fund Balance Transfer	1,500,693	
Total	\$ 7,530,279	

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

GENERAL FUND CAPITAL INVESTMENT

The following table summarizes our history of General Fund capital investment since FY09.

<u>Fiscal Year</u>	<u>Capital Outlay</u>	<u>Appropriation To CIP Fund</u>	<u>GF Fund Balance Transfer to CIP</u>	<u>Total</u>
2008/2009	164,018	1,179,314	-	1,343,332
2009/2010	45,781	397,563	-	443,344
2010/2011	69,225	666,506	-	735,731
2011/2012	658,297	336,952	-	995,249
2012/2013	88,123	1,102,759	-	1,190,882
2013/2014	177,981	832,268	-	1,010,249
2014/2015	178,836	353,507	546,903	532,343
2015/2016	248,127	822,655	103,869	1,174,651
2016/2017	235,928	1,042,752	-	1,278,680
2017/2018	131,439	307,740	632,107	1,071,285
2018/2019	191,131	1,105,492	205,419	1,502,042
2019/2020	156,194	997,562	1,311,227	2,464,983
2020/2021	140,130	1,144,147	731,167	2,015,444
2021/2022	135,646	1,496,819	4,026,730	5,659,195
2022/2023	199,986	3,175,447	840,000	4,215,432
2023/2024	224,476	2,489,451	2,649,316	5,363,243
Estimated Actual:				
2024/2025	370,065	3,060,750	1,574,058	5,004,873
Proposed Budget:				
2025/2026	386,515	2,909,150	4,125,000	7,420,665
2026/2027	388,515	14,053,800	-	14,442,315
2027/2028	408,515	7,105,500	-	7,514,015
2028/2029	413,515	4,253,400	-	4,666,915
2029/2030	423,515	4,485,100	-	4,908,615

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

*The Proposed Budget for FY26 above includes the use of General Fund Balance reserves to maintain levels needed for capital improvement projects.

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

BONDED DEBT OUTSTANDING

In current FY25, a bond was issued for \$26.55M to fund \$15.95M in the General Fund to help fund the construction of the Hagerstown Field House and \$10.6M in the Parking Fund to help fund the construction of the Hub City Parking Garage. All other bonds included in the FY25 Budget will not occur due to timing.

In addition, the FY26 Proposed Budget includes a \$5.0M MDE Loan in the Water Fund for a transmission mains extension project; a \$1.0M MDE Loan in the Wastewater Fund for Pump Station #13 reconstruction; and a \$9.5M MDE Loan in the Wastewater Fund for plant equipment upgrades. These proposed capital expenditures are described in detail in the Capital Improvement Program (Section 7).

The following table illustrates the balance of bonded debt outstanding at the end of each fiscal year over a 12-year period since FY15. It is separated into tax supported general bonded debt and self-supporting enterprise fund debt for the City's Electric, Water, Wastewater, Parking, Property Management, and Stormwater Protection funds. As reflected in the table below, the largest growth in total outstanding debt over this 12-year period is in the general tax supported funds.

<u>Fiscal Year</u>	<u>Total Bonded Debt</u>	<u>General Tax Supported</u>	<u>Self- Supporting Enterprise</u>
2014/2015	75,417,227	18,093,422	57,323,805
2015/2016	70,939,759	16,621,899	54,317,860
2016/2017	73,754,525	20,398,887	53,355,638
2017/2018	69,769,925	19,902,356	49,867,569
2018/2019	68,050,106	21,109,308	46,940,798
2019/2020	61,980,642	18,840,748	43,139,894
2020/2021	56,911,953	16,617,257	40,294,696
2021/2022	51,841,424	14,885,822	36,955,602
2022/2023	58,129,559	13,755,890	44,373,669
2023/2024	52,226,005	12,588,178	39,637,827
2024/2025 Estimated Actual	63,712,723	27,328,301	36,384,422
2025/2026 Proposed Budget	74,727,476	25,767,850	48,959,626
12 Year Increase in Outstanding Debt	\$ (689,751)	\$ 7,674,428	\$ (8,364,179)

Finally, the City may continue to experience both direct and indirect impacts from repeated uncertainty in the Municipal Bond Market. There continue to be a variety of discussions regarding municipal bonds and how changes may impact the bond market interest rates and the cost of issuance with those bonds. As part of a prior national stimulus package, the City issued taxable Build America Bonds as part of its 2009 issuance. With this issue, the federal government was originally reimbursing 35% of the total interest paid to bondholders until December 2012 when the reimbursements were reduced. For this reason, the FY26 Proposed Budget anticipates minimal interest reimbursement.

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

DEBT LEVELS AND AFFORDABILITY

Neither State law nor the City's Charter places a limitation upon the amount of general obligation debt the City may incur. However, the City has strictly adhered to a debt management policy which is included as part of the fiscal policies section of this document to ensure it prudently and responsibly manages its debt. The debt management policy was last amended on December 16, 2014. While the City issues general obligation bonds for its utilities to lower interest costs, this debt is considered self-supporting from utility user service charges. Only non-utility general obligation financing bonds are considered to be tax supported.

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

TAX SUPPORTED GENERAL FUND OBLIGATION DEBT RATIOS

<u>Fiscal Year</u>	<u>Total Taxable Assessed Value</u>	<u>Gov't Debt as Percentage of Total Taxable Assessed Value</u>	<u>Gov't Debt Per Capita</u>	<u>General Fund Debt Service as % of General Fund Operating Revenue</u>
2014/2015	2,541,960	0.71%	448	4.44%
2015/2016	2,618,007	0.63%	411	4.85%
2016/2017	2,659,606	0.77%	504	5.15%
2017/2018	2,659,872	0.75%	494	5.51%
2018/2019	2,713,633	0.78%	525	5.49%
2019/2020	2,754,271	0.68%	469	6.42%
2020/2021	2,814,132	0.59%	382	4.19%
2021/2022	2,934,391	0.51%	342	4.40%
2022/2023	3,052,635	0.45%	315	2.88%
2023/2024	3,271,497	0.38%	288	2.59%
2024/2025 Estimated Actual	3,584,631	0.76%	625	3.27%
2025/2026 Proposed Budget	3,791,958	0.68%	590	4.08%
City Debt Policy		10.00%	\$ 1,000	10.00%

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

GENERAL FUND

REVENUES

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

	Revised Budget 2024/25	Estimated Actual 2024/25	Proposed Budget 2025/26	Percent Change
Property Tax Revenue	\$ 40,262,276	\$ 42,098,867	\$ 46,577,455	15.7%
Income & Other Taxes	7,051,689	7,781,963	7,806,837	10.7%
Licenses & Permits	2,356,000	2,600,796	2,092,750	-11.2%
Intergovernmental Revenues	1,095,955	1,058,541	765,000	-30.2%
Charges for Current Services	5,750,209	5,636,651	5,729,465	-0.4%
Fines & Forfeitures	1,127,650	1,102,800	1,121,800	-0.5%
Administrative Allocation Revenues	1,997,500	1,997,500	1,997,500	0.0%
Contributions & Donations	36,431	58,083	29,600	-18.8%
Interest on Investments	1,255,000	1,230,000	900,000	-28.3%
Other Unallocated General Revenues	282,400	243,589	212,046	-24.9%
Transfers from Other Funds	35,000	35,000	35,000	0.0%
Appropriated Use of Fund Balance	2,624,307	-	4,125,000	57.2%
Total Current Revenue	\$ 63,874,417	\$ 63,843,790	\$ 71,392,453	11.8%

1. Overall Property Tax revenue is estimated to increase from FY25 Budget to FY26 Proposed Budget by \$6.3M or 15.7% as a result of two primary factors. First, a proposed \$0.055 tax rate increase on all real property. A second factor is the projected 7.0% growth based on trends in our assessed values in the third year of the triennial cycle. Part of this growth is related to new development projects and future annexations. This total increase in revenue is needed to cover rising costs for salary enhancements, employer benefits, capital infrastructure improvements and updates, and annual debt service requirements. Total Property Tax revenue is the primary source of revenue for the General Fund at 69.3% excluding Transfers from Other Funds and Appropriated Use of Fund Balance and 65.2% when including these other funding sources.
2. Intergovernmental Revenues are expected to decrease by \$331.0K or 30.2% compared to FY25 Budget due to American Rescue Plan Act funding being utilized and expended through December 2024.
3. In total, Licenses & Permits is anticipated to decrease due to timing of one-time large new warehouse developments.
4. Interest on Investments are projected to decrease overall by <\$355.0K> or <28.3%>. This is primarily the result of anticipated Federal Reserve Board interest rate decreases in 2025 and maintaining consistent cash balances.
5. Appropriated Use of Fund Balance reflects a total request of \$4.1M to be utilized from prior years' General Fund balance for a variety of purposes. This represents an increase of \$1.5M over FY25 Budget amounts. This total reflects \$1.1M in previously approved reserve balance utilization for projects that were delayed. It also includes \$3.1M in additional reserves utilization beyond previously approved amounts from FY23 General Fund surplus. It is anticipated that the City will remain in compliance with its General Fund/Retained Earnings policy if all is spent.

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

COST BY FUNCTION

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

	Revised Budget 2024/25	Estimated Actual 2024/25	Proposed Budget 2025/26	Percent Change
Police	\$ 18,071,388	\$ 17,642,163	\$ 21,223,520	17.4%
Fire	11,379,112	11,267,044	11,948,056	5.0%
Subtotal Public Safety	29,450,500	28,909,207	33,171,576	12.6%
Mayor & Council	216,417	220,175	211,030	-2.5%
City Administrator	261,069	266,676	279,525	7.1%
City Clerk	238,164	226,327	222,421	-6.6%
Legal Counsel	281,000	272,000	352,000	25.3%
Community Engagement & Farmers Market	483,093	535,679	564,458	16.8%
Communications	304,187	277,022	313,370	3.0%
Finance	1,082,512	1,111,192	1,163,482	7.5%
Information Technology	1,624,461	1,668,192	1,979,832	21.9%
Support Services, Billing & Treasurer	652,391	623,585	577,115	-11.5%
Planning & Code Administration	2,458,335	2,579,040	2,875,782	17.0%
City Hall & Annex	410,712	434,240	438,468	6.8%
Engineering & Construction	1,472,342	1,431,737	1,398,324	-5.0%
Human Resources	736,398	731,052	770,226	4.6%
Highways, Streets, & Signal Department	3,716,559	3,504,012	3,733,885	0.5%
Waste Collection & Disposal	4,897,909	4,637,681	4,907,219	0.2%
Parks and Recreation	3,587,753	3,447,129	3,625,804	1.1%
Economic & Community Development	914,812	905,278	882,918	-3.5%
Retiree Benefits	1,656,025	1,669,800	1,820,320	9.9%
Contributions to Other Agencies	205,000	205,000	205,000	0.0%
Debt Service	2,008,831	2,086,083	2,744,680	36.6%
Capital Transfers to Other Funds	2,909,249	3,060,750	2,909,150	0.0%
Fund Balance Transfers	2,624,307	1,574,058	4,125,000	57.2%
Unallocated Expenses/Transfers*	1,662,157	1,537,000	2,112,877	27.1%
Total General Fund	\$ 63,854,183	\$ 61,912,915	\$ 71,384,462	11.8%

1. Police is anticipated to be \$3.2M or 17.4% higher than the FY25 budget. Salaries, benefits, and overtime represent \$2.8M of this due to negotiated salary increases for staff, corresponding employer benefit increases, and 13 new full-time positions (9 sworn and 4 civilian positions). In addition, there is an increase in firearms and body armor with an offsetting decrease for 911 costs to the County.
2. Fire is anticipated to be \$568.9K or 16.7% higher than the FY25 budget. Salaries, benefits, and overtime represent \$326.6K of the increase. In addition, a new contract is currently in negotiations. All other operating categories increased with the exception of contractual services.
3. The FY26 Proposed Budget for Information Technology is estimated to be \$355.4K or 21.9% higher than FY25 Budget. This increase is due to increasing costs for much needed software and security.
4. The FY26 Proposed Budget for Debt Service is estimated to be \$735.8K or 36.6% higher than FY25 Budget. This increase is due to the start of principal payments in FY26 for the bond issued in FY25.
5. The FY26 Proposed Budget for Legal Counsel reflects an increase of \$71.0K or 25.3%. A new federal lobbyist was hired in FY25 to assist the City in acquiring grants.

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

EXPENDITURES BY TYPE

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

	Revised Budget 2024/25	Estimated Actual 2024/25	Proposed Budget 2025/26	Percent Change
Salaries and Wages	\$ 26,426,463	\$ 25,805,878	\$ 29,764,132	12.6%
Employee Benefits	12,197,866	12,074,842	13,504,341	10.7%
Total Wages and Benefits	38,624,329	37,880,720	43,268,473	12.0%
Wage & Overhead Allocations	(1,689,687)	(1,591,153)	(1,808,888)	7.1%
Contracted Services	7,854,700	7,634,698	7,925,280	0.9%
Materials, Supplies & Utilities	2,912,667	2,767,613	2,862,295	-1.7%
Insurance	401,191	453,686	481,030	19.9%
Advertising & Printing	200,685	255,485	269,200	34.1%
Rentals	177,071	319,064	337,768	90.8%
Maintenance & Repairs	2,389,990	2,155,089	2,678,602	12.1%
Vehicle Expenditures	1,057,147	1,073,753	1,175,815	11.2%
Professional Development	313,533	313,413	296,480	-5.4%
Communication Expenditures	433,835	467,409	504,670	16.3%
Other General Expenditures	1,114,157	1,110,182	1,154,575	3.6%
Unallocated General Expenditures	550,000	455,000	475,000	-13.6%
Debt Service	2,008,831	2,086,083	2,744,680	36.6%
Capital Outlay - Non CIP	393,511	370,065	386,515	-1.8%
Operating Transfers to Other Funds	1,578,667	1,527,000	1,598,817	1.3%
Capital Transfers to Other Funds	2,909,249	3,060,750	2,909,150	0.0%
Fund Balance Transfer to CIP Fund	2,624,307	1,574,058	4,125,000	57.2%
Total All Expenditures	\$ 63,854,183	\$ 61,912,915	\$ 71,384,462	11.8%

The major variances in General Fund expenditures by type are as follows:

1. The \$4.6M or 12.0% increase in Total Wages & Benefits reflects salary enhancements for all employee groups. The contract for AFSCME 3373 is currently in place through 2028. Contracts for all other collective bargaining groups are currently in negotiations. Salary enhancements have been included in the budget to account for new contracts. Overtime and associated employer benefit costs are anticipated to grow. At a combined total of \$43.3M, General Fund Wages & Benefits represent 60.6% of the total annual operating expenditures for FY26 Proposed Budget and is the largest component of all General Fund expenditures.
2. Maintenance & Repairs reflects an increase of \$288.6K or 12.1% higher than current budget. Police cameras and ERP costs are the main drivers in this category. As the City begins a new ERP implementation, there will be overlapping costs between the old and the new system.
3. Fund Balance Transfer to CIP Fund is projected to increase \$1.5M or 57.2% as a result of the appropriation and reallocation of General Fund reserves in order to reduce direct transfers to CIP and to help balance the budget.
4. The \$735.8K or 36.6% increase in Debt Service reflects a significant new bond issue in FY25 to help fund the Hagerstown Field House while continuing to pay all outstanding annual debt service costs.

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

ENTERPRISE FUNDS

ELECTRIC FUND

	Revised Budget 2024/25	Estimated Actual 2024/25	Proposed Budget 2025/26	Percent Change
Operating Revenues	\$ 29,035,850	\$ 28,213,400	\$ 34,476,200	18.7%
Operating Expenses	29,573,244	29,161,820	34,868,120	17.9%
Operating Income (Loss)	(537,394)	(948,420)	(391,920)	-27.1%
Non-Operating Revenues (Expenses)	221,131	18,131	43,526	-80.3%
Gain (Loss) on Fixed Asset Disposal	(15,000)	(29,775)	(30,000)	100.0%
Transfers from (to) Other Funds	(65,920)	(65,920)	(29,650)	-55.0%
Capital Contributions & Grants	454,285	436,979	311,125	-31.5%
Increase (Decrease) in Retained Earnings	57,102	(589,005)	(96,919)	-269.7%
Add Back Depreciation	1,097,000	1,033,000	1,117,000	1.8%
Capital Outlay/Fixed Assets	(4,317,660)	(2,806,953)	(4,057,500)	-6.0%
Principal Payments on Long-Term Debt	(19,536)	(19,536)	(20,551)	5.2%
Non-Cash Developer Contributions	(186,125)	(168,819)	(186,125)	0.0%
Net Surplus (Deficit)	\$ (3,369,219)	\$ (2,551,313)	\$ (3,244,095)	-3.7%

Compared with the previous year, the major revenue changes in the Proposed Budget are:

1. The proposed budget reflects a wholesale power supply contract effective June 1, 2024 through December 31, 2026 with AEP Energy Partners at a rate of \$54.05 per megawatt hour (MWh).
2. Electric revenue shows an overall 18.7% increase which reflects an approved 7.6% increase by the Maryland Public Service Commission beginning in February 2025.
3. Non-Operating Revenues are expected to decrease by <80.3%> or <\$177.6K> as a result of lower Interest Earned from a lower cash balance.

The major expenditure changes in the Proposed Budget are as follows:

1. Purchased power costs are projected to be higher by 22.4% or \$4.7M compared to FY25 Budget and reflects the charge per megawatt hour (MWh) of \$54.05 which went into effect on June 1, 2024 and higher utilization trends as experienced in FY25.
2. Depreciation expense from FY25 Budget to FY26 Proposed Budget includes an increase of 1.8% or \$20.0K due to increasing infrastructure projects over prior levels.
3. Capital outlay totals for fixed assets are expected to decrease by <\$260.2K> to total \$4.1M. The Capital Improvement Program, Section 7, provides details on all the Electric Fund projects anticipated for FY26.
4. Annual debt service expenditures are expected to increase by 5.2% or \$1.0K. This is reflected in the Principal Payments on Long-Term Debt line above. There are no new anticipated bond issues expected for the Electric Fund in FY26.

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

WATER FUND

	Revised Budget 2024/2025	Estimated Actual 2024/25	Proposed Budget 2025/26	Percent Change
Operating Revenues	\$ 14,400,500	\$ 15,600,000	\$ 16,355,500	13.6%
Operating Expenses	18,971,163	16,137,055	20,054,851	5.7%
Operating Income (Loss)	(4,570,663)	(537,055)	(3,699,351)	-19.1%
Non-Operating Revenues (Expenses)	1,062,620	395,992	395,367	-62.8%
Transfers from (to) Other Funds	(65,920)	(65,920)	(29,650)	-55.0%
Capital Contributions & Grants	936,636	1,637,700	1,250,000	33.5%
Increase (Decrease) in Retained Earnings	(2,637,327)	1,430,717	(2,083,634)	-21.0%
Add Back Depreciation	4,229,000	3,990,000	4,213,000	-0.4%
Capital Outlay/Fixed Assets	(7,836,836)	(2,660,955)	(12,896,500)	64.6%
Principal Payments on Long-Term Debt	(1,734,848)	(1,734,848)	(1,542,992)	-11.1%
Non-Cash Developer Contributions	(250,000)	(250,000)	(750,000)	0.0%
MDE Bond Financing	2,500,000	-	5,000,000	100.0%
Net Surplus (Deficit)	\$ (5,730,011)	\$ 774,914	\$ (8,060,126)	40.7%

Compared with the previous year, the major revenue changes in the Proposed Budget are:

1. The FY26 Proposed Budget includes an average service charge revenue increase of 14.0% as approved by Mayor & Council. Future estimates are based on a cost rate study to include an increase of 14.0% in FY27, FY28, and FY29, and 3.0% for FY30. The service rate increase is part of a multi-year plan to offset increasing debt service costs, rising depreciation expense, and decreasing capital contributions. Overall total operating revenues reflect an increase of 13.6% or \$2.0M in the chart above.

The major expenditure changes in the Proposed Budget are as follows:

1. The FY26 Proposed Budget includes an increase of 5.7% or \$1.1M for total operating expenses. The FY26 Budget includes approved salary enhancements. The current AFSCME 1540 union contract is effective through June 2025 and is currently in negotiations. The increases are reflected within the Water Fund division as follows: an increase of \$305.4K in Transmission & Distribution and an increase of \$840.9K in General & Administrative Expenses.
2. Capital Contributions and Benefit Charges are expected to increase 33.5% or \$313.4K in FY26 primarily due to an increase in developer contributions.
3. Capital outlay totals for fixed assets are estimated to increase by 64.6% or \$5.1M. Projects include Water Zone #5 System Improvements, Willson Treatment Plant Improvements, and Main Replacement in the FY26 Proposed Budget figures. In future years, Willson Transmission Mains has \$29.0M budgeted for a construction period which continues through FY30. The Capital Improvement Program, Section 7, provides details on all the Water Fund projects anticipated for FY26 Budget beginning on page 136.
4. Annual debt service expenditures are expected to decrease as reflected in the Principal Payments on Long-Term Debt line above. A \$5.0M MDE loan for FY26 planned improvements is anticipated.

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

WASTEWATER FUND

	Revised Budget 2024/25	Estimated Actual 2024/25	Proposed Budget 2025/26	Percent Change
Operating Revenues	\$ 15,359,200	\$ 16,344,700	\$ 16,933,300	10.2%
Operating Expenses	16,981,692	16,538,694	16,851,786	-0.8%
Operating Income (Loss)	(1,622,492)	(193,994)	81,514	-105.0%
Non-Operating Revenues (Expenses)	324,656	389,683	683,311	110.5%
Gain (Loss) on Fixed Asset Disposal	1,500	10,000	1,500	0.0%
Transfers from (to) Other Funds	(65,920)	(65,920)	(29,650)	-55.0%
Capital Contributions & Grants	11,625,784	7,525,784	2,000,000	-82.8%
Increase (Decrease) in Retained Earnings	10,263,528	7,665,553	2,736,675	-73.3%
Add Back Depreciation	3,609,000	3,304,000	3,791,000	5.0%
Capital Outlay/Fixed Assets	(15,536,222)	(9,271,546)	(21,775,000)	40.2%
Principal Payments on Long-Term Debt	(1,411,922)	(1,411,922)	(1,067,167)	-24.4%
Non-Cash Developer Contributions	(250,000)	(150,000)	-	-100.0%
MDE Bond Financing	1,500,000	-	10,500,000	600.0%
Net Surplus (Deficit)	\$ (1,825,616)	\$ 136,085	\$ (5,814,492)	218.5%

Compared with the previous year, the major revenue changes in the Proposed Budget are:

- The FY26 Proposed Budget includes an average service charge revenue increase of 13.0% as approved by Mayor & Council. Future estimates are based on a cost rate study to include an increase of 13.0% in FY27 and FY28, and 3.0% for FY29 and FY30. The service rate increase is part of a multi-year plan to offset increasing debt service costs, rising depreciation expense, and decreasing capital contributions. Overall total operating revenues reflect an increase of 10.2% or \$1.6M in the chart above.

The major expenditure changes in the Proposed Budget are as follows:

- The FY26 Proposed Budget includes an overall decrease of <0.8%> or <\$129.9K> for total operating expenses. The FY26 Budget includes approved salary enhancements. The current AFSCME 1540 union contract is effective through June 2025 and is currently in negotiations. There are offsetting decreases collections and administrative costs.
- Capital Contributions & Grants are projected to decrease by <82.8%> or <\$9.6M> due to American Rescue Plan Act (ARPA) funding and other Intergovernmental grants utilized for Capital Improvement Projects ending.
- Capital outlay totals for fixed assets are projected to increase by 40.2% or \$6.2M. Prominent projects include WWT Plant Equipment, WWT Buildings & Structures, and Solids Processing Facility Improvements. The Capital Improvement Program, Section 7, provides details on all the Wastewater Fund projects anticipated for the FY26 Budget.
- \$10.5M in MDE Loans for Pump Station #13 reconstruction and plant equipment upgrades is anticipated for the Wastewater Fund in the FY26 Proposed Budget. Annual debt service expenditures are expected to decrease slightly as reflected in the Principal Payments on Long-Term Debt line above for payment of current outstanding obligations.

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

PARKING FUND

	Revised Budget 2024/25	Estimated Actual 2024/25	Proposed Budget 2025/26	Percent Change
Operating Revenues	\$ 1,276,939	\$ 1,386,309	\$ 1,420,940	11.3%
Operating Expenses	1,480,511	1,461,692	1,455,555	-1.7%
Operating Income (Loss)	(203,572)	(75,383)	(34,615)	-83.0%
Non-Operating Revenues (Expenses)	(316,299)	(321,475)	(459,473)	45.3%
Transfers from (to) Other Funds	(11,320)	(11,320)	(4,400)	-61.1%
Increase (Decrease) in Retained Earnings	(531,191)	(408,178)	(498,488)	-6.2%
Add Back Depreciation	526,400	503,900	512,500	-2.6%
Capital Outlay/Fixed Assets	(35,000)	(386,602)	(89,000)	154.3%
Principal Payments on Long-Term Debt	(10,633,835)	(10,633,835)	(238,730)	-97.8%
Bond Proceeds	10,600,000	10,600,000	-	0.0%
Net Surplus (Deficit)	\$ (73,626)	\$ (324,715)	\$ (313,718)	326.1%

Compared with the previous year, the major revenue changes in the Proposed Budget are:

1. Parking rates were last increased for the parking decks and parking lots by Mayor & Council on July 1, 2024. While no rate increases are reflected separately for FY26, rates are being reviewed to determine overall pricing strategy for rates in the two parking decks and the new HUB City Garage. Current parking deck permit rates in University District are \$70/month, A&E are \$80/month, and the HUB City Garage are \$90/month. The maximum is \$24.00/day. Hourly parking is \$2 in all parking decks. Sunday parking is free from 6 AM to 2 PM. Parking lot rates are \$56/month.
2. Operating revenues are anticipated to increase by 11.3% or \$144.0K from FY25 Budget to FY26 Budget. This is primarily due to the opening of the Hub City Garage and the increase in revenue it is expected to bring in.

The major expenditure changes in the Proposed Budget are as follows:

1. Total operating expenses in the FY26 Proposed Budget reflects a decrease of <1.7%> or <\$25.0K>. The primary reasons for this decrease are the costs associated with the Hub City Parking Garage being open and operational and a decrease in Parking Enforcement expenses. The current AFSCME 1540 union contract is effective through June 2025 and a new contract is currently being negotiated.
2. Principal Payments on Long-Term Debt will decrease <\$10.4M> in FY26 as the Bond Anticipation Note (BAN) for the Hub City Garage is refunded. Bond Proceeds include \$10.6M for the issuance of a GO Bond for the construction of the Hub City Garage which was completed in FY25.
3. Non-Operating Expenses are projected to increase 45.3% or \$143.2K due to an increase in bond interest expense related to the Hub City Garage.
4. Capital outlay totals for fixed assets are projected to increase by \$54.0K due to a vehicle purchase and upgrades to parking decks. The Capital Improvement Program, Section 7, provides details on all the Parking Fund projects anticipated for FY26.

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

GOLF COURSE FUND

	Revised Budget 2024/25	Estimated Actual 2024/25	Proposed Budget 2025/26	Percent Change
Operating Revenues	\$ 378,400	\$ 387,400	\$ 387,400	2.4%
Operating Expenses	734,371	735,843	777,343	5.9%
Operating Income (Loss)	(355,971)	(348,443)	(389,943)	9.5%
Non-Operating Revenues (Expenses)	62,493	70,493	15,000	-76.0%
Transfers from (to) Other Funds	150,000	150,000	200,000	33.3%
Capital Contributions & Grants	-	-	112,500	0.0%
Increase (Decrease) in Retained Earnings	(143,478)	(127,950)	(62,443)	0.0%
Add Back Depreciation	74,100	71,900	93,300	25.9%
Capital Outlay/Fixed Assets	(159,493)	(154,163)	(259,000)	62.4%
Net Surplus (Deficit)	\$ (228,871)	\$ (210,213)	\$ (228,143)	-0.3%

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

- Overall operating revenues are anticipated to increase by 2.4% or \$9.0K from FY25 Budget to FY26 Proposed Budget due to increases in Greens Fees, Cart Rental, and Tournament revenue. The current FY25 trends are higher than FY25 Budget levels and it is anticipated that FY26 will improve slightly more. The last rate adjustments for the Golf Course happened on January 1, 2021.
- The operating expenses in the FY26 Budget are 5.9% or \$43.0K higher than FY25 Budget primarily due to Salaries & Wages and overtime costs.
- Transfers from Other Funds is projected to increase by 33.3% or \$50.0K due to an increase in the General Fund subsidy to \$200.0K necessary to help offset the expenses and project costs.
- Capital outlay totals for fixed assets are expected to increase from FY25 Budget to FY26 Budget by 62.4% or \$99.5K. The Capital Improvement Program, Section 7, provides details on the Golf Fund project anticipated for FY26.

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

PROPERTY MANAGEMENT FUND

	Revised Budget 2024/25	Estimated Actual 2024/25	Proposed Budget 2025/26	Percent Change
Operating Revenues	\$ 231,165	\$ 247,754	\$ 226,470	-2.0%
Operating Expenses	444,404	446,512	458,945	3.3%
Operating Income (Loss)	(213,239)	(198,758)	(232,475)	9.0%
Non-Operating Revenues (Expenses)	22,849	20,249	16,825	-26.4%
Increase (Decrease) in Retained Earnings	(190,390)	(178,509)	(215,650)	13.3%
Add Back Depreciation	111,200	102,800	112,900	1.5%
Capital Outlay/Fixed Assets	(90,000)	(10,000)	(140,000)	55.6%
Principal Payments on Long-Term Debt	(6,036)	(6,036)	(6,451)	6.9%
Net Surplus (Deficit)	\$ (175,226)	\$ (91,745)	\$ (249,201)	42.2%

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

1. Overall operating revenues are anticipated to decrease by <2.0%> or <\$4.7K> due to rental income loss as Community & Economic Development prepares to move from the Elizabeth Hager Center to a newly purchased City building not held by Property Management Fund. In addition, several tenants have vacated rental properties.
2. Total operating expenses in the FY26 Proposed Budget reflect an overall increase of 3.3% or \$14.5K compared to the FY25 Budget primarily due to increases in personnel expenses.
3. Non-Operating Revenues (Expenses) are projected to decrease by <26.4%> or <\$6.0K> from FY25 Budget to FY26 Proposed Budget as a result of a decrease in interest revenue and maintaining current cash balance.
4. Capital outlay totals for fixed assets are projected to increase by 1.5% or \$50.0K as a result of normal improvements for FY26. The Capital Improvement Program, Section 7, provides details on the various Property Management Fund projects anticipated for FY26 Budget.

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

**STORMWATER PROTECTION
FUND**

	Revised Budget 2024/25	Estimated Actual 2024/25	Proposed Budget 2025/26	Percent Change
Operating Revenues	\$ 3,295,000	\$ 3,975,000	\$ 4,065,000	23.4%
Operating Expenses	1,355,880	1,145,532	1,372,162	1.2%
Operating Income (Loss)	1,939,120	2,829,468	2,692,838	38.9%
Non-Operating Revenues (Expenses)	175,051	210,251	178,936	2.2%
Transfers from (to) Other Funds	(100,000)	(100,000)	-	-100.0%
Capital Contributions & Grants	689,825	279,825	295,000	-57.2%
Increase (Decrease) in Retained Earnings	2,703,996	3,219,544	3,166,774	17.1%
Add Back Depreciation	160,300	115,000	187,700	17.1%
Capital Outlay/Fixed Assets	(4,039,825)	(928,340)	(4,950,000)	22.5%
Principal Payments on Long-Term Debt	(38,981)	(38,981)	(40,657)	4.3%
Net Surplus (Deficit)	\$(1,214,510)	\$2,367,223	\$ (1,636,183)	34.7%

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

1. An updated three-year cost model approved in July 2024 includes a rate increase from \$36.00 to \$38 per 1,000 square feet of impervious area on July 1, 2025 through June 30, 2028.
2. Operating revenues are projected to increase 23.4% or \$770.0K in FY26 due to a rate increase and maintaining the current customer base. Non-operating revenues are expected to increase as a result of interest income increasing due to a growing cash balance.
3. Total operating expenses in the FY26 Proposed Budget are anticipated to increase by 1.2% or \$16.3K compared to the FY25 Budget due to increases in infrastructure maintenance.
4. Depreciation expense is projected to increase by 17.1% or \$27.4K from FY25 Budget to FY26 Proposed Budget due to investment in infrastructure in the fund.
5. Capital outlay totals for fixed assets are projected to increase by 22.5% or \$910.2K as a result of stream restorations, retrofits of existing flood-control stormwater facilities, and normal improvements for FY26. The Capital Improvement Program, Section 7, provides details on the various Stormwater Protection Fund projects anticipated for FY26 Budget.

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

SPECIAL REVENUE FUNDS

**COMMUNITY DEVELOPMENT BLOCK
GRANT FUND**

	Revised Budget 2024/25	Estimated Actual 2024/25	Proposed Budget 2025/26	Percent Change
CDBG Grant Revenues	\$ 1,158,138	\$ 787,405	\$ 1,332,982	15.1%
Program Income	165,075	68,075	87,065	-47.3%
Total Operating Revenues	1,323,213	855,480	1,420,047	7.3%
Commercial/Industrial Improvements	65,000	35,000	47,915	-26.3%
Clearance & Demolition	100,000	-	160,000	60.0%
Public Facilities & Improvements	414,344	463,658	400,000	-3.5%
Public Services	140,000	138,576	130,000	-7.1%
Contra Principal Payments	140,000	60,000	75,000	-46.4%
Housing Rehab	320,982	207,000	295,083	-8.1%
Program Administration	92,839	93,588	99,812	7.5%
Administration	179,999	206,543	190,551	5.9%
Total Operating Expenditures	1,453,164	1,204,365	1,398,361	-3.8%
Net Change in Fund Balance	\$ (129,951)	\$ (348,885)	\$ 21,686	-116.7%

Compared with the previous year, the major revenue changes in the Proposed Budget are as follows:

1. Total Revenues reflect an overall increase of \$96.8K or 7.3% from FY25 Budget. This is a result of an increase in the use of Entitlement monies by \$174.8K or 15.1% and from an offsetting decrease in program income by <\$78.0K> or <47.3%> as it returns to normal levels compared to FY25. There is chart that reflects the City's entitlement funding history in Section 4 on page 6.

Compared with the previous year, the major expenditure changes in the Proposed Budget are:

1. Clearance & Demolition is projected to increase by \$60.0K or 60.0% for FY26 Budget for a new program to assist with the demolition of detached garages.
2. Commercial/Industrial Improvements are projected to decrease by <\$17.1K> or <26.3%> in FY26 due to the reduction of Microenterprise Grants.
3. Contra Principal Payments are projected to decrease by <\$65.0K> or <46.4%> in FY26.

CITY OF HAGERSTOWN'S BUDGET MESSAGE
FISCAL YEAR 2026

THE BUDGET SCHEDULE

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

The budget schedule for this year is as follows:

November 7 – November 18, 2024	Department review meetings for 1 st Quarter FY25 financial operating results
December 5, 2024	First Public Hearing on Community Development Block Grant funding needs
January 3 – January 27, 2025	Department budget requests and start of review meetings between Department Directors and Budget Committee
February 1, 2025	Begin prioritizing department requests and developing City Administrator adjustments. This process includes discussing proposed adjustments, obtaining further input, and agreement on adjustments with departments.
March 31, 2025	City Administrator’s Proposed Budget submitted to Mayor and City Council
April 1 – May 13, 2025	Mayor and City Council review of Proposed Budget and Capital Improvement Program
May 6, 2025	Second Public Hearing on Community Development Block Grant funding needs
May 13, 2025	Introduction of Ordinances: FY26 Budget and Property Tax Rates
May 13, 2025	Public Hearing on FY26 Budget and Capital Improvement Program; Public Hearing on property tax rates
May 20, 2025	Adoption of Ordinances: FY26 Budget and Property Tax Rates

ACKNOWLEDGEMENTS

This proposed budget is a result of the unified efforts of the City's Senior Leadership Team across all departments and Funds and their staff who have given hours of thought and diligence to prioritizing the programs and projects for inclusion. We commend and thank them for their work.

Preparation of the budget is a unified effort, but we must recognize the Finance Team as the lead in guiding the budget preparation. We wish to especially acknowledge Finance team members: Brooke Garver, Accounting & Budget Manager; Jeff Lear, Senior Financial Accountant; and Heidi Herman, Senior Financial Accountant, who had key responsibilities in the process this year. The entire Finance staff deserves special acknowledgment and credit for the extra hours worked in assisting with and coordinating the production of this year's budget. Ashley Newcomer, Utilities Finance Manager assisted in the preparation of utility revenue projections as well as reviewing and analyzing all of the utility fund budgets. Human Resources staff provided oversight on personnel and fringe benefit budget issues. All of the mentioned contributions have resulted in this comprehensive presentation of the FY26 Budget. The staff and I look forward to reviewing this proposed budget with you.

Respectfully Submitted,



Scott Nicewarner, City Administrator

Organizational Structure

City of Hagerstown Elected Officials



Mayor
William
McIntire



Councilmember
Kristin B.
Aleshire



Councilmember
Caroline
Anderson



Councilmember
Erika
Bell



Councilmember
Tiara
Burnett

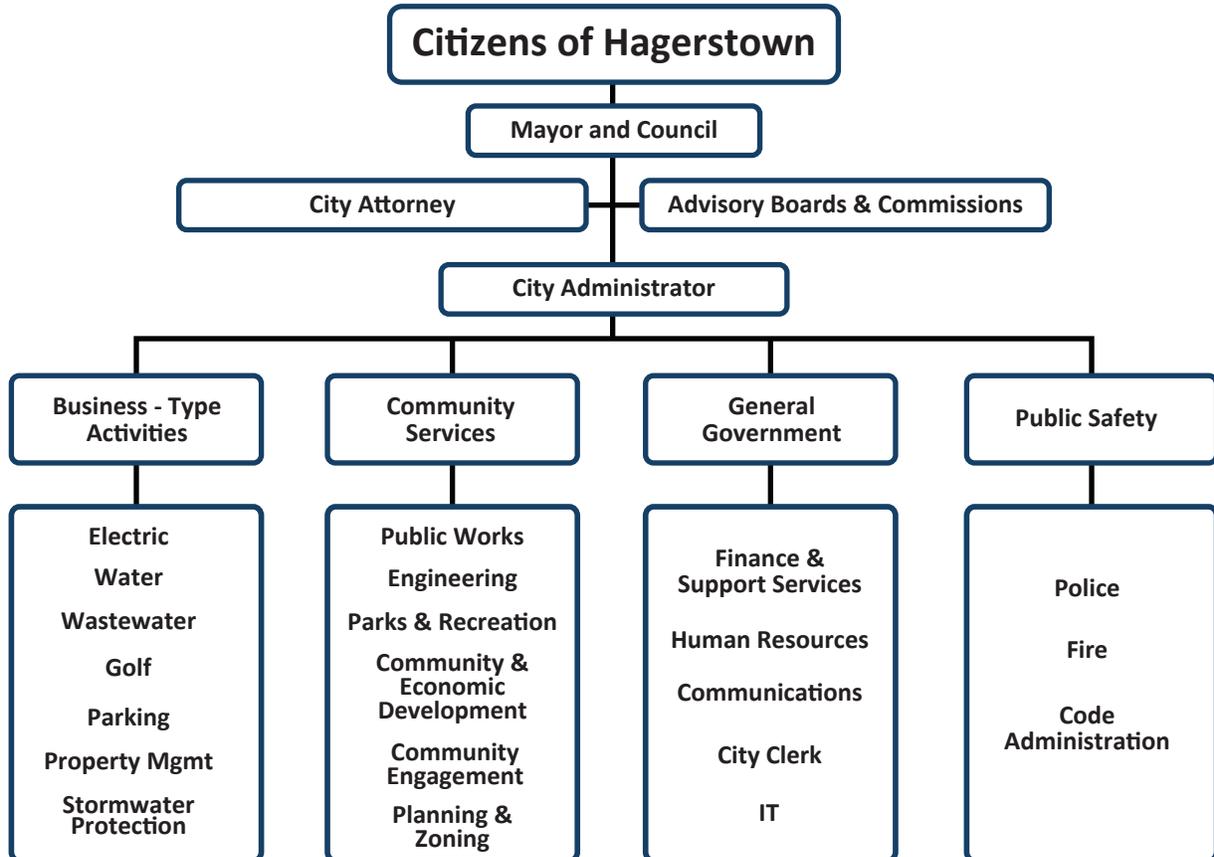


Councilmember
Sean
Flaherty

City of Hagerstown Structure



Scott Nicewarner, City Administrator



DEPARTMENT CROSS MATRIX
FISCAL YEAR 2024/2025

City Wide Department Cross Matrix

Department	General-Other	Type of Fund	Related Sections
Mayor	General	Governmental	Section 2
City Council	General	Governmental	Section 2
Registration/Elections	General	Governmental	Section 2
City Administrator	General	Governmental	Section 2
City Clerk	General	Governmental	Section 2
Community Engagement	General	Governmental	Section 2
Legal	General	Governmental	Section 2
Finance	General	Governmental	Section 2
Support Services	General	Governmental	Section 2
Information Technology	General	Governmental	Section 2
Human Resources	General	Governmental	Section 2
Communications	General	Governmental	Section 2
Planning	General	Governmental	Section 2
Code Administration	General	Governmental	Section 2
Community & Economic Development	General	Governmental	Section 2
City Engineer	General	Governmental	Section 2
Sanitation	General	Governmental	Section 2
Parks & Recreation	General	Governmental	Section 2
Police	General	Governmental	Section 2
Fire	General	Governmental	Section 2
Public Works	General	Governmental	Section 2
City Hall	General	Governmental	Section 2
CIP-General	Capital Improvement	Governmental	Section 7
Community Development Block Grant	Special Revenue	Governmental	Section 4
Economic Redevelopment	Special Revenue	Governmental	Section 4
Business Revolving Loan	Special Revenue	Governmental	Section 4
Forest Conservation Fund	Special Revenue	Governmental	Section 4
Flexible Spending Fund	Special Revenue	Governmental	Section 4
Excise Tax Fund	Special Revenue	Governmental	Section 4
Grant Fund	Special Revenue	Governmental	Section 4
Electric	Utility Fund	Enterprise/Business Type	Section 3, Section 7
Water	Utility Fund	Enterprise/Business Type	Section 3, Section 7
Wastewater	Utility Fund	Enterprise/Business Type	Section 3, Section 7
Parking	Parking Fund	Enterprise/Business Type	Section 3, Section 7
Golf Course	Golf Course Fund	Enterprise/Business Type	Section 3, Section 7
Property Management	Property Management Fund	Enterprise/Business Type	Section 3, Section 7
Stormwater Protection	Stormwater Protection Fund	Enterprise/Business Type	Section 3, Section 7
Workers Compensation	Workers Compensation Fund	Service & Trust	Section 5
Health Care	Health Care Fund	Service & Trust	Section 5
Dental Care	Dental Care Fund	Service & Trust	Section 5
Bloom Carlile	Bloom Carlile Fund	Service & Trust	Section 5

SECTION 1 - MAYOR & COUNCIL STRATEGIC PLAN 2025-2028

Through a combination of financial management policies, land use, and forecasting, the City will ensure stability by maximizing its use of resources. To assist the Mayor and City Council, a five year forecast of the City's General and Enterprise Funds is included in the City's budget document to illustrate the financial impact of their decisions. On February 25, 2025, Mayor and Council adopted their new Strategic Plan for 2025 through 2028. As outlined below, eleven Focus Areas were derived from Mayor and Council's Vision and Mission Statement that was also approved by the elected body February 25, 2025.

Vision Statement: The City of Hagerstown will inspire an inclusive, business-friendly, and sustainable community with clean, safe and vibrant neighborhoods.

Mission Statement: We are dedicated to creating a thriving community where diversity is celebrated, economic development flourishes, and the quality of life is enhanced through collaborative and consistent representation.

The City will emphasize the following Focus Areas through the implementation of the Mayor & Council's Strategic Plan:

- Affordable Housing & Homeless Solutions
- Blight and Urban Revitalization
- Water/Wastewater Sustainability
- Diversity, Equity, Inclusion, and Accessibility (DEIA)
- Economic Development
- Public Safety
- Social Issues
- Civic Pride
- The Arts
- Green Space
- Community Engagement

SECTION 1 - MAYOR & COUNCIL STRATEGIC PLAN 2025-2028

AFFORDABLE HOUSING & HOMELESS SOLUTIONS

- Evaluations of the pros/cons of rent stabilization.
- Explore feasibility of zoning for Accessory Dwelling Units (ADU).
- First time homebuyer program to promote home ownership.
- Support CHOICE Neighborhoods program to improve the quality of life in under-developed areas.
- Examine strategies to reduce homelessness, including work with the Homeless Coalition and getting all stakeholders to the table.

BLIGHT AND URBAN REVITALIZATION

- Examine staffing levels in Planning and Code Administration.
- Revisit City Code to identify more modern-day activity.
- Develop a checklist of steps for starting a business, including permit applications.
- Provide additional help for those starting a business for the first time.
- Establish contacts sooner in the development process with developers rehabilitating older buildings.
- Continue to identify and provide opportunities to move properties from blight to productive use.
- Identify alleys/streets and evaluate lighting improvements for safety.
- Continue the implementation of the no-bid tax sale property process.
- Examine and implement stronger initiatives to purchase/acquire vacant properties.



WATER / WASTEWATER SUSTAINABILITY

- Establish water / wastewater rate model and regularly review and modify if necessary.
- Support improvements to the Edgemont Reservoir and other systems.
- Secure a long-term supply source for water, including the adequacy of storage.
- Increase demand on State agencies related to funding and capacity increases for water and wastewater.
- Investigate and possibly implement a rain garden initiative to aid in stormwater renewal.
Examine our wholesale water customer philosophy.

SECTION 1 - MAYOR & COUNCIL STRATEGIC PLAN 2025-2028



DIVERSITY, EQUITY, INCLUSION, AND ACCESSIBILITY (DEIA)

- Establish a DEI program to promote inclusivity, ensure equal access to services, and support diverse populations.
- Incorporate Spanish language translation into agenda and meeting broadcasts.
- Promote inclusive vendor selection bid process.
- Include Accessibility (A) to DEIA initiatives.
- Include diversity training and awareness in the employee orientation process and continual education for all staff.



ECONOMIC DEVELOPMENT

- Foster growth of woman owned businesses through initiatives.
- Develop programs long-term on how to attract higher paying jobs, diversify portfolio of job opportunities.
- Mentorship programs for business development through workshops to increase opportunities for sustainability.
- Building closer relationships in the permit process and providing better communication as to how to open a business in Hagerstown.
- Understanding of the grants process for small business and providing more opportunities to be involved in grant offerings.

PUBLIC SAFETY

- Improve the direct relationship between public safety and residents.
- Expand the Operation Take Back initiative to include more neighborhoods.
- Examine the Neighborhoods 1st initiative and look to expand its role in the community.
- Evaluate locations for new fire stations in Hagerstown through site analysis and through thoughts on public safety location consolidations.
- Look to re-introduce law enforcement in neighborhood substations in various communities to provide better access.
- Evaluate sending of fire apparatus and staff outside city boundaries and the funding of those calls to the city.

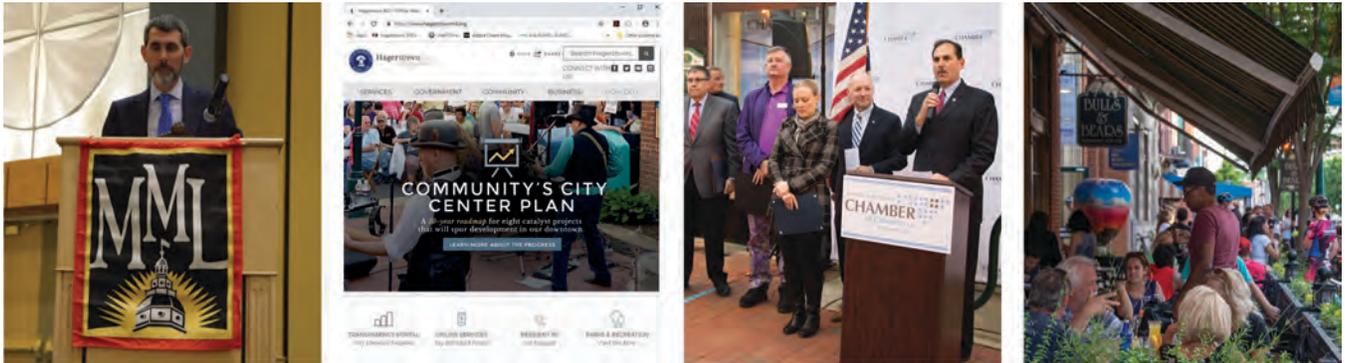


SOCIAL ISSUES

- Allocate funding to non-profits focusing on addressing social issues, including mental health, homelessness, addiction and family services.
- Work to advocate for legislation and reinforce effort for treatment centers and sober homes and work towards public-private partnerships to accomplish the same.
- Invest in a youth violence initiative to create positive alternatives for at-risk youth. Broaden into City school system. (ENVY).
- Utilize state and federal funding to address social issues happening in our community.
- Develop a strategy to use the funds provided by the Opioid Restitution Fund.
- Work with community stakeholders and elected officials on legislation related to gang violence, and juvenile crime.

CIVIC PRIDE

- Celebrate the work of city departments and individual staff members to foster pride in public service and excellence in municipal operations.
- Review and adjust the Citizens Academy in HPD to include more focus on City department operations, boards and commissions to foster citizen participation.
- Involve the citizens in neighborhood cleanup and conversations related to the well-being and safety of the area in which they live.
- Increase youth involvement in City decision making.
- Revive the historical recognition of our citizens at Memorial Park.



THE ARTS

- Invest in arts and interactive improvement throughout the city, creating vibrant public spaces that promote creativity and community engagement.
- Collaborate with local artists, students, and other stakeholders to install public art along cultural trail and in blighted areas.
- Foster partnerships with local artists and organizations to organize community-driven art events and initiatives that promote local talent and bring people together.
- Enhance the cultural trail with art related to items that had their genesis in Hagerstown and display them either along the trail or in buildings near the trail in a manner similar to Hatter's Plaza.

SECTION 1 - MAYOR & COUNCIL STRATEGIC PLAN 2025-2028

GREEN SPACE

- Increase options for innovative growing spaces throughout our neighborhoods.
- Research and provide strategies for hydroponic growing initiatives.
- Establish a city-wide community garden initiative to support urban agriculture, offer gardening education, and encourage sustainable food supply.
- Identify vacant or underused properties that could be repurposed into community gardens, ensuring better use of those spaces and contributing to the city's environmental sustainability goals.
- Evaluate long-term areas of land interest to reclaim as green space within the community.

COMMUNITY ENGAGEMENT

- Rotation of Council meetings to allow more involvement of neighborhoods in the legislative process.
- Support the concept of a public safety training center to improve working conditions for public safety and better serve the community.
- Reinstate community resource officers into our communities to improve policing efforts and enhance public safety.



SECTION 1 – DEPARTMENTAL GOALS 2025

The Mayor and City Council took office in November 2024 and approved a new Strategic Plan with 11 Focus Areas in 2025 that will set the foundation to be built upon during the remaining years of this Administration. The current vision statement: *The City of Hagerstown will inspire an inclusive, business-friendly, and sustainable community with clean, safe and vibrant neighborhoods.* This is the current focus and is carried on through the Departmental Goals of this section. You will find that some of the goals are multi-year, and phases have been carried forward from previous years, and may be carried into future years. We recognize that this is a working plan, and that at times, priorities may shift. We also understand that the plan is subject to fiscal constraints. In general, these goals as presented here, solidify the team's commitment to the City's vision statement.

CITY CLERK

- Implement a new meeting management program.
- Continue working to create retention schedules that reflect current Department/Division organization.
- Research Maryland State Archives and Federal government regulations regarding document retention.
- Create an outline of databases for specific documents for ease in locating records.

COMMUNITY ENGAGEMENT

Arts & Entertainment District. Maintain the City's designation as an Arts and Entertainment District and manage supporting programs.

- Host an Arts and Music Festival within the district
- Offer professional development opportunities for local artists
- Continue to develop new public arts projects
- Apply and receive grant funding for arts and entertainment programming
- Increase corporate sponsorship and volunteer base

Main Street Hagerstown. Maintain the City's designation as a Main Street Community and manage volunteer engagement and programs using the 5-point Main Street Maryland model: (1) Economic Vitality; (2) Design; (3) Promotion; (4) Organization; and (5) Clean, Safe, and Green.

- Support the Main Street Hagerstown Advisory Council, engage business owners, hold various types of events downtown, and encourage organizations to host their events downtown.
- Establish key community partnerships for involvement in events and initiatives.
- Maintain a Downtown Gift Card program and encourage all businesses to be part of this program.
- Focus on the Main Street Transformation Strategies: Sports Tourism, Arts & Entertainment, and Heritage Tourism.

Special Events and Festivals

- **City Organized, Partnered and Supported Events.** Plan and implement a range of special events and festivals delivered by the City of Hagerstown and/or in partnership. Provide support through sponsorship of additional events. Events include, but are not limited to: MDWK Music & Market, artisan markets, HAGERFEST Arts & Music Festival, Thunder in the Square, Mummer's Parade, downtown Tree Lighting, Holly Fest, the Donut Drop and more.
- **Support for Downtown Events.** Encourage and provide support to organizations that select Downtown Hagerstown as the venue for their events. Provide guidance to outside event planners with the goal of increasing the number of events held annually downtown.
- **City Farmers' Market.** Operate and manage the outdoor, seasonal Historic City Farmers' Market and explore related opportunities.

SECTION 1 – DEPARTMENTAL GOALS 2025

DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT

The following objectives for the Department of Community & Economic Development (DCED) encompass our programmatic work.

- To drive new development and investment in the City and Downtown resulting in the stabilization and growth of the City's assessable base and new jobs.
- To strengthen City neighborhoods and homeownership through community engagement and addressing blighted/abandoned properties and housing stock issues.
- To promote and advance the image and quality of life of the City for the economic benefit of existing businesses and for new residential and commercial investment.

The following are programmatic-level goals for the Department of Community & Economic Development (DCED).

Downtown Plan. In 2025, engage a consultant for the development of the next 10-Year Downtown Plan. Until the new plan is adopted, maintain a focus on implementation opportunities for the catalyst projects identified in the 10-year Community's City Center Plan (2014-2024).

- Catalyst Project #1: Office Development and Recruitment/Infill Development
- Catalyst Project #2: Maryland Theatre Expansion of Programming and Facilities
- Catalyst Project #3: USMH Expansion Support
- Catalyst Project #5: Linking City Park/WCMFA and the A&E District with Trail & New Housing
- Catalyst Project #6: Expanded Downtown Arts/Events Programming
- Catalyst Project #8: Expanded and Targeted Home Ownership Support

Monitor opportunities related to select catalyst projects.

- Catalyst Project #4: Hotel/Conference Center and Heritage Center/Commemorative Park
- Catalyst Project #7: Expanded Operations of the City Farmer's Market

Urban Improvement Project. With the Urban Improvement Project completed, support resulting secondary development and explore additional phases of large-scale urban improvement. Support the Mayor and City Council's work to expand cultural and academic opportunities in Downtown. (The Urban Improvement Project includes the expansion of the Maryland Theatre, Barbara Ingram School for the Arts (BISFA), and the University System of Maryland at Hagerstown (USMH) as well as the creation of a plaza)

Grants Management. Administer multiple grants through the State of Maryland Community Legacy Program, Strategic Demolition Fund, and other grant sources to support economic development, community development, incentive programs and property rehabilitation.

COMMUNITY DEVELOPMENT

- **Community Development Block Grant & Supported Programs.** Manage the Community Development Block Grant (CDBG) Program, which provides funding to Public Service Programs, Homeowner Rehabilitation Programs, Capital Improvement Projects, and additional programs.
- **Youth Engagement.** Support and grow the initiatives and activities of the Hagerstown Youth Council (HYC). The effort will provide a voice for youth in City government and will foster civic engagement.

SECTION 1 – DEPARTMENTAL GOALS 2025

- **Strategic Demolition and Repurposing of Abandoned Property.** Work cross department to fully launch and administer a program to repurpose problem, abandoned properties that fail to transfer ownership through the traditional tax sale process. This includes demolition of dilapidated, abandoned property (when necessary) and transfer of ownership to a qualifying entity or homeowner. Explore program expansion beyond tax sale properties for blight removal throughout the City.
- **Choice Neighborhoods Program.** Work in partnership with the Hagerstown Housing Authority on the completion of the Choice Neighborhoods Planning Grant and the development of a community-based Transformation Plan that strengthens the study area through a holistic approach focused on People, Neighborhood and Housing. Evaluate readiness and timing for application to the Choice Neighborhoods Implementation Grant when the Notice of Funding Opportunity (NOFO) is issued by the U.S. Department of Housing and Urban Development (HUD).
- **Hagerstown Homeownership Initiative.** Support and grow homeownership in the City of Hagerstown. Administer the Invest Hagerstown Homeownership Initiative which provides \$7,500 in down payment and/or closing cost assistance to qualified applicants. Explore additional efforts and/or programs to foster homeownership.

ECONOMIC DEVELOPMENT

- **Business Retention, Expansion and Attraction.** Work with existing and prospective business owners and investors to retain, expand, and attract investment in Hagerstown. These efforts include the administration of a range of incentives and programs (Partners in Economic Progress (PEP), Invest Hagerstown Grant Programs, CDBG Microenterprise Grant, and others) as well as services such as grand opening and anniversary events. These efforts also include the goals of: 1.) greater diversification of the industries sectors within the economy; and 2.) increased awareness of incentives, programs and services to support business startup, growth and sustainability including among population segments such as women, minority and veteran-owned businesses.
- **Sports Tourism.** With the City's Hagerstown Field House project complete, monitor and support secondary economic development opportunities related to sports and sports-tourism industries.
- **Hagerstown Revolving Loan Fund.** Manage a business revolving loan program designed to provide financing for new and expanding businesses for working capital, equipment, property acquisition, and property rehabilitation.
- **Property Management.** Lease available space in City-owned properties including attracting tenants and managing lease renewals.
- **Commercial Development and Competitive Negotiated Sale (CNS).** Catalyze commercial development by enhancing City-owned properties and marketing these properties to private investors through the Competitive Negotiated Sale process (CNS) with the goal of returning properties to the private sector for active, contributing uses.
- **Annexation Opportunities.** Explore opportunities to facilitate annexation as a means of enhancing the tax base of the City and facilitating provision of services.

SECTION 1 – DEPARTMENTAL GOALS 2025

FINANCE AND SUPPORT SERVICES

FINANCE

New ERP. Work with the new ERP vendor, Workday, and IT to implement new ERP system.

Cost Allocation Plan. Work with an outside vendor to update the City's Cost Allocation Plan. The current Cost Allocation Plan was last updated in FY 2008. A cost allocation plan calculates the government-wide direct and indirect costs to departments and funds that receive services from other departments. A successful cost allocation plan will enable the City to equitably share the costs of shared facilities and support services and help identify the actual cost of services provided to the Utility funds.

Enhancements to Treasury Management Services. Work with the City's local bank to incorporate the ability to upgrade the bank reconciliation process. This new service will increase efficiency within the department.

Update P-Card and Purchasing Policy. A primary portion of the expenses across the City are monitored via the existing purchasing and P-card policies. These policies establish key limits of authority across all areas including the Director of Finance and the City Administrator. Like any other fiscal policy, this specifically needs to be reviewed and updated and will require a cross-department team to make suggestions for ultimate Mayor and Council approval.

SUPPORT SERVICES

Stormwater Billing. In FY21, the City enacted a Stormwater User Fee. Staff will continue to work to ensure Stormwater User Fees are accurate and customers are receiving the correct billing and credits. Staff will continue to work with Engineering to make sure all fees are being correctly charged and all accounts billed.

Customer Needs Automated Communication Project. Staff began planning for implementation of a text and email communication system that will interface with our current Utility Billing system to provide real time information to our customers/ This will provide citizens with information on power outages, water outages, potential interruption of service, and any other pertinent information. This project is scheduled to be completed by May 2025.

Implement New Utility Billing and Customer Service Software. Implement new Utility Billing Software and Customer Service software in FY2026. This will be more user-friendly with quicker access to links in order to meet the needs of customers through the continuing changes the pandemic brought in a more efficient manner. The introduction of new Billing and CIS Software that will integrate with our online payment portal, InvoiceCloud will provide many additional features for our customers.

Customer Service and Utility Billing Relocation. Customer Service and the Utility Billing operation have moved to their new location, the former M & T Bank building at 32 N. Potomac Street, in FY25. There is a drive-up window for the convenience of the customers, along with parking behind the new location. There will be an outside Customer Kiosk, and it will be implemented in the coming months. This will offer after hours convenience for our customers to pay bills and check balances. We are also looking forward to offering alternative payment sites at other convenient locations.

Our goal is to strive to continue to provide the best customer service possible and try to meet all needs to the best of our abilities and will continue to do so.

FIRE DEPARTMENT

COMMUNITY

- Enhance and expand the existing community risk reduction efforts for citizen and neighborhood safety through the delivery of public education programs. This includes free smoke alarms with installation, CPR/AED and Stop-the-Bleed training, and fire extinguisher education and use.

SECTION 1 – DEPARTMENTAL GOALS 2025

- Protect our citizens by committing equipment and personnel, developing incident action plans, and providing incident command staff for public safety operations at mass gathering community events.
- Continue to support the Children's Village by providing and supporting firefighters as instructional staff to deliver critical fire safety education to Hagerstown elementary school students.
- Amend the City Charter for the HFD to officially assume responsibility for the elements of an all-hazard mission to include hazardous materials, technical rescue, and prehospital emergency medical services.

PERSONNEL

- Continue to plan the staffing and service needs for all components of the Hagerstown Fire Department to include both career and volunteer staff in order to deploy an effective firefighting force that meets national standards for public fire protection.
- Support and embrace the volunteer mentorship program to accelerate, improve, and expand recruiting effort with the goal of an expanded volunteer response force.
- Develop policy and procedure updates for the Fire Marshal Office; fully implement an in-service inspection and pre-planning program for non-sprinklered, commercial buildings using Insurance Service Office (ISO) criteria and dedicate resources to the rental housing and hotel/motel inspection program in concert with existing PCAD programs.

EQUIPMENT

- Continue fire apparatus replacement on a predetermined, regular schedule to take into consideration the extended industry production timelines and to include additions of specialty support apparatus to meet the HFD all-hazard mission.
- Acquire, train with, and utilize modern hazardous materials and technical rescue equipment to meet the growing demands of Hagerstown's expanding industrial and warehousing facilities.
- Implementation of a GIS partnership with City Engineering to identify service demands and assist with planning for standard of cover needs and fire department services.
- Enhanced use of the records management system to document personnel and company training, as well as department service delivery.

FACILITIES

- Continue to implement the multi-year renovations and improvement CIP projects to expand our training capabilities at the Bowman Avenue Training Center to include the design and construction of a modern classroom building that will enhance learning, provide opportunities for diverse training programs, and meet the goals of exposure reduction to firefighting carcinogens associated with live fire training.
- Identify and secure the necessary properties for the construction of a new Fire Administration Building in the downtown core to centralize the operations of Administration, Fire Marshals Office, and Operational Shift Commander.
- Identify and secure needed properties for the construction of a new fire station to serve the south side of Hagerstown. With continued annexation southward along Sharpsburg Pike, a new fire station is needed to ensure fire equipment response times meet national standards for deployment and to provide promised protection to the citizens and business in those areas.

HUMAN RESOURCES

Oversight of Collective Bargaining Agreements. Human Resources will provide oversight of all four of the City's Collective Bargaining Units for FY2026. The AFSCME 1540 & 3373, and IAFF 1605 contracts expire on June 30, 2025, and staff will be negotiating the updates. The IBEW contract has a wage reopener for FY26 as well.

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Wellness Program. Staff is working with our benefits consultants and will continue to transform wellness by converting it into a Total Well-being Program. This program has brought an updated and fresh philosophy by moving beyond just health, nutrition, and exercise by including programs that focus on financial and emotional well-being as well.

Deferred Compensation. Empower will continue to offer employees investment training classes and will incorporate financial planning training for employees/spouses. With the new upgrade to the Empower website and the introduction of the Empower App, employees will be encouraged to utilize technology to make changes or update their accounts as well as review balances and monitor the performance of their contributions.

Performance Management. Staff will focus on developing and introducing a new performance management and review process.

Healthcare Initiatives. The Healthcare Committee has provided the Mayor and Council with recommended changes to the healthcare plans in an effort to reduce the increasing administrative and claims costs. That work has been hugely successful and has resulted in no increases in our plan prior to FY24. Unfortunately, we have received a difficult increase projection again for FY26. Human Resources will continue working with the Health Care Committee to explore options to minimize the financial and human impacts of this increase. Human Resources will host a Benefits Fare for employees, retirees, and their dependents to provide education about the various benefits plans available prior to launching online open enrollment scheduled for May. We will work to meet various new and existing legal mandates for reporting healthcare coverage for employees, retirees and dependents as required. We will be focusing on additional methods of engagement to make such events more accessible to all. Staff will be providing an update to the Mayor and Council on the Plan's performance and discuss future projections.

Technology. Staff will continue to automate and streamline routine tasks in order to shift time and staff resources from transactional administrative work to more strategic focuses. Re-introduction of Employee Self Service (ESS) within MUNIS to all employees to streamline HR services/communications and implementation of online benefits enrollment is on-going. Introduction of the Munis ESS app has been implemented as an additional resource for employees to access personal, pay, tax, time off and benefits information. Staff will continue to focus on ways to make the HR website more useful by consolidating various processes, policies, and forms. Staff will work with IT for the integration of 15 new proximity time clocks, with the purchase of key fobs that can be utilized to grant employees access into the new system. The fobs provide a means for dual uses as they provide employees door access to secure areas and time management, with an eye on reducing costs.

Training. Human Resources will continue utilizing Kantola Training Solutions for a variety of offerings for the development of City employees. Newly promoted supervisors will be offered training with AMA (American Management Association). We will continue to make customer service training a priority. We will also be providing tools to staff to develop their supervisory and coaching skills, specifically in areas related to performance management and succession planning and city-wide refresher training on anti-harassment and sensitivity, diversity, and inclusion in the workplace. We will continue to review and update employment policies as needed throughout the year. We will continue to strengthen our relationship with Hagerstown Community College to ensure our employees receive high-quality Commercial Driver's License training.

Compensation. With three of the four bargaining units being negotiated, the IBEW contract having a wage reopener for FY26, and extreme compression between the union and non-union pay scales there will be greater pressure on the compensation system. This will continue to be a primary focus as we move into future fiscal years.

Employee Recognition. In FY2025, staff continued to work on our employee recognition programs including the HIP Award Program. In FY2026, HR will continue to focus on ways to recognize our employees. Staff will work with the City Administration to host quarterly events for employees.

Risk Management. We will continue to work to minimize losses due to workers' compensation and liability incidents. Staff will work closely with all departments to ensure goals are met and to address risk management

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concerns. Classroom training conducted by internal and outside instructors is paramount to reducing City losses. We plan to increase the utilization of online training through services provided by our insurers. We will continue courses (some online) to maintain our required training levels in critical areas.

The City is in the last year of our third-party contract for workers' compensation administration and will work with our broker to secure a new five-year contract.

Recruitment. Staff will look for new ideas to reach a broader, diverse, and well-rounded candidate pool along with new ways to speed up the recruitment process.

INFORMATION TECHNOLOGY

- **Infrastructure Analysis/Upgrade:** IT will reexamine the City's IT infrastructure to ensure operational stability and alignment with industry best practices. This will include capacity planning, documentation, consolidation of the virtualized server environments and continued updates to the network hardware/software.
- **Microsoft Office 365:** Staff will re-evaluate the previous Microsoft 365 design considerations to develop and implement a plan to complete the project. The areas of focus will be collaborative tools (SharePoint, OneDrive and MS Teams), and business tools (MS Planner, OneNote and Self Service Password Reset).
- **Security Awareness Education:** Staff will work to broaden the Security Awareness Program to strengthen employee knowledge of the risks and vulnerabilities associated with modern computing. By educating employees about potential cyber threats, this program will help foster a culture of security within the organization to assist in minimizing the risk of personal and business cyber threats.
- **Cybersecurity:** Cybersecurity is critical for protecting against cyber threats, including malware, phishing, ransomware, and other types of cyber-attacks. IT will develop a strategy that will improve the information security posture by adopting an industry standard security framework.
- **City Financial System:** Staff will continue to work with our existing software vendor to monitor and maintain the City's financial system (MUNIS). Early calendar year 2025, the IT team will be instrumental in the City's transition from MUNIS to WorkDay. The anticipated duration of the transition will be over 18 months in length.
- **Video Surveillance Wireless Network Expansion:** Continue to add equipment to allow for enhanced video coverage for wireless camera connections throughout the City.
- **Overall Business Process/Technology Updates:** Staff will meet with various departments to better understand their business processes and make recommendations for either utilizing technology (to replace manual processes) or streamlining operations, where applicable.

COMMUNICATIONS

The Communications Department is committed to constant evolution in an effort to boost the City's image through both style and substance. To that end, here are the goals the department is prioritizing:

- Creating, managing, and disseminating messaging proactively to provide context, accuracy, transparency, and understanding for and to the public.
- Adding ease-of-use features to the website to better serve residents, optimize processes, and modernize the user experience. Those features include a language translation module, a Chatbot ask-and-answer component, and the Monsido digital accessibility module.

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- Replacing antiquated video equipment with new equipment that will enable the department to fully tap into and utilize today's ever-changing technology, in order to incorporate different virtual platforms seamlessly into the broadcast and streaming system in order to maximize its look and ease of use.
- Working with the Mayor, City Councilmembers, and departmental staff to increase community engagement and the City's marketability by promoting a unified vision, visibility, and voice through local and regional media outlets, our website, cable channel, and social media platforms.

ENGINEERING DEPARTMENT

- Per the Strategic Plan, complete construction of the second phase of the "Wheaton Park Master Improvement Plan", including a new stage and a natural play area.
- Per the Strategic Plan, complete construction of the \$2 million renovation to the former M&T Bank building just south of City Hall for relocation of customer service, billing, and DCED staff.
- Per the Strategic Plan, implement projects to clean and treat stormwater including the North High pond retrofit, Ice and Sports Complex stormwater retrofit, and design the Hamilton Run restoration adjacent Northern Avenue. Expand street tree and forest planting program using grant funds from the Chesapeake Bay Trust; partner with the Maryland Forest Service to plant trees at the former City-owned landfill off of Resh Road.
- Complete improvement projects including: replacement of a box culvert under Cannon Avenue, design of improvements to the Hager House Visitors' Center, Antietam Creek access at Mt. Aetna Road, installation of sidewalks along Security Road, improvements at the Burnap parking lot at City Park, and replacement of sidewalks along Northern Avenue.
- Per the Strategic Plan, continue pavement preservation and curb/sidewalk replacement programs.
- Per the Strategic Plan, provide support to the Community Engagement Office for downtown beautification projects, public art projects, and alley lighting projects.
- Per the Strategic Plan, and working with other City departments, look for opportunities to add green space in the urban core, and for the potential to create community gardens.

PLANNING & CODE ADMINISTRATION

Neighborhood Revitalization and Sustainability

1. **Get Bighted Structures back on Tax Roll** – Obtain title on 23 parcels through the foreclosure right of redemption process in Circuit Court. Of these 23 properties, transfer 19 undevelopable parcels to neighboring property owners following adopted ordinance and demolish structures on the other 4 parcels. Obtain tax certificates for the 6 parcels to be withheld from the 2025 Tax Sale.
2. **Demolition of Blighted Properties** - put out RFP for demolition contractors on retainer to demolish structures and pools; implement plan to demolish priority blighted properties per adopted tax sale ordinance and abandoned pool amendments.
3. **Inspection of Never-Inspected and Failed to Report Tenant Turnovers of Rental Units** – continue efforts to finish inspections of rental units which for a variety of reasons have never been inspected in the Rental Facilities program or fail to report tenant turnovers.
4. **Improve PCAD policies and laws to protect neighborhoods** –
 - a. Expand abatement ordinance or enact new ordinance for graffiti and hazard trees.

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- b. Utilize Granicus to identify short-term rental properties (Air B&B, VRBO, etc.) since these properties are required to be licensed in the Transient Housing program.
 - c. Process 2025 LMC Amendments.
 - d. Update HDC's design review guidelines.
5. **Develop partnerships to create a public housing plan and diversify housing balance** – use CHOICE Neighborhoods grant project and CDBG's Consolidated Plan project to inform the update to the Housing Element of Comprehensive Plan. State mandate for Comp Plans to include affordable housing assessment and recommendations.
 6. **Educate property owners about minimum property maintenance standards** – perform community enhancement survey of properties in designated areas not in a license program to help property owners understand minimum property maintenance code requirements and why they are important.
 7. **Increase compliance of Vacant Interior Inspections** – increase number of interior inspections performed at vacant structures to determine which properties are in need of demolition.

Public Safety

1. **Support the manpower needs of City Police, Fire, Code and Public Works department** – continue discussions on need for expanded staffing on the Permit inspection team and Planning's development review team to help cover for heavy workloads and absent inspectors, thus ensuring maintenance of high level of customer service satisfaction.
2. **Clear homeless camps from public property and upon complain on private property** – staff will utilize abatement funds to remove homeless camps on City-owned property. Staff will respond to complaints for abatement of homeless camps on private property. Staff will work with HPD on eradicating homeless camps utilizing the anti-camping ordinance.

Economic Development

1. **Update of Community's City Center Plan** – participate with DCED on the update to this plan.
2. **Review of pre-annexation agreements and continue to explore new annexation opportunities** – continue discussions with property owners on strategic annexation opportunities; explore alternative routes to reach Sharpsburg Pike pre-annexation agreements; participate in hearings in support of the annexation bill (HB 751); assist legal team with prep for the County's annexation lawsuit.
3. **First-time Business Owner Assistance** - work with Community Engagement and DCED on checklists and workshops to assist first-time business owners so they know what is needed to get started with permitting and zoning approval. Checklist will include ADA standards for businesses going into existing structures.
4. **Contractor and Realtor Assistance** – work with Community Engagement and DCED providing workshops to assist “flippers” on permit requirements and obtaining final approval prior to a sale.
5. **Permit Application** – redesign building permit application process to streamline plan review process.

Innovative & Progressive Government

1. **High focus on customer service innovations to enhance the customer service experience** – continue scanning development plans, plats, and building plans for ease of PIA administration and to include on City's GIS web page.
2. **Enhanced Customer Service** – staff will utilize iPads to enter permits and code enforcement inspection results at the sites requesting inspections providing close to real-time results.
3. **Social Media presence** – Work with Communications and Community Engagement to increase social media presence and Highlight Hagerstown.
4. **Develop License Program Brochures** – Create brochures for license programs providing guidance on how to navigate a program as an owner.

POLICE DEPARTMENT

Expansion of Public Safety Technologies. We will continue to enhance surveillance capabilities by (1) broadening our camera network footprint throughout the downtown area, Maryland Avenue, and city parks, (2) grow our innovative Unmanned Aircraft System (drone) program, and (3) expand our civilian-supported watch

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center enabling us to proactively address crime prevention, emergency response, and public safety concerns more effectively.

Expansion of a robust camera system across strategic locations throughout the city, including areas of Fairgrounds and City Parks, Maryland Avenue, alleyways, and egress points throughout downtown. This expansion will employ state-of-the-art video analytics, enabling our officers to monitor real-time footage, identify potential threats, and respond swiftly to incidents. The camera system will act as a force multiplier, allowing us to extend our surveillance reach and improve situational awareness without significantly increasing manpower.

Continued growth of our current Watch Center as we move to turn it into a “real time crime” watch center that would be staffed 24/7. The existing watch center, which was started in 2020, has already absorbed over 35% of the call volume from our patrol units. Allowing them to transition from “radio reactive” enforcement to proactive policing as they monitor in real time advanced technologies such as gunshot detection warning systems, group gathering analytics, stationary license plate readers, and Axon tools (body cameras, and Tasers will enhance our overall response to situations and ensure the safety of our police officers and the community.

Engaging the Community. Community engagement for the Police Department relies on information and the receiving of feedback through a variety of sources. The Department will continue to follow recommendations identified in the President’s 21st Century Policing Report and CALEA standards as well as District commanders and officer participation in community events and meetings to listen and share information will continue. Information will also be shared through the increased use of social media and our website to provide timely and relevant information. Feedback through our website, community meetings, and involvement with the faith-based, minority and ethnic community groups will be used to shape our responses, service needs and recruiting concepts. Based on the community acceptance and success of the Community Resource Officer (CRO) program, and as manpower allows, we will continue to expand the program into more neighborhoods.

Downtown Patrols. Taking into account lessons learned from other law enforcement partners, HPD will develop plans to expand downtown patrols during city events and other activities (i.e., events at the new stadium) that generate large crowds to ensure the safety and security of all participants.

Quality of Work Life and Training. Employee safety and career development will remain a priority this year. The employee driven safety committee will meet to discuss issues and specialized training programs focusing on officer safety. Career development will continue to take shape by utilizing the individual surveys and interviews of staff to develop training and education to further the employee’s career. Specific training areas will promote career development. The utilization of state of the art Virtual reality training technology is moving our agency ahead of most in the state and region. Additional training utilizing this tool will focus on community expectations of policing in today’s world, to include de-escalation, implicit bias, and modern policing tactics.

Recruitment & Retention. Like all other law enforcement agencies, we are faced with challenges in hiring and retention. HPD must continually scan our market and workforce for trends that affect our workforce. We will also continue to focus on identifying non-salary based factors that make the department an attractive place to work.

PUBLIC WORKS

Building Maintenance: The 1st floor of the new Customer Service Center opened in early 2025 at 32 N. Potomac St. The second floor will open at a later date. The Elizabeth Hager Center may possibly be sold. Janitorial services are provided through staff and contractual services. The inclusion of this property and the possible sale of another along with multiple other properties presents challenges to provide adequate services in a timely manner. Staff continually reviews and anticipates the needs of these properties. The Hagerstown Field House is now operational. While the operations and general maintenance are managed by Eastern Sports Management, the City is responsible for the mechanical (HVAC, sprinkler, elevator, etc.). Staff will need to coordinate contracts for all these services by our vendors.

Traffic Signalization: The City oversees 138 signalized intersections including 35 owned by the State of Maryland but maintained by the City. The annual goal is to test and verify every traffic signal conflict monitor

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for proper functionality. The conflict monitors ensure the traffic signals function properly, so no cross traffic collides into one another by receiving opposing green signals.

City Hall Improvements: Plans are underway to replace the 7 flat roofs at City Hall that are not visible from the street. These roofs have come to the end of their useful lives. Work is expected to cost in the \$125,000 to \$150,000 range. There is also a plan to paint the emergency stairwell that hangs on the exterior of the building. The stairwell is a critical safety feature in the event of a fire. Work has begun on the renovation of the 1st floor. The work will provide 2 ADA restrooms, a meeting room, and a tv studio. Work is to be completed by July of 2025.

Property Abatements: Staff will continue to provide support to the Code Administration and Planning Department in the cleanup of blighted properties by providing lawn mowing, weed control and trash/debris removal. On average, over 380 properties per year are abated by Public Works. Staff also provides automatic removal of furniture, electronics and mattresses abandoned in the core of the downtown area to quickly eliminate this unsightly element for the business community. Debris from several homeless camps per year are typically removed in cooperation with code and police departments.

Neighborhood Cleanups: Public Works will continue to support multiple neighborhoods, non-profit organizations and volunteers willing to organize cleanups of public spaces. There are typically 6 - 8 requests per year for gloves, trash bags and the collection of debris. Cleanup usually occurs along streets such as Garland Groh Blvd., in neighborhoods and along Antietam Creek.

Downtown Events: The Recreation Division has been tasked with assisting with downtown events whether created in-house or by private parties. Staff will continue supporting current events and creating new events downtown to provide leisurely experiences while promoting the downtown. The Main Street program and downtown events are under the Community Engagement Director. Public Works will continue providing logistical support for any and all events that include traffic control, trash collection, etc.

Citywide Park Improvements: Projects include purchase of multiple benches, picnic tables, and trash cans throughout the parks. City Park includes the reconstruction of the exterior steps and handrails plus repainting of the large, wraparound porch of the Mansion House. The Train Museum and Train 202 roofs will both be replaced. The tennis court will be resurfaced and striped for tennis and pickleball. A gravel parking lot on the north side of City Park will be improved with paving, curbs, and line striping to provide safer and efficient parking. Fairgrounds Park will have the exterior painted of the building that houses the Police Athletic League (PAL). The skatepark will see improvements with new concrete steps and additional sidewalks. Staff is seeking Program Open Space (POS) funding to build a pickleball court at Fairgrounds Park. POS funding is critical for the construction of this project. Other improvements include the restoration of walking paths at Pangborn Park, repair of the entry arch at Funkhouser Park, and the painting of the porch of the residential property at Hager Park along with restoration of the windows in the same building.

Hager House Visitor Center Improvements: \$100,000 in funding was received through the Appalachian Regional Commission (ARC) for Phase I of the Hager House Visitor Center Museum Renovation. Work is underway for cataloging the museum pieces and designing the interior. The goal is to have Phase I completed by the end of 2025 or early 2026. The Phase I cost is estimated to be in the \$200,000 range. Staff will be pursuing additional ARC funding (\$150,000) for Phase II of this same project that will include the buildout of the interior museum space.

Wheaton Park Phase II Completion: Phase II of Wheaton Park includes the installation of new play equipment and the construction of an entertainment stage. The playground equipment will be completed by the end of April of 2025. Design of the stage is complete with construction to begin by the early summer of 2025 with completion by the end of the year. Both Phase I and II will then be complete. In addition to these projects, plans are underway to resurface the tennis court and place new lines for tennis and pickleball using Community Development Block Grant (CDBG) money in FY26.

Antietam Creek Waterway Access: A project that has been in the works for several years is Antietam Creek Waterway Access that will provide access to the creek at Mt. Aetna Road. A portage will be built to allow boaters to move their watercraft around the existing weir. A large part of this funding is from the Maryland Program Open Space (POS) through the Department of Natural Resources. A 3-vehicle parking lot will be

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built on the upstream side of the weir along with an ADA compliant paved path to the water. A second paved path will lead to the downstream side of the weir allowing boaters to navigate around the weir whether traveling downstream or upstream.

Recreation: Staff will continue to promote and create events for leisurely, healthy and active lifestyles. Harvest Hoedown, Ghost Tours and Community Yard Sales provide a relaxed atmosphere for those looking for a fun affair. The city programs health conscience events such as the Hub City 100 Miler, Yoga and Kids Gymnastics. Finally, those looking for a more active lifestyle can enjoy programs like Zumba, golfing and soccer. The City also teams up with the YMCA for youth soccer and the Hagerstown Fairgrounds Softball Association for youth and adult softball leagues and tournaments.

The Greens at Hamilton Run: Funding has been requested through Maryland's Program Open Space (POS) program to fund reconstruction of Hole No. 5. The putting green is comprised of inadequate soils creating poor playing conditions. If POS funding is received, the work will commence in the Fall of 2025 in time for the 2026 playing season. Estimated cost of the project is \$125,000. Additionally, a cart path is to be constructed from Hole No. 5 to Hole No. 6 where no paved path currently exists. Construction of this path would be \$10,000. One of three bridges for carts and equipment needs to be raised to provide better stream clearance. The bridge deck would be removed for additional support to be placed beneath it. Cost is estimated to be in the \$35,000 range.

Potterfield Pool: The YMCA currently operates the pool under a 5-year agreement that will expire in 2025. A revised Request For Proposal (RFP) will be generated to find a new operator of the pool for the coming seasons. Physical improvements will include repairs to the white coating at the bottom of the pool, caulking of the pool deck, and replacement of the filter media for the pool water.

UTILITIES DEPARTMENT

ELECTRIC

System Safety and Reliability. The safety of Light Department employees and City residents is our highest priority and is accomplished by continuous review of work practices, regulations, and training related to high voltage electrical systems. System coordination and reliability studies are ongoing along with the implementation of substation equipment and circuit upgrades to improve the duration and response time during emergency situations.

Customer Service. Staff continue to enhance and automate the work management tracking and accounting processes. The Department continues to maintain a warehouse to ensure all essential parts and equipment are available to efficiently respond to outages and customer service requests. The electric revenue meter replacement pilot program is complete with a Phase 1 project scheduled to begin by the third quarter of 2025 for 18% system deployment. The new devices will provide real-time reads, automated disconnection/reconnection, and real-time voltage/outage detection.

Rate Structure & Revenue. The Maryland Public Service Commission approved an increase to Operating Rates effective February 1, 2025 for a projected annual revenue increase of \$1,983,000. Given the FY23 audited financials were used to determine the revenue requirements in this rate case, a cost of service study will be updated to evaluate the financial position using the FY24 audited financials and, based on these results, HLD staff may file for a make-whole rate proceeding to maintain the necessary revenue to provide safe and reliable electric service.

Wholesale Power. The wholesale contract with AEP Energy Partners will continue through December 31, 2026 with energy delivery terms at \$54.05 per MWh plus the administration of the State's renewable energy requirements. Staff will review amendments to the existing contract beginning October 2025 to determine whether a new wholesale contract is in the public's best interest. The PJM 25/26 UCAP market results are projected to impose a \$5.2M increase to Purchase Power beginning June 2025 that is expected to increase the PPCA rate on customer bills an average of \$0.01673 per kWh beginning August 2025.

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WATER

Water Meter Service Program. The Water Division inspects and upgrades services through the service area to ensure the accuracy of the metering equipment and to address possible public safety concerns. The Division continues to test 380 commercial and industrial meters annually and repair and/or replace defective meters as needed. Residential meters are replaced on a 20-year cycle. Staff are currently exploring AMI metering systems to provide better customer service through real-time reads, and real-time leak detection. The Water Division is responsible for approximately 32,000 meters.

Water Production Upgrades. Staff are currently working with Hazen and Sawyer to ensure compliance with the Lead and Copper Rule service line investigations. Staff will begin a comprehensive update of the Water Master Plan to include Hydraulic Model update and GIS enhancements. Upgrades to the R.C Willson pumps and VFD will occur early FY26. Design will begin for the replacement of the R.C. Willson transmission mains which include evaluation of the clear-well to ensure disinfection requirements are achieved and replacement of flow meters and interior discharge piping. Design will begin in FY26 for the construction of a new Environmental Laboratory for the analysis of wastewater samples.

Distribution System Upgrades. The Water Division will continue to budget for rehabilitation and main replacement projects utilizing data from the leak detection program. Work will continue in FY26 through our coordinated efforts with the City/County/State roadway rehabilitation projects in an effort to minimize unnecessary road repairs and to replace galvanized water service lines.

Water Five Year Rate Model. Staff are currently working with NewGen Strategies and Solution to complete a comprehensive evaluation of the rate model used to evaluate customer rates and revenue requirements. This work will continue in FY26. Any required changes to the currently approved tariff schedules will be amended consistent with rate model findings.

WASTEWATER

Wastewater Plant Upgrades. Staff is working with Black and Veatch on design for improvements for the WWTP – the initial Phase of this project is estimated to cost \$22-million. Work is ongoing to replace the SCADA system, pump replacements, and electrical upgrades. Design will begin in FY26 for a new Environmental Laboratory to ensure continuous operation and reliability for compliance with the Clean Water Act. Staff has requested additional funding through the Maryland Department of the Environment Clean Water Act Program for Phase 2 and Phase 2A of the WWTP Improvement Project which is estimated to cost an additional \$42-million. Work is also underway and will continue in FY26 to upgrade the Biosolid Pelletizer facility for compliance with fire code.

Wastewater Collection System. Administrative and Collections staff will utilize the Capacity Management Operation & Maintenance (CMOM) evaluation to implement upgrades to the sewer collection system to reduce inflow and infiltration and increase system capacity. Work is underway for the re-construction of Wastewater Pump Station 13 on Western Maryland Parkway. Construction will begin in FY26 and will be completed in FY27. Staff will continue to request funding from MDE Water Quality Financing Administration for projects meeting State and Federal funding criteria.

Wastewater Five Year Rate Model. Staff are currently working with NewGen Strategies and Solution to complete a comprehensive evaluation of the rate model used to evaluate customer rates and revenue requirements. This work will continue in FY26. Any required changes to the currently approved tariff schedules will be amended consistent with rate model findings.

ADMINISTRATIVE

Regulatory Requirements. The Utilities Department Administrative, Regulatory, and Engineering staff will work to meet all regulatory reporting requirements including but not limited to the Maryland Public Service Commission, Federal Energy Regulatory Commission, the Maryland Department of the Environment, the US Environmental Protection Agency, and all local agencies having jurisdiction.

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Policy and Code Amendments. Administrative and Engineering Staff continue to review and update City Code and Department Policy and Procedures for consistency with industry standards.

City Enhancements. The Utilities Department Administrative, Regulatory, and Engineering Staff will continue to assist on all economic development projects.

ORGANIZATIONAL NARRATIVE
FISCAL YEAR 2025/2026

The City of Hagerstown is the county seat of Washington County, Maryland. It is located approximately 70 miles northwest of Washington, D. C. and Baltimore, Maryland. Founded in 1762 and incorporated in 1813, the City's area is 12.75 square miles; its population is 43,701 according to the most recent 2022 census population estimate.

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

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

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

FUND ACCOUNTING

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

GOVERNMENTAL FUNDS:

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

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

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

PROPRIETARY FUNDS:

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

FIDUCIARY FUNDS:

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

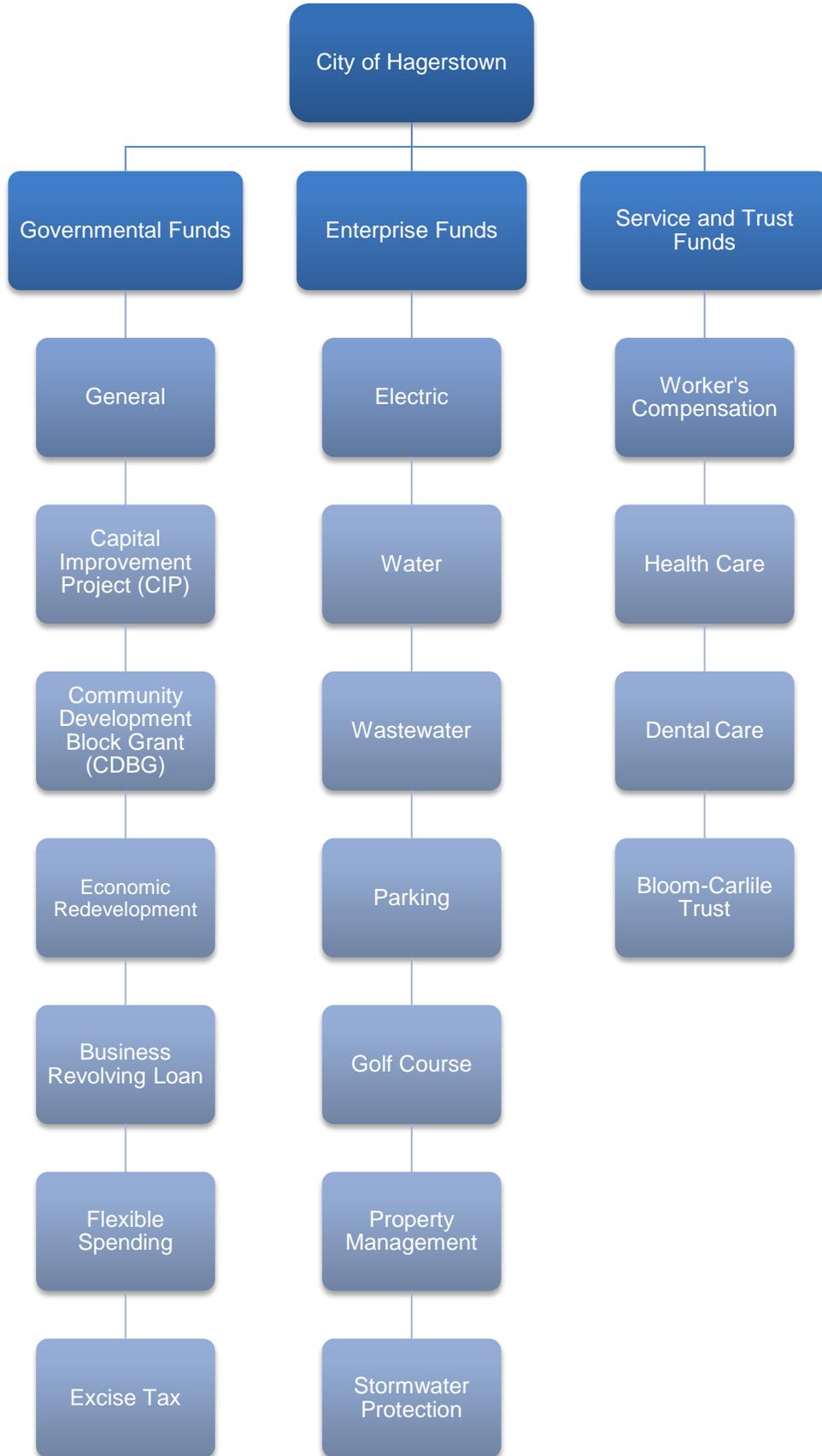
INTERNAL SERVICE FUNDS:

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

BASIS OF ACCOUNTING AND BUDGETING

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

CITY FUND STRUCTURE (ALL)
FISCAL YEAR 2025/2026



CITY FUND STRUCTURE (ALL)
FISCAL YEAR 2025/2026

Explanation of Funds:

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

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

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

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

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

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

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

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

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

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

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

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

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

Stormwater Protection Fund - This fund is used to account for the activities of the City's Stormwater Protection Program that seeks to limit flooding and runoff-related damage as well as improve the quality of water in the Chesapeake Bay, the Potomac River, and all of the tributary streams in Washington County.

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

Explanation of Funds (continued):

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

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

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

GOVERNMENTAL FUND STRUCTURE
FISCAL YEAR 2025/2026



Public Safety

City of Hagerstown



**GENERAL FUND
SECTION 2**

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STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
REVENUES BY TYPE					
Property Taxes	\$ 38,291,769	\$ 40,262,276	\$ 42,098,867	\$ 46,577,455	15.7%
Income and Other Taxes	7,182,409	7,051,689	7,781,963	7,806,837	10.7%
Licenses and Permits	2,563,694	2,356,000	2,600,796	2,092,750	-11.2%
Intergovernmental Revenues	2,156,254	1,095,955	1,058,541	765,000	-30.2%
Charges for Current Services	4,959,383	5,750,209	5,636,651	5,729,465	-0.4%
Fines and Forfeitures	998,228	1,127,650	1,102,800	1,121,800	-0.5%
Unallocated General Revenues	4,337,124	3,571,331	3,529,172	3,139,146	-12.1%
Transfers from Other Funds	43,180	35,000	35,000	35,000	0.0%
Appropriated Use of Fund Balance	-	2,624,307	-	4,125,000	57.2%
Total Current Revenues	\$ 60,532,041	\$ 63,874,417	\$ 63,843,790	\$ 71,392,453	11.8%
EXPENDITURES BY DEPARTMENT					
0101001-Council	125,119	137,592	142,310	131,375	-4.5%
0101002-Mayor	74,580	78,825	77,865	79,655	1.1%
0103001-City Administrator	252,858	261,069	266,676	279,525	7.1%
0103002-City Clerk	165,267	238,164	226,327	222,421	-6.6%
0103004-Legal Counsel	237,270	281,000	272,000	352,000	25.3%
0103005-Community Engagement	420,046	483,093	535,679	564,458	16.8%
0103006-Communications	238,693	304,187	277,022	313,370	3.0%
0107001-Finance & Accounting	977,125	1,082,512	1,111,192	1,163,482	7.5%
0107200-Information Technology	1,247,160	1,624,461	1,668,192	1,979,832	21.9%
0107201/203-Customer Services/Billing & Treasurer	649,228	652,391	623,585	577,115	-11.5%
0109001-Planning	469,238	531,747	538,187	805,728	51.5%
0109002-Annexation	4,828	10,800	23,500	29,600	174.1%
0109003-City Hall	332,794	340,412	345,144	354,348	4.1%
0109004-Engineering & Construction	1,199,435	1,472,342	1,431,737	1,398,324	-5.0%
0109005-Human Resources	643,537	736,398	731,052	770,226	4.6%
0124010-City Hall Annex*	4,222	70,300	89,096	84,120	19.7%
Total General Government	7,041,400	8,305,293	8,359,564	9,105,579	9.6%
0110XXX-Police Department	16,485,000	18,071,388	17,642,163	21,223,520	17.4%
0112001-Fire Department	10,555,079	11,379,112	11,267,044	11,948,056	5.0%
0114001-Code Administration	1,632,594	1,915,788	2,017,353	2,040,454	6.5%
0116XXX-Signal Department	452,401	633,185	531,437	640,674	1.2%
Total Public Safety	29,125,074	31,999,473	31,457,997	35,852,704	12.0%
0121001-Snow Removal	261,066	386,100	386,100	386,100	0.0%
0123XXX-Gas Station & Maint Garage	653,246	728,544	701,527	754,616	3.6%
0124001-PW & Street Operations	1,389,287	1,804,993	1,723,102	1,766,500	-2.1%
0124008-Central Equipment Building	141,128	163,737	161,846	185,995	13.6%
Total Highways & Streets	2,444,727	3,083,374	2,972,575	3,093,211	0.3%
0130001-Waste Collection & Disposal	4,484,707	4,897,909	4,637,681	4,907,219	0.2%
0140001-Department of Recreation	602,242	687,855	602,950	626,982	-8.8%
0140202-Swimming Pools	303,374	306,053	303,234	301,027	-1.6%
0140204-Farmers Market	2,029	-	-	-	0.0%
0140401-Municipal Stadium	3,272	37,100	41,056	66,092	78.1%
0140402-Hager House	56,602	59,639	61,707	67,830	13.7%
0140403-Train Museum	40,930	41,263	33,292	52,591	27.5%
0140406-Ice Rink	-	120,664	139,800	119,800	-0.7%
0145XXX-City Parks	1,962,866	2,335,179	2,265,090	2,391,482	2.4%
Total Culture & Recreation	2,971,315	3,587,753	3,447,129	3,625,804	1.1%

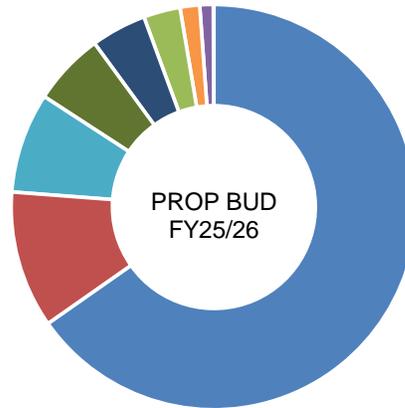
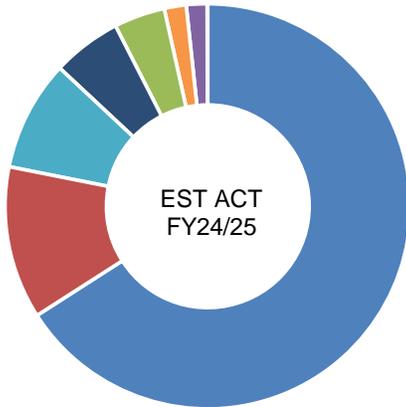
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	2023/24 ACTUAL	2024/25 BUDGET	2024/25 EST. ACTUAL	2025/26 PROPOSED	2025/26 % CHANGE
0150001-Community & Economic Development	725,296	914,812	905,278	882,918	-3.5%
0160001-Retiree Benefits	1,553,734	1,656,025	1,669,800	1,820,320	9.9%
0166001-Contributions-Other Agencies	202,500	205,000	205,000	205,000	0.0%
0162001-Inventory Adjustments	5,853	10,000	10,000	10,000	0.0%
0168001-Contingency	-	73,490	-	504,060	585.9%
Total Unallocated General Expenses	1,762,087	1,944,515	1,884,800	2,539,380	30.6%
0190001-Debt Service-Principal	1,143,471	1,185,636	1,185,636	1,536,210	29.6%
0191001-Debt Service-Interest & Issuance Costs	423,542	823,195	900,447	1,208,470	46.8%
Total Debt Service	1,567,013	2,008,831	2,086,083	2,744,680	36.6%
0195001-Operating Transfers to Other Funds	1,384,667	1,578,667	1,527,000	1,598,817	1.3%
0195002-Capital Transfers to CIP & Other Funds	2,489,451	2,909,249	3,060,750	2,909,150	0.0%
0195002-Fund Balance Transfer for CIP Projects	2,649,316	2,624,307	1,574,058	4,125,000	57.2%
Total Transfers to All Other Funds	6,523,434	7,112,223	6,161,808	8,632,967	21.4%
Total Expenditures & Transfers	\$ 56,645,053	\$ 63,854,183	\$ 61,912,915	\$ 71,384,462	11.8%
Excess (Deficiency) of Revenues over Expenditures	\$ 3,886,988	\$ 20,234	\$ 1,930,875	\$ 7,991	
Beginning Fund Balance	\$ 20,727,405	\$ 24,614,393	\$ 24,614,393	\$ 26,545,268	
Less Budgeted Use of Fund Balance	-	(2,624,307)	-	\$ (4,125,000)	
Ending Fund Balance	\$ 24,614,393	\$ 22,010,320	\$ 26,545,268	\$ 22,428,259	
Detail of Ending Fund Balance					
Nonspendable	\$ 411,129	\$ 350,000	\$ 350,000	\$ 350,000	
Committed	-	-	-	-	
Assigned	1,384,131	1,000,000	1,000,000	1,000,000	
Unassigned	22,819,133	20,660,320	25,195,268	21,078,259	
Ending Fund Balance	\$ 24,614,393	\$ 22,010,320	\$ 26,545,268	\$ 22,428,259	
Unassigned Fund Balances as:					
% of Operating Budget Less Transfers to All Other Funds	45.5%	36.4%	45.2%	33.6%	
Number of Months Expenditures	5.5	4.4	5.4	4.0	

*City Hall Annex is 32 N Potomac Street, which is a new acquisition funded with American Rescue Plan Act (ARPA) in FY22, and will become the location of Customer Services, Billing, and Community & Economic Development areas.

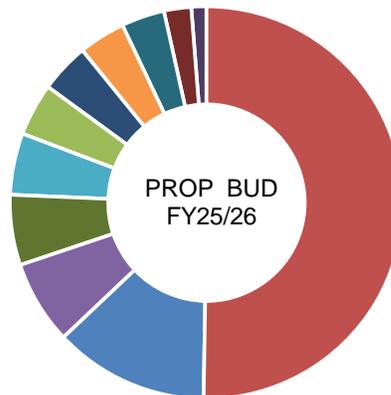
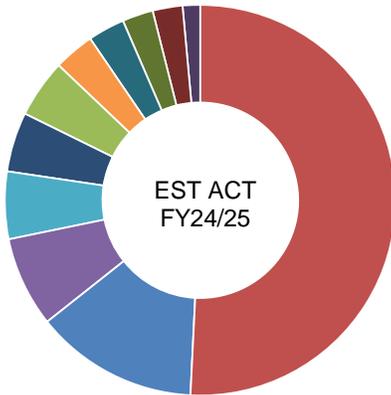
COMPARISON OF REVENUES AND EXPENDITURES - PROPOSED BUDGET FY26 VS EST ACTUAL FY25
FISCAL YEAR 2025/2026

GENERAL FUND REVENUES



	Est Act FY24/25	Prop Bud FY25/26
Property Taxes	\$ 42,098,867	\$ 46,577,455
Income & Other Taxes	7,781,963	7,806,837
Charges for Current Services	5,636,651	5,729,465
Unallocated General Revenues	3,529,172	3,139,146
Licenses and Permits	2,600,796	2,092,750
Appropriated Use of Fund Balance	-	4,125,000
Fines and Forfeitures	1,102,800	1,121,800
Intergovernmental Revenues	1,058,541	765,000
Transfers from Other Funds	35,000	35,000

GENERAL FUND EXPENDITURES



	Est Act FY24/25	Prop Bud FY25/26
Public Safety	\$ 31,457,997	\$ 35,852,704
General Government	8,359,564	9,105,579
Waste Collection	4,637,681	4,907,219
Parks and Recreation	3,447,129	3,625,804
Capital Transfers	3,060,750	2,909,150
Highways & Streets	2,972,575	3,093,211
Fund Balance Transfers	1,574,058	4,125,000
Debt Service	2,086,083	2,744,680
Unallocated Expenses	1,884,800	2,539,380
Operating Transfers	1,527,000	1,598,817
Comm & Econ Development	905,278	882,918

CATEGORY OF EXPENDITURES

Fiscal Year 2025/2026

Where Does Your Money Go?



General Government*
\$9,105,579

Unallocated/Debt Service Expenses
\$5,284,060

Waste Collection
\$4,907,219

Highways & Streets
\$3,093,211

Transfer to Other Funds
\$8,632,967

Community & Economic Development
\$882,918

Parks & Recreation
\$3,625,804

Public Safety
\$35,852,704

Total Proposed FY26 Budget Expenditures \$71,384,462

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

REVENUES AND OTHER FINANCING SOURCES
FISCAL YEAR 2025/2026

REVENUE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
CURRENT REVENUES					
Property Taxes	\$ 38,291,769	\$ 40,262,276	\$ 42,098,867	\$ 46,577,455	15.7%
Income and Other Taxes	7,182,409	7,051,689	7,781,963	7,806,837	10.7%
Licenses and Permits	2,563,694	2,356,000	2,600,796	2,092,750	-11.2%
Intergovernmental Revenues	2,156,254	1,095,955	1,058,541	765,000	-30.2%
Charges for Current Services	4,959,383	5,750,209	5,636,651	5,729,465	-0.4%
Fines and Forfeitures	998,228	1,127,650	1,102,800	1,121,800	-0.5%
Unallocated General Revenues	4,337,124	3,571,331	3,529,172	3,139,146	-12.1%
Total Current Revenues	\$ 60,488,861	\$ 61,215,110	\$ 63,808,790	\$ 67,232,453	9.8%
OTHER FINANCING SOURCES					
Transfers from Other Funds	43,180	35,000	35,000	35,000	0.0%
Appropriated Fund Balance to CIP Fund:Capital Expenditures	-	2,624,307	-	4,125,000	57.2%
Total Other Financing Sources	\$ 43,180	\$ 2,659,307	\$ 35,000	\$ 4,160,000	56.4%
Total Ending Revenues and Other Financing Sources	\$ 60,532,041	\$ 63,874,417	\$ 63,843,790	\$ 71,392,453	11.8%

PROPERTY TAX - ASSESSABLE BASE TABLE
FISCAL YEAR 2025/2026

**CITY ASSESSABLE TAX BASE AND PROPERTY TAX REVENUE
TRENDS AFTER ADJUSTING FOR CURRENT YEAR TAX
CREDITS, ABATEMENTS, AND REFUNDS
(FIFTEEN YEAR HISTORY PLUS BUDGET PROJECTIONS)**

	Total Assessable Base* (in millions)	Assessable Base - % Chg from Prior Yr	City Portion Only Real Estate Tax Rate	Real Estate & Prop Tax Revenues (in thousands)	Property Taxes - % Chg from Prior Yr	Direct and Overlapping Tax Rates			
						City	County	State	Combined
Actual 2008/2009	2,552	11.1%	0.788	21,676	9.8%	0.788	0.948	0.112	1.848
Actual 2009/2010	2,830	10.9%	0.788	23,959	10.5%	0.788	0.948	0.112	1.848
Actual 2010/2011	2,881	1.8%	0.788	24,132	0.7%	0.788	0.823	0.112	1.723
Actual 2011/2012	2,559	-11.2%	0.788	21,386	-11.4%	0.788	0.823	0.112	1.723
Actual 2012/2013	2,634	2.9%	0.788	22,216	3.9%	0.788	0.823	0.112	1.723
Actual 2013/2014	2,665	1.2%	0.788	22,398	0.8%	0.788	0.823	0.112	1.723
Actual 2014/2015	2,542	-4.6%	0.898	24,325	8.6%	0.898	0.823	0.112	1.833
Actual 2015/2016	2,618	3.0%	0.913	25,586	5.2%	0.913	0.823	0.112	1.848
Actual 2016/2017	2,660	1.6%	0.913	25,991	1.6%	0.913	0.823	0.112	1.848
Actual 2017/2018	2,660	0.0%	0.941	26,857	3.3%	0.941	0.823	0.112	1.876
Actual 2018/2019: All	2,714	2.0%	1.002	29,197	8.7%	1.002	0.823	0.112	1.937
Actual 2018/2019: Apts	237	N/A ***	1.032	2,451	N/A	1.032	0.823	0.112	1.967
Actual 2019/2020: All	2,754	1.5%	1.002	29,525	1.1%	1.002	0.823	0.112	1.937
Actual 2019/2020: Apts	184	-22.6%	1.032	1,897	-22.6%	1.032	0.823	0.112	1.967
Actual 2020/2021: All	2,814	2.2%	1.002	30,567	3.5%	1.002	0.823	0.112	1.937
Actual 2020/2021: Apts	242	31.5%	1.032	2,494	31.5%	1.032	0.823	0.112	1.967
Actual 2021/2022: All	2,934	4.3%	1.002	32,000	4.7%	1.002	0.823	0.112	1.937
Actual 2021/2022: Apts	245	1.4%	1.032	2,530	1.4%	1.032	0.823	0.112	1.967
Actual 2022/2023: All	3,053	4.0%	1.002	33,282	4.0%	1.002	0.803	0.112	1.917
Actual 2022/2023: Apts	250	1.8%	1.032	2,577	1.8%	1.032	0.803	0.112	1.947
Actual 2023/2024: All	3,271	7.2%	1.002	35,103	5.5%	1.002	0.803	0.112	1.917
Estimated 2024/2025: All	3,585	9.6%	1.002	39,299	12.0%	1.002	0.803	0.112	1.917
Proposed 2025/2026: All	3,792	5.8% **	1.057	43,744 **	11.3%	1.057	0.803	0.112	1.972

*The City chart above includes a calculated assessable base value for both real property and personal property and these values are reflected separately on the following page. The State Department of Assessment and Taxation provides annual Constant Yield notice information that includes real property assessed value expected on July 1 only.

**The assessable base value per the February 2025 Constant Yield Notice memos reflect a combined expected real property assessed value of 3,834 which is an increase of 5.7% compared to current levels. The City chart above assumes a slightly lower average assessable base value which includes personal property values. In addition, the chart above reflects the average value for all of FY24 and not just the value estimated to be on July 1.

***Reminder: the City eliminated the tow tier real estate tax rate for all Apartment classifications in FY24. The numbers and data for "All" include the Apartment classifications and are representative of total dollars and value to the City.

Each penny on the real estate tax rate generates additional revenue of	\$ 359,000
Each penny on the personal property tax rate generates additional revenue of	\$ 23,000

PROPERTY TAXES - PROPOSED REVENUES
FISCAL YEAR 2025/2026

DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
Current Year Levy	\$ 35,102,083	\$ 37,495,966	\$ 39,298,270	\$ 43,743,855	16.7%
Interest on Delinquent Taxes	149,779	100,000	120,000	150,000	50.0%
Prior Years' Levy-Net	267,548	(100,000)	(100,000)	(100,000)	0.0%
Payment in Lieu of Taxes	2,817,727	2,806,310	2,828,061	2,828,600	0.8%
Tax Discounts & Credits Allowed	(45,368)	(40,000)	(47,464)	(45,000)	12.5%
Total Property Taxes	\$ 38,291,769	\$ 40,262,276	\$ 42,098,867	\$ 46,577,455	15.7%

Revenues from property taxes are based on assessments established by the State Department of Assessment and Taxation. The real estate tax rate for FY25 was \$1.002 per \$100 of assessed value. The business personal property rate was \$2.505 per \$100 of assessed value in FY25.

FY26 is the third year of the City's triennial reassessment period. The February 2025 Constant Yield Tax Rate Certification memo reflects a combined increase in real estate assessed values of 5.7% which represents a \$2.1M increase in real estate revenue for FY26 if no changes are made to the tax rate. The real estate property constant yield rate certified by the State for FY26, that would generate the same dollar amount of gross real tax revenues (before local property tax credits), is \$0.9477 per \$100 of assessed value for all real property which is less than the City's current FY26 tax rates. The proposed budget for FY26 includes the following: an estimated overall growth of 7.0% increase in the assessable base over current year from historical trends, anticipated growth from new developments and potential annexations, and a proposed 5.5 cent tax rate increase.

A fifteen year history of the change in the City's assessable tax base and property tax revenues is available on Page 6. Several years ago, the Mayor and City Council took action with Washington County to limit the maximum annual growth in assessments on owner occupied residential real estate to 5.0%. The cap had been 10.0%, which is still the maximum cap for State tax purposes.

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

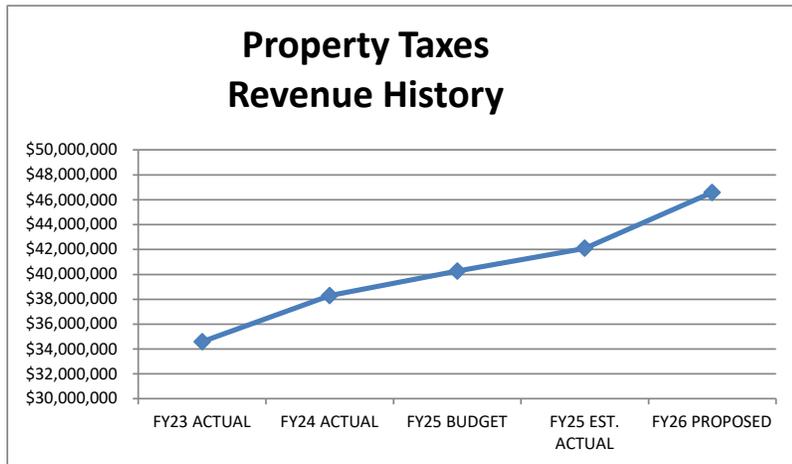
Adopted FY25 to Estimated Actual FY25

The estimated actual property tax revenues for FY25 when compared with the FY25 budget is expected be about 4.6% or \$1.8M higher than originally budgeted. This increase is mostly the result of current year levy, interest on delinquent taxes, payment in lieu of taxes, and tax discounts and credits allowed being higher than budgeted by a total of \$1.8M. It is anticipated that prior years' levy-net will remain level with FY25 budget. It is important to note that the impact of appeals continue to remain hard to determine. Corporate personal property reflects approximately half of this increase or \$947K more as a result from one organization. The remaining increase is driven by better assessed values than anticipated for FY25.

Adopted FY25 to Proposed FY26

Overall, the proposed property tax revenue for FY26 is expected to increase by 15.7% or \$6.3M when compared to the FY25 budget. The FY26 proposed budget includes estimated growth of 7.0% in overall assessable base values based on market value increases, on going development of several warehouse facilities, annexations, and proposed 5.5 cent tax rate increase. This proposed tax rate change will result in combined property tax revenue of \$2.3M which is needed to cover a portion of approved sworn police officer positions increase of 10% from 91 to 100, cover new union contract approved, and benefits. It is important to note that total impact of sworn staff base wages and benefits is \$2.8M increase in expenses.

This primary revenue source helps to fund various expenditures including: existing services provided to the community, economic incentives to businesses, annual debt service requirements, and employees' salaries and benefits. This funding source is vital to the City's future sustainability and growth. FY26 is the third year of City's triennial reassessment cycle.



INCOME AND OTHER TAXES - PROPOSED REVENUES
FISCAL YEAR 2025/2026

DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
Income Tax	\$ 4,094,393	\$ 4,200,000	\$ 4,200,000	\$ 4,200,000	0.0%
Admissions & Amusement Tax	591,838	457,000	336,000	450,000	-1.5%
Financial Corporations	34,214	34,214	31,214	34,214	0.0%
Enterprise Zone Tax Credits	543,212	571,266	1,417,689	1,410,448	146.9%
Sales Tax - Cannabis	43,294	64,000	64,000	70,000	9.4%
Room Tax - Tourism Promotions	311,918	325,000	325,000	325,000	0.0%
Police Protection	1,351,297	1,205,209	1,205,209	1,100,000	-8.7%
State Aid For Fire Service	77,593	70,000	77,851	78,000	11.4%
Highway User Revenues	134,650	125,000	125,000	139,175	11.3%
Total Income and Other Taxes	\$ 7,182,409	\$ 7,051,689	\$ 7,781,963	\$ 7,806,837	10.7%

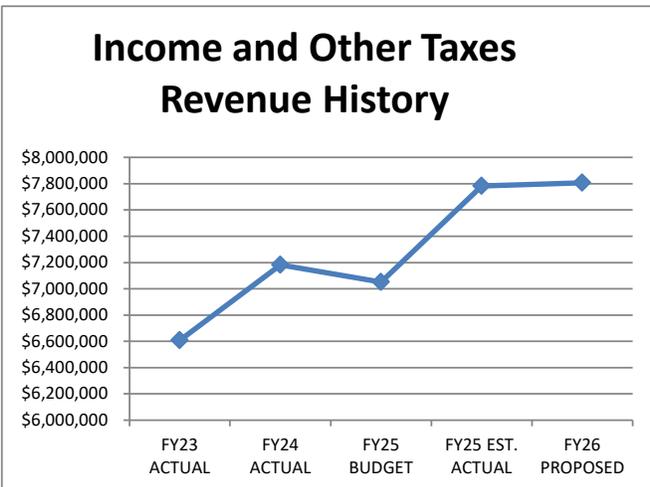
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

When compared to the FY25 adopted budget, FY25 estimated actual revenues are anticipated to be 10.4% or \$730.3K higher. The largest increase of \$846.4K is in enterprise zone tax credits due to timing of exemption related to Currwood warehouse. Room tax (hote/motel) and sales tax on cannabis is expected to remain consistent. It is anticipated that admissions and amusement taxes will decrease by 26.5% or \$121.0K in FY25 estimated actuals due to a correction and refund received in error in FY24.

Adopted FY25 to Proposed FY26

Overall, the proposed budget for FY26 income & other taxes revenue is expected to increase by 10.7% or \$755.1K over the FY25 budget. This increase is driven by increases in most revenue categories except the following which are expected to remain level with FY25 budget: income tax, financial corporations, and room tax (hotel/motel). Sales tax on cannabis is expected to be 9.4% or \$6.0K higher than FY25 budget based on current rends. Enterprise zone tax credits for FY26 are anticipated to be 146.9% or \$839.2K higher than FY25 budget which reflects the addition of Currwod warehouses.



As the current graph indicates, FY25 estimated actuals are increased in comparison to FY24 actuals and are anticipated to remain similar. The primary growth from FY26 budget is a result of better than anticipated Enterprise Zone Tax Credits and State Aid for Fire Service.

LICENSES & PERMITS - PROPOSED REVENUES
FISCAL YEAR 2025/2026

DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
Traders Licenses	\$ 109,916	\$ 95,000	\$ 100,000	\$ 100,000	5.3%
Vendor Permits from City Clerk	2,425	1,900	1,400	1,000	-47.4%
Cable TV Franchise Fee	238,143	258,000	225,000	225,000	-12.8%
General Construction Permits	40,868	25,000	50,000	35,000	40.0%
Street Digging Permits	34,283	30,000	32,000	30,000	0.0%
Curbs, Sidewalks, & Driveways	395	500	200	400	-20.0%
Stormwater Management Permits	15,376	35,000	25,000	30,000	-14.3%
Grading Permits	56,969	25,000	30,000	25,000	0.0%
Right of Way Permits	5,101	4,000	4,500	5,000	25.0%
Building Permits (Fire)	183,948	200,000	200,000	180,000	-10.0%
Fireworks Permits	1,500	1,000	750	750	-25.0%
Blasting Permits	150	100	50	100	0.0%
Plumbing Dept-Licenses	9,840	12,000	12,000	6,000	-50.0%
Contractor's Licenses	18,530	5,000	5,000	18,000	260.0%
Electrical Licenses	9,605	28,000	28,000	6,000	-78.6%
Residential Rental Licenses	712,143	725,000	725,000	725,000	0.0%
Uncollected- Residential Licenses	(10,294)	(40,000)	(40,000)	(40,000)	0.0%
Building Permits	649,175	350,000	600,000	125,000	-64.3%
Plumbing Permits	64,047	55,000	55,000	65,000	18.2%
Electrical Permits	115,523	110,000	110,000	110,000	0.0%
Mechanical Permits	46,680	40,000	40,000	50,000	25.0%
Re-Inspection Fee	2,350	1,500	2,000	2,000	33.3%
Property Abatement Billings -Code	131,968	215,000	215,096	215,000	0.0%
Use & Occupancy Inspections	-	500	500	500	0.0%
Transient Housing License Fee	3,500	3,500	3,500	3,000	-14.3%
Vacant Residential Structure Fee	62,575	105,000	105,000	105,000	0.0%
Vacant Commercial Structure Fee	18,850	25,000	25,000	25,000	0.0%
Admin Fee for Excise Tax	1,145	5,000	5,000	5,000	0.0%
Secure Vacant Structure Fee	(325)	3,000	3,800	3,000	0.0%
Technology Fee	38,308	35,000	35,000	35,000	0.0%
Unattended Donation Bin Fee	1,000	2,000	2,000	2,000	0.0%
Total Licenses and Permits	\$ 2,563,694	\$ 2,356,000	\$ 2,600,796	\$ 2,092,750	-11.2%

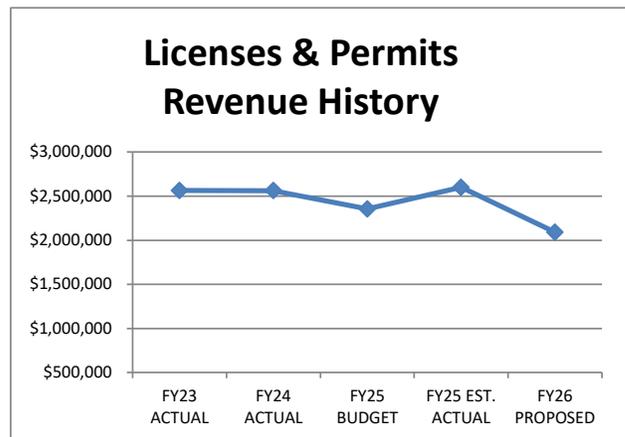
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

FY25 licenses and permit revenues are projected to be over budget by 10.4% or \$244.8K. This increase is due to multiple permit and license revenue categories being over budget, but mainly general construction permits, street digging permits, building permits and re-inspection fees. The majority of the growth in these categories are directly related to new Currwood warehouse development.

Adopted FY25 to Proposed FY26

Overall, the proposed FY26 budget is expected to be 11.2% or \$263.3K under FY25 budget. This decrease isn't necessarily identifiable to one specific revenue source because multiple revenue categories are expected to decrease due to the timing of new developments permit process. The largest increases in revenues are in general construction fees, right of way permits, contractor's licenses, plumbing permits, and mechanical permits, whereas the largest decreases are in vendor permits from City Clerk, plumbing dept-licenses, electrical licenses, and building permits. The contractor and electric licenses are bi-annual fees which is reflected in the fluctuations when comparing year to year amounts.



INTERGOVERNMENTAL REVENUES - PROPOSED REVENUES
FISCAL YEAR 2025/2026

DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
County Grant: School Resource Officers	\$ 550,940	\$ 581,117	\$ 580,000	\$ 765,000	31.6%
County Grant: Health Department	5,200	-	-	-	0.0%
State Grant: Imagine Hagerstown	10,000	-	-	-	0.0%
State Grant: Hagerfest	-	16,918	16,918	-	-100.0%
State Grant: A&E District Events	56,776	10,000	10,000	-	-100.0%
State Grant: FY23 Main Street Operating	1,460	-	-	-	0.0%
State Grant: FY24 Main Street Operating	-	25,000	25,000	-	-100.0%
DEA/NTF Reimbursed OT Grants	21,400	14,914	5,097	-	-100.0%
Federal Grants: SS4A Transportation	57,671	102,329	102,329	-	-100.0%
American Rescue Plan Act (ARPA)	1,452,807	345,677	319,197	-	-100.0%
Total Intergovernmental	\$ 2,156,254	\$ 1,095,955	\$ 1,058,541	\$ 765,000	-30.2%

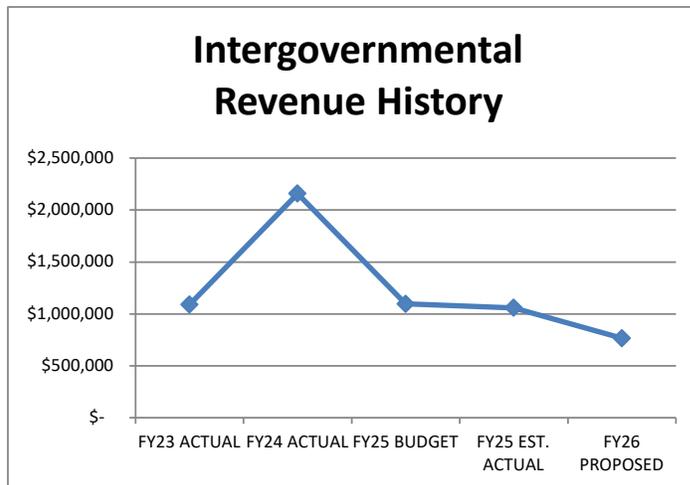
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

The estimated actual intergovernmental revenues for FY25 are expected to be 3.4% or \$37.4K lower than originally budgeted in FY25. Funding received for school resource officers is expected to remain the same with FY25 budget. There is also an expected decrease of 65.8% or \$9.8K in DEA/NTF reimbursed OT Grants based on current trends.

Adopted FY25 to Proposed FY26

Overall, the proposed FY26 budget is expected to be 30.2% or \$331.0K lower than FY25 budget. Funds received from the County for school resource officers are expected to be higher than FY25 budget by \$183.9K due to an anticipated new contract which would increase the top step officer pay. The majority of the offsetting decrease is result of the one-time ARPA grant fund period ending in FY25.



CHARGES FOR CURRENT SERVICES - PROPOSED REVENUES
FISCAL YEAR 2025/2026

DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
Refuse Collection Fees	\$ 3,571,239	\$4,878,340	\$ 4,774,310	\$ 4,811,880	-1.4%
Potterfield Swimming Pool	108,877	81,500	83,800	81,500	0.0%
Community Engagement & Recreation Events	5,255	2,600	7,785	5,100	96.2%
Other Service Charges	1,274,012	787,769	770,756	830,985	5.5%
Total Charges for Current Services	\$ 4,959,383	\$5,750,209	\$ 5,636,651	\$ 5,729,465	-0.4%

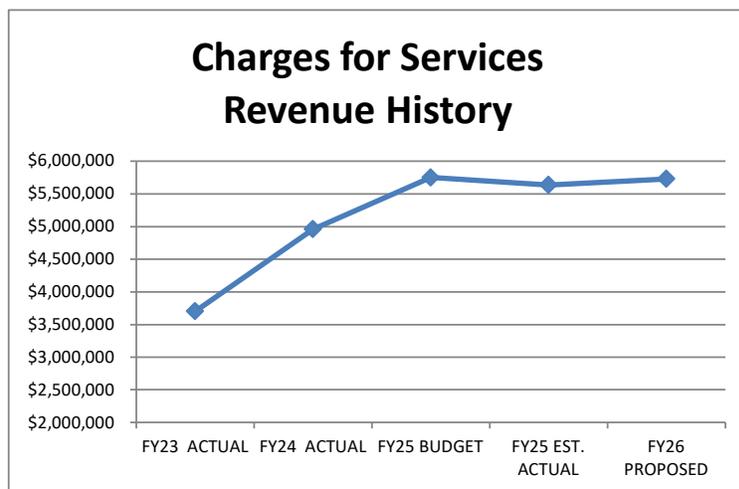
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

Overall, estimated actual revenue for FY25 is anticipated to be under budget by 2.0% or \$113.6K when compared with the FY25 budget. Other services charges are expected to be lower than FY25 budget by 2.2% or \$17.0K. These decreases are primarily the result of Planning & Zoning projects that were deferred and Police Security Services trending less than FY24 results. Revenues collected from the Potterfield Swimming Pool are expected to be slightly higher than FY25 budget by 2.8% or \$2.3K. Refuse collection fees for estimated actual for FY25 are expected to be 2.1% or \$104.0K lower than FY25 budget. Community engagement and recreation events for estimated actual for FY25 are expected to be higher than FY25 budget by 199.4% or \$5.2K.

Adopted FY25 to Proposed FY26

In total, charges for current services in the FY26 budget are expected to be 0.4% or \$21.0K lower than FY25 budget. The largest increases are 5.5% or \$43.2K in Other Service Charges and 96.2% or \$2.5K in community engagement & recreation fees. The primary difference in Other Service Charges is from an updated rate contract with SHA (State Highway Administration) for signal reimbursements. Refuse collections fees for FY26 are anticipated to be 1.4% or \$66.5K lower than FY25 budget.



FINES & FORFEITURES - PROPOSED REVENUES
FISCAL YEAR 2025/2026

DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
Abatement Administrative Fees - Code Admin	\$ 38,300	\$ 35,000	\$ 35,000	\$ 35,000	0.0%
Confiscated Revenue	478	5,000	8,000	10,000	100.0%
Fire Code Violations	750	1,000	250	250	-75.0%
Municipal Infractions - Code Admin	74,700	50,000	50,050	50,050	0.1%
Parking Tickets, Late Fees, & Uncollectible	505	1,500	(800)	1,200	-20.0%
Red Light Violation Fine & Uncollectible	193,225	210,000	185,000	200,000	-4.8%
Safe Speed for Students Program & Uncollectible	690,270	825,000	825,000	825,000	0.0%
Tech Appeals Board Filing Fees	-	150	300	300	100.0%
Total Fines and Forfeitures	\$ 998,228	\$ 1,127,650	\$ 1,102,800	\$ 1,121,800	-0.5%

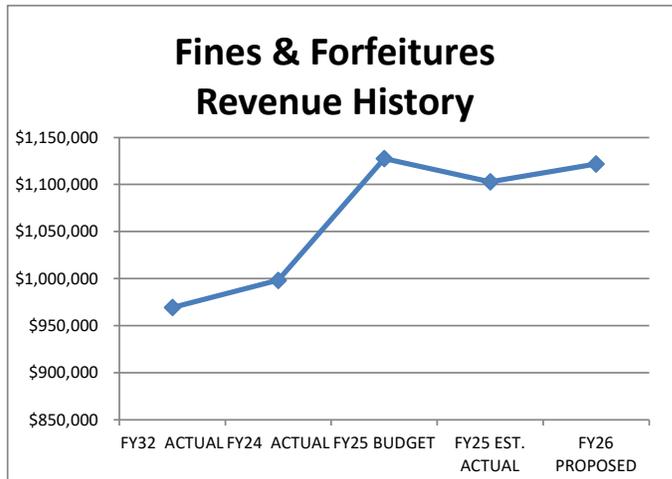
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

Estimated actual revenue for FY25 is expected to be under budget by 2.2% or \$24.9K. Municipal infractions - code admin, confiscated revenue, and tech appeals board filing fees are expected to increase when compared to FY25 budget levels. These increases are offset by decreases expected in red light violations, fire code violations, and parking tickets. Abatement administrative fees - code admin and safe speed revenue is expected to remain the same with FY25 budget.

Adopted FY25 to Proposed FY26

The FY26 budget for total fines and forfeitures revenue sources are lower than FY25 budget by 0.5% or \$5.6K. Confiscated revenue is expected to be 100.0% or \$5.0K and tech appeals board filing fees are expected to be 100.0% or \$150 higher than FY25 budget. All other revenues are projected to be lower than FY25 budget by \$11.1K, including fire code violations, parking tickets, and red light violations. Abatement administrative fees - code admin, municipal infractions - code admin, and safe speed revenues are projected to remain level with FY25 budget.



UNALLOCATED GENERAL REVENUES - PROPOSED REVENUES
FISCAL YEAR 2025/2026

DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
Administrative Allocation Revenues	\$ 1,997,500	\$ 1,997,500	\$ 1,997,500	\$ 1,997,500	0.0%
Interest on Investments	1,936,694	1,255,000	1,230,000	900,000	-28.3%
Rental Income	199,344	146,699	155,506	153,521	4.7%
Sale of Land & Other Assets	34,703	3,500	34,327	3,000	-14.3%
Contributions & Donations	48,458	36,431	58,083	29,600	-18.8%
Other General Revenue	120,425	132,201	53,756	55,525	-58.0%
Total Unallocated General Revenues	\$ 4,337,124	\$ 3,571,331	\$ 3,529,172	\$ 3,139,146	-12.1%

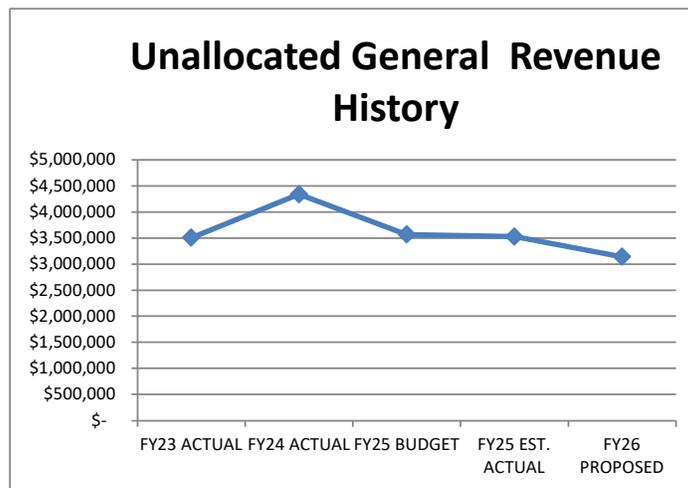
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

In total, the FY25 estimated actual revenue amounts are projected to be 1.2% or \$42.2K lower than FY25 budget. There is a large increase in sale of land and other assets estimated actual for FY25 compared to FY25 budget by 880.8% or \$30.8K. Other revenue amounts that are expected to increase by \$30.5K compared to FY25 budget include rental income and contributions and donations. The remaining revenue amounts are expected to decrease by \$103.5K compared to FY25 budget. These revenue accounts include interest on investments and other general revenue. The largest is reflective of current interest trends after Federal Reserve decrease in late calendar year 2024. Administrative allocation revenues for FY25 estimated actual are anticipated to remain level with FY25 budget.

Adopted FY25 to Proposed FY26

The proposed FY26 budget is anticipated to decrease by 12.1% or \$432.2K in total in comparison to FY25 budget. A significant portion of this decrease is attributed to the anticipated effects of the Federal Reserve Board to decrease interest rates. Interest earned is expected to be 28.3% or \$355.0K lower than FY25 budget. Sale of land and other assets is also expected to decrease slightly by 14.3% or \$500, along with contributions and donations by 18.8% or \$6.8K, and other general revenue estimated decrease to be 58.0% or \$76.7K lower than FY25 budget for other revenue reflected one-time item that did not happen. In addition, trash late fees are anticipated to decrease to average versus higher levels reflected in FY24. Administrative allocations are expected to remain relatively level with FY25 budget while rental income is expected to increase by \$6.8K.



TRANSFERS FROM OTHER FUNDS & OTHER FINANCING SOURCES - PROPOSED REVENUES
FISCAL YEAR 2025/2026

DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
Transfer from CIP Fund	\$ 11,925	\$ -	\$ -	\$ -	0.0%
Transfer from CDBG Fund	31,255	35,000	35,000	35,000	0.0%
Total Transfers from Other Funds & Other Financing Sources	\$ 43,180	\$ 35,000	\$ 35,000	\$ 35,000	0.0%

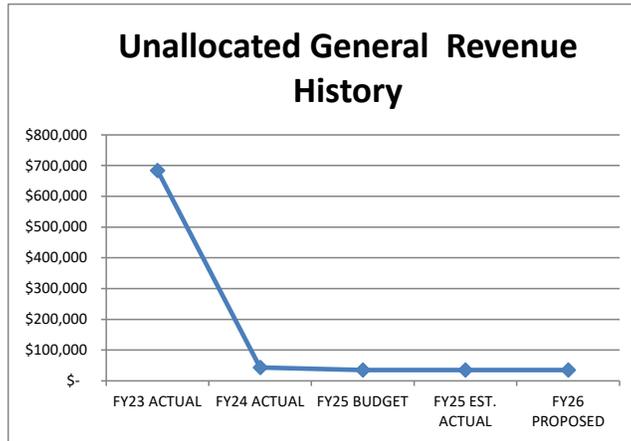
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

Overall, all transfers into the General Fund are expected to remain level with FY25 budget.

Adopted FY25 to Proposed FY26

FY26 proposed budget is estimated to remain level with FY25 budget due to \$0 non-recurring transfers from the Health Insurance and CIP Fund and the same transfer from the CDBG Fund that covers a portion of the salary for a Neighborhood Services Program Specialist.



MAYOR - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OVERVIEW

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

DEPARTMENT / PROGRAM OBJECTIVES

- Establish City priorities, goals, objectives and work plans for the next fiscal year with the City Council and City Administrator.
- Provide leadership and participate with the Maryland Municipal League, Tri-County Council, and other County, State, and Federal officials to develop and implement goals.
- Serve as spokesperson for City programs, services, and new initiatives.
- Represent the City at public events and functions.
- The Mayor and City Council typically hold 36 Work Session meetings along with 12 Regular Session meetings a year.
- A State of the City Address is delivered annually in March by the Mayor.
- The Mayor and City Council attend a number of meetings with civic associations. Some examples include the Hagerstown-Washington County Economic Development Commission, Chamber of Commerce, Greater Hagerstown Committee, and Hagerstown/Eastern Panhandle Metropolitan Planning Organization (HEPMPO).
- The Mayor and City Council hold public hearings throughout the year to provide the public with appropriate information as well as to receive the community's feedback and input.

PERFORMANCE INDICATORS

	2023/24	2024/25	2025/26
Number of Mayor and Council meetings	50	50	50
Average number of meetings representing City (e.g. board/commission)	40	50	50
Average number of community functions	40	50	40

MAYOR - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2025/26	2024/25
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 45,896	\$ 47,497	\$ 47,496	\$ 48,774	2.7%
Benefits	19,993	22,070	21,746	19,611	-11.1%
Overtime	35	100	-	-	-100.0%
Personnel Subtotal	65,924	69,667	69,242	68,385	-1.8%
Operating Expenditures	8,656	7,398	6,963	10,070	36.1%
Capital Outlay	-	1,760	1,660	1,200	-31.8%
Operating Subtotal	8,656	9,158	8,623	11,270	23.1%
Total Expenditures	\$ 74,580	\$ 78,825	\$ 77,865	\$ 79,655	1.1%
REVENUES BY TYPE					
Departmental Revenue	\$ -	\$ -	\$ -	\$ -	0.0%
Total Revenues	\$ -	\$ -	\$ -	\$ -	0.0%
Expenditures, net of Revenues	\$ 74,580	\$ 78,825	\$ 77,865	\$ 79,655	1.1%

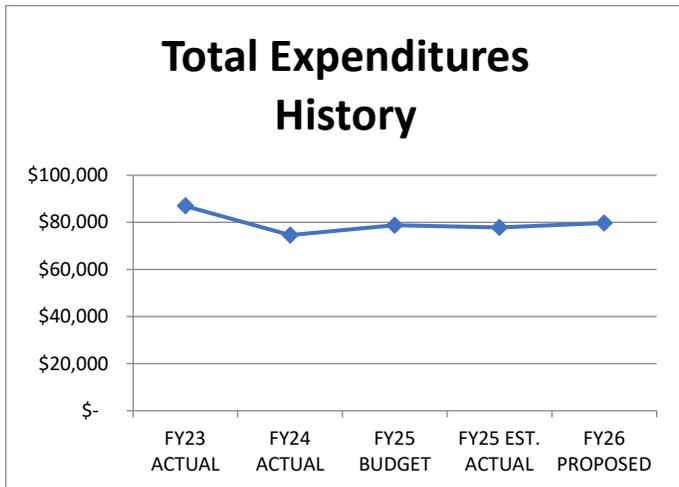
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

FY25 estimated actuals are expected to be 1.2% or \$960 lower than FY25 budget due to decreases in all areas.

Adopted FY25 to Proposed FY26

FY26 proposed budget is 1.1% or \$830 higher than FY25 budget due to increases in operating expenses and salary and wages. Benefits, overtime, and capital outlay are expected to decrease \$3.1K compared to FY25 budget.



STAFFING SUMMARY

	FY24	FY25		FY26
		Bud	Est Act	
Full time	0.33	0.33	0.33	0.33
Staffing Total	0.33	0.33	0.33	0.33
Unfunded positions	0.00	0.00	0.00	0.00

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

CITY COUNCIL - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OVERVIEW

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

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

DEPARTMENT / PROGRAM OBJECTIVES

- Establish City priorities, goals, objectives and work plans for the next fiscal year with the City Council and City Administrator.

- Provide leadership and participate with the Maryland Municipal League, Tri-County Council, and other County, State, and Federal officials to develop and implement goals.

- Serve as spokesperson for City programs, services, and new initiatives.

- Represent the City at public events and functions.

- The Mayor and City Council typically hold 36 Work Session meetings along with 12 Regular Session meetings a year.

- A State of the City Address is delivered annually in March by the Mayor.

- The Mayor and City Council attend a number of meetings with civic associations. Some examples include the Hagerstown-Washington County Economic Development Commission, Chamber of Commerce, Greater Hagerstown Committee, and Hagerstown/Eastern Panhandle Metropolitan Planning Organization (HEPMPO).

- The Mayor and City Council hold public hearings throughout the year to provide the public with appropriate information as well as to receive the community's feedback and input.

- For the purpose of carrying out the powers granted in the City Charter, the council may pass all necessary ordinances. All the powers of the City shall be exercised in the manner prescribed by the Charter, or if the manner is not prescribed, then in such manner as may be prescribed by ordinance or in accordance with the manner that may be prescribed under the public general laws of Maryland, if applicable.

PERFORMANCE INDICATORS

	2023/24	2024/25	2025/26
Number of Mayor and Council meetings	50	50	50
Average number of meetings representing City (e.g. board/commission)	30	30	30
Average number of community functions attended representing the City	30	40	45

CITY COUNCIL - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 39,232	\$ 40,000	\$ 40,000	\$ 40,000	0.0%
Benefits	35,736	33,862	34,458	30,657	-9.5%
Personnel Subtotal	74,968	73,862	74,458	70,657	-4.3%
Operating Expenditures	50,151	55,431	61,553	60,718	9.5%
Capital Outlay	-	8,299	6,299	-	-100.0%
Operating Subtotal	50,151	63,730	67,852	60,718	-4.7%
Total Expenditures	\$ 125,119	\$ 137,592	\$ 142,310	\$ 131,375	-4.5%
REVENUES BY TYPE					
Departmental Revenue	\$ -	\$ -	\$ -	\$ -	0.0%
Total Revenues	\$ -	\$ -	\$ -	\$ -	0.0%
Expenditures, net of Revenues	\$ 125,119	\$ 137,592	\$ 142,310	\$ 131,375	-4.5%

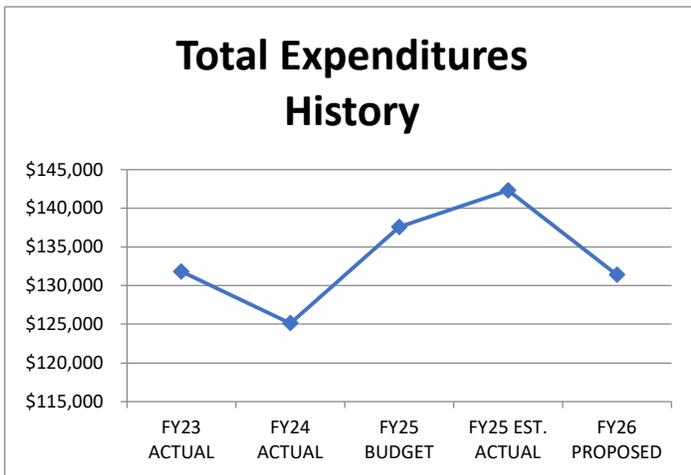
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

FY25 estimated actuals are anticipated to be 3.4% or \$4.7K higher than FY25 budget due to increases in personnel expenses and operating expenditures.

Adopted FY25 to Proposed FY26

The proposed FY26 budget is anticipated to decrease by 4.5% or \$6.2K in comparison to FY25 budget. This decrease is due to a \$3.2K decrease in benefit changes and a \$8.3K decrease in capital outlay.



STAFFING SUMMARY

	FY25			FY26
	FY24	Bud	Est Act	
Full time	5.00	5.00	5.00	5.00
Staffing Total	5.00	5.00	5.00	5.00
Unfunded positions	0.00	0.00	0.00	0.00

Elected officials are counted separate from staffing levels for city departments and operations. There are a total of five (5) Councilmembers.

REGISTRATION AND ELECTIONS - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OVERVIEW

The City Charter requires a primary and general election every four years for the Mayor and five City Councilmembers. The election schedule coincides with the Presidential Election. The Washington County Board of Elections conducts the election in accordance with provisions of the State of Maryland. The Primary Election was held on May 14, 2024 and the General Election was held on November 5, 2024. The newly elected Mayor and Councilmembers took office on November 25, 2024.

Hagerstown voter turnout in the General Election was 61%. Voter turnout in the previous General Election (2020) was 59%. In 2009, before the election schedule was changed, voter turnout was at 15%.

The next General Election will be held on November 7, 2028. The newly elected Mayor and City Council will take office on November 27, 2028.

PERFORMANCE INDICATORS

	2016	2020	2024
Number of Candidates Filing	15	16	15
Number of Registered Voters at General Election	23,251	25,249	24,892
Number of Registered Voters at Primary Election	22,560	25,249	24,816
Number Voting in General Election	14,797	1,470	15,286
Number Voting in Primary Election	7,404	7,442	4,704

DEPARTMENT / PROGRAM OVERVIEW

The City Administrator serves as appointed Chief Administrative Officer for the City of Hagerstown. The City Administrator guides the Department Heads with the preparation of staff information, recommendations, and presentations to the Mayor and Council and ensures that acts of City Council are faithfully executed. Primary responsibilities include the submission of the City's annual operational and capital proposed budget, day-to-day management of City operations, and providing leadership and support for City departments to achieve goals consistent with the Mayor and Council's priorities while meeting the requirements of the City Code and Charter. The City Administrator in coordination with senior leadership and staff formulates programs and recommendations designed to address community needs and interacts with citizens, community organizations, and other governmental representatives on issues of interest to the community. The City Administrator reports to the Mayor and Council providing assistance and support. The City Administrator is responsible for promoting excellence and effectiveness in City operations, progressive programs and actions, and strong professionalism and ethical behavior within the organization.

DEPARTMENT / PROGRAM OBJECTIVES

- To guide and encourage Department Heads in support of the completion of the vision, goals, and priorities adopted by the Mayor and City Council.

- To develop recommendations that enable the Mayor and Council to make informed legislative decisions related to the Community and City government.

- To create financial strategies and plans along with adjustments to operations in response to economic fluctuations as they relate to City finances.

- To develop programs and recommendations that address community needs related to public safety, neighborhood vitality, public infrastructure, downtown revitalization, and economic development.

- To provide staff support in accordance with the Mayor & City Council's goals that incorporate new technologies and service delivery approaches into City operations.

- To promote professional and ethical operations combined with a strong organizational commitment to providing excellent community based services.

- To build strong community partnerships with unified strategies for the betterment of the City/Community based on citizen involvement, interaction with local institutions, business leaders, and other levels of government.

PERFORMANCE INDICATORS

The City Administrator prepares and presents:

- Annual reports to Mayor and Council on prior calendar year accomplishments and current year departmental goals by April 1st.
- The proposed budget by March 31st.
- Approximately 50 agenda and information packets for Mayor and City Council meetings throughout the year.
- A Weekly Status and Information Report on City operations to Mayor and City Council.

The City Administrator also supports:

- The completion of goals and objectives identified as Mayor and Council priorities.
- The reporting of the condition of City finances to the Mayor and City Council.

CITY ADMINISTRATOR - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 185,034	\$ 190,296	\$ 190,296	\$ 196,523	3.3%
Benefits	52,726	58,881	57,976	66,202	12.4%
Overtime	(367)	100	-	-	-100.0%
Personnel Subtotal	237,393	249,277	248,272	262,725	5.4%
Operating Expenditures	14,840	11,792	18,404	16,800	42.5%
Capital Outlay	625	-	-	-	0.0%
Operating Subtotal	15,465	11,792	18,404	16,800	42.5%
Total Expenditures	\$ 252,858	\$ 261,069	\$ 266,676	\$ 279,525	7.1%
REVENUES BY TYPE					
Departmental Revenue	\$ -	\$ -	\$ -	\$ -	0.0%
Total Revenues	\$ -	\$ -	\$ -	\$ -	0.0%
Expenditures, net of Revenues	\$ 252,858	\$ 261,069	\$ 266,676	\$ 279,525	7.1%

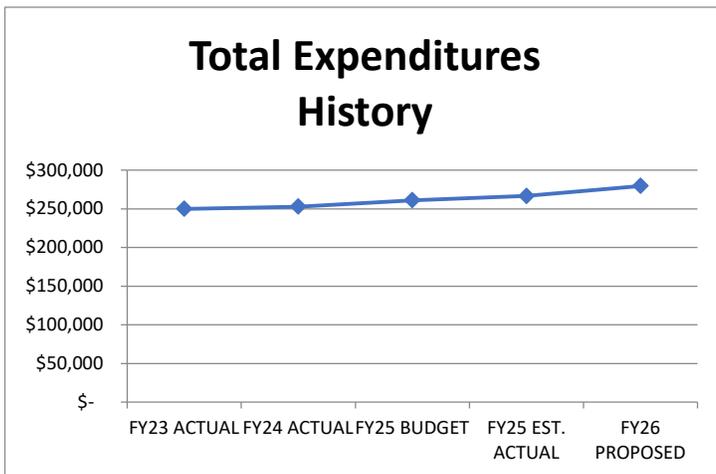
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

FY25 estimated actuals are expected to be 2.1% or \$5.6K higher than the FY25 adopted budget due to an increase in operating expenditures.

Adopted FY25 to Proposed FY26

The proposed FY26 budget is expected to increase 7.1% or \$18.5K over the FY25 adopted budget. Total personnel expenditures are expected to increase \$13.4K while total operating expenditures are expected to increase \$5.0K.



STAFFING SUMMARY

	FY24	FY25		FY26
		Bud	Est Act	
Full time	1.33	1.33	1.33	1.33
Staffing Total	1.33	1.33	1.33	1.33
Unfunded positions	0.00	0.00	0.00	0.00

The City Administrator position is a full-time position. A full-time Executive Assistant position is shared among three departments including the Mayor, Administration, and the City Clerk.

CITY CLERK - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OVERVIEW

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

The City Clerk is the organizer of Mayor and Council meetings, which includes preparing minutes, creating weekly agendas, and weekly agenda packets.

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

The City Clerk works closely with every department and is responsible for ensuring the City Code is up to date with current legislation.

DEPARTMENT / PROGRAM OBJECTIVES

- To continue to increase public access to the weekly Mayor and Council meetings by maintaining an online meeting management system which provides media, staff members, and Mayor and Council the ability to view, download and/or print the agenda and all supporting documents.

- The City Clerk is the staff liaison for the City Ethics Commission. The Commission is responsible for ensuring the appropriate officials are following the guidelines of the City's Ethics Code. The Commission met 3 times in 2023 and provided the required certification to the State Ethics Commission by the October deadline.

- Review the City Code to identify outdated and irrelevant language within the Code, specific to the City Clerk, and to recommend amendments to reflect current practices.

- Develop a viable plan for updating the City's Record Retention Schedule for submittal to the Maryland State Archives.

PERFORMANCE INDICATORS

	2023/24	2024/25	2025/26
Number of Ordinances Processed	25	20	20
Number of Resolutions Processed	52	50	50
Number of Licenses and Permits Issued	40	70	65
Number of Mayor and Council meetings processed	50	50	50

CITY CLERK - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 118,401	\$ 126,971	\$ 126,971	\$ 135,462	6.7%
Benefits	33,493	38,239	37,389	43,717	14.3%
Overtime	36	100	-	-	-100.0%
Personnel Subtotal	151,930	165,310	164,360	179,179	8.4%
Contractual Services	1,195	18,392	12,000	2,000	-89.1%
Operating Expenditures	12,142	49,112	47,167	41,242	-16.0%
Capital Outlay	-	5,350	2,800	-	-100.0%
Operating Subtotal	13,337	72,854	61,967	43,242	-40.6%
Total Expenditures	\$ 165,267	\$ 238,164	\$ 226,327	\$ 222,421	-6.6%
REVENUES BY TYPE					
Departmental Revenue	\$ 112,381	\$ 99,700	\$ 104,200	\$ 101,000	1.3%
Total Revenues	\$ 112,381	\$ 99,700	\$ 104,200	\$ 101,000	1.3%
Expenditures, net of Revenues	\$ 52,886	\$ 138,464	\$ 122,127	\$ 121,421	-12.3%

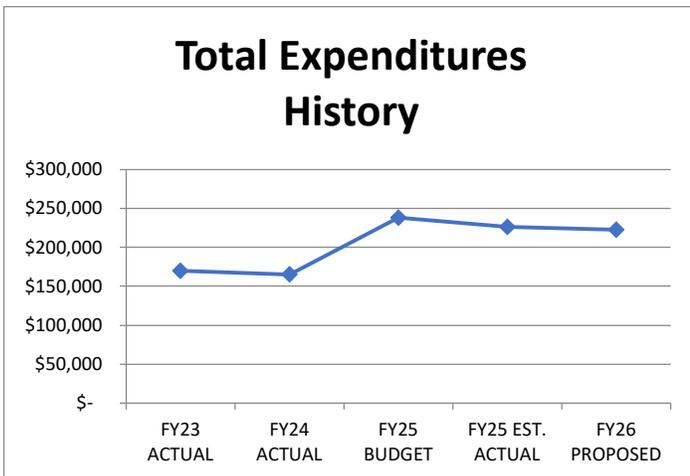
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

FY25 estimated actual expenditures are expected to be 5.0% or \$11.8K below FY25 budget. Total personnel expenditures are expected to decrease slightly by 0.6% or \$950 while departmental revenue is anticipated to decrease by 11.8% or \$16.3K.

Adopted FY25 to Proposed FY26

FY26 proposed expenses are estimated to be 40.6% or \$29.6K lower than FY25 budget due to implementing a meeting management system with Granicus. The initial expenditure is \$44,628.84, with additional annual fees of \$25,310.24 (FY26) and \$27,081.96 (FY27). FY26 proposed revenues are anticipated to be 12.3% or \$17.0K lower than FY25 budget where as personnel subtotal is expected to be 8.4% or \$13.9K higher than FY25 budget due to increases in salary and wages and benefit changes.



STAFFING SUMMARY

	FY25			
	FY24	Bud	Est Act	FY26
Full time	1.34	1.34	1.34	1.34
Part time	0.00	0.00	0.00	0.00
Staffing Total	1.34	1.34	1.34	1.34
Unfunded positions	0.00	0.00	0.00	0.00

A FT Executive Assistant position is shared among five departments including the Mayor, Administrator, the City Clerk, Communications, and Community Engagement.

COMMUNITY ENGAGEMENT - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OVERVIEW

The Department of Community Engagement works in collaboration with all City Departments, our residents, businesses, current and prospective investors, and visitors to advance the economy, image, and quality of life in downtown Hagerstown. Community Engagement works to drive new development and investment in the Main Street and Arts and Entertainment districts. The Department also works to strengthen community engagement among business owners, schools, civic organizations, and the overall community through low-cost to no-cost programs and events, offering grant opportunities, and assisting in the promotion of downtown activities and businesses.

The Department's primary function areas: **Community Engagement** to build relationships with existing businesses and attract new businesses; and **Special Events and Festivals** to celebrate community pride.

DEPARTMENT / PROGRAM OBJECTIVES

- **Grant Management:** Apply and administer multiple grants through funding from Maryland State Arts Council (MSAC) and Main Street Maryland (DHCD) to support downtown events and artist incentive programs.
- **Community Engagement and Growing Volunteerism:** Lead engagement efforts, dialogue, and external relations. Explore action items that enhance our efforts to become a more sustainable and viable City. Continue to grow volunteerism to foster civic engagement and understanding of local government operations. Creating working partnerships with BISFA and Main Street businesses.
- **Main Street:** Engage with advisory council; meet quarterly with Main Street business owners to create a robust and thriving community where businesses are working together, hosting events, and offering professional development opportunities to work together
- **Art & Entertainment District:** Establish a solid Management Board that will assist in selecting entertainment for community events, assist in marketing events happening in the district, provide professional development opportunities and grant programs when funding is available, increase the amount of public art and design throughout the City.

SPECIAL EVENTS AND FESTIVALS

- **City Organized, Partnered and Supported Events:** Plan and implement a range of special events and festivals delivered by the City of Hagerstown and/or in partnership. Provide support through sponsorship of additional events. Events include, but are not limited to: MDWK Music and Market, spring and holiday markets, Friday music series, Hagerfest Arts & Music Festival, Thunder in the Square, Latin Festival, Mummers Parade, Halloween Block Party, Downtown Tree Lighting event, HollyFest, the Donut Drop, and more.
- **Support for Downtown Events:** Encourage and provide support to organizations that select Downtown Hagerstown as the venue for their events. Provide guidance to outside event planners with the goal of increasing the number of events held annually downtown. Create a downtown event grant application and process that is equal to all applicants.
- **City Farmers' Market:** Operate and manage the City Farmers' Market and explore related opportunities. Find a location that's a good fit for the seasonal, outdoor City Farmer's Market and increase vendor interest and customer attendance.

PERFORMANCE INDICATORS

	2023/24	2024/25	2025/26
Number of event attendees*	20,000	30,000	32,000
Number of volunteer hours	500	200	250
Total Facebook Views	610,400	1,725,421	1,850,000
Facebook Reach	471,471	561,800	600,000
Total Instagram Views	10,300	425,261	440,000
Instagram Reach	36,747	49,300	50,000
Facebook Likes	7,208	8,700	9,000
Facebook Followers	9,215	13,044	13,500
Instagram Followers	2,054	3,218	4,500
Website - Downtown Hagerstown	16,483	13,029	14,000
Website - A&E District	7,567	5,886	7,000

COMMUNITY ENGAGEMENT - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 111,156	\$ 127,729	\$ 136,746	\$ 149,660	17.2%
Benefits	37,839	50,431	50,800	74,273	47.3%
Overtime	-	-	1,000	1,000	100.0%
Personnel Subtotal	148,995	178,160	188,546	224,933	26.3%
Contractual Services	35,200	100,019	83,425	92,800	-7.2%
Operating Expenditures	237,880	204,914	263,708	246,725	20.4%
Operating Subtotal	273,080	304,933	347,133	339,525	11.3%
Total Expenditures	\$ 422,075	\$ 483,093	\$ 535,679	\$ 564,458	16.8%
REVENUES BY TYPE					
Departmental Revenue	\$ 77,535	\$ 75,550	\$ 99,461	\$ 2,200	-97.1%
Total Revenues	\$ 77,535	\$ 75,550	\$ 99,461	\$ 2,200	-97.1%
Expenditures, net of Revenues	\$ 344,540	\$ 407,543	\$ 436,218	\$ 562,258	38.0%

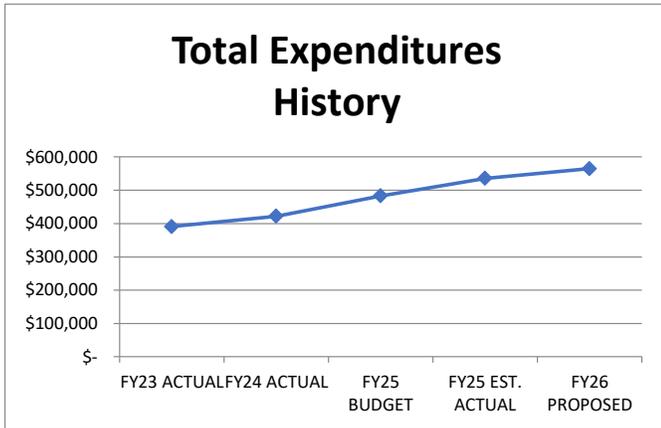
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

Total personnel costs are anticipated to be higher than FY25 budget by 5.8% or \$10.4K due to the conversion of a part-time position to a full-time position. Total operating expenditures are expected to be 13.8% or \$42.2K higher than budget. Departmental revenue amounts are expected to be higher than budget by 7.0% or \$28.7K.

Adopted FY25 to Proposed FY26

Overall, FY26 proposed total expenditures are expected to be 16.8% or \$81.4K higher than FY25 budget. Total personnel expenditures are expected to be 26.3% or \$46.8K higher than FY25 budget due to the reorganization of the department and to the conversion of a part-time position to a full-time position. Total operating expenditures are expected to be 11.3% or \$34.6K higher than FY25 budget. There is an expected decrease of 97.1% or \$73.4K in revenues, primarily due to one-time grants in A&E District and ARPA in FY25.



STAFFING SUMMARY

	FY24	FY25		FY26
		Bud	Est Act	
Full time	1.00	1.00	2.00	2.00
Part time	1.00	1.00	0.00	0.00
Seasonal	0.00	0.00	0.00	0.00
Staffing Total	2.00	2.00	2.00	2.00
Unfunded positions	0.00	0.00	0.00	0.00

This department separated from Community and Economic Development in FY23. There is one full-time and one part-time position that was transitioned to a full-time position in FY25. There are no additional changes anticipated for FY26.

COMMUNITY ENGAGEMENT - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

EXPENDITURES BY PROGRAM

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES					
Public Functions	\$ 420,046	\$ 483,093	\$ 535,679	\$ 564,458	16.8%
Farmers Market	2,029	-	-	-	0.0%
Total Expenditures	\$ 422,075	\$ 483,093	\$ 535,679	\$ 564,458	16.8%
REVENUES					
Departmental Revenue	\$ 77,535	\$ 75,550	\$ 99,461	\$ 2,200	-97.1%
Total Revenues	\$ 77,535	\$ 75,550	\$ 99,461	\$ 2,200	-97.1%
Expenditures, net of Revenues	\$ 344,540	\$ 407,543	\$ 436,218	\$ 562,258	38.0%

LEGAL - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OVERVIEW

The City attorney assists Mayor and Council with the interpretation of City, State, and Federal laws as they pertain to Hagerstown's services, draft contracts, deeds, leases, ordinances and resolutions. Additionally, the attorney is responsible for defending the City in litigation matters.

DEPARTMENT / PROGRAM OBJECTIVES

- Prepare legislation in the form of ordinances and resolutions for Mayor and Council's consideration and adoption.

- Provide advice on law enforcement issues to the Police Department, and provide representation at internal hearings and other litigation.

- Support the City's Ethics Commission in ensuring compliance with the City's Ethics Code.

- Assist in the development, review, and implementation of contracts, leases and other legal documents related to City Operations.

PERFORMANCE INDICATORS

	2023/24	2024/25	2025/26
Number of Ordinances Processed	25	20	20
Number of Resolutions Processed	52	50	50
Number of Approved Contracts and Agreements	68	70	65

LEGAL - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ -	\$ -	\$ -	\$ -	0.0%
Personnel Subtotal	-	-	-	-	0.0%
Contractual Services	225,585	269,000	257,000	340,000	26.4%
Operating Expenditures	11,685	12,000	15,000	12,000	0.0%
Operating Subtotal	237,270	281,000	272,000	352,000	25.3%
Total Expenditures	\$ 237,270	\$ 281,000	\$ 272,000	\$ 352,000	25.3%
REVENUES BY TYPE					
Departmental Revenue	\$ -	\$ -	\$ -	\$ -	0.0%
Total Revenues	\$ -	\$ -	\$ -	\$ -	0.0%
Expenditures, net of Revenues	\$ 237,270	\$ 281,000	\$ 272,000	\$ 352,000	25.3%

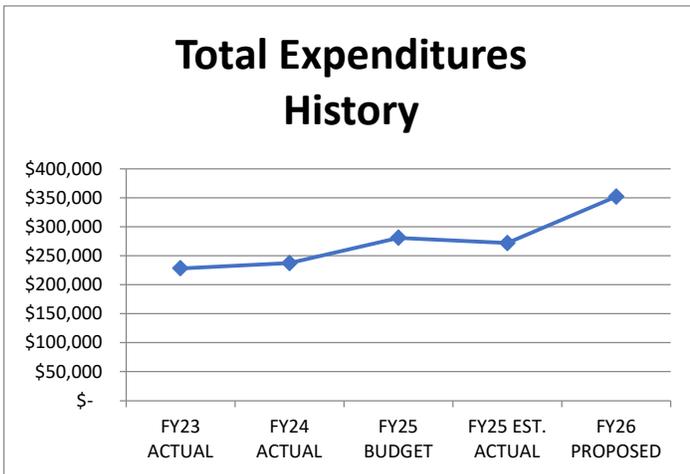
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

FY25 estimated actuals are expected to be 3.2% or \$9.0K lower than FY25 budget due to a decrease in contractual services.

Adopted FY25 to Proposed FY26

Proposed FY26 budget is expected to be 25.3% or \$71.0K higher than FY25 budget due to an increase in contractual services.



STAFFING SUMMARY

	FY25			
	FY24	Bud	Est Act	FY26
Full time	0.00	0.00	0.00	0.00
Staffing Total	0.00	0.00	0.00	0.00
Unfunded positions	0.00	0.00	0.00	0.00

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

FINANCE - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OVERVIEW

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

Accounting Function

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

Budget Function

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

DEPARTMENT / PROGRAM OBJECTIVES

- **Financial Reporting:** Finance will continue quarterly review meetings with department managers to ensure adequate monitoring of the City's finances. Finance will meet the October 31 deadline for completion of the audit and Annual Comprehensive Financial Report. Finance will also produce a Popular Annual Financial Report to present financial data in an easy-to-use format by December 31.
- **Customer Service:** The Finance department will continue to provide enhanced customer service to both our internal and external customers through the promotion of awareness and understanding of the City's finances through accessible and easy to use data presentations. The procurement process and policy will be reviewed for efficiency. The Finance Department will analyze and organize the contracts the City currently has with vendors.
- **Policy Updates:** Staff will continue to review and recommend updates for fiscal policies to present to Mayor and Council for approval.
- **Bonds & Other Debt:** Finance will continue to monitor the capital projects in the CIP fund. Also, Finance will continue to work with our financial advisor and bond counsel to issue general obligation bonds as needed and as approved for public improvement projects. Last, Finance will continue to monitor unspent bond projects and funding to ensure timely compliance with bond covenants.
- **Software Enhancements:** Finance, in conjunction with IT, will work to test enhancements to MUNIS, such as more user-friendly reporting tools, so that departments may access useful information.

PERFORMANCE INDICATORS

	2023/24	2024/25	2025/26
<i>Performance Measures</i>			
Maintain the City's bond rating:			
Standard and Poor's AA-	AA	AA	AA
Moody's Investors Service A2 or higher	Aa3	Aa3	Aa3
Receive GFOA Comprehensive Annual Financial Reporting award	Yes/ 29 yrs	Yes 30 yrs	Yes 31 yrs
<i>Workload Measures</i>			
Bond sales executed	1	1	1
Number of individual employee payrolls processed	37,000	24,000	25,000
Number of vendor invoices processed	17,000	12,000	13,000
Number of Pcard transactions processed	9,000	5,400	5,500
Number of Purchase Orders issued	2,000	1,400	1,600

FINANCE - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 666,399	\$ 759,983	\$ 734,149	\$ 788,712	3.8%
Benefits	202,333	243,849	223,670	289,570	18.7%
Overtime	26	100	100	100	0.0%
Personnel Subtotal	868,758	1,003,932	957,919	1,078,382	7.4%
Contractual Services	28,466	35,788	30,853	36,585	2.2%
Operating Expenditures	76,947	39,292	119,420	45,515	15.8%
Capital Outlay	2,954	3,500	3,000	3,000	-14.3%
Operating Subtotal	108,367	78,580	153,273	85,100	8.3%
Total Expenditures	\$ 977,125	\$ 1,082,512	\$ 1,111,192	\$ 1,163,482	7.5%
REVENUES BY TYPE					
Departmental Revenue	\$ 9,182,609	\$ 11,133,844	\$ 8,247,345	\$ 12,146,689	9.1%
Total Revenues	\$ 9,182,609	\$ 11,133,844	\$ 8,247,345	\$ 12,146,689	9.1%
Expenditures, net of Revenues	\$ (8,205,484)	\$ (10,051,332)	\$ (7,136,153)	\$ (10,983,207)	9.3%

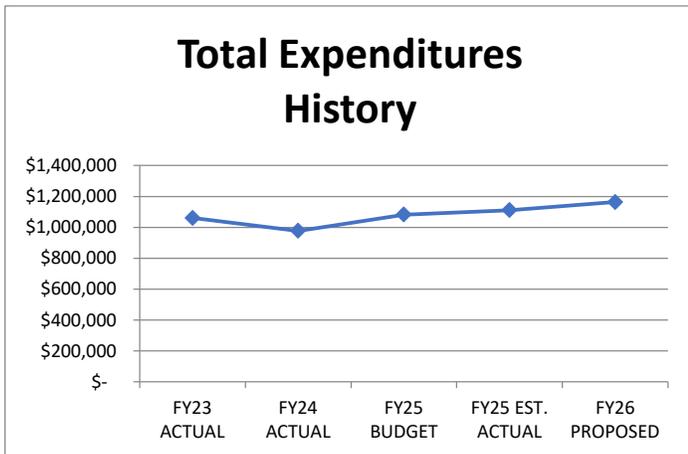
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

Total estimated actual personnel costs are expected to be 4.6% or \$46.0K lower than FY25 budget due to an decreases in benefit and salary and wage expenditures. Operating expenditures are expected to be higher than FY25 budget by 203.9% or \$80.1K as a result of an increase in other general expenses. Overall, departmental revenue is anticipated to decrease by 25.9% or \$2.9M as the result of an expected \$1.3M decrease in budgeted use of fund balance that is slightly offset by increases in income taxes and interest revenue.

Adopted FY25 to Proposed FY26

From the FY25 budget to the FY26 proposed budget, overall total expenditures are expected to be 7.5% or \$81.0K higher. Salary and wages are expected to increase 3.8% or \$28.7K over FY25 budget and benefits are expected to be 18.7% or \$45.7K higher. In total, revenues are expected to increase 3.7% or \$412.8K in FY26 budget due to increases in income taxes, A&A tax revenue, and miscellaneous revenue.



STAFFING SUMMARY

	FY25			
	FY24	Bud	Est Act	FY26
Full time	9.00	9.00	9.00	9.00
Staffing Total	9.00	9.00	9.00	9.00
Unfunded positions	0.00	0.00	0.00	0.00

There are no additional changes anticipated for FY26. The Grant Coordinator position formally funded by ARPA, will be funded by finance after December 2024.

SUPPORT SERVICES - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OVERVIEW

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

DEPARTMENT / PROGRAM OBJECTIVES

- **Integration of New Customer Credit Reporting System:** The implementation of utilizing Online Information Exchange to pre-screen electric customers at the time of service has been successful in the application of more accurate security deposits and identifying potential issue accounts. Staff successfully implemented a new online payment portal and will continue to work with integration of new features. Staff is exploring a new CIS and Utility Billing System to provide better service to our customers.

- **Customer Needs Automated Communication Project:** Staff has recently implemented an Interactive Voice Response system and robust online payment portal. Moving forward working on integrating this with a new CIS system and Utility Billing system. This will provide citizens with another option to pay their utility bill, as well as address some of the volume of representative assisted phone and lobby interactions.

- **City Hall Customer Service Lobby Reconfiguration:** As the Support Services department has changed business practices to allow for all representatives to handle all customer needs in the lobby the current configuration does not offer the best opportunity for serving our customers. The City acquired the M & T bank building located on North Potomac Street within close proximity to City Hall and our current location. Construction will be completed this year on the new location which will allow for better queuing of customers and recognition by staff members. It will allow for a drive up window, customer kiosk and drop box to accept payments. This will enable staff to better serve customers and allow for changes in assisting customers due to COVID-19.

- **Welcome Packet For New Accounts:** Staff will create and distribute a welcome packet to all new utility account owners to provide information on the City services available to them.

- **Support Services Strategic Plan:** The changes in our capabilities to provide effective customer service and cash processing require a revisiting of how the department does business both with internal City departments as well as our external customers. Reviews of our utility collection process, cash management operation, tax collection, and reporting processes will all be documented and reviewed by staff, with recommendations on implementation. We have implemented a new and more robust website to assist customers with paying their utility and tax bills. The website offers a more user friendly approach, a broad range of payment options, the availability to receive text and email reminders and better overall communication with our customers. We will be researching a new Utility Billing and CIS system that will be integrated in our new online payment portal offering even more information to our Utility customers. Support Services has and will continue to navigate the challenges that COVID-19 has brought to both the customers and the City. We have developed a plan for customer's to move and transfer utility service using our new email address and this has been effective. Staff has handled over 43,000 emails in the past year. The new CIS system being researched will allow for customers to go directly online to schedule moves and transfers. We have also made substantial customer reach out and communication to our customers throughout this unprecedented time. Staff has and will continue to work with outside agencies to assist customers with bill pay assistance.

- **Utility Billing Strategic Plan:** Utility Billing continues to work to ensure our customers receive accurate bills. The staff

PERFORMANCE INDICATORS

	2023/24	2024/25	2025/26
Number of calls offered into Support Services queue	70,000	60,000	56,000
Number of calls serviced in Support Services	60,000	49,000	48,200
Average hold time (in Seconds)	250	230	220
Number of counter transactions handled in City Hall	70,000	71,000	72,000
Total customers served	151,000	131,000	176,200
Dollar amount of transactions processed in City Hall	\$ 65,000,000	\$ 69,000,000	\$ 83,500,000
IVR Payments by phone	-	21,000	22,000
Pay by text	-	-	2,000

SUPPORT SERVICES - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 676,514	\$ 746,038	\$ 734,895	\$ 876,913	17.5%
Benefits	233,140	267,125	272,987	328,372	22.9%
Overtime	7,187	6,000	8,000	8,000	33.3%
Personnel Subtotal	916,841	1,019,163	1,015,882	1,213,285	19.0%
Contractual Services	684,192	689,150	664,200	667,150	-3.2%
Operating Expenditures	(954,741)	(1,064,022)	(1,061,497)	(1,311,520)	23.3%
Capital Outlay	2,936	8,100	5,000	8,200	1.2%
Operating Subtotal	(267,613)	(366,772)	(392,297)	(636,170)	73.5%
Total Expenditures	\$ 649,228	\$ 652,391	\$ 623,585	\$ 577,115	-11.5%
REVENUES BY TYPE					
Departmental Revenue	\$ 38,840,890	\$ 40,262,277	\$ 42,108,867	\$ 46,587,455	15.7%
Total Revenues	\$ 38,840,890	\$ 40,262,277	\$ 42,108,867	\$ 46,587,455	15.7%
Expenditures, net of Revenues	\$(38,191,662)	\$(39,609,886)	\$(41,485,282)	\$(46,010,340)	16.2%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

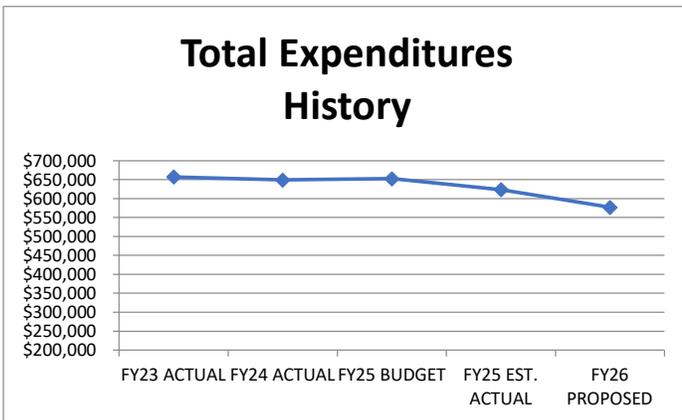
Adopted FY25 to Estimated Actual FY25

FY25 estimated actual total personnel expenditures are projected to be 0.3% or \$3.3K lower than FY25 budget. There is a 33.3% or \$2.0K increase in overtime that helps to offset a 1.5% or \$11.1K decrease in salary and wages. In addition, credit card fees are reflected in contractual services and expected to be 3.6% or \$25.0K lower than budget. Departmental revenue estimated actual for FY25 is projected to be 4.6% or \$1.8M higher than FY25 budget.

Adopted FY25 to Proposed FY26

The proposed FY26 budget for personnel expenditures is expected to be 19.0% or \$194.1K higher than FY25 budget due to an increase in salary and wages and benefits. Contractual services are expected to be 3.2% or \$22.0K lower as a result of decreased needs in credit card fees. Departmental revenue is anticipated to be 15.7% or \$6.3M higher than FY25 budget.

Total operating expenditures reflect a positive value due to a monthly allocation. This monthly allocation is performed to move all revenues and expenses incurred for support services and utility billing to the following areas that they help support: Trash collection 9%; Tax (Real Estate and Personal Property) 3%; Electric 38%; Water 23%; Wastewater 16%; Parking 2%; and Stormwater 9%. The allocation percentage is determined based on the total number of bills issued per service.



STAFFING SUMMARY

	FY24	FY25		FY26
		Bud	Est Act	
Full time	10.00	10.00	10.00	12.00
Part time	1.00	1.00	1.00	3.00
Staffing Total	11.00	11.00	11.00	15.00
Unfunded positions	0.00	0.00	0.00	0.00

In FY25, 2 new full time customer service positions were added. The increase in part time positions in FY26 reflects 2 security guards that will be located in the new City Hall Annex. The security guards in City Hall are reflected under Human Resources.

SUPPORT SERVICES - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

EXPENDITURES BY PROGRAM

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES					
Support Services	\$ 10,251	\$ 2,420	\$ -	\$ (53,198)	-2298.3%
Cashiering	35	-	-	-	0.0%
Treasurer	638,765	647,171	623,585	630,313	-2.6%
Utility Billing	177	2,800	-	-	-100.0%
Total Expenditures	\$ 649,228	\$ 652,391	\$ 623,585	\$ 577,115	-11.5%
REVENUES					
Departmental Revenue	\$ 38,840,890	\$ 40,262,277	\$ 42,108,867	\$ 46,587,455	15.7%
Total Revenues	\$ 38,840,890	\$ 40,262,277	\$ 42,108,867	\$ 46,587,455	15.7%
Expenditures, net of Revenues	\$(38,191,662)	\$(39,609,886)	\$(41,485,282)	\$(46,010,340)	16.2%

INFORMATION TECHNOLOGY - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OVERVIEW

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

DEPARTMENT / PROGRAM OBJECTIVES:

- **Infrastructure Analysis/Upgrade:** IT will reexamine the City's IT infrastructure to ensure operational stability and alignment with industry best practices. This will include capacity planning, documentation, consolidation of the virtualized server environments and continued updates to the network hardware/software.
- **Microsoft Office 365:** Staff will reevaluate the previous Microsoft 365 design considerations to develop and implement a plan to complete the project. The areas of focus will be collaborative tools (SharePoint, OneDrive and MS Teams), and business tools (MS Planner, OneNote and Self Service Password Reset).
- **Security Awareness Education:** Staff will work to broaden the Security Awareness Program to strengthen employee knowledge of the risks and vulnerabilities associated with modern computing. By educating employees about potential cyber threats, this program will help foster a culture of security within the organization to assist in minimizing the risk of personal and business cyber threats.
- **Cybersecurity:** Cybersecurity is critical for protecting against cyber threats, including malware, phishing, ransomware, and other types of cyber attacks. IT will develop a strategy that will improve the information security posture by adopting an industry standard security framework.
- **City Financial System:** Staff will continue to work with our existing software vendor to monitor and maintain the City's financial system (MUNIS). Early calendar year 2025, the IT team will be instrumental in the City's transition from MUNIS to WorkDay. The anticipated duration of the transition will be over 18 months in length.
- **Video Surveillance Wireless Network Expansion:** Continue to add equipment to allow for enhanced video coverage for wireless camera connections throughout the City
- **Overall Business Process/Technology Updates:** Staff will meet with various departments to better understand their business processes and make recommendations for either utilizing technology (to replace manual processes) or streamlining operations, where applicable.

PERFORMANCE INDICATORS

	2023/24	2024/25	2025/26
Number of City-wide personal computers	320	331	335
Number of PC Software programs supported	40	39	39
Number of Help Desk tickets	3,039	3,161	3,400
# of SPAM e-mails blocked daily	50,940	53,996	300,000
Phone calls managed through our central switch	405,626	407,249	399,078

INFORMATION TECHNOLOGY - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 473,632	\$ 516,722	\$ 516,924	\$ 547,779	6.0%
Benefits	176,906	216,044	212,149	245,067	13.4%
Personnel Subtotal	650,538	732,766	729,073	792,846	8.2%
Contractual Services	-	10,550	60,050	60,050	469.2%
Operating Expenditures	591,271	875,645	873,569	1,121,436	28.1%
Capital Outlay	5,351	5,500	5,500	5,500	0.0%
Operating Subtotal	596,622	891,695	939,119	1,186,986	33.1%
Total Expenditures	\$ 1,247,160	\$ 1,624,461	\$ 1,668,192	\$ 1,979,832	21.9%
REVENUES BY TYPE					
Departmental Revenue	\$ 10,555	\$ 10,382	\$ 11,420	\$ 11,420	10.0%
Total Revenues	\$ 10,555	\$ 10,382	\$ 11,420	\$ 11,420	10.0%
Expenditures, net of Revenues	\$ 1,236,605	\$ 1,614,079	\$ 1,656,772	\$ 1,968,412	22.0%

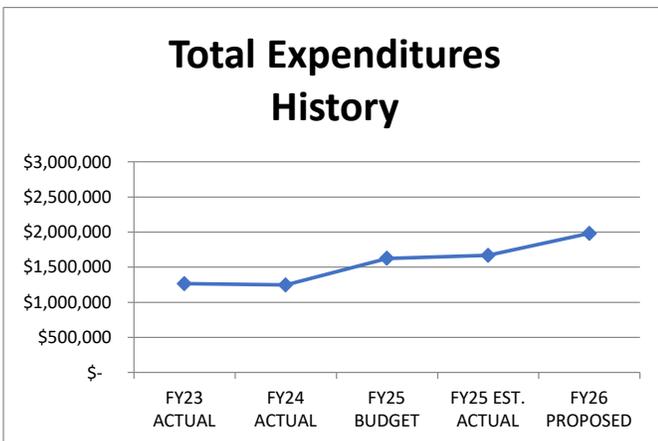
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

In total, FY25 estimated actual expenditures are projected to be over FY25 budget by 2.7% or \$43.7K. The largest increase is within the contractual services and is expected to be 469.2% or \$49.5K higher than FY25 budget due to an increase in other contracted services. FY25 estimated actual for salary and wages and benefits is also expected to be lower than FY25 budget by 0.5% or \$3.7K. Total revenues are expected to increase slightly by 10.0% or \$1.0K.

Adopted FY25 to Proposed FY26

Total expenditures are expected to increase 21.9% or \$355.4K in the FY26 proposed budget when compared to the FY25 budget. The largest portion of this is a \$49.5K increase in Other Contracted Services expensed within the contractual services category. Total personnel expenditures are expected to increase by 8.2% or \$60.1K. Total departmental revenues are expected to increase by 10.0% or \$1.0K compared to FY25 budget.



STAFFING SUMMARY

	FY25			
	FY24	Bud	Est Act	FY26
Full time	6.00	6.00	6.00	6.00
Part time	0.00	0.00	0.00	0.00
Staffing Total	6.00	6.00	6.00	6.00
Unfunded positions	0.00	0.00	0.00	0.00

The IT Department is fully staffed as of FY22. There are no anticipated changes to staffing through FY26.

HUMAN RESOURCES - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OVERVIEW

The Human Resources Department serves the City organization, City employees, retirees, and the citizens of the community by providing a full range of Human Resources services. We are a strategic partner to City departments to support and promote efficient operations. The Human Resources Department oversees the selection, placement, and development of qualified people in positions with the City. We are also responsible for employee and retiree benefits and compensation, employee policies, labor management, FMLA administration, employment law compliance, safety and liability programs, training and career development, risk management, and more. We value the contributions of every employee to the overall well-being and efficient operations of the City of Hagerstown.

DEPARTMENT / PROGRAM OBJECTIVES

- Manage and implement changes to healthcare programs to comply with healthcare reform and keep costs within the City's health care budget.
- Offer comprehensive and targeted training programs to increase skill levels for broader responsibilities and increased employee engagement.
- Create and enhance employee recognition programs that highlight employee creativity, innovation, and commitment to the organization.
- Develop increasingly comprehensive wellness and safety programs in order to enhance employee health and productivity while reducing healthcare and workers' compensation claims expenses.
- Maintain position control systems.
- Administration of the four union contracts and personnel policies.
- Administer self-insured Workers' compensation Program and Liability Insurance Services.

PERFORMANCE INDICATORS

	2023/24	2024/25	2025/26
Bargaining Unit Contracts	4	4	4
Per Employee Health Plan Costs	\$ 13,005	\$ 15,554	\$ 15,195
Per Retiree Health Plan Costs	\$ 9,180	\$ 6,760	\$ 8,126
Number of Employment Applications Received	1,400	1,200	1,550
Number of Regular FT employees hired	55	58	44
Number of non-regular employees hired	46	33	37
Retirements	17	18	12
Voluntary Separations	69	51	50
Involuntary Separations	6	4	7
Number of Injury Reports	91	90	90
Number of Property Claims	27	37	30
Number of General Liability Claims	3	6	5
Number of Police Liability Claims	2	1	4
Number of Auto Claims	27	26	25

HUMAN RESOURCES - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 416,832	\$ 452,818	\$ 450,119	\$ 464,249	2.5%
Benefits	141,856	165,748	164,316	187,311	13.0%
Overtime	153	200	200	200	0.0%
Personnel Subtotal	558,841	618,766	614,635	651,760	5.3%
Contractual Services	46,456	60,900	59,700	60,200	-1.1%
Operating Expenditures	35,640	52,732	53,717	55,266	4.8%
Capital Outlay	2,600	4,000	3,000	3,000	-25.0%
Operating Subtotal	84,696	117,632	116,417	118,466	0.7%
Total Expenditures	\$ 643,537	\$ 736,398	\$ 731,052	\$ 770,226	4.6%
REVENUES BY TYPE					
Departmental Revenue	\$ -	\$ -	\$ -	\$ -	0.0%
Total Revenues	\$ -	\$ -	\$ -	\$ -	0.0%
Expenditures, net of Revenues	\$ 643,537	\$ 736,398	\$ 731,052	\$ 770,226	4.6%

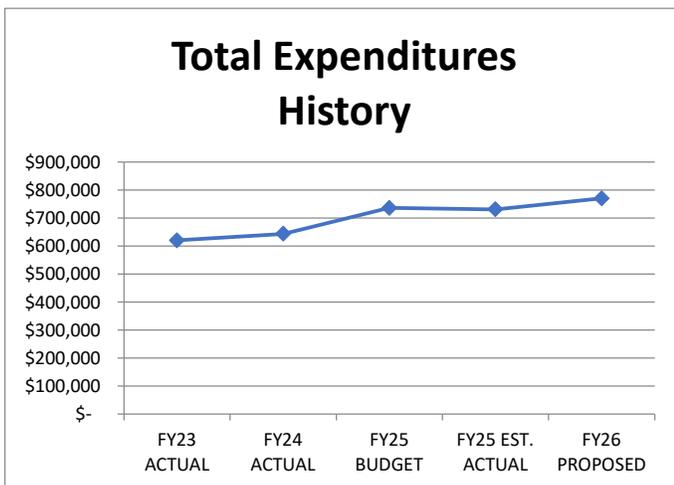
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

In total, FY25 estimated actual expenditures are expected to decrease by 0.7% or \$5.3K over FY25 budget primarily due to decreases in contractual services and capital outlay. Benefits are expected to decrease by 0.7% or \$4.1K under FY25 budget primarily due to a decrease in benefit elections and salary and wages.

Adopted FY25 to Proposed FY26

In total, FY26 expenditures are estimated to be 4.6% or \$33.8K higher than FY25 budget levels. This increase is primarily due to rate increases in salary and wages, benefits, and operating expenditures.



STAFFING SUMMARY

	FY25			FY26
	FY24	Bud	Est Act	
Full time	4.00	4.00	4.00	4.00
Part time	3.00	3.00	3.00	3.00
Seasonal	0.00	0.00	0.00	0.00
Staffing Total	7.00	7.00	7.00	7.00
Unfunded positions	1.00	1.00	1.00	1.00

The Human Resources Department staffs the information/security desk at City Hall with part-time positions and has a part-time HR Representative. 1 FT position in HR will remain unfunded through FY26.

COMMUNICATIONS - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OVERVIEW

The Communications Department manages all communications generated by City departments and acts as the point of contact for all news/press related information. The group maintains and produces custom programming for the Public/Educational/Government (PEG) Channel (Antietam Cable Channel 25). The Department is responsible for making the Mayor and Council meetings available on both cable and streaming Internet platforms for the City's citizens. Additionally, Communications staff manages, oversees, and maintains the City website, Facebook pages, YouTube channel, and various other social media platforms.

DEPARTMENT / PROGRAM OBJECTIVES

- **Consolidated Communications Plan:** In conjunction with the guidelines of the new imaging and branding methodology, staff will work across departments to coordinate marketing and promotions campaigns that fully utilize all relevant resources and more effectively promote all aspects of city government in an effort to increase citizen engagement. Promotions will be delivered across multiple platforms, including print, digital, social media and video advertising in local and regional markets.
- **Additional Video Programming for Social / Cable media channels:** Staff will continue to produce, air, and push out new Hub City NOW! content for both Cable Channel 25 and social media outlets. These include post-Council meeting commentaries on hot topics ("Council wRap"), department features, City business / resident highlights, and other public information shows.
- **Regional Marketing & Promotion of the City:** A concerted effort will continue to promote and market the City to (and in) cities and towns located in regions outside of our area in an effort to attract and increase tourism and potential investors and developers not exclusive to, but by featuring the City in TV and social media advertisements and promos.

PERFORMANCE INDICATORS

	2023/24	2024/25	2025/26
YouTube lifetime video views	280,099	311,072	345,738
YouTube subscribers	1,687	1,902	1,988
Website visits	903,455	501,981	509,774
Facebook likes	17,770	19,100	21,220
Twitter followers	2,188	2,168	2,152
Instagram followers	2,338	2,484	2,554

COMMUNICATIONS - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2022/23	2023/24		2024/25	2024/25
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 162,511	\$ 177,798	\$ 172,604	\$ 181,057	1.8%
Benefits	46,433	52,003	50,513	58,808	13.1%
Personnel Subtotal	208,944	229,801	223,117	239,865	4.4%
Contractual Services	-	18,576	-	-	-100.0%
Operating Expenditures	28,899	53,810	51,505	71,505	32.9%
Capital Outlay	850	2,000	2,400	2,000	0.0%
Operating Subtotal	29,749	74,386	53,905	73,505	-1.2%
Total Expenditures	\$ 238,693	\$ 304,187	\$ 277,022	\$ 313,370	3.0%
REVENUES BY TYPE					
Departmental Revenue	\$ 8,318	\$ 3,000	\$ 3,500	\$ 5,000	66.7%
Total Revenues	\$ 8,318	\$ 3,000	\$ 3,500	\$ 5,000	66.7%
Expenditures, net of Revenues	\$ 230,375	\$ 301,187	\$ 273,522	\$ 308,370	2.4%

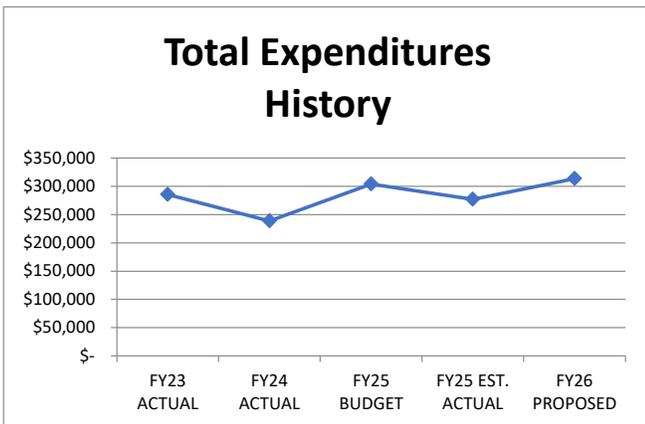
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

FY25 estimated actual expenditures are expected to be under FY25 budget levels by a total of 8.9% or \$27.2K. Total operating expenses make up the biggest portion of this with an expected decrease of 27.5% or \$20.5K primarily due to a decrease in contractual services. Personnel expenses are anticipated to decrease slightly below FY25 budget levels by 2.9% or \$6.7K resulting from an decrease in salary and wages and benefits selection.

Adopted FY25 to Proposed FY26

FY26 proposed budget expenditures are expected to be 3.0% or \$9.2K higher than FY25 budget. This is a result of a \$10.1K increase in total personnel expenditures that is offset by decreases in contractual services. Departmental revenues are expected to increase by 2.4% or \$7.2K compared with FY25 budget.



STAFFING SUMMARY

	FY25			FY26
	FY24	Bud	Est Act	
Full time	2.00	2.00	2.00	2.00
Part time	2.00	2.00	2.00	2.00
Seasonal	0.00	0.00	0.00	0.00
Staffing Total	4.00	4.00	4.00	4.00
Unfunded positions	0.00	0.00	0.00	0.00

The Communications department includes a part-time videographer. The shared part time position with the City Clerk was eliminated after FY23.

PLANNING AND CODE ADMINISTRATION- PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OVERVIEW

The Planning and Code Administration (PCAD) works in collaboration with all City Departments, our residents, businesses, investors (current and prospective), and visitors to ensure Hagerstown is a diverse, business-friendly, and sustainable community with clean, safe, and strong neighborhoods. PCAD provides the development and land use-related services of planning, zoning, historic preservation, permitting, and licensing for construction and consumer protection; and the proactive application of property maintenance-related ordinances and licensing programs that are designed to protect residents, neighborhoods, and property values. PCAD also provides the comprehensive planning and annexation services for the City. The administration of these development services and protection of neighborhoods encourages investment and a proud and prosperous community.

DEPARTMENT / PROGRAM OBJECTIVES

Recognizing that time is money for the development community, PCAD constantly assesses our processes to ensure we are providing exceptional service in a timely fashion while planning for the future of the City through visionary yet realistic plans, flexible regulations, progressive programs, and customer-friendly processes. We remain focused on development and administration of progressive protective legislation for smart development and redevelopment. Our development review, permitting, and inspections staff strive to ensure speed and accuracy in permit issuance and careful assessment of code compliance in inspections to protect our citizens and properties. We undertake code abatements to protect property values. Customer service and permitting enhancements are ongoing to make Hagerstown a location of choice for investors. In FY26 PCAD will continue to protect the quality of life in our community, enhance property values, and grow the tax base through a strategic demolition plan for nuisance properties, a strategic annexation plan for opportunities to grow the City's tax base, inspections of hotels to ensure minimum standards are maintained, and property abatements and neighborhood improvement plans to remove blight and foster improvements. In addition, PCAD will work with other City departments and stakeholders to implement the recommendations in the Community's City Center Plan and the City's comprehensive plan, *visionHagerstown 2035*.

PERFORMANCE INDICATORS

	2023/24	2024/25	2025/26
Value of Commercial Investment (in thousands)	\$ 146,666	\$ 165,000	\$ 48,000
Value of Residential Investment (in thousands)	\$ 12,065	\$ 14,000	\$ 9,000
Assessed Value of Newly Annexed Land (in thousands)	\$ 149,920	\$ 3,787	\$ 31,121
Number of New Dwelling Units (DWUs) Permitted	24	54	70
Number of New DWUs Approved in Site Plans/Subdivisions	378	562	1562
Number of Commercial/Industrial/Institutional Site Plans Reviewed	12	12	12
Volume of Inspections Performed	18,117	19,000	16,000
Number of Inspections Appealed	1	3	4
Number of Zoning Certificates issued for new businesses	115	100	100
Number of Rental Units Licensed	9,790	9,750	9,750
Number of Vacant Residential Properties Licensed	210	250	240
Number of Vacant Non-Residential Properties Licensed	53	50	50
Value of Abatements performed by the City (in thousands)	\$ 129	\$ 325	\$ 350
Number of Fence Permits Reviewed	172	192	200

PLANNING AND CODE ADMINISTRATION - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 1,342,709	\$ 1,502,343	\$ 1,495,369	\$ 1,637,667	9.0%
Benefits	488,040	572,895	569,727	677,245	18.2%
Overtime	3,709	4,050	2,475	4,075	0.6%
Personnel Subtotal	1,834,459	2,079,288	2,067,571	2,318,987	11.5%
Contractual Services	2,854	9,361	24,592	178,223	1803.9%
Operating Expenditures	262,941	352,837	469,128	366,308	3.8%
Capital Outlay	6,406	16,849	17,749	12,265	-27.2%
Operating Subtotal	272,201	379,047	511,469	556,796	46.9%
Total Expenditures	\$ 2,106,660	\$ 2,458,335	\$ 2,579,040	\$ 2,875,782	17.0%
REVENUES BY TYPE					
Departmental Revenue	\$ 2,111,336	\$ 1,916,500	\$ 2,194,538	\$ 1,684,555	-12.1%
Total Revenues	\$ 2,111,336	\$ 1,916,500	\$ 2,194,538	\$ 1,684,555	-12.1%
Expenditures, net of Revenues	\$ (4,676)	\$ 541,835	\$ 384,502	\$ 1,191,227	119.9%

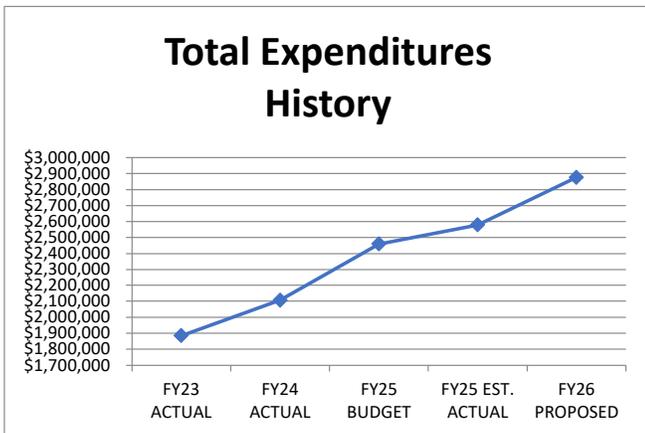
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

Overall, FY25 estimated actual personnel costs are expected to be 0.6% or \$11.7K lower than budgeted in FY25 due to vacancies, a retirement, and new hires starting with lower salaries. Total FY25 estimated actual operating expenditures are expected to be 34.9% or \$132.4K higher due to unusually high volume of blight abatements performed. Overall revenues are expected to be 14.5% or \$278.0K higher due to strong development review and permitting activity, particularly in tenant fit-out of mega warehouses.

Adopted FY25 to Proposed FY26

Overall, personnel expenses are anticipated to be 11.5% or \$239.7K higher from FY25 budget to FY26 proposed budget due to additional staff requested for Planning to help meet Mayor and Council goals for premier customer service and 'speed to market' for zoning inquiries and development review. Total operating expenditures in proposed FY26 are anticipated to be 46.9% or \$177.7K higher than FY25 budget amounts due to ongoing calls for abatement of homeless camps and budgeting funds for consultant services for update to the 2018 Comprehensive Plan. Grant funds will be sought to reduce the City's financial obligation for this important project. Revenues are anticipated to be 12.1% or \$231.9K lower in the proposed FY26 budget as revenue from warehouse permits slows, however growth in residential and hotel development is expected to continue. Plans expect to be implemented in FY26 to transfer perpetual tax lien properties to new owners, which would reduce abatement costs and increase property tax revenues. Proactive abatement and demolition strategies will help reduce on-going abatement costs and increase property values in surrounding properties. Proactive annexation strategies will continue in FY26 as another means of increasing property tax revenues.



STAFFING SUMMARY

	FY24	FY25		FY26
		Bud	Est Act	
Full time	21.00	21.00	21.00	22.00
Part time	0.00	0.00	0.00	0.00
Seasonal	0.00	0.00	0.00	0.00
Staffing Total	21.00	21.00	21.00	22.00
Unfunded positions	0.00	0.00	0.00	0.00

The FY26 budget request is to add a senior planning position to meet heavy workload demands and to address shrinking professional knowledge on Planning team due to retirements and inexperienced new hires over the last couple of years.

PLANNING AND CODE ADMINISTRATION - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURES BY PROGRAM

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES					
Planning	\$ 469,238	\$ 531,747	\$ 538,187	\$ 805,728	51.5%
Annexation	4,828	10,800	23,500	29,600	174.1%
Code Administration	1,632,594	1,915,788	2,017,353	2,040,454	6.5%
Total Expenditures	\$ 2,106,660	\$ 2,458,335	\$ 2,579,040	\$ 2,875,782	17.0%
REVENUES					
Departmental Revenue	\$ 2,111,336	\$ 1,916,500	\$ 2,194,538	\$ 1,684,555	-12.1%
Total Revenues	\$ 2,111,336	\$ 1,916,500	\$ 2,194,538	\$ 1,684,555	-12.1%
Expenditures, net of Revenues	\$ (4,676)	\$ 541,835	\$ 384,502	\$ 1,191,227	119.9%

DEPARTMENT / PROGRAM OVERVIEW

The Department of Community and Economic Development (DCED) works in collaboration with all City Departments, our residents, businesses, current and prospective investors, and visitors to advance the economy, image, and quality of life in Hagerstown. DCED works to drive new development and investment in the City and Downtown, resulting in the stabilization and growth of the City's assessable base and the creation of new jobs. The Department also works to strengthen City neighborhoods and homeownership through community engagement and addressing blighted/abandoned properties and housing stock issues. DCED promotes and advances the image and quality of life of the City for the economic benefit of existing businesses and for new residential and commercial investment.

The Department has two primary function areas: **Community Development** to grow strong neighborhoods; and **Economic Development** to support business growth.

DEPARTMENT / PROGRAM OBJECTIVES

- **Community's City Center Plan:** Implement catalyst projects identified in the 10-year Community's City Center Plan (2014-2024). In 2025, engage consultant for the development of the next 10-Year Downtown Plan (2025-2035).

- Catalyst Project #1: Office Development and Recruitment*

- Catalyst Project #2: Maryland Theatre Expansion of Programming and Facilities*

- Catalyst Project #3: USMH Expansion Support*

- Catalyst Project #5: Linking City Park/WCMFA and the A&E District with Trail & New Housing*

- Catalyst Project #6: Expanded Downtown Arts/Events Programming*

- Catalyst Project #8: Expanded and Targeted Home Ownership Support*

Monitor opportunities related to select catalyst projects.

- Catalyst Project #4: Hotel/Conference Center and Heritage Center/Commemorative Park*

- Catalyst Project #7: Expanded Operations of the City Farmer's Market*

- **Urban Improvement Project:** The Urban Improvement Project includes the expansion of the Maryland Theatre, Barbara Ingram School for the Arts (BISFA), and the University System of Maryland at Hagerstown (USMH) as well as the creation of a plaza. Support the Mayor and City Council's work to expand cultural and academic opportunities in Downtown. With the Urban Improvement Project completed, support resulting secondary development and explore additional phases of large-scale urban improvement.

- **Grants Management:** Administer multiple grants through the State of Maryland Community Legacy Program, Strategic Demolition Fund, and other grant sources to support economic development, community development, incentive programs and property rehabilitation.

COMMUNITY DEVELOPMENT

- **Community Development Block Grant & Supported Programs:** Manage the Community Development Block Grant (CDBG) Program, which provides funding to Public Service Programs, Homeowner Rehabilitation Programs, Capital Improvement Projects, and additional programs. (see also Section 4 Special Revenue Funds - Community Development Block Grant)

- **Youth Engagement:** Support and grow the initiatives and activities of the Hagerstown Youth Council (HYC). The effort will provide a voice for youth in City government and will foster civic engagement.

- **Strategic Demolition and Repurposing of Abandoned Property:** Work cross department to fully launch and administer a program to repurpose problem, abandoned properties that fail to transfer ownership through the traditional tax sale process. This includes demolition of dilapidated, abandoned property (when necessary) and transfer of ownership to a qualifying entity or homeowner. Explore program expansion beyond tax sale properties for blight removal throughout the City.

ECONOMIC DEVELOPMENT

- **Business Retention, Expansion and Attraction:** Work with existing and prospective business owners and investors to retain, expand, and attract investment in Hagerstown. These efforts include the administration of a range of incentives and programs (Partners in Economic Progress (PEP), Invest Hagerstown Grant Programs, CDBG Microenterprise Grant, and others) as well as services such as grand opening and anniversary events. (see also Section 4 Special Revenue Funds - Economic Redevelopment Fund)

COMMUNITY AND ECONOMIC DEVELOPMENT- PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

- **Sports Tourism:** Support the City's Hagerstown Field House project. Monitor and support economic development opportunities related to sports and sports-tourism industries.
- **Hagerstown Revolving Loan Fund:** Manage a business revolving loan program designed to provide financing for new and expanding businesses for working capital, equipment, property acquisition, and property rehabilitation. (see also Section 4 Special Revenue Funds - Business Revolving Loan Fund).
- **Property Management:** Lease available space in City-owned properties including attracting tenants and manage lease renewals. (see also Section 3 Enterprise Funds - Property Management Fund)
- **Commercial Development and Competitive Negotiated Sale (CNS):** Catalyze commercial development by enhancing City-owned properties and marketing these properties to private investors through the Competitive Negotiated Sale process (CNS) with the goal of returning properties to the private sector for active, contributing uses.
- **Annexation Opportunities:** Explore opportunities to facilitate annexation as a means of enhancing the tax base of the City and facilitating provision of services.

PERFORMANCE INDICATORS

	2023/24	2024/25	2025/26
Number of business grand openings/anniversary celebrations	17	25	20

Performance Indicators for Jobs & Investment - see Section 4 Special Revenue Funds - Economic Redevelopment Fund

COMMUNITY AND ECONOMIC DEVELOPMENT - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 485,688	\$ 500,900	\$ 500,500	\$ 528,828	5.6%
Benefits	148,374	170,664	163,493	186,867	9.5%
Overtime	(135)	-	-	-	0.0%
Personnel Subtotal	633,927	671,564	663,993	715,695	6.6%
Contractual Services	561	13,720	6,385	-	-100.0%
Operating Expenditures	79,433	208,778	214,150	158,473	-24.1%
Capital Outlay	11,375	20,750	20,750	8,750	-57.8%
Operating Subtotal	91,369	243,248	241,285	167,223	-31.3%
Total Expenditures	\$ 725,296	\$ 914,812	\$ 905,278	\$ 882,918	-3.5%
REVENUES BY TYPE					
Departmental Revenue	\$ 855,130	\$ 896,266	\$ 1,747,839	\$ 1,735,448	93.6%
Total Revenues	\$ 855,130	\$ 896,266	\$ 1,747,839	\$ 1,735,448	93.6%
Expenditures, net of Revenues	\$ (129,834)	\$ 18,546	\$ (842,561)	\$ (852,530)	-4696.8%

**Community Engagement branched out from DCED during FY22*

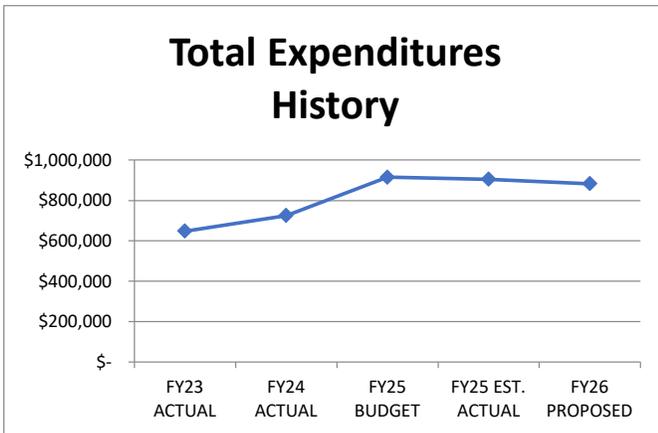
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

Total personnel costs are anticipated to be lower than FY25 budget by 1.1% or \$7.6K. Total operating expenditures are expected to be 0.8% or \$2.0K lower than budget due to a \$7.3K decrease in contractual services. Departmental revenue amounts are expected to be higher than budget by 95.0% or \$851.6K primarily due to an increase in Enterprise Zone tax credits and grants.

Adopted FY25 to Proposed FY26

Overall, FY26 proposed total expenditures are expected to be 3.5% or \$31.9K lower than FY25 budget. Total personnel expenditures are expected to be 6.6% or \$44.1K higher, while total operating expenditures are expected to be 31.3% or \$76.0K lower. There is an expected increase of 93.6% or \$839.2K in revenues, primarily due to Enterprise Zone tax credits and grants.



STAFFING SUMMARY

	FY25			
	FY24	Bud	Est Act	FY26
Full time	6.30	6.30	6.30	6.30
Part time	0.00	0.00	0.00	0.00
Seasonal	0.00	0.00	0.00	0.00
Staffing Total	6.30	6.30	6.30	6.30
Unfunded positions	0.00	0.00	0.00	0.00

During FY24, 1 FT staff and 1 PT staff was transitioned to Community Engagement. In addition, the remaining PT position was converted to FT. There are no additional changes anticipated for FY26.

ENGINEERING - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OVERVIEW

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

Engineering Division

The Engineering Division is primarily focused on street improvements and traffic flow. Engineering is also responsible for preparing construction documents for various capital improvement projects identified in Section 7 of the City budget document. This includes the annual pavement preservation program, construction of parking facilities, and repairs to other public facilities like bridges. Engineering Division staff prepare contract documents, bid projects, administer contracts, and inspect the construction performed. Engineering Division staff are also involved in land development reviews, maintenance and creation of numerous databases, and development of the City's Geographical Information System (GIS) database. Stormwater activities are in a separate Program Description.

Solid Waste Collection and Disposal

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

Sustainability Initiatives

Our department takes the lead on these issues including multi-modal transportation, energy efficiency upgrades, community gardening, and public art installations.

DEPARTMENT / PROGRAM OBJECTIVES

Engineering Division

- Per the Strategic Plan and in partnership with Eastern Sports Management, complete construction of the \$25 million, 117,000 square foot indoor sports "Field House" at the municipal stadium site
- Per the Strategic Plan, complete construction of a \$12 million third parking deck at 50 West Antietam Street; the deck is projected to have five levels, with approximately 397 spaces
- Per the Strategic Plan, construct the second phase of the "Wheaton Park Master Improvement Plan", including a new stage and a natural play area.
 - Complete improvement projects including: replacement of traffic signals at the Summit Avenue/Antietam St and Salem Avenue/West Side Avenue intersections, installation of safety beacons on Hagers Crossing Drive, construction of the Antietam Creek stream access at Mt. Aetna Road, construct improvements at the "Burnap" parking lot at City Park, install sidewalks along Security Road, construct improvements at the Hager House visitor center, and contract for repairs to the Marsh Run stone walls along Memorial Blvd,
- Complete a Safe Streets for All Safety Action Plan, which will allow the City to apply for implementation grants for future safety-related projects.

- See Stormwater Protection Program for other projects.

Solid Waste Collection and Disposal

Monitor and adjust collection using City-issued totes and automated/semi-automated collection trucks.

Sustainability Initiatives

Seek additional energy efficiency grants and public art installations.

PERFORMANCE INDICATORS - ENGINEERING

	2023/24	2024/25	2025/26
Number of Contracts and RFP's	18	15	18
Curb and Sidewalk Repairs Completed	200	200	200
Traffic Complaints Resolved	200	250	260
Work Orders issued to Public Works	230	250	255
Portion of Streets Re-Paved	25	23	22
Public Arts Installations	28	29	34
Miles of Bike Lanes and Paths	60	60	60

ENGINEERING - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

PERFORMANCE INDICATORS - WASTE COLLECTION

	2023/24	2024/25	2025/26
Tons of Garbage Collected Curbside	13,200	13,300	13,400
Tons of Yard Waste Collected	900	920	925
Tons of Recyclables Collected	2,200	2,250	2,200
Residential Units Served	15,500	16,250	16,300
Commercial Units served	126	125	127
Tons of Electronics Waste Collected	10	10	10

ENGINEERING - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 791,350	\$ 924,208	\$ 881,196	\$ 917,542	-0.7%
Benefits	294,160	345,428	335,141	382,615	10.8%
Overtime	6,523	6,100	5,700	5,700	-6.6%
Personnel Subtotal	1,092,033	1,275,736	1,222,037	1,305,857	2.4%
Contractual Services	3,403,628	4,674,845	4,517,499	4,588,039	-1.9%
Operating Expenditures	1,188,176	415,170	323,882	406,147	-2.2%
Capital Outlay	305	4,500	6,000	5,500	22.2%
Operating Subtotal	4,592,109	5,094,515	4,847,381	4,999,686	-1.9%
Total Expenditures	\$ 5,684,142	\$ 6,370,251	\$ 6,069,418	\$ 6,305,543	-1.0%
REVENUES BY TYPE					
Departmental Revenue	\$ 4,817,462	\$ 5,167,320	\$ 5,130,861	\$ 4,992,330	-3.4%
Total Revenues	\$ 4,817,462	\$ 5,167,320	\$ 5,130,861	\$ 4,992,330	-3.4%
Expenditures, net of Revenues	\$ 866,680	\$ 1,202,931	\$ 938,557	\$ 1,313,213	9.2%

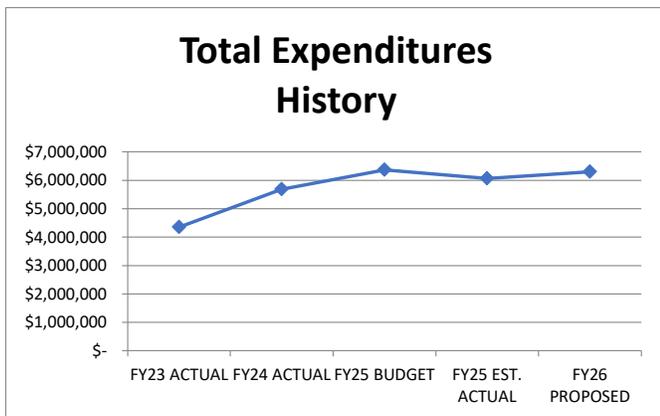
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

FY25 estimated actual total personnel costs are expected to be 4.2% or \$53.7K lower than FY25 budget. FY25 estimated actual total operating expenditures are expected to be lower than FY25 budget by 4.9% or \$247.1K in total. Total departmental revenue for FY25 estimated actual is expected to be 0.7% or \$36.5K lower than FY25 budget mostly because of expected decreases in stormwater management permits and refuse collection fees.

Adopted FY25 to Proposed FY26

In total, personnel costs are projected to be 2.4% or \$30.1K higher in proposed FY26 budget compared to FY25 budget. Total operating expenditures are anticipated to be 1.9% or \$94.8K lower in FY26 and includes decreases for contractual services and operating expenditures. Finally, departmental revenue amounts are projected to be 3.4% or \$175.0K lower in FY26 budget and this is associated with a decrease in engineering review fees and the end of ARPA funding in FY25.



STAFFING SUMMARY

	FY24	FY25		FY26
		Bud	Est Act	
Full time	10.44	10.55	10.55	10.80
Part time	1.00	2.00	2.00	2.00
Seasonal	0.00	0.00	0.00	0.00
Staffing Total	11.44	12.55	12.55	12.80
Unfunded positions	0.00	0.00	0.00	0.00

FY26 proposed budget shows allocations increasing in FT positions. The increase in part time positions reflects assistance from prior employees to help throughout the duration of several large projects, including the construction of Hagerstown Field House.

ENGINEERING - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURES BY PROGRAM

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES					
Engineering	\$ 1,199,435	\$ 1,472,342	\$ 1,431,737	\$ 1,398,324	-5.0%
Waste Collection and Disposal	4,484,707	4,897,909	4,637,681	4,907,219	0.2%
Total Expenditures	\$ 5,684,142	\$ 6,370,251	\$ 6,069,418	\$ 6,305,543	-1.0%
REVENUES					
Departmental Revenue	\$ 4,817,462	\$ 5,167,320	\$ 5,130,861	\$ 4,992,330	-3.4%
Total Revenues	\$ 4,817,462	\$ 5,167,320	\$ 5,130,861	\$ 4,992,330	-3.4%
Expenditures, net of Revenues	\$ 866,680	\$ 1,202,931	\$ 938,557	\$ 1,313,213	9.2%

PARKS AND RECREATION - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OVERVIEW

The Division of Parks and Recreation has the unique opportunity to improve the livability and recreational possibilities for the citizens and visitors of Hagerstown. From simple enjoyment of the outdoors, to wellness programs and organized sports, relaxation and leisure opportunities abound in the numerous parks, playgrounds, and the public pool. Staff understands that quality of life is important to the residents of the City. The numerous parks, facilities, and recreational programs contribute directly to the health and well being of the entire Hagerstown community. The primary goal is to provide all Hagerstown citizens high quality recreational and leisure opportunities in safe, modern, and well maintained parks and facilities.

DEPARTMENT / PROGRAM OBJECTIVES

- Construct a waterway trail access to Antietam Creek off of Mt. Aetna Road. The access will allow boats to navigate around the existing weir. Construction should begin in the summer of 2025.
- Construct a new entertainment stage at Wheaton Park. The construction of the 18'x24' stage should begin in the summer of 2025 with completion by the fall of 2025. The stage will have electric and a roof.
- State funding was secured for Phase I of the Hager House Visitor Center Renovation. This work includes the cataloguing and storage of the museum pieces and complete renovation of the 600 square feet of space. Renovation of the space is scheduled to be completed by the spring of 2026. Phase II will be the installation of new display cabinets, interpretive displays, and the placement of the museum pieces. Phase II could begin in FY26 but may occur in FY27.
- Park improvements include additional park benches, picnic tables, play equipment in Fairgrounds Park, resurface the tennis courts to place pickleball courts, paint the porch of the Mansion House, repair the steps to the Mansion House, install a new roof on the Train Hub museum and over Engine 202, paint the exterior of the Police Athletic League building at Fairgrounds Park, and possibly construct a new pickleball court at Fairgrounds Parks (funding dependent).

PERFORMANCE INDICATORS - PARKS

	2023/24	2024/25	2025/26
Number of Public Parks, Playgrounds, & Facilities	29	30	31
Acres of Park Land	291	291	292
Number of Pavilion Reservations	300	300	300
City Park Bandshell Reservations	45	45	45
Miles of Bike Lanes and Paths	60	60	60
Hager House Visitors	3,900	3,500	3,500
Hager House Promotions/Events	13	10	10
Hagerstown 202 Railroad Museum Promotions/Events	6	5	5
202 Railroad Visitors	4,400	4,000	4,000

PERFORMANCE INDICATORS - GENERAL RECREATION

	2023/24	2024/25	2025/26
Number of Events	64	60	62
Number of Recreation Programs	60	60	62

PERFORMANCE INDICATORS - POTTERFIELD POOL

	2023/24	2024/25	2025/26
Number of Days in Full Operation	86	86	86
Number of Private Rentals	22	22	24
Number of Season Passes (all types)	64	64	65
Paid Attendance (non camp)	16,319	16,500	17,000
Total Attendance	19,879	20,000	21,000

PARKS AND RECREATION - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 1,145,645	\$ 1,406,944	\$ 1,340,731	\$ 1,460,772	3.8%
Benefits	423,711	495,982	477,729	539,393	8.8%
Overtime	21,648	22,000	23,000	23,000	4.5%
Personnel Subtotal	1,591,004	1,924,926	1,841,460	2,023,165	5.1%
Contractual Services	541,814	640,110	654,285	655,235	2.4%
Operating Expenditures	822,737	1,013,117	933,424	935,804	-7.6%
Capital Outlay	13,731	9,600	17,960	11,600	20.8%
Operating Subtotal	1,378,282	1,662,827	1,605,669	1,602,639	-3.6%
Total Expenditures	\$ 2,969,286	\$ 3,587,753	\$ 3,447,129	\$ 3,625,804	1.1%
REVENUES BY TYPE					
Departmental Revenue	\$ 400,105	\$ 277,173	\$ 296,556	\$ 273,026	-1.5%
Total Revenues	\$ 400,105	\$ 277,173	\$ 296,556	\$ 273,026	-1.5%
Expenditures, net of Revenues	\$ 2,569,181	\$ 3,310,580	\$ 3,150,573	\$ 3,352,778	1.3%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

Total personnel costs are expected to be 4.3% or \$83.5K lower than FY25 budget due to decreases in part-time and seasonal benefits and salary and wages. Total operating expenses are projected to be under budget by 3.4% or \$57.2K. Last, total departmental revenue is expected to be higher than budget with an increase of 7.0% or \$19.4K.

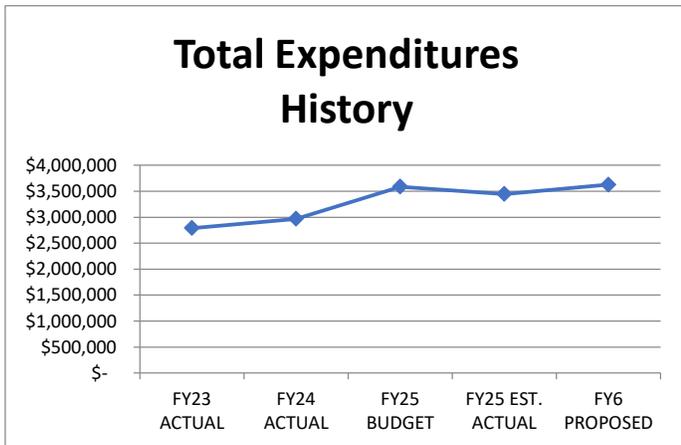
Adopted FY25 to Proposed FY26

In total, personnel costs are projected to be 5.1% or \$98.2K higher in proposed FY26 budget compared to FY25 budget. These increases are expected in salary and wages and benefits. Total overall operating expenditures are anticipated to be 3.6% or \$60.2K lower in FY26. Finally, departmental revenue in FY26 budget is expected to decrease by 1.5% or \$4.1K associated with increases and decreases throughout the many revenue sources under the Parks and Recreation department.

STAFFING SUMMARY

	FY25			
	FY24	Bud	Est Act	FY26
Full time	15.06	15.06	15.06	15.15
Part time	7.00	6.25	6.25	6.25
Seasonal	23.00	23.00	23.00	21.00
Staffing Total	45.06	44.31	44.31	42.40
Unfunded positions	4.00	4.00	4.00	4.00

Four vacant positions will remain unfunded in FY26. The Department has 21 part-time seasonal employees for grounds maintenance, park attendants, Potterfield Pool cashiers, Hager House guides, and the train museum attendants.



PARKS AND RECREATION - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURES BY PROGRAM

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES					
Recreation	602,242	687,855	602,950	626,982	-8.8%
Swimming Pool	303,374	306,053	303,234	301,027	-1.6%
Municipal Stadium	3,272	37,100	41,056	66,092	78.1%
Hager House	56,602	59,639	61,707	67,830	13.7%
Train Museum	40,930	41,263	33,292	52,591	27.5%
Ice Rink	-	120,664	139,800	119,800	-0.7%
Parks Division	1,962,866	2,335,179	2,265,090	2,391,482	2.4%
Total Expenditures	\$ 2,969,286	\$ 3,587,753	\$ 3,447,129	\$ 3,625,804	1.1%
REVENUES					
Departmental Revenue	\$ 400,105	\$ 277,173	\$ 296,556	\$ 273,026	-1.5%
Total Revenues	\$ 400,105	\$ 277,173	\$ 296,556	\$ 273,026	-1.5%
Expenditures, net of Revenues	\$ 2,569,181	\$ 3,310,580	\$ 3,150,573	\$ 3,352,778	1.3%

POLICE - CONSOLIDATED - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OVERVIEW

As a nationally accredited law enforcement agency since 1984, the Hagerstown Police Department prides itself on providing full-service public safety services to our community in the following areas: emergency response to crimes in progress, disorder and service requests, crime prevention, post-crime incident investigations, criminal apprehension, crime-lab services, and courtroom testimony.

In 2026, the Hagerstown Police Department will continue to focus resources in the areas of Intelligence-Led Policing and Community Oriented Policing. The Department will continue to follow recommendations identified in the President's 21st Century Policing Report and CALEA standards. District commanders and officer participation in community events and meetings to listen and share information will continue. Information will also be shared through the increased use of social media and our website to provide timely and relevant information.

DEPARTMENT / PROGRAM OBJECTIVES

ADMINISTRATION: Directs and manages the overall operation of the department.

PATROL: Maintains pro-active patrol to detect criminal activity and reduce the opportunities for offenders to commit crimes; has primary responsibility for initial response to calls for service; initial investigations; order maintenance; protection of life and property; and traffic enforcement and problem solving. The Safe Speed for Students [Speed Cameras] system, Police Auxiliaries, and the School Resource Officer program are also managed through the patrol division.

CRIMINAL INVESTIGATIONS: Primary responsibilities are to conduct follow-up investigations originating in the Patrol Division, provide the initial response to more complex investigations, and assist the State Attorney's Office with the prosecution of violators. A civilian coordinator along with two detectives are also assigned to oversee the department's Maryland Criminal Intelligence Network initiative which conducts investigations on known repeat criminal offenders. One detective is also dedicated to work on child abuse and domestic violence cases.

PROFESSIONAL STANDARDS: Conducts internal affairs investigation.

VEHICLE MAINTENANCE: Maintains all vehicles and facilities for departmental use, oversees the purchase of and upfitting of new cruisers.

AUXILIARY POLICE: Provides volunteer traffic support during special events and fire incidents; enforces parking violations for handicap spaces, fire zones, and fire hydrants; assists with special patrol checks. They also conduct foot patrols in the Downtown for increased public safety presence.

WESTERN MARYLAND REGIONAL CRIME LABORATORY: Analyzes and processes crime scene evidence according to international accreditation standards; provides expert testimony in prosecution of cases.

RECORDS: Serves as the department's centralized records repository; provides police records maintenance, control, and retrieval; coordinates and manages the department's use of criminal justice information systems.

TRAINING: One supervisor assigned to the training division coordinates in-service training for the department and is a certified police instructor who teaches various courses. This position also carries the responsibility of the department's safety coordinator. A second supervisor assigned to the training division serves as the department's liaison to the Washington County Police Academy and is a certified police instructor who teaches various courses.

ACCREDITATION AND RECRUITMENT: Conducts on-going recruiting, testing, selection processes for all new police officers for the department. Coordinates the background-check procedures with the assistance of a civilian background investigator along with the polygraph and other medical clearances. Manages the department's participation in and compliance with the national accreditation process.

EVIDENCE CUSTODY AND CONTROL: Responsible for the operation of the department's evidence room, management of the evidence custody and control function, and management of all other property coming into the custody of the Police Department.

SPEED CAMERAS: The department operates 12 speed cameras within school zones throughout the city. The program, entitled Safe Speeds for Students, is managed by a full time administrator and is intended to reduce speeding at or near schools.

WARRANT TASK FORCE: The department contributes two full-time police officers, and one clerical position to the Washington County Warrant Task Force. They are responsible for serving criminal summons, warrants and protective orders along with timely entries into the National Databases.

POLICE - CONSOLIDATED - PROGRAM DESCRIPTION
FISCAL YEAR 2025\2026

DEPARTMENT / PROGRAM OBJECTIVES (continued)

RED LIGHT CAMERAS: The department completed the preliminary steps required for implementation. In 2018, two (2) red light cameras were installed at intersections where red light violations are prevalent. Red light cameras will continue to be utilized, monitored, and expanded. The department will continue to work with the State on the original intersections on state roads in city limits for installation in 2025\26.

WATCH CENTER: In 2023, the department established a Watch Center to take reports and handle low priority calls for service that do not require the presence of a sworn officer. Personnel also monitor the crime camera system for suspicious activity and other situations requiring police attention. The department will continue to develop this program in 2025\26 with hopes that the Watch Center can expand its capabilities beyond handling 30+% of the departments total calls for service, thereby increasing the availability of our police officers for regular duties. In 2025, the Watch Center was relocated to the Police Department building. This new space includes a large video display wall to improve capabilities associated with the monitoring of crime cameras. Efforts to transform th Watch Center into a "Real-Time" crime center are underway.

CRISIS INTERVENTION TRAINING: Mental health related calls for service require officers to effectively interact with persons in crisis and often involve life-threatening situations which need to be safely resolved. In response to this issue, the department has implemented a CIT program involving specially trained CIT officers along with department-wide mental health first aid training with the goal of safely resolving mental health related situations. Through partnerships, the department has implemented a Mobile Crisis team approach in collaboration with the Mental Health Authority and Turning Point to reduce the number of repeated calls for service on individuals. This program is designed to not only alleviate calls for service but more effectively administer mental health services to the individuals in need.

JUVENILE OFFICER/COORDINATOR: The Department has established a dedicated police officer position to manage juvenile related offenses. The Juvenile coordinator conducts follow up visits on repeat juvenile offenders and works closely with school resource officers, patrol, investigations, parole and probation, the courts, the department of juvenile services and the police department's Maryland Criminal Intelligence Network coordinator to reduce the overall number of juvenile related crime incidents in the city. This position will be working closely with the department of Juvenile Justice to coordinate our efforts with their new re-entry program.

MANPOWER: The Department will work to fill vacant police officer positions through a combination of entry-level recruits and certified lateral transfers from other agencies. Emphasis will be placed on achieving the department's overall goal of a diverse workforce as detailed in the recruitment plan. The department is working on a comprehensive plan to address shortcomings in our diversity recruiting. Incorporating community input and advice to reach needed goals.

DOWNTOWN PRESENCE: Maintaining a strong police presence in our downtown will continue to be a primary objective. In FY17 the department revised its staffing strategy and began assigning officers from each patrol squad to maintain a proactive downtown police presence. This will continue into 2025\26, with the goal of maintaining 24/7 coverage.

NEIGHBORHOODS 1st PROGRAM: Manage the Neighborhoods 1st Program creating a venue for neighborhood-based citizen groups to engage and collaborate with local government in community building and placemaking through events and projects. Explore further definition of neighborhood identities and expansion of Neighborhood 1st programming. Support the expansion of the "Operation Take Back" approach.

CRIME SUPPRESSION UNIT: The department has placed an emphasis on the investigation of Gangs and Guns violence through the creation of this a specialized uniformed patrol unit. The Crime Suppression Unit (CSU) will continue to work to reduce gun violence in the city through the use of proactive patrols and data driven policing. It will also expand its operations to include street level drug interdiction. The CSU also serves as the lead role in the Maryland Criminal Intelligence Network Initiative relating to Repeat Criminal Offenders.

MARYLAND CRIMINAL INTELLIGENCE NETWORK (MCIN): Utilizing grant funding from the Governor's Office of Crime Control and Prevention, the Department will continue our efforts to reduce violent crimes caused by repeat offenders. The MCIN Coordinator and Juvenile Officer/Coordinator will continue to work together to identify and prevent criminal activity among our juvenile population. Both positions will work closely with allied agencies, the courts, the Board of Education, probation and Juvenile Services to achieve this goal.

POLICE - CONSOLIDATED - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OBJECTIVES (continued)

INCIDENT COMMAND SYSTEM TRAINING (ICS): Using the National Model of Incident Command, the department will continue to expand its readiness capabilities by incorporating additional training for police officers and supervisors in ICS advanced courses. The department also will seek opportunities for interagency mock drills and assessments to further integrate the ICS model in our daily operations. Standardized search management for missing persons using these models will also be implemented.

BODY WORN CAMERAS: In 2017 the Department completed its trial program, policy was finalized, and body worn cameras were procured for all patrol officers. In 2018, the full usage of body worn cameras was deployed. The budget includes annual license and unlimited data storage fees.

CRIME CAMERAS: The Department manages and utilizes City's crime cameras which are located throughout the City. These have been effective, and in many cases critical, in solving crimes. Upgrades to the system that began in 2015 and will continue in order to replace aging equipment and to keep pace with advances in technology.

DRONES: In 2023 the department purchased 14 air drones to assist with public safety. This added tool has assisted the department with critical situational awareness, thereby improving outcomes for public safety and communities. Since the programs original inception, the drone has expanded and added features such as "speaker & broadcasting" capabilities.

POLICE - CONSOLIDATED - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

PERFORMANCE INDICATORS

	2023/24	2024/25	2025/26
Total calls for service	64,740	65,340	66,000
Criminal arrests	1,979	2,240	2,200
Juvenile arrests	291	220	250
CDS arrests	168	200	200
Domestic Violence Calls for Service	995	1,096	1,100
Mental Health Related Emergency Petitions	287	276	280
Accidents with injuries	200	244	240
Total Crime Rate*	0.073	0.075	0.074
Violent Crime Rate*	0.013	0.014	0.014
Property Crime Rate*	0.060	0.061	0.060
Automated Speed Enforcement Citations	23,744	26,200	26,500
Funded Full-time Sworn Personnel	91	100	100
Funded Full-time Civilian Personnel	20	22	24

*= number of crimes per resident

EXPENDITURE AND REVENUE SUMMARY

	2023/24 ACTUAL	2024/25 BUDGET EST. ACTUAL		2025/26 PROPOSED	2025/26 % CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 8,031,049	\$ 8,888,213	\$ 8,536,090	\$ 10,979,179	23.5%
Benefits	3,688,816	4,162,387	4,158,627	4,851,742	16.6%
Overtime	1,090,236	1,068,425	1,126,102	1,130,500	5.8%
Personnel Subtotal	12,810,101	14,119,025	13,820,819	16,961,421	20.1%
Contractual Services	991,950	962,111	914,111	868,000	-9.8%
Operating Expenditures	2,541,165	2,795,548	2,714,475	3,147,299	12.6%
Capital Outlay	141,784	194,704	192,758	246,800	26.8%
Operating Subtotal	3,674,899	3,952,363	3,821,344	4,262,099	7.8%
Total Expenditures	\$ 16,485,000	\$ 18,071,388	\$ 17,642,163	\$ 21,223,520	17.4%
REVENUES BY TYPE					
Departmental Revenue	\$ 3,492,024	\$ 3,515,754	\$ 3,352,546	\$ 3,347,700	-4.8%
Total Revenues	\$ 3,492,024	\$ 3,515,754	\$ 3,352,546	\$ 3,347,700	-4.8%
Expenditures, net of Revenues	\$ 12,992,976	\$ 14,555,634	\$ 14,289,617	\$ 17,875,820	22.8%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

Overall, FY25 estimated actual personnel costs are anticipated to be 2.1% or \$298.2K lower than FY25 budget. FY25 estimated actual overtime totals are expected to be 5.4% or \$57.7K higher than FY25 budget due to staffing shortages. Total estimated actual operating expenditures for FY25 reflect a total decrease of 3.3% or \$131.0K compared to FY25 budget levels. Overall, departmental revenue (not including ARPA funds) is estimated to be 4.6% or \$163.2K less than FY25 budget.

Adopted FY25 to Proposed FY26

In total, personnel costs are projected to be 20.1% or \$2.8M higher for proposed FY26 budget compared to the FY25 budget levels. This increase can be contributed to the approval of 9 additional police officer position by M&C on 11/26/24; and additional civilian position for the approval of the new contract with AFSCME 3373; and anticipated annual step increases in FY26.

The overall budget for FY26 is projected at \$17.9M. This is an increase of 22.8% or \$3.3M over the FY25 budget. Departmental revenue (not including ARPA funds) is expected to decrease by 4.83% or \$168.0K for FY26. This projection includes additional reimbursement from the WCBOE for School Resource Officer services, projected increase in revenue for Security Services, and a projected increase in reimbursement for Chemist\Laboratory work.

POLICE - CONSOLIDATED - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

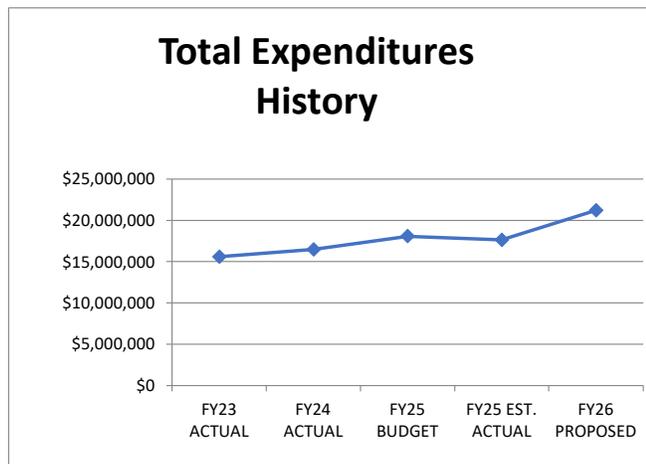
EXPENDITURES BY PROGRAM

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES					
Police Administration	\$ 1,228,427	\$ 1,568,403	\$ 1,254,983	\$ 1,468,801	-6.4%
HPD Information Technology	370,109	429,243	416,758	538,184	25.4%
Community Programs	171,264	328,936	141,853	324,913	-1.2%
Police Records	328,425	389,185	381,663	417,812	7.4%
Communication / Dispatch	370,888	275,656	275,594	178,910	-35.1%
Professional Services	660,810	692,138	859,146	1,074,706	55.3%
HPD Building	204,204	224,277	231,321	245,999	9.7%
Western Maryland Laboratory	418,027	455,137	453,111	499,196	9.7%
Police K-9	4,365	10,900	7,600	10,900	0.0%
Evidence & Property	127,584	133,966	133,750	140,301	4.7%
Patrol	9,209,134	9,923,001	9,822,237	12,208,852	23.0%
Criminal Investigation Division	1,230,422	1,252,589	1,272,484	1,697,571	35.5%
Patrol Vehicles	481,158	535,192	556,947	635,253	18.7%
Narcotics Task Force	892,156	1,027,308	1,033,068	902,984	-12.1%
Police Auxiliary	11,256	23,400	21,934	13,900	-40.6%
Speed Camera Enforcement	589,542	591,357	599,014	654,438	10.7%
Red Light Camera Program	187,229	210,700	180,700	210,800	0.0%
Total Expenditures	\$ 16,485,000	\$ 18,071,388	\$ 17,642,163	\$ 21,223,520	17.4%

REVENUES

Departmental Revenue	\$ 3,492,024	\$ 3,515,754	\$ 3,352,546	\$ 3,347,700	-4.8%
Total Revenues	\$ 3,492,024	\$ 3,515,754	\$ 3,352,546	\$ 3,347,700	-4.8%

Expenditures, net of Revenues	\$ 12,992,976	\$ 14,555,634	\$ 14,289,617	\$ 17,875,820	22.8%
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STAFFING SUMMARY

	FY24	FY25		FY26
		Bud	Est Act	
Full time	109.00	112.00	112.00	125.00
Part time	12.00	11.00	11.00	11.00
Seasonal	0.00	0.00	0.00	0.00
Staffing Total	121.00	123.00	123.00	136.00
Unfunded positions	21.00	21.00	21.00	12.00

As in prior years, HPD carries additional "Police Officer Trainee" positions, temporarily filled by trainees attending a state approved police academy. Those positions are closed after the trainees complete the academy and move into vacant police officer positions. FY26 budget reflects approval of 9 full-time positions and 4 full-time civilian positions.

FIRE - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OVERVIEW

The Hagerstown Fire Department (HFD) is dedicated to ensuring a safe and resilient community while maintaining public trust. Committed to our mission of providing diverse services for community safety, we proactively work to prevent and reduce 9-1-1 emergencies through comprehensive community risk reduction initiatives. These efforts include fire prevention, life safety education, fire suppression, neighborhood canvassing campaigns, first-response emergency medical services, and specialized programs designed to protect those who live, work, visit, and invest in the City of Hagerstown. When emergencies cannot be prevented, HFD responds with professionalism, respect, integrity, dependability, and empathy—our core values. Our highly trained firefighting force, equipped with industry-leading tools and technology, is ready to act swiftly and effectively to mitigate emergencies, ensuring the safety and well-being of our community.

DEPARTMENT / PROGRAM OBJECTIVES

All-Hazards Emergency Incident Mitigation & Fire Suppression: The Hagerstown Fire Department is committed to rapidly and safely mitigating all emergency incidents by deploying a well-trained and properly equipped firefighting force. With a minimum daily staffing of 16 personnel, our goal is to assemble at least 18 personnel for structure fires to ensure an effective and coordinated response. To uphold our mission, we maintain the apparatus, facilities, equipment, and personnel necessary to provide fire suppression, technical rescue, and first-response emergency medical services to the City and our automatic aid partners. We continuously strive for improvements to enhance service delivery, achieve and maintain an ISO Class-2 PPC rating—providing economic value to our citizens through reduced insurance premiums—and optimize resource deployment to better serve the City's expanding municipal boundaries.

Community Risk Reduction/Fire Marshal: The Hagerstown Fire Department is dedicated to public safety through education, engineering, and enforcement programs aimed at reducing risk and ensuring community welfare. Key responsibilities include:

- Managing residential fire safety surveys and responding to citizen requests for smoke detector installations on the same day.
- Investigating all fires within the City to determine origin and cause, with a commitment to prosecuting arson cases to the fullest extent of the law.
- Reviewing building plans, conducting inspections, enforcing fire codes, and addressing reported violations.
- Acquiring and maintaining an explosives detection K-9 to properly investigate and mitigate potential and actual explosive hazards.
- Collaborating with PCAD to enforce life safety codes and standards for all types of structures, ensuring compliance and strengthening fire prevention efforts through a proactive and coordinated approach.

Training: The Hagerstown Fire Department (HFD) is responsible for operating and maintaining the HFD Training Center on Bowman Avenue, a regional training resource that supports both our personnel and surrounding communities. The facility includes two burn buildings, a training tower, flashover simulator/fire behavior lab, propane fire props, confined space props, a classroom, and a fire pump test pit. The HFD ensures that all personnel maintain certification levels that meet or exceed minimum standards and industry best practices. To support the professional development of volunteer personnel, we offer training classes during non-traditional business hours, including nights and weekends. Looking ahead, the HFD is continuously modernizing its tactical training props to better meet evolving training needs and enhance readiness. Our multi-year CIP plan includes facility improvements such as a new classroom instruction building with enhanced showering and locker facilities, a decontamination area for personal protective equipment, an SCBA maze, and a dedicated equipment storage building.

Goals: Work with Washington County Volunteer Fire & Rescue Association (WCVFRA), Washington County Department of Emergency Services (WCDES), automatic aid partners, and political leaders to identify and establish cost reimbursement for HFD apparatus maintenance and fuel like other Washington County fire departments. Continue to implement the recommendations of the HFD 5-year Strategic Plan (2020-2025) and to develop and publish the next 5-year plan to cover 2025–2030. Continue to advocate for adequate, industry best-practice staffing to provide a minimum of 3-persons on each fire engine and ladder truck. Improve and strengthen HFD emergency preparedness for planned/special events, participate in the Washington County Emergency Operation Center activations, and further collaborate with all partners to increase the efficacy of public safety service delivery. Plan for the deployment impacts of pre-annexation agreements. Acquire land for future consolidation and construction of replacement facilities and plan for expansion South along the Rt-65 corridor. Expand HFD technical rescue capabilities through enhanced equipment acquisition including necessary support vehicles and training for fire personnel.

FIRE - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

PERFORMANCE INDICATORS	Calendar Year		
	2022	2023	2024
Total Unit Responses-HFD	8,494	8,101	8,323
Number of Incidents- HFD Total	4,260	4,247	4,361
Number of HFD EMS Incidents	2,095	1,471	2,020
Number of HFD Fire Incidents	2,165	3,641	2,341
Civilian Fire Injuries	4	2	10
Civilian Fire Deaths	0	0	0
# of Incidents with Recorded Fire Loss	84	78	82
90% Fractile Response Time (first unit on scene-minutes)	3:13	3:53	6:13
Avg response time to box alarm structure fires (minutes)	2:37	2:47	2:50
Avg response time to all (first unit on scene-minutes)	4:28	4:19	4:10
Number of Plans Reviewed	1596	1007	772
Number of Investigations	291	296	355
Number of Arrests	16	7	11
Juvenile Referrals	N/A	5	12
Fire Marshal's Office ESO Events (New software)	5847	5114	3895
Number of free smoke detectors installed	176	143	172
Number of educational programs presented	147	50	92
Number of students (Children's Village) receiving 6hrs training	661	536	569
Children's Village Teaching (hours)	224	144	132
Avg # of Firefighters on structure fires	18	19	20
Average # of firefighters responding per incident (all types)	4.6	4	4
Number of active volunteer firefighters/officers	29	20	20

FIRE - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 5,950,887	\$ 6,331,642	\$ 6,154,558	\$ 6,412,648	1.3%
Benefits	2,669,187	2,894,453	2,861,831	3,040,082	5.0%
Overtime	994,127	950,000	1,000,000	1,050,000	10.5%
Personnel Subtotal	9,614,201	10,176,095	10,016,389	10,502,730	3.2%
Contractual Services	62,028	108,200	84,760	99,950	-7.6%
Operating Expenditures	858,307	1,034,817	1,132,895	1,300,376	25.7%
Capital Outlay	20,543	60,000	33,000	45,000	-25.0%
Operating Subtotal	940,878	1,203,017	1,250,655	1,445,326	20.1%
Total Expenditures	\$10,555,079	\$11,379,112	\$ 11,267,044	\$ 11,948,056	5.0%
REVENUES BY TYPE					
Departmental Revenue	\$ 383,686	\$ 274,350	\$ 279,066	\$ 260,400	-5.1%
Total Revenues	\$ 383,686	\$ 274,350	\$ 279,066	\$ 260,400	-5.1%
Expenditures, Net of Revenues	\$10,171,393	\$11,104,762	\$ 10,987,978	\$ 11,687,656	5.2%

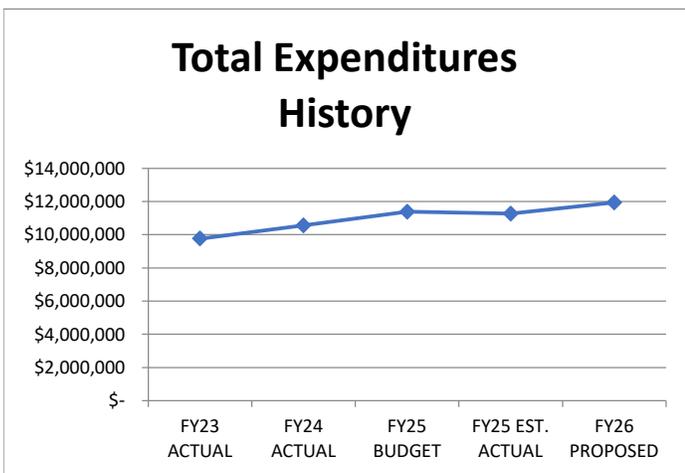
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

Total personnel costs for estimated actual FY25 are expected to be under budget by 1.6% or \$159.7K. There are expected increases in overtime expenses that are offset by a decrease in salary and wage and benefits expenses of 3.9% or \$209.7K. Total estimated actual operating expenditures anticipate an increase and are expected to be above FY25 budget by 4.0% or \$47.6K. The current overtime burn rate exceeds the budgeted amount and is expected to exceed the total OTP budget for FY25. This is primarily due to several employees being on medically influenced duty status (MIDs) for extended periods and the sick/safe leave policy.

Adopted FY25 to Proposed FY26

Overall, personnel costs in FY26 are projected to be 3.2% or \$326.6K over FY25 budget amounts. This increase reflects potential salary enhancement for all HFD personnel, overtime increases, and termination payouts that occur when staff retire. Total operating expenditures are expected to increase by 20.1% or \$242.3K. Departmental revenue is projected to decrease in FY26 by 5.1% or \$14.0K compared to FY25 budget due to fewer fire building permits.



STAFFING SUMMARY

	FY25			
	FY24	Bud	Est Act	FY26
Full time	78.00	79.00	79.00	79.00
Part time	1.00	1.00	1.00	1.00
Staffing Total	79.00	80.00	80.00	80.00
Unfunded positions	6.00	5.00	5.00	5.00

The Fire Department has five (5) vacant full time positions, which will remain unfunded during FY26.

PUBLIC WORKS - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OVERVIEW

The Public Works Department provides for the maintenance of streets, traffic control devices, building facilities, and the City's fleet of vehicles and equipment. Street maintenance includes repairs (potholes, storm drains), street cleaning, and snow operations of approximately 155 miles of streets and alleys within the City. Traffic control works closely with the Engineering Department to maintain and coordinate the 138 signaled intersections. Thousands of traffic signs also fall under this division. Facilities maintenance includes multiple buildings including City Hall, Elizabeth Hager Center, 60 W. Washington St., the Central Equipment Building, the Customer Service Center (32 N. Potomac), and the parking garages. Fleet maintenance involves the repairs of vehicles and equipment for every City department including all Utilities, Parks, Public Works, Fire, and Police.

DEPARTMENT / PROGRAM OBJECTIVES

- Streets will continue working on potholes, sidewalks, curbs, ground maintenance, street trees, trash collection, storm drain repair and street sweeping to provide the citizens with well maintained streets that are not littered with trash and debris. Winter duties include snow operations of plowing, salting and removal as necessary. New streets expected to be accepted in FY25 include Lois Harrison Blvd., a host of streets on the west side of Hager's Crossing development, and streets in the development to the north of Virginia Ave.
- The possible sale of the Elizabeth Hager Center and the opening of the Customer Service Center will require a shuffling of personnel and contractors for janitorial services. Staff is working on a permanent plan to cover the cleaning of these City owned facilities.
- City Hall has 5 smaller, flat roofs all in need of replacement. The intent is to have all 5 roofs replaced in FY26. The larger, prominent slate roof would only receive some repairs as it is still in good shape.
- The filling of vacant positions continues to be struggle in finding qualified candidates. The current focus and for FY26 is to find and hire employees to fill these vacancies.

PERFORMANCE INDICATORS

	2023/24	2024/25	2025/26
Number of lane miles swept	11,227	11,500	11,500
Snow storm costs	\$ 261,066	\$ 386,100	\$ 386,100
Tons of Salt Used	1,600	2,000	2,000
Bulk Trash Collections	419	400	410
Traffic Islands Maintained	179	179	179
Public Trash Cans Maintained	177	177	177
Signaled Intersections	137	138	138
Sign Work Orders	131	150	150
Vehicles & Equipment Maintained	448	450	455
Property Abatements	363	370	375

PUBLIC WORKS - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 1,357,595	\$ 1,684,438	\$ 1,528,908	\$ 1,674,041	-0.6%
Benefits	624,942	751,781	712,490	798,430	6.2%
Overtime	43,172	44,750	51,750	51,750	15.6%
Personnel Subtotal	2,025,709	2,480,969	2,293,148	2,524,221	1.7%
Contractual Services	129,405	243,978	265,838	277,048	13.6%
Operating Expenditures	1,064,013	1,353,725	1,327,076	1,337,384	-1.2%
Capital Outlay	15,017	48,599	52,190	33,700	-30.7%
Operating Subtotal	1,208,435	1,646,302	1,645,104	1,648,132	0.1%
Total Expenditures	\$ 3,234,144	\$ 4,127,271	\$ 3,938,252	\$ 4,172,353	1.1%
REVENUES BY TYPE					
Departmental Revenue	\$ 196,832	\$ 207,300	\$ 232,592	\$ 210,230	1.4%
Total Revenues	\$ 196,832	\$ 207,300	\$ 232,592	\$ 210,230	1.4%
Expenditures, net of Revenues	\$ 3,037,312	\$ 3,919,971	\$ 3,705,660	\$ 3,962,123	1.1%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

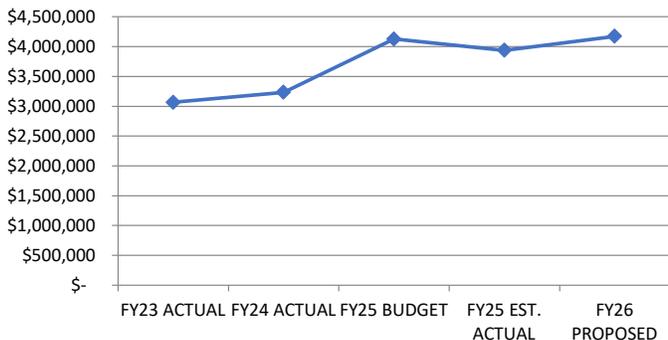
Adopted FY25 to Estimated Actual FY25

Total personnel expenditures from the FY25 budget compared to the FY25 estimated actual reflect a decrease of 7.6% or \$187.8K. Overtime is expected to increase in FY25 while salary and wages and benefit expenses are both expected to be lower. In total, operating expenses are anticipated to be slightly lower than FY25 budget by 0.1% or \$1.2K. Departmental revenue is expected to be 12.2% or \$25.3K higher than budget mostly due to the sale of assets.

Adopted FY25 to Proposed FY26

Total expenditures for the department are expected to slightly increase by 1.1% or \$45.1K in FY26 proposed budget when compared to FY25 budget. This is due to an increase in total personnel expenditures of 1.7% or \$43.3K and in total operating expenditures of 0.1% or \$1.8K. Overall, revenues are expected to increase by 1.4% or \$2.9K in FY26 proposed budget when compared to FY25 budget.

**Total Expenditures
History**



STAFFING SUMMARY

	FY24	FY25		FY26
		Bud	Est Act	
Full time	25.80	24.90	24.90	24.90
Part time	0.00	1.00	1.00	1.00
Seasonal	5.00	5.00	5.00	4.00
Staffing Total	30.80	30.90	30.90	29.90
Unfunded positions	4.00	4.00	4.00	4.00

The FY26 budget reflects maintaining the current four (4) full-time position as unfunded. The change to full time positions over the three year period reflected allocation charges only.

PUBLIC WORKS - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURES BY PROGRAM

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES					
City Hall	\$ 332,794	\$ 340,412	\$ 345,144	\$ 354,348	4.1%
City Hall Annexations	4,222	70,300	89,096	84,120	19.7%
Signal Department	452,401	633,185	531,437	640,674	1.2%
Snow Removal	261,066	386,100	386,100	386,100	0.0%
Gas Station & Maintenance Garage	653,246	728,544	701,527	754,616	3.6%
Public Works & Streets Operations	1,389,287	1,804,993	1,723,102	1,766,500	-2.1%
Central Equipment Building	141,128	163,737	161,846	185,995	13.6%
Total Expenditures	\$ 3,234,144	\$ 4,127,271	\$ 3,938,252	\$ 4,172,353	1.1%
REVENUES					
Departmental Revenue	\$ 196,832	\$ 207,300	\$ 232,592	\$ 210,230	1.4%
Total Revenues	\$ 196,832	\$ 207,300	\$ 232,592	\$ 210,230	1.4%
Expenditures, net of Revenues	\$ 3,037,312	\$ 3,919,971	\$ 3,705,660	\$ 3,962,123	1.1%

UNALLOCATED EXPENSES - PROGRAM SUMMARY
FISCAL YEAR 2025/2026

DEBT SERVICE - PRINCIPAL AND INTEREST

Debt Service is used to account for the principal and interest payment expense on the City's loans, bonds, and lease financings. Remaining outstanding loans for FY26 proposed budget include the following current issues: 2009B, 2014, 2015A, 2015B, 2017A, 2017B, 2018A, 2019A, and 2024 public improvement bond issues. The annual debt service requirements for capital improvement program items (listed in detail in Section 7 of the budget book) funded with bond financing are included in this section. Currently, the City has no lease financing.

RETIREE HEALTH COSTS

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

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

INVENTORY ADJUSTMENTS

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

CAPITAL IMPROVEMENTS PROGRAM AND FUND BALANCE APPROPRIATIONS

The current year portion of the general governmental capital improvements from the five-year CIP Program are accounted for in a separate Capital Improvements Program (CIP) Fund. The Capital Improvements Program transfer represents the General Fund's current funding requirements for capital projects anticipated to begin during each year.

OPERATING TRANSFERS TO OTHER FUNDS

Transfers to the Golf Course Fund represent the amount necessary from the General Fund to cover this fund's annual operating and capital expenditure needs in excess of revenues generated by the fund itself. The FY26 budget includes \$200,000 in Golf Course Fund transfers. The FY26 budget includes a \$1,340,000 operating transfer to the Economic Redevelopment Fund which would be utilized for community-based initiatives that support the vision of the City as well as funding for the Invest Hagerstown incentive program. Transfers to the Special Revenue Grant Fund represent local matches required by various federal, state, and local agencies in accordance with awarded grant terms and conditions. The FY26 budget includes \$58,817 in Special Revenue Grant Fund transfers.

CONTINGENCY RESERVES

This account group includes funds that are expected to be required during the coming year for a number of General Fund activities. The funds will not be transferred into the appropriate accounts until they are required. In FY26, there is a reserve of (\$150,000) for savings associated with the management of future vacancies in various departments, \$654,060 in general contingency for miscellaneous items such as salary pay-outs upon employee terminations and other emergencies that may arise.

CONTRIBUTIONS TO OTHER AGENCIES POLICY

Contributions to Other Agencies account for the contributions the City makes to several organizations. A formal policy was originally adopted on November 25, 2014, with a revision on October 18, 2019, to better define the criteria and the overall funding limits. Several organizations were identified as core agencies, and the complete process and details are located in Section 9 Fiscal Policies & Glossary on pages 6-7.

UNALLOCATED EXPENSES - PROPOSED EXPENSES
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
DEBT SERVICE-PRINCIPAL AND INTEREST					
2009-B Public Facilities Bonds (Build America Bond)	612,456	665,002	665,002	655,992	-1.4%
2014 Public Improvements Bond	36,086	36,125	36,125	36,124	0.0%
2015-A Public Facilities Bond	230,327	234,388	234,388	239,907	2.4%
2015-B Public Facilities Bond	47,002	46,032	46,032	46,818	1.7%
2017-A Public Facilities Bond	279,090	283,007	283,007	284,665	0.6%
2017-B Public Facilities Bond	35,018	34,370	34,370	35,265	2.6%
2018-A Public Facilities Bond	59,235	59,235	59,235	59,236	0.0%
2019-A Public Facilities Bond	267,438	264,494	264,494	261,505	-1.1%
2024 Public Facilities Bond	361	386,178	463,430	1,125,168	191.4%
Total Expenses	\$ 1,567,013	\$ 2,008,831	\$ 2,086,083	\$ 2,744,680	36.6%
RETIREE HEALTH COSTS					
Health Insurance	1,503,085	1,606,000	1,618,500	1,769,020	10.2%
Dental Insurance	50,649	50,025	51,300	51,300	2.5%
Total Expenses	\$ 1,553,734	\$ 1,656,025	\$ 1,669,800	\$ 1,820,320	9.9%
INVENTORY ADJUSTMENTS					
Physical Inventory Adjustments	(511)	5,000	5,000	5,000	0.0%
E&O Inventory Write-offs	6,364	5,000	5,000	5,000	0.0%
Total Expenses	\$ 5,853	\$ 10,000	\$ 10,000	\$ 10,000	0.0%
CIP, FUND BALANCE APPROPRIATIONS, AND OTHER TRANSFERS					
Capital Transfers to - CIP Fund	2,489,451	2,909,249	3,060,750	2,909,150	0.0%
GF Fund Balance to - CIP Fund	2,649,316	2,624,307	1,574,058	4,125,000	57.2%
Total Expenses	\$ 5,138,767	\$ 5,533,556	\$ 4,634,808	\$ 7,034,150	27.1%
OPERATING TRANSFERS TO OTHER FUNDS					
Golf Course Fund	250,000	150,000	150,000	200,000	33.3%
Economic Redevelopment Fund	1,128,000	1,322,000	1,322,000	1,340,000	1.4%
Grant Fund	6,667	106,667	55,000	58,817	-44.9%
Total Expenses	\$ 1,384,667	\$ 1,578,667	\$ 1,527,000	\$ 1,598,817	1.3%
CONTINGENCY RESERVES					
Vacancy Savings	-	(100,000)	-	(150,000)	50.0%
Regular Wages-Salaried	-	-	-	464,060	0.0%
General Contingency	-	173,490	-	190,000	9.5%
Total Expenses	\$ -	\$ 73,490	\$ -	\$ 504,060	585.9%
CONTRIBUTIONS TO OTHER AGENCIES					
Art Museum	40,500	40,500	40,500	40,500	0.0%
Community Rescue Service	45,000	45,000	45,000	45,000	0.0%
Hagerstown Municipal Band	18,000	18,000	18,000	18,000	0.0%
Hagerstown Neighborhood Develop Partnership	28,450	28,450	28,450	28,450	0.0%
Heart of Civil War Heritage	7,500	10,000	10,000	-	-100.0%
Maryland Symphony Orchestra	17,550	17,550	17,550	17,550	0.0%
Maryland Theatre	9,000	9,000	9,000	9,000	0.0%
Washington County Free Library	31,500	31,500	31,500	31,500	0.0%
Washington County Historical Society	5,000	5,000	5,000	5,000	0.0%
Unspecified Agency Contributions	-	-	-	10,000	100.0%
Total Contributions to Other Agencies	\$ 202,500	\$ 205,000	\$ 205,000	\$ 205,000	0.0%

SCHEDULE OF PUBLIC FUNCTIONS
FISCAL YEAR 2025/2026

FUNCTION DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
Augustoberfest (City Services)					100.0%
A&E District Event	46,084	15,070	19,075	16,050	6.5%
Christmas Decorating	11,368	18,000	15,000	18,000	0.0%
Christmas with Santa	-	1,000	-	-	0.0%
Farmer's Market	2,914	2,000	750	1,000	-50.0%
Friday Music Series	-	36,000	12,550	23,250	-35.4%
Hagerfest	-	51,917.71	56,800	57,500	10.8%
Hollyfest/Tree Lighting	5,060	5,600.00	10,500	5,600	0.0%
Imagine Hagerstown (City Services)	1,227	-	-	-	100.0%
Imagine Hagerstown	56,550	-	-	-	100.0%
Juneteenth	-	-	-	10,000	100.0%
MDWK Music & Market	650	15,000	35,000	29,500	96.7%
Miscellaneous Downtown Events	47,010	50,000	50,000	60,000	20.0%
Miss Maryland Pageant	13,371	12,000	13,500	13,000	8.3%
Mummers Parade	24,318	25,000	27,000	25,000	0.0%
Taste of the Arts	-	2,500	2,500	2,500	0.0%
Wesel Official's Visit to Hagerstown	-	3,500	-	3,500	0.0%
Subtotal Public Function Events	\$ 208,553	\$ 237,588	\$ 242,675	\$ 264,900	11.5%
Christmas In The Park	13,679	16,000	23,050	17,500	9.4%
City Park Festival	16,892	18,000	18,050	18,000	0.0%
Fairgrounds Harvest Hoedown	14,430	16,000	15,000	16,000	0.0%
Fairgrounds July 4th Fireworks	43,186	45,000	45,000	45,000	0.0%
Subtotal Recreation Events	88,186	95,000	101,100	96,500	1.6%
Total Recreation Events	\$ 296,738	\$ 332,588	\$ 343,775	\$ 361,400	8.7%

GENERAL FUND CAPITAL EXPENSES
FISCAL YEAR 2025/2026

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
MAYOR 0101002-5861 Desks, Chairs & Tables	Replace Furniture	Replace As Needed	1,200
COMMUNICATIONS 0103006-5865 Computer Equipment	Replace Computer	Replace As Needed	2,000
FINANCE & ACCOUNTING 0107001-5865 Computer Equipment	Upgrade Hardware And Software	Improve Quality Of Service	3,000
TOTAL FINANCE & ACCOUNTING			3,000
INFORMATION TECHNOLOGY 0107200-5861 Desks, Chairs & Tables	Replace Furniture	Replace As Needed	500
0107200-5865 Computer Equipment	Replace Computers	Replace As Needed	5,000
TOTAL INFORMATION TECHNOLOGY			5,500
SUPPORT SERVICES 0107201-5860 Office Furniture, Fixtures, & Equipment	Replace Furniture, Fixtures, & Equipment	Replace As Needed	500
0107201-5861 Desks, Chairs & Tables	Replace Furniture	Replace As Needed	2,000
0107201-5865 Computer Equipment	Replace Computers	Replace As Needed	3,000
0107201-5867 Communication Equipment	Phone Parts Not Under Maintenance	Replace As Needed	200
TOTAL SUPPORT SERVICES			5,700
BILLING 0107203-5861 Desks, Chairs & Tables	Replace Furniture	Replace As Needed	500
0107203- 5865 Computer Equipment	Replace Computer	Improve Quality Of Service	2,000
TOTAL BILLING			2,500
PLANNING 0109001-5861 Desks, Chairs & Tables	Replace Furniture	Replace As Needed	1,500
0109001-5865 Computer Equipment	Replace Computer	Replace As Needed	3,765
TOTAL PLANNING			5,265

GENERAL FUND CAPITAL EXPENSES
FISCAL YEAR 2025/2026

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
CITY HALL BUILDING			
0109003-5821 Office Buildings	Replace A/C Units	Replace As Needed	2,500
0109003-5839 Portable Tools/Equipment	Replace Tools	Replace As Needed	650
0109003-5861 Desks, Chairs & Tables	Replace Furniture	Replace As Needed	6,000
0109003-5863 Decorative & Lighting	Replace Carpets, Furniture, Decorative & Lighting Administrator's Office	Replace As Needed	5,000
TOTAL CITY HALL BUILDING			14,150
CITY ENGINEER			
0109004-5861 Desks, Chairs & Tables	Replace Furniture	Replace As Needed	1,500
0109004-5865 Computer Equipment	Replace Computers	Replace As Needed	4,000
TOTAL CITY ENGINEER			5,500
HUMAN RESOURCES			
0109005-5865 Computer Equipment	Replace Computer	Replace As Needed	3,000
TOTAL HUMAN RESOURCES			3,000
POLICE ADMINISTRATION			
0110001-5855 Portable Equipment	ID Printer And Accessories	Replace As Needed	300
0110001-5861 Desks, Chairs & Tables	Conference Table and Chairs	Replace As Needed	3,000
TOTAL POLICE ADMINISTRATION			3,300
POLICE INFORMATION TECHNOLOGY			
0110003-5865 Computer Equipment	Replace Notebooks, Desktops, Monitors, Servers, Tablets	Replace As Needed	85,000
PROFESSIONAL STANDARDS DIV			
0110203-5834 Firearms, Body Armor	Replace Fire Arms, Body Armor	Replace as Needed	80,000
POLICE BUILDING			
0110204-5830 Non-Portable Equipment	Replace Equipment	Replace As Needed	2,000
0110204-5839 Portable Tools/Equipment	Replace Tools & Equipment	Replace As Needed	300
TOTAL POLICE BUILDING			2,300

GENERAL FUND CAPITAL EXPENSES
FISCAL YEAR 2025/2026

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
WESTERN MARYLAND LAB			
0110205-5832 Photography Equipment	Maintenance and Purchase Photographic Equipment	Required For Forensic Documentation	2,500
0110205-5833 Laboratory Equipment	Purchase Lab Equipment	Replace Aging And Outdated	1,800
TOTAL WESTERN MARYLAND LAB			4,300
POLICE K9 PROGRAM			
0110206-5839 Portable Tools/Equipment	Purchase Of K-9 Equip (Sleeves, Leashes, Etc.)	Replace Worn Equipment	700
POLICE PATROL			
0110401-5834 Firearms, Body Armor	Police Officer Use / Safety Equipment - Ballistic Vests	Replacement Of Expired Vests & Purchase Of New Vests	25,200
0110401-5839 Portable Tools & Other Equipment	Purchase Moving Radar Units - LIDAR Speed Measuring Device	New Equipment Needed	20,000
0110401-5848 Bicycles-Repair (& In-Line Skates)	Police Officer Use	Repair And Maintenance	1,500
0110401-5867 Communication Equipment	Portable Radios	Replace As Needed	20,000
TOTAL POLICE PATROL			66,700
PATROL VEHICLES			
0110403-5839 Portable Tools & Other Equipment	Replace Tools & Equipment	Replace As Needed	500
NARCOTICS TASK FORCE			
0110404-5834 Firearms, Body Armor	Police Officer Use / Safety Equipment - Ballistic Vests	Replacement Of Expired Vests & Purchase Of New Vests	4,000
FIRE DEPARTMENT			
0112001-5861 Desks, Chairs & Tables	Purchase Office Furniture	Replace As Needed	15,000
0112001-5865 Computer Equipment	Purchase Computers	Replace As Needed	30,000
TOTAL FIRE DEPARTMENT			45,000
CODE ADMINISTRATION			
0114001- 5861 Desks, Chairs & Tables	Filing Cabinets, Desks, Chairs	Replace As Needed	1,000
0114001-5865 Computer Equipment	Purchase Computers	Replace As Needed	6,000
TOTAL CODE ADMINISTRATION			7,000

GENERAL FUND CAPITAL EXPENSES
FISCAL YEAR 2025/2026

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
TRAFFIC CONTROL			
0116003-5839 Portable Tools & Other Equipment	Replace Power Tools	Replace As Needed	900
0116003-5865 Computer Equipment	Purchase Computers	Replace As Needed	1,500
TOTAL TRAFFIC CONTROL			2,400
CENTRAL MAINTENANCE GARAGE			
0123003-5839 Portable Tools & Other Equipment	Tools Needed For Garage	Replace As Needed	5,100
0123003- 5861 Desks, Chairs & Tables	Replace Table And Chairs	Replace As Needed	750
0123003-5865 Computer Equipment	Replace Computer	Replace As Needed	1,500
TOTAL CENTRAL MAINTENANCE GARAGE			7,350
PUBLIC WORKS LABOR FORCE			
0124001-5839 Portable Tools & Other Equipment	Replace Tools & Equipment	Replace As Needed	600
0124001-5856 Mowers	Repair Mowers	Replace As Needed	200
0124001-5861 Desks, Chairs, and Tables	Replace furniture	Replace As Needed	500
0124001-5865 Computer Equipment	Replace Computers	Replace As Needed	1,500
TOTAL PUBLIC WORKS LABOR FORCE			2,800
CENTRAL EQUIPMENT BUILDING			
0124008-5821 Office Buildings	Repair Office Building	Replace As Needed	1,000
0124008-5839 Portable Tools & Other Equipment	Replace Tools & Equipment	Replace As Needed	500
0124008-5861 Desks, Chairs & Tables	Replacement A/C Units	Replace As Needed	500
TOTAL CENTRAL EQUIPMENT BUILDING			2,000
CITY HALL ANNEX BUILDING			
0124010-5863 Decorative & Lighting	Replace furniture, fixtures, and lighting	Replace As Needed	5,000
RECREATION ADMINISTRATION			
0140001-5865 Computer Equipment	Replace Computers	Replace As Needed	1,500

GENERAL FUND CAPITAL EXPENSES
FISCAL YEAR 2025/2026

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
HAGER HOUSE 0140402-5865 Computer Equipment	Replace Computers	Replace As Needed	100
TRAIN MUSEUM 0140403-5865 Computer Equipment	Replace Computers	Replace As Needed	1,500
PARKS AND EQUIPMENT DEPARTMENT 0145000-5837 Playground & Parks Equipment	Replace Park Equipment	Replace grills, trash can lids, park benches, etc.	7,000
0145000-5865 Computer Equipment	Replace Computer	Replace As Needed	1,500
TOTAL PARKS AND EQUIPMENT DEPARTMENT			8,500
ECONOMIC DEVELOPMENT & ADMIN 0150001-5860 Office Furniture/Fixtures/Equipment	Replace Office Furniture, Fixtures & Equipment	Replace As Needed	4,000
0150001-5865 Computer Equipment	Replace Computer	Replace As Needed	4,000
0150001-5867 Communication Equipment	Replace Equipment	Replace As Needed	750
TOTAL ECONOMIC DEVELOPMENT & ADMIN			8,750
TOTAL CAPITAL OUTLAY \$			386,515

Utilities

City of Hagerstown

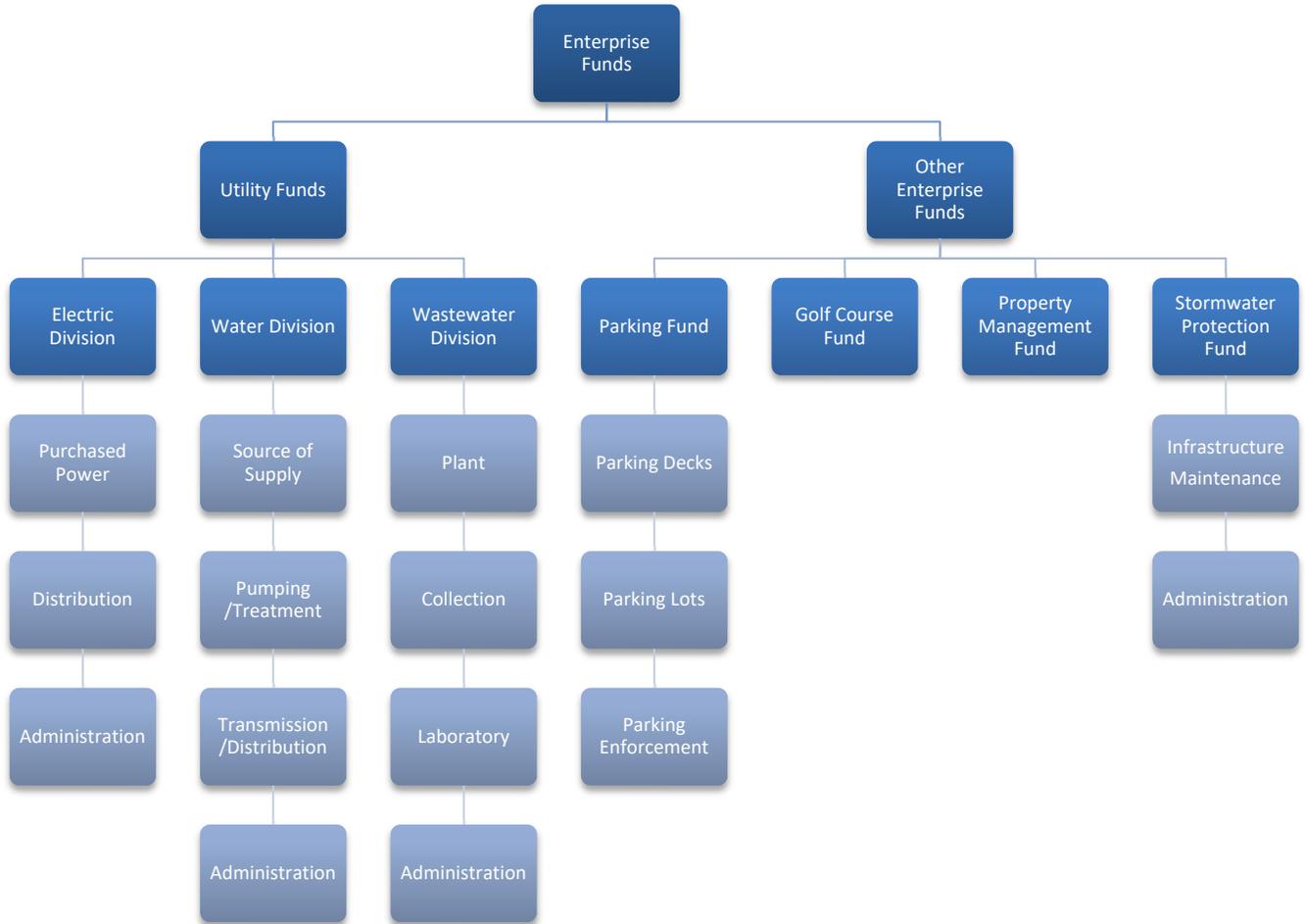


ENTERPRISE FUNDS SECTION 3

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ENTERPRISE FUNDS – ORGANIZATIONAL CHART
FISCAL YEAR 2025/2026



ENTERPRISE FUNDS - COMBINING STATEMENT
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	ELECTRIC FUND	WATER FUND	WASTEWATER FUND	PARKING FUND	GOLF COURSE FUND	PROPERTY MANAGEMENT FUND	STORMWATER PROTECTION FUND	TOTAL
OPERATING REVENUES								
Service Charges	\$33,969,200	\$ 15,325,000	\$ 16,558,400	\$ 1,413,240	\$ 353,000	\$ 226,470	\$ 4,065,000	\$ 71,910,310
Other Revenues	507,000	1,030,500	374,900	7,700	34,400	-	-	1,954,500
Total Operating Revenues	34,476,200	16,355,500	16,933,300	1,420,940	387,400	226,470	4,065,000	73,864,810
OPERATING EXPENSES								
Production and Treatment	26,570,387	5,366,840	7,437,848	-	-	-	-	39,375,075
Transmission, Distribution & Collection	3,285,340	3,212,568	1,978,105	-	-	-	-	8,476,013
Infrastructure and Construction	-	-	-	-	-	-	890,533	890,533
Selling, General & Administrative	3,895,393	7,262,443	3,644,833	943,055	684,043	346,045	293,929	17,069,741
Depreciation	1,117,000	4,213,000	3,791,000	512,500	93,300	112,900	187,700	10,027,400
Total Operating Expenses	34,868,120	20,054,851	16,851,786	1,455,555	777,343	458,945	1,372,162	75,838,762
Operating Income (Loss)	(391,920)	(3,699,351)	81,514	(34,615)	(389,943)	(232,475)	2,692,838	(1,973,952)
NON-OPERATING REVENUES (EXPENSES)								
Intergovernmental Revenue	-	-	320,000	-	-	-	-	320,000
Interest Earned	50,000	700,000	600,000	95,000	15,000	20,000	195,000	1,675,000
Premium on Bonds	-	4,172	4,073	2	-	-	-	8,247
Interest/Bond Issuance Expense	(6,474)	(328,805)	(240,762)	(554,475)	-	(3,175)	(16,064)	(1,149,755)
Gain (Loss) on Capital Assets	(30,000)	20,000	1,500	-	-	-	-	(8,500)
Total Other Income (Expense)	13,526	395,367	684,811	(459,473)	15,000	16,825	178,936	844,992
Net Income before Contributions & Transfers	(378,394)	(3,303,984)	766,325	(494,088)	(374,943)	(215,650)	2,871,774	(1,128,960)
OTHER FINANCING SOURCES (USES)								
Intergovernmental Revenue - Capital	-	-	1,500,000	-	-	-	-	1,500,000
Operating & Capital Transfers from Other Funds	-	-	-	-	200,000	-	-	200,000
Operating & Capital Transfers to Other Funds	(29,650)	(29,650)	(29,650)	(4,400)	-	-	-	(93,350)
Benefit Charges	-	500,000	500,000	-	-	-	-	1,000,000
Contributions in Aid of Construction	-	-	-	-	-	-	150,000	150,000
Non-Cash Developers Contributions	186,125	750,000	-	-	-	-	-	936,125
Grants in Aid of Construction	125,000	-	-	-	112,500	-	145,000	382,500
Increase (Decrease) in Retained Earnings	(96,919)	(2,083,634)	2,736,675	(498,488)	(62,443)	(215,650)	3,166,774	2,946,315
ADJUST RETAINED EARNINGS TO A CASH FLOW BASIS								
Add Back Depreciation	1,117,000	4,213,000	3,791,000	512,500	93,300	112,900	187,700	10,027,400
Capital Outlay/Fixed Assets	(4,057,500)	(12,896,500)	(21,775,000)	(89,000)	(259,000)	(140,000)	(4,950,000)	(44,167,000)
Principal Payments on Long-term Debt	(20,551)	(1,542,992)	(1,067,167)	(238,730)	-	(6,451)	(40,657)	(2,916,548)
Non-Cash Developers Contributions	(186,125)	(750,000)	-	-	-	-	-	(936,125)
MDE Bond Financing	-	5,000,000	10,500,000	-	-	-	-	15,500,000
Bond Proceeds	-	-	-	-	-	-	-	-
Net Sources (Uses) of Cash	\$ (3,244,095)	\$ (8,060,126)	\$ (5,814,492)	\$ (313,718)	\$ (228,143)	\$ (249,201)	\$ (1,636,183)	\$ (19,545,958)
Beginning Fund Balance	\$13,021,643	\$103,777,502	\$ 77,839,509	\$ 8,334,332	\$ 746,320	\$ 2,205,809	\$ 10,396,829	\$ 216,321,944
Ending Fund Balance	\$12,924,724	\$101,693,868	\$ 80,576,184	\$ 7,835,844	\$ 683,877	\$ 1,990,159	\$ 13,563,603	\$ 219,268,259

ELECTRIC FUND - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OVERVIEW

The Mission of the Electric Division is to provide reliable, competitively priced electric utility service through skilled, safety-oriented, and customer focused employees. The success of our organization depends on teamwork, professionalism, and overall excellence achieved through commitment to our core values. Customer and employee communication, cooperation, innovation, and integrity in each process we perform are keystones to the success of the department.

DEPARTMENT / PROGRAM OBJECTIVES

- Crews provide new service connections, routine maintenance, street light service along all City streets, monitor all substations and related equipment, and ensure the functionality of metering to guarantee quality service.

- A program has been implemented to replace electric revenue meters through the FY29 budget year with automated metering infrastructure for real-time reads, automated disconnection/reconnection, and real-time voltage/outage detection. The data backhauled to the system can be used to identify potential overload conditions, reduce emergency response situations and provide real-time readings for billing and customer service staff for an improved customer service experience.

- HID (High-Intensity Discharge) fixtures are being replaced with LED on an as-needed basis. Staff continues to seek and apply for alternative funding from energy efficiency grant programs as they become available.

- Maintaining clearances from overhead facilities will continue throughout the service territory utilizing right-of-way clearance and vegetation management contractors to reduce outage instances and duration.

- Workplace efficiency continues to improve with the implementation of a work management system. These improvements allow staff to focus on financial accounting accuracy, track job progress, track inventory levels, reduce repetitive site visits, and improve general ledger and asset management accounting processes.

- The existing purchase power contract is due to expire December 31, 2026. Staff will begin to seek an extension or new contract terms by the end of the fiscal year or early into FY27.

- The Maryland Public Service Commission approved an 7.6% increase to the retail operating rates beginning February 2025. A make-whole rate proceeding using the latest audited financials may be needed for infrastructure investment and improvements plans to continue providing safe and reliable service to customers.

- Staff is proposing to introduce a large-scale pole inspection program contracted and performed to identify poles in need of replacement and to lengthen the life of infrastructure to improve system reliability.

PERFORMANCE INDICATORS

	2023/24	2024/25	2025/26
Number of Residential Customers	15,083	15,100	15,100
Number of Non-Residential Customers	2,641	2,650	2,650
Million Kilowatt-hours Purchased	322	320	320
Million Kilowatt-hours Sold	313	311	311
Number of Funded Employees	28.85	28.85	28.85
Number of Customers Served per Employee	614	615	615

ELECTRIC FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2024/25	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 2,070,749	\$ 2,207,991	\$ 2,292,055	\$ 2,362,313	7.0%
Benefits	1,041,919	1,340,734	1,270,008	1,428,596	6.6%
Overtime	131,653	146,000	140,500	146,000	0.0%
Personnel Subtotal	\$ 3,244,321	3,694,725	3,702,563	3,936,909	6.6%
Contractual Services	\$ 742,062	930,388	926,888	965,450	3.8%
Operating Expenditures	19,186,776	23,821,131	23,469,369	28,818,761	21.0%
Other General Expenses	1,017,255	1,234,789	1,170,789	1,218,124	-1.3%
Operating Subtotal	\$ 20,946,093	25,986,308	25,567,046	31,002,335	19.3%
Total Expenditures	\$ 24,190,414	\$ 29,681,033	\$ 29,269,609	\$ 34,939,244	17.7%
REVENUES BY TYPE					
Departmental Revenue	22,841,835	29,738,135	28,680,604	34,842,325	17.2%
Total Revenues	\$ 22,841,835	\$ 29,738,135	\$ 28,680,604	\$ 34,842,325	17.2%
Revenues, excess of Expenditures	\$ 1,348,579	\$ (57,102)	\$ 589,005	\$ 96,919	-269.7%

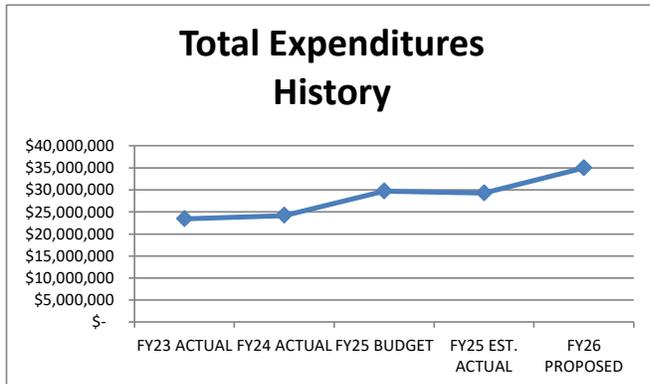
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

Retail energy sales are projected to remain stable compared to recent years. There will be an increase in operating revenues beginning February 2025 because of the Maryland Public Service Commission approved operating rate increase and the shortfall in purchase power recovery for calendar year 2024. Staff continues to maintain stock material and supplies to operate and maintain the electric distribution system. Where the availability of stock has improved, cost stabilized but there has been little to no relief from inflation. Proposed capital increases include delivery and acceptance of bucket trucks ordered during FY23 and ramping up meter replacement to a full-scale project.

Adopted FY25 to Proposed FY26

The PJM capacity auction results for planning year 2026/2026, beginning June 1, 2025, will cause a projected 24% increase to Purchase Power expense that will be offset by service charge revenues. Legal and consulting fees are projected to remain stable to provide funding for expenses associated with regulatory issues and explore distributed energy resources. There will be an increase in operating revenues because of the Maryland Public Service Commission approved operating rate increase and the shortfall in purchase power recovery for calendar year 2024. Proposed capital increases include delivery and the continuation of AMI meter deployment, while FY26 budget for vehicles has decreased.



STAFFING SUMMARY

	FY25			
	FY24	Bud	Est Act	FY26
Full time	29.85	28.85	28.85	28.85
Staffing Total	29.85	28.85	28.85	28.85
Unfunded positions	6.00	6.00	6.00	6.00

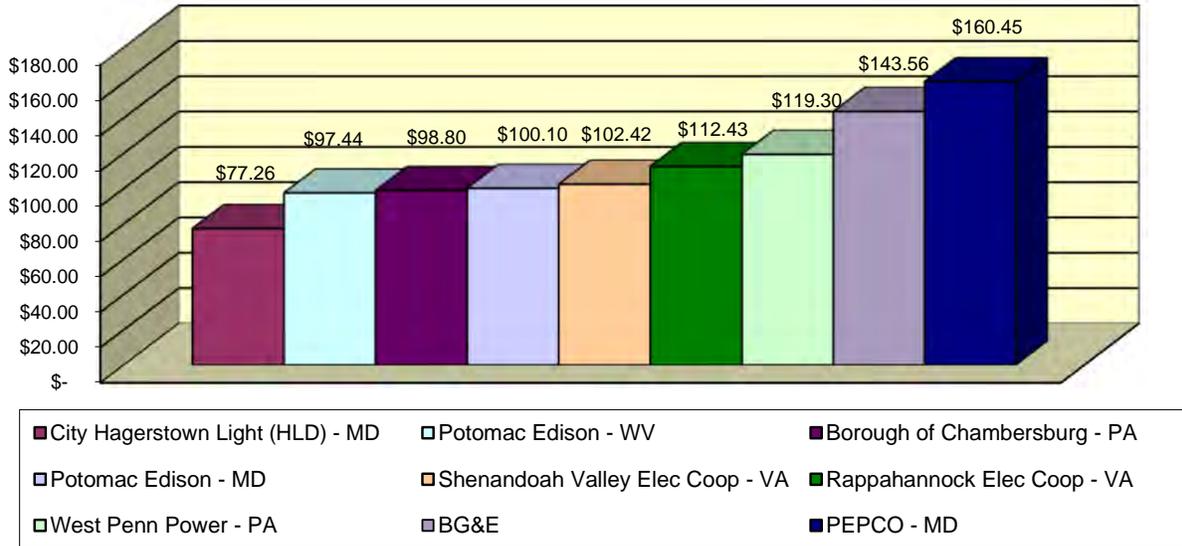
Total staffing across utility funds has not increased but changes are reflected as a result of staff allocation charges within the groups.

ELECTRIC FUND - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
OPERATING REVENUES					
Service Charges	\$ 21,647,937	\$ 28,445,150	\$ 27,722,700	\$ 33,969,200	19.4%
Other Revenues	428,394	590,700	490,700	507,000	-14.2%
Total Operating Revenues	22,076,331	29,035,850	28,213,400	34,476,200	18.7%
OPERATING EXPENSES					
Purchased Power	17,069,012	21,706,799	21,361,735	26,570,387	22.4%
Distribution Expenses	2,621,950	3,071,792	2,941,298	3,285,340	7.0%
Customer Accounts Expenses	1,036,625	1,088,917	1,135,855	1,219,889	12.0%
Selling, General & Administrative	2,479,741	2,608,736	2,689,932	2,675,504	2.6%
Depreciation	960,891	1,097,000	1,033,000	1,117,000	1.8%
Total Operating Expenses	24,168,219	29,573,244	29,161,820	34,868,120	17.9%
Operating Income (Loss)	(2,091,888)	(537,394)	(948,420)	(391,920)	-27.1%
NON-OPERATING REVENUES (EXPENSES)					
Interest Earned	186,272	228,000	25,000	50,000	-78.1%
Interest/Bond Issuance Expense	(7,384)	(6,869)	(6,869)	(6,474)	-5.8%
Gain (Loss) on Capital Assets	8,486	(15,000)	(29,775)	(30,000)	100.0%
Total Other Income (Expense)	187,374	206,131	(11,644)	13,526	-93.4%
Net Income before Contributions & Transfers	(1,904,514)	(331,263)	(960,064)	(378,394)	14.2%
TRANSFERS FROM (TO) OTHER FUNDS					
Transfers to Capital Improvements Fund	(8,200)	(65,920)	(65,920)	(29,650)	-55.0%
Total Transfers From (To) Funds	(8,200)	(65,920)	(65,920)	(29,650)	-55.0%
CAPITAL CONTRIBUTIONS					
Grants in Aid of Construction	256,650	268,160	111,000	125,000	-53.4%
Intergovernmental Revenue - ARPA	-	157,160	157,160	-	-100.0%
Non-Cash Developers Contributions	307,485	186,125	168,819	186,125	0.0%
Total Capital Contributions	564,135	611,445	436,979	311,125	-49.1%
Increase (Decrease) in Retained Earnings	(1,348,579)	214,262	(589,005)	(96,919)	-145.2%
Add Back Depreciation	960,891	1,097,000	1,033,000	1,117,000	1.8%
Capital Outlay/Fixed Assets	(2,774,085)	(4,317,660)	(2,806,953)	(4,057,500)	-6.0%
Principal Payments on Long-term Debt	(18,521)	(19,536)	(19,536)	(20,551)	5.2%
Non-Cash Developers Contributions	(307,485)	(186,125)	(168,819)	(186,125)	0.0%
Changes in Working Capital	(113,749)	-	-	-	0.0%
Net Sources (Uses) of Cash	\$ (3,601,528)	\$ (3,212,059)	\$ (2,551,313)	\$ (3,244,095)	1.0%
Beginning Fund Balance	\$ 14,959,227	\$ 13,610,648	\$ 13,610,648	\$ 13,021,643	-4.3%
Ending Fund Balance	\$ 13,610,648	\$ 13,824,910	\$ 13,021,643	\$ 12,924,724	-6.5%

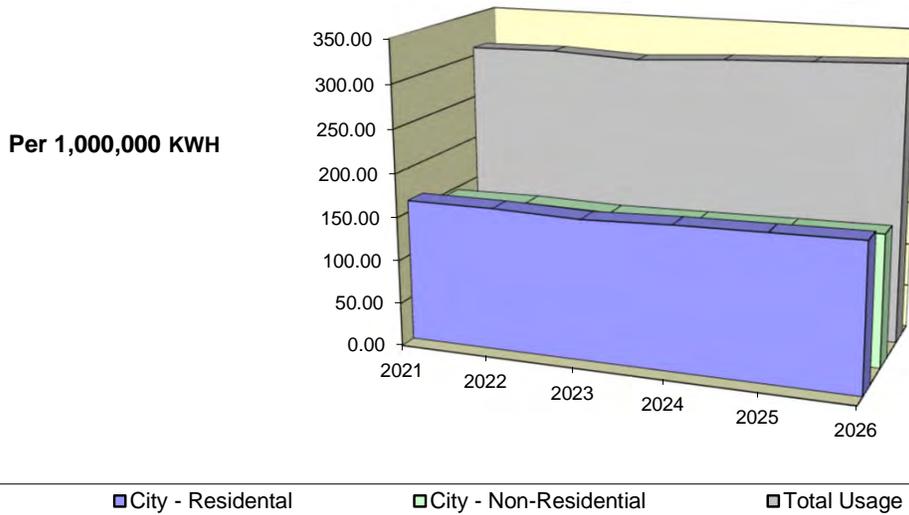
ELECTRIC FUND - CONSUMPTION AND RATE COMPARISON
FISCAL YEAR 2025/2026

SERVICE CHARGE COMPARISON AS OF MARCH 2025



Shown above are comparative residential rates based on an average usage of 800 kWh per month. The Hagerstown Light Department has an approved wholesale power contract extension with AEP Energy Partners, INC at a rate of \$54.05 per MWh through December 31, 2026.

ELECTRIC CONSUMPTION FROM 2021 - 2026



Shown above is a trend based on millions of kWh used by HLD customers annually over a five year period. As reflected, City Non-Residential Customers (Commercial Customers), utilize almost the same amount as residential customers.

ELECTRIC FUND - PROPOSED OPERATING REVENUES
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
ELECTRIC REVENUES					
Sales of Electric-Unbilled Readings	\$ (174,066)	\$ -	\$ -	\$ -	0.0%
Residential Lighting	11,670,982	15,096,700	14,893,900	18,266,400	21.0%
Residential Metering	11,561	6,800	9,500	12,000	76.5%
Commercial Lighting	4,373,347	5,556,700	5,571,400	6,745,600	21.4%
Commercial Metering	15,761	16,300	16,600	19,800	21.5%
Power PI(09)	1,330,998	2,021,900	1,733,500	-	-100.0%
Power Ph(10)	3,773,134	4,912,700	4,679,400	7,954,600	61.9%
Dusk to Dawn	17,418	23,000	22,000	25,700	11.7%
Street Lighting	536,671	712,900	687,500	814,200	14.2%
Traffic Lighting	18,997	27,900	23,900	30,900	10.8%
Interconnection Application Fee	95	250	-	-	-100.0%
Reconnection Charges	73,039	70,000	85,000	100,000	42.9%
Total Electric Revenues	21,647,937	28,445,150	27,722,700	33,969,200	19.4%
OTHER REVENUES					
Pole Rental/Attachment Fees	78,351	200,000	85,000	90,000	-55.0%
Building Rental-CMG	43,200	43,200	43,200	44,500	3.0%
Late Fees	144,400	125,000	140,000	150,000	20.0%
Miscellaneous Electric Revenue	111,558	150,000	150,000	150,000	0.0%
Customer Reimbursed Overtime	-	2,500	2,500	2,500	0.0%
Scrap Sales	30,677	40,000	40,000	40,000	0.0%
Insurance Reimbursements	14,328	25,000	25,000	25,000	0.0%
Bad Check Charges	5,880	5,000	5,000	5,000	0.0%
Total Other Revenues	428,394	590,700	490,700	507,000	-14.2%
Total Operating Revenues	\$ 22,076,331	\$ 29,035,850	\$ 28,213,400	\$ 34,476,200	18.7%

ELECTRIC FUND - CAPITAL EXPENSES
FISCAL YEAR 2025/2026

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Electric Fund Vehicle Replacement-C0090 Replace fleet vehicles scheduled for replacement under the Vehicle Replacement Program.	Replace Fleet Vehicles	Replace deteriorating mobile equipment to improve safety for workers and to reduce service restoration time.	205,000
Telemetry Equipment-C0111 Construction of communication networks to facilitate transmission of data from installed devices in the Electric System.	Communication Equipment	Improve service, increase system reliability.	50,000
Security Improvements-C0178 Upgrade the aged building and site security systems.	Video Surveillance	Deter theft and/or vandalism of electric utility assets.	105,000
System Reconductoring-C0259 Upgrade power in distribution lines.	Poles, Towers & Fixtures, Overhead Devices	Improve service and reliability.	206,500
SCADA System-C0441 Upgrade Current SCADA software and hardware.	Communication Equipment	Improve load monitoring and outage restoration.	5,000
Underground Replacement-C0540 Replace aging underground primary cable in various areas throughout HLD service territory identified by the feeder inspection program.	Replace Underground Cable	Replacing sections of aged primary cable will improve electric reliability in various developments and/or locations.	12,500
HLD Distribution & Admin. Office Bldg.-C0542 Replacement of HVAC in Admin and Engineering area for HLD.	Building Improvement	Cost avoidance, planned improvement, and improved service.	50,000
Streetlight Replacement-C0546 Replace direct buried streetlight circuit, obsolete fixtures, and non-standard poles.	Street Lighting	Unable to provide for replacement materials for uniformity. Existing cable is in poor condition.	200,000
Kilpatrick Woods-C0550 Provide electric power and service to Kilpatrick Woods, a new development between Marshall Street and Salem Avenue, east of I-81.	Infrastructure	Provide new electric service to lots as they develop.	173,500
Test Equipment-C0609 Procure/repair test equipment to improve maintenance programs and power quality for customers.	Station Equipment	Improve reliability of service.	15,000
Substation Controls-C0616 Procure and replace obsolete and degraded substation control equipment.	Machinery and Equipment	Replace inferior equipment to maintain system reliability, public & workforce safety, and system integrity.	80,000
Meter Replacement-C0679 Procure and replace electric revenue meters across the HLD service territory.	Services and Meters	Improve device accuracy and provide for an automated read and outage detection system.	1,500,000

ELECTRIC FUND - CAPITAL EXPENSES
FISCAL YEAR 2025/2026

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Brookmeadow-C0703 Provide underground electric service to 119 townhome units in the Brookmeadow development.	Infrastructure	Provide electric service to new customers.	53,000
Substation Breaker Replacement-C0776 Replace aging breakers in substation to maintain reliability.	Replace substation breakers on maintenance cycle to reduce equipment failure.	Increase reliability of service.	80,000
Substation Upgrades-C0778 Increase electrical capacity and system improvements within substations.	Station Equipment	Increase reliability of service.	200,000
Equipment Refurbishment-C0797 Purchase and/or refurbish voltage regulators and controllers for substations.	Station Equipment	Replace, refurbish, and repair substation voltage regulators as needed to maintain levels within limits mandated by the MD Public Service Commission.	75,000
Wildlife Protection-C0802 Purchase and install wildlife protection on substation equipment.	Station Equipment	Power outages caused by wildlife within the substations will be reduced and reliability will increase. There will also be a decrease in maintenance repair and/or replacement costs of damaged equipment caused by wildlife.	50,000
Feeder Coordination-C0833 Remove, relocate, replace, and/or adjust Circuit Breakers, Reclosers, Fuses, Switches, and Capacitors.	Poles, Towers & Fixtures, O/H Conductors & Devices, and Underground Conductors & Devices	Improve system reliability and power quality.	15,000
Circuit Upgrades-C0842 Construct the fifth feeder from the Wesel Substation in conjunction with C0778.	Poles, Towers, & Fixtures, and O/H Conductors & Devices	Improve ability to switch load between substations improving service outage restoration times.	114,500
SUBTOTAL CAPITAL IMPROVEMENT PROJECTS			\$ 3,190,000
5085001-581001 General Plant - Structure	Administrative Building	Replace worn office furniture and computer equipment.	5,000
5085001-583002 Dist-Station Equipment	Costs of installation of station equipment including transformer banks, which are used for the purpose of changing the characteristics of electricity in connection with its distribution.	To upgrade existing substation facilities and to continue periodic replacement of aged equipment.	60,000
5085001-583004 Dist-Poles, Towers & Fixtures	Costs of installation of poles, towers, and fixtures used for supporting overhead distribution conductors and service wires.	To upgrade service to electrical customers and to continue periodic replacement of aged equipment.	120,000

ELECTRIC FUND - CAPITAL EXPENSES
FISCAL YEAR 2025/2026

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
5085001-583005 Dist-Overhead Conductors and Devices	Costs of installation of overhead conductors & devices for distribution purposes, including the installation of overhead primary cable, insulators, arrestors, switches and other line hardware.	To upgrade existing facilities and to continue periodic replacement of aged equipment.	100,000
5085001-583006 Dist-Underground Conduit	Costs of installation on underground conduit and tunnels used for housing distribution cables or wires.	To meet the need of electrical customers who are upgrading or installing new services.	10,000
5085001-583007 Dist-Underground Conductors and Devices	Costs of installation of underground conductors and devices used for distribution purposes.	To upgrade existing primary electrical wires and for the installation of new primary underground conductors to maintain the reliability of the distribution systems.	20,000
5085001-583008 Dist-Line Transformers	Costs of installation of overhead & underground distribution line transformers and voltage regulators for use in transforming electricity to the voltage at which it is to be used by the customer.	To meet the needs of electrical customers who are upgrading their services or building new homes and to replace aging units already in service.	250,000
5085001-583009 Dist-Services	Costs of installation of overhead & underground conductors leading from a point where wires leave the last pole of an overhead system, or if an underground system, the distribution box of manholes.	To meet the needs of electrical customers who are upgrading their services and building new homes.	125,000
5085001-583010 Dist-Meters	Costs of installation of meters or devices for use in measuring the electricity delivered to users.	To meet the needs of electrical customers who are upgrading their services and building new homes and to replace obsolete meters currently in the system, as required by the Maryland Public Service Commission.	15,000
5085001-583013 Dist-Street & Signal Lighting	Costs of installation of equipment used wholly for public streets.	To provide adequate street lighting for City residents.	120,000
5085001-583014 Tools, Shop & Garage Equipment	Cost of tools, implements, and equipment used in construction, repair work, general shops and garages.	To maintain and provide miscellaneous improvements to utility construction equipment and facilities.	30,000
5085001-5860 General Plant - Office Furniture, Fixtures, & Equipment	Administrative Building	Replace worn office furniture and computer equipment.	10,000
5085001-5867 Communication Equipment	Costs of installation of telephone and wireless equipment for general use in connection with utility operations.	To maintain Supervisory Control and Data Control (SCADA), radio communication, telephone service, etc.	2,500
SUBTOTAL OTHER CAPITAL PROJECTS			\$ 867,500
TOTAL CAPITAL OUTLAY			\$ 4,057,500

WATER FUND - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OVERVIEW

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

DEPARTMENT / PROGRAM OBJECTIVES

- The Water Division supports the Mayor and Council's Goals and Priorities through the Division's assistance to all City Departments in the realization of all applicable objectives. As part of the Public Facilities and Infrastructure goals to establish and maintain quality services and infrastructure that supports residents and businesses in a cost effective manner, the Water Division continues to work with funding agencies to ensure to secure funding for needed system improvements. Staff supports the Mayor and Council's core values regarding Health, Safety, and Welfare and, as such, continues to make improvements to the Water System that are consistent with both the Water Master Plan and the Capital Improvement Plan to ensure compliance with all Federal and State regulatory programs and requirements identified in the Safe Drinking Water Act and Clean Water Act.

- The Water Division is responsible for the treatment and distribution of 11.515 MGD (2024 average daily demand) of potable water to all City residents and surrounding communities in Washington County. The water system is comprised of approximately 450 miles of water mains, the R.C. Willson and W.M. Breichner treatment plants, four pumping stations, and eight water storage tanks. The Division has undergone many improvements which include the improvements to system potable water storage, electrical and treatment, and piping upgrades at R.C. Willson and numerous water distribution main replacements. These improvements help ensure a reliable cost effective water supply to all customers served by the City of Hagerstown.

- To further assist in our financial commitment to our customers, funding has been approved by MDE for repairs to the Edgemont Reservoir to address ongoing seepage concerns. Funding will be requested for the W.M. Breichner Plant for compliance with the LT2ESWTR and Stage 2 DBPR once work is underway at Edgemont. MDE funding for Phase two (2) of the 24" transmission mains replacement has been approved to replace existing mains that are 70+ years old. The Division has also requested funding for engineering services for the development of Lead and Copper Rule Revision Program. Water Distribution will continue the Leak Detection Program to meet MDE water loss reduction plan requirements. The Division will continue to test all large commercial/industrial meters annually. The Water Division will also continue with system rehabilitation and main replacement projects through the leak detection program, hydrant and valve program, and through coordinated efforts with the City/County/State roadway rehabilitation projects. Capital Project Improvement Planning assists greatly in reducing system operational issues related to water main and equipment failures.

PERFORMANCE INDICATORS

	2023/24	2024/25	2025/26
Number of Inside City Customers	13,974	14,075	14,116
Number of Outside City Customers	17,061	17,199	17,338
Million Gallons Produced	4,009	4,068	4,230
Million Gallons Accounted For	3,343	3,443	3,357
Percentage of Unaccounted for Water	18.0%	18.0%	16.5%
Number of Full time Employees	51.10	52.10	52.10
Number of Customers Served per Employee	607	600	604

WATER FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 3,323,799	\$ 3,531,252	\$ 3,485,005	\$ 3,765,953	6.6%
Benefits	1,396,135	1,665,441	1,614,912	1,869,018	12.2%
Overtime	164,963	170,500	203,500	215,000	26.1%
Personnel Subtotal	4,884,897	5,367,193	5,303,417	5,849,971	9.0%
Contractual Services	888,076	3,425,438	1,538,138	3,162,200	-7.7%
Operating Expenditures	4,990,882	5,904,532	5,251,064	6,778,180	14.8%
Operating Cap Exp (Cap Outlay)	28,097	45,000	55,485	51,500	14.4%
Other General Expenses	4,269,369	4,641,472	4,384,100	4,571,455	-1.5%
Operating Subtotal	10,176,424	14,016,442	11,228,787	14,563,335	3.9%
Total Expenditures	\$ 15,061,321	\$ 19,383,635	\$ 16,532,204	\$ 20,413,306	5.3%
REVENUES BY TYPE					
Departmental Revenue	19,281,312	16,746,308	17,962,921	18,329,672	9.5%
Total Revenues	\$ 19,281,312	\$ 16,746,308	\$ 17,962,921	\$ 18,329,672	9.5%
Expenditures, net of Revenues	\$ (4,219,991)	\$ 2,637,327	\$ (1,430,717)	\$ 2,083,634	-21.0%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

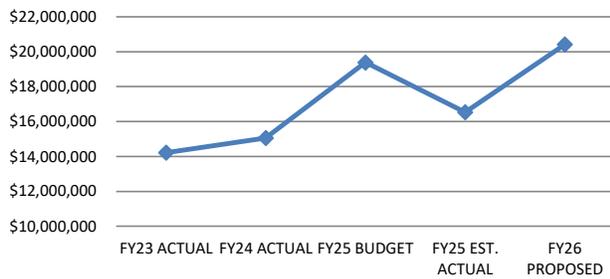
Adopted FY25 to Estimated Actual FY25

Overall, total expenditures for FY25 estimated actual are expected to decrease over FY25 budget by 14.7% or \$2.9M. Total personnel costs are expected to be 1.2% or \$63.8K lower than FY25 budget while total operating is also decreasing by 19.9% or \$2.8M compared to FY25 budget. Departmental revenues are expected to be higher than FY25 budget by 7.3% or \$1.2M mostly due to an increase in service charges, grants, and late fees.

Adopted FY25 to Proposed FY26

In the FY26 proposed budget, total personnel costs are expected to increase 9.0% or \$482.8K when compared to FY25 budget. Total operating expenses are expected to be 3.9% or \$546.9K higher than FY25 budget. Contractual services is anticipated to decrease by 7.7% or \$263.2K compared to FY25 budget. FY26 proposed departmental revenues are expected to be 9.5% or \$1.6M higher than FY25 budget.

**Total Expenditures
History**



STAFFING SUMMARY

	FY24	FY25		FY26
		Bud	Est Act	
Full time	51.10	52.10	52.10	52.10
Seasonal	-	-	-	-
Staffing Total	51.10	52.10	52.10	52.10
Unfunded positions	4.00	4.00	4.00	4.00

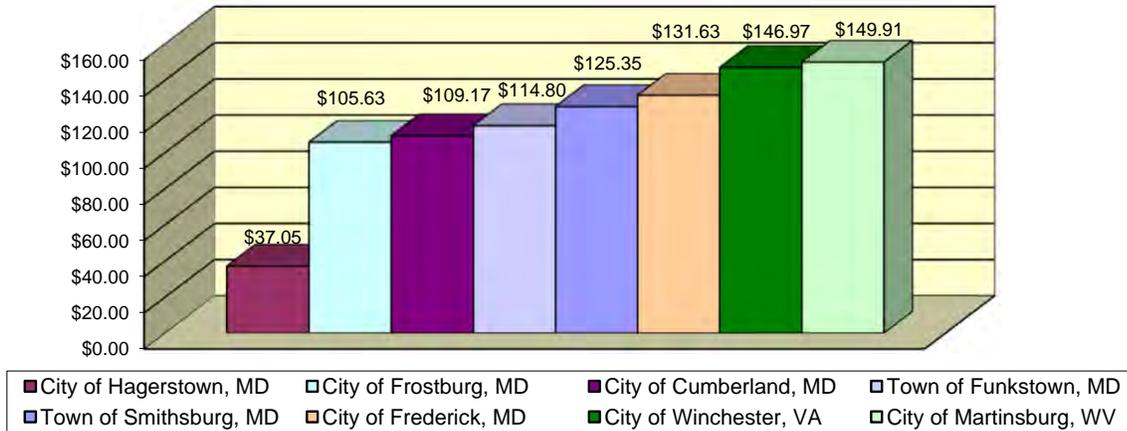
Total staffing across the utility funds has not increased but changes are reflected as a result of staff allocation charges within the groups.

WATER FUND - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	PROPOSED
OPERATING REVENUES					
Service Charges	\$ 13,378,273	\$ 13,355,000	\$ 14,496,000	15,325,000	14.8%
Other Revenues	1,195,025	1,045,500	1,104,000	1,030,500	-1.4%
Total Operating Revenues	14,573,298	14,400,500	15,600,000	16,355,500	13.6%
OPERATING EXPENSES					
Source of Supply	207,061	57,950	66,485	61,500	6.1%
Pumping & Water Treatment	4,548,735	5,355,476	4,993,736	5,305,340	-0.9%
Transmission & Distribution	2,810,593	2,907,205	2,844,406	3,212,568	10.5%
Selling, General & Administrative	3,229,002	6,421,532	4,242,428	7,262,443	13.1%
Depreciation	3,934,873	4,229,000	3,990,000	4,213,000	-0.4%
Total Operating Expenses	14,730,264	18,971,163	16,137,055	20,054,851	5.7%
Operating Income (Loss)	(156,966)	(4,570,663)	(537,055)	(3,699,351)	-19.1%
NON-OPERATING REVENUES (EXPENSES)					
Interest Earned	774,133	1,400,000	700,000	700,000	-50.0%
Premium on Bonds	4,172	4,172	4,172	4,172	0.0%
Interest/Bond Issuance Expense	(322,856)	(346,552)	(328,180)	(328,805)	-5.1%
Gain (Loss) on Capital Assets	24,084	5,000	20,000	20,000	300.0%
Total Other Income (Expense)	479,533	1,062,620	395,992	395,367	-62.8%
Net Income before Contributions & Transfers	322,567	(3,508,043)	(141,063)	(3,303,984)	-5.8%
TRANSFERS FROM (TO) OTHER FUNDS					
Transfers to Capital Improvements Fund	(8,200)	(65,920)	(65,920)	(29,650)	-55.0%
Transfers from Health Insurance Fund	-	-	-	-	0.0%
Total Transfers From (To) Funds	(8,200)	(65,920)	(65,920)	(29,650)	-55.0%
CAPITAL CONTRIBUTIONS					
Benefit Charges	1,261,426	500,000	701,064	500,000	0.0%
Grants in Aid of Construction	-	-	500,000	-	0.0%
Intergovernmental Revenue - ARPA	-	186,636	186,636	-	-100.0%
MDE Loan Forgiveness	1,500,000	-	-	-	0.0%
Non-Cash Developers Contributions	1,144,198	250,000	250,000	750,000	200.0%
Total Capital Contributions	3,905,624	936,636	1,637,700	1,250,000	33.5%
Increase (Decrease) in Retained Earnings	4,219,991	(2,637,327)	1,430,717	(2,083,634)	-21.0%
Add Back Depreciation	3,934,873	4,229,000	3,990,000	4,213,000	-0.4%
Capital Outlay/Fixed Assets	(2,075,852)	(7,836,836)	(2,660,955)	(12,896,500)	64.6%
Principal Payments on Long-term Debt	(1,721,016)	(1,734,848)	(1,734,848)	(1,542,992)	-11.1%
Non-Cash Developers Contributions	(1,144,198)	(250,000)	(250,000)	(750,000)	200.0%
MDE Bond Financing	-	2,500,000	-	5,000,000	100.0%
MDE Loan Forgiveness	(1,500,000)	-	-	-	0.0%
Changes in Working Capital	1,267,894	-	-	-	0.0%
Net Sources (Uses) of Cash	\$ 2,981,692	\$ (5,730,011)	\$ 774,914	\$ (8,060,126)	40.7%
Beginning Fund Balance	\$ 98,126,794	\$ 102,346,785	\$ 102,346,785	\$103,777,502	1.4%
Ending Fund Balance	\$ 102,346,785	\$ 99,709,458	\$ 103,777,502	\$101,693,868	2.0%

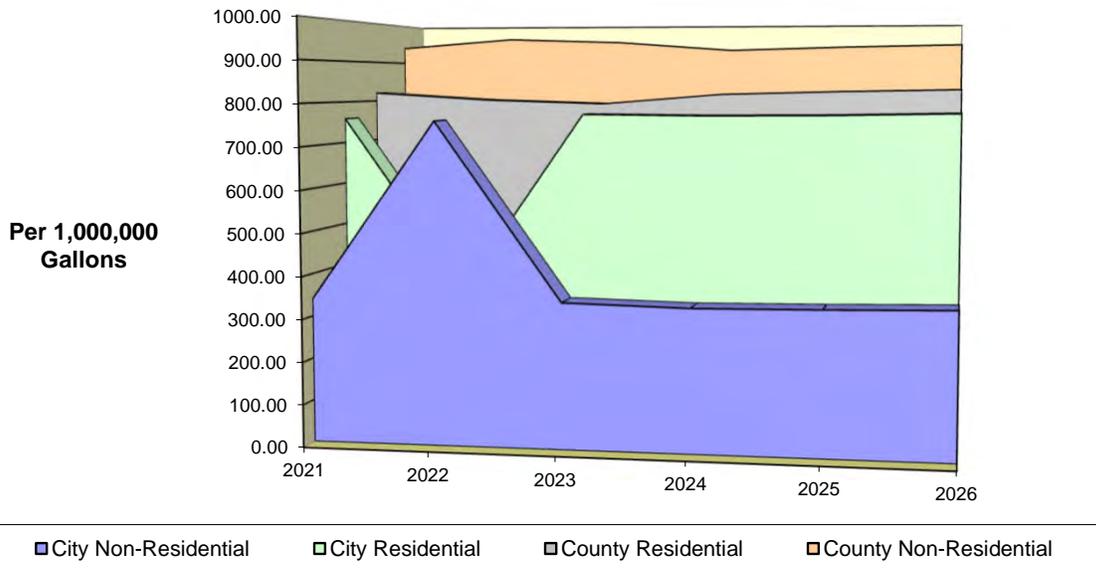
WATER FUND - CONSUMPTION AND RATE COMPARISON
FISCAL YEAR 2025/2026

SERVICE CHARGE COMPARISON AS OF MARCH 2025
(Rates presented are strictly City)



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

WATER CONSUMPTION FROM 2021 - 2026



The water consumption comparison reflects a similar usage rate among City and County Residential consumers. For Non-Residential consumers, the chart reflects that County Non-Residential customers consume a significant amount more than City Non-Residential consumers.

WATER FUND - PROPOSED OPERATING REVENUES
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
WATER SERVICES					
Metered Sales-Unbilled	\$ 277,425	\$ 50,000	\$ 250,000	\$ 250,000	400.0%
Water Fixed Charge - City	681,221	660,000	720,000	750,000	13.6%
Water Fixed Charge - County	2,546,924	2,520,000	2,700,000	2,870,000	13.9%
Metered City Water	2,090,873	2,060,000	2,300,000	2,340,000	13.6%
Metered County Water	7,631,655	7,910,000	8,400,000	9,010,000	13.9%
Reconnection Charges	144,015	150,000	120,000	100,000	-33.3%
Bad Check Charges	6,160	5,000	6,000	5,000	0.0%
Total Service Charges	13,378,273	13,355,000	14,496,000	15,325,000	14.8%
OTHER REVENUES					
Contracted Services	93,010	25,000	35,000	30,000	20.0%
Water Service Application Fee	34,908	35,000	30,000	35,000	0.0%
Water Transfer Fee	50	55,000	-	-	-100.0%
W.C.S.D. Consumption Data Service	72,024	70,000	80,000	80,000	14.3%
Review/Inspection Fee	18,990	35,000	20,000	20,000	-42.9%
Rent-City Employees	18,301	18,000	18,000	18,000	0.0%
Late Fees	134,530	150,000	225,000	175,000	16.7%
Miscellaneous Other Revenues	288,016	20,000	40,000	30,000	50.0%
County Debt Service Surcharge	20,675	22,000	-	-	-100.0%
Cell Tower Rent	13,158	13,000	20,000	20,000	53.8%
Fire Protection	215,686	200,000	215,000	220,000	10.0%
Plumbing	275,172	400,000	420,000	400,000	0.0%
Net Gain/Loss-Scrap Sales	10,505	2,500	1,000	2,500	0.0%
Total Other Revenues	1,195,025	1,045,500	1,104,000	1,030,500	-1.4%
Total Operating Revenues	\$ 14,573,298	\$ 14,400,500	\$ 15,600,000	\$ 16,355,500	13.6%

WATER FUND - CAPITAL EXPENSES
FISCAL YEAR 2025/2026

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Water Fund Vehicles-C0117 Replace 2012 F550 Service Truck #260 (\$125,000) Replace 2013 Chevy Equinox #201 (\$40,000) Replace 2015 Chevy Traverse #214 (\$40,000) Replace 2015 Chevy Traverse #244 (\$40,000) Replace 2006 JD 310SG Backhoe #223 (\$160,000) Replace 1990 Detour Arrow Board #248 (\$20,000) Replace 1998 Detour Arrow Board #249 (\$20,000) Replace Forklift RCW (\$30,000) Includes FY25 on order Ford F550 #206 (\$131,500)	Vehicle Replacement	Replace units - reduced maintenance costs anticipated.	606,500
RC Willson WTP Improvements-C0166 Various plant improvements each year for equipment replacement to include pumps, motors, communication equipment, etc.	Equipment	Improve service and increase system reliability.	2,000,000
Willson Transmission Mains-C0167 Emergency valve replacement	Transmission/ Distribution	Replace deteriorated infrastructure to increase reliability.	6,000,000
Edgemont Reservoir Improvements-C0168 Continue to monitor reservoir and make required MDE Improvements, complete study and begin design.	Land Improvements	Improve system and increase reliability.	100,000
Risk and Resiliency/Security-C0322 Improve the security of the SCADA systems, communication systems, water plants, and pump stations.	Security	An EPA mandate requires a "Risk and Resiliency Assessment" to determine areas of vulnerability.	200,000
Breichner WTP Improvements-C0405 Plant upgrades will be a result of the implementation of existing and proposed Safe Drinking Water Act requirements as well as Clean Water Act requirements.	Equipment	Replace and/or upgrade aging equipment to achieve compliance and to continue to ensure a back-up water supply.	25,000
Administrative & Eng. Equipment-C0648 Upgrade computer equipment and info-water program.	Computer Equipment & Software	Replace and/or upgrade engineering computer hardware and software.	70,000
Pump Station Improvements-C0651 Replacement of critical equipment at all stations. Design new suction and discharge mains at Pump Station #6.	Infrastructure	Replace and/or upgrade deteriorating infrastructure to improve reliability.	125,000

WATER FUND - CAPITAL EXPENSES
FISCAL YEAR 2025/2026

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Distribution Services-C0653 Continue the fire line metering program which will include the evaluation of unmetered fire lines and installation of a fire meter.	Meter Replacement	Replace aging equipment to ensure water and sewer rates are an accurate reflection of the required revenue.	750,000
Distribution System Rehabilitation-C0709 Continue the leak detection program and replace aging infrastructure throughout the Distribution System.	Infrastructure	Replace deteriorating infrastructure, improve safety for workers, and improve customer service.	660,000
Water SCADA System-C0820 Maintain SCADA to ensure treatment efficiencies.	Equipment	Replace and/or upgrade aging equipment.	60,000
Water Zone #5 System Improvements-C0877 Improve fire protection and water quality in Water Zone #5.	Infrastructure	Improve fire protection and water quality in Water Zone #5.	2,300,000
SUBTOTAL CAPITAL IMPROVEMENT PROJECTS			\$ 12,896,500
5270501-5833 Laboratory Equipment-Willson	Laboratory Equipment	Maintain laboratory equipment.	2,500
5270501-5839 Portable Tools/Equipment-Willson	Portable Tools and Equipment	Replace portable tools and equipment as needed.	1,000
5270501-5861 Desks-Chairs-and Tables-Willson	Desks, Chairs, Tables	To replace office furniture as needed.	1,000
5270501-5865 Computer Equipment-Willson	Computer Equipment	Replace worn equipment as needed.	5,000
5270501-5867 Communication Equipment-Willson	Communication Equipment	To replace communication equipment as needed.	5,000
5270502-5861 Desks-Chairs-Tables-Pump Stations	Desks, Chairs, Tables	To replace office furniture as needed.	500

WATER FUND - CAPITAL EXPENSES
FISCAL YEAR 2025/2026

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
5270502-5865 Computer Equipment-Pump Stations	Computer Equipment	Replace worn equipment as needed.	2,500
5270502-5867 Communication Equipment-Pump Stations	Communication Equipment	To replace communication equipment as needed.	1,000
5270503-5861 Desks-Chairs-and Tables-Laboratory	Desks, Chairs, Tables	To replace office furniture as needed.	500
5270503-5865 Computer Equipment-Laboratory	Computer Equipment	Replace worn equipment as needed.	1,500
5271001-5825 Residential Buildings-Source of Supply	Maintain Residential/ Rental Properties	Rental property maintenance (3 properties).	500
5271001-5865 Computer Equipment-Source of Supply	Computer Equipment	Replace worn equipment as needed.	300
5272501-5836 Traffic Lights-Signs-Etc.-Distribution	Traffic Control Equipment	Replace traffic control equipment (signs, light bar, etc.).	5,000
5272501-5839 Portable Tools/Equipment-Distribution	Portable Tools and Equipment	Replace portable tools and equipment as needed.	10,000
5272501-5861 Desks-Chairs-and Tables-Distribution	Desks, Chairs, Tables	To replace office furniture as needed.	500
5272501-5865 Computer Equipment-Distribution	Computer Equipment	Replace worn equipment as needed.	1,000
5272501-5867 Communication Equipment-Distribution	Communication Equipment	To replace communication equipment as needed.	1,000

WATER FUND - CAPITAL EXPENSES
FISCAL YEAR 2025/2026

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
5274001-5861 Desks-Chairs and Tables-Admin & General	Desks, Chairs, Tables	To replace office furniture as needed.	1,000
5274001-5865 Computer Equipment-Admin & General	Computer Equipment	Replace worn equipment as needed.	5,000
5274502-5861 Desks-Chairs and Tables-Customer Accounts	Desks, Chairs, Tables	To replace office furniture as needed.	200
5274502-5865 Computer Equipment-Customer Accounts	Computer Equipment	Replace worn equipment as needed.	1,500
5274502-5867 Communication Equipment-Customer Accounts	Communication Equipment	To replace communication equipment as needed.	5,000
TOTAL CAPITAL OUTLAY			\$ 12,948,000

WASTEWATER FUND - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OVERVIEW

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

DEPARTMENT / PROGRAM OBJECTIVES

- The Wastewater Division supports the Mayor and Council's Strategic Plan through the Division's assistance to all City Departments in the realization of all applicable objectives. As part of the City's approved Strategic Plan, Focus Area "A Safe and Healthy Community," Wastewater continues the successful operation of the Enhanced Nutrient Removal components of the wastewater treatment plant in order to achieve the highest quality effluent through best available technology.
- The Wastewater Division is responsible to the conveyance and treatment of an average of 6.16MG per day of wastewater for calendar year 2024. The WWTP is currently permitted to treat an average daily flow of 8.0 MGD. The collection system is comprised of over 157 miles of gravity sewer, 25 wastewater pumping stations, 8.24 miles of force main, 330 Grinder Pumps, and approximately 4.68 miles of Low Pressure Sewer. The infrastructure ensures that all customers served by the City of Hagerstown receive consistently reliable service. The City entered into a contract with NEFCO in 2023 for the operation of the Pelletizer Plant to enable the City to continue to ensure compliance with Class A Biosolids regulations. Staff continues to refine our processes as they relate to the Enhanced Nutrient Removal (ENR) initiatives at our Wastewater Treatment Plant (WWTP). The City received \$314,239 from our 2024 Operations and Maintenance Grant submission.
- The City was approved for \$20 million from MDE in October 2023 for loan funding for upgrades at the Wastewater Treatment Plant to replace aging infrastructure and improve nutrient removal. This work will replace equipment that has been in service for 15 to 25-plus years. Work will include electrical upgrades, operational upgrades for nutrient removal, and upgrades to address new Clean Water Act regulations pertaining to PFAs (forever chemicals) and climate resiliency. Funding applications for additional upgrades were submitted to MDE in January to increase total funding for improvements to the wastewater treatment plant to \$70,295,000 for needed improvements to ensure the wastewater treatment plant is capable of achieving compliance with all Clean Water Act regulations.
- A MDE funding application was submitted for the upgrade to Pump Station 13 located on Western Maryland Parkway - the funding request was for \$3,200,000. Work will also include pipe lining in this area to eliminate inflow and infiltration. Phase-1C Inflow and Infiltration improvements will be initiated once Pump Station 13 work is complete. Large portions of the City's wastewater collection system were constructed in the early 1900s and require major rehabilitation to extend the life of the system for years to come. Inflow and Infiltration accounted for approximately 29.5% of the total wastewater flow treated at the wastewater treatment plant in calendar year 2024.

PERFORMANCE INDICATORS

	2023/24	2024/25	2025/26
Number of Inside City Customers	13,566	13,652	13,692
Number of Outside City Customers	7,086	7,237	7,200
Annual Million Gallons/Day Treated	5.74	5.00	6.16
Inflow/Infiltration Million Gallons/Day Treated	1.52	0.78	1.81
Available Allocation in Thousand Gallons (carryover)	2,260	3,000	1,840
Number of Funded Employees	44.05	44.05	44.05
Number of Customers Served per Employee	469	474	474

WASTEWATER FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 2,611,061	\$ 2,965,954	\$ 2,968,504	\$ 3,142,679	6.0%
Benefits	769,360	1,629,139	1,619,616	1,797,592	10.3%
Overtime	156,003	157,500	189,500	191,500	21.6%
Personnel Subtotal	3,536,424	4,752,593	4,777,620	5,131,771	8.0%
Contractual Services	3,000,760	3,978,319	3,403,388	4,009,950	0.8%
Operating Expenditures	4,629,814	4,512,281	4,998,687	3,874,065	-14.1%
Operating Cap Exp (Cap Outlay)	26,393	129,500	55,000	45,000	-65.3%
Other General Expenses	3,357,129	3,899,337	3,584,310	4,061,412	4.2%
Operating Subtotal	11,014,096	12,519,437	12,041,385	11,990,427	-4.2%
Total Expenditures	\$ 14,550,520	\$ 17,272,030	\$ 16,819,005	\$ 17,122,198	-0.9%
REVENUES BY TYPE					
Departmental Revenue	21,785,401	27,535,558	24,484,558	19,858,873	-27.9%
Total Revenues	\$ 21,785,401	\$ 27,535,558	\$ 24,484,558	\$ 19,858,873	-27.9%
Expenditures, net of Revenues	\$ (7,234,881)	\$ (10,263,528)	\$ (7,665,553)	\$ (2,736,675)	-73.3%

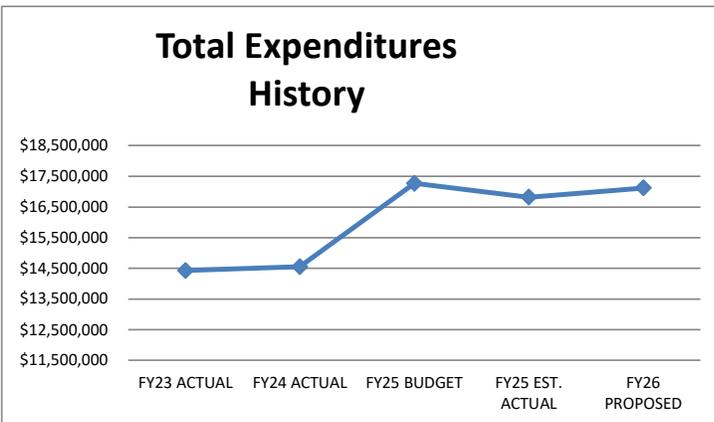
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

Overall, total expenditures for FY25 estimated actual are expected to decrease over FY25 budget by 2.6% or \$453.0K. Total personnel costs are expected to increase 0.5% or \$25.0K compared to FY25 budget while total operating is decreasing by 3.8% or \$478.1K compared to FY25 budget. Departmental revenues are expected to be lower than FY25 budget by 11.1% or \$3.1M.

Adopted FY25 to Proposed FY26

In the FY26 proposed budget, total personnel costs are expected to increase 8.0% or \$379.2K when compared to FY25 budget. Total operating expenses are expected to be 4.2% or \$529.0K lower than FY25 budget. Contractual services is expected to increase 0.8% or \$31.6K compared to FY25 budget. The largest decreases are within capital outlay at 65.3% or \$84.5K decrease compared to FY25 budget. FY26 proposed departmental revenues are expected to be 27.9% or \$7.7M lower than FY25 budget.



STAFFING SUMMARY

	FY25			
	FY24	Bud	Est Act	FY26
Full time	44.05	44.05	44.05	44.05
Staffing Total	44.05	44.05	44.05	44.05
Unfunded positions	2.00	2.00	2.00	2.00

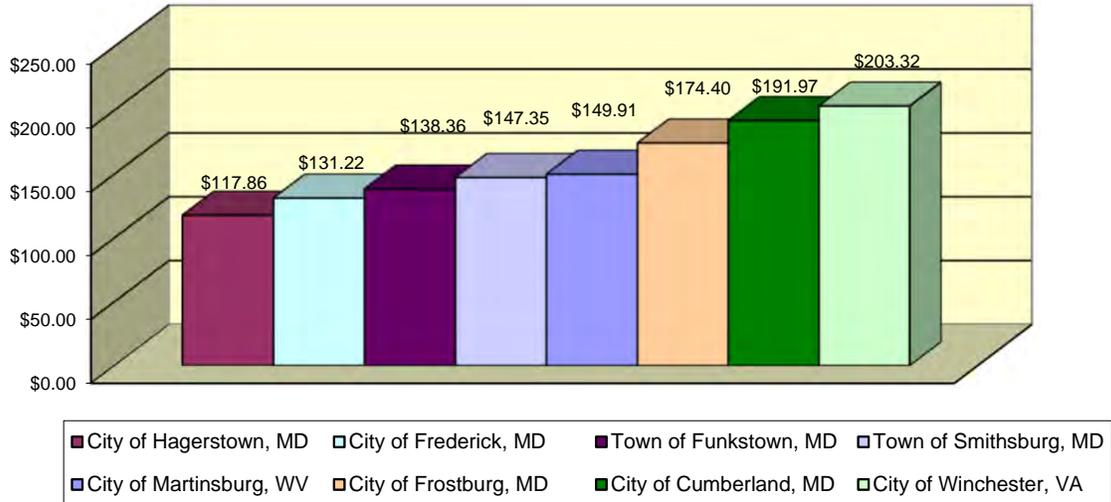
Total staffing across the utility funds has not decreased but reductions are reflected in FY24 to change allocation charges to within the groups.

WASTEWATER FUND - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
OPERATING REVENUES					
Service Charges	\$ 15,376,132	\$ 15,062,700	\$ 15,953,800	\$ 16,558,400	9.9%
Other Revenues	456,070	296,500	390,900	374,900	26.4%
Total Operating Revenues	15,832,202	15,359,200	16,344,700	16,933,300	10.2%
OPERATING EXPENSES					
Plant Expenses	5,292,318	6,666,681	6,687,142	6,946,600	4.2%
Laboratory Expenses	381,707	437,341	446,603	491,248	12.3%
Collections	1,610,177	2,041,590	1,878,398	1,978,105	-3.1%
Selling, General & Administrative	3,909,189	4,227,080	4,222,551	3,644,833	-13.8%
Depreciation	3,139,056	3,609,000	3,304,000	3,791,000	5.0%
Total Operating Expenses	14,332,447	16,981,692	16,538,694	16,851,786	-0.8%
Operating Income (Loss)	1,499,755	(1,622,492)	(193,994)	81,514	-105.0%
NON-OPERATING REVENUES (EXPENSES)					
Intergovernmental Revenue	-	-	-	320,000	100.0%
Interest Earned	572,353	545,000	600,000	600,000	10.1%
Premium on Bonds	4,073	4,073	4,073	4,073	0.0%
Interest/Bond Issuance Expense	(209,873)	(224,417)	(214,390)	(240,762)	7.3%
Gain (Loss) on Capital Assets	-	1,500	10,000	1,500	0.0%
Total Other Income (Expense)	366,553	326,156	399,683	684,811	110.0%
Net Income before Contributions & Transfers	1,866,308	(1,296,336)	205,689	766,325	-159.1%
TRANSFERS FROM (TO) OTHER FUNDS					
Transfers to Capital Improvements Fund	(8,200)	(65,920)	(65,920)	(29,650)	-55.0%
Transfers from Health Insurance Fund	-	-	-	-	0.0%
Total Transfers From (To) Funds	(8,200)	(65,920)	(65,920)	(29,650)	-55.0%
CAPITAL CONTRIBUTIONS					
Benefit Charges	703,542	500,000	500,000	500,000	0.0%
Intergovernmental Revenue - ARPA	863,678	4,121,545	4,121,545	-	-100.0%
Intergovernmental Revenue - Capital	519,553	6,754,239	2,754,239	1,500,000	-77.8%
Non-Cash Developers Contributions	3,290,000	250,000	150,000	-	-100.0%
Total Capital Contributions	5,376,773	11,625,784	7,525,784	2,000,000	-82.8%
Increase (Decrease) in Retained Earnings	7,234,881	10,263,528	7,665,553	2,736,675	-73.3%
Add Back Depreciation	3,139,056	3,609,000	3,304,000	3,791,000	5.0%
Capital Outlay/Fixed Assets	(6,481,786)	(15,536,222)	(9,271,546)	(21,775,000)	40.2%
Principal Payments on Long-term Debt	(1,412,058)	(1,411,922)	(1,411,922)	(1,067,167)	-24.4%
Non-Cash Developers Contributions	(3,290,000)	(250,000)	(150,000)	-	-100.0%
MDE Bond Financing	-	1,500,000	-	10,500,000	600.0%
Changes in Working Capital	2,921,680	-	-	-	0.0%
Net Sources (Uses) of Cash	\$ 2,111,773	\$ (1,825,616)	\$ 136,085	\$ (5,814,492)	218.5%
Beginning Fund Balance	\$ 62,939,075	\$ 70,173,956	\$ 70,173,956	\$ 77,839,509	10.9%
Ending Fund Balance	\$ 70,173,956	\$ 80,437,484	\$ 77,839,509	\$ 80,576,184	0.2%

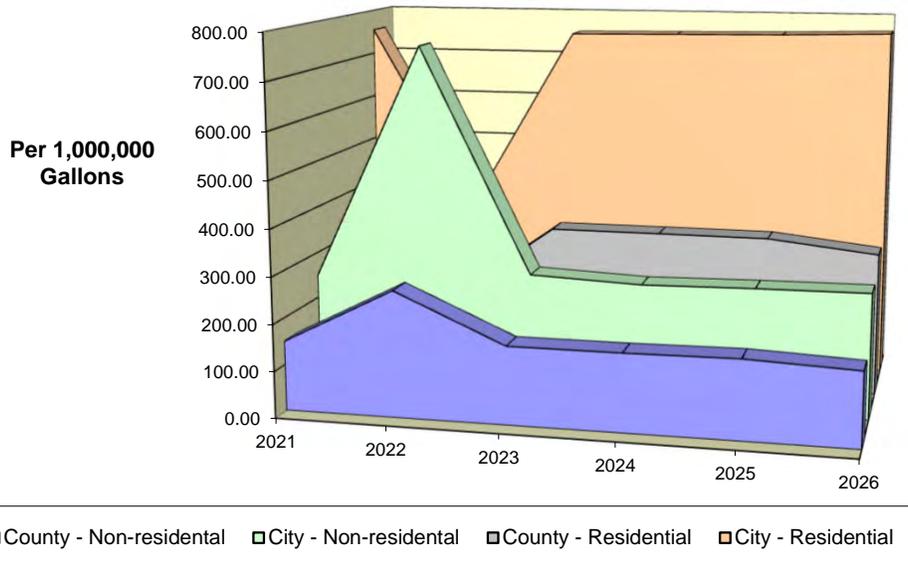
**WASTEWATER FUND - CONSUMPTION AND RATE COMPARISON
FISCAL YEAR 2025/2026**

**SERVICE CHARGE COMPARISON AS OF MARCH 2025
(Rates presented are strictly City)**



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

WASTEWATER CONSUMPTION FROM 2021 - 2026



The chart reflects increases in both City-Residential and County-Residential customers since 2021.

WASTEWATER FUND - PROPOSED OPERATING REVENUES
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
WASTEWATER SERVICES					
Fixed Service Charge - City	\$ 1,952,394	\$ 1,957,000	\$ 2,074,400	\$ 2,152,700	10.0%
Fixed Service Charge - County	853,486	844,600	895,300	929,100	10.0%
Fixed Service Charge - Joint Service	884,346	890,900	944,300	980,000	10.0%
Service Charges-Unbilled	279,654	-	-	-	0.0%
Metered City Wastewater	6,251,853	6,262,400	6,638,100	6,888,600	10.0%
Metered County Wastewater	3,006,081	2,987,000	3,166,200	3,285,700	10.0%
Metered Joint Service Wastewater	2,041,909	2,008,500	2,129,000	2,210,000	10.0%
Low-Pressure System Charge	106,409	112,300	106,500	112,300	0.0%
Total Service Charges	15,376,132	15,062,700	15,953,800	16,558,400	9.9%
OTHER REVENUES					
Wastewater Application Fees	2,100	5,000	5,000	5,000	0.0%
Wastewater Connection Charges	5,200	7,500	6,000	6,000	-20.0%
Review/Inspection Fee	21,224	10,000	10,000	10,000	0.0%
Industrial Permit Maintenance Fee	7,650	1,000	1,000	1,000	0.0%
Reimbursements	1,085	-	1,000	-	0.0%
Insurance Reimbursements	967	-	-	-	0.0%
Lab Testing	7,889	-	400	400	100.0%
Industrial Surcharges	123,582	75,000	125,000	125,000	66.7%
Rental Income	21,078	20,000	21,000	21,000	5.0%
Late Fees	236,044	175,000	200,000	200,000	14.3%
Miscellaneous Revenue	28,247	3,000	20,000	5,000	66.7%
Net Gain/Loss-Scrap Sales	1,004	-	1,500	1,500	100.0%
Total Other Revenues	456,070	296,500	390,900	374,900	26.4%
Total Operating Revenues	\$ 15,832,202	\$ 15,359,200	\$ 16,344,700	\$ 16,933,300	10.2%

WASTEWATER FUND - CAPITAL EXPENSES
FISCAL YEAR 2025/2026

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Vehicle Replacement Program-C0004 Replace 2015 Jeep #534 (\$40,000) Replace 2002 Ford Ranger #541 (\$40,000) Replace 1999 Atlas Generator #509 (\$80,000) Replace 2008 New Holland Tractor #535 (\$40,000) Replace 2001 JD 444 Loader #593 (\$150,000) Replace 2015 Chevy Traverse #501 (\$40,000)	Vehicle Replacement	Replacement units - reduced maintenance costs anticipated.	390,000
Manhole Raising-C0267 Raise Manholes to meet new street grade, replace 3 inch thick lids with lighter more accessible lids.	Manhole Raising Manhole Cover Replacement	Part of the City's Annual Pavement Preservation Program.	1,100,000
Pumping Station Improvements-C0299 Replacement and upgrades to Collection System Pump Stations; these stations convey waste water to the Wastewater Treatment Plant from low lying areas.	Pump Station Rehabilitation Project	Reduce maintenance and increase safety and security of stations.	100,000
East End Pump Station #33-C0565 Construction of Pump Station #33	Construction	New station needed to promote growth and development.	500,000
Pump Station #13 Reconstruction-C0574 Reconstruction of Pump Station #13 on Western Maryland Parkway.	Construction	Pump Station #13 needs to be rebuilt and returned to service in accordance with the requirements in the Joint Sewer Service Area Agreement.	1,500,000
WWT Plant Equipment-C0584 Replaces various aging equipment or adds additional new equipment to maintain efficient operations, permits compliance, and security.	Equipment	Deteriorating equipment that has reached its useful life cycle requires replacement to maintain reliable, continuous, operations.	11,950,000
WWT Building/Structures/Equipment & Software-C0585 Renovations, repairs, maintenance, and purchase of engineering equipment and software as needed.	Construction Equipment Software	Aging structures that require repairs and improvements.	3,550,000

WASTEWATER FUND - CAPITAL EXPENSES
FISCAL YEAR 2025/2026

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Oxygen System Improvements-C0657 Specialized services includes work by an outside consultant to continue efforts to integrate controls for oxygen control panels into Plant SCADA system.	Equipment Upgrades	Improve reliability, efficiencies, and maintain MDE compliance.	25,000
Solids Processing Facilities Improvements-C0712 Replace or rehabilitate the Pellet Silo	Equipment	Existing silo has been in service since 1988 and the condition has deteriorated.	2,000,000
Laboratory Equipment-C0745 New hood and ventilation system (\$500,000) DI Water System (\$20,000) Laboratory Improvements (\$250,000) Construction of Lab (\$500,000) Replacement of Laboratory Equipment (\$25,000)	Equipment	Replace obsolete equipment and rehab/rebuild the Environmental Laboratory to ensure compliance with Laboratory and OSHA standards.	100,000
Grinder Pump Replacement Program-C0767 Replace 20 Grinder Pumps.	Equipment	Replace deteriorating equipment.	145,000
Pump Station Upgrades-C0832 Reconstruct or replace Pump Station #13.	Infrastructure	Needed to receive flows coming from the County as part of the Flow Transfer Agreement expiring in August of 2022.	250,000
Truck Lines and Laterals-C0834 Purchase or transfer of Infrastructure.	Infrastructure	Provide efficient use of Wastewater infrastructure throughout system.	165,000
SUBTOTAL CAPITAL IMPROVEMENT PROJECTS			\$ 21,775,000

WASTEWATER FUND - CAPITAL EXPENSES
FISCAL YEAR 2025/2026

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
5471501-5861 Office Furniture and Equipment	Office Furniture and Equipment	Normal replacement of worn materials.	1,000
5471501-5865 Computer Equipment	Computer Equipment	Replace worn equipment.	3,000
5471501-5867 Communication Equipment	Two-way Radios	Operators safety for 24-7 operations.	1,500
5472601-5836 Traffic Control Devices	Signage and other items used for traffic control	Normal replacement of worn materials	500
5472601-5861 Office Furniture and Equipment	Office Furniture and Equipment	Normal replacement of worn equipment.	500
5472601-5865 Computer Equipment	Computer Equipment	Replace worn equipment.	1,500
5472601-5867 Communication Equipment	Radios and SCADA System Upgrades	Normal replacement of worn equipment.	15,000
5472701-5833 Lab Equipment	WW Lab Equipment	Replace worn equipment.	15,000
5472701-5861 Office Furniture and Equipment	Office Furniture and Equipment	Normal replacement of worn office furniture and equipment.	1,000
5472701-5865 Computer Equipment	Computer Equipment	Replace worn equipment.	3,000
5474001-5865 Computer Equipment	Computer Equipment	Replace worn equipment.	3,000
TOTAL CAPITAL OUTLAY			\$ 21,820,000

PARKING SYSTEM - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OVERVIEW

The mission of the Parking System is to provide convenient and safe parking options at affordable rates for the residents, businesses, and visitors to downtown Hagerstown and neighborhoods. This is accomplished with 1,023 spaces in 3 parking decks, 292 spaces on the streets, and over 570 spaces in 13 parking lots around the City. Seven of the lots are neighborhood lots that provide free parking for residents. A Parking Supervisor oversees full time and part time employees to collect money from the meters, invoice permit customers, and maintain the facilities. Parking enforcement responsibilities also fall under this department.

PayByPhone was incorporated in 2020 to provide an additional payment option (credit card) for drivers. Adoption of this program for payment has been very encouraging.

DEPARTMENT / PROGRAM OBJECTIVES

- The new Hub City Garage opened in August of 2024. Located at 50 W. Antietam Street, the parking facility is 5 stories tall providing parking for 398 vehicles. Revenues have been light with the garage operating at about 10% capacity on average. The goal for FY26 will be to find ways to boost use of the garage and, hence, revenues.
- Meritus Park is a new baseball stadium located at 50 W. Baltimore St. Ball games and events can fill the Hub City Garage with drivers. Exiting has proven to be a challenge when vacating 350+ vehicles at one time. Staff is working on options to improve the exiting of the garage for a better customer experience. Payment options and physical exiting of the facility are all being considered.
- A rash of parking meter thefts stole the ability of drivers to pay with cash at the parking meters. Payment can only be received by credit card through PayByPhone. Customers do not like losing the cash option. The objective in FY25/FY26 is to install new parking meters and/or kiosks to provide the option of paying with cash, credit card, or PayByPhone. This will require a substantial financial investment.

PERFORMANCE INDICATORS

	2023/24	2024/25	2025/26
Parking Decks			
No. of Parking Spaces	625	1,023	1,023
No. of Permit Holders (avg. per week)	488	550	
Revenue			
Meters: Fees & Permits	\$315,515	\$318,065	\$315,740
Decks: Fees & Permits	\$570,157	\$629,151	\$985,000
Parking Enforcement	\$114,500	\$142,926	\$112,500
Number of Parking Lots (Paid and Residential)	13	13	13
Number of Parking Lot Permit Holders (avg per month)	267	281	290
Total Parking Spaces (Lots & Street)	866	953	865

PARKING SYSTEM - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 366,936	\$ 510,247	\$ 471,654	\$ 489,722	-4.0%
Benefits	170,360	172,563	168,685	181,398	5.1%
Overtime	3,615	2,850	4,350	4,350	52.6%
Personnel Subtotal	540,911	685,660	644,689	675,470	-1.5%
Contractual Services	34,788	31,378	35,668	31,190	-0.6%
Operating Expenditures	145,225	230,574	270,437	229,895	-0.3%
Operating Cap Exp (Cap Outlay)	324	6,500	7,000	6,500	0.0%
Other General Expenses	785,130	902,821	931,697	1,071,375	18.7%
Operating Subtotal	965,467	1,171,273	1,244,802	1,338,960	14.3%
Total Expenditures	\$ 1,506,378	\$ 1,856,933	\$ 1,889,491	\$ 2,014,430	8.5%
REVENUES BY TYPE					
Departmental Revenue	2,056,885	1,325,742	1,481,313	1,515,942	14.3%
Total Revenues	\$ 2,056,885	\$ 1,325,742	\$ 1,481,313	\$ 1,515,942	14.3%
Expenditures, net of Revenues	\$ (550,507)	\$ 531,191	\$ 408,178	\$ 498,488	-6.2%

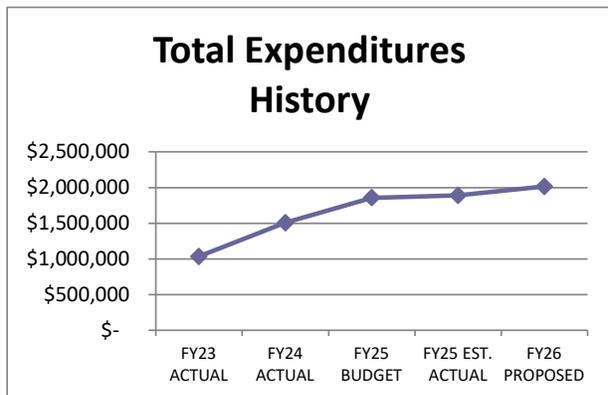
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

Total personnel expenditures for FY25 estimated actual are anticipated to be lower than budget by 6.0% or \$41.0K. Operating expenses are expected to be over budget by 6.3% or \$73.5K. Departmental revenues are expected to be 11.73% or \$155.6K higher than budget primarily due to the new Hub City Parking Garage becoming fully functional for public use.

Adopted FY25 to Proposed FY26

Total expenditures for FY26 is expected to be higher than FY25 budget by 8.5% or \$157.5K due to increases in personnel and operating subtotals that coincide with the Hub City Parking Garage being fully operational beginning in FY25. Total revenues for FY26 are expected to increase by 14.3% or \$190.2K compared to FY25 budget due to increased revenue from the new Hub City Parking Garage.



STAFFING SUMMARY

	FY25			
	FY24	Bud	Est Act	FY26
Full time	2.90	3.30	3.30	3.30
Part time	10.00	11.00	11.00	11.00
Seasonal	2.00	3.00	3.00	4.00
Staffing Total	14.90	17.30	17.30	18.30
Unfunded positions	0.00	0.00	0.00	0.00

In FY26, a seasonal position has been added for the new HUB City Parking Garage. In addition, the full time allocation has been updated to reflect all time for the Administrative Support Specialist.

PARKING FUND - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
OPERATING REVENUES					
Hub City Parking Garage	\$ -	\$ 320,000	\$ 187,000	\$ 222,000	-30.6%
University District Parking Deck	370,772	313,000	383,259	383,000	22.4%
A & E Parking Deck	258,379	245,000	380,112	380,000	55.1%
Parking Lot Fees	318,065	280,739	315,738	315,740	12.5%
Net Parking Fines	142,926	112,500	112,500	112,500	0.0%
Other Operating Revenues	7,407	5,700	7,700	7,700	35.1%
Total Operating Revenues	1,097,549	1,276,939	1,386,309	1,420,940	11.3%
OPERATING EXPENSES					
Hub City Parking Garage	4,112	126,444	123,808	97,785	-22.7%
University District Parking Deck	185,680	218,688	229,112	232,540	6.3%
A & E Parking Deck	227,465	233,282	273,735	252,932	8.4%
Other Parking Facilities	222,938	236,450	240,658	234,810	-0.7%
Parking Enforcement Expenses	81,051	139,247	90,479	124,988	-10.2%
Depreciation	248,737	526,400	503,900	512,500	-2.6%
Total Operating Expenses	969,983	1,480,511	1,461,692	1,455,555	-1.7%
Operating Income (Loss)	127,566	(203,572)	(75,383)	(34,615)	-83.0%
NON-OPERATING REVENUES (EXPENSES)					
Interest Earned	425,956	48,800	95,000	95,000	94.7%
Premium on Bonds	2	2	2	2	0.0%
Interest/Bond Issuance Expense	(531,704)	(365,101)	(416,477)	(554,475)	51.9%
Gain (Loss) on Capital Assets	-	-	-	-	0.0%
Total Other Income (Expense)	(105,746)	(316,299)	(321,475)	(459,473)	45.3%
Net Income before Contributions & Transfers	21,820	(519,871)	(396,858)	(494,088)	-5.0%
TRANSFERS FROM (TO) OTHER FUNDS					
Transfers from Economic Redevelopment	500,000	-	-	-	0.0%
Transfers to Capital Improvements Fund	(4,688)	(11,320)	(11,320)	(4,400)	-61.1%
Total Transfers From (To) Funds	495,312	(11,320)	(11,320)	(4,400)	-61.1%
CAPITAL CONTRIBUTIONS					
State Grant	33,375	-	-	-	0.0%
Total Capital Contributions	33,375	-	-	-	0.0%
Increase (Decrease) in Retained Earnings	550,507	(531,191)	(408,178)	(498,488)	-6.2%
Add Back Depreciation	248,737	526,400	503,900	512,500	-2.6%
Capital Outlay/Fixed Assets	(11,248,833)	(35,000)	(386,602)	(89,000)	154.3%
Principal Payments on Long-term Debt	(32,633)	(10,633,835)	(10,633,835)	(238,730)	-97.8%
Changes in Working Capital	2,003,427	-	-	-	0.0%
Bond Proceeds	-	10,600,000	10,600,000	-	-100.0%
Net Sources (Uses) of Cash	\$ (8,478,795)	\$ (73,626)	\$ (324,715)	\$ (313,718)	326.1%
Beginning Fund Balance	\$ 8,192,003	\$ 8,742,510	\$ 8,742,510	\$ 8,334,332	-4.7%
Ending Fund Balance	\$ 8,742,510	\$ 8,211,319	\$ 8,334,332	\$ 7,835,844	-4.6%

PARKING FUND - PROPOSED OPERATING REVENUES
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
HUB CITY GARAGE					
Parking Deck Permits	\$ -	\$ 220,000	\$ 65,000	\$ 100,000	-54.5%
Parking Deck Fees	-	100,000	120,000	120,000	20.0%
Validation Fees	-	-	2,000	2,000	100.0%
Total Hub City Garage Revenues	-	320,000	187,000	222,000	-30.6%
UNIVERSITY DISTRICT PARKING DECK					
Parking Deck Permits	276,139	240,000	240,000	240,000	0.0%
Parking Deck Fees	54,665	45,000	80,000	80,000	77.8%
Parking Deck Coupons	-	-	35	-	0.0%
Validation Fees	40,506	30,000	65,000	65,000	116.7%
Park N Shop	(2,695)	(2,000)	(2,000)	(2,000)	0.0%
Insurance Reimbursement	2,157	-	224	-	0.0%
Total University District Deck Revenues	370,772	313,000	383,259	383,000	22.4%
A&E PARKING DECK					
Parking Deck Permits	142,664	150,000	180,000	180,000	20.0%
Parking Deck Fees	115,715	95,000	200,000	200,000	110.5%
Validation Fees	-	-	112	-	0.0%
Total A&E Parking Deck Revenues	258,379	245,000	380,112	380,000	55.1%
PARKING LOT REVENUES					
Street Meters	94,930	81,999	89,998	90,000	9.8%
Antietam Street Lot Meters	22,258	14,000	30,000	30,000	114.3%
Bryan Center Lot Meters	92	100	800	800	700.0%
Central Lot Meters	34,742	22,000	34,000	34,000	54.5%
Rochester Lot Meters	1,751	1,200	1,500	1,500	25.0%
Central Lot Permits	69,034	70,000	70,000	70,000	0.0%
Church Street Lot Permits	58,265	64,800	64,800	64,800	0.0%
Rochester Lot Permits	19,913	10,000	10,000	10,000	0.0%
Departmental Charges-Parking Permits	18,480	20,000	18,000	18,000	-10.0%
Free Parking - 41 E Franklin Street	(448)	(1,344)	(1,344)	(1,344)	0.0%
Free Parking - 39 E Franklin Street	(952)	(2,016)	(2,016)	(2,016)	0.0%
Total Parking Lot Revenues	318,065	280,739	315,738	315,740	12.5%
PARKING TICKET REVENUES					
Fines-Traffic Violations	2,400	2,500	2,500	2,500	0.0%
Original Issuance	173,655	140,000	140,000	140,000	0.0%
Late fees	149,681	120,000	120,000	120,000	0.0%
Uncollectable Parking Tickets	(182,810)	(150,000)	(150,000)	(150,000)	0.0%
Total Parking Ticket Revenues	142,926	112,500	112,500	112,500	0.0%
OTHER OPERATING REVENUES					
EV Charging Stations	3,370	1,200	3,200	3,200	166.7%
Pay-By-Phone Transaction Fee	4,037	4,500	4,500	4,500	0.0%
Total Other Operating Revenues	7,407	5,700	7,700	7,700	35.1%
Total Operating Revenues	\$ 1,097,549	\$ 1,276,939	\$ 1,386,309	\$ 1,420,940	11.3%

PARKING FUND - CAPITAL EXPENSES
FISCAL YEAR 2025/2026

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Hub City Garage-C0173 Minor construction and maintenance of parking garage located at the corner of Baltimore St. and Summit Ave.	Buildings & Structures	Support the operations of the Hagerstown Multi-Use Sports and Events Facility and provide additional parking for projected development.	10,000
Upgrades to Parking Decks-C0749 General repairs and improvements to both decks.	General Repairs and Improvements	Continued refurbishments prevent deterioration of the facility and improve the parking experience.	34,000
Parking Fund Vehicles-C0829 Replace 2016 Ford Escape #040 (\$35,000)	Vehicle Replacement	Vehicle repair costs and maintenance increase with the age of the vehicle.	35,000
Parking Lot Improvements-C0857 Improve the overall condition of surface parking lots.	Parking Lot Improvements	Preservation of the pavement allows the pavement to last much longer before total replacement is necessary. Sidewalk improvements include handicap accessible ramps to meet ADA requirements. Light improvements by transitioning to LED lights improve security while reducing energy costs.	10,000
SUBTOTAL CAPITAL IMPROVEMENT PROJECTS			\$ 89,000
5674010-5865 Computer Equipment	Equipment	Equipment for new Hub City Parking Garage.	1,500
5674011-5838 Parking Facilities Equipment	Equipment	Continuous equipment improvements in University District Parking Deck.	5,000
TOTAL CAPITAL OUTLAY			\$ 95,500

GOLF COURSE FUND - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OVERVIEW

Constructed in 1932 by private individuals, the Greens at Hamilton Run has a mature course layout that new courses cannot equal. The City of Hagerstown has operated the golf course since 1947. We pride ourselves on beautiful greens, beautiful views, and well maintained fairways. The course is a 9-hole par 35 course featuring all the amenities of more expensive courses. Our rates are very economical, the location is convenient off of Route 40, and the course provides for a quick round of golf.

Standard green fee rates were updated in March of 2023 and became effective July 1, 2023, except the Senior rates and the Season Pass holders. In the last few years, all tee markers have been replaced, installed yardage markers, installed new bridges over Hamilton Run, and made general improvements to the course. All carts are leased in a piggyback on a Washington County 3-year contract and are new starting in 2024. A second 3-year cart contract will begin in 2027 with all new carts. A stream restoration project closed the course from December of 2023 until May of 2024, negatively affecting the revenues for the course in FY24.

DEPARTMENT / PROGRAM OBJECTIVES

- Work continues to restore all greens to a playable course after the stream restoration project. Current plans are underway to rebuild and relocate Hole No. 5 in the fall/winter of 2025. The City is seeking POS (Program Open Space) funding for this project.
- A new discount card was introduced on January 1, 2025. Name the Divot Club Card it allows golfers discounts on green fees and merchandise. The card sells for \$75 and is aimed toward golfers ages 20 - 45 who are frequent players of the course. The more rounds played provides more savings. The success of the card will be evaluated throughout calendar year 2025.
- Staff is working to increase clubhouse sales with new merchandise offerings such as hats, balls, marker chips, hat clips, tees, etc. that will feature the course logo.
- Work is underway to develop a new in-house golf league. Recreation staff would manage the league.

PERFORMANCE INDICATORS

	2023/24	2024/25	2025/26
Number of Golfers	13,381	21,500	21,500
Number of Rounds Started	16,887	18,000	18,000
Average daily rounds of golf	60	65	60
Number of cart rentals	11,117	14,000	14,000
Number of golf leagues	1	3	3
Number of golf tournaments	4	6	6
Operating Revenue (in \$)	\$ 332,154	\$ 378,400	\$ 382,400

GOLF - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 158,823	\$ 234,202	\$ 215,500	\$ 243,930	4.2%
Benefits	128,795	131,327	138,586	145,136	10.5%
Overtime	20,855	15,300	30,300	20,300	32.7%
Personnel Subtotal	308,473	380,829	384,386	409,366	7.5%
Contractual Services	78,252	90,810	92,060	92,091	1.4%
Operating Expenditures	115,043	188,132	186,997	180,587	-4.0%
Operating Cap Exp (Cap Outlay)	-	500	500	2,000	300.0%
Other General Expenses	47,009	74,100	71,900	93,300	25.9%
Operating Subtotal	240,304	353,542	351,457	367,978	4.1%
Total Expenditures	\$ 548,776	\$ 734,371	\$ 735,843	\$ 777,343	5.9%
REVENUES BY TYPE					
Departmental Revenue	604,348	590,893	607,893	714,900	21.0%
Total Revenues	\$ 604,348	\$ 590,893	\$ 607,893	\$ 714,900	21.0%
Expenditures, net of Revenues	\$ (55,572)	\$ 143,478	\$ 127,950	\$ 62,443	-56.5%

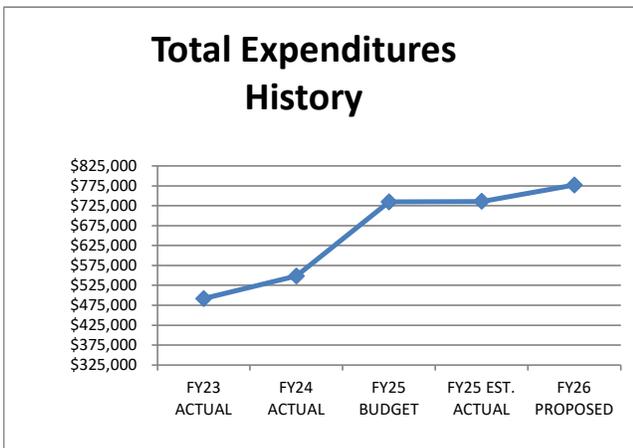
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

Total expenditures reflect a 0.2% or \$1.5K increase from the adopted budget to FY25 estimated. Total estimated actual overtime is expected to increase by 98.0% or \$15.0K, which is offset by decreases in salary and wages of 8.0% or \$18.7K and general expenses by 3.0% or \$2.2K. Departmental revenue is expected to be 2.9% or \$17.0K higher than FY25 budget due to increased play time, rates, and golf cart rentals.

Adopted FY25 to Proposed FY26

In total, personnel expenditures are projected to increase by 7.5% or \$28.5K due to anticipated overtime costs rising and additional staff allocations. Overall expenditures are expected to increase by 5.9% or \$43.0K, due to the rise in personal expenditures and operating capital outlay expenses. The General Fund transfer to the Golf Fund for FY26 is \$200.0K, up from \$150.0K in FY25, which is reflected in the 21.0% or \$124.0K revenue increase.



STAFFING SUMMARY

	FY25			
	FY24	Bud	Est Act	FY26
Full time	2.24	2.24	2.24	2.15
Part time	2.00	2.75	2.75	2.75
Seasonal	2.00	2.00	2.00	3.00
Staffing Total	6.24	6.99	6.99	7.90
Unfunded positions	0.00	0.00	0.00	0.00

Staffing for the Golf Course will increase slightly in the FY26 proposed budget. This increase reflects an allocation shift for PT staff alongside the Parks department. Total staffing across Parks department remains the same but time allocated and spent by staff has been adjusted.

GOLF COURSE FUND - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	2023/24 ACTUAL	2024/25 BUDGET	2024/25 EST. ACTUAL	2025/26 PROPOSED	2025/26 % CHANGE
OPERATING REVENUES					
Green Fees	\$ 186,083	\$ 215,000	\$ 215,000	\$ 220,000	2.3%
Cart Rentals	110,307	115,000	120,000	120,000	4.3%
Tournaments and Specials	8,144	10,000	13,000	13,000	30.0%
State Shared: Highway User Income	-	-	-	-	0.0%
Other Revenues	27,620	38,400	39,400	34,400	-10.4%
Total Operating Revenues	332,154	378,400	387,400	387,400	2.4%
OPERATING EXPENSES					
Operating Expenses	501,767	660,271	663,943	684,043	3.6%
Depreciation	47,009	74,100	71,900	93,300	25.9%
Total Operating Expenses	548,776	734,371	735,843	777,343	5.9%
Operating Income (Loss)	(216,622)	(355,971)	(348,443)	(389,943)	9.5%
NON-OPERATING REVENUES (EXPENSES)					
Interest Earned	22,194	10,000	18,000	15,000	50.0%
Total Other Income (Expense)	22,194	10,000	18,000	15,000	50.0%
Net Income before Contributions & Transfers	(194,428)	(345,971)	(330,443)	(374,943)	8.4%
TRANSFERS FROM (TO) OTHER FUNDS					
Transfers from General Fund	250,000	150,000	150,000	200,000	33.3%
Total Transfers From (To) Funds	250,000	150,000	150,000	200,000	33.3%
CAPITAL CONTRIBUTIONS					
Grants in Aid of Construction	-	-	-	112,500	100.0%
Intergovernmental Revenue - ARPA	-	52,493	52,493	-	-100.0%
Total Capital Contributions	-	52,493	52,493	112,500	114.3%
Increase (Decrease) in Retained Earnings	55,572	(143,478)	(127,950)	(62,443)	-56.5%
Add Back Depreciation	47,009	74,100	71,900	93,300	25.9%
Capital Outlay/Fixed Assets	(40,578)	(159,493)	(154,163)	(259,000)	62.4%
Changes in Working Capital	10,211	-	-	-	0.0%
Net Sources (Uses) of Cash	\$ 72,214	\$ (228,871)	\$ (210,213)	\$ (228,143)	-0.3%
Beginning Fund Balance	\$ 818,698	\$ 874,270	\$ 874,270	\$ 746,320	-14.6%
Ending Fund Balance	\$ 874,270	\$ 730,792	\$ 746,320	\$ 683,877	-6.4%

GOLF COURSE FUND - PROPOSED OPERATING REVENUES
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
GREENS REVENUES					
Greens Fees-Weekday,Regular,9-Hole	\$ 174,056	\$ 200,000	\$ 200,000	\$ 200,000	0.0%
Season Pass- Regular Individual	12,027	15,000	15,000	15,000	0.0%
State Shared: Highway User Revenue	-	-	-	5,000	100.0%
Total Greens Revenues	186,083	215,000	215,000	220,000	2.3%
GOLF CART REVENUES					
Cart Rentals-Regular, 9-Holes	110,307	115,000	120,000	120,000	4.3%
Total Golf Cart Revenues	110,307	115,000	120,000	120,000	4.3%
TOURNAMENTS & SPECIALS	8,144	10,000	13,000	13,000	30.0%
STATE SHARED: HIGHWAY USER INCOME	-	-	-	-	0.0%
OTHER REVENUES					
Rental of Golf Clubs	830	1,000	1,000	1,000	0.0%
Tee Marker/Scorecard Sponsorship	-	5,000	5,000	-	-100.0%
Golf Course Concession Revenues	9,446	9,000	10,000	10,000	11.1%
Golf Course Vending Revenues	9,765	12,000	12,000	12,000	0.0%
Golf Course Alcohol Revenues	7,776	12,000	12,000	12,000	0.0%
Discounts/Promotions	(325)	(700)	(700)	(700)	0.0%
Miscellaneous Golf Revenues	128	100	100	100	0.0%
Total Other Revenues	27,620	38,400	39,400	34,400	-10.4%
Total Operating Revenues	\$ 332,154	\$ 378,400	\$ 387,400	\$ 387,400	2.4%

GOLF COURSE FUND - CAPITAL EXPENSES
FISCAL YEAR 2025/2026

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Golf Course-Vehicles/Equipment-C0395 Replace 2012 Golf Cart #346 (\$9,000) Replace 2005 Fairway Mower #351 (\$60,000)	Vehicle and Equipment Replacement Schedule	Replace deteriorated equipment. Maintain reliable and efficient equipment necessary to operate and maintain golf course.	69,000
Golf Course Improvements-C0825	Land Improvements	To provide a more enjoyable experience to the customers with the enhancements to the course.	190,000
SUBTOTAL CAPITAL IMPROVEMENT PROJECTS			\$ 259,000
5740404-5865 Computer Equipment	Equipment	Equipment for Golf Pro Shop	500
5774001-5865 Computer Equipment	Equipment	Equipment for administration	1,500
TOTAL CAPITAL OUTLAY			\$ 261,000

PROPERTY MANAGEMENT FUND - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OVERVIEW

The Property Management Fund provides professional stewardship over properties owned by the City and leased to area businesses or other government agencies. The fund is a self-supporting Enterprise Fund.

This fund includes the following properties:

- 14 N. Potomac Street (Elizabeth Hager Center)
- 60 W. Washington Street (USMH/front commercial)
- 309 Valley Road (Fire Police Headquarters)

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

DEPARTMENT / PROGRAM OBJECTIVES

- The Elizabeth Hager Center Building at 14 N. Potomac Street is currently listed for sale through the City's Competitive Negotiated Sale program. The building has the following tenant spaces:
 - 1st Floor Main - Leased to State of Maryland Department of Labor
 - 1st Floor Rear - Leased to Maryland Watch Works
 - Front Retail - Vacant
 - 2nd Floor - Leased to City's Department of Community & Economic Development (DCED)

DCED will occupy the 2nd Floor space through part of FY25 when the department will move to new space at 32 N Potomac Street. Office improvements in FY26 will be as requested by the Maryland Department of Labor.

- The City acquired 60 W. Washington Street in FY11 and initiated the renovation of the building. The building is now fully renovated. The City used funds from a USDA RBEG Grant to fit out and furnish the BuroBox, an entrepreneurship resource center. The BuroBox Program ended in 2023 with the goal of better positioning the space for alternative use. The front commercial space was occupied until April 1, 2024. The rear classroom and office space are leased to USMH.

PERFORMANCE INDICATORS

	2023/24	2024/25	2025/26
Number of leases:			
Elizabeth Hager Center	4	3	3
Fire Police Headquarters	1	1	1
60 West Washington St.	8	1	1

PROPERTY MANAGEMENT FUND - FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	93,816	97,939	97,939	104,797	7.0%
Benefits	30,461	34,918	35,369	40,008	14.6%
Personnel Subtotal	124,277	132,857	133,308	144,805	9.0%
Contractual Services	14,972	23,100	23,100	23,131	0.1%
Operating Expenditures	158,372	177,247	187,304	178,109	0.5%
Other General Expenses	106,112	114,551	106,151	116,075	1.3%
Operating Subtotal	279,456	314,898	316,555	317,315	0.8%
Total Expenditures	\$ 403,733	\$ 447,755	\$ 449,863	\$ 462,120	3.2%
REVENUES BY TYPE					
Departmental Revenue	320,889	257,365	271,354	246,470	-4.2%
Total Revenues	\$ 320,889	\$ 257,365	\$ 271,354	\$ 246,470	-4.2%
Expenditures, net of Revenues	\$ 82,844	\$ 190,390	\$ 178,509	\$ 215,650	13.3%

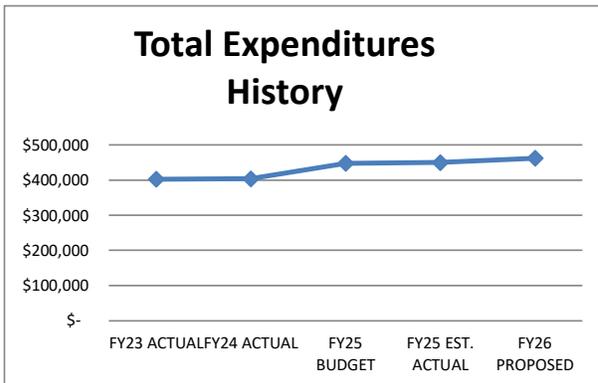
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

In total, FY25 estimated actual personnel expenses are expected to increase by 0.3% or \$451. Operating expenditures are anticipated to be greater than FY25 budget by 0.5% or \$1.7K. This increase is mostly attributed to an increase in maintenance agreements and building improvements at various properties. Departmental revenue for FY25 estimated actual is expected to be 5.4% or \$14.0K higher than FY25 budget.

Adopted FY25 to Proposed FY26

FY26 personnel expenditures are projected to increase by 9.0% or \$11.9K compared to FY25 budget due to an increase in benefits and salary and wages, while total operating expenditures are also expected to increase 0.8% or \$2.4K. Departmental revenue is projected to decrease 4.2% or \$10.9K over FY25 budget due to loss of rental income from sold properties.



STAFFING SUMMARY

	FY24	FY25		FY26
		Bud	Est Act	
Full time	0.55	1.05	1.05	1.05
Part time	0.00	0.00	0.00	0.00
Staffing Total	0.55	1.05	1.05	1.05
Unfunded positions	0.00	0.00	0.00	0.00

In the FY26 proposed budget, staffing levels remain the same as FY25. There was an increase in the full time staffing allocation in FY25 compared to FY24 due to workload changes.

PROPERTY MANAGEMENT FUND - COMPARATIVE INCOME STATEMENT
2025/2026

ACCOUNT DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
OPERATING REVENUES					
Rent from Tenants	\$ 292,731	\$ 231,165	\$ 247,754	\$ 226,470	-2.0%
Other Revenues	250	-	-	-	0.0%
Total Operating Revenues	292,981	231,165	247,754	226,470	-2.0%
OPERATING EXPENSES					
Selling, General and Administrative Expenses	297,621	333,204	343,712	346,045	3.9%
Depreciation	102,584	111,200	102,800	112,900	1.5%
Total Operating Expenses	400,205	444,404	446,512	458,945	3.3%
Operating Income (Loss)	(107,224)	(213,239)	(198,758)	(232,475)	9.0%
NON-OPERATING REVENUES (EXPENSES)					
Interest Earned	27,908	26,200	23,600	20,000	-23.7%
Interest/Bond Issuance Expense	(3,528)	(3,351)	(3,351)	(3,175)	-5.3%
Total Other Income (Expense)	24,380	22,849	20,249	16,825	-26.4%
Net Income before Contributions & Transfers	(82,844)	(190,390)	(178,509)	(215,650)	13.3%
TRANSFERS FROM (TO) OTHER FUNDS					
Transfers from General Fund	-	-	-	-	0.0%
Total Transfers From (To) Funds	-	-	-	-	0.0%
CAPITAL CONTRIBUTIONS					
Contribution in Aid of Construction	-	-	-	-	0.0%
Total Capital Contributions	-	-	-	-	0.0%
Increase (Decrease) in Retained Earnings	(82,844)	(190,390)	(178,509)	(215,650)	13.3%
Add Back Depreciation	102,584	111,200	102,800	112,900	1.5%
Capital Outlay/Fixed Assets	-	(90,000)	(10,000)	(140,000)	55.6%
Principal Payments on Long-term Debt	(5,992)	(6,036)	(6,036)	(6,451)	6.9%
Changes in Working Capital	4,613	-	-	-	0.0%
Net Sources (Uses) of Cash	\$ 18,361	\$ (175,226)	\$ (91,745)	\$ (249,201)	42.2%
Beginning Fund Balance	\$ 2,467,162	\$ 2,384,318	\$ 2,384,318	\$ 2,205,809	-7.5%
Ending Fund Balance	\$ 2,384,318	\$ 2,193,928	\$ 2,205,809	\$ 1,990,159	-9.3%

PROPERTY MANAGEMENT FUND - PROPOSED OPERATING REVENUES
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
Rent - 2-6 N Potomac Street, 1st Floor	\$ 200,820	\$ 172,000	\$ 167,100	\$ 167,100	-2.8%
Rent - 14 N Potomac Street, Suite 200A/B	20,400	-	13,600	-	0.0%
Rent - 6 N Potomac Street	8,458	-	8,458	-	0.0%
Rent - 14 N Potomac Street, Suite B-3	24,609	26,225	25,656	26,430	0.8%
Rent - 60 W Wash Street, Suite 102	5,504	-	-	-	0.0%
Rent - 60 W Washington St Rear	32,940	32,940	32,940	32,940	0.0%
Total Rent from Tenants	292,731	231,165	247,754	226,470	-2.0%
Membership Dues	100	-	-	-	0.0%
Other Revenues	150	-	-	-	0.0%
Total Other Revenues	250	-	-	-	0.0%
Total Operating Revenues	\$ 292,981	\$ 231,165	\$ 247,754	\$ 226,470	-2.0%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

Rental income from tenants and other revenues in FY25 estimated actuals are projected to be 7.2% or \$16.6K higher than FY25 budget. This increase is a result of continued rentals in 14 N Potomac Street, Suite 200A/B and 6 N Potomac Street.

Adopted FY25 to Proposed FY26

Total rents from tenants and other revenues in FY26 proposed will decrease by 2.0% or \$4.7K when compared to FY25 budget. This decrease is due to tenant vacancies, and the planned relocation of DCED.

PROPERTY MANAGEMENT FUND - CAPITAL EXPENSES
FISCAL YEAR 2025/2026

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Elizabeth Hager Center-C0803 Painting, various leasehold improvements, and continued replacement of HVAC units on an as needed basis.	Building Renovation	Maintain the quality of the building.	75,000
60 West Washington Street-C0828 Building improvements and continued replacement of HVAC units on an as needed basis	Building Renovation	Provide building improvements to rental offices.	40,000
309 Valley Road-C0836 Improvements and generalized maintenance to property in order to sell.	Building Renovation	Half of a double residential property was built in 1920. These repairs and slight improvements will prepare the building to be sold.	25,000
TOTAL CAPITAL OUTLAY			\$ 140,000

STORMWATER PROTECTION FUND - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OVERVIEW

The National Pollutant Discharge Elimination System (NPDES) general permit that we received from the Maryland Department of the Environment (MDE) that went into effect on October 31, 2018 requires the City to do minimum control measures to prevent stormwater pollution. In addition, the general permit requires the City to commence restoration efforts for 20% (396 acres) of existing developed land. In reality, this means the removal of existing impervious areas or the construction of treatment facilities to manage stormwater runoff from 20% of the City's impervious land. The City has developed a Stormwater Protection Program that charges a fee to property owners based upon the amount of impervious area present on their parcel. The revenue generated by this fee will be used to fund all stormwater operations in the City, including storm system maintenance, street sweeping, and restoration activities such as tree planting, stream restoration, retrofits to existing stormwater facilities to provide water quality treatment, and impervious area removal.

The Stormwater Protection Fund is different than the other Enterprise funds in that it utilizes manpower from Public Works and Engineering.

DEPARTMENT / PROGRAM OBJECTIVES

Continue steps to meet the NPDES permit requirements as issued by the Maryland Department of the Environment. This includes minimum control measures to prevent stormwater pollution such as the following: 1) public education, 2) public involvement, 3) illicit discharge elimination, 4) construction site stormwater runoff control, 5) post construction stormwater management, and 6) good housekeeping at City facilities. In addition, staff will work toward completing the following:

- Continue street sweeping program and evaluate ways to increase MDE stormwater credits.
- Per the Strategic Plan, implement projects to clean and treat stormwater including MKS pond retrofit, design the Hamilton Run restoration adjacent Northern Avenue, and design a stream restoration project in City Park.
- Per the Strategic Plan, design and construct retrofits to the North High stormwater pond and the ice rink stormwater pond at Fairgrounds Park.
- Expand street tree and forest planting program using grant funds from the Chesapeake Bay Trust; partner with the Maryland Forest Service to plant trees at the former City-owned landfill off of Resh Road.
- Implement incentive programs for residents and larger commercial establishments to install stormwater management best practices.

PERFORMANCE INDICATORS

	2023/24	2024/25	2025/26
Number of tons collected by sweepers	350	350	360
Number of stormdrain inlets	4,650	4,670	4,685
Number of stormdrain manholes	1,000	1,025	1,030
Miles of public stormdrain	120	121	122
Total stormwater BMP's in City	399	410	435
Incentive projects	1	-	-
Lineal feet of stream restoration	1,800	900	1,000
Facility retrofits	1	2	3
Green street projects	1	1	1
Trees planted by City	125	150	150

STORMWATER PROTECTION FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
EXPENDITURES BY TYPE					
Salary and Wages	\$ 217,153	\$ 232,047	\$ 231,600	\$ 242,809	4.6%
Benefits	84,788	83,097	84,878	101,618	22.3%
Overtime	5,981	5,000	12,000	12,000	140.0%
Personnel Subtotal	307,922	320,144	328,478	356,427	11.3%
Contractual Services	210,528	304,000	259,500	367,250	20.8%
Operating Expenditures	319,335	571,436	442,555	460,784	-19.4%
Other General Expenses	119,847	278,049	232,749	203,764	-26.7%
Operating Subtotal	649,710	1,153,485	934,804	1,031,798	-10.5%
Total Expenditures	\$ 957,632	\$ 1,473,629	\$ 1,263,281	\$ 1,388,226	-5.8%
REVENUES BY TYPE					
Departmental Revenue	\$ 3,783,647	\$ 4,177,625	\$ 4,482,825	\$ 4,555,000	9.0%
Total Revenues	\$ 3,783,647	\$ 4,177,625	\$ 4,482,825	\$ 4,555,000	9.0%
Expenditures, net of Revenues	\$ (2,826,015)	\$ (2,703,996)	\$ (3,219,544)	\$ (3,166,774)	17.1%

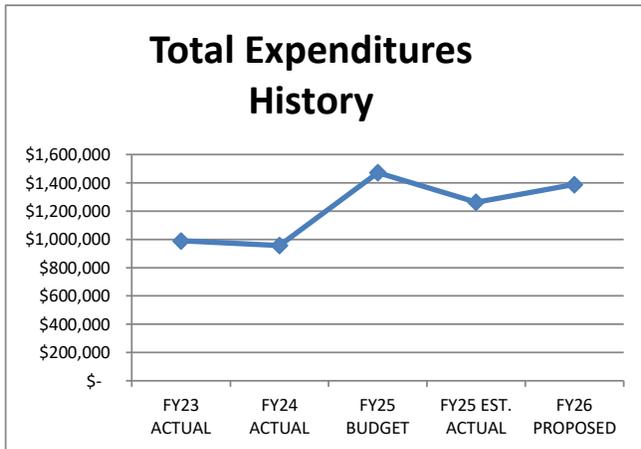
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

Total FY25 estimated actual personnel expenditures reflect a 2.6% or \$8.3K increase from FY25 budget due to an increase in overtime. FY25 estimated actual operating expenditures are expected to significantly decrease by 19.0% or \$218.7K, while departmental revenues increase by 19.1% or \$515.5K compared to FY25 budget.

Adopted FY25 to Proposed FY26

Personnel expenditures in the proposed FY26 budget are expected to increase 11.3% or \$36.3K from FY25 budget. In total, operating expenditures are expected to be lower than FY25 budget by 10.5% or \$121.7K. Departmental revenues in the FY26 proposed are expected to be higher than FY25 budget by 9.0% or \$377.4K due to rates and trends expected in stormwater fixed fee revenues and grant revenue funding.



STAFFING SUMMARY

	FY24	FY25		FY26
		Bud	Est Act	
Full time	4.01	3.90	3.90	3.65
Seasonal	0.00	0.00	0.00	0.00
Staffing Total	4.01	3.90	3.90	3.65
Unfunded positions	0.00	0.00	0.00	0.00

In FY26, a reduction in the full time allocation was made as less staff time is needed as the program has become fully implemented.

STORMWATER PROTECTION FUND - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
OPERATING REVENUES					
Stormwater Fixed Fee	\$ 3,392,967	\$ 3,400,000	\$ 4,100,000	\$ 4,200,000	23.5%
Credit SWM Program	(94,763)	(130,000)	(150,000)	(160,000)	23.1%
Late Fees	31,759	25,000	25,000	25,000	0.0%
Total Operating Revenues	3,329,963	3,295,000	3,975,000	4,065,000	23.4%
OPERATING EXPENSES					
Infrastructure Maintenance	668,476	777,188	810,247	890,533	14.6%
Selling, General & Administrative	169,309	418,392	220,285	293,929	-29.7%
Depreciation	100,482	160,300	115,000	187,700	17.1%
Total Operating Expenses	938,267	1,355,880	1,145,532	1,372,162	1.2%
Operating Income (Loss)	2,391,696	1,939,120	2,829,468	2,692,838	38.9%
NON-OPERATING REVENUES (EXPENSES)					
Interest Earned	217,682	192,800	228,000	195,000	1.1%
Interest/Bond Issuance Expense	(19,365)	(17,749)	(17,749)	(16,064)	-9.5%
Total Other Income (Expense)	198,317	175,051	210,251	178,936	2.2%
Net Income before Contributions & Transfers	2,590,013	2,114,171	3,039,719	2,871,774	35.8%
TRANSFERS FROM (TO) OTHER FUNDS					
Transfers to Capital Improvements Fund	-	(100,000)	(100,000)	-	-100.0%
Total Transfers From (To) Funds	-	(100,000)	(100,000)	-	-100.0%
CAPITAL CONTRIBUTIONS					
Intergovernmental Revenue - ARPA	150,675	279,825	279,825	-	-100.0%
Grants in Aid of Construction	85,327	410,000	-	145,000	-64.6%
Contributions by Others	-	-	-	150,000	
Total Capital Contributions	236,002	689,825	279,825	295,000	-57.2%
Increase (Decrease) in Retained Earnings	2,826,015	2,703,996	3,219,544	3,166,774	17.1%
Add Back Depreciation	100,482	160,300	115,000	187,700	17.1%
Capital Outlay/Fixed Assets	(1,573,413)	(4,039,825)	(928,340)	(4,950,000)	22.5%
Principal Payments on Long-term Debt	(37,374)	(38,981)	(38,981)	(40,657)	4.3%
Changes in Working Capital	(18,040)	-	-	-	0.0%
Net Sources (Uses) of Cash	\$ 1,297,670	\$ (1,214,510)	\$ 2,367,223	\$ (1,636,183)	34.7%
Beginning Fund Balance	\$ 4,351,270	\$ 7,177,285	\$ 7,177,285	\$ 10,396,829	44.9%
Ending Fund Balance	\$ 7,177,285	\$ 9,881,281	\$ 10,396,829	\$ 13,563,603	37.3%

STORMWATER PROTECTION FUND - CAPITAL EXPENSES
FISCAL YEAR 2025/2026

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Stormwater Fund Vehicle Replacement-C0064 Replace fleet vehicles scheduled for replacement under the Vehicle Replacement Program. Replace 2018 Elgin Sweeper #92.	Replace Fleet Vehicles	Replace deteriorating mobile equipment to improve safety for workers and to reduce service restoration time.	350,000
Stormdrain System Upgrades-C0444 Unspecified work to deal with aging system and to remediate issues from the video inspection.	Infrastructure	Replace deteriorating system as problems arise or install new storm drain based on complaints.	1,100,000
Curb Replacement Program-C0459 Replacement of existing deteriorated curbs on planned street overlay streets and other locations.	Infrastructure - Curbs	The City is taking over responsibility of curb maintenance because the Maryland Attorney General determined curbs are part of the City's drainage system.	120,000
Reforestation Using SPP Funds-C0594 Plant trees to reforest both existing and pervious and impervious areas to earn credits that will help the City comply with the 20% restoration requirement in the NPDES permit.	Infrastructure - Reforestation	To qualify for credits, the trees must be planted in compliance with MDE's definition of "forest".	120,000
Protection Program Implementation-C0637 Retrofit of existing flood-control stormwater facilities to provide water quality benefits. MSK Business Park	Infrastructure - Storm Drains	Compliance with NPDES permit will require significant funding for analysis, design, construction, and maintenance of new or enhanced stormwater management facilities.	1,135,000
Green Streets-C0639 Modifications to existing streets to improve pedestrian access, decrease impervious surfaces, and construct new planting bed and provide stormwater management.	Stormwater Management	Anticipated NPDES regulations will require the City to provide stormwater management for existing impervious surfaces.	175,000
Marsh Run Walls Rehabilitation-C0853 Provide regular rehabilitation to the stone aqueduct that was reconstructed in 1995. Repairs happen approximately every five years	Infrastructure	Regular rehabilitation will help to avoid larger expenditures and costly maintenance in the future.	250,000
Stream Restorations-C0866 Stream restoration at City Park in the fall of 2024.	Stormwater Management	Streams are eroding and introducing nutrients into the water and impacting surrounding properties.	1,700,000
TOTAL CAPITAL OUTLAY			\$ 4,950,000

Events

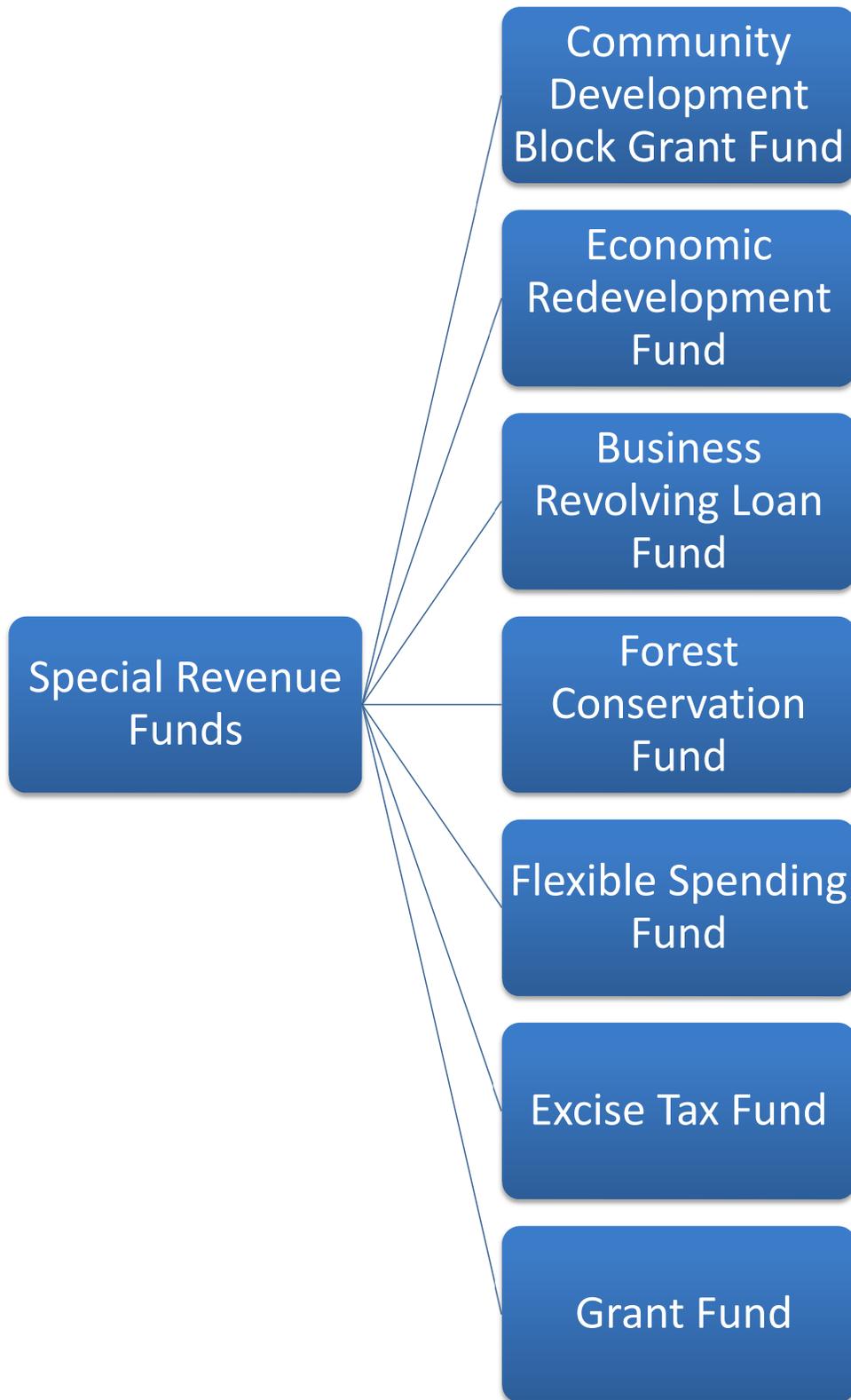
City of Hagerstown



**SPECIAL REVENUE FUNDS
SECTION 4**

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SPECIAL REVENUE FUNDS -COMBINED STATEMENT OF REVENUES AND EXPENDITURES
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	CDBG FUND	ECONOMIC REDEVELOPMENT FUND	BUSINESS REVOLVING LOAN FUND	FOREST CONSERV FUND	FLEXIBLE SPENDING FUND	EXCISE TAX FUND *	GRANT FUND	TOTAL
REVENUES								
Grant Revenues	\$ 1,332,982	\$ 100,000	-	\$ -	\$ -	\$ -	\$ 660,692	\$ 2,093,674
Program Income	87,000	-	20,000	-	-	-	-	107,000
Reforestation Fees	-	-	-	5,000	-	-	-	5,000
Private Grants and Other Contributions	-	-	-	-	-	-	2,150	2,150
Interest on Investments	65	36,000	5,500	50	100	-	4,000	45,715
Other Revenues	-	-	250	-	1,000	-	-	1,250
Total Revenues	1,420,047	136,000	25,750	5,050	1,100	-	666,842	2,254,789
EXPENDITURES								
Commercial/Industrial Improvements	47,915	-	-	-	-	-	-	47,915
Clearance/Demolition	160,000	-	-	-	-	-	-	160,000
Public Facilities and Improvements	400,000	-	-	-	-	-	-	400,000
Public Services	130,000	-	-	-	-	-	-	130,000
Contra Principal Payments	75,000	-	-	-	-	-	-	75,000
Housing Rehab	295,083	-	-	-	-	-	-	295,083
Program Administration	99,812	-	-	-	-	-	-	99,812
Administration	190,551	21,547	1,500	-	-	-	-	213,598
Public Safety	-	-	-	-	-	-	467,359	467,359
PEP Subsidized Rent Payments	-	400,000	-	-	-	-	-	400,000
Economic Incentives	-	15,000	-	-	-	-	254,300	269,300
Economic Incentives: State Grant	-	100,000	-	-	-	-	-	100,000
City Center Redevelopment: Invest Hagerstown	-	500,000	-	-	-	-	-	500,000
City-Wide Redevelopment: Invest Hagerstown	-	210,000	-	-	-	-	-	210,000
Homeownership Grant: Invest Hagerstown	-	195,000	-	-	-	-	-	195,000
Rental Property Rehab: Invest Hagerstown	-	100,000	-	-	-	-	-	100,000
Façade: Invest Hagerstown	-	75,000	-	-	-	-	-	75,000
USMH Housing Catalyst #3	-	-	-	-	-	-	-	-
Total Expenditures	1,398,361	1,616,547	1,500	-	-	-	721,659	3,738,067
Excess of Revenues Over (under) Expenditures	21,686	(1,480,547)	24,250	5,050	1,100	-	(54,817)	(1,483,278)
OTHER FINANCING USES								
Operating Transfers From Other Funds	-	1,340,000	-	-	-	-	58,817	1,398,817
Operating Transfers (to) Other Funds	-	-	-	(5,000)	-	-	-	(5,000)
Total Other Financing Uses	-	1,340,000	-	(5,000)	-	-	58,817	1,393,817
Net Change in Fund Balance	21,686	(140,547)	24,250	50	1,100	-	4,000	(89,461)
Beginning Fund Balance	643,941	1,009,619	1,201,736	202	42,862	-	374,086	3,272,446
Ending Fund Balance	\$ 665,627	\$ 869,072	\$ 1,225,986	\$ 252	\$ 43,962	\$ -	\$ 378,086	\$ 3,182,985
DETAIL OF ENDING FUND BALANCE								
Restricted	\$ 665,627	\$ -	\$ -	\$ 252	\$ -	\$ -	\$ 378,086	1,043,965
Committed	-	-	-	-	-	-	-	-
Assigned	-	869,072	1,225,986	-	43,962	-	-	2,139,020
Ending Fund Balance	\$ 665,627	\$ 869,072	\$ 1,225,986	\$ 252	\$ 43,962	\$ -	\$ 378,086	\$ 3,182,985

* Excise Tax Fund only reflects balance sheet activity since the City discontinued participation in the APFO program.

COMMUNITY DEVELOPMENT BLOCK GRANT - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OVERVIEW

The Department of Community and Economic Development (DCED) administers the City's Community Development Block Grant Program (CDBG). The primary goal of the federally funded CDBG Program is the development of a viable urban community.

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

The three National Objectives are:

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

From 1989 through 2011, the average CDBG entitlement amount received by the City was \$1,034,875. From 2012 through 2018, federal budget cuts significantly reduced the City's CDBG funding resulting in an average entitlement amount of \$682,565 over this seven year period. The City's entitlements gradually increased each year since FY19 before being reduced to \$783,642 for FY23 and to \$781,156 for FY24. The entitlement for FY25 rebounded to \$831,982, and is conservatively estimated at \$800,000 for FY26.

DEPARTMENT / PROGRAM OBJECTIVES

- Consistent with the National Objectives and Hagerstown's five year CDBG consolidated plan, the FY26 CDBG budget concentrates funds on neighborhood based projects that improve the housing stock and enhance the quality of life for Hagerstown residents. Current and future Community Development projects are being implemented to enhance the City's urban core and strengthen neighborhoods throughout the City. Housing programs include funding for both private/public partnership home repair programs and City sponsored home repair programs.

- DCED works in cooperation with other City Departments to carry out neighborhood based projects. Proposed FY26 Public Facility projects to be carried out in cooperation with the Public Works & Engineering Departments include continued sidewalk accessibility ramp construction, repaving of frequently-used alleyways City-wide, and improvements and upgrades to Wheaton Park, City Park, and the Skate Park.

- The FY26 CDBG budget also proposes support for local public service providers. Public service providers must carry out eligible activities that meet critical, identifiable, and unmet community needs for low and moderate income City residents.

CDBG-CV FUNDING

In April of 2020, the City received a \$472,845 allocation of "CDBG-CV" funding. CDBG-CV funding was provided through the Federal CARES Act legislation in response to the COVID-19 pandemic. The City distributed this funding in FY21 to multiple non-profit organizations for housing crisis assistance and food resource assistance. An additional \$274,365 of CDBG-CV funding was also awarded to the City and this funding was distributed to multiple non-profit organizations for public service activities associated with the COVID-19 pandemic response. In FY24, the last of the City's CDBG-CV funding was expended.

CDBG-CV funding must be used via standard CDBG activities that also prevent, prepare for, or respond to the COVID-19 pandemic. These activities still must meet CDBG national objective requirements with the primary national objective being a benefit to low/moderate income citizens. In essence, CDBG-CV funds are more restrictive than standard CDBG funds with additional requirements related to COVID-19 prevention, preparation, and response.

PERFORMANCE INDICATORS

	2023/24	2024/25	2025/26
Number of Active Loans Outstanding	35	27	25
Value of Active Loans Portfolio (\$000)	\$ 1,064	\$ 1,230	\$ 1,200
Down Payment Assistance Cases	4	4	8
CDBG Single Family Rehabilitation Projects	12	8	10
Citizens Assisted Through Public Services*	8,777	7,500	7,500
Citizens Assisted Through CDBG -CV Public Services	116	-	-
Overall Low/Moderate Benefit Ratio (%)	100%	100%	100%
Program Admin & Admin Costs as % of Total Expenditures	7%	25%	21%

* Significant increase in FY24 Citizens assisted through public services is attributed to large-scale events sponsored by grants.

COMMUNITY DEVELOPMENT BLOCK GRANT - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

ENTITLEMENT SPENDING

	AWARD	AMOUNT USED THRU FY25	FY26 BUDGET	REMAINING
B16 HUD Entitlement Grant	654,941	654,941	-	-
B17 HUD Entitlement Grant	667,757	667,757	-	-
B18 HUD Entitlement Grant	757,083	757,083	-	-
B19 HUD Entitlement Grant	771,221	771,221	-	-
B20 HUD Entitlement Grant	803,671	803,671	-	-
B21 HUD Entitlement Grant	835,051	835,051	-	-
B22 HUD Entitlement Grant	783,642	783,642	-	-
B23 HUD Entitlement Grant	781,156	630,156	151,000	-
B24 HUD Entitlement Grant	831,982	450,000	381,982	-
B25 HUD Entitlement Grant	800,000	-	800,000	-

EXPENDITURE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
Commercial/Industrial Improvements	\$ 48,898	\$ 65,000	\$ 35,000	\$ 47,915	-26.3%
Clearance and Demolition	-	100,000	-	160,000	60.0%
Public Facilities and Improvements	738,037	414,344	463,658	400,000	-3.5%
Public Services	202,156	140,000	138,576	130,000	-7.1%
Contra Principal Payments	484,934	140,000	60,000	75,000	-46.4%
Cost of Properties Held for Resale	542,940	-	-	-	0.0%
Housing Rehab	292,468	320,982	207,000	295,083	-8.1%
Program Administration	86,095	92,839	93,588	99,812	7.5%
Administration	93,264	179,999	206,543	190,551	5.9%
Total Expenditures	\$ 2,488,792	\$ 1,453,164	\$ 1,204,365	\$ 1,398,361	-3.8%

BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

Total estimated actual FY25 CDBG expenditures are currently projected to be lower than the FY25 adopted budget. This can often vary or change depending on capital projects that span multiple fiscal years. Likewise, demand for homeowner repair programs can fluctuate and span multiple fiscal years. While FY25 budget anticipated utilization for demolition of blighted properties, this did not happen and is reduced in FY25 estimated actuals.

A cooperative effort with the Parks and Rec Department & the Engineering Department lead to the following neighborhood based projects in FY25:

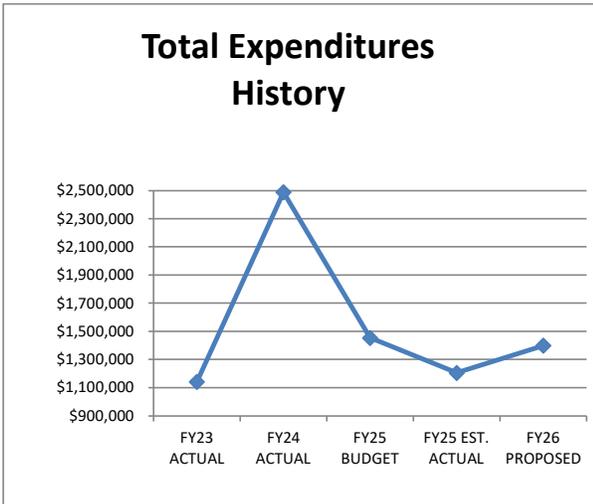
- Accessibility Ramp Improvements
- Wheaton Park Improvements
- City Park Pedestrian Bridges
- New Sidewalks
- Alley Reconstruction

Adopted FY25 to Proposed FY26

The City's FY26 entitlement amount has been estimated at \$800,000. Even though CDBG grant amounts are similar from year to year, projects that span multiple fiscal years, carry over funding from projects completed under budget, and fluctuations in program income can result in significant budget variation when comparing fiscal year expenditures. Based on the entitlement amount for FY26 and potential carry over funds from previous years, the proposed FY26 budget has been set where expenditures are lower than entitlement funds and program income funds. The FY26 budget includes an increase to Clearance and Demolition by \$60,000 to include funds available for the demolition of detached garages. Overall, the FY26 budget includes a reduction in spending by <\$54.8K> or 3.8% largely due to a reduction in principal payments and in the Commercial/Industrial Improvements line with a reduction to Microenterprise Grants.

COMMUNITY DEVELOPMENT BLOCK GRANT - COMPARATIVE INCOME STATEMENT
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
REVENUES					
CDBG Grant Entitlements	\$ 690,462	\$ 1,158,138	\$ 787,405	\$ 1,332,982	15.1%
HUD Cares Act Entitlements	87,781	-	-	-	0.0%
Program Income-Principal Repayments	484,935	140,000	60,000	75,000	-46.4%
Program Income-Other	376,702	25,000	8,000	12,000	-52.0%
Interest on Investments	-	75	75	65	-13.3%
Total Operating Revenues	1,639,880	1,323,213	855,480	1,420,047	7.3%
EXPENDITURES					
Commercial/Industrial Improvements	\$ 48,898	\$ 65,000	\$ 35,000	\$ 47,915	-26.3%
Clearance and Demolition	-	100,000	-	160,000	60.0%
Public Facilities and Improvements	738,037	414,344	463,658	400,000	-3.5%
Public Services	202,156	140,000	138,576	130,000	-7.1%
Contra Principal Payments	484,934	140,000	60,000	75,000	-46.4%
Cost of Properties Held for Resale	542,940	-	-	-	0.0%
Housing Rehab	292,468	320,982	207,000	295,083	-8.1%
Program Administration	86,095	92,839	93,588	99,812	7.5%
Administration	93,264	179,999	206,543	190,551	5.9%
Total Operating Expenditures	2,488,792	1,453,164	1,204,365	1,398,361	-3.8%
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES					
	\$ (848,912)	\$ (129,951)	\$ (348,885)	\$ 21,686	-116.7%
Beginning Fund Balance	1,841,738	992,826	992,826	643,941	-35.1%
Ending Fund Balance	\$ 992,826	\$ 862,875	\$ 643,941	\$ 665,627	-22.9%



STAFFING SUMMARY

	FY25			
	FY24	Bud	Est Act	FY26
Full time	2.70	2.70	2.70	2.70
Staffing Total	2.70	2.70	2.70	2.70
Unfunded positions	0.00	0.00	0.00	0.00

Staffing levels are expected to remain flat with FY24 amounts into the future.

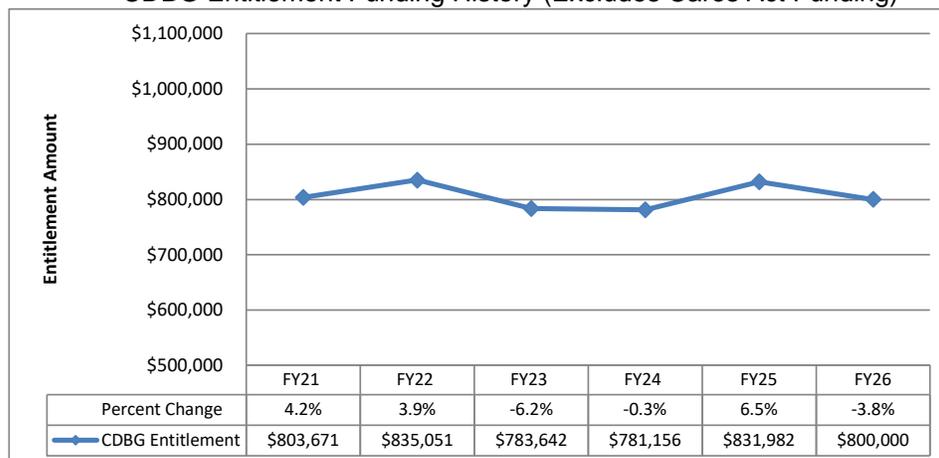
COMMUNITY DEVELOPMENT BLOCK GRANT - PROPOSED OPERATING REVENUES
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
GRANTS					
CDBG Grant Entitlements (HUD)					
B16 Entitlement	570	-	-	-	0.0%
B19 Entitlement	-	-	1,899	-	0.0%
B20 Entitlement	-	-	41,823	-	0.0%
B21 Entitlement	155,513	-	89,890	-	0.0%
B22 Entitlement	282,566	-	36,967	-	0.0%
B23 Entitlement	251,813	326,156	244,180	151,000	-53.7%
B24 Entitlement	-	831,982	372,646	381,982	-54.1%
B25 Entitlement	-	-	-	800,000	100.0%
HUD Cares Act Funding Round Two	87,781	-	-	-	0.0%
Total Grants	778,243	1,158,138	787,405	1,332,982	15.1%
PROGRAM INCOME					
Sale of Properties	355,000	-	-	-	0.0%
Principal Repayments on Loans	484,935	140,000	60,000	75,000	-46.4%
Interest Income on Loans	21,702	25,000	8,000	12,000	-52.0%
Total Program Income	861,637	165,000	68,000	87,000	-47.3%
INVESTMENT EARNINGS					
	-	75	75	65	-13.3%
Total Operating Revenues	\$ 1,639,880	\$ 1,323,213	\$ 855,480	\$ 1,420,047	7.3%

The [CDBG Entitlement Funding History](#) graph and chart below illustrate the CDBG Entitlement current year amounts awarded to the City for FY21–FY25, and the CDBG Entitlement amount estimated to be awarded to the City for FY26. Each year, funding that has not been expended is carried forward as an operating revenue into the next fiscal year. Subsequently, the amounts reported under the heading [CDBG Grant Entitlements \(HUD\)](#) in the above table of [Proposed Operating Revenues](#) represent the current year Entitlement funding plus any unspent Entitlement funding from prior years.

From the [CDBG Entitlement Funding History](#) graph and chart below, the amount of Federal funding awarded to the City for CDBG Entitlement funds increased by 4.2% and 3.9% in Fiscal Years 21-22 to bring the entitlement to \$63.8K above the FY20 level. The City experienced a decrease in funding for FY23 by 6.2% and 0.3% in FY24 before seeing an increase in funding for FY25 of 6.5%. In FY26, the City is estimating that there will be a 3.8% decrease in funding by HUD.

CDBG Entitlement Funding History (Excludes Cares Act Funding)



COMMUNITY DEVELOPMENT BLOCK GRANT - PROPOSED OPERATING EXPENSES
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
COMMERCIAL/INDUSTRIAL IMPROVEMENTS					
Microenterprise Grants	48,898	65,000	35,000	47,915	-26.3%
Total Commercial/Industrial Improvements	48,898	65,000	35,000	47,915	-26.3%
CLEARANCE & DEMOLITION					
City - Detached Garages	-	-	-	60,000	100.0%
City - Downtown Buildings	-	100,000	-	100,000	0.0%
Total Clearance & Demolition	-	100,000	-	160,000	60.0%
CONTRA PRINCIPAL PAYMENTS	484,934	140,000	60,000	75,000	-46.4%
COST OF PROPERTIES HELD FOR RESALE	542,940	-	-	-	0.0%
PUBLIC FACILITIES & IMPROVEMENTS					
Handicap Ramps	125,000	100,000	100,000	125,000	25.0%
City Sidewalk Construction	-	160,000	160,000	-	-100.0%
Alley Reconstruction	192,642	30,000	160,000	100,000	233.3%
Park Circle Triangle	150,000	-	-	-	0.0%
Neighborhood Parks	270,395	124,344	43,658	175,000	40.7%
Total Public Facilities & Improvements	738,037	414,344	463,658	400,000	-3.5%
PUBLIC SERVICES *					
REACH Shelter Security	12,000	23,000	23,000	-	-100.0%
Public Services	-	-	-	130,000	100.0%
Community Free Clinic	16,875	-	8,576	-	0.0%
Girl's Inc Supper Program	10,000	12,000	12,000	-	-100.0%
Children in Need	7,500	-	-	-	0.0%
Senior Living Alternative Meals	25,000	20,000	20,000	-	-100.0%
Commission on Aging (Cares Act Round 2)	44,959	-	-	-	0.0%
Goodwill	12,000	15,000	15,000	-	-100.0%
Goodwill (Cares Act)	42,822	-	-	-	0.0%
Literacy Council	6,000	6,000	6,000	-	-100.0%
San Mar Children's Home	25,000	10,000	10,000	-	-100.0%
Hagerstown Area Religious Council	-	15,000	15,000	-	-100.0%
RW Johnson Community Center	-	15,000	15,000	-	-100.0%
America's Hauling for Hope	-	14,000	14,000	-	-100.0%
You Hold the Key	-	10,000	-	-	-100.0%
Total Public Services	202,156	140,000	138,576	130,000	-7.1%
HOUSING REHAB					
Res Single Fam Emergency Repair	121,362	136,982	104,000	125,537	-8.4%
Homeownership Program	15,012	-	-	-	0.0%
Habitat Repair Program	42,471	30,000	12,000	38,000	26.7%
Commission on Aging	30,880	43,000	25,000	37,046	-13.8%
HNDP Downpayment & Settlement	14,000	10,500	10,500	24,500	133.3%
Single Family Loan Program	2,740	33,000	9,678	42,860	29.9%
Contra Expense - Single Family Loan Program	(4,490)	(33,000)	(9,678)	(42,860)	29.9%
CDBG Administration (Single Family)	39,238	50,000	20,000	35,000	-30.0%
Code Admin PT Inspector	31,255	35,000	35,000	35,000	0.0%
Home Ownership Acq. Resale	-	115,000	-	225,000	95.7%
Contra Expense - Home Ownership Acq. Resale	-	(100,000)	-	(225,000)	125.0%
Residential Single Family Rehabilitation	-	500	500	-	-100.0%
Total Housing Rehab	292,468	320,982	207,000	295,083	-8.1%

COMMUNITY DEVELOPMENT BLOCK GRANT - PROPOSED OPERATING EXPENSES
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
PROGRAM ADMINISTRATION					
Salary and Wages	58,569	61,158	62,075	63,929	4.5%
Benefits	27,526	31,681	31,513	35,883	13.3%
Total Program Administration	86,095	92,839	93,588	99,812	7.5%
ADMINISTRATION **					
Salary and Wages	81,533	82,048	111,000	118,487	44.4%
Benefits	52,385	48,586	56,369	68,213	40.4%
Overtime	1	100	-	-	-100.0%
Allocated Labor - Salaried	(39,238)	(20,000)	(20,000)	(35,000)	75.0%
Office Supplies	86	200	200	200	0.0%
Computer Software & Supplies	-	250	250	250	0.0%
Dues, Subscriptions & Periodicals	-	300	300	300	0.0%
Advertising & Printing	1,562	2,250	2,250	1,500	-33.3%
Legal Fees	2,799	3,000	3,000	3,000	0.0%
Auditing Fees	2,037	2,100	2,100	2,163	3.0%
Consolidated Plan	-	50,000	40,000	20,000	-60.0%
Public Transportation Expenses	-	100	100	100	0.0%
Lodging & Meals	-	150	150	150	0.0%
Conference & Seminar Fees	-	1,500	1,500	1,500	0.0%
Postage Expenses	81	50	50	50	0.0%
Other General Expenses	(16,934)	-	-	-	0.0%
Photocopy Expenses	-	75	75	75	0.0%
Buildings & Contents Insurance	3,630	3,940	3,945	4,313	9.5%
Interest Exp. - Escrowed Taxes	4	100	4	-	-100.0%
Communication Expense	1,343	1,750	1,750	1,750	0.0%
Capital Outlay	3,975	3,500	3,500	3,500	0.0%
Total Administration	93,264	179,999	206,543	190,551	5.9%
Total Expenditures	\$ 2,488,792	\$ 1,453,164	\$ 1,204,365	\$ 1,398,361	-3.8%

* HUD cap on Public Services costs must be under 15%, Formula: Public Svc Costs/(CY Entitlement + PY Program Income)

** HUD Cap on Administration costs must be under 20%, Formula: Admin Costs/(CY Entitlement + CY Program Income)

COMMUNITY DEVELOPMENT BLOCK GRANT FUND CAPITAL EXPENSES
FISCAL YEAR 2025/2026

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
1050001-5865 Computer Equipment	Computer equipment	Replace worn or obsolete equipment.	3,500
TOTAL CAPITAL OUTLAY			\$ 3,500

OTHER SPECIAL REVENUE FUNDS - PROGRAM SUMMARY
FISCAL YEAR 2025/2026

ECONOMIC REDEVELOPMENT FUND

This fund was established to promote the revitalization of the City's downtown and older neighborhood areas. Currently the fund is being used to promote businesses and home ownership through the Invest Hagerstown Programs. Additionally, this fund is used for the Partners in Economic Progress (PEP) Program, holding real property for resale, and related development activities. Revenues in this fund consist of periodic transfers from other funds, State Grant funds (when available), and a transfer from the General Fund to continue carrying out strategic revitalization efforts through Invest Hagerstown.

BUSINESS REVOLVING LOAN FUND

This fund is designed to assist in the retention, expansion, and attraction of businesses within the City. The Business Revolving Loan Fund was initially funded through a grant from the Maryland Commerce Department and City Community Betterment Funds. This program provides financing for new and expanding businesses for working capital, equipment, and rehabilitation. In order to expand loan opportunities, the City continues to seek additional funding for the Revolving Loan Fund through partnership with the State of Maryland.

FOREST CONSERVATION FUND

This fund was created as part of the City's forest conservation program for development within the City of Hagerstown. In lieu of reforestation activities on a development site, developers have the option to pay into a special City Forest Conservation Fund. In return, this funding is utilized by the City to plant trees.

FLEXIBLE SPENDING FUND

This fund accounts for the City Flexible Spending Account (FSA) Program. Funds are transferred into this fund on a pre-tax basis for employees participating in the FSA Program for reimbursed medical and dependent care costs.

EXCISE TAX FUND

This fund accounts for the City's share of the County excise taxes collected by the City. There is a building excise tax on all building construction in Washington County. Effective March 2014, the City stopped assessing and collecting the City's portion of this fee and instead administers and collects only the County's portion less two percent (2%) for the administrative oversight provided.

GRANT FUND

In FY07, the City created a separate special revenue fund to account for operating grant revenues from various federal, state, and local agencies and related expenditures. This fund allows grant revenues and expenditures to be tracked separately by grant projects. Local matches, if required, are shown as transfers in from other funds. Unspent grant funds are carried over from year-to-year until expended for their intended purpose.

ECONOMIC REDEVELOPMENT FUND - PROGRAM DESCRIPTION
FISCAL YEAR 2025/2026

DEPARTMENT / PROGRAM OVERVIEW

The Department of Community and Economic Development administers the Economic Redevelopment Fund which includes multiple economic incentive programs and property resale initiatives.

Properties Held for Resale

The following properties held in this fund were recently sold:

- 216 S. Propsect - sold in February 2023
- 11850 Indian Lane - sold in August 2023

Since 2023, no properties have been held in this fund, and the fund remains available for such a need.

Invest Hagerstown Program:

In order to stimulate redevelopment and investment in Hagerstown, the Mayor and City Council created multiple incentive programs under the Invest Hagerstown initiative. Each incentive program offered substantial City incentives for commercial redevelopment, mixed-use redevelopment, and residential investment.

Beginning in FY19, the Invest Hagerstown program was re-implemented with dedicated funding from the General Fund real estate tax rate. Funding was provided in the amounts shown for each fiscal year to support various incentive program components:

FY19	\$549,000
FY20	\$800,000
FY21	\$804,000
FY22	\$819,000
FY23	\$855,000
FY24	\$928,000
FY25	\$975,000
FY26	\$1,080,000 Budgeted

For FY19 to FY24, the Invest Hagersown Program has leveraged more than \$48.2 million in private sector investment, more than 354 new jobs, and 111 new homeowners. Additionally, the program has resulted in more than 185 new or renovated units.

Invest Hagerstown - FY26 Proposed Budget:

The FY26 Budget includes \$1,080,000 for funding of the Invest Hagerstown Program. The components of the program are expected to model similarly to the FY25 program with some possible variation.

Invest Hagerstown - Program Components:

The Invest Hagerstown program has several program components:

1. City Center Redevelopment Grant Program: Grants from a minimum of \$150,000 to a maximum of \$250,000 and requiring a minimum 2:1 match from the developer. Projects ranging \$450,000 to \$750,000+.
2. City-Wide Redevelopment Grant Program: Grants from a minimum of \$5,000 to a maximum of \$25,000 and requiring a minimum 2:1 match from the developer. Projects ranging \$15,000 to \$75,000+.
3. Homeownership Loan to Grant Program: Provides down payment/closing cost assistance funding of \$7,500 City Wide. Funding is provided as a loan-to-grant with a residency requirement of 5 years.
4. Rental Property Rehabilitation Grant Program: Grants from a minimum of \$7,500 to a maximum of \$20,000 for rental property rehabilitation to market rate rental and requiring 2:1 match. Projects \$22,500 to \$60,000+.
5. Commercial Sign & Facade Grant Program: Grants for commercial signs from a minimum of \$250 to a maximum of \$1,500 requiring a 1:1 match. Projects ranging from \$500 to \$3,000+. Grants for facade improvements from a minimum of \$2,500 to a maximum of \$7,500 requiring a 1:1 match from the developer. Projects ranging from \$5,000 to \$15,000+.

A chart for the actual expenditures of the Invest Hagerstown program since FY19 is shown below:

Invest Hagerstown Program Incentives	FY19-FY22	FY23	FY24	FY25	FY25	FY26
Expenditures	Actual	Actual	Actual	Budget	Estimated Actual	Proposed Budget
City Center Redevelopment	\$ 2,080,000	\$ 500,000	\$ (580,000)	\$ 1,250,000	\$ 1,250,000	\$ 500,000
City Wide Redevelopment	\$ 445,182	\$ 100,979	\$ 191,800	\$ 140,000	\$ 140,000	\$ 210,000
Homeownership	\$ 309,751	\$ 149,835	\$ 315,000	\$ 367,500	\$ 367,500	\$ 195,000
Rental Property Rehabilitation	\$ 60,000	\$ 40,000	\$ 131,207	\$ 80,000	\$ 80,000	\$ 100,000
Fascade: Invest Hagerstown	\$ 56,398	\$ 11,550	\$ 27,908	\$ 47,056	\$ 47,056	\$ 75,000
Total Expenditures per Year	\$ 2,951,331	\$ 802,364	\$ 85,915	\$ 1,884,556	\$ 1,884,556	\$ 1,080,000

ECONOMIC REDEVELOPMENT FUND - PROGRAM DESCRIPTION (continued)
FISCAL YEAR 2025/2026

Invest Hagerstown – FY14 Initial Program:

The initial program was funded in FY14 with \$1,500,000 in funding from General Fund Reserves. The Invest Hagerstown Program provided grants up to \$250,000 for eligible redevelopment projects in the City Center and up to \$50,000 for eligible redevelopment projects City-wide. The City partnered with the private sector to assist in moving development forward. This program resulted in a combined private and public investment City-wide estimated at \$4,173,000.

The Invest Hagerstown Program also provided down payment/rehab grants up to \$7,500 for homebuyers purchasing a vacant home within the City of Hagerstown. The Invest Hagerstown Program also provided down payment/rehab incentives for homebuyers in City Center and a rental subsidy for renters in City Center with the goal of attracting a more diversified population Downtown. This program assisted 24 homeowners City wide and 7 homeowners in City Center for a total of 31 homeowners. The program also assisted 18 renters in City Center.

By the end of FY19, all of the funding of the initial program was expended or committed for this program.

ECONOMIC REDEVELOPMENT FUND - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
REVENUES					
State Community Legacy Grant	\$ -	\$ 650,000	\$ 650,000	\$ 100,000	-84.6%
State Strategic Demolition Grant	93,585	46,415	46,415	-	-100.0%
ARPA - Economic Incentives	-	128,763	128,763	-	-100.0%
Interest on Investments	52,327	25,000	39,800	36,000	44.0%
Gain on Sale of Capital Assets	28,891	-	-	-	0.0%
Other Revenues	1,996	-	4,560	-	0.0%
Total Revenues	176,799	850,178	869,538	136,000	-84.0%
EXPENDITURES					
Administrative Expenditures	14,670	18,000	18,000	18,000	0.0%
Current Property Expenditures	644	3,633	4,184	3,547	-2.4%
PEP Subsidized Rent Payments	58,924	131,500	100,000	400,000	204.2%
Economic Incentives	47,975	35,000	55,000	15,000	-57.1%
Economic Incentives: Community Legacy Grant	-	650,000	650,000	100,000	-84.6%
Economic Incentives: Restaurant Ready Grant *	-	128,763	128,763	-	-100.0%
Economic Incentives: Strategic Demolition Grant	93,585	46,415	46,415	-	-100.0%
City Center Redevelopment: Invest Hagerstown	(580,000)	1,250,000	1,250,000	500,000	-60.0%
City-Wide Redevelopment: Invest Hagerstown	191,800	140,000	140,000	210,000	50.0%
Homeownership Grant: Invest Hagerstown	315,000	367,500	367,500	195,000	-46.9%
Rental Property Rehab: Invest Hagerstown	131,207	80,000	80,000	100,000	25.0%
Facade: Invest Hagerstown	27,908	47,056	47,056	75,000	59.4%
USMH Housing Catalyst #3	-	26,000	46,313	-	-100.0%
Total Expenditures	301,713	2,923,867	2,933,231	1,616,547	-44.7%
OTHER FINANCING SOURCES (USES)					
Transfers from General Fund	200,000	347,000	347,000	260,000	-25.1%
Transfers from General Fund: Invest Hag Incentives	928,000	975,000	975,000	1,080,000	10.8%
Transfers (to) Parking Fund Fund **	(500,000)	-	-	-	0.0%
Total Other Financing Sources	628,000	1,322,000	1,322,000	1,340,000	1.4%
Net Change in Fund Balance	503,086	(751,689)	(741,693)	(140,547)	-81.3%
Beginning Fund Balance	1,248,226	1,751,312	1,751,312	1,009,619	-42.4%
Ending Fund Balance	\$ 1,751,312	\$ 999,623	\$ 1,009,619	\$ 869,072	-13.1%

* FY25 Budget and Estimated Actual include \$129K ARPA funding utilized for Restaurant Ready Grant Incentive program.

** FY24 Actual includes transfer for new Parking Deck from sale proceeds of Indian Lane.

BUSINESS REVOLVING LOAN FUND - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
REVENUES & LOAN REPAYMENTS					
Program Income:					
Interest from Loans	\$ 30,436	\$ 26,000	\$ 20,000	\$ 20,000	-23.1%
Interest on Investments	9,766	5,500	6,000	5,500	0.0%
Allowance for Uncollectible Loans	29,670	-	-	-	0.0%
Other Revenues	150	250	250	250	0.0%
Total Revenues	70,022	31,750	26,250	25,750	-18.9%
EXPENDITURES, NEW LOANS & OTHER WORKING CAPITAL					
Contractual Services	200	1,500	1,500	1,500	0.0%
Total Expenditures	200	1,500	1,500	1,500	0.0%
Net Change in Fund Balance	69,822	30,250	24,750	24,250	-19.8%
Beginning Fund Balance	1,107,164	1,176,986	1,176,986	1,201,736	2.1%
Ending Fund Balance	\$ 1,176,986	\$ 1,207,236	\$ 1,201,736	\$ 1,225,986	1.6%

FOREST CONSERVATION FUND - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	2023/24 ACTUAL	2024/25		2025/26 BUDGET	2025/26 % CHANGE
		BUDGET	EST. ACTUAL		
REVENUES					
Reforestation Fees	\$ -	\$ -	\$ -	\$ 5,000	100.0%
Interest on Investments	14	100	10	50	-50.0%
Total Revenues	14	100	10	5,050	4950.0%
OTHER FINANCING SOURCES (USES)					
Transfers (to) CIP Fund	-	-	-	(5,000)	100.0%
Total Other Financing Sources	-	-	-	(5,000)	100.0%
Net Change in Fund Balance	14	100	10	50	-50.0%
Beginning Fund Balance	178	192	192	202	5.2%
Ending Fund Balance	\$ 192	\$ 292	\$ 202	\$ 252	-13.7%

FLEXIBLE SPENDING FUND - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	2023/24 ACTUAL	2024/25		2025/26 PROPOSED	2025/26 % CHANGE
		BUDGET	EST. ACTUAL		
REVENUES					
Interest on Investments	\$ 857	\$ 50	\$ 200	\$ 100	100.0%
Employer FICA Savings	-	-	-	-	0.0%
Unreimbursed Employee Deductions	38,700	1,000	1,000	1,000	0.0%
Total Revenues	39,557	1,050	1,200	1,100	4.8%
EXPENDITURES					
Contractual Services	-	-	-	-	0.0%
Total Expenditures	-	-	-	-	0.0%
OTHER FINANCING SOURCES (USES)					
Transfers from General Fund	-	-	-	-	0.0%
Total Other Financing Uses	-	-	-	-	0.0%
Net Change in Fund Balance	39,557	1,050	1,200	1,100	4.8%
Beginning Fund Balance	2,105	41,662	41,662	42,862	2.9%
Ending Fund Balance	\$ 41,662	\$ 42,712	\$ 42,862	\$ 43,962	2.9%

GRANT FUND - PROPOSED EXPENSES AND REVENUES
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	2023/24 ACTUAL	2024/25		2025/26 PROPOSED	2025/26 % CHANGE
		BUDGET	EST. ACTUAL		
REVENUES:					
Federal Grants	\$ 75,891	\$ 648,187	\$ 340,095	\$ 330,692	-49.0%
Federal Grants: ARPA Non Profit Grants	420,693	443,472	443,472	-	-100.0%
State Grants	304,357	447,158	400,713	330,000	-26.2%
Private Grants and Other Contributions	7,286	-	-	2,150	100.0%
National Opioid Settlement	90,128	-	34,524	-	0.0%
Interest on Investments	6,974	4,000	8,000	4,000	0.0%
Total Revenues	905,329	1,542,817	1,226,804	666,842	-56.8%
EXPENDITURES:					
Salary and Wages	99,225	139,266	105,932	78,868	-43.4%
Benefits	22,481	22,330	22,330	57,799	158.8%
Overtime	99,506	165,230	109,891	151,000	-8.6%
Personnel Subtotal	221,212	326,826	238,153	287,667	-12.0%
Contractual Services	108,661	311,994	201,995	210,000	-32.7%
Operating Expenditures	39,775	67,458	25,958	24,300	-64.0%
Capital Outlay	21,850	174,441	163,142	22,092	-87.3%
Other General Expenses	2,768	27,960	16,560	27,600	-1.3%
Other General Expenses: Project Restore	-	300,000	150,000	150,000	-50.0%
Other General Expenses: ARPA Non Profit Grants	420,692	443,472	443,472	-	-100.0%
Operating Subtotal	593,746	1,325,325	1,001,127	433,992	-67.3%
TOTAL EXPENDITURES	814,959	1,652,151	1,239,280	721,659	-56.3%
OTHER FINANCING SOURCES (USES)					
Transfers from General Fund	6,667	113,334	55,000	58,817	-48.1%
Total Other Financing Sources	6,667	113,334	55,000	58,817	-48.1%
Net Change in Fund Balance	97,037	4,000	42,524	4,000	0.0%
Beginning Fund Balance	234,525	331,562	331,562	374,086	12.8%
Ending Fund Balance	\$ 331,562	\$ 335,562	\$ 374,086	\$ 378,086	12.7%

Activity in this fund is dependent on grants that we receive. The following grants have been included for next year

	2025/26 PROPOSED
Police Department	
FY24 Bulletproof Vest Partnership Program	2,092
FY25 Lethality Assessment Coordinator	6,667
FY25 Bulletproof Vest Partnership Program	20,000
FY26 Maryland Criminal Intelligence Network	300,000
FY26 Police Recruitment and Retention	20,000
FY26 Lethality Assessment Coordinator	20,000
FY26 Community Program Fund	18,600
FY26 Edward J Byrne Memorial Justice Assistance	50,000
FY26 Warrant Apprehension and Absconding Grant	30,000
Total Police Department	467,359
Economic Development	
FY24 Appalachian Regional Commission	100,000
FY24 Project Restore 2.0	150,000
Total Economic Development	250,000
Parks and Recreation	
FY26 Hager House America 250	4,300
Total Parks and Recreation	4,300
Total Grant Expenditures	\$ 721,659

GRANT FUND CAPITAL EXPENSES
FISCAL YEAR 2025/2026

ACCOUNT NO./DESCRIPTION	OUTLINE OF USE	JUSTIFICATION	COST
Bulletproof Vest Partnership 1610000-5834-G0515 Fire Arms, Body Armor	Police Use	Purchase of new body armor and bulletproof vests.	2,092
Future Bulletproof Vest Partnership 1610000-5834-G9999 Fire Arms, Body Armor	Police Use	Purchase of new body armor and bulletproof vests.	20,000
TOTAL CAPITAL OUTLAY			\$ 22,092

Grand Openings

City of Hagerstown



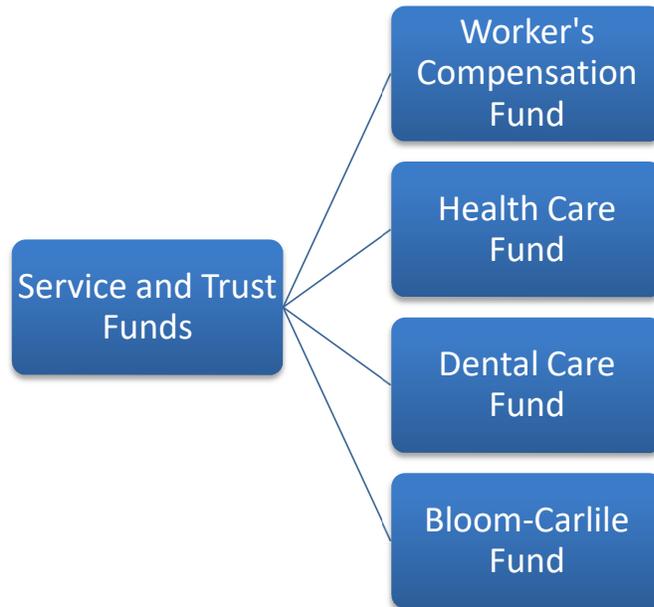
**SERVICE AND TRUST FUNDS
SECTION 5**

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SERVICE & TRUST FUND - COMBINING STATEMENT
FISCAL YEAR 2025/2026

ACCOUNT DESCRIPTION	WORKERS COMPENSATION	HEALTH CARE	DENTAL CARE	BLOOM- CARLILE	TOTAL
OPERATING REVENUES					
Premium Revenues	\$ 1,751,832	\$ 9,270,720	\$ 429,673	\$ -	\$ 11,452,225
Prescription Rebates	-	636,514	-	-	636,514
Stop Loss Reimbursements	-	500,000	-	-	500,000
Total Operating Revenues	\$ 1,751,832	\$ 10,407,234	\$ 429,673	\$ -	\$ 12,588,739
OPERATING EXPENSES					
Medical and Dental Claims Expense	-	8,476,807	354,120	-	8,830,927
Claims Reserve, Stop Loss Reinsurance and Excess Insurance	1,583,742	884,068	5,000	-	2,472,810
Legal Fees, Administrative Expenses & Injury and Damage Awards	170,176	364,397	44,544	-	579,117
Health Savings Acct Contributions	-	50,000	-	-	50,000
Wellness Program	-	50,000	-	-	50,000
Audit Fees	350	350	350	-	1,050
OPEB Trust Contributions	-	700,000	-	-	700,000
Community Assistance Expenditures	-	-	-	5,000	5,000
Total Operating Expenses	\$ 1,754,268	\$ 10,525,622	\$ 404,014	\$ 5,000	\$ 12,688,904
Operating Income (Loss)	\$ (2,436)	\$ (118,388)	\$ 25,659	\$ (5,000)	\$ (100,165)
NON OPERATING REVENUES (EXPENSES)					
Investment Earnings	10,000	50,000	20,000	1,000	81,000
Total Other Income (Expense)	\$ 10,000	\$ 50,000	\$ 20,000	\$ 1,000	\$ 81,000
Net Income before Operating Transfers	\$ 7,564	\$ (68,388)	\$ 45,659	\$ (4,000)	\$ (19,165)
TRANSFERS FROM (TO) OTHER FUNDS					
Transfers from - Dental Fund	-	-	-	-	-
Transfers (to) - Health Care Fund	-	-	-	-	-
Total Transfers From (To) Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Increase (Decrease) in Retained Earnings	\$ 7,564	\$ (68,388)	\$ 45,659	\$ (4,000)	\$ (19,165)
Beginning Fund Balance	4,015,176	2,071,315	776,066	67,442	6,929,999
Ending Fund Balance	\$ 4,022,740	\$ 2,002,927	\$ 821,725	\$ 63,442	\$ 6,910,834



WORKERS COMPENSATION FUND OVERVIEW

The Worker's Compensation fund was created in 1995. Effective July 1, 2015 the City transitioned from a traditional 100% coverage insurance to a self-insurance program which had been in place since September 1, 1998. The fund serves as a conduit to collect charges based on historical allocations from each fund and category of workers and will be used to pay actual medical claim costs, processing fees and self-funded expenses required by the Maryland Workers Compensation Commission.

HEALTH CARE FUND OVERVIEW

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

DENTAL CARE FUND OVERVIEW

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

BLOOM-CARLILE TRUST FUND OVERVIEW

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

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

WORKERS COMPENSATION FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
REVENUES BY TYPE					
Premium Revenues	\$ 1,682,409	\$ 1,746,348	\$ 1,746,348	\$ 1,751,832	0.3%
Interest Income from Investments	23,627	10,000	40,000	10,000	0.0%
Total Revenues	\$ 1,706,036	\$ 1,756,348	\$ 1,786,348	\$ 1,761,832	0.3%
EXPENDITURES BY TYPE					
Excess Insurance	218,612	222,984	222,984	245,000	9.9%
Claims Expense	1,000,175	1,338,742	1,338,742	1,338,742	0.0%
Administrative Expenses	40,100	62,500	62,500	62,500	0.0%
Audit Fees	330	340	340	350	2.9%
Legal Fees	96,388	55,752	55,752	60,000	7.6%
Other Professional Services Fees	48,391	47,676	47,676	47,676	0.0%
Total Expenditures & Transfers	\$ 1,403,996	\$ 1,727,994	\$ 1,727,994	\$ 1,754,268	1.5%
Expenditures, net of Revenues	\$ (302,040)	\$ (28,354)	\$ (58,354)	\$ (7,564)	-73.3%
Beginning Fund Balance	3,654,782	3,956,822	3,956,822	4,015,176	1.5%
Ending Fund Balance	\$ 3,956,822	\$ 3,985,176	\$ 4,015,176	\$ 4,022,740	0.9%

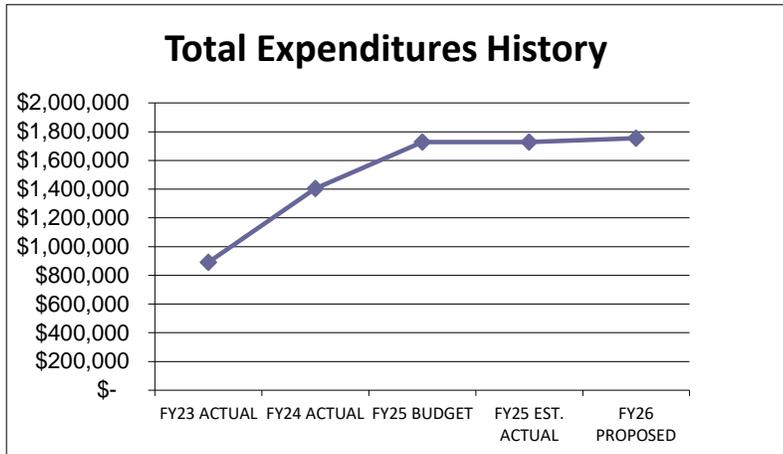
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

Total expenditures for FY25 estimated actual are anticipated to be in line with the FY25 budget. In addition, the revenue is anticipated to be slightly higher for estimated actual FY25 compared to the adopted budget for FY25 due to the increase of interest earnings by \$30K. The premium revenues reflect amounts charged to all other City funds and were established based on actuarial calculated recommendations.

Adopted FY25 to Proposed FY26

Total expenditures for FY26 are projected to be 1.5%, or \$26.2K higher than the FY25 budget, due to an anticipated increase in excess insurance and administrative expenses. Total revenue will increase by 0.3% or \$5.5K resulting from an increase in premium revenues.



HEALTH CARE FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
REVENUES BY TYPE					
Premium Revenues-City	\$ 6,441,569	\$ 7,172,939	\$ 7,325,154	\$ 7,958,138	10.9%
Premium Revenues-Employees	941,429	951,547	953,199	953,199	0.2%
Premium Revenues-Retirees	250,286	241,438	359,383	359,383	48.9%
Stop Loss Reimbursement	708,198	500,000	500,000	500,000	0.0%
Prescription Rebates	534,581	626,276	554,379	636,514	1.6%
Interest from Investments	90,242	50,000	50,000	50,000	0.0%
Total Revenues	\$ 8,966,305	\$ 9,542,200	\$ 9,742,115	\$ 10,457,234	9.6%

EXPENDITURES BY TYPE

Medical Claims Expense	7,765,767	8,540,020	8,165,964	8,476,807	-0.7%
Claims Reserve Expense	(141,079)	100,000	100,000	100,000	0.0%
Health Savings Acct Contributions	41,750	50,000	50,000	50,000	0.0%
Administrative Expenses	406,614	362,201	364,397	364,397	0.6%
Audit Fees	330	340	340	350	2.9%
Stop Loss Reinsurance Expense	449,834	544,776	658,245	784,068	43.9%
Wellness Program	54,589	50,000	50,000	50,000	0.0%
OPEB Trust Contributions	700,000	700,000	700,000	700,000	0.0%
Total Expenditures	\$ 9,277,805	\$ 10,347,337	\$ 10,088,946	\$ 10,525,622	1.7%

Transfers from Dental Fund	(200,000)	-	-	-	0.0%
Total Transfers	\$ (200,000)	\$ -	\$ -	\$ -	0.0%

Total Expenditures & Transfers	\$ 9,077,805	\$ 10,347,337	\$ 10,088,946	\$ 10,525,622	1.7%
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Expenditures, net of Revenues	\$ 111,500	\$ 805,137	\$ 346,831	\$ 68,388	-91.5%
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Beginning Fund Balance	2,529,646	2,418,146	2,418,146	2,071,315	-14.3%
Ending Fund Balance	\$ 2,418,146	\$ 1,613,009	\$ 2,071,315	\$ 2,002,927	24.2%

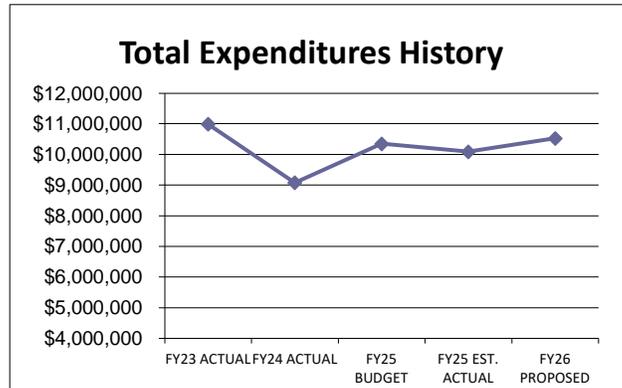
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

As a result of a decrease in medical claims total expenditures are projected to be approximately 2.5% or \$258.4K less than originally included in the budget. In the current year to date, the City has experienced lower actual paid claims than were anticipated when preparing the FY25 budget as a result of a decrease in high claimants. The associated premium revenues charged and paid by the City show an increase when compared with the FY25 budget while the stop loss reimbursements are projected at \$500K to help assure that the City does not pay more than the maximum projected expense for each individual covered under the plan.

Adopted FY25 to Proposed FY26

As a result of current trends for medical claims expense as recommended by CBIZ, the expenditures for proposed FY26 are projected to be 1.7% or \$178.3K higher than FY25 budget. This includes a 43.9% or \$239.3K increase in Stop Loss Reinsurance expense. With the projected increase in expenses, City funding toward employee medical claims in FY26 is projected to be higher by 10.9% or \$785.2K when compared to the FY25 budget.



DENTAL CARE FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
REVENUES BY TYPE					
Premium Revenues-City	\$ 184,704	\$ 194,935	\$ 188,504	\$ 196,628	0.9%
Premium Revenues-Employees	155,288	156,615	157,599	157,599	0.6%
Premium Revenues-Retirees	77,241	76,568	75,446	75,446	-1.5%
Interest from Investments	39,388	20,000	25,000	20,000	0.0%
Total Revenues	\$ 456,621	\$ 448,118	\$ 446,549	\$ 449,673	0.3%
EXPENDITURES BY TYPE					
Dental Claims Expense	319,636	338,070	346,398	354,120	4.7%
Claims Reserve Expense	(1,481)	5,000	5,000	5,000	0.0%
Administrative Expenses	44,597	44,508	44,905	44,544	0.1%
Audit Fees	330	340	340	350	2.9%
Total Expenditures	\$ 363,082	\$ 387,918	\$ 396,643	\$ 404,014	4.1%
Transfers to Health Care Fund	200,000	-	-	-	0.0%
Total Transfers	\$ 200,000	\$ -	\$ -	\$ -	0.0%
Total Expenditures & Transfers	\$ 563,082	\$ 387,918	\$ 396,643	\$ 404,014	4.1%
Expenditures, net of Revenues	\$ 106,461	\$ (60,200)	\$ (49,906)	\$ (45,659)	-24.2%
Beginning Fund Balance	832,621	726,160	726,160	776,066	6.9%
Ending Fund Balance	\$ 726,160	\$ 786,360	\$ 776,066	\$ 821,725	4.5%

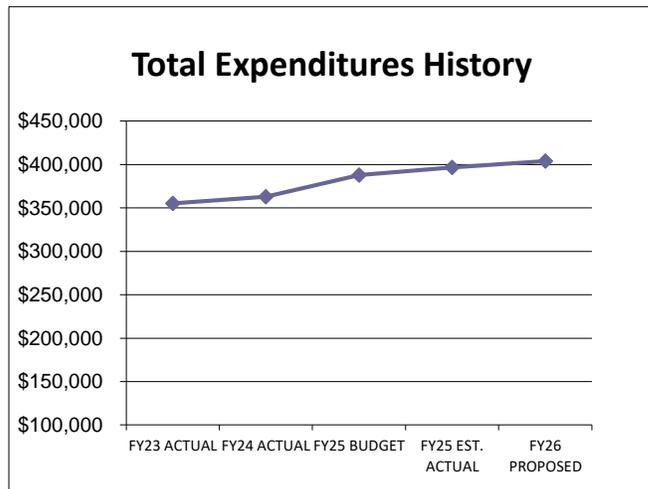
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

Total expenditures for FY25 estimated actual compared to FY25 budget are anticipated to be higher by 2.2% or \$8.7K as a result of higher actual dental claims paid. Revenues decreased from FY25 budget by \$1.6K with a decrease in premium revenues of \$5.4K but an increase in interest on investments of \$5.0K.

Adopted FY25 to Proposed FY26

The dental claims expenditures for proposed FY26 budget are expected to increase by 4.7% or \$16.0K from FY25 budget which generates increases in overall expenses by \$16.1K. Additionally, the revenues and premiums charged are expected to increase by 0.3% or \$1.6K as a result of the trends for participants currently enrolled in the dental insurance program.



BLOOM-CARLILE TRUST FUND - PROGRAM FINANCIAL SUMMARY
FISCAL YEAR 2025/2026

EXPENDITURE AND REVENUE SUMMARY

	2023/24	2024/25		2025/26	2025/26
	ACTUAL	BUDGET	EST. ACTUAL	PROPOSED	% CHANGE
REVENUES BY TYPE					
Interest Earned	\$ 1,265	\$ 800	\$ 1,000	\$ 1,000	25.0%
Total Revenues	\$ 1,265	\$ 800	\$ 1,000	\$ 1,000	25.0%
EXPENDITURES BY TYPE					
Utilities	4,728	4,600	5,000	5,000	8.7%
Total Expenditures & Transfers	\$ 4,728	\$ 4,600	\$ 5,000	\$ 5,000	8.7%
Expenditures, net of Revenues	\$ 3,463	\$ 3,800	\$ 4,000	\$ 4,000	5.3%
Beginning Fund Balance	74,905	71,442	71,442	67,442	-5.6%
Ending Fund Balance	\$ 71,442	\$ 67,642	\$ 67,442	\$ 63,442	-6.2%

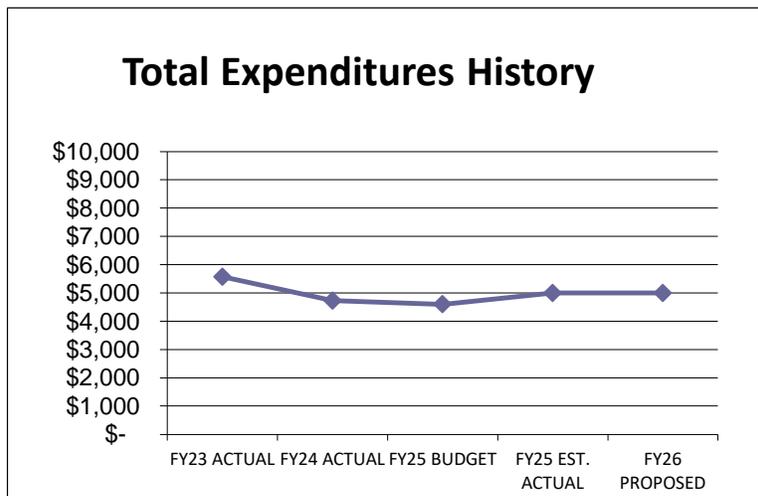
BUDGET HIGHLIGHTS AND SIGNIFICANT CHANGES

Adopted FY25 to Estimated Actual FY25

It is anticipated that we will need to appropriate about \$4.0K from accumulated prior years earnings to cover the shortfall between FY25 interest earnings and FY25 expenses. This shortfall is a result of the amount pledged to the Community Action Council with the change made to this program to assist the poor and needy of Hagerstown. Finance will continue to monitor this fund to ensure that a long-term balance is maintained between interest earnings and total expenditures.

Adopted FY25 to Proposed FY26

For many years, the budget limited the pledge to the Community Action Council to the next year's anticipated interest earnings. This limitation withheld assistance to the poor and needy of Hagerstown in economic slumps when the need was the greatest. In addition, interest rates had declined over this same period of time which led to even less interest revenue being generated. Our FY26 budget continues to reflect our modification to treat this fund more as a flow of funds annuity with a steady annual stipend which will be continually replenished from investment earnings over a long-term time frame. Finance will monitor this fund so that a long-term balance between earnings and expenditures is maintained.



City Center

City of Hagerstown



**FINANCIAL PROJECTIONS
SECTION 6**

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ALL FUNDS PROJECTIONS
FISCAL YEAR 2026/2030
INTRODUCTION

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

- Strategically planning for the future by using the FY2025/26 Proposed Budget as a baseline.
- Maintaining a broader view of the impact of the current budget process, fiscal policies, service levels, and Capital Improvement Plans.
- Enabling us to forecast the possible results of our current business plans and decisions to become more proactive in financial management and planning efforts.
- Reviewing and analyzing the impact of expected fiscal and economic trends on the City's financial condition.
- Reviewing the sufficiency of projected revenues in meeting projected expenditures.
- Analyzing the financial impact and affordability of the capital improvement programs.
- Reviewing the timing and amounts of needed debt financing and its fiscal impact.
- Determining the timing and magnitude of required revenue rate adjustments.

The projections are based on information available to staff as of March 1, 2025. Although every effort has been made to be realistic in developing these projections, it is important to note that revenues and expenditures rarely proceed in a totally predictable manner. These projections can, however, provide an important tool for the City's long-term financial planning.

- Percentages of projected changes are indicated in the column after the FY2025/26 Proposed Budget. Items without a percentage have been individually projected by year. An "S" indicates that there is a supporting schedule with more detail.
- The interest income revenue is projected to fluctuate across funds in FY2025/26 and future years as a result of rising interest market rates, pending estimates for future interest rates adjustments to be made by the Federal Reserve System, and available cash balances in individual funds.
- The Wage & Benefits projections contain salary enhancements for FY2025/26 for all full-time employee groups. (See Section 1 for specific wage history trends by employee group). The projections include a combination of salary enhancements annually from FY2025/26 through FY2029/30. Additionally, the projections include savings associated with funded vacant positions in the General Fund; and anticipate funded vacancy savings to occur into the future through FY2029/30. The City has four collective bargaining union groups and one of the four groups have approved contracts in place for FY2025/26.
- The overall average projected increase in employee benefits range from 5.9% to 8.6% primarily due to expected increases over the next several years in the City's Health, Workers Compensation, and Retirement Program costs.
- Debt service includes current commitments to repay principal and interest on governmental obligations, as well as projected debt requirements identified in the capital improvement plan. Future debt costs are based on a 2.5% through 5.5% interest rate range over a 20 or 25 year term and includes both City issued bonds and MDE issued bonds/loans.
- In addition to covering 100% of the claims and cost incurred for retired employees, the City makes annual contributions to a separate trust account for Other Post-Employment Benefits (OPEB). The annual amount to be contributed in FY2025/26 is \$700K and is projected through FY2029/30 dependent upon claim experience trends and no premium adjustments for employees.

GENERAL FUND PROJECTIONS
FISCAL YEAR 2026/2030
ASSUMPTIONS

- In general, total revenue growth (excluding the “NEEDED REVENUE SOURCE” amount) is projected to increase from \$71.4 million in FY2025/26 to \$71.9 million in FY2026/27. Due to several contributing factors, new and / or increased revenue sources are needed beginning in FY2026/27 to help offset estimates for future periods. The primary factors that impact the projections for FY2026/27 include:
 - Funding equipment and Capital Improvement Program with annual operating revenue increase of \$11.1M
 - Preliminary projection of 6.0% increase for all salary and related benefits costs
 - Annual debt service requirements increase of 1.7% for infrastructure upgrades and improvements
 - Preliminary overall inflation factors on insurance, supplies, and maintenance contracts
- The property tax rate is proposed to increase by 5.5 cents from current rates at \$1.002 to \$1.057 per \$100 for real estate; and \$2.505 to \$2.643 per \$100 for personal property. The annual Constant Yield certification from the State Department of Assessments & Taxation received in February 2025 reflects market value growth of 5.7% during the final year of the City’s triennial assessment period. The total estimated property tax revenue represents 69.2% of current revenue sources in FY2025/26 and is important overall to cover existing city service levels, employer payroll costs (including wages and benefits), inflation increases on most expense categories, pay-go funds for capital infrastructure need, and annual debt service requirements. While, the proposed rate increase will cover only a portion of the increase salary and benefits costs of Police. For future years, the projections include overall growth in property tax revenue in FY2026/27 through FY2029/30 to occur through increased assessed values; anticipated development growth; annexations; or other adjustments as needed to offset any market values decline.
- The County Tax Rebate was terminated by the County and was replaced by a County Tax Rate differential provided directly to City property owners which started in 2010/11. The County rate in the City has remained the same since implementation and is currently \$0.125 cents per \$100 assessed value less than the outside City rate and is estimated to stay the same for 2025/26. All municipalities within the County receive the same amount of tax differential despite the differences in services provided by each municipality.
- From FY2024/25 to FY2025/26 budget, the overall City portion of Income & Other Taxes is expected to increase by 10.7% to reflect growth some categories of revenue and continue to increase over future periods at more moderate levels.
 - The local income tax revenue is anticipated to remain flat unless Washington County makes a change to the withholding rate from current 2.95% which was effective January 1, 2023. Despite the current trend, it is anticipated that this income source will grow approximately 2.5% annually beginning in FY2026/27 through FY2029/30 as more businesses open.
 - Both admission and amusement plus hotel/motel room tax is fairly flat in FY2025/26, it is estimated that there will be minimal growth for both in future periods as more people stay, pay to attend events, and more hotels are built.
 - Enterprise zone tax credits from the State are the largest driver for the increase reflected in FY2025/26 data as a result of two large warehouse operations beginning their ten year tax credit cycle. It is anticipated that this revenue source will start to decline in FY2029/30 as the newer and larger customers began the declining percentage phase for these tax credits.
- Most operating grant revenues and related expenditures are separately reflected in the Grants Fund. The largest component included in FY2024/25 estimated actual reflect \$0.6M for school resource officers. In the prior two fiscal years, American Rescue Plan Act of 2021 (ARPA) dollars were utilized for a wide variety of items and were the largest component. ARPA grant funding expired on December 31, 2024 unless it was obligated and encumbered. For this reason, there will only be minimal ARPA grant funding remaining to be spent in the CIP in FY2025/26. Beginning in FY2025/26 and future periods, only the recurring grant dollars that are received for police for school resource officers and DEA related overtime costs will be included in the operating revenues of the General Fund.
- Wage & Benefit projections include four collective bargaining union contracts and non-union employees. In total, Wages & Benefits are 60.6% of total overall operating expenditures in the FY2025/26 budget. Based on one new negotiated contract, two ongoing contract negotiations, and competitive market trends, the projections include a continuation of combined salary enhancements annually through FY2029/30. The projection includes savings associated with vacancies in funded positions that occur throughout the normal course of business. There is a schedule of unfunded positions in Schedule 1 for reference only; there are no dollars reflected in the FY2025/26 budget for unfunded positions and savings. The overall projected increases from FY2026/27 through FY2029/30 range from 4.8% to 6.0% increases resulting from continued salary enhancements and rising benefit costs. As noted on the Insurance and Pension Costs charts in this section, employer portion for State of Maryland pension contributions are increasing by 10.9% from 11.97% of base salaries to 13.28% of base salaries for staff in FY2025/26 budget and anticipated to remain at that level through FY2029/30. Employer costs for health insurance trends continue to increase with no offsetting increase to employees’ premiums since July 2010.
- Annual debt service expenditures represent 3.8% of all general fund expenditures in FY2025/26 budget, or \$2.7 million. As reflected on the debt service schedule on page 12, annual debt service requirements are expected to increase annually from FY2025/26 through FY2029/30 as the city continues to pay-off prior bonds and issue new bonds for infrastructure investments. There is significant increases in FY2025/26 of 31.6%, FY2027/28 of 21.7%, and FY2028/29 of 41.3% as the City finances the majority of costs to build an indoor Sports complex and new fire stations. The changes in between that in FY2026/27 and FY2029/30 are respectively 1.7% and 2.2% increases. The detail on each project that will be funded by future debt issues are reflected in Section 7, page 16. It is important to note that if all planned projects move forward as reflected, the City will be over its debt limit capacity in FY2027/28 as reflected in its Debt Management Policy.
- The remaining other expenditure categories are projected to increase based on a combination of historic trends and inflation factors.

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2026/2030
INCOME STATEMENT
(IN THOUSANDS)

	2022/23 ACTUAL	2023/24 ACTUAL	2024/25		2025/26	PROJ. CHG%	2026/27 PROJ.	2027/28 PROJ.	2028/29 PROJ.	2029/30 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET					
REVENUES										
Property Taxes	\$ 33,209	\$ 35,476	\$ 37,456	\$ 39,272	\$ 43,749	S	\$ 45,824	\$ 47,534	\$ 49,316	\$ 51,673
Payments in Lieu of Taxes	2,794	2,817	2,805	2,828	2,828	S	2,831	2,833	2,836	2,839
Total property taxes	36,003	38,293	40,261	42,100	46,577		48,654	50,368	52,152	54,512
	4.1%	6.4%	5.1%	4.6%	15.7%		4.5%	3.5%	3.5%	4.5%
Income Tax	4,151	4,094	4,200	4,200	4,200	2.5%	4,305	4,413	4,523	4,636
Highway User Revenues	134	135	125	125	139		125	125	125	125
Police / Fire Protection	1,175	1,429	1,275	1,283	1,178	0.5%	1,184	1,190	1,196	1,202
Admission Tax	260	592	457	336	450		450	460	480	490
Financial Corporations	34	34	34	31	34		34	34	34	34
Room Tax - Tourism Promotion	330	312	325	325	325	2.0%	332	338	345	352
Enterprise Zone Tax Credits	525	543	571	1,418	1,410		1,375	1,250	1,000	500
Sales Tax - Cannabis	-	43	64	64	70	2.0%	71	73	74	76
Total Income & Other Taxes	6,609	7,182	7,051	7,782	7,806		7,876	7,883	7,777	7,415
	16.8%	8.7%	-1.8%	10.4%	10.7%		0.9%	0.1%	-1.3%	-4.7%
Total Tax & Shared Revenues	42,612	45,475	47,312	49,882	54,383		56,530	58,250	59,929	61,927
	5.9%	6.7%	4.0%	5.4%	14.9%		3.9%	3.0%	2.9%	3.3%
Refuse Service Fees	3,267	3,571	4,878	4,774	4,812	2.5%	4,932	5,056	5,182	5,312
Other Service Charges	436	1,388	873	861	917	2.0%	935	954	973	993
Residential Rental Licenses & Vacant Structures	587	783	815	815	851	0.5%	855	860	864	868
Cable TV Franchise	299	238	258	225	225	2.0%	230	234	239	244
Other Licenses & Permits	1,680	1,543	1,283	1,561	1,017	2.0%	1,037	1,058	1,079	1,101
Safe Speed for Students Program	733	690	825	825	825		800	800	750	750
Red Light Camera Program	186	193	210	185	200		200	200	250	250
Other Fines & Forfeitures	51	115	93	93	97	3.0%	100	103	106	109
Admin Allocation	1,998	1,998	1,998	1,998	1,998	0.0%	1,998	1,998	1,998	1,998
Interest	1,011	1,937	1,255	1,230	900		900	900	900	900
Rental Income	185	199	147	156	153		150	160	170	180
Intergovernmental Revenues	1,088	2,157	1,096	1,058	765	S	793	817	841	866
Other Revenues	1,000	245	207	181	124	S	478	478	478	478
NEEDED REVENUE SOURCE*	-	-	-	-	-		9,435	5,751	4,713	5,884
Total Other Revenues	12,521	15,057	13,938	13,962	12,884		22,844	19,368	18,543	19,932
Total Revenues	55,133	60,532	61,250	63,844	67,267		79,374	77,618	78,472	81,859
% Revenue Growth	8.1%	9.8%	1.2%	4.2%	9.8%		18.0%	-2.2%	1.1%	4.3%
Appropriated Fund Balance to CIP Fund: Capital Expenditures	-	-	2,624	-	4,125		2,000	-	-	-
Total Other Funding Sources	-	-	2,624	-	4,125		2,000	-	-	-
Total Funding Sources	\$ 55,133	\$ 60,532	\$ 63,874	\$ 63,844	\$ 71,392		\$ 81,374	\$ 77,618	\$ 78,472	\$ 81,859

*FY27 projections currently estimate additional \$9.4M in changes needed. This \$9.4M reflects funding equipment and CIP transfers with annual operations, combined 4.0% growth in current revenue sources, an overall preliminary estimate of 6.0% increase for all payroll related costs, annual debt service to fund priority projects, infrastructure and capital needs, and cover overall inflation factors on items such as insurance, supplies, and maintenance contracts.

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2026/2030
INCOME STATEMENT
(IN THOUSANDS)

	2022/23 ACTUAL	2023/24 ACTUAL	2024/25		2025/26		PROJ. CHG%	2026/27 PROJ.	2027/28 PROJ.	2028/29 PROJ.	2029/30 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET						
EXPENDITURES											
Salaries and Wages	\$ 22,799	\$ 24,167	\$ 26,427	\$ 25,806	\$ 29,764	S	\$ 31,175	\$ 32,505	\$ 33,896	\$ 35,549	
Fringe Benefits -											
Active Employees	8,925	9,317	10,542	10,405	11,684	S	12,725	13,464	14,267	15,164	
Retirees	1,445	1,554	1,656	1,670	1,820	S	1,944	2,077	2,220	2,372	
Total Wages & Benefits	33,169	35,038	38,625	37,881	43,269		45,845	48,048	50,382	53,085	
	7.8%	5.6%	10.2%	-1.9%	12.0%		6.0%	4.8%	4.9%	5.4%	
Contracted Services	5,857	6,153	7,853	7,634	7,924	S	8,128	8,338	8,553	8,775	
Advertising & Printing	199	189	201	255	269	2.0%	274	280	285	291	
Rentals	105	99	177	319	338		340	340	340	340	
Maintenance & Repairs	1,686	1,864	2,390	2,155	2,679		2,700	2,800	2,400	2,450	
Vehicle Expenses	896	968	1,057	1,074	1,176	2.0%	1,200	1,224	1,248	1,273	
Materials, Supplies & Utilities	1,944	3,136	2,913	2,769	2,861	3.0%	2,947	3,035	3,126	3,220	
Professional Development	177	179	314	313	296		250	250	300	300	
Communication	385	412	434	467	505		410	412	414	416	
Wage & Overhead Allocation	(1,488)	(1,507)	(1,690)	(1,591)	(1,809)		(1,917)	(2,009)	(2,106)	(2,219)	
Other General Expenditures	843	855	1,114	1,110	1,155		1,160	1,165	1,170	1,175	
Insurance	288	322	401	454	481	5.0%	505	530	557	585	
Unallocated Gen'l Expenditures	630	623	550	455	475		478	478	480	482	
Capital Outlay - Non-CIP	200	224	394	370	387		389	409	414	424	
Debt Service	1,569	1,567	2,009	2,086	2,745	S	2,792	3,399	4,802	4,909	
Operating Transfers to Other Funds	1,331	1,385	1,579	1,527	1,599	S	1,819	1,813	1,854	1,868	
Capital Transfers to CIP Fund	3,175	2,489	2,909	3,061	2,909		14,054	7,106	4,253	4,485	
Fund Balance Transfers to CIP Fund	840	2,649	2,624	1,574	4,125		-	-	-	-	
Total Expenditures	51,806	56,645	63,854	61,913	71,384		81,374	77,618	78,472	81,858	
<i>% Expenditures Growth</i>	0.4%	9.3%	12.7%	-3.0%	11.8%		14.0%	-4.6%	1.1%	4.3%	
Surplus / (Deficit)	\$ 3,327	\$ 3,887	\$ 20	\$ 1,931	\$ 8		\$ (0)	\$ 0	\$ (0)	\$ 0	
Real Estate Tax Rates: Excl Apts	\$ 1.002	\$ 1.002	\$ 1.002	\$ 1.002	\$ 1.057		\$ 1.057	\$ 1.057	\$ 1.057	\$ 1.057	
Change in Tax Rates	\$ -	\$ -	\$ -	\$ -	\$ 0.055		\$ -	\$ -	\$ -	\$ -	
Each penny on the real estate tax rate generates additional revenue of	\$ 290	\$ 319	\$ 330	\$ 339	\$ 359		\$ 378	\$ 394	\$ 411	\$ 433	
Personal Property Tax Rates	\$ 2.505	\$ 2.505	\$ 2.505	\$ 2.505	\$ 2.643		\$ 2.643	\$ 2.643	\$ 2.643	\$ 2.643	
Change in Tax Rates	\$ -	\$ -	\$ -	\$ -	\$ 0.138		\$ -	\$ -	\$ -	\$ -	
Each penny on the personal property tax rate generates additional revenue of	\$ 18	\$ 15	\$ 19	\$ 22	\$ 23		\$ 23	\$ 24	\$ 24	\$ 24	

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2026/2030
PROPERTY TAXES
(IN THOUSANDS)

	2022/23 ACTUAL	2023/24 ACTUAL	2024/25		2025/26		2026/27 PROJ.	2027/28 PROJ.	2028/29 PROJ.	2029/2030 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	PROJ. CHG% *				
Real Estate - Full Year Levy	\$ 30,493	\$ 33,457	\$ 35,076	\$ 38,110	\$ 42,110		\$ 44,079	\$ 45,695	\$ 47,365	\$ 49,686
% Increase	5.0%	9.7%	4.8%	8.6%	20.1%		4.7%	3.7%	3.7%	4.9%
Personal Property - Uninc	30	98	100	50	50	0.5%	50	51	51	51
Personal Property - Corp	4,461	3,773	4,588	5,585	6,055	0.5%	6,135	6,166	6,197	6,228
Homestead Tax Credit	(74)	(509)	(500)	(961)	(1,000)		(980)	(960)	(940)	(940)
Enterprise Zone Tax Credit Progr	(1,049)	(1,086)	(1,143)	(2,835)	(2,821)		(2,821)	(2,781)	(2,745)	(2,745)
Tax Exemption - Real Estate	(579)	(630)	(625)	(650)	(650)		(650)	(650)	(630)	(630)
Total Current Year's Levy	33,282	35,103	37,496	39,299	43,744		45,814	47,520	49,298	51,649
Reserve for Uncollect Taxes	(94)	268	(100)	(100)	(100)		(100)	(100)	(100)	(100)
Total Adj - Prior Yrs Levies	(94)	268	(100)	(100)	(100)		(100)	(100)	(100)	(100)
Current Years Levy	56	150	100	120	150		157	163	169	177
Total Interest on Delinq Tax	56	150	100	120	150		157	163	169	177
Tax Discounts/Allows - C/Yr	(35)	(45)	(40)	(47)	(45)		(47)	(49)	(51)	(53)
Total Tax Discounts/Allows	(35)	(45)	(40)	(47)	(45)		(47)	(49)	(51)	(53)
Total Property Taxes	33,209	35,476	37,456	39,272	43,749		45,824	47,534	49,316	51,673
% Increase	4.5%	6.8%	5.6%	4.8%	16.8%		4.7%	3.7%	3.7%	4.8%
Hag Housing Authority	103	119	110	118	118	0.8%	119	120	121	122
Bethel Gardens	16	18	16	18	18	0.8%	18	18	18	19
Liberty Property	175	179	179	191	191	0.8%	193	194	196	197
CW Brooks Mid-Rise	10	11	10	11	11	0.8%	11	11	11	11
Electric Fund	532	532	532	532	532	0.0%	532	532	532	532
Water Fund	660	660	660	660	660	0.0%	660	660	660	660
Wastewater Fund	1,298	1,298	1,298	1,298	1,298	0.0%	1,298	1,298	1,298	1,298
Property Management Fund	-	-	-	-	-	0.0%	-	-	-	-
Total Pymts in Lieu of Taxes	2,794	2,817	2,805	2,828	2,828		2,831	2,833	2,836	2,839
% Increase	-0.5%	0.8%	-0.4%	0.8%	0.8%		0.1%	0.1%	0.1%	0.1%
Total Property Taxes	\$ 36,003	\$ 38,293	\$ 40,261	\$ 42,100	\$ 46,577		\$ 48,654	\$ 50,368	\$ 52,152	\$ 54,512
% Increase	4.1%	6.4%	5.1%	4.6%	15.7%		4.5%	3.5%	3.5%	4.5%

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2026/2030
ASSESSABLE BASE TABLE

	Total Assessable Base Values* <small>(in millions)</small>	Assessable Base - % Change from Prior Year	Real Estate Tax Rate	Real Estate Tax Rate -% Change from Prior Year	Real Estate and Property Tax Revenue <small>(in thousands)</small>	Property Taxes - % Change from Prior Year
Actual 2008/2009	2,552	11.1%	0.788	-1.3%	21,676	9.8%
Actual 2009/2010	2,830	10.9%	0.788	0.0%	23,959	10.5%
Actual 2010/2011	2,881	1.8%	0.788	0.0%	24,132	0.7%
Actual 2011/2012	2,559	-11.2%	0.788	0.0%	21,386	-11.4%
Actual 2012/2013	2,634	2.9%	0.788	0.0%	22,216	3.9%
Actual 2013/2014	2,665	1.2%	0.788	0.0%	22,398	0.8%
Actual 2014/2015	2,542	-4.6%	0.898	14.0%	24,325	8.6%
Actual 2015/2016	2,618	3.0%	0.913	1.7%	25,586	5.2%
Actual 2016/2017	2,660	1.6%	0.913	0.0%	25,991	1.6%
Actual 2017/2018	2,660	0.0%	0.941	3.1%	26,857	3.3%
Actual 2018/2019: All	2,714	2.0%	1.002	6.5%	29,197	8.7%
Actual 2018/2019: Apts	237	N/A ***	1.032	N/A	2,451	N/A
Actual 2019/2020: All	2,754	1.5%	1.002	0.0%	29,525	1.1%
Actual 2019/2020: Apts	184	-22.6%	1.032	0.0%	1,897	-22.6%
Actual 2020/2021: All	2,814	2.2%	1.002	0.0%	30,567	3.5%
Actual 2020/2021: Apts	242	31.5%	1.032	0.0%	2,494	31.5%
Actual 2021/2022: All	2,934	4.3%	1.002	0.0%	32,000	4.7%
Actual 2021/2022: Apts	245	1.4%	1.032	0.0%	2,530	1.4%
Actual 2022/2023: All	3,053	4.0%	1.002	0.0%	33,282	4.0%
Actual 2022/2023: Apts	250	1.8%	1.032	0.0%	2,577	1.8%
Actual 2023/2024: All	3,271	7.2%	1.002	0.0%	35,103	5.5%
Estimated 2024/2025: All	3,585	9.6%	1.002	0.0%	39,299	12.0%
Proposed 2025/2026: All	3,792	5.8% **	1.057	5.5%	43,744 **	11.3%
Projected 2026/2027: All	3,983	5.0%	1.057	0.0%	45,813	4.7%
Projected 2027/2028: All	4,143	4.0%	1.057	0.0%	47,520	3.7%
Projected 2028/2029: All	4,309	4.0%	1.057	0.0%	49,298	3.7%
Projected 2028/2029: All	4,530	5.1%	1.057	0.0%	51,651	4.8%

*The City chart above includes a calculated assessable base value for both real property and personal property and these values are reflected separately on the following page. The State Department of Assessment and Taxation provides annual Constant Yield notice information that includes real property assessed value expected on July 1 only.

**The assessable base value per the February 2025 Constant Yield Notice memos reflect a combined expected real property assessed value of 3,834 which is an increase of 5.7% compared to current levels. The City chart above assumes a slightly lower average assessable base value which includes personal property values. In addition, the chart above reflects the average value for all of FY24 and not just the value estimated to be on July 1.

***Reminder: the City eliminated the tow tier real estate tax rate for all Apartment classifications in FY24. The numbers and data for "All" include the Apartment classifications and are representative of total dollars and value to the City.

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2026/2030
ASSESSABLE BASE TABLE
(IN THOUSANDS)

	PROPOSED				
	ACTUAL 2022/23	ACTUAL 2023/24	EST. ACTUAL 2024/25	BUDGET 2025/26	PROJECTED 2026/27
For Full Year Levy	\$ 30,493	\$ 33,457	\$ 38,110	\$ 42,110	\$ 44,079
Enterprise Zone Tax Credit Program	(1,049)	(1,086)	(2,835)	(2,821)	(2,821)
Tax Exemption - Real Estate	(579)	(630)	(650)	(650)	(650)
Homestead Tax Credit Cap	(74)	(509)	(961)	(1,000)	(980)
Net Real Estate Taxes	28,791	31,232	33,664	37,639	39,628
	4.0%	8.5%	7.8%	11.8%	5.3%
Unincorporated Personal Property	30	98	50	50	50
Corporate Personal Property	4,461	3,773	5,585	6,055	6,135
Total Personal Property	4,491	3,871	5,635	6,105	6,185
	3.7%	-13.8%	45.6%	8.3%	1.3%
Current Year's Levy	\$ 33,282	\$ 35,103	\$ 39,299	\$ 43,744	\$ 45,813
	4.0%	5.5%	12.0%	11.3%	4.7%
Real Estate Tax Rate	\$ 1.002	\$ 1.002	\$ 1.002	\$ 1.057	\$ 1.057
<i>Real Estate Tax Rate - Apartments Only</i>	<i>\$ 1.032</i>	<i>\$ 1.032</i>	<i>\$ 1.002</i>	<i>\$ 1.057</i>	<i>\$ 1.057</i>
Business Property Tax Rate	\$ 2.505	\$ 2.505	\$ 2.505	\$ 2.643	\$ 2.643
Assessable Base					
Real Property	\$ 2,873,353	\$ 3,116,966	\$ 3,359,681	\$ 3,560,927	\$ 3,749,122
	4.0%	8.5%	7.8%	6.0%	5.3%
[(Net Real Estate Taxes / Tax Rate)/10]					
Business Personal Property	179,281	154,531	224,950	231,031	234,059
	3.7%	-13.8%	45.6%	2.7%	1.3%
[Total Personal Property / Tax Rate]					
Total Assessable Base	\$ 3,052,635	\$ 3,271,497	\$ 3,584,631	\$ 3,791,958	\$ 3,983,181
	4.0%	7.2%	9.6%	5.8%	5.0%

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2026/2030
GRANT AND OTHER REVENUES
(IN THOUSANDS)

INTERGOVERNMENTAL REVENUES

	2022/2023 ACTUAL	2023/2024 ACTUAL	2024/25		2025/26		2026/27 PROJ.	2027/28 PROJ.	2028/29 PROJ.	2029/30 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	PROJ. CHG%				
Various Departments: Grants										
Event Grants	23	10	17	17	-	-	-	-	-	-
Arts & Entertainment Grants	14	57	10	10	-	-	-	-	-	-
Main Street Grants	21	1	25	25	-	-	-	-	-	-
American Rescue Plan Act of 2021 (ARPA)	557	1,453	346	319	-	-	-	-	-	-
All Other Departmental Grants	-	63	102	102	-	-	-	-	-	-
Police Department: Grants										
DEA Reimbursed Overtime	24	17	-	4	-	-	-	-	-	-
HIDTA NTF Reimbursed Overtime	7	5	15	1	-	5	5	5	5	5
School Resource Officers Grant	442	551	581	580	765	3.0%	788	812	836	861
Total Intergovernmental Revenues	\$ 1,088	\$ 2,157	\$ 1,096	\$ 1,058	\$ 765		\$ 793	\$ 817	\$ 841	\$ 866

OTHER REVENUES

	2022/2023 ACTUAL	2023/2024 ACTUAL	2024/25		2025/26		2026/27 PROJ.	2027/28 PROJ.	2028/29 PROJ.	2029/30 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	PROJ. CHG%				
Sale of Land & Other Property										
Fire & Police Dept Equipment	-	-	4	3	3	-	3	3	3	3
Other	41	34	-	31	-	10	10	10	10	10
Total Land Sale/Other	41	34	4	34	3	13	13	13	13	13
Contributions & Donations	64	48	36	58	30	35	35	35	35	35
Miscellaneous Revenues	211	120	132	54	56	400	400	400	400	400
Other Revenues	275	168	168	112	86	435	435	435	435	435
Transfers from CDBG Fund	30	31	35	35	35	30	30	30	30	30
Transfers from Health Ins Fund	654	-	-	-	-	-	-	-	-	-
Transfers from Capital Improvements Fund	-	12	-	-	-	-	-	-	-	-
Total Transfers from Other Funds	684	43	35	35	35	30	30	30	30	30
Total Other Revenues	\$ 1,000	\$ 245	\$ 207	\$ 181	\$ 124		\$ 478	\$ 478	\$ 478	\$ 478

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2026/2030
SALARIES AND FRINGE BENEFITS
(IN THOUSANDS)

SALARIES AND WAGES

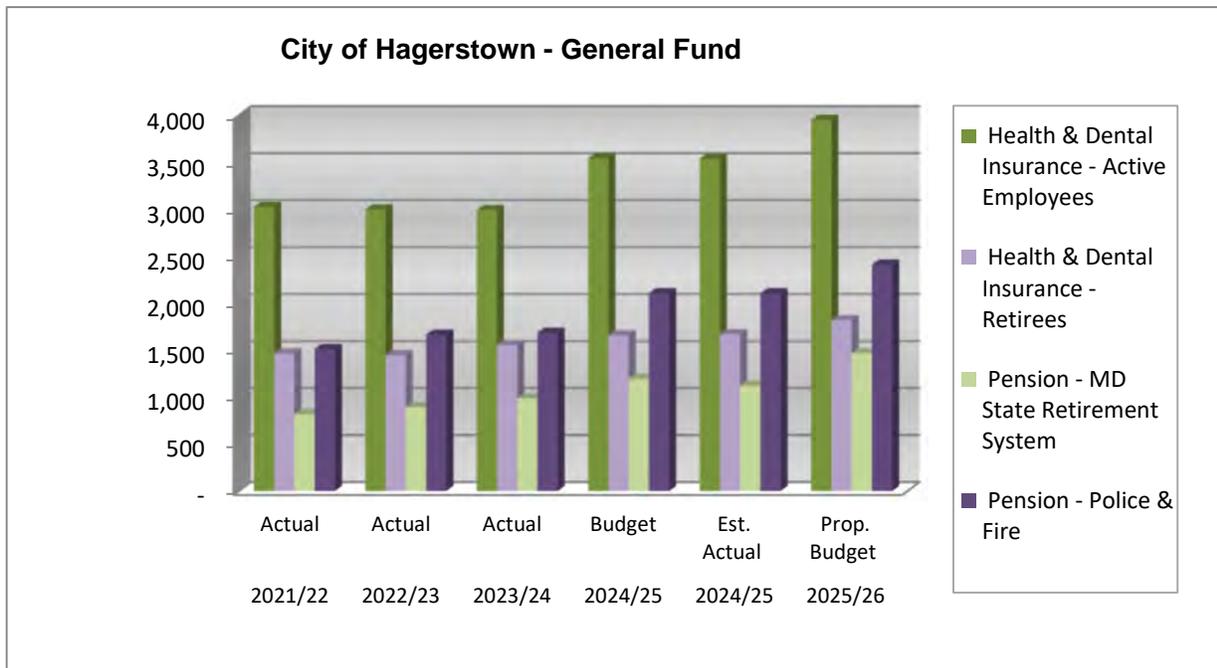
	2022/23 ACTUAL	2023/24 ACTUAL	2024/25		2025/26		2026/27 PROJ. 5.000%	2027/28 PROJ. 4.500%	2028/29 PROJ. 4.500%	2029/30 PROJ. 5.000%
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	PROJ. CHG%				
BASE WAGES										
Regular Wages-Salaried	\$ 5,473	\$ 5,932	\$ 7,665	\$ 7,480	\$ 8,839		\$ 9,281	\$ 9,699	\$ 10,135	\$ 10,642
Regular Wages-Hourly	11,256	11,393	15,368	15,095	17,605		18,485	19,317	20,186	21,196
Sick Leave Pay	641	605	-	-	-		-	-	-	-
Holiday Pay	992	1,052	-	-	-		-	-	-	-
Vacation Pay	1,457	1,452	-	-	-		-	-	-	-
Compensatory Time Used	197	255	-	-	-		-	-	-	-
Personal Leave	232	257	-	-	-		-	-	-	-
Temporary & Seasonal	741	770	1,188	901	1,146	3.00%	1,180	1,216	1,252	1,290
Sick Pay - PT and Seasonal	14	17	16	16	13		16	16	17	17
Vacation Pay on Termination	133	268	289	96	214		200	175	175	200
Unfunded Positions Savings	-	-	-	-	-		-	-	-	-
Additional Vacancy Savings	-	-	(201)	-	(327)		(330)	(330)	(355)	(355)
Total Base Wages	21,136	22,001	24,325	23,588	27,490		28,833	30,092	31,411	32,989
% Increase	9.0%	4.1%	10.6%	-3.0%	13.0%		4.9%	4.4%	4.4%	5.0%
ADDITIONAL WAGES										
Overtime Pay	1,674	2,096	2,102	2,218	2,274	3.00%	2,342	2,412	2,485	2,559
Comp Time Earned	(11)	70	-	-	-		-	-	-	-
Total Additional Wages	1,663	2,166	2,102	2,218	2,274		2,342	2,412	2,485	2,559
% Increase	20.6%	30.2%	-3.0%	5.5%	8.2%		3.0%	3.0%	3.0%	3.0%
Total Wages	\$ 22,799	\$ 24,167	\$ 26,427	\$ 25,806	\$ 29,764		\$ 31,175	\$ 32,505	\$ 33,896	\$ 35,549
% Increase	9.7%	6.0%	9.4%	-2.3%	12.6%		4.7%	4.3%	4.3%	4.9%

FRINGE BENEFITS

	2022/23 ACTUAL	2023/24 ACTUAL	2024/25		2025/26		2026/27 PROJ. CHG%	2027/28 PROJ.	2028/29 PROJ.	2029/30 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET	PROJ. CHG%				
Active Employees										
Holiday Pay on Termination	\$ 5	\$ 17	\$ -	\$ 4	\$ -		\$ -	\$ -	\$ -	\$ -
Sick Pay on Termination	77	190	220	100	161		150	150	150	150
Pension - Police & Fire	1,664	1,686	2,105	2,105	2,411	5.0%	2,655	2,910	3,189	3,517
Pension - MD State	894	984	1,195	1,124	1,468		1,540	1,607	1,677	1,762
MD State Deficit Payment	236	248	260	260	273		287	301	316	332
Pension - 401(a) Plan	2	1	2	-	-		-	-	-	-
F.I.C.A. Taxes (7.65%)	1,689	1,810	1,743	1,822	1,942		2,385	2,487	2,593	2,719
MD FMLI (0.45%)	-	-	-	-	-		-	-	-	-
Health Insurance	2,917	2,916	3,462	3,456	3,866	7.0%	4,137	4,426	4,736	5,068
Dental Insurance	79	76	82	82	85	1.0%	86	87	88	88
Life Insurance	34	35	37	37	49		51	54	56	59
Long-Term Disability	5	5	5	9	5		6	6	6	6
Workmans Compensation	1,162	1,164	1,208	1,208	1,212		1,216	1,220	1,224	1,228
Empty Discounted Parking	74	89	90	87	90		90	92	94	96
Unemployment Taxes	38	47	74	43	45		50	50	60	60
Employee Assistance Prog	9	9	9	9	18		14	15	16	17
City Employee Picnic/Turkey	14	12	21	21	22		22	22	22	22
HPD Housing Allowance	20	23	23	32	31		31	33	34	35
Employee Longevity	6	5	6	6	6		6	6	6	6
Total	8,925	9,317	10,542	10,405	11,684		12,725	13,464	14,267	15,164
% Increase	4.8%	4.4%	13.1%	-1.3%	10.8%		8.9%	5.8%	6.0%	6.3%
Retirees										
Health Insurance	1,397	1,503	1,606	1,619	1,769	7.0%	1,893	2,025	2,167	2,319
Dental Insurance	48	51	50	51	51	1.0%	52	52	53	53
Total	1,445	1,554	1,656	1,670	1,820		1,944	2,077	2,220	2,372
% Increase	-1.4%	6.0%	6.6%	0.8%	9.9%		6.8%	6.8%	6.8%	6.9%
Total Fringe Benefits	\$ 10,370	\$ 10,871	\$ 12,198	\$ 12,075	\$ 13,504		\$ 14,670	\$ 15,542	\$ 16,486	\$ 17,536
% Increase	3.8%	4.8%	12.2%	-1.0%	10.7%		8.6%	5.9%	6.1%	6.4%

**GENERAL FUND HISTORICAL TRENDS
FISCAL YEAR 2022 THROUGH FISCAL YEAR 2026
EMPLOYER SHARE OF INSURANCE AND PENSION COSTS
(IN THOUSANDS)**

	2021/22 Actual	2022/23 Actual	2023/24 Actual	2024/25 Budget	2024/25 Est. Actual	2025/26 Prop. Budget
Health & Dental Insurance - Active Employees	3,024	2,997	2,992	3,544	3,538	3,951
Health & Dental Insurance - Retirees	1,466	1,445	1,554	1,656	1,670	1,820
Pension - MD State Retirement System	820	894	984	1,195	1,124	1,468
Pension - Police & Fire	1,512	1,664	1,686	2,105	2,105	2,411
	6,822	7,000	7,216	8,500	8,437	9,650
	-1.1%	2.6%	3.1%	17.8%	-0.7%	13.5%



**GENERAL FUND HISTORICAL TRENDS
FISCAL YEAR 2022 THROUGH FISCAL YEAR 2026
PENSIONS COSTS AS PERCENT OF SALARY**

	2021/22 Actual	2022/23 Actual	2023/24 Actual	2024/25 Budget	2024/25 Est. Actual	2025/26 Prop. Budget
Retirement - State of MD Fund Employer	10.57%	10.93%	11.32%	11.97%	11.97%	13.28%
Retirement - State of MD Fund Employee	7.00%	7.00%	7.00%	N/A	7.00%	N/A
Retirement - Police/Fire Employer	14.00%	14.00%	14.00%	16.00%	16.00%	16.00%
Retirement - Police/Fire Employee	9.00%	9.00%	9.00%	N/A	9.00%	N/A

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2026/2030
CONTRACTED SERVICES AND OPERATING TRANSFERS
(IN THOUSANDS)

CONTRACTED SERVICES

	2022/23 ACTUAL	2023/24 ACTUAL	2024/25		2025/26	PROJ. CHG%	2026/27 PROJ.	2027/28 PROJ.	2028/29 PROJ.	2029/30 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET					
Medical Services	\$ 91	\$ 70	\$ 106	\$ 105	\$ 98	2.0%	\$ 100	\$ 102	\$ 104	\$ 106
Grounds Services	205	172	297	324	309	2.0%	315	321	327	334
Miss Utility	4	4	5	5	5	0.0%	5	5	5	5
Contracted Staffing	15	1	35	-	2	2.0%	2	2	2	2
Other Contracted Services	2,173	2,099	2,135	2,151	2,123	2.0%	2,165	2,208	2,252	2,297
Trash Collection	2,998	3,321	4,536	4,358	4,582	3.0%	4,719	4,861	5,007	5,157
Legal Fees	201	215	279	282	286	2.0%	292	298	304	310
Auditing	25	26	27	27	27	5.0%	28	29	30	32
Consulting	12	-	32	13	13	2.0%	13	13	13	13
Engineering	17	45	60	75	60	2.0%	61	62	63	64
Building Services	23	26	27	26	28	2.0%	29	30	31	32
Safety Program	3	3	6	6	7	0.0%	7	7	7	7
Other Professional Services	90	171	308	262	384	2.0%	392	400	408	416
Total Contracted Services	\$ 5,857	\$ 6,153	\$ 7,853	\$ 7,634	\$ 7,924		\$ 8,128	\$ 8,338	\$ 8,553	\$ 8,775
<i>% Increase</i>	3.6%	5.1%	27.6%	-2.8%	0.9%		2.6%	2.6%	2.6%	2.6%

OPERATING TRANSFERS TO OTHER CITY FUNDS

	2022/23 ACTUAL	2023/24 ACTUAL	2024/25		2025/26	PROJ. CHG%	2026/27 PROJ.	2027/28 PROJ.	2028/29 PROJ.	2029/30 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET					
Economic Redevelopment Fund	\$ 1,175	\$ 1,128	\$ 1,322	\$ 1,322	\$ 1,340		\$ 1,360	\$ 1,360	\$ 1,360	\$ 1,410
Golf Course Fund	123	250	150	150	200		409	403	444	408
Grant Fund	19	7	107	55	59		50	50	50	50
Flex Fund	14	-	-	-	-		-	-	-	-
Total Operating Transfers	\$ 1,331	\$ 1,385	\$ 1,579	\$ 1,527	\$ 1,599		\$ 1,819	\$ 1,813	\$ 1,854	\$ 1,868

GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2026/2030
ANNUAL DEBT SERVICE REQUIREMENTS
(IN THOUSANDS)

	2022/23 ACTUAL	2023/24 ACTUAL	2024/25		2025/26	2026/27 PROJ.	2027/28 PROJ.	2028/29 PROJ.	2029/30 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET				
2008/09 Pub Imprv BAB									
Interest	\$ 153	\$ 136	\$ 172	\$ 172	\$ 144	\$ 115	\$ 85	\$ 52	\$ 18
Principal (\$5,074,007)	460	476	493	493	512	533	554	577	601
2014 Pub Imprv Bonds									
Interest (2.50% over 15 years)	6	5	4	4	3	3	2	1	-
Principal (\$428,427)	30	31	32	32	33	34	34	35	-
2015A Pub Imprv Bonds									
Interest (3.06% over 20 years)	71	66	61	61	58	54	50	46	41
Principal (\$3,599,066 after reprogram)	157	164	173	173	182	188	198	204	213
Issuance Costs	-	-	-	-	-	-	-	-	-
2015B Pub Imprv Bonds									
Interest (3.89% over 20 years)	17	17	16	16	15	14	13	11	10
Principal (\$650,000)	28	30	30	30	32	32	33	35	37
Issuance Costs	-	-	-	-	-	-	-	-	-
2017A Pub Imprv Bonds									
Interest (2.58% over 20 years)	103	94	87	87	81	75	69	63	57
Principal (\$4,293,526)	177	185	196	196	204	215	222	226	234
Issuance Costs	1	1	1	1	1	1	1	1	1
2017B Pub Imprv Bonds									
Interest (3.45% over 20 years)	14	13	12	12	12	11	10	10	9
Principal (\$500,000)	22	22	22	22	23	23	25	25	26
Issuance Costs	-	-	-	-	-	-	-	-	-
2018B Pub Imprv Bonds**									
Interest (4.30% over 15 years)	22	20	19	19	17	15	13	11	9
Principal (\$1,265,000 to \$645,000)	37	39	41	41	42	44	46	48	50
Issuance Costs	-	-	-	-	-	-	-	-	-
2019A Pub Imprv Bonds									
Interest (2.98% over 15 years)	76	70	64	64	58	52	46	40	33
Principal (\$3,105,000)	195	198	200	200	204	207	210	213	216
Issuance Costs	-	-	-	-	-	-	-	-	-
2024 Pub Facilities Bonds									
Interest (5.05%, 25Yr)	-	-	386	386	818	799	779	758	735
Principal (\$15,950,000)	-	-	-	-	306	324	345	366	384
Issuance Costs	-	-	77	77	-	-	-	-	-
Interest & Issuance Costs	463	422	899	899	1,207	1,139	1,068	993	913
Principal	1,106	1,145	1,187	1,187	1,538	1,600	1,667	1,729	1,761
Subtotal Current Debt Service Issues	\$ 1,569	\$ 1,567	\$ 2,086	\$ 2,086	\$ 2,745	\$ 2,739	\$ 2,735	\$ 2,722	\$ 2,674
2027 Future Pub Imprv Bonds									
Interest (5.25% over 20 years)	-	-	-	-	-	53	105	105	105
Principal (\$3,750,000)	-	-	-	-	-	-	194	194	194
2028 Future Pub Imprv Bonds									
Interest (5.50% over 25 years)	-	-	-	-	-	-	365	730	730
Principal (\$25,000,000)	-	-	-	-	-	-	-	1,030	1,030
2029 Future Pub Imprv Bonds									
Interest (5.25% over 20 years)	-	-	-	-	-	-	-	21	42
Principal (\$1,500,000)	-	-	-	-	-	-	-	-	78
2030 Future Pub Imprv Bonds									
Interest (5.25% over 30 years)	-	-	-	-	-	-	-	-	56
Principal (\$4,000,000)	-	-	-	-	-	-	-	-	-
Total All Debt Service Issues									
Interest & Issuance Costs	463	422	899	899	1,207	1,192	1,538	1,849	1,846
Principal	1,106	1,145	1,187	1,187	1,538	1,600	1,861	2,953	3,063
Total All Debt Service Issues	\$ 1,569	\$ 1,567	\$ 2,086	\$ 2,086	\$ 2,745	\$ 2,792	\$ 3,399	\$ 4,802	\$ 4,909
	-29.3%	-0.1%	33.1%	0.0%	31.6%	1.7%	21.7%	41.3%	2.2%

**GENERAL FUND FINANCIAL PROJECTIONS
FISCAL YEAR 2026/2030
DEBT AFFORDABILITY**

Fiscal Year	Total Taxable Assessed Value	Population	Governmental Outstanding Debt	Gov't Debt as Percentage of Total Taxable Assessed Value	Gov't Debt Per Capita	General Fund Debt Service as % of General Fund Operating Revenue
2010	2,830,482	40	20,457	0.72%	511	5.25%
2011	2,880,838	40	18,695	0.65%	471	6.41%
2012	2,559,162	40	17,460	0.68%	440	6.80%
2013	2,633,731	40	16,013	0.61%	404	5.31%
2014	2,665,127	40	15,168	0.57%	382	4.80%
2015	2,541,960	40	18,093	0.71%	448	4.44%
2016	2,618,007	40	16,622	0.63%	411	4.85%
2017	2,659,606	40	20,399	0.77%	504	5.15%
2018	2,659,872	40	19,902	0.75%	494	5.51%
2019	2,713,633	40	21,109	0.78%	525	5.49%
2020	2,754,271	40	18,841	0.68%	469	6.42%
2021	2,814,132	44	16,617	0.59%	382	4.19%
2022	2,934,391	44	14,886	0.51%	342	4.40%
2023	3,052,635	44	13,756	0.45%	315	2.88%
2024	3,271,497	44	12,588	0.38%	288	2.59%
Estimated 2024/25	3,584,631	44	27,328	0.76%	625	3.27%
Proposed 2025/26	3,791,958	44	25,768	0.68%	590	4.08%
Projected 2026/27	3,983,181	44	27,894	0.70%	638	3.52%
Projected 2027/28	4,142,886	44	51,010	1.23%	1,167	4.38%
Projected 2028/29	4,309,283	44	49,532	1.15%	1,133	6.12%
Projected 2029/30	4,530,021	44	50,445	1.11%	1,154	6.00%
City Debt Policy Guidelines				10.00%	1,000	10.00%

**General Fund Financial Projections
Fiscal Year 2026/2030
General Fund Debt Capacity Limit: Debt per Capita**

Fiscal Year	Total Taxable Assessed Value	Governmental Outstanding Debt	Population	Gov't Debt per Capita	Future Governmental Debt Issuances	Future Repayment Schedule
Future Bond Issuances included in Capital Improvement Program						
2023/24	3,271,497	12,588	44	288	-	-
Estimated 2024/25	3,584,631	27,328	44	625	15,950	1,210
Proposed Bud 2025/26	3,791,958	25,768	44	590	-	1,560
Projected 2026/27	3,983,181	27,894	44	638	3,750	1,623
Projected 2027/28	4,142,886	51,010	44	1,167	25,000	1,885
Projected 2028/29	4,309,283	49,532	44	1,133	1,500	2,978
Projected 2029/30	4,530,021	50,445	44	1,154	4,000	3,087
Subtotal Future Issuances					50,200	12,343
City Debt Policy Limit		43,701	44	1,000		

Additional General Fund Debt Issue Capacity
Over FY 2023/24 level 31,113
Beyond 5 year proposed projections (6,744)

ENTERPRISE FUNDS PROJECTIONS
FISCAL YEAR 2026/2030
INTRODUCTION

- Percentages of projected changes are indicated in the column following the FY2025/26 Proposed Budget column. Items without a percentage have been individually projected by year.
- Operating revenue across the utility funds includes a variety of sources: such as, service charges to customers, rental income from tenants, green fees to golf, and a stormwater fixed fee. Rate and/or premium increases are included for Electric, Water and Wastewater. A new rate model for Water is currently being evaluated. Most of the other revenue increases included in the projections are based on increased utilization or increased customer base.
- Total operating expenses (excluding depreciation) are expected to increase for the following Enterprise Funds - Electric, Water, Golf and Property Management funds based on FY2024/25 budget to the proposed budget in FY2025/26. The overall operating expense increases range from a low of 3.4% in the Property Management Fund to a high of 18.5% in the Electric Fund which is specifically notated within each individual fund's assumption section that follows. The Wastewater, Parking and Stormwater Protection funds operating expenses are projected to decrease from the FY2024/25 budget to the proposed budget in FY2025/26. The increases in all funds for future periods through FY2029/30 are based on trends specific within each fund.
- Depreciation expense is based on each fund's financial ability to invest in capital infrastructure and renovation projects. Depreciation expense is directly associated to each fund's capital investments through FY2029/30 and to fixed assets that have reached its useful life period. Specific details on each funds' capital projects are located in the Capital Improvement Program Section 7.
- The interest income rate is projected to decrease in FY2025/26 and continue to be reduced in future periods based on current market estimates. Interest earnings may not occur or grow in individual funds due to declining or negative cash balances. Specifics on each unique fund are notated in the pages that follow and include a combination of current market conditions and cash balances within each fund.
- The debt service requirements vary by fund and are reflected in Interest/Bond Issuance Expense and Principal Payments on Long-Term Debt in all applicable funds. The future bond issue interest costs vary as some are City issued bonds and some are financed through Maryland Department of the Environment (MDE). Each issue may have different terms as well. In general, the projections for City issued governmental bonds are based on interest rates of 5.25% through 5.5% primarily for 20 and 25 year terms. Typically, MDE bond issues are low interest rates at 2.5% over primarily 20 year terms.
- Capital expenditures are taken directly from Section 7, Capital Improvement Program. Each department prepares and details a five year projection for all capital improvement projects. Non-CIP capital outlay expenditures have been estimated and added to the capital improvement projection amounts based on prior years' experience.
- The unrestricted and restricted cash balances at the beginning and end of each fiscal year are presented for each fund to assist in analyzing the cumulative impact of the annual surplus or deficit amounts on working capital.

ELECTRIC FUND PROJECTIONS
FISCAL YEAR 2026/2030
ASSUMPTIONS

- The wholesale power contract with AEP Energy Partners is effective from June 1, 2024 through December 31, 2026 at a rate of \$54.05/MWh for all energy delivered. This is up from the previous rate of \$42.42/MWh.
- Operating service charges primarily are driven by two separate components: pass through of wholesale power prices and cost of City services/retail costs. Wholesale power price changes happen automatically and change with each new contract. The increase in service charge revenue from FY2024/25 budget compared to FY2025/26 proposed budget is 19.4% or \$5.5M. The majority of the increase can be associated with additional revenue from Residential Customers. Residential revenue reflects an increase of \$3.1M or 21.0% in the FY2025/26 proposed budget due the projected rise to purchase power cost recovery. For FY2026/27 through FY2029/30 revenue is projected to remain flat until additional base rate proceedings or a whole contract is finalized.
- The purchased power expense for FY2025/26 budget represents approximately 78.2% of total service revenue charges. The projections for the purchase power expense include an increase from FY2024/25 estimated actuals to proposed FY2025/26 budget. This increase is a direct result of the new wholesale power contract with AEP Energy Partners and is anticipated to be \$5.2M more in FY2026 than FY2025. Just like the revenue projections for future years, the purchase power expense category will remain unchanged from FY2026/27 through FY2029/30 until negotiations start for a new contract.
- Operating expenses, excluding depreciation and purchased power, are estimated to increase by 6.1% or \$412K from the FY2024/25 budget compared to the proposed budget for FY2025/26. Distribution costs are projected to increase by \$213K primarily as a result to an increase in salaries and wages. Based on historical data trends, the future projections reflect annual increases of 2.0% and 1.5% from FY2026/27 through FY2029/30 in distribution and administrative costs.
- Depreciation expense for proposed FY2025/26 budget is 1.8% higher than current FY2024/25 budget. This increase is a result of anticipated investment in new capital projects and assets in FY2025/26. Beginning in FY2026/27 through FY2029/30, it is anticipated that more capital equipment and infrastructure investments will be made which will result in the following projected annual increases in the depreciation expenses: 7.7%, 4.5%, 4.5% and 3.9%.
- It is anticipated that total interest earned will decrease in FY2025/26 compared to FY2024/25 budget due to lower market rates than in FY2024/25 and periods of negative cash. It is anticipated that there will be a downward trend in market interest rates in the future. In addition, negative cash balances earning no interest is projected from FY2027/28 thru FY2029/30.
- The projections do include future debt issues of \$1.0M in both FY2027/28 and FY2028/29 for Meter replacements at 5.25% interest for twenty year terms. As reflected in our projections, all other capital improvement projects and capital outlay expenditures will be covered by Electric fund operations or fund balance with the exception of the Brookmeadow, and Kilpatrick Woods projects, which will be partially funded by contributions from developers and Security improvements which is anticipated to be covered by a Federal Grant in FY2026/27.
- Based on the assumptions outlined above for flat revenue projections and increasing expenses, the net increase (decrease) in retained earnings is estimated to decrease from an anticipated loss of <\$97K> in FY2025/26 to a loss of <\$1.2M> in FY2029/30.
- The projections show the dividend affordability formula and its effect on the Electric Fund's cash balance. Per the City's Enterprise Fund Dividend Transfer policy, projections will be updated once FY2024/25 is closed and audited to determine if any transfer is possible.
- The ending total cash balance projections reflects negative <\$4.0M> balance in FY2025/26 if additional cost of city services/retail cost adjustments are not made.

ELECTRIC FUND PROJECTIONS
FISCAL YEAR 2026/30
INCOME STATEMENT
(IN THOUSANDS)

	2022/23 ACTUAL	2023/24 ACTUAL	2024/25		2025/26	PROJ. CHG %	2026/27 PROJ.	2027/28 PROJ.	2028/29 PROJ.	2029/30 PROJ.
			REVISED BUDGET	ESTIMATED ACTUAL	PROPOSED BUDGET					
Operating Revenues										
Service Charges:										
Residential	\$ 11,482	\$ 11,683	\$ 15,104	\$ 14,903	\$ 18,278	0.0%	\$ 18,278	\$ 18,278	\$ 18,278	\$ 18,278
Commercial	4,293	4,389	5,573	5,588	6,765	0.0%	6,765	6,765	6,765	6,765
Industrial	5,278	5,104	6,935	6,413	7,955	0.0%	7,955	7,955	7,955	7,955
Other Rates	430	472	834	818	971	0.0%	971	971	971	971
Total Service Charges	21,484	21,648	28,445	27,723	33,969		33,969	33,969	33,969	33,969
Other Operating Revenues	885	428	591	491	507	2.0%	517	527	538	549
Total Operating Revenue	22,369	22,076	29,036	28,213	34,476		34,486	34,497	34,507	34,518
Operating Expenses										
Purchased Power	16,331	17,069	21,707	21,362	26,570	0.0%	26,570	26,570	26,570	26,570
Distribution	2,601	2,622	3,072	2,941	3,285	2.0%	3,351	3,418	3,486	3,556
General & Administration	3,503	3,516	3,698	3,826	3,895	1.5%	3,954	4,013	4,073	4,134
Total Operating Expenses	22,435	23,207	28,476	28,129	33,751		33,875	34,002	34,130	34,261
Cash Operating Income (Loss)	(66)	(1,131)	560	85	725		611	495	377	257
Depreciation	940	961	1,097	1,033	1,117		1,203	1,257	1,314	1,365
Operating Income (Loss)	(1,007)	(2,092)	(537)	(948)	(392)		(592)	(762)	(937)	(1,108)
Non-Operating Revenues (Expenses)										
Interest Earned	178	186	228	25	50		-	-	-	-
Interest/Bond Issuance Expense	(8)	(7)	(7)	(7)	(6)		(6)	(20)	(47)	(61)
Gain (loss) on Sale of Capital Assets	(27)	8	(15)	(30)	(30)		(10)	(10)	(10)	(10)
Total Non-Operating Revenue (Expense)	143	187	206	(12)	14		(16)	(30)	(57)	(71)
Net Income (Loss) Before Operating Transfers	(863)	(1,905)	(331)	(960)	(378)		(608)	(792)	(995)	(1,179)
Transfers From (To) Other Funds										
Transfers (to) Capital Improvements Fund	(30)	(8)	(66)	(66)	(30)		(36)	(36)	(36)	(36)
Transfers from Health Insurance Fund	65	-	-	-	-		-	-	-	-
Total Transfers From (To) Funds	35	(8)	(66)	(66)	(30)		(36)	(36)	(36)	(36)
Capital Contributions										
Intergovernmental Revenue- ARPA	-	-	157	157	-		-	-	-	-
Non-Cash Developer Contributions	218	307	186	169	186		110	80	50	-
Grants in Aid of Construction	-	257	111	111	125		100	-	-	-
Capital Contributions	218	564	454	437	311		210	80	50	-
Increase (Decrease) in Retained Earnings	(611)	(1,349)	57	(589)	(97)		(434)	(748)	(981)	(1,215)
Adjust to a Cash Flow Basis										
Depreciation	940	961	1,097	1,033	1,117		1,203	1,257	1,314	1,365
Principal Payments on Long-Term Debt	(18)	(19)	(20)	(20)	(21)		(21)	(22)	(75)	(128)
Non-Cash Developer Contributions	(218)	(307)	(186)	(169)	(186)		(110)	(80)	(50)	-
Changes in Working Capital	1,415	(114)	-	-	-		-	-	-	-
Total Adjustments to Retained Earnings	2,120	521	891	845	910		1,072	1,155	1,189	1,237
Funds Available for Capital Outlay	1,510	(828)	949	256	813		638	407	209	22
Capital Outlay	1,727	2,774	4,318	2,807	4,058		3,477	3,780	3,915	2,325
Cash After Capital Outlay	(218)	(3,602)	(3,369)	(2,551)	(3,244)		(2,839)	(3,373)	(3,706)	(2,303)
Additional Funding:										
City Bond Financing	-	-	-	-	-		-	1,000	1,000	-
Net Surplus (Deficit)	\$ (218)	\$ (3,602)	\$ (3,369)	\$ (2,551)	\$ (3,244)		\$ (2,839)	\$ (2,373)	\$ (2,706)	\$ (2,303)
Beginning Cash Balance	\$ 5,600	\$ 5,383	\$ 1,781	\$ 1,781	\$ (770)		\$ (4,014)	\$ (6,854)	\$ (9,227)	\$ (11,933)
Ending Cash Balance	\$ 5,383	\$ 1,781	\$ (1,588)	\$ (770)	\$ (4,014)		\$ (6,854)	\$ (9,227)	\$ (11,933)	\$ (14,236)
Unrestricted Cash Balance, Beginning	\$ 5,600	\$ 5,383	\$ 1,781	\$ 1,781	\$ (970)		\$ (4,014)	\$ (6,854)	\$ (9,227)	\$ (11,933)
Unrestricted Cash Balance, Ending	\$ 5,383	\$ 1,781	\$ (1,788)	\$ (970)	\$ (4,014)		\$ (6,854)	\$ (9,227)	\$ (11,933)	\$ (14,236)
Restricted Cash Balance, Beginning	\$ -	\$ -	\$ -	\$ -	\$ 200		\$ -	\$ -	\$ -	\$ -
*Restricted Cash Balance, Ending	\$ -	\$ -	\$ 200	\$ 200	\$ -		\$ -	\$ -	\$ -	\$ -
Dividend Affordability Formula										
Operating & Maintenance Expenses	\$ 22,435	\$ 23,207	\$ 28,476	\$ 28,129	\$ 33,751		\$ 33,875	\$ 34,002	\$ 34,130	\$ 34,261
Reserved Retained Earnings (2 Months)	\$ 3,739	\$ 3,868	\$ 4,746	\$ 4,688	\$ 5,625		\$ 5,646	\$ 5,667	\$ 5,688	\$ 5,710
Cash in Excess of Reserve after Dividend	\$ 1,643	\$ (2,087)	\$ (6,534)	\$ (5,658)	\$ (9,640)		\$ (12,500)	\$ (14,894)	\$ (17,621)	\$ (19,946)

ELECTRIC FUND PROJECTIONS
FISCAL YEAR 2026/30
INCOME STATEMENT
(IN THOUSANDS)

	2022/23 ACTUAL	2023/24 ACTUAL	2024/25		2025/26	PROJ. CHG %	2026/27 PROJ.	2027/28 PROJ.	2028/29 PROJ.	2029/30 PROJ.
			REVISED BUDGET	ESTIMATED ACTUAL	PROPOSED BUDGET					
Schedule A - Capital Outlay										
Capital Outlay										
Vehicles-C0090	\$ 88	\$ 54	\$ 470	\$ 470	\$ 205		\$ 185	\$ 370	\$ 325	\$ 385
Telemetry Equipment-C0111	-	-	50	10	50		10	5	5	5
Central Substation-C0118	-	-	-	-	-		-	200	500	200
Building Security Improvements - C0178	39	-	55	55	105		105	25	25	25
System Reconductoring-C0259	41	-	207	-	207		60	60	60	60
SCADA System-C0441	-	-	5	-	5		5	5	5	5
Underground Replacement-C0540	-	-	13	10	13		13	13	13	13
Building & Site Improvements-C0542	62	34	50	25	50		25	25	25	25
Bulldog Substation- C0544	-	-	-	-	-		-	-	-	50
Street Light Replacement-C0546	-	142	200	175	200		10	10	10	10
Kilpatrick Woods - C0550	26	30	174	-	174		124	50	50	-
Test Equipment-C0609	24	3	15	-	15		15	15	15	15
Substation Controls - C0616	13	24	80	25	80		40	40	40	40
Meter Replacement - C0679	-	214	1,500	1,000	1,500		1,500	1,500	1,500	-
Brookmeadow - C0703	-	-	53	-	53		128	40	-	-
Burhans Village - C0707	159	-	-	-	-		-	-	-	-
Substation Breaker Replacement-C0776	-	129	80	15	80		80	80	80	80
GIS Facility Mapping-C0777	5	-	12	5	-		-	-	-	-
Substation Upgrades - C0778	-	-	75	25	200		75	205	125	275
Spare Regulators-C0797	39	40	75	50	75		75	75	75	75
Wildlife Protection-C0802	5	-	50	25	50		50	50	50	50
Feeder Coordination-C0833	3	-	15	-	15		15	15	15	15
Circuit Upgrades-C0842	-	9	116	-	115		116	150	150	150
Emergency Generator-ARP72	-	-	157	157	-		-	-	-	-
Other - Non-Specific	1,223	2,095	868	760	868	-	848	848	848	848
Total Capital Outlay	\$ 1,727	\$ 2,774	\$ 4,318	\$ 2,807	\$ 4,058		\$ 3,477	\$ 3,780	\$ 3,915	\$ 2,325

WATER FUND PROJECTIONS
FISCAL YEAR 2026/2030
ASSUMPTIONS

- Total service charge revenue projections reflect a 14.0% average increase in the FY2025/26 proposed budget as already approved by Mayor and Council. All future estimations are based on a cost rate study to include an additional increase of 14.0% for FY2026/27 through FY2028/29 followed by 3% for FY2029/30 due to inflation, cost to maintain operations and significant infrastructure improvements.
- Total operating expenses (excluding depreciation) increased by 7.5% from the FY2024/25 budget compared to the proposed budget for FY2025/26. Primarily this reflects an increase in the “Selling, General & Administration” category with an increase of \$841K or 13.1% primarily driven by an allocation to fund a joint water/wastewater project under Wastewater (CIP #54-C0585 WWT Buildings/Structures/Equipment and Software). The projections include increases in future periods with the overall estimated increase for each period from FY2026/27 through FY2029/30 at 2.0% annually in the “Pumping & Water Treatment” and “Transmission & Distribution” categories and 1.5% annually in the “Source of Supply”. The “Selling, General & Administration” category decreases in FY2027/28 once the joint project is completed and then inflates by 1.5% annually thereafter.
- Depreciation expense will fluctuate as a result of capital improvement upgrades, infrastructure investments, and assets reaching the end of its useful life. It is estimated that depreciation expense will decrease from FY2024/25 budget to FY2025/26 budget by 0.4%. Based on the amount of investments in capital projects, the trend reflects increases in future periods. In the four years from FY2026/27 through FY2029/30 the increase in expense is projected to be 11.6%, 16.6%, 13.9%, and 8.7%.
- Given the current trend with interest rates and projected Water cash balance, it is anticipated investment earnings will decrease in FY2025/26 from FY2024/25 budget. Investment earnings in FY2026/27 over proposed FY2025/26 are anticipated to be lower as the cash balance declines along with anticipated Federal Reserve interest rate reductions. Interest is projected to continue to decline in FY2027/28 as a result of utilizing existing cash balances to cover expenses then show no earnings in FY2028/29 and FY2029/30 as cash is depleted.
- The projection incorporates benefit charge funds. Benefit charge funds are intended to be used for growth related capital projects and debt service from prior year growth related projects. From our current FY2024/25 budget to proposed FY2025/26 budget, benefit charges are estimated to remain at \$500K. The projections are also anticipated to remain at \$500K in FY2026/27 through FY2029/30 related to development.
- The projections for Maryland Department of the Environment (MDE) Loan Program Bond financing reflected in years FY2025/26 through FY2029/30 include a low interest rate at 2.5% for twenty year and twenty-five year terms. In addition, MDE bonds include an administrative fee of 5.0% of debt service issued annually. Finally, FY2028/29 includes loan forgiveness of \$251K from MDE bond financing for the R.C. Willson Plants travelling screens replacement.
- Based on the assumptions outlined above for revenue growth, increasing expenses, and additional future grants, the net increase (decrease) in retained earnings is estimated to improve from an anticipated loss of <\$2.1M> in FY2025/26 to a gain of \$2.7M in FY2029/30.
- The ending total cash balance projection will decrease from \$15.7M in FY2025/26 to <\$7.5M> in FY2029/30 primarily as a result of significant capital projects and annual debt service requirements scheduled in future periods. The restricted cash of \$878K is for the Appalachian Trail easement.

WATER FUND PROJECTIONS
FISCAL YEAR 2026/30
INCOME STATEMENT
(IN THOUSANDS)

	2022/23 ACTUAL	2023/24 ACTUAL	2024/25		2025/26	PROJ. CHG%	2026/27 PROJ.	2027/28 PROJ.	2028/29 PROJ.	2029/30 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET					
Operating Revenues										
Service Charges										
Metered City Water	\$ 2,793	\$ 2,922	\$ 2,875	\$ 3,146	\$ 3,195	14/3%	\$ 3,642	\$ 4,152	\$ 4,734	\$ 4,876
Metered County Water	9,917	10,456	10,480	11,350	12,130	14/3%	13,828	15,764	17,971	18,510
Total Service Charges	12,710	13,378	13,355	14,496	15,325		17,471	19,916	22,705	23,386
Other Operating Revenues	956	1,195	1,046	1,104	1,031	0.5%	1,036	1,041	1,046	1,051
Total Operating Revenue	13,666	14,573	14,401	15,600	16,356		18,506	20,957	23,751	24,437
Operating Expenses										
Source of Supply	156	207	58	66	62	1.5%	62	63	64	65
Pumping & Water Treatment	4,512	4,549	5,355	4,994	5,305	2.0%	5,411	5,520	5,630	5,743
Transmission & Distribution	2,645	2,811	2,907	2,845	3,213	2.0%	3,277	3,342	3,409	3,477
Selling, General & Administration	2,583	3,229	6,422	4,241	7,262	1.5%	7,371	6,388	6,484	6,581
Total Operating Expenses	9,895	10,795	14,742	12,147	15,842		16,122	15,314	15,588	15,867
Cash Operating Income (Loss)	3,771	3,778	(342)	3,453	514		2,384	5,644	8,163	8,570
Depreciation	3,936	3,935	4,229	3,990	4,213		4,700	5,481	6,243	6,789
Operating Income (Loss)	(165)	(157)	(4,571)	(537)	(3,699)		(2,316)	163	1,920	1,781
Non-Operating Revenues (Expenses)										
Interest Earned	419	774	1,400	700	700		250	50	0	0
Premium on Bonds	4	4	4	4	4		4	4	4	4
Interest/Bond Issuance Expense	(351)	(323)	(347)	(328)	(329)		(433)	(671)	(927)	(1,095)
Gain (Loss) on Sale of Capital Assets	7	24	5	20	20		20	20	20	20
Total Non-Operating Revenue (Expense)	78	480	1,063	396	395		(158)	(597)	(903)	(1,071)
Net Income (Loss) Before Operating Transfers	(87)	323	(3,508)	(141)	(3,304)		(2,474)	(434)	1,018	711
Transfers From (To) Other Funds										
Transfers (to) Capital Improvements Fund	(30)	(8)	(66)	(66)	(30)		(36)	(36)	(36)	(36)
Transfers from Health Insurance Fund	95	-	-	-	-		-	-	-	-
Total Transfers From (To) Other Funds	64	(8)	(66)	(66)	(30)		(36)	(36)	(36)	(36)
Capital Contributions										
Benefits Charges	1,738	1,261	500	701	500		500	500	500	500
Intergovernmental Revenue- ARPA	-	-	187	187	-		-	-	-	-
Grants in Aid of Construction	-	-	-	500	-		-	-	-	-
MDE Loan Forgiveness	-	1,500	-	-	-		-	-	251	-
Non Cash Developer Contributions	-	1,144	250	250	750		2,550	2,850	1,000	1,500
Capital Contributions	1,738	3,906	937	1,638	1,250		3,050	3,350	1,751	2,000
Increase (Decrease) in Retained Earnings	1,716	4,220	(2,637)	1,431	(2,084)		540	2,880	2,733	2,675
Adjust to a Cash Flow Basis										
Add Back Depreciation	3,936	3,935	4,229	3,990	4,213		4,700	5,481	6,243	6,789
Principal Payments on Long-term Debt	(1,691)	(1,721)	(1,735)	(1,735)	(1,543)		(1,705)	(2,563)	(3,930)	(4,693)
Non-Cash Developer Contributions	-	(1,144)	(250)	(250)	(750)		(2,550)	(2,850)	(1,000)	(1,500)
MDE Loan Forgiveness	-	(1,500)	-	-	-		-	-	(251)	-
Changes in Working Capital	(909)	1,267	-	-	-		-	-	-	-
Total Adjustments to Retained Earnings	1,336	837	2,244	2,005	1,920		444	68	1,061	596
Cash Available for Capital Outlay	3,052	5,057	(393)	3,436	(164)		984	2,948	3,794	3,271
Capital Outlay										
Non-Growth Related	1,047	804	7,428	2,333	10,808		25,094	30,639	25,614	15,239
Growth Related	14	1,272	409	328	2,089		3,226	3,526	1,176	1,676
Total Capital Outlay	1,061	2,076	7,837	2,661	12,897		28,320	34,165	26,790	16,915
Cash After Capital Outlay	1,991	2,981	(8,230)	775	(13,060)		(27,336)	(31,217)	(22,996)	(13,644)
Additional Funding										
MDE Bond Financing	-	-	2,500	-	5,000		18,000	23,000	21,000	10,000
Total Additional Funding	0	0	2,500	0	5,000		18,000	23,000	21,000	10,000
Net Surplus (Deficit)	\$ 1,991	\$ 2,981	\$ (5,730)	\$ 775	\$ (8,060)		\$ (9,336)	\$ (8,217)	\$ (1,996)	\$ (3,644)
Beginning Cash Balance	\$ 17,994	\$ 19,986	\$ 22,967	\$ 22,967	\$ 23,742		\$ 15,682	\$ 6,346	\$ (1,871)	\$ (3,867)
Ending Cash Balance	\$ 19,986	\$ 22,967	\$ 17,237	\$ 23,742	\$ 15,682		\$ 6,346	\$ (1,871)	\$ (3,867)	\$ (7,510)
Unrestricted Cash Balance - Beginning	\$ 12,055	\$ 13,475	\$ 16,485	\$ 16,485	\$ 17,621		\$ 10,900	\$ 2,240	\$ (2,749)	\$ (4,744)
Unrestricted Cash Balance - Ending	\$ 13,475	\$ 16,485	\$ 11,255	\$ 17,621	\$ 10,900		\$ 2,240	\$ (2,749)	\$ (4,744)	\$ (8,388)
Restricted Cash Balance - Beginning	\$ 5,939	\$ 6,511	\$ 6,511	\$ 6,511	\$ 6,121		\$ 4,782	\$ 4,106	\$ 878	\$ 878
Restricted Cash Balance - Ending	\$ 6,511	\$ 6,482	\$ 5,982	\$ 6,121	\$ 4,782		\$ 4,106	\$ 878	\$ 878	\$ 878
Dividend Affordability Formula:										
Operating & Maintenance Expenses	\$ 9,895	\$ 10,795	\$ 14,742	\$ 12,147	\$ 15,842		\$ 16,122	\$ 15,314	\$ 15,588	\$ 15,867
Reserved Retained Earnings (2 Months)	\$ 1,649	\$ 1,799	\$ 2,457	\$ 2,025	\$ 2,640		\$ 2,687	\$ 2,552	\$ 2,598	\$ 2,644
Cash in Excess of Reserve after Dividend	\$ 11,826	\$ 14,686	\$ 8,798	\$ 15,597	\$ 8,260		\$ (447)	\$ (5,301)	\$ (7,342)	\$ (11,033)

WATER FUND PROJECTIONS
FISCAL YEAR 2026/30
INCOME STATEMENT
(IN THOUSANDS)

	2022/23 ACTUAL	2023/24 ACTUAL	2024/25		2025/26	PROJ. CHG%	2026/27 PROJ.	2027/28 PROJ.	2028/29 PROJ.	2029/30 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET					
Schedule A - Capital Outlay										
Capital Outlay										
Water Vehicles-C0117	\$ 261	\$ 141	\$ 440	\$ 234	\$ 607		\$ 360	\$ 465	\$ 650	\$ 285
R.C. Willson Plant Improvements-C0166	131	87	1,396	500	2,000		6,600	1,350	600	600
Willson Transmission Main-C0167	-	-	700	500	6,000		3,320	9,800	7,000	8,840
Edgemont Reservoir Improvements-C0168	-	-	250	-	100		10,100	10,100	10,100	100
Mack Water Tank-C0274	-	-	2,650	-	-		-	-	-	350
Risk and Resiliency/Security-C0322	123	-	100	50	200		200	200	200	200
Zone 3 Standpipe-C0323	-	-	-	-	-		-	100	-	-
Breichner WTP Improvements-C0405	-	-	20	20	25		825	5,625	5,625	2,425
Administrative/Engineering Equip.-C0648	-	-	263	25	70		20	20	20	20
Pump Station Improvements-C0651	-	48	145	50	125		425	1,125	1,125	1,625
Distribution Services-C0653	401	362	545	545	750		750	750	750	750
Distribution System Rehabilitation-C0709	132	1,379	542	300	660		660	660	660	660
Water System SCADA Improvements-C0820	14	58	100	-	60		60	60	60	60
Antietam Creek Intake and Water Plant-C0823	-	-	250	-	-		-	-	-	1,000
Water Zone #5 System Improvements-C0877	-	-	250	250	2,300		5,000	3,910	-	-
Non-Portable Equipment-ARP68	-	-	187	187	-		-	-	-	-
Total Capital Outlay	\$ 1,061	\$ 2,076	\$ 7,837	\$ 2,661	\$ 12,897		\$ 28,320	\$ 34,165	\$ 26,790	\$ 16,915
Schedule B - Capital Outlay Detail										
Capital Outlay										
Non-Growth Related										
Cash Funded										
Water Vehicles-C0117	\$ 261	\$ 141	\$ 440	\$ 234	\$ 607		\$ 360	\$ 465	\$ 650	\$ 285
R.C. Willson Plant Improvements-C0166	131	87	1,396	500	2,000		600	1,350	600	600
Willson Transmission Main-C0167	-	-	200	500	1,000		1,320	1,800	1,000	840
Edgemont Reservoir Improvements-C0168	-	-	250	-	100		100	100	100	100
Mack Water Tank - C0274	-	-	650	-	-		-	-	-	350
Risk and Resiliency/Security-C0322	123	-	100	50	200		200	200	200	200
Breichner WTP Improvements-C0405	-	-	20	20	25		825	625	625	425
Administrative/Engineering Equip.-C0648	-	-	263	25	70		20	20	20	20
Pump Station Improvements-C0651	-	38	94	32	81		81	81	81	81
Distribution Services-C0653	401	362	545	545	750		750	750	750	750
Distribution System Rehabilitation-C0709	132	117	434	240	528		528	528	528	528
Water System SCADA Improvements-C0820	-	58	100	-	60		60	60	60	60
Antietam Creek Intake and Water Plant-C0823	-	-	250	-	0		-	-	-	1,000
Water Zone #5 System Improvements-C0877	-	-	-	-	387		2,250	1,660	-	-
Total Cash Funding	1,047	804	4,741	2,146	5,808		7,094	7,639	4,614	5,239
Grants in Aid of Construction										
Non-Portable Equipment-ARP68	-	-	187	187	-		-	-	-	-
Total Grants in Aid of Construction	0	0	187	187	0		0	0	0	0
MDE Bond Funded										
R.C. Willson Plant Improvements-C0166	-	-	-	-	-		6,000	-	-	-
Willson Transmission Main-C0167	-	-	500	-	5,000		2,000	8,000	6,000	8,000
Edgemont Reservoir Improvements-C0168	-	-	-	-	-		10,000	10,000	10,000	-
Mack Water Tank-C0274	-	-	2,000	-	-		-	-	-	-
Breichner WTP Improvements-C0405	-	-	-	-	-		-	5,000	5,000	2,000
Total MDE Bond Funding	0	0	2,500	0	5,000		18,000	23,000	21,000	10,000
Total Non-Growth Related Capital Outlay	1,047	804	7,428	2,333	10,808		25,094	30,639	25,614	15,239
Growth Related										
Contributions by Others										
Zone 3 Standpipe-C0323	-	-	-	-	-		-	100	-	-
Pump Station Improvements-C0651	-	-	-	-	-		300	1,000	1,000	1,500
Distribution System Rehabilitation-C0709	-	1,144	-	-	-		-	-	-	-
Water Zone #5 System Improvements-C0877	-	-	250	250	750		2,250	1,750	-	-
Total Contributions by Developers	0	1,144	250	250	750		2,550	2,850	1,000	1,500
Benefit Charges/Restricted Cash Funded										
Pump Station Improvements-C0651	-	10	51	18	44		44	44	44	44
Distribution System Rehabilitation-C0709	-	118	108	60	132		132	132	132	132
Water Zone #5 System Improvements-C0877	-	-	-	-	1,163		500	500	-	-
Water System SCADA Improvements-C0820	14	-	-	-	-		-	-	-	-
Total Benefit Charge Funded	14	128	159	78	1,339		676	676	176	176
Total Growth Related Capital Outlay	14	1,272	409	328	2,089		3,226	3,526	1,176	1,676
Total Capital Outlay	\$ 1,061	\$ 2,076	\$ 7,837	\$ 2,661	\$ 12,897		\$ 28,320	\$ 34,165	\$ 26,790	\$ 16,915

WASTEWATER FUND PROJECTIONS
FISCAL YEAR 2026/2030
ASSUMPTIONS

- Total service charge revenue projections reflect a 13.0% average increase in the FY2025/26 proposed budget as already approved by Mayor and Council. All future estimations are based on a cost rate study to include, an additional rate increase of 13.0% for FY2026/27 and FY2027/28 and by 3% for FY2028/29 and FY2029/30. In FY2026/27, the County is taking over treatment of some accounts in the joint service area. As a result, “Metered Joint Sewer” revenues are reduced by 50% and then the 13.0% rate increase is applied.
- Total operating expenses (excluding depreciation) decreased by 2.3% from the FY2024/25 budget compared to the proposed budget for FY2025/26. The biggest portion of this decrease is reflected in the “Selling, General and Administrative” category as a result of an increased allocation from the Water Fund to the Wastewater Fund of \$730K or \$1.6M total toward the construction of the Environmental laboratory under Wastewater CIP# 54-C0585. Overall estimated expenses are projected to increase from FY2026/27 to FY2029/30 by 1.5% annually in the “Plant Expenses” and “Selling, General & Administration” categories and 2.0% in both the “Laboratory Expenses” and “Collection Systems”.
- Depreciation expense will fluctuate as a result of capital improvement upgrades, infrastructure investments, and assets reaching the end of its useful life. It is estimated that depreciation expense from the proposed FY2025/26 budget will increase by 5.0% from the current FY2024/25 budget as a result of increased infrastructure completion. It is anticipated that depreciation expense will increase in future years as the City invests in various capital projects. In the four years from FY2026/27 through FY2029/30 the estimated increases in expense reflect growth of 11.1%, 8.7%, 4.1%, and 2.6%.
- With the anticipation for upcoming market rate reductions, combined with the projected decline in the cash balance, it is anticipated that there will be a decrease in investment interest earnings in FY2026/27 over proposed FY2025/26. Investment earnings are expected to decline again in FY2027/28 through FY2028/29 before leveling out in FY2029/30 due to the anticipation of an increase to the cash balance.
- Benefit charges are the primary source of funding for capacity growth needs and related capital projects. Benefit charges are also utilized to pay for debt service related to prior year capacity related capital projects. From our current FY2024/25 budget to the proposed FY2025/26 budget, benefit charges are estimated to remain at \$500K. From FY2026/27 through FY2029/30 benefit charges are also projected to remain at \$500K annually.
- Based on the various estimations mentioned above for both revenues and expenses, our net increase (decrease) in retained earnings is estimated to decrease from an anticipated gain of \$2.7M in FY2025/26 to a gain of \$1.9M in FY2029/30.
- The projections for Maryland Department of the Environment (MDE) Loan Program Bond financing reflected in years FY2025/26 through FY2029/30 include a low interest rate at 2.5% for twenty and twenty-five year terms. In addition, MDE bonds include an administrative fee of 5.0% of debt service issued annually.
- The ending total cash balance projections reflect a decrease from \$9.3M in FY2025/26 to \$8.6M in FY2029/30 as a result of capital improvement costs being funded largely by cash on hand. Due to current projections for benefit charges, the cost of service rate study recommends that an allocation of cash be reserved as restricted cash for use in future years. This allocation would cover a portion of annual service charges for future system repairs, renewal, and replacement.

WASTEWATER FUND PROJECTIONS
FISCAL YEAR 2026/30
INCOME STATEMENT
(IN THOUSANDS)

	2022/23 ACTUAL	2023/24 ACTUAL	2024/25		2025/26	PROJ. CHG%	2026/27 PROJ.	2027/28 PROJ.	2028/29 PROJ.	2029/30 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET					
Operating Revenues										
Service Charges										
Metered City Sewer	\$ 8,032	\$ 8,484	\$ 8,219	\$ 8,713	\$ 9,041	13/3%	\$ 10,217	\$ 11,545	\$ 11,891	\$ 12,248
Metered County Sewer	3,742	3,860	3,832	4,062	4,215	13/3%	4,763	5,382	5,543	5,710
Metered Joint Sewer	2,774	2,926	2,899	3,073	3,190	13/3%	1,802	2,037	2,098	2,161
Low-Pressure System Charge	106	106	112	107	112	0.0%	112	112	112	112
Total Service Charges	14,654	15,376	15,063	15,954	16,558		16,894	19,075	19,644	20,230
Other Operating Revenues	335	456	297	391	375	0.5%	377	379	381	382
Total Operating Revenue	14,988	15,832	15,359	16,345	16,933		17,271	19,454	20,025	20,613
Operating Expenses										
Plant Expenses	5,277	5,292	6,667	6,687	6,947	1.5%	7,051	7,157	7,264	7,373
Laboratory Expenses	364	382	437	447	491	2.0%	501	511	521	532
Collection Systems	1,495	1,610	2,042	1,878	1,978	2.0%	2,018	2,058	2,099	2,141
Selling, General & Administration	3,926	3,909	4,227	4,223	3,645	1.5%	3,700	3,755	3,811	3,868
Total Operating Expenses	11,062	11,193	13,373	13,235	13,061		13,269	13,481	13,696	13,914
Cash Operating Income (Loss)	3,926	4,639	1,987	3,110	3,873		4,001	5,973	6,329	6,698
Depreciation	3,107	3,139	3,609	3,304	3,791		4,210	4,578	4,767	4,889
Operating Income (Loss)	819	1,500	(1,622)	(194)	82		(208)	1,395	1,563	1,809
Non-Operating Revenues (Expenses)										
Intergovernmental Revenue	-	-	-	-	320		-	-	-	-
Interest Earned	296	572	545	600	600		300	200	150	150
Premium on Bonds	4	4	4	4	4		4	4	4	4
Interest/Bond Issuance Expense	(230)	(210)	(224)	(214)	(241)		(366)	(467)	(502)	(500)
Gain (Loss) on Sale of Capital Assets	36	-	2	10	2		2	2	2	2
Total Non-Operating Revenues (Expenses)	106	367	326	400	685		(60)	(261)	(346)	(344)
Net Income (Loss) Before Operating Transfers	926	1,866	(1,295)	206	766		(268)	1,134	1,217	1,466
Transfers From (To) Other Funds										
Transfers (to) Capital Improvements Fund	(30)	(8)	(66)	(66)	(30)		(36)	(36)	(36)	(36)
Transfer from Health Insurance Fund	86	-	-	-	-		-	-	-	-
Total Transfers From (To) Funds	55	(8)	(66)	(66)	(30)		(36)	(36)	(36)	(36)
Capital Contributions										
Benefits Charges	1,003	704	500	500	500		500	500	500	500
Intergovernmental Revenue- ARPA	-	864	4,122	4,122	-		-	-	-	-
Intergovernmental Revenue- Capital	440	520	6,754	2,754	1,500		-	-	-	-
Non-Cash Developers Contributions	-	3,290	250	150	-		-	-	-	-
Total Capital Contributions	1,443	5,377	11,626	7,526	2,000		500	500	500	500
Increase (Decrease) in Retained Earnings	2,424	7,235	10,264	7,666	2,737		196	1,598	1,681	1,930
Adjust Retained Earnings to a Cash Flow Basis										
Add Back Depreciation	3,107	3,139	3,609	3,304	3,791		4,210	4,578	4,767	4,889
Principal Payments on Current Long-Term Debt	(1,391)	(1,412)	(1,412)	(1,412)	(1,067)		(1,529)	(2,101)	(2,456)	(2,431)
Non-Cash Developers Contributions	-	(3,290)	(250)	(150)	-		-	-	-	-
Changes in Working Capital	332	2,922	-	-	-		-	-	-	-
Total Adjustments to Retained Earnings	2,048	1,359	1,947	1,742	2,724		2,680	2,477	2,310	2,458
Cash Available for Capital Outlay	4,472	8,594	12,211	9,408	5,461		2,876	4,075	3,991	4,388
Capital Outlay										
Non-Growth Related	1,621	2,308	9,506	5,057	21,420		19,420	9,765	5,165	4,500
Growth Related	22	4,174	6,030	4,215	355		220	70	70	70
Total Capital Outlay	1,643	6,482	15,536	9,272	21,775		19,640	9,835	5,235	4,570
Cash After Capital Outlay	2,829	2,111	(3,326)	136	(16,314)		(16,764)	(5,760)	(1,244)	(182)
MDE Bond Financing	-	-	1,500	-	10,500		12,200	7,000	2,500	1,500
Total Additional Funding	-	-	1,500	-	10,500		12,200	7,000	2,500	1,500
Net Surplus (Deficit)	\$ 2,829	\$ 2,111	\$ (1,826)	\$ 136	\$ (5,814)		\$ (4,564)	\$ 1,240	\$ 1,256	\$ 1,318
Total Cash Balance - Beginning	\$ 10,080	\$ 12,909	\$ 15,020	\$ 15,020	\$ 15,156		\$ 9,341	\$ 4,777	\$ 6,018	\$ 7,273
Total Cash Balance - Ending	\$ 12,909	\$ 15,020	\$ 13,194	\$ 15,156	\$ 9,341		\$ 4,777	\$ 6,018	\$ 7,273	\$ 8,591
Unrestricted Cash Balance - Beginning	\$ 8,009	\$ 10,339	\$ 12,434	\$ 12,434	\$ 12,320		\$ 7,468	\$ 3,461	\$ 4,626	\$ 5,363
Unrestricted Cash Balance - Ending	\$ 10,339	\$ 12,434	\$ 11,950	\$ 12,320	\$ 7,468		\$ 3,461	\$ 4,626	\$ 5,363	\$ 6,387
Restricted Cash Balance & 3R's - Beginning	\$ 2,071	\$ 2,570	\$ 2,586	\$ 2,586	\$ 2,836		\$ 1,874	\$ 1,316	\$ 1,392	\$ 1,911
Restricted Cash Balance & 3R's - Ending	\$ 2,570	\$ 2,586	\$ 1,245	\$ 2,836	\$ 1,874		\$ 1,316	\$ 1,392	\$ 1,911	\$ 2,204
Dividend Affordability Formula:										
Operating & Maintenance Expenses	\$ 11,062	\$ 11,193	\$ 13,373	\$ 13,235	\$ 13,061		\$ 13,269	\$ 13,481	\$ 13,696	\$ 13,914
Reserved Retained Earnings (2 Months)	\$ 1,844	\$ 1,866	\$ 2,229	\$ 2,206	\$ 2,177		\$ 2,212	\$ 2,247	\$ 2,283	\$ 2,319
Cash in Excess of Reserve after Dividend	\$ 8,495	\$ 10,568	\$ 9,721	\$ 10,114	\$ 5,291		\$ 1,250	\$ 2,379	\$ 3,080	\$ 4,068

WASTEWATER FUND PROJECTIONS
FISCAL YEAR 2026/30
INCOME STATEMENT
(IN THOUSANDS)

	2022/23 ACTUAL	2023/24 ACTUAL	2024/25		2025/26	PROJ. CHG%	2026/27 PROJ.	2027/28 PROJ.	2028/29 PROJ.	2029/30 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET					
Schedule A - Capital Outlay										
Capital Outlay										
Trunk Lines & Laterals - ARP32	\$ -	\$ 823	\$ 3,986	\$ 3,986	\$ -		\$ -	\$ -	\$ -	\$ -
Non-Portable Equipment - ARP56	-	39	-	-	-		-	-	-	-
Buildings & Structures- ARP58	-	-	62	62	-		-	-	-	-
Non-Portable Equipment - ARP70	-	-	74	74	-		-	-	-	-
Sewer Vehicles-C0004	765	67	370	535	390		455	350	250	585
Manhole Raising-C0267	-	-	1,045	150	1,100		1,100	1,100	1,100	1,100
Pump Station Improvements-C0299	90	49	100	25	100		100	100	100	100
East End Pump Station-C0565	118	257	2,890	430	500		-	-	-	-
PS 13 Reconstruction Project-C0574	-	-	930	350	1,500		2,700	-	-	-
WWTP Equipment-C0584	365	4,345	2,994	1,600	11,950		8,550	3,550	550	550
Buildings & Structures-C0585	75	22	500	400	3,550		3,050	50	50	50
WWTP - Phase III - Disinfection-C0657	-	-	200	10	25		25	25	25	25
WWTP/Phase V/Solids Processing-C0711	75	19	200	200	-		-	-	-	-
Synagro Facility Upgrade Improvements-C0712	-	-	600	600	2,000		2,750	1,750	1,750	1,750
Laboratory Equipment-C0745	-	-	1,295	150	100		100	100	100	100
Grinder Pump Replacement-C0767	89	-	125	50	145		145	145	145	145
SSES City Wide-C0800	-	861	-	625	-		-	-	-	-
Eliminate Pump Station #12-C0832	67	-	-	-	250		500	2,500	1,000	-
New Laterals-C0834	-	-	165	25	165		165	165	165	165
Total Capital Outlay	\$ 1,643	\$ 6,482	\$ 15,536	\$ 9,272	\$ 21,775		\$ 19,640	\$ 9,835	\$ 5,235	\$ 4,570
Schedule B - Capital Outlay Detail										
Capital Outlay Non-Growth Related										
Cash Funded										
Sewer Vehicles-C0004	765	67	296	461	390		455	350	250	585
Manhole Raising-C0267	-	-	945	-	1,100		1,100	1,100	1,100	1,100
Pump Station Improvements-C0299	67	39	80	20	80		80	80	80	80
East End Pump Station-C0565	118	206	1,190	430	400		-	-	-	-
PS 13 Reconstruction Project-C0574	-	-	930	350	500		500	-	-	-
WWTP Equipment-C0584	365	735	1,180	1,286	715		350	500	500	500
Buildings & Structures-C0585	75	22	500	400	3,550		3,050	50	50	50
WWTP Phase III Disinfection-C0657	-	-	200	10	25		25	25	25	25
WWTP/Phase V/Solids Processing-C0711	75	19	200	200	-		-	-	-	-
Synagro Facility Upgrade Improvements-C0712	-	-	600	600	2,000		1,250	250	250	250
Laboratory Equipment-C0745	-	-	1,295	150	100		100	100	100	100
Grinder Pump Replacement-C0767	89	-	125	50	145		145	145	145	145
SSES City Wide-C0800	-	661	-	625	-		-	-	-	-
Eliminate Pump Station #6 & #15-C0832	67	-	-	-	250		-	-	-	-
New Laterals-C0834	-	-	15	25	165		165	165	165	165
Total Cash Funding	1,621	1,749	7,556	4,607	9,420		7,220	2,765	2,665	3,000
Grants in Aid of Construction										
Non-Portable Equipment - ARP56	-	39	-	-	-		-	-	-	-
Buildings & Structures- ARP58	-	-	62	62	-		-	-	-	-
Non-Portable Equipment- ARP70	-	-	74	74	-		-	-	-	-
WWTP Equipment-C0584	-	320	314	314	1,500		-	-	-	-
SSES City Wide-C0800 (ARC)	-	200	-	-	-		-	-	-	-
Total Grant in Aid of Construction	-	559	450	450	1,500		-	-	-	-
MDE Bond Funded										
PS 13 Reconstruction Project-C0574	-	-	-	-	1,000		2,200	-	-	-
WWTP Equipment-C0584	-	-	1,500	-	9,500		8,000	3,000	-	-
Synagro Facility Upgrade Improvements-C0712	-	-	-	-	-		1,500	1,500	1,500	1,500
Eliminate Pump Station #6 & #15-C0832	-	-	-	-	-		500	2,500	1,000	-
Total MDE Bond Funding	-	-	1,500	-	10,500		12,200	7,000	2,500	1,500
Total Non-Growth Related Capital Outlay	1,621	2,308	9,506	5,057	21,420		19,420	9,765	5,165	4,500
Growth Related										
Grants in Aid of Construction										
Trunk Lines & Laterals - ARP32	-	823	3,986	3,986	-		-	-	-	-
East End Pump Station-C0565	-	-	1,700	-	-		-	-	-	-
Total Grants in Aid of Construction	-	823	5,686	3,986	-		-	-	-	-
Contributions by Developers										
Manhole Raising-C0267	-	-	100	150	-		-	-	-	-
WWTP Equipment-C0584	-	3,290	-	-	-		-	-	-	-
Trunk Lines and Laterals -C0834	-	-	150	-	-		-	-	-	-
Total Developer Contributions	-	3,290	250	150	-		-	-	-	-
Benefit Charges/Restricted Cash Funded										
Sewer Vehicles-C0004	-	-	74	74	-		-	-	-	-
Pump Station Improvements-C0299	22	10	20	5	20		20	20	20	20
East End Pump Station-C0565	-	51	-	-	100		-	-	-	-
WWTP Equipment-C0584	-	-	-	-	235		200	50	50	50
Total Benefit Charge Funding	22	61	94	79	355		220	70	70	70
Total Growth Related Capital Outlay	22	4,174	6,030	4,215	355		220	70	70	70
Total Capital Outlay	\$ 1,643	\$ 6,482	\$ 15,536	\$ 9,272	\$ 21,775		\$ 19,640	\$ 9,835	\$ 5,235	\$ 4,570

PARKING FUND PROJECTIONS
FISCAL YEAR 2026/2030
ASSUMPTIONS

- Parking rates were last increased for the parking decks and parking lots by Mayor & Council on July 1, 2024. While no rate changes are reflected separately for FY26, parking revenue continues to be reviewed for overall pricing strategy now that HUB Garage is fully operational. Current parking deck rates are as follows: University District permits are \$70/month; A&E permits are \$80/month and HUB City Garage permits are \$90/month. The maximum is \$24.00/day. Hourly parking is \$2.00 in all parking decks. Sunday parking is free from 6am to 2pm. Parking lot rates are \$56/month. Future revenues do include an estimate for increased usage and rates combined for overall totals that range from 1.5% to 2.5% annually beginning in FY2026/27 through FY2029/30.
- Total operating expenses (excluding depreciation) decreased by 1.2% from the FY2024/25 budget compared to the budget proposed for FY2025/26. This decrease is reflected in a reduction in operating costs associated with maintaining the HUB Parking Garage and Parking enforcement. Based on historical trends, the projections will include increases in future periods. With an expected increase in the HUB parking garage operational costs, the increase in FY2026/27 is estimated to be 5.7%. The overall increase for all future periods is estimated annually at 3.1% from FY2027/28 through FY2029/30.
- Depreciation expense is expected to decrease from FY2024/25 to FY2025/26 budget by 2.6% or \$13.9K as a result of lower amounts of depreciable assets in the A&E Deck and Parking lots. Depreciation expense is estimate to grow by 2.0% in FY2026/27 and by estimated increases annually of 0.30%, 0.30% and 0.50% from FY2027/28 through FY2029/30.
- As a combined result of a larger cash balance and the current interest market, it is projected that interest earnings will increase in FY2025/26 proposed over the FY2024/25 budget. The interest earned will remain flat in FY2025/26 compared to estimated FY2024/25 actual. With the forecasted projections of reduced interest rates and declining cash balances it is anticipated that investment earnings will decrease from FY2026/27 through FY2029/30.
- The city received \$10.6M in FY2023/24 through a Bond Anticipation note to be paid off in FY2024/25 by a bond issuance of \$10.6M. The future bond interest rates for the new parking deck are estimated at a rate of 5.05% over 25 years. The debt service impact is reflected in our interest expense and principal repayment figures.
- Based on the assumptions outlined above for both revenues and increasing expenses, our net increase (decrease) in retained earnings is estimated to decline from an anticipated loss of <\$408K> in FY2024/25 to a loss of <\$524K> in FY2029/30.
- The ending total cash balance projection will decrease from \$786K in FY2025/26 to <\$608K> in FY2029/30 primarily as a result of the HUB parking garage capital project and annual debt service requirements scheduled in future periods.

PARKING FUND PROJECTIONS
FISCAL YEAR 2026/2030
INCOME STATEMENT
(IN THOUSANDS)

	2022/23 ACTUAL	2023/24 ACTUAL	2024/25		2025/26		PROJ. CHG%	2026/27 PROJ.	2027/28 PROJ.	2028/29 PROJ.	2029/30 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET						
Operating Revenues											
Parking Deck Revenues											
University District Parking Deck											
Parking Deck Permits	\$ 252	\$ 276	\$ 240	\$ 240	\$ 240	2.5%	\$ 246	\$ 252	\$ 258	\$ 265	
Parking Deck Fees	46	55	45	80	80	2.5%	82	84	86	88	
General Free Parking	(3)	(3)	(2)	(2)	(2)	1.5%	(2)	(2)	(2)	(2)	
Validations	28	41	30	65	65	1.5%	66	67	68	69	
Other Revenues	-	2	-	0	-		-	-	-	-	
Arts & Entertainment Parking Deck											
Parking Deck Permits	128	143	150	180	180	2.5%	185	189	194	199	
Parking Deck Fees	104	116	95	200	200	2.5%	205	210	215	221	
HUB Parking Garage											
Parking Deck Permits	-	-	220	65	100	2.5%	103	105	108	110	
Parking Deck Fees	-	-	100	120	120	2.5%	123	126	129	132	
Validations	-	-	-	2	2		2	2	2	2	
EV Charging Stations	-	-	-	0	0		0	0	0	0	
Total Parking Deck Revenue	557	629	878	951	985		1,009	1,034	1,059	1,085	
Parking Meter & Lot Revenues											
Street Meters	92	95	82	90	90	1.5%	106	108	110	111	
Free Parking	(3)	(1)	(3)	(3)	(3)	0.0%	(3)	(3)	(3)	(3)	
Market House Lot	6	-	-	-	-	0.0%	-	-	-	-	
Church Street Lot	50	58	65	65	65	1.5%	66	67	68	69	
Rochester Lot	19	22	11	12	12	1.5%	12	12	12	12	
Central Lot	99	104	92	104	104	1.5%	106	107	109	110	
Antietam St. Lot	17	22	14	30	30	1.5%	30	31	31	32	
Bryan Centre Lot	0	0	0	1	1	0.0%	1	1	1	1	
Departmental Charges	21	18	20	18	18	1.5%	18	19	19	19	
Total Parking Meter & Lot Revenue	300	318	281	316	316		336	341	346	351	
Parking Enforcement	137	143	113	113	113	1.5%	134	136	138	140	
Other Operating Revenues											
Other Revenues	1	7	6	8	8		8	8	9	9	
Total Other Operating Revenue	1	7	6	8	8		8	8	9	9	
Total Operating Revenue	996	1,098	1,277	1,386	1,421		1,486	1,518	1,552	1,585	
Operating Expenses											
HUB Parking Garage	4	4	126	124	98	3.5%	126	130	135	140	
University District Parking Deck	157	186	219	229	233	3.5%	241	249	258	267	
Arts & Entertainment Parking Deck	199	227	233	274	253	3.5%	262	271	280	290	
Parking Lots	248	223	236	241	235	2.5%	241	247	253	259	
Parking Enforcement Expenses	81	81	139	90	125	2.5%	128	131	135	138	
Total Operating Expense	690	721	954	958	943		997	1,028	1,061	1,094	
Cash Operating Income (Loss)	305	376	323	429	478		489	490	491	491	
Depreciation	249	249	526	504	513		523	524	526	528	
Operating Income (Loss)	56	128	(204)	(75)	(35)		(34)	(35)	(35)	(37)	
Non-Operating Revenue (Expense)											
Interest Earned	80	426	49	95	95		40	20	15	10	
Interest/Bond Issuance Expense	(91)	(532)	(365)	(416)	(554)		(540)	(525)	(510)	(493)	
Gain (loss) on Sale of Capital Assets	325	-	-	-	-		-	-	-	-	
Total Non-Operating Revenue (Expense)	314	(106)	(316)	(321)	(459)		(500)	(505)	(495)	(483)	
Net Income (Loss) Before Operating Transfers	370	22	(520)	(397)	(494)		(534)	(540)	(529)	(520)	
Transfers From (To) Other Funds											
Transfers from Economic Development Fund	700	500	-	-	-		-	-	-	-	
Transfers (to) Capital Improvements Fund	(5)	(5)	(11)	(11)	(4)		(4)	(4)	(4)	(4)	
Total Transfers From (To) Other Funds	695	495	(11)	(11)	(4)		(4)	(4)	(4)	(4)	
Capital Contributions											
Grants in Aid of Construction	-	33	-	-	-		-	-	-	-	
Capital Contributions	-	33	-	-	-		-	-	-	-	
Increase (Decrease) in Retained Earnings	1,065	551	(531)	(408)	(498)		(538)	(544)	(533)	(524)	

PARKING FUND PROJECTIONS
FISCAL YEAR 2026/2030
INCOME STATEMENT
(IN THOUSANDS)

	2022/23 ACTUAL	2023/24 ACTUAL	2024/25		2025/26	PROJ. CHG%	2026/27 PROJ.	2027/28 PROJ.	2028/29 PROJ.	2029/30 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET					
Adjust to a Cash Flow Basis										
Add Back Depreciation	\$ 249	\$ 249	\$ 526	\$ 504	\$ 513		\$ 523	\$ 524	\$ 526	\$ 528
Changes in Working Capital	(233)	2,003	-	-	-		-	-	-	-
Principal Payments on Long-Term Debt.	(31)	(33)	(10,634)	(10,634)	(239)		(252)	(267)	(283)	(288)
Total Adjustments to Retained Earnings	(16)	2,220	(10,107)	(10,130)	274		271	257	243	240
Cash Available for Capital Outlay	1,050	2,770	(10,639)	(10,538)	(225)		(267)	(287)	(290)	(284)
Capital Outlay										
Parking Facilities 3rd Parking Deck - C0173	1,397	11,211	10	387	10		10	10	10	10
Parking Lot Former M&T Building -ARP06	-	-	-	-	-		-	-	-	-
Upgrades to Parking Decks - C0749	-	-	15	-	34		10	10	10	10
Vehicles/Equipment - C0829	41	-	-	-	35		60	-	-	15
Parking Lot Improvements - C0857	-	38	10	-	10		80	10	10	10
Total Capital Outlay	1,438	11,249	35	387	89		160	30	30	45
Cash After Capital Outlay	(388)	(8,479)	(10,674)	(10,925)	(314)		(427)	(317)	(320)	(329)
Additional Funding										
Bond Financing	10,600	-	10,600	10,600	-		-	-	-	-
Total Additional Funding	10,600	-	10,600	10,600	-		-	-	-	-
Net Surplus (Deficit)	\$ 10,212	\$ (8,479)	\$ (74)	\$ (325)	\$ (314)		\$ (427)	\$ (317)	\$ (320)	\$ (329)
Beginning Cash Balance	\$ 1,642	\$ 11,854	\$ 3,375	\$ 3,375	\$ 1,100		\$ 786	\$ 359	\$ 41	\$ (279)
Ending Cash Balance	\$ 11,854	\$ 3,375	\$ 1,100	\$ 1,100	\$ 786		\$ 359	\$ 41	\$ (279)	\$ (608)
Unrestricted Cash Balance-Beginning	\$ 1,642	\$ 1,254	\$ 2,358	\$ 2,358	\$ 1,100		\$ 786	\$ 359	\$ 41	\$ (279)
Unrestricted Cash Balance-Ending	\$ 1,254	\$ 2,358	\$ 1,100	\$ 1,100	\$ 786		\$ 359	\$ 41	\$ (279)	\$ (608)
Restricted Cash Balance-Beginning	\$ -	\$ 10,600	\$ 1,017	\$ 1,017	\$ -		\$ -	\$ -	\$ -	\$ -
Restricted Cash Balance-Ending	\$ 10,600	\$ 1,017	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -

GOLF COURSE FUND PROJECTIONS
FISCAL YEAR 2026/2030
ASSUMPTIONS

- The last rate increases implemented at the Golf Course became effective July 1, 2023. There are no rate increases proposed for the FY2025/26 budget. The operating revenue proposed in the FY2025/26 budget is expected to remain flat compared to estimated actuals for FY2024/25. Small revenue growth is anticipated annually in FY2026/27 through FY2029/30. The changes to operating revenue for each of the respective periods beginning in FY2026/27 are as follows: 1.6%, 2.0%, 1.7%, and 2.0%.
- Total operating expense (excluding depreciation) increased by 3.2% from FY2024/25 estimated actuals to proposed FY2025/26 budget. The majority of the increase is a result of an increase in salaries and wages, temporary and seasonal staff wages and health insurance costs. Beginning in FY2026/27 through FY2029/30, the change in total expenses range annually from 3.6%, 3.0%, 3.2%, and 3.0% respectively. The increase reflects annual salary enhancements and associated benefits of 4.6% for FY2026/27 and 3.3% in each year from FY2027/28 through FY2029/30. In addition, several expense categories (Material, Supplies, & Utilities; Maintenance and Repairs Vehicle Operating Expenses; and, Contracted Services) are anticipated to increase based on historical trends and largely fluctuating inflation factors.
- Depreciation expense is a reflection of investment in capital infrastructure and renovation. Therefore, the projections for depreciation reflects an increase of 25.7% or \$19.2K from FY2024/25 to FY2025/26 budget. This increase is a result of the additional \$100K budgeted for fixed asset additions including \$190K for Golf Course improvements offset by a reduction of \$90K in vehicle replacements. The four remaining periods from FY2026/27 through FY2029/30 are anticipated to increase by 11.8%, 8.7%, 12.4% and 4.7% respectively. These trends reflect growing and constant infrastructure purchases.
- With the anticipation of upcoming market rate declines and the lack of growth in the Golf cash fund, it is anticipated that annual interest earned will drop to \$1K in FY2026/27 and remain at the \$1K level through FY2029/30 based on cash balances.
- The Golf Course currently has no debt service and is not estimated to incur any through FY2029/30.
- Currently, the Golf Course receives a subsidy from the General Fund. It will be necessary to continue this subsidy through FY2029/30 based on the projections and trends. The proposed budget for FY2025/26 includes a subsidy of \$200K up from \$150K in the FY2024/25. FY2026/27 reflects an increase to the subsidy of \$209K as a result of planned improvements and increased operating expenses. In the remaining future projections from FY2027/28 through FY2029/30, annual stipend requirements from the General Fund are estimated at \$403K, \$444K, and \$408K respectively.
- Based on the assumptions outlined above for revenues, increasing expenses, and the subsidy received by the General Fund, the ending cash balance is expected to increase from <\$14K> in the proposed FY2025/26 budget to \$0 in FY2029/30.

GOLF COURSE FUND PROJECTIONS
FISCAL YEAR 2026/2030
INCOME STATEMENT
(IN THOUSANDS)

	2022/23 ACTUAL	2023/24 ACTUAL	2024/25		2025/26		PROJ. CHG%	2026/27 PROJ.	2027/28 PROJ.	2028/29 PROJ.	2029/30 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET						
Operating Revenues											
Green Fees	\$ 221	\$ 186	\$ 215	\$ 215	\$ 215		\$ 221	\$ 228	\$ 235	\$ 242	
Cart Rentals	121	110	115	120	120		124	124	124	124	
Tournaments & Specials	12	8	10	13	13		13	13	13	13	
State Shared:Highway User Income	49	-	-	-	5		-	-	-	-	
Other Revenues	43	28	38	39	34		35	36	36	37	
Total Operating Revenues	447	332	378	387	387		393	401	408	416	
Operating Expenses											
Salaries & Wages	148	180	250	245	264		272	280	288	297	
Wage & O/H Allocation	-	-	-	5	2		2	2	2	2	
Fringe Benefits	103	128	131	138	145		156	162	169	175	
Materials, Supplies, & Utilities	57	33	75	66	66	3.0%	68	70	72	74	
Maintenance & Repairs	15	17	35	36	35	2.0%	36	36	37	38	
Vehicle Operating Expenses	12	9	18	18	16	1.5%	16	16	17	17	
Advertising & Printing	10	10	10	10	10		11	12	12	13	
Machinery & Equipment Rentals	16	28	29	29	29		29	29	30	30	
Contracted Services	65	78	91	92	92	2.5%	94	97	100	103	
Professional Development	-	-	-	1	1		1	1	1	1	
Other General Expenses	20	14	16	17	17		18	18	19	19	
Insurance	2	3	3	4	4		4	4	4	4	
Communication Expenses	1	1	1	1	1		1	1	1	1	
Operating Capital Expenditures	-	-	1	1	2		1	1	1	1	
Total Operating Expenses	448	501	660	663	684		709	730	753	776	
Cash Operating Income (Loss)	(1)	(169)	(282)	(276)	(297)		(316)	(329)	(345)	(360)	
Depreciation	43	47	74	72	93		104	113	127	133	
Operating Income (Loss)	(44)	(216)	(356)	(348)	(390)		(420)	(442)	(472)	(493)	
Non-Operating Revenues (Expense)											
Interest Earned	9	22	10	18	15		1	1	1	1	
Gain (Loss) on Capital Assets	-	-	-	-	-		-	-	-	-	
Total Non-Operating Revenue (Expense)	9	22	10	18	15		1	1	1	1	
Transfers From (To) Other Funds											
Transfers from General Fund	123	250	150	150	200		409	403	444	408	
Total Transfers From (To) Other Funds	123	250	150	150	200		409	403	444	408	
Capital Contributions											
Intergovernmental Revenue - ARPA	-	-	52	52	-		-	-	-	-	
Grants in Aid of Construction	-	-	-	-	113		-	-	-	-	
Total Capital Contributions	-	-	52	52	113		-	-	-	-	
Increase (Decrease) in Retained Earnings	88	56	(144)	(128)	(62)		(10)	(38)	(27)	(84)	
Adjust to Cash Flow Basis											
Add Back Depreciation	43	47	74	72	93		104	113	127	133	
Changes in Working Capital	30	10	-	-	-		-	-	-	-	
Total Adjustment to Retained Earnings	73	57	74	72	93		104	113	127	133	
Cash Available for Capital Outlay	161	113	(70)	(56)	31		94	75	100	49	
Capital Outlay											
Vehicle/Equipment Replace - C0395	-	37	159	154	69		70	65	90	40	
Golf Course Improvements - C0825	76	4	-	-	190		10	10	10	10	
Total Capital Outlay	76	41	159	154	259		80	75	100	50	
Net Surplus (Deficit)	\$ 85	\$ 72	\$ (229)	\$ (210)	\$ (228)		\$ 14	\$ 0	\$ (0)	\$ (0)	
Beginning Cash	\$ 266	\$ 351	\$ 423	\$ 423	\$ 213		\$ (14)	\$ 1	\$ 1	\$ 1	
Ending Cash	\$ 351	\$ 423	\$ 194	\$ 213	\$ (14)		\$ 1	\$ 1	\$ 1	\$ 1	
Self Supporting Level	91.0%	60.6%	51.5%	52.7%	49.8%		48.4%	47.6%	46.4%	45.8%	

PROPERTY MANAGEMENT FUND PROJECTIONS
FISCAL YEAR 2026/2030
ASSUMPTIONS

- Overall, rental revenue projections are estimated to decrease by 2.0% or \$4.7K from FY2024/25 budget to FY2025/26 budget. The FY2025/26 budget includes all current leases, with an anticipated move by the Department of Community and Economic Development at 14 N. Potomac Street to be completed by the end of FY2024/25. At this time, the Fire Police Headquarters on Valley Road remains occupied for just a \$1.00 per year. Additionally, the Maryland Watch Works (14 N Potomac St., Suite B-3) rent contract currently has an expiration date in 2026. Future periods anticipate the continuation of the current lease agreements.
- Total operating expenses (excluding depreciation) are expected to increase by 3.9% from FY2024/25 budget compared to the FY2025/26 budget. Primarily, this increase is a result of increases in salary and wages and fringe benefits due to staffing reallocations. The overall estimated increase for each consecutive year from FY2026/27 to FY2029/30 is 2.0%.
- Depreciation expense is expected to increase by 1.5% from the FY2024/25 budget to the proposed FY2025/26 budget. It is expected that depreciation will increase annually with increases of 2.5% in FY2026/27, 2.4% in both FY2027/28 and FY2028/29 and 2.3% in FY2029/30.
- The investment interest amount is assumed to decrease in FY2025/26 over FY2024/25 budget due to the decrease in interest rates and the anticipated decline in the cash balance. A decline is expected to continue in FY2026/27 followed by no interest earnings from FY2027/28 through FY2029/30 as a result of anticipated negative cash balances.
- At this time, there are no additional future bond issues. As a result, interest expense will continue to decrease through FY2029/30 as the current bonds continue to be paid.
- Based on the assumptions outlined above for both revenues and expenses, our net increase (decrease) in retained earnings is estimated to decrease from an anticipated loss of <\$179K> in FY2024/25 estimated actual to a loss of <\$216K> in FY2025/26.
- The ending total cash balance is projected to be \$218K in the FY2025/26 budget and declining to <\$223K> in FY2027/28. This decline in the cash balance is a result of multiple factors: higher annual operating expenditures over rental income and the capital improvement projects at the Elizabeth Hager Center and 60W. Washington Street.

PROPERTY MANAGEMENT FUND PROJECTIONS
FISCAL YEAR 2026/2030
INCOME STATEMENT
(IN THOUSANDS)

	2022/23 ACTUAL	2023/24 ACTUAL	2024/25		2025/26	PROJ. CHG%	2026/27 PROJ.	2027/28 PROJ.	2028/29 PROJ.	2029/30 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET					
Operating Revenues										
Rent - 2-6 N Potomac Street, 1st Floor	\$ 162	\$ 201	\$ 172	\$ 167	\$ 167		\$ 167	\$ 167	\$ 167	\$ 167
Rent - 14 N Potomac Street, Suite 200A/B	24	20	-	14	-		-	-	-	-
Rent - 6 N Potomac Street	25	8	-	8	-		-	-	-	-
Rent - 14 N Potomac Street, Suite B-3	24	25	26	26	26		26	26	26	26
Rent - 60 W Washington Street, Suite 102	8	6	-	-	-		-	-	-	-
Rent - 60 W Washington Street, Rear	33	33	33	33	33		33	33	33	33
*Other Revenues	4	0	-	-	-		-	-	-	-
Total Operating Revenues	280	293	231	248	226		226	226	226	226
Operating Expenses										
Rental Properties Operational Expense	246	298	333	344	346	2.0%	353	360	367	375
Depreciation	105	103	111	103	113		116	119	121	124
Total Operating Expenses	351	400	444	447	459		469	479	489	499
Operating Income (Loss)	(70)	(107)	(213)	(199)	(232)		(242)	(252)	(262)	(272)
Non-Operating Revenues (Expenses)										
Interest Earned	15	28	26	24	20		8	-	-	-
Interest/Bond Issuance Expense	(4)	(4)	(3)	(3)	(3)		(3)	(3)	(3)	(2)
Loss on Disposal of Capital Assets	(48)	-	-	-	-		-	-	-	-
Total Non-Operating Revenues (Expenses)	(36)	24	23	20	17		5	(3)	(3)	(2)
Net Income (Loss) Before Operating Transfers	(106)	(83)	(190)	(179)	(216)		(237)	(255)	(265)	(275)
Increase (Decrease) in Retained Earnings	\$ (106)	\$ (83)	\$ (190)	\$ (179)	\$ (216)		\$ (237)	\$ (255)	\$ (265)	\$ (275)
Adjust to a Cash Flow Basis										
Add Back Depreciation	105	103	111	103	113		116	119	121	124
Changes in Working Capital	71	5	-	-	-		-	-	-	-
Principal Payments on Long-term Debt	(6)	(6)	(6)	(6)	(6)		(6)	(7)	(7)	(7)
Total Adjustments to Retained Earnings	169	101	105	97	106		109	112	114	117
Cash Available for Capital Outlay	63	18	(85)	(82)	(109)		(128)	(143)	(150)	(158)
Capital Outlay										
Elizabeth Hager Center - C0803	-	-	40	10	75		45	45	45	45
60 W Washington St - C0828	-	-	25	-	40		40	40	40	40
Total Capital Outlay	-	-	90	10	140		85	85	85	85
Net Surplus (Deficit)	\$ 63	\$ 18	\$ (175)	\$ (92)	\$ (249)		\$ (213)	\$ (228)	\$ (235)	\$ (243)
Beginning Cash Balance	\$ 477	\$ 540	\$ 558	\$ 558	\$ 468		\$ 218	\$ 5	\$ (223)	\$ (458)
Ending Cash Balance	\$ 540	\$ 558	\$ 383	\$ 468	\$ 218		\$ 5	\$ (223)	\$ (458)	\$ (701)

*FY2023/24 actual includes \$150 forfeited security deposit BuroBox.

STORMWATER PROTECTION FUND PROJECTIONS
FISCAL YEAR 2026/2030
ASSUMPTIONS

- Stormwater rates for FY2024/25 are \$36.00 per 1,000 square feet impervious area. An updated three year cost model approved in July 2024 includes a rate increase to \$38 per 1,000 square feet of impervious area on July 1, 2025 through June 30, 2028. The projections for FY2025/26 include a slight increase with overall 2.5% for rates and growth. For FY2026/27 and FY2027/28 projection increases of 2.5% are included for growth and new billable units incorporated. FY2029/30 reflects 2.5% increases for both potential rate adjustments and growth.
- Total operating expenses (excluding depreciation) are anticipated to decrease slightly from the FY2024/25 budget compared to the budget proposed for FY2025/26. The anticipated expenses will include increases in future periods as the program and projects take time to complete. FY2025/26 percentage increase reflects storm drain inspections and video contractor to proactively maintain current and new systems. The overall increase for all future periods from FY2027/28 through FY2029/30 is estimated to average 3.5% annually to include increases for salaries, benefits and other inflationary increases.
- It is anticipated that more capital equipment and infrastructure investments will be made during the first several years of this program which will result in increases to depreciation expense. Depreciation expense is expected to increase significantly by 17.1% from the FY2024/25 budget to the proposed FY2025/26 budget. The depreciation expense increase for FY2025/26 is primarily the result of \$1.7M to be spent in stream restoration projects (#59-C0866) and \$1.1M toward stormwater protection program implementation projects (#59-C0637). FY2026/27 is projected to increase by 21.9% over FY2025/26 after spending \$1.6M in stormwater projects in FY2026/27. Further, it is anticipated that depreciation will increase in FY2027/28 and FY2028/29 by 22.6% and 9.5% respectively with \$1.0M in each fiscal year projected to be spent on capital projects. Lastly, depreciation expense is estimated to have a smaller increase in FY2029/30 by 4.9%.
- Interest rates set in place by the Federal Reserve are expected to reduce in the future but with the growth in the stormwater cash balance, interest income is anticipated to increase from FY2025/26 to FY2026/27. Despite further anticipated federal reserve interest rate cuts, the growth in the cash balance will offset so that interest income is expected to remain flat through FY2029/30
- At this time, there are no additional future bond issues. The debt service impact is reflected in interest expense and principal repayment figures. Currently, the projections include payments made from the 2018 Bond issuance to purchase street sweepers and transferred from the General Fund in FY2020/21. The total amount transferred in debt was \$558K. The Bond interest rate is at 4.3% to be paid over 15 years.
- Based on the assumptions outlined above for both revenues and increasing expenses, our net increase (decrease) in retained earnings is estimated to decrease from an anticipated gain of \$3.2M in FY2025/26 to a gain of \$2.9M in FY2029/30.

STORMWATER PROTECTION FUND PROJECTIONS
FISCAL YEAR 2026/2030
INCOME STATEMENT
(IN THOUSANDS)

	2022/23 ACTUAL	2023/24 ACTUAL	2024/25		2025/26	PROJ. CHG%	2026/27 PROJ.	2027/28 PROJ.	2028/29 PROJ.	2029/30 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET					
Operating Revenues										
Stormwater Fixed Fee	\$ 3,244	\$ 3,393	\$ 3,400	\$ 4,100	\$ 4,200	2.5%	\$ 4,305	\$ 4,413	\$ 4,523	\$ 4,636
Credit SWM Program	(84)	(95)	(130)	(150)	(160)	2.5%	(164)	(168)	(172)	(177)
Other Revenue	7	-	-	-	-		-	-	-	-
Late Fees	30	32	25	25	25		26	27	28	28
Total Operating Revenues	3,196	3,330	3,295	3,975	4,065		4,167	4,271	4,378	4,488
Operating Expenses										
Infrastructure Maintenance	605	668	777	810	891	3.5%	922	954	987	1,022
Selling, General & Administrative	272	169	418	220	294	3.5%	404	418	433	448
Total Operating Expense	878	838	1,196	1,031	1,184		1,326	1,372	1,420	1,470
Cash Operating Income (Loss)	2,319	2,492	2,099	2,944	2,881		2,841	2,899	2,958	3,018
Depreciation	91	100	160	115	188		229	281	307	323
Operating Income (Loss)	2,228	2,392	1,939	2,829	2,693		2,613	2,618	2,650	2,695
Non-Operating Revenue (Expense)										
Interest Earned	82	218	193	228	195		200	200	200	200
Interest/Bond Issuance Expense	(21)	(19)	(18)	(18)	(16)		(14)	(12)	(11)	(9)
Total Non-Operating Revenue (Expense)	62	198	175	210	179		186	188	189	191
Net Income (Loss) Before Operating Transfers	2,289	2,590	2,114	3,040	2,872		2,798	2,806	2,840	2,887
Transfers From (To) Other Funds										
Transfers (to) Capital Improvements Fund	-	-	(100)	(100)	-		-	-	-	-
Total Transfers From (To) Other Funds	-	-	(100)	(100)	-		-	-	-	-
Capital Contributions										
Intergovernmental Grant-ARPA	-	151	280	280	-		-	-	-	-
Grants in Aid of Construction	30	85	410	-	145		-	-	-	-
Contributions by Others	-	-	-	-	150		-	-	-	-
Capital Contributions	30	236	690	280	295		-	-	-	-
Increase (Decrease) in Retained Earnings	2,319	2,826	2,704	3,220	3,167		2,798	2,806	2,840	2,887
Adjust to a Cash Flow Basis										
Add Back Depreciation	91	100	160	115	188		229	281	307	323
Principal Payments on Long-Term Debt	(36)	(37)	(39)	(39)	(41)		(42)	(44)	(46)	(48)
Changes in Working Capital	83	(18)	-	-	-		-	-	-	-
Total Adjustments to Retained Earnings	138	45	121	76	147		186	236	261	274
Cash Available for Capital Outlay	2,457	2,871	2,825	3,296	3,314		2,985	3,042	3,101	3,161
Capital Outlay										
Stormwater Vehicles - C0064	-	-	365	279	350		140	350	-	-
Stormwater Facilities - C0255	-	-	-	-	-		-	-	-	-
Stormdrain System Upgrades - C0444	-	302	150	25	1,100		150	150	150	150
Curb Replacement Program - C0459	105	100	100	100	120		120	120	120	120
Reforestation Using SPP Funds - C0594	89	69	50	35	120		50	50	50	50
Hagerstown Field House - C0634	-	151	280	280	-		-	-	-	-
Stormwater Protection Program - C0637	4	320	1,135	100	1,135		600	350	300	300
Green Streets - C0639	208	-	-	-	175		-	-	-	-
Marsh Run Walls Rehabilitation - C0853	-	-	350	100	250		-	-	350	-
Stream Restorations - C0866	2	631	1,610	10	1,700		500	-	-	-
Total Capital Outlay	407	1,573	4,040	928	4,950		1,560	1,020	970	620
Cash After Capital Outlay	2,050	1,298	(1,215)	2,367	(1,636)		1,425	2,022	2,131	2,541
Net Surplus (Deficit)	\$ 2,050	\$ 1,298	\$ (1,215)	\$ 2,367	\$ (1,636)		\$ 1,425	\$ 2,022	\$ 2,131	\$ 2,541
Beginning Cash Balance	\$ 1,452	\$ 3,502	\$ 4,800	\$ 4,800	\$ 7,167		\$ 5,531	\$ 6,955	\$ 8,978	\$ 11,109
Ending Cash Balance	\$ 3,502	\$ 4,800	\$ 3,585	\$ 7,167	\$ 5,531		\$ 6,955	\$ 8,978	\$ 11,109	\$ 13,650

HEALTH CARE FUND PROJECTIONS
FISCAL YEAR 2026/2030
ASSUMPTIONS

Health Care Fund Coverage

Structure: The Health Care Fund was created in 2000 to manage the City's self-insurance program for health care. Under this self-funded plan the City pays a standard monthly administrative fee for each covered member and accepts claim risk up to an aggregate stop loss. Administratively, all City departments are billed pre-established internal "insurance" rates for their department's share of cost of insurance for its employees, retirees and dependents. Similarly, the active employees and retirees pay internal "insurance" rates for their share of dependent coverage. It is important to note that the employee premium rates have not changed since July 2010. These billings represent funding sources for the Health Care Fund from which all health care related administrative and medical claim costs are paid.

Health Insurance Plan Options

Active employees have the option of choosing between the City's Level Medical Plan (deductible and copays), the Plus Medical Plan (a high-deductible plan) or the select Medical Plan. The City pays a portion of the premium and employees pay a percentage of the premium for their coverage and their dependents coverage. This City's current portion of the premium ranges from 74% to 98% depending on the plan and level of coverage.

Eligible retirees and their dependents who are not Medicare eligible can enroll in the City's Under 65 Medical Plan with a similar cost sharing arrangement for retirees and dependents. Retirees who are Medicare eligible may choose from two medical plan options including the "Medicomp" Medicare supplement medical plan or the Health Reimbursement Account (HRA). The HRA provides an annual stipend of up to \$3,600 per person to cover eligible medical related costs. The HRA plan permits retirees to purchase their own secondary coverage and receive reimbursement for any eligible premiums, deductibles and co-pays.

Claims ("Run Out") Reserve Policy

The Claims ("Run Out") Reserve is defined as costs incurred at the end of a fiscal year which due to timing will be paid out in the following year. Self funded plans are required to maintain this reserve as a liability that would be paid when the self funded plan is terminated. Every year, the City re-evaluates the amount booked for this liability. This analysis is performed using claim lag reports obtained from the claim administrators of the City's health and dental plans. The claim lag reports identify the timing of claim payments from incurred to process date. The City's benefits consultant assists with this projection and is recorded on an annual basis.

Health Insurance Fund: Estimated Actual Projections

At the end of FY2024/25, the estimated cash balances of \$2.8 million will provide future funding for any required Claims Reserve. Additionally, the fund balance reserve is estimated to increase over FY2024/25 budget amount and total \$2.0M as a result of lower medical claim reimbursements combined with higher premium revenues contributed by the City in the current fiscal year.

Health Insurance Fund: Proposed FY 2025/26 Budget

The proposed FY2025/26 budget reflects a projected deficit after an increase in Medical Claims expenses of 3.8% over projected FY2024/25 amounts. For FY2025/26, it is anticipated that \$500K will be reimbursed per the City's stop-loss insurance policy to cover claims beyond the City's predetermined deductible for each of the City's covered employees. It is expected that medical claims will continue to increase including high dollar claims which is reflected in escalating expenditures. At the end of FY2025/26, it is estimated that the ending cash balance on hand will be approximately \$2.8M.

Health Insurance Fund: Four Year Forecast Beyond Proposed Fiscal Year 2025/26 Budget

As a result of claims expense trends and the financial impact of current legislative regulations, the future projections include 7% annual increases for actual medical expense claims in FY2026/27 through FY2029/30. Given the offsetting premiums and revenues, it is estimated that the cash balance will decline to \$2.4M at the end of FY2029/30.

Accounting Rules for Other Post Employment Benefits

Like pension benefits, City employees and their dependents receive health and dental benefits after retirement based upon years of employment with the City. Accounting rules (GASB75) changed how the City accounted for the cost of its post employment benefits in FY2017/18. The City annually contracts with an actuarial firm, CBIZ Benefits & Insurance Services, Inc., to perform all necessary calculations. The annual contribution from the City to fund an OPEB trust account is reflected as a separate line item in our financial projections. The City included \$700K in Fiscal Year 2024/25 estimated actual for this contribution. Based on the current structure and trends of the Health Insurance Fund's plan, the contribution will remain at \$700,000 in FY2025/26 and continue each year through FY2029/30.

HEALTH CARE FUND PROJECTIONS
FISCAL YEAR 2026/2030
PROPOSED EXPENSES & REVENUES
(IN THOUSANDS)

	2022/23 ACTUAL	2023/24 ACTUAL	2024/25		2025/26	PROJ. CHG%	2026/27 PROJ.	2027/28 PROJ.	2028/29 PROJ.	2029/30 PROJ.
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET					
Premium Revenues										
Premium Revenues - City	\$ 6,156	\$ 6,442	\$ 7,173	\$ 7,325	\$ 7,958	7.0%	\$ 8,515	\$ 9,111	\$ 9,749	\$10,431
Premium Revenues - Employees	976	941	952	953	953	2.0%	972	992	1,011	1,032
Premium Revenues - Retirees	217	250	241	359	359	2.0%	366	374	381	389
Total Premium Revenue	7,349	7,633	8,366	8,637	9,270		9,853	10,476	11,141	11,851
Stop Loss Reimbursement	759	708	500	500	500		600	600	600	600
Prescription Rebates	414	535	626	555	637	2.0%	650	663	676	690
Interest From Investments	82	90	50	50	50		40	30	25	20
Total Revenue	8,604	8,966	9,542	9,742	10,457		11,143	11,769	12,442	13,161
Medical Claims Expense	8,175	7,765	8,540	8,166	8,477	7.0%	9,070	9,705	10,385	11,112
Claims Reserve Expense	289	(141)	100	100	100	2.0%	102	104	106	108
Health Savings Account Contributions	45	42	50	50	50		53	55	58	60
Administrative & Audit Expenses	456	407	362	365	364	3.0%	375	386	398	410
Stop Loss Reinsurance Expenses	374	450	545	658	784	5.0%	823	864	908	953
Wellness Program	51	55	50	50	50		53	53	53	53
OPEB Trust Contributions	700	700	700	700	700		700	700	700	700
Total Expenditures	10,090	9,278	10,347	10,089	10,525		11,176	11,868	12,607	13,396
Transfers from Dental Fund	-	200	-	-	-		96	25	20	15
Transfers (to) General Fund	(654)	-	-	-	-		-	-	-	-
Transfers (to) Electric Fund	(65)	-	-	-	-		-	-	-	-
Transfers (to) Water Fund	(95)	-	-	-	-		-	-	-	-
Transfers (to) Wastewater Fund	(86)	-	-	-	-		-	-	-	-
Total Transfers From (To) Other Funds	(900)	200	-	-	-		96	25	20	15
Operating Income (Loss)	(2,386)	(112)	(805)	(347)	(68)		63	(74)	(144)	(220)
Increase (Decrease) in Retained Earnings	\$ (2,386)	\$ (112)	\$ (805)	\$ (347)	\$ (68)		\$ 63	\$ (74)	\$ (144)	\$ (220)
Beginning Fund Balance	4,916	2,530	2,418	2,418	2,071		2,003	2,066	1,992	1,848
Ending Fund Balance	\$ 2,530	\$ 2,418	\$ 1,613	\$ 2,071	\$ 2,003		\$ 2,066	\$ 1,992	\$ 1,848	\$ 1,628
Total Cash Balance -Beginning	\$ 5,345	\$ 3,368	\$ 3,169	\$ 3,169	\$ 2,822		\$ 2,754	\$ 2,817	\$ 2,743	\$ 2,599
Total Cash Balance-Ending	\$ 3,368	\$ 3,169	\$ 2,364	\$ 2,822	\$ 2,754		\$ 2,817	\$ 2,743	\$ 2,599	\$ 2,379
Unrestricted Cash Balance-Beginning	\$ 4,355	\$ 2,375	\$ 1,980	\$ 1,980	\$ 1,633		\$ 1,565	\$ 1,628	\$ 1,554	\$ 1,409
Unrestricted Cash Balance-Ending	\$ 2,375	\$ 1,980	\$ 1,175	\$ 1,633	\$ 1,565		\$ 1,628	\$ 1,554	\$ 1,409	\$ 1,190
Restricted Cash Balance-Beginning	\$ 990	\$ 993	\$ 1,189	\$ 1,189	\$ 1,189		\$ 1,189	\$ 1,189	\$ 1,189	\$ 1,189
Restricted Cash Balance-Ending*	\$ 993	\$ 1,189	\$ 1,189	\$ 1,189	\$ 1,189		\$ 1,189	\$ 1,189	\$ 1,189	\$ 1,189

*Ending Cash balance at June 30, 2024 includes \$274,000 currently on deposit with United Healthcare and \$915,193 in Health Reimbursement Accounts.

DENTAL INSURANCE FUND
FISCAL YEAR 2026/2030
PROPOSED EXPENSES & REVENUES
(IN THOUSANDS)

	2022/23 ACTUAL	2023/24 ACTUAL	2024/25		2025/26	PROJ. CHG%	2026/27	2027/28	2028/29	2029/30
			REVISED BUDGET	EST. ACTUAL	PROPOSED BUDGET		PROJ. 0.0%	PROJ. 0.0%	PROJ. 0.0%	PROJ. 0.0%
Premium Revenues										
Premium Revenues - City	\$ 184	\$ 185	\$ 195	\$ 189	\$ 197		\$ 197	\$ 197	\$ 197	\$ 197
Premium Revenues - Employees	143	156	156	157	158		158	158	158	158
Premium Revenues - Retirees	73	77	77	75	75		75	75	75	75
Total Premium Revenue	400	418	428	421	430		430	430	430	430
Interest From Investments	24	39	20	25	20		14	9	9	9
Total Revenue	424	457	448	446	450		444	439	439	439
Dental Claims Expense	312	319	338	346	354	1.0%	358	361	365	368
Claims Reserve Expense	(1)	(1)	5	5	5		5	5	5	5
Administrative & Audit Expenses	44	45	45	45	45	3.0%	46	48	49	51
Total Expenses	355	363	388	396	404		409	414	419	424
Transfers From (To) Other Funds										
Transfers (to) Health Care Fund	-	(200)	-	-	-		(96)	(25)	(20)	(15)
Total Transfers From (To) Other Funds	-	(200)	-	-	-		(96)	(25)	(20)	(15)
Increase (Decrease) in Retained Earnings	\$ 69	\$ (106)	\$ 60	\$ 50	\$ 46		\$ (61)	\$ 0	\$ 0	\$ (0)
Beginning Fund Balance	763	832	832	832	883		929	868	868	868
Ending Fund Balance	\$ 832	\$ 726	\$ 892	\$ 883	\$ 929		\$ 868	\$ 868	\$ 868	\$ 868
Total Cash Balance -Beginning	\$ 785	\$ 839	\$ 760	\$ 760	\$ 835		\$ 881	\$ 820	\$ 820	\$ 820
Total Cash Balance-Ending	\$ 839	\$ 760	\$ 845	\$ 835	\$ 881		\$ 820	\$ 820	\$ 820	\$ 820
Unrestricted Cash Balance-Beginning	\$ 754	\$ 808	\$ 729	\$ 729	\$ 804		\$ 850	\$ 789	\$ 789	\$ 789
Unrestricted Cash Balance-Ending	\$ 808	\$ 729	\$ 814	\$ 804	\$ 850		\$ 789	\$ 789	\$ 789	\$ 789
Restricted Cash Balance-Beginning	\$ 31	\$ 31	\$ 31	\$ 31	\$ 31		\$ 31	\$ 31	\$ 31	\$ 31
Restricted Cash Balance-Ending*	\$ 31	\$ 31	\$ 31	\$ 31	\$ 31		\$ 31	\$ 31	\$ 31	\$ 31

*Ending Cash balance at June 30, 2024 includes \$31,300 currently on deposit with United Concordia.

Parks

City of Hagerstown



CAPITAL IMPROVEMENT PROGRAM

SECTION 7

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Acknowledgements

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CAPITAL IMPROVEMENT PROJECTS – PROGRAM SUMMARY
FISCAL YEAR 2025/2026

All Departments – Consolidated

PROGRAM OVERVIEW

Hagerstown plans its capital improvement projects over a five-year period. Capital improvements programming and budgeting involves the development of a long-term plan for capital expenditures. Capital expenditures include buildings and facilities, significant ongoing maintenance and improvements to current facilities, land, major equipment, and other commodities which are of significant value and have a useful life of several years. It is both a fiscal and planning document that allows the City to monitor and inventory all capital project costs, funding sources, departmental responsibilities, and project schedules. The program includes a comprehensive review of all capital needs and then providing the information and criteria to assist Mayor and Council as they choose among competing projects.

The proposed Capital Improvements Program (CIP) for FY25 and FY26 is summarized below:

Fund	FY25		FY26
	Revised Budget	Estimated Actual	Proposed Budget
General / CIP Fund	\$ 33,119,045	\$ 30,531,176	\$ 14,652,000
Electric Fund *	3,450,160	2,047,253	3,190,000
Water Fund	7,836,836	2,660,955	12,896,500
Wastewater Fund	15,536,222	9,271,546	21,775,000
Parking Fund	35,000	386,602	89,000
Golf Course Fund	159,493	154,163	259,000
Property Management Fund	90,000	10,000	140,000
Stormwater Protection Fund	4,039,825	928,340	4,950,000
TOTALS	\$ 64,266,581	\$ 45,990,034	\$ 57,951,500

* Excludes capital expenditures not included in specific projects of \$867,500, \$759,700 and \$867,500 respectively.

MAJOR FY26 PROGRAM OBJECTIVES

- Further the City’s goals and objectives as outlined in the City’s Comprehensive and Strategic Plans, the Community’s City Center Plan as summarized on the City’s website, and the Mayor & Council Goals Strategic Plan included in Section 1 of the budget book.
- Maximize opportunities for community development and infrastructure replacement while staying within debt affordability guidelines, available resources and complying with the City’s debt management policy.
- Increase opportunities to obtain funding from outside sources such as the Federal, State and County Governments and other private parties.
- Assist in planning, budgeting and coordinating the operational and capital efforts of all City Departments.
- Provide guidance for making decisions about requests for routine or emergency capital expenditures.
- Attract private investment by planning for future amenities and infrastructure improvements to support public capital commitments.
- Maintain or improve the City’s bond rating through effective financial planning and management.

CAPITAL IMPROVEMENT PROJECTS – PROGRAM SUMMARY
FISCAL YEAR 2025/2026

THE CITY'S STRATEGIC PLAN

In November 2021, the Mayor and City Council approved the 2021-2024 Strategic Plan based upon the City's Vision and Mission Statements. This plan has eleven areas of focus as reflected below. By strategically utilizing a combination of financial management policies, land use, and forecasting, the City will ensure stability by maximizing its use of resources. To assist policy makers, the CIP's five year forecast included in this section reflects the financial impact of their decisions. The Strategic Plan outlines the City's vision to inspire an inclusive, business friendly and sustainable community with clean, safe and vibrant neighborhoods. The Mayor and Council Strategic Plan – 2025 through 2028 is located in Section 1 overview and was adopted by the new administration after compilation of the FY26 budget.

Neighborhoods Revitalization & Sustainability

Providing the citizens of Hagerstown the ability to experience a high quality of life in their neighborhood is important to the City of Hagerstown. In addition to the City's operating funding support of neighborhood programs, the capital budget plan includes \$275K for public art, downtown beautification programs, tree installation, and accessibility ramps.

Public Safety

To ensure that all who live, work and play in the City of Hagerstown are safe, \$6.2M has been designated to construct a classroom building at the fire department training center, relocate and/or renovate the fire stations, purchase fire and EMS equipment, replace a fire pumper, replace police vehicles, upgrade police software and hardware, construct a classroom building at the police firing range and public safety technology.

Public Facilities and Infrastructure

In order to establish and maintain quality services and an infrastructure that supports residents and business in a cost effective manner, the budget proposal provides \$47.3M for new technologies that provide and promote a more customer-oriented and safe parking experience including upgrades to parking decks and lots, sidewalk replacements, bridge repair, storm water protection upgrades, major signal intersection upgrades, alley and street reconstructions and extensions, pavement preservation and maintenance, City Hall improvements, Elizabeth Hager Center upgrades, 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, and various Wastewater collection system rehabilitations.

Economic Development

The City of Hagerstown strives to have a diverse, business-friendly economy that supports the community's needs. While no funding has been included in the FY26 CIP budget for this focus area, ARC grant funding of \$100K has been included in the operating budget to implement the Community's City Center Plan to promote economic development and strong neighborhoods in the core of the city. Most notably is the inclusion of \$1.6M for incentives in the Economic Redevelopment operating budget reflected in Section 4 of this budget document.

Citizen-based Government

The City of Hagerstown believes in an ethical and financially responsible government, while supporting an engaged citizenry to make the community more than the sum of its parts. To accomplish this goal, Mayor and Council plan to integrate technology throughout City operations to enhance the customer experience and increase citizen access to City services and information, promote awareness and understanding of the City's finances through accessible and easy-to-use data presentations, new connectivity of network services to the City's outlying buildings, and hardware upgrades to the IT infrastructure. The majority of these goals will be accomplished using existing general fund operating budgets; however, \$140K has been earmarked in the CIP budget for technology improvements to achieve these goals.

Fiscal Accountability

In order to establish and maintain fiscally responsible decision making, the City will continue to strive for the most efficient management of departmental resources and expense controls. To achieve this goal, IT CIP funds of \$1.3M will be utilized to upgrade/replace the current ERP and financial systems to stay on up-to-date technology, take advantage of system improvements, and utilize the latest innovations to enhance daily operational capabilities.

CAPITAL IMPROVEMENT PROJECTS – PROGRAM SUMMARY
FISCAL YEAR 2025/2026

Parks & Recreation for Active/Healthy Living

In order to support a culturally vibrant community, the City of Hagerstown plans to continue to provide parks and public gathering spaces and enhanced amenities at City Park, The Greens at Hamilton Run, Fairground Park, Potterfield Pool, Wheaton Park, expand programs in the Parks & Recreation Division to promote healthy eating and active lifestyles, and many other community-health focused programs. Plans are to accomplish this goal through the combination of \$2.1M in CIP funds and the use of existing operating expense budgets.

Innovative/Progressive Government

The City of Hagerstown is committed to employee development, excellence in services and adapting to meet the needs of the community and the organization. To reach this goal, the City has identified funding of \$65K to continue to support information technology needs across the City, upgrade the GIS system and upgrade features of the electronic time and attendance system.

Community Promotion/Pride

The City will improve its community image by releasing factual, timely and transparent messaging. To help achieve this goal in FY26, funds of \$170K will make improvements for TV studio and video production systems. In addition, the City continues to provide operating budget dollars for a variety of special events, to provide sponsorships to others events, and to provide support and funding for Neighborhoods First initiatives.

Economic Development through Sports and Tourism

Providing for the visitors of the City of Hagerstown, several different locations for Sports and Tourism will be the goal. The FY26 CIP budget reflects funding of \$468K for upgrades of the Hagerstown Field House, the Hager House Museum, Steam Engine Museum, and the Hagerstown Ice Rink.

Miscellaneous Projects, Goals and Legislative Priorities

While no funding has been included in the FY26 CIP budget for this focus area, funding has been included in the operating budget to carry out the objectives of this focus area. Objectives include enhancing community partnerships to help address homeless issues, collaborate with others to address food deserts, solutions based meetings approach, expanding “Operation Take Back” approach, and addressing long term MRGA water/wastewater plan.

OVERVIEW OF THE PROJECTS IN THE CIP

The CIP section presents comprehensive descriptions of major project needs for FY26 through FY30. Pages 16 through 47 provide summary schedules by Fund outlining funding sources and project expenditures and are organized by Fund and department. Pages 48 through 180 contain detailed descriptions pertaining to individual CIP projects and are organized by Fund and project number. These pages describe each project in more detail, and include a justification section. Additionally, these pages include information relating to the potential budget impact that each recurring and non-recurring capital investment may have on current and future operating budgets and services provided by the City.

The City’s Capital Improvement Program budget for FY26 at \$58.M is 9.8% lower than the \$64.3M in the FY25 revised budget. The FY26 budget encompasses various types of projects as indicated above in the Strategic Plan section. Several of the major projects in our five year Capital Improvement Program plan are summarized below:

- Overall, the FY26 budget includes \$4.5M for vehicle replacements. Of this amount, \$1.7M is funded by Enterprise Funds and includes the replacement for three Electric Division pick-up trucks and two sedans; two Water Department service truck, three Chevy vehicles, a backhoe, forklift and two detour arrow board units; five Wastewater Department vehicles, and an Atlas Generator; one vehicle for parking; for Golf, a Golf Cart and a mower; and for stormwater, an Elgin Sweeper. General funds of \$1.9M, GF fund balance reserve of \$940K and CIP fund balance of \$45K will be for the replacement of 9 police cruisers (\$520K), funding for the KME Reserve Engine Pumper (\$1.5M), a bucket truck and a backhoe for Public Works (\$310K), and other miscellaneous vehicles (\$542K).

CAPITAL IMPROVEMENT PROJECTS – PROGRAM SUMMARY
FISCAL YEAR 2025/2026

- Completely relying on State Highway user revenue (HUR), the City included \$1.5M in the FY26 budget for its pavement preservation program for city streets (45-C0025). The City utilizes a variety of methods to maintain streets including milling and overlay, crack-sealing, slurry-sealing, and patching.
- To address Mayor and Council goals of fiscal accountability and Citizen based government, the City has included \$1.3M in the FY26 budget toward continued investment in new technologies and a replacement system for the Enterprise Resource Planning (ERP) software currently in use by the City (45-C0739). The current ERP software is over 14 years old. The ERP will cover all areas of municipal services, including financials, human resources, utility billing, permits and a host of other city services. This project will span multiple years and has overall \$2.8M in funding. In addition \$100K (45-C0722) will be invested in cybersecurity to improve upon the existing security framework to better the overall security posture in the areas of incident response, security awareness, data loss prevention and data protection.
- To address public safety and infrastructure upgrades, the City has included \$1.3M in the FY26 proposed budget for Traffic Signalization upgrades (45-C0243). Traffic signals starting in FY25 and finishing in FY26 will be replaced at Antietam Street at Salem Avenue and at West Side Avenue. Also, in FY26 construction on signal upgrades will take place at Potomac at Baltimore street and to replace a damaged strain pole at Frederick at Memorial. Traffic signals at these locations are not in compliance with current standards. Pedestrian signals will also be upgraded with APS and ramps. Federal Funding will be provided from the Safe Routes to School grant (SRTS) (\$640K) and ARPA (\$450K) to help pay for this new infrastructure.
- To address fire department training needs, there is \$1.3M in the FY26 proposed budget in the Fire Department Training Center CIP (45-C0241). This project will encompass construction of a classroom building and also to provide shower and locker facilities (\$1.0M) and \$250K to fund additional training props, expansion of training capabilities with support equipment, and site improvements/maintenance to enhance training safety and operations. In addition, another \$1.5M is included for the acquisition of property for the relocation of HFD headquarters (45-C0687).
- Several other large projects within the FY26 proposed GF CIP budget include: Repair/replace of box culvert HAG-12 on South Cannon Avenue, \$290K (45-C0400); construction of a new classroom building and infrastructure improvements at the Police Firing range, \$300K (total \$600K including FY27) (45-C0226); construction of the Antietam Creek Waterway Trail, \$310K (45-C0751); continuation and completion of Phase I and beginning of Phase II renovations of the visitor center of the Hager House, \$360K (45-C0061); City Park Improvements, \$560K (45-C0522), including \$500K to improve the upper parking lot.
- In the Electric Fund fund, there is \$1.5M proposed in FY26 to procure and replace electric revenue meters across the HLD service territory to improve device accuracy and provide for an automated read and outage detection system 50-C0679. This is a multi year project and is expected to be completed in FY29.
- In the Water Fund \$6.0M is included in the FY26 budget for the completed design and the beginning of construction for new transmission mains from the RC Willson Plant to the water distribution system (52-C0167). The cast transmission main was installed in the 1920's and the concrete main was installed in the 1950's. In addition, \$2.3M is budgeted for improvements to the Water Zone #5 system, including design and the beginning of construction of a new water tank to service the existing Zone 5 and/or portions of the Base Zone in the Robinwood corridor. Also, \$2.0M is budgeted for improvements to the Willson Treatment Plant (52-C0166) including \$500K towards the replacement of pumps, motors, and other aging equipment; \$500K for a roof replacement; \$600K for a high service pump VFD replacement and \$400K to rebuild the carbon feed system and for other improvements.
- In the Wastewater fund, \$12.0M is included for work on improving the Wastewater Treatment Plant (54-C0584). The improvements include purchase and installation of a generator \$400K; replacement of aging equipment and upgrades for obsolete hardware and software \$550K; and, the completion of phase I

CAPITAL IMPROVEMENT PROJECTS – PROGRAM SUMMARY
FISCAL YEAR 2025/2026

engineering design and beginning of construction of electrical, pumping, and nutrient removal improvements \$11.0M.

- In the Wastewater fund, \$3.6M is included for renovations for the Water and Wastewater Administrative and Engineering Offices (54-C0585) for \$1.5M and the beginning of construction of the Environmental Laboratory \$2.0M.
- In the Stormwater Protection fund, \$1.7M will be utilized for stream restorations, (59-C0866), to include \$1.5M for the construction of the Hamilton Run restoration at Longmeadow Park and \$200K at City Park.

UTILIZATION OF ARPA FUNDING

The City received \$20.4M from federal government ARPA monies. This funding has restricted uses and falls into seven IRS defined expenditure categories (Public Health, Negative Economic Impacts, Services to Disproportionately Impacted Communities, Premium Pay, Infrastructure, Revenue Replacement, and Administrative & Other). The chart below summarized ARPA funding that the City plans to use in capital improvement projects during FY2025 and FY2026:

Funding Source: American Rescue Plan Act of 2021 (ARPA)	ARPA Expenditure Category	Capital Project Number	FY25 Estimated Actual	FY26 Proposed Budget
Capital Improvement Program Projects:				
General Fund				
Engineering: Survey Grade RTK GPS Receiver	Revenue Replacement	45-C0132	13,740	-
Engineering: Traffic Signal Upgrades at Antietam St & Summit Ave and Salem Ave & West Side Ave	Revenue Replacement	45-C0243	449,002	450,000
Engineering: Professional Boulevard Extension	Revenue Replacement	45-C0685	576,479	-
Engineering: Traffic Calming Speed Board	Revenue Replacement	45-C0560	20,328	-
Finance: 32 N Potomac St Building	Negative Econ Impact	45-C0854	122,335	-
Fire: Paratech Rescue Equipment	Negative Econ Impact: Public Sector	45-C0871	330,810	-
Fire: Window Replacement	Revenue Replacement	45-C0870	80,556	-
Fire: Flashover Simulator	Negative Econ Impact: Public Sector	45-C0241	119,921	-
Fire: Training Props	Negative Econ Impact: Public Sector	45-C0871	80,188	-
Fire: Community Risk Reduction Boards	Negative Econ Impact: Public Sector	45-C0871	145,542	-
IT: Backup Generator for Server Room	Revenue Replacement	45-C0326	85,710	-
Parks: Wheaton Park Phase II Improvements	Negative Econ Impact: Public Sector	45-C0293	134,366	-
Parks: Hellane Park Fence	Negative Econ Impact: Public Sector	45-C0665	44,860	-
Police: Fire Alarm System	Negative Econ Impact: Public Sector	45-C0308	51,084	-
Police: 3rd Floor Renovation	Negative Econ Impact: Public Sector	45-C0308	247,937	-
Police: Watch Center Workstations	Revenue Replacement	45-C0308	19,660	-
Police: Flock Raven Detection System	Negative Econ Impact: Public Sector	45-C0130	21,013	-
Police: Evidence Lockers	Negative Econ Impact: Public Sector	45-C0308	39,537	-
Public Works: Signal Upgrades	Revenue Replacement	45-C0433	27,120	-
Public Works: Line Striping Equipment	Revenue Replacement	45-C0136	18,844	-
Public Works: City Hall Elevator Replacement	Negative Econ Impact: Public Sector	45-C0326	206,689	-
Subtotal General Fund:			2,835,720	450,000
Electric Fund				
HLD Facility Generator	Revenue Replacement	50-C0542	157,160	-
Subtotal Electric Fund:			157,160	-
Wastewater Fund				
East End Pump Station #33: Funding for Construction of new Pump Station at Hebb Road	Infrastructure	54-C0565	3,985,919	-
Wastewater Treatment Plant Window Replacement	Revenue Replacement	54-C0584	61,939	-
Pump Station #2 Generator Replacement	Revenue Replacement	54-C0004	73,687	-
Pump Station #4 Generator Replacement	Revenue Replacement	54-C0004	186,636	-
Subtotal Wastewater Fund:			4,308,182	-
Golf Fund				
Golf Course Aerator/Seeder	Revenue Replacement	57-C0395	52,493	-
Subtotal Golf Fund:			52,493	-
Stormwater Fund				
Hagerstown Field House: Stormwater modifications	Infrastructure	59-C0634	279,825	-
Subtotal Stormwater Fund:			279,825	-
Total ARPA Funding Used			7,633,380	450,000

CAPITAL IMPROVEMENT PROJECTS – PROGRAM SUMMARY
FISCAL YEAR 2025/2026

DEFINITIONS

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

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

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

For detailed definitions on other terms, please refer to the Glossary in Section 9.

CAPITAL IMPROVEMENTS PROGRAM - ALL FUNDS
FISCAL YEARS 2026/2030
LIST OF PROJECTS ALPHABETICAL BY PROJECT NAME

PROJECT NAME	PROJECT NUMBER	PROJECT PRIORITY
Computer Equipment and Software	45-C0006	Planned Improvement
Time & Attendance Software and Equip	45-C0007	Planned Improvement
Fire Department Vehicle Replacement	45-C0010	Planned Improvement
Pavement Preservation Program	45-C0025	Planned Improvement
Hagerstown Field House	45-C0041	Planned Improvement
City Park Lake Improvements	45-C0047	Planned Improvement
Hager House Visitor Center Improvements	45-C0061	Grant Commitment
Public Works Vehicles	45-C0065	Planned Improvement
Pavement Markings	45-C0093	Public Safety
Police Radios	45-C0128	Public Safety
Police Vehicles	45-C0129	Public Safety
Public Safety Technology	45-C0130	Public Safety
Engineering Equipment	45-C0132	Improve Service
Engineering Vehicles	45-C0133	Cost Avoidance
Hagerstown Cultural Trail	45-C0140	Planned Improvement
City Hall Annex	45-C0175	Planned Improvement
Police Crime Lab Equipment	45-C0182	Planned Improvement
Police Software	45-C0196	Public Safety
Accessibility Ramps	45-C0217	Probable Grant
Police Firing Range	45-C0226	Planned Improvement
Park Equipment	45-C0237	Planned Improvement
Fire Department Training Center	45-C0241	Planned Improvement
Traffic Signalization Upgrades	45-C0243	Planned Improvement
LED Signal Lights	45-C0245	Cost Avoidance
Community and Economic Development Vehicles	45-C0249	Cost Avoidance
Public Works Operations Center Improvement Program	45-C0250	Planned Improvement
Downtown Beautification Program	45-C0280	Planned Improvement
Wheaton Park Renovations	45-C0293	Planned Improvement
Police Building Renovation	45-C0308	Planned Improvement
Alley Reconstruction	45-C0324	Planned Improvement
City Hall Improvements	45-C0326	Planned Improvement
Mansion House	45-C0336	Cost Avoidance
Fuel Station Improvements	45-C0352	Planned Improvement
Bridge Repair Program	45-C0400	Cost Avoidance
Signal Controller Upgrades	45-C0433	Planned Improvement
Steam Engine Museum	45-C0439	Planned Improvement
Geographic Information System	45-C0451	Planned Improvement
Sidewalk Replacement Program	45-C0458	Planned Improvement
City Park Improvements	45-C0522	Planned Improvement
Traffic Calming	45-C0560	Planned Improvement
Cable Inet	45-C0568	Contract Obligation
Cable PEG	45-C0569	Contract Obligation
Parks Vehicles and Equipment	45-C0570	Planned Improvement
Installation of Street Trees Using FCA Funds	45-C0594	Planned Improvement
New Sidewalks	45-C0595	Public Safety
Eastern Boulevard North Extension	45-C0606	Planned Improvement
Fairground Grandstand Improvements	45-C0624	Planned Improvement
Fairgrounds Park Improvements	45-C0626	Planned Improvement
Parks Citywide Upgrades	45-C0665	Documented Savings

CAPITAL IMPROVEMENTS PROGRAM - ALL FUNDS
FISCAL YEARS 2026/2030
LIST OF PROJECTS ALPHABETICAL BY PROJECT NAME

PROJECT NAME	PROJECT NUMBER	PROJECT PRIORITY
Planning & Code Admin Vehicles	45-C0678	Cost Avoidance
Consolidation of Public Safety Assets	45-C0687	Planned Improvement
Multi-Use Trails	45-C0717	Probable Grant
Cybersecurity	45-C0722	Planned Improvement
Northwest Connector	45-C0735	Planned Improvement
ERP Software System Replacement	45-C0739	Planned Improvement
Neighborhood Parks	45-C0751	Planned Improvement
Potterfield Pool Improvements	45-C0822	Improve Service
Hagerstown Ice Rink	45-C0843	Planned Improvement
Public Safety Radios and In-Station Alerting	45-C0849	Public Safety
Public Art	45-C0868	Planned Improvement
Fire Facilities City Owned Buildings	45-C0870	Planned Improvement
Fire and EMS Equipment	45-C0871	Planned Improvement
Traffic Beacons	45-C0872	Public Safety
Electric Vehicles	50-C0090	Planned Improvement
Telemetry Equipment	50-C0111	Planned Improvement
Central Substation	50-C0118	Planned Improvement
Security Improvements	50-C0178	Planned Improvement
System Reconductoring	50-C0259	Planned Improvement
SCADA System	50-C0441	Planned Improvement
Underground Replacement	50-C0540	Planned Improvement
HLD Distribution and Administrative Office Building	50-C0542	Planned Improvement
Bulldog Substation Upgrade	50-C0544	Planned Improvement
Streetlight Replacement	50-C0546	Planned Improvement
Kilpatrick Woods	50-C0550	Planned Improvement
Test Equipment	50-C0609	Planned Improvement
Substation Controls	50-C0616	Planned Improvement
Meter Replacement	50-C0679	Planned Improvement
Brookmeadow	50-C0703	Planned Improvement
Substation Breaker Replacement	50-C0776	Planned Improvement
Substation Upgrades	50-C0778	Planned Improvement
Equipment Refurbishment	50-C0797	Planned Improvement
Wildlife Protection on Distribution System	50-C0802	Planned Improvement
Feeder Coordination	50-C0833	Planned Improvement
Circuit Upgrades	50-C0842	Planned Improvement
Water Vehicles	52-C0117	Planned Improvement
Willson Treatment Plant	52-C0166	Planned Improvement
Willson Transmission Mains	52-C0167	Planned Improvement
Edgemont Reservoir Improvements	52-C0168	Planned Improvement
Mack Water Tank	52-C0274	Planned Improvement
Risk and Resiliency/Security	52-C0322	Public Safety
Zone 3 Standpipe	52-C0323	Planned Improvement
Breichner WTP Improvements	52-C0405	Planned Improvement
Adm. & Engineering Equipment	52-C0648	Planned Improvement
Pump Station Improvements	52-C0651	Planned Improvement
Distribution Services - Meter Program	52-C0653	Cost Avoidance
Distribution System Rehab - Main Replacement	52-C0709	Planned Improvement

CAPITAL IMPROVEMENTS PROGRAM - ALL FUNDS
 FISCAL YEARS 2026/2030
 LIST OF PROJECTS ALPHABETICAL BY PROJECT NAME

PROJECT NAME	PROJECT NUMBER	PROJECT PRIORITY
Water System SCADA Improvements	52-C0820	Planned Improvement
Antietam Creek Intake and Water Plant	52-C0823	Planned Improvement
Water Zone #5 System Improvements	52-C0877	Planned Improvement
Wastewater Vehicle Replacement	54-C0004	Planned Improvement
Manhole Raising	54-C0267	Public Safety
Pump Station Improvements	54-C0299	Public Safety
East End Pump Station #3	54-C0565	Planned Improvement
Pump Station #13 Reconstruction	54-C0574	Planned Improvement
WWT Plant Equipment	54-C0584	Public Safety
WWT Buildings and Structures	54-C0585	Planned Improvement
Oxygen System Improvements	54-C0657	Public Safety
Solids Processing Facility Improvements	54-C0712	Contract Obligation
Laboratory Equipment	54-C0745	Planned Improvement
Grinder Pump Replacement Program	54-C0767	Planned Improvement
Eliminate Pump Stations	54-C0832	Planned Improvement
Trunk Lines and Laterals	54-C0834	Contract Obligation
Parking Facilities - 3rd Parking Deck	56-C0173	Planned Improvement
Upgrades to Parking Decks	56-C0749	Planned Improvement
Parking Fund Vehicles	56-C0829	Planned Improvement
Parking Lot Improvements	56-C0857	Planned Improvement
Golf Course - Vehicles/Equipment	57-C0395	Cost Avoidance
Golf Course Improvements	57-C0825	Improve Service
Elizabeth Hager Center	58-C0803	Planned Improvement
60 West Washington Street	58-C0828	Planned Improvement
309 Valley Road	58-C0836	Planned Improvement
Stormwater Vehicles	59-C0064	Planned Improvement
Stormdrain System Upgrades	59-C0444	Planned Improvement
Curb Replacement Program	59-C0459	Planned Improvement
Reforestation Using SPP Funds	59-C0594	Planned Improvement
Storm Water Protection Program Implementation	59-C0637	Planned Improvement
Green Streets	59-C0639	Planned Improvement
Marsh Run Walls Rehabilitation	59-C0853	Cost Avoidance
Stream Restorations	59-C0866	Planned Improvement

**VEHICLE & EQUIPMENT REPLACEMENT SCHEDULE - ALL FUNDS
FIVE YEAR PLAN - FISCAL YEARS 2026/2030**

UNIT	VEHICLE	YEAR	DESCRIPTION	FY 26	FY 27	FY 28	FY 29	FY30	TOTAL
COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT									
801	206077	2014	DODGE JOURNEY		45,000				45,000
802	206193	2019	FORD ESCAPE				45,000		45,000
COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT TOTAL				-	45,000	-	45,000	-	90,000
PLANNING & CODE ADMINISTRATION DEPARTMENT									
411	206070	2014	FORD F150			45,000			45,000
412	206071	2014	FORD F150		45,000				45,000
451	206072	2014	FORD F150				45,000		45,000
452	5858	2007	FORD RANGER	45,000					45,000
457	206078	2015	DODGE JOURNEY					45,000	45,000
PLANNING & CODE ADMINISTRATION DEPARTMENT				45,000	45,000	45,000	45,000	45,000	225,000
ENGINEERING DEPARTMENT									
702	206168	2018	FORD ESCAPE			30,000			30,000
707	206050	2014	FORD FOCUS		30,000				30,000
710	206001	2013	CHEVY CARGO VAN		35,000				35,000
ENGINEERING DEPARTMENT TOTAL				-	65,000	30,000	-	-	95,000
PARKS DEPARTMENT									
300	206073	2015	CHEVY SILVERADO	60,000					60,000
303	206074	2014	DODGE DUMP TRUCK		150,000				150,000
306	206144	2017	FORD F250				55,000		55,000
308	206134	2016	FORD F550 DUMP TRUCK			150,000			150,000
309	6042	2012	CHEVY SILVERADO		50,000				50,000
311	206044	2014	FORD F250		60,000				60,000
312	5756	2010	FORD F150 PICKUP				50,000		50,000
313	5933	2009	CHEVY 2500 4X4	60,000					60,000
330	206127	2017	FORD F250				55,000		55,000
331	206259	2021	CHEVY 2500 4X4					45,000	45,000
371	6044	2012	CHEVY 2500 4X4			50,000			50,000
397	206153	2017	JOHN DEERE GATOR			15,000			15,000
PARKS DEPARTMENT TOTAL				120,000	260,000	215,000	160,000	45,000	800,000
PUBLIC WORKS DEPARTMENT									
003	5688	2015	CHEVY SILVERADO 4X4		45,000				45,000
006	5854	2006	BOBCAT A300		80,000				80,000
007	5967	2011	JOHN DEERE 310SJ BACKHOE	165,000					165,000
014	5915	2008	CHEVY 2500 2x4 TRUCK		45,000				45,000
017	206142	2017	FORD F550 DUMP TRUCK			140,000			140,000
019	206087	2015	FORD F550 DUMP TRUCK		140,000				140,000
023	206136	2017	FORD F750 DUMP TRUCK			230,000			230,000
024	206232	2019	FORD F750 SALT TRUCK				235,000		235,000
025	206233	2019	FORD F750 SALT TRUCK					240,000	240,000
031	5808	2006	CHEVY CARGO VAN	65,000					65,000
035	206225	2019	FORD F350					40,000	40,000
036	206226	2019	FORD F350					40,000	40,000
045	206093	2015	CHEVY SILVERADO 4X4	50,000					50,000
047	206112	2016	FORD F250 CREW CAB		45,000				45,000
048	206357	1990	KOMATSU FG30-8			20,000			20,000
061	206216	2019	STEPP MANUFACTURING ASPHALT				20,000		20,000
062	206095	2015	JOHN DEERE Z930A MOWER		20,000				20,000
064	206197	2018	FERRIS MOWER		12,000				12,000
065	206204	2019	FERRIS MOWER	12,000					12,000
077	206246	2019	JOHN DEERE 1025R TRACTOR					25,000	25,000
084	5433	1993	WACKER ROLLER		25,000				25,000
088	206247	2019	JOHN DEERE 1025R TRACTOR					25,000	25,000
094	206079	2015	FORD F350 PICKUP TRUCK		85,000				85,000
601	206162	2017	FORD F350 BUCKET TRUCK			100,000			100,000
602	5821	2006	E350 BUCKET TRUCK	145,000					145,000
616	5949	2008	SOLAR SIGN BOARD		45,000				45,000
617	5956	2008	SOLAR SIGN BOARD		45,000				45,000
PUBLIC WORKS DEPARTMENT TOTAL				437,000	587,000	490,000	255,000	370,000	2,139,000

**VEHICLE & EQUIPMENT REPLACEMENT SCHEDULE - ALL FUNDS
FIVE YEAR PLAN - FISCAL YEARS 2026/2030**

UNIT	VEHICLE	YEAR	DESCRIPTION	FY 26	FY 27	FY 28	FY 29	FY30	TOTAL
POLICE DEPARTMENT									
NEW			10 NEW TAKE HOME CRUISERS @\$82.4K/ea.		824,000				824,000
NEW			5 NEW TAKE HOME CRUISERS @\$85K/ea.			850,000			850,000
902	206116	2014	FORD FUSION		57,400				57,400
903	206117	2014	FORD TAURUS		57,400				57,400
904	206158	2017	FORD EXPLORER				67,500		67,500
905	206157	2014	FORD EDGE		57,400				57,400
906	206118	2015	FORD TAURUS		82,400				82,400
907	206110	2014	FORD FUSION		57,400				57,400
908	206159	2014	FORD FUSION		57,400				57,400
909	206160	2014	FORD FUSION		57,400				57,400
911	206256	2017	FORD EXPLORER XLT				67,500		67,500
914	206171	2015	FORD EXPLORER XLT			65,000			65,000
915	206234	2016	FORD EXPLORER			85,000			85,000
919	206107	2016	FORD EXPLORER			85,000			85,000
924	206137	2014	FORD FUSION		57,400				57,400
925	206302	2019	DODGE JOURNEY					75,000	75,000
932	206130	2016	FORD EXPLORER			85,000			85,000
933	206111	2014	FORD FUSION		57,400				57,400
936	206172	2015	FORD EXPLORER XLT			65,000			65,000
937	206119	2013	FORD EDGE		57,400				57,400
945	206120	2013	FORD EDGE		57,400				57,400
946	5893	2007	CHEVY IMPALA	50,000					50,000
948	206250	2013	NISSAN ACURA	50,000					50,000
952	5336	1991	FORD VAN	50,000					50,000
960	206083	2015	FORD EXPLORER XLT			85,000			85,000
972	5753	2004	FORD CROWN VICTORIA	80,000					80,000
973	206173	2018	FORD EXPLORER				87,500		87,500
975	206131	2016	FORD EXPLORER				87,500		87,500
976	206174	2018	FORD EXPLORER				87,500		87,500
986	206090	2005	FORD CROWN VICTORIA	50,000					50,000
988	206290	2019	CHEVY EQUINOX					60,000	60,000
989	5773	2005	CHEVY CARGO VAN	50,000					50,000
991	5874	2007	CHEVY COLORADO	60,000					60,000
995	209179	2006	CHEVY C4500 (LAB)					200,000	200,000
996	5524	2005	CHEVY COBALT	50,000					50,000
998	206284	2020	FORD FUSION					60,000	60,000
999	5723	2016	FORD ESCAPE			65,000			65,000
9100	206126	2016	FORD F150			85,000			85,000
9118	206108	2016	FORD EXPLORER			85,000			85,000
9121	206084	2015	FORD EXPLORER			85,000			85,000
9123	206106	2016	FORD EXPLORER			85,000			85,000
9124	206206	2019	FORD EXPLORER					90,200	90,200
9125	206210	2019	FORD EXPLORER					90,200	90,200
9128	206209	2019	FORD EXPLORER					90,200	90,200
9129	206213	2019	FORD EXPLORER					90,200	90,200
9130	206214	2019	FORD EXPLORER					90,200	90,200
9132	206236	2019	DODGE CHARGER				87,500		87,500
9133	206237	2019	DODGE CHARGER				87,500		87,500
9134	206238	2019	DODGE CHARGER				87,500		87,500
9135	206239	2019	DODGE CHARGER				87,500		87,500
9136	206240	2019	DODGE CHARGER					90,200	90,200
9137	206241	2019	DODGE CHARGER					90,200	90,200
9139	206243	2019	DODGE CHARGER					90,200	90,200
9220	206081	2015	FORD EXPLORER			85,000			85,000
9221	206132	2016	FORD EXPLORER				87,500		87,500
9222	206175	2018	FORD EXPLORER				87,500		87,500
9303	6029	2011	FORD CROWN VICTORIA	80,000					80,000
9307	206169	2018	FORD EXPLORER				87,500		87,500
9501	206036	2013	FORD EXPLORER		82,400				82,400
POLICE DEPARTMENT TOTAL				520,000	1,562,800	1,810,000	1,010,000	1,116,600	6,019,400
FIRE DEPARTMENT									
NEW			MOBILE VENTILATION UNIT		750,000				750,000
NEW			TECHNICAL RESCUE SUPPORT UNIT	250,000					250,000
NEW			MEDIUM DUTY UTILITY TRUCK		500,000				500,000
F04-8777	5718	2004	KME PUMPER RESRVE ENGINE 5		1,500,000				1,500,000
F04-8778	5719	2004	KME PUMPER RESERVE ENGINE 3	1,500,000					1,500,000
F06-7663	5829	2006	NELSON TRAILER				50,000		50,000
F13-8688	206043	2013	KME PUMPER ENGINE 1		1,500,000				1,500,000
F14-9818	206046	2014	CHEVY TAHOE					100,000	100,000
F16-6564	206113	2016	FORD F250		100,000				100,000
F16-6565	206129	2016	FORD F250		100,000				100,000
F16-6314	206114	2016	PIERCE - RESERVE TRUCK 3					2,500,000	2,500,000
F17-2127	206154	2017	FORD F250			100,000			100,000
F17-6311	206166	2017	FORD F250			100,000			100,000
F19-1820	206320	2019	FORD F250				100,000		100,000
F20-6608	206245	2020	FORD EXPLORER					100,000	100,000
F20-5554	206231	2020	FORD EXPLORER					100,000	100,000
FIRE DEPARTMENT TOTAL				1,750,000	4,450,000	200,000	150,000	2,800,000	9,350,000
GENERAL FUND TOTAL				\$ 2,872,000	\$ 7,014,800	\$ 2,790,000	\$ 1,665,000	\$ 4,376,600	\$ 18,718,400

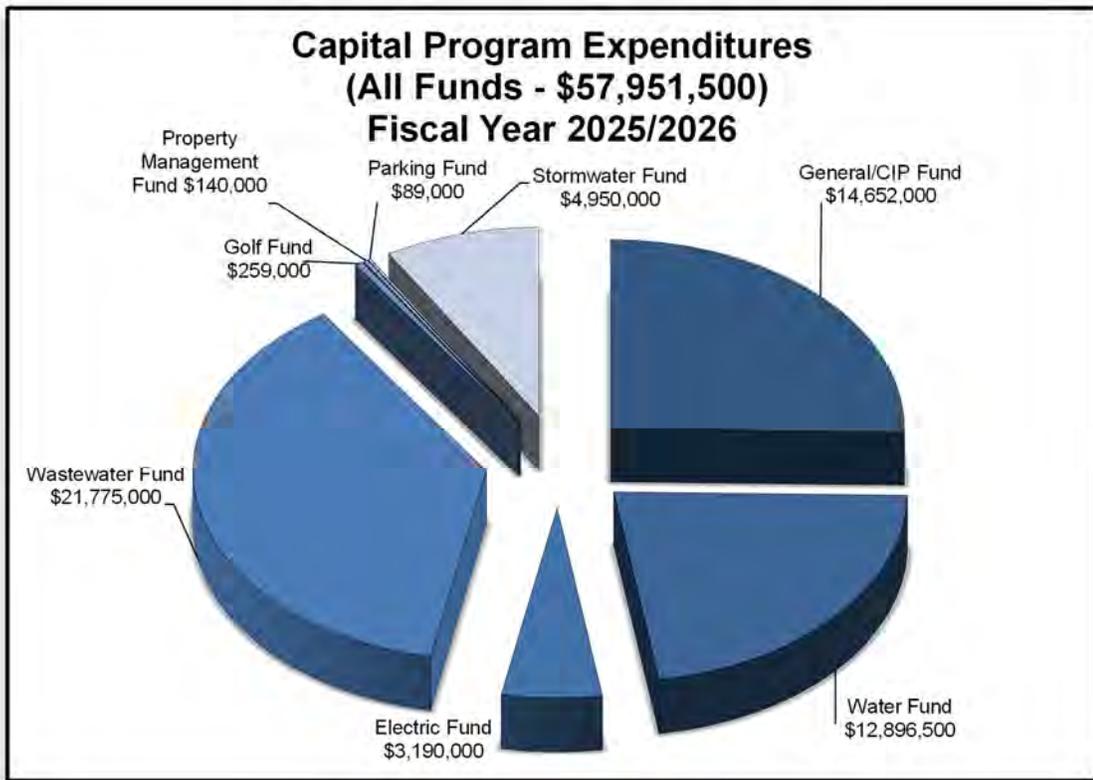
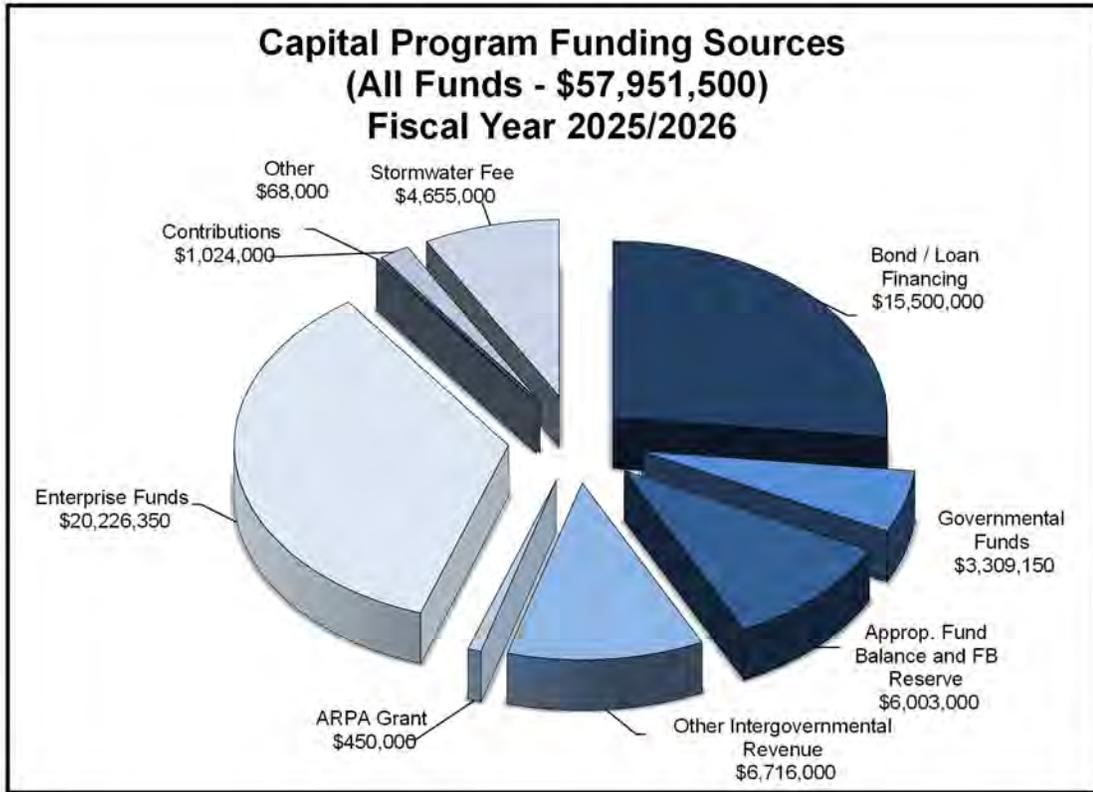
**VEHICLE & EQUIPMENT REPLACEMENT SCHEDULE - ALL FUNDS
FIVE YEAR PLAN - FISCAL YEARS 2026/2030**

UNIT	VEHICLE	YEAR	DESCRIPTION	FY 26	FY 27	FY 28	FY 29	FY30	TOTAL
ELECTRIC FUND									
101	5876	2007	FORD F150	50,000					50,000
109	206146	2017	FORD ESCAPE					35,000	35,000
110	206096	2015	FORD FOCUS	35,000					35,000
111	206150	2017	FORD FOCUS		35,000				35,000
112	206161	2017	FORD FOCUS	35,000					35,000
113	5861	2007	CHEVY TRAILBLAZER	35,000					35,000
120	206198	2019	FREIGHTLINER DIGGER					350,000	350,000
122	5869	2007	CHEVY 3/4 TON 4WD		50,000				50,000
123	206163	2018	FORD F150		50,000				50,000
126	5871	2007	CHEVY 3/4 TON 4WD PICK-UP	50,000					50,000
127	5936	2009	DIGGER DERRICK				325,000		325,000
128	5762	2004	GMC ALTEC BUCKET TRUCK			370,000			370,000
131	5870	2007	SILVERADO 4x4 PICKUP w/PLOW		50,000				50,000
ELECTRIC FUND TOTAL				205,000	185,000	370,000	325,000	385,000	1,470,000
WATER FUND									
NEW			FORKLIFT RCW	30,000					30,000
200	206068	2014	FORD F150		60,000				60,000
201	206026	2013	CHEVY EQUINOX	40,000					40,000
203	206069	2014	FORD F150		60,000				60,000
204	206148	2017	FORD F350			70,000			70,000
206	206027	2012	FORD F550	131,500					131,500
207	206039	2014	INTERNATIONAL DUMP TRUCK		200,000				200,000
210	206190	2018	DODGE RAM					70,000	70,000
212	206200	2019	FORD F250				80,000		80,000
213	5962	2010	ARIENS ZOOM XL 54 MOWER					10,000	10,000
214	5765	2015	CHEVY TRAVERSE	40,000					40,000
216	206123	2016	FORD F550				125,000		125,000
217	206138	2016	FORD F350			80,000			80,000
220	206184	2018	JOHN DEERE EXCAVATOR				200,000		200,000
223	5853	2006	JOHN DEERE 310SG BACKHOE	160,000					160,000
224	206062	2014	CASE EXCAVATOR			200,000			200,000
226	5026	2012	FORD ESCAPE		40,000				40,000
227	206192	2018	DODGE RAM 2500					70,000	70,000
230	206176	2018	DODGE DURANGO			45,000			45,000
237	206125	2016	JOHN DEERE 310SL BACKHOE				200,000		200,000
244	206080	2015	CHEVY TRAVERSE	40,000					40,000
245	5569	1998	GMC 3500HD STAKE BODY					90,000	90,000
248	5568	1990	DETOUR ARROW BOARD UNIT	20,000					20,000
249	5567	1998	DETOUR ARROW BOARD UNIT	20,000					20,000
252	206212	2019	FORD ESCAPE				45,000		45,000
254	206128	2017	FORD F350			70,000			70,000
260	206028	2012	FORD F550 SERVICE TRUCK	125,000					125,000
263	206177	2018	CHEVY COLORADO					45,000	45,000
WATER FUND TOTAL				606,500	360,000	465,000	650,000	285,000	2,366,500
WASTEWATER FUND									
500	206170	2018	FORD F250 SUPERCAB				60,000		60,000
501	206067	2015	CHEVY TRAVERSE	40,000					40,000
505	5908	2008	CHEVY TRAIL BLAZER			40,000			40,000
508	206124	2016	FORD F550 1-T W/CRANE		90,000				90,000
509	5580	1999	VOLVO TRAILER MOUNTED GENERATOR	80,000					80,000
512	206186	2018	FORD F750 DUMP TRUCK			150,000			150,000
513	5427	1993	KOHLER MGS 2226 GENERATOR		80,000				80,000
515	206275	2022	FORD F250					60,000	60,000
518	206286	2021	FORD F600 BOX TRUCK					125,000	125,000
524	206253	2020	FORD F250 SUPER CAB 4X4 P/U			60,000			60,000
525	206147	2017	FORD F450 PICKUP		60,000				60,000
527	206047	2014	KENWORTH VACUUM TRUCK					400,000	400,000
532	206029	2013	CHEVY EQUINOX			40,000			40,000
534	206086	2015	JEEP PATRIOT	40,000					40,000
535	5790	2005	NEW HOLLAND TRACTOR	40,000					40,000
536	206228	2019	FORD F250 PICKUP			60,000			60,000
540	206152	2017	JOHN DEERE UTILITY TRACTOR				40,000		40,000
541	5657	2002	FORD RANGER	40,000					40,000
560	5917	2008	JD 310SJ BACKHOE				150,000		150,000
591	5827	2006	CHEVY 2500 4X4 W/ SNOW PLOW		75,000				75,000
593	5630	2001	JOHN DEERE LOADER	150,000					150,000
595	206224	2020	KENWORTH DUMP TRUCK		150,000				150,000
WASTEWATER FUND TOTAL				390,000	455,000	350,000	250,000	585,000	2,030,000
PARKING FUND									
038	206061	2010	EZ GO GOLF CART					15,000	15,000
039	206066	2014	FORD TRANSIT VAN		45,000				45,000
040	206109	2016	FORD ESCAPE	35,000					35,000
041	206277	2016	CLUB CAR GOLF CART		15,000				15,000
PARKING FUND TOTAL				35,000	60,000	-	-	15,000	110,000
GOLF COURSE FUND									
326	5859	2007	GREENS MOWER		60,000				60,000
334	206151	2014	JOHN DEERE MOWER					40,000	40,000
343	206251	2015	JOHN DEERE MOWER				40,000		40,000

VEHICLE & EQUIPMENT REPLACEMENT SCHEDULE - ALL FUNDS
FIVE YEAR PLAN - FISCAL YEARS 2026/2030

UNIT	VEHICLE	YEAR	DESCRIPTION	FY 26	FY 27	FY 28	FY 29	FY30	TOTAL
346	206220	2012	GOLF CART	9,000					9,000
347	206221	2012	GOLF CART		10,000				10,000
351	5801	2005	FAIRWAY MOWER	60,000					60,000
353	5465	1995	KUBOTA TRACTOR				50,000		50,000
389	5774	2004	CUSHMAN SPRAYER			65,000			65,000
GOLF COURSE FUND TOTAL				69,000	70,000	65,000	90,000	40,000	334,000
STORMWATER PROTECTION FUND									
018	206048	2014	FORD F550 DUMP TRUCK		140,000				140,000
092	206183	2018	ELGIN SWEEPER	350,000					350,000
093	206182	2018	ELGIN SWEEPER			350,000			350,000
STORMWATER PROTECTION FUND TOTAL				350,000	140,000	350,000	-	-	840,000
ENTERPRISE FUNDS TOTAL				\$ 1,655,500	\$ 1,270,000	\$ 1,600,000	\$ 1,315,000	\$ 1,310,000	\$ 7,150,500
GRAND TOTAL - ALL FUNDS				\$ 4,527,500	\$ 8,284,800	\$ 4,390,000	\$ 2,980,000	\$ 5,686,600	\$ 25,868,900

ALL FUNDS - FUNDING SOURCES AND EXPENDITURES
FISCAL YEAR 2025/2026



CAPITAL IMPROVEMENT PROGRAM - ALL FUNDS
 FIVE YEAR PLAN - FISCAL YEARS 2026/2030
 EXPENDITURES SUMMARY BY FUND

DEPARTMENT	FY26	FY27	FY28	FY29	FY30	Total
Community & Economic Development	-	45,000	-	45,000	-	90,000
Engineering	3,870,000	6,188,000	7,695,000	3,940,000	6,273,690	27,966,690
Fire	4,860,000	8,030,000	25,900,000	1,600,000	4,250,000	44,640,000
Information Technology	1,675,000	175,000	175,000	175,000	175,000	2,375,000
Parks	2,200,000	4,900,000	2,018,000	8,352,000	238,000	17,708,000
Planning & Code Administration	45,000	45,000	45,000	45,000	45,000	225,000
Police	1,300,000	3,517,800	2,315,000	1,515,000	1,621,600	10,269,400
Public Works	702,000	807,000	660,000	375,000	490,000	3,034,000
Recreation						-
General/CIP Fund Total	\$ 14,652,000	\$ 23,707,800	\$ 38,808,000	\$ 16,047,000	\$ 13,093,290	\$ 106,308,090
Electric Fund	3,190,000	2,629,500	2,932,500	3,067,500	1,477,500	13,297,000
Water Fund	12,896,500	28,320,000	34,165,000	26,790,000	16,915,000	119,086,500
Wastewater Fund	21,775,000	19,640,000	9,835,000	5,235,000	4,570,000	61,055,000
Parking Fund	89,000	160,000	30,000	30,000	45,000	354,000
Golf Fund	259,000	80,000	75,000	100,000	50,000	564,000
Property Management Fund	140,000	85,000	85,000	85,000	85,000	480,000
Stormwater Protection Fund	4,950,000	1,560,000	1,020,000	970,000	620,000	9,120,000
Grand Total - All Funds	\$ 57,951,500	\$ 76,182,300	\$ 86,950,500	\$ 52,324,500	\$ 36,855,790	\$ 310,264,590

FY 26 through FY 30
General/CIP Fund
City of Hagerstown, Maryland
Funding Source Summary

Source	FY 26	FY 27	FY 28	FY 29	FY 30	Total
American Rescue Plan Act (ARPA) Grant	450,000					450,000
Bond Financing (General Fund)		3,750,000	25,000,000	1,500,000	4,000,000	34,250,000
CIP Fund Balance	1,878,000					1,878,000
CIP Fund - GF Fund Balance	4,125,000					4,125,000
Contribution by Others		985,000	50,000	7,075,000	2,308,690	10,418,690
Facilities Rent	36,000	36,000	36,000	36,000	36,000	180,000
Grants-ARC	200,000	100,000				300,000
Grants-County		90,000				90,000
Grants-Federal	680,000	2,440,000	3,160,000	360,000	40,000	6,680,000
Grants-State	1,355,000	30,000	1,330,000	1,030,000	430,000	4,175,000
Grants-State Aid in Lieu of Urban Funds	240,000	35,000				275,000
Grants-State Program Open Space	598,500	254,000	382,500	48,600	49,500	1,333,100
PEG Fee	27,000	27,000	27,000	27,000	27,000	135,000
Reforestation Funds	5,000	5,000	5,000	5,000	5,000	25,000
State Highway User Revenue	1,655,000	1,690,000	1,500,000	1,500,000	1,500,000	7,845,000
Transfers to CIP-CDBG Fund	400,000	100,000	100,000	100,000	100,000	800,000
Transfers to CIP-Electric Fund	29,650	36,000	36,000	36,000	36,000	173,650
Transfers to CIP-General Fund	2,909,150	14,053,800	7,105,500	4,253,400	4,485,100	32,806,950
Transfers to CIP-Parking Fund	4,400	4,000	4,000	4,000	4,000	20,400
Transfers to CIP-Wastewater Fund	29,650	36,000	36,000	36,000	36,000	173,650
Transfers to CIP-Water Fund	29,650	36,000	36,000	36,000	36,000	173,650
GRAND TOTAL	14,652,000	23,707,800	38,808,000	16,047,000	13,093,290	106,308,090

FY 26 through FY 30
General/CIP Fund
City of Hagerstown, Maryland
Projects By Funding Source Summary

Source	Project #	FY 26	FY 27	FY 28	FY 29	FY 30	Total
American Rescue Plan Act (ARPA)							
Grant							
Traffic Signalization Upgrades	45-C0243	450,000					450,000
American Rescue Plan Act (ARPA) Grant Total		450,000	0	0	0	0	450,000

Bond Financing (General Fund)

Fire Department Vehicle Replacement	45-C0010		2,000,000			2,500,000	4,500,000
Consolidation of Public Safety Assets	45-C0687		1,000,000	25,000,000			26,000,000
Northwest Connector	45-C0735				500,000	1,500,000	2,000,000
Hagerstown Ice Rink	45-C0843				1,000,000		1,000,000
Fire Facilities City Owned Buildings	45-C0870		750,000				750,000
Bond Financing (General Fund) Total		0	3,750,000	25,000,000	1,500,000	4,000,000	34,250,000

CIP Fund Balance

Computer Equipment and Software	45-C0006	40,000					40,000
Hager House Visitor Center Improvements	45-C0061	160,000					160,000
Hagerstown Cultural Trail	45-C0140	50,000					50,000
City Hall Annex	45-C0175	20,000					20,000
Traffic Signalization Upgrades	45-C0243	160,000					160,000
LED Signal Lights	45-C0245	5,000					5,000
Public Works Operations Center Improvement Program	45-C0250	10,000					10,000
Downtown Beautification Program	45-C0280	25,000					25,000
Police Building Renovation	45-C0308	40,000					40,000
City Hall Improvements	45-C0326	25,000					25,000
Mansion House Improvements	45-C0336	3,000					3,000
Bridge Repair Program	45-C0400	50,000					50,000
Signal Controller Upgrades	45-C0433	6,000					6,000
Steam Engine Museum	45-C0439	29,000					29,000
Geographic Information System	45-C0451	35,000					35,000
City Park Improvements	45-C0522	365,000					365,000
Traffic Calming	45-C0560	35,000					35,000
Cable PEG	45-C0569	150,000					150,000
Fairground Grandstand Improvements	45-C0624	80,000					80,000
Fairgrounds Park Improvements	45-C0626	10,000					10,000
Planning & Code Admin Vehicles	45-C0678	45,000					45,000
ERP Software System Replacement	45-C0739	200,000					200,000
Neighborhood Park Development	45-C0751	40,000					40,000
Public Art	45-C0868	45,000					45,000
Fire Facilities City Owned Buildings	45-C0870	250,000					250,000
CIP Fund Balance Total		1,878,000	0	0	0	0	1,878,000

CIP Fund - GF Fund Balance

Source	Project #	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Fire Department Vehicle Replacement	45-C0010	775,000					775,000
Public Works Vehicles	45-C0065	165,000					165,000
Police Software and Hardware	45-C0196	40,000					40,000
Police Building Renovation	45-C0308	100,000					100,000
City Hall Improvements	45-C0326	150,000					150,000
Sidewalk Replacement Program	45-C0458	140,000					140,000
New Sidewalks	45-C0595	80,000					80,000
Parks Citywide Upgrades	45-C0665	75,000					75,000
Consolidation of Public Safety Assets	45-C0687	1,500,000					1,500,000
ERP Software System Replacement	45-C0739	1,100,000					1,100,000
CIP Fund - GF Fund Balance Total		4,125,000	0	0	0	0	4,125,000

Contribution by Others

Hagerstown Field House	45-C0041		50,000	50,000	75,000	75,000	250,000
Police Firing Range	45-C0226		150,000				150,000
Eastern Boulevard North Extension	45-C0606					333,690	333,690
Northwest Connector	45-C0735				1,000,000	1,900,000	2,900,000
Hagerstown Ice Rink	45-C0843		750,000		6,000,000		6,750,000
Traffic Beacons	45-C0872		35,000				35,000
Contribution by Others Total		0	985,000	50,000	7,075,000	2,308,690	10,418,690

Facilities Rent

Hagerstown Ice Rink	45-C0843	36,000	36,000	36,000	36,000	36,000	180,000
Facilities Rent Total		36,000	36,000	36,000	36,000	36,000	180,000

Grants-ARC

Hager House Visitor Center Improvements	45-C0061	200,000	100,000				300,000
Grants-ARC Total		200,000	100,000	0	0	0	300,000

Grants-County

Police Crime Lab Equipment	45-C0182		90,000				90,000
Grants-County Total		0	90,000	0	0	0	90,000

Grants-Federal

Police Crime Lab Equipment	45-C0182	40,000	40,000	40,000	40,000	40,000	200,000
Traffic Signalization Upgrades	45-C0243	640,000	2,400,000	320,000	320,000		3,680,000
Multi-Use Trails	45-C0717			2,800,000			2,800,000
Grants-Federal Total		680,000	2,440,000	3,160,000	360,000	40,000	6,680,000

Source	Project #	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Grants-State							
Police Firing Range	45-C0226	300,000					300,000
Fire Department Training Center	45-C0241	1,000,000					1,000,000
Bridge Repair Program	45-C0400			800,000		400,000	1,200,000
New Sidewalks	45-C0595			500,000			500,000
Hagerstown Ice Rink	45-C0843				1,000,000		1,000,000
Public Art	45-C0868	55,000	30,000	30,000	30,000	30,000	175,000
Grants-State Total		1,355,000	30,000	1,330,000	1,030,000	430,000	4,175,000

Grants-State Aid in Lieu of Urban Funds

Bridge Repair Program	45-C0400	240,000					240,000
Traffic Beacons	45-C0872		35,000				35,000
Grants-State Aid in Lieu of Urban Funds Total		240,000	35,000	0	0	0	275,000

Grants-State Program Open Space

City Park Lake Improvements	45-C0047		200,000				200,000
Park Equipment	45-C0237				48,600	49,500	98,100
Steam Engine Museum	45-C0439	13,500					13,500
City Park Improvements	45-C0522	135,000	54,000	382,500			571,500
Fairgrounds Park Improvements	45-C0626	180,000					180,000
Neighborhood Park Development	45-C0751	270,000					270,000
Grants-State Program Open Space Total		598,500	254,000	382,500	48,600	49,500	1,333,100

PEG Fee

Cable Inet	45-C0568	7,000	7,000	7,000	7,000	7,000	35,000
Cable PEG	45-C0569	20,000	20,000	20,000	20,000	20,000	100,000
PEG Fee Total		27,000	27,000	27,000	27,000	27,000	135,000

Reforestation Funds

Installation of Trees Using FCA Funds	45-C0594	5,000	5,000	5,000	5,000	5,000	25,000
Reforestation Funds Total		5,000	5,000	5,000	5,000	5,000	25,000

State Highway User Revenue

Pavement Preservation Program	45-C0025	1,500,000	1,300,000	1,300,000	1,300,000	1,300,000	6,700,000
Pavement Markings	45-C0093	80,000	60,000	60,000	60,000	60,000	320,000
Accessibility Ramps	45-C0217	25,000	50,000	50,000	50,000	50,000	225,000
Alley Reconstruction	45-C0324	20,000	130,000	90,000	90,000	90,000	420,000
Fairgrounds Park Improvements	45-C0626		150,000				150,000
Parks Citywide Upgrades	45-C0665	30,000					30,000
State Highway User Revenue Total		1,655,000	1,690,000	1,500,000	1,500,000	1,500,000	7,845,000

Source	Project #	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-CDBG Fund							
Accessibility Ramps	45-C0217	125,000	100,000	100,000	100,000	100,000	525,000
Wheaton Park Improvements	45-C0293	105,000					105,000
Alley Reconstruction	45-C0324	100,000					100,000
City Park Improvements	45-C0522	30,000					30,000
Fairgrounds Park Improvements	45-C0626	40,000					40,000
Transfers to CIP-CDBG Fund Total		400,000	100,000	100,000	100,000	100,000	800,000

Transfers to CIP-Electric Fund

Computer Equipment and Software	45-C0006		9,600	9,600	9,600	9,600	38,400
Time & Attendance Software and Equip	45-C0007	1,900	1,900	1,900	1,900	1,900	9,500
Geographic Information System	45-C0451	3,750	12,500	12,500	12,500	12,500	53,750
Cybersecurity	45-C0722	24,000	12,000	12,000	12,000	12,000	72,000
Transfers to CIP-Electric Fund Total		29,650	36,000	36,000	36,000	36,000	173,650

Transfers to CIP-General Fund

Computer Equipment and Software	45-C0006		9,600	9,600	9,600	9,600	38,400
Time & Attendance Software and Equip	45-C0007	1,900	1,900	1,900	1,900	1,900	9,500
Fire Department Vehicle Replacement	45-C0010	975,000	2,450,000	200,000	150,000	300,000	4,075,000
Hagerstown Field House	45-C0041	10,000	10,000	10,000	10,000	30,000	70,000
City Park Lake Improvements	45-C0047		800,000				800,000
Hager House Visitor Center Improvements	45-C0061		100,000				100,000
Public Works Vehicles	45-C0065	272,000	587,000	490,000	255,000	370,000	1,974,000
Police Radios	45-C0128	0	180,000	180,000	180,000	180,000	720,000
Police Vehicles	45-C0129	520,000	1,562,800	1,810,000	1,010,000	1,116,600	6,019,400
Public Safety Technology	45-C0130	200,000	200,000	200,000	200,000	200,000	1,000,000
Engineering Equipment	45-C0132		28,000	35,000			63,000
Engineering Vehicles	45-C0133		65,000	30,000			95,000
City Hall Annex	45-C0175		20,000	20,000	20,000	20,000	80,000
Police Software and Hardware	45-C0196		25,000	25,000	25,000	25,000	100,000
Police Firing Range	45-C0226		150,000				150,000
Park Equipment	45-C0237	50,000	50,000	50,000	5,400	5,500	160,900
Fire Department Training Center	45-C0241	250,000	850,000	250,000	250,000	250,000	1,850,000
Traffic Signalization Upgrades	45-C0243	60,000	600,000	120,000	120,000	40,000	940,000
LED Signal Lights	45-C0245		5,000	5,000	5,000	5,000	20,000
Community & Economic Development Vehicles	45-C0249		45,000		45,000		90,000
Public Works Operations Center Improvement Program	45-C0250		10,000	60,000	10,000	10,000	90,000
Downtown Beautification Program	45-C0280		25,000	25,000	25,000	25,000	100,000
Wheaton Park Improvements	45-C0293	10,000	10,000	10,000	10,000	10,000	50,000
Police Building Renovation	45-C0308	60,000	1,120,000	60,000	60,000	60,000	1,360,000
City Hall Improvements	45-C0326		110,000	30,000	30,000	30,000	200,000
Mansion House Improvements	45-C0336	37,000		50,000			87,000
Fuel Station Improvements	45-C0352		20,000				20,000
Bridge Repair Program	45-C0400			200,000		100,000	300,000
Signal Controller Upgrades	45-C0433	24,000	30,000	30,000	30,000	30,000	144,000
Steam Engine Museum	45-C0439	7,500	50,000	10,000			67,500
Geographic Information System	45-C0451	3,750	12,500	12,500	12,500	12,500	53,750
Sidewalk Replacement Program	45-C0458		145,000	150,000	155,000	155,000	605,000
City Park Improvements	45-C0522	30,000	6,000	42,500	30,000	30,000	138,500

Source	Project #	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Traffic Calming	45-C0560		35,000	35,000	35,000	35,000	140,000
Parks Vehicles and Equipment	45-C0570	120,000	260,000	215,000	160,000	45,000	800,000
New Sidewalks	45-C0595		80,000		60,000	40,000	180,000
Fairground Grandstand Improvements	45-C0624		780,000	120,000	10,000	10,000	920,000
Fairgrounds Park Improvements	45-C0626	20,000	10,000	50,000	10,000	10,000	100,000
Parks Citywide Upgrades	45-C0665	75,000	145,000	40,000	30,000	30,000	320,000
Planning & Code Admin Vehicles	45-C0678		45,000	45,000	45,000	45,000	180,000
Consolidation of Public Safety Assets	45-C0687				750,000	750,000	1,500,000
Multi-Use Trails	45-C0717			700,000			700,000
Cybersecurity	45-C0722	24,000	12,000	12,000	12,000	12,000	72,000
Northwest Connector	45-C0735			280,000			280,000
Neighborhood Park Development	45-C0751			1,000,000			1,000,000
Potterfield Pool Improvements	45-C0822	37,000	137,000				174,000
Hagerstown Ice Rink	45-C0843	12,000	2,262,000	12,000	12,000	12,000	2,310,000
Public Safety Radios and In-Station Alerting	45-C0849		415,000				415,000
Public Art	45-C0868		30,000	30,000	30,000	30,000	120,000
Fire Facilities City Owned Buildings	45-C0870		200,000	300,000	300,000	300,000	1,100,000
Fire and EMS Equipment	45-C0871	110,000	365,000	150,000	150,000	150,000	925,000
Transfers to CIP-General Fund Total		2,909,150	14,053,800	7,105,500	4,253,400	4,485,100	32,806,950

Transfers to CIP-Parking Fund

Computer Equipment and Software	45-C0006		1,600	1,600	1,600	1,600	6,400
Time & Attendance Software and Equip	45-C0007	400	400	400	400	400	2,000
Cybersecurity	45-C0722	4,000	2,000	2,000	2,000	2,000	12,000
Transfers to CIP-Parking Fund Total		4,400	4,000	4,000	4,000	4,000	20,400

Transfers to CIP-Wastewater Fund

Computer Equipment and Software	45-C0006		9,600	9,600	9,600	9,600	38,400
Time & Attendance Software and Equip	45-C0007	1,900	1,900	1,900	1,900	1,900	9,500
Geographic Information System	45-C0451	3,750	12,500	12,500	12,500	12,500	53,750
Cybersecurity	45-C0722	24,000	12,000	12,000	12,000	12,000	72,000
Transfers to CIP-Wastewater Fund Total		29,650	36,000	36,000	36,000	36,000	173,650

Transfers to CIP-Water Fund

Computer Equipment and Software	45-C0006		9,600	9,600	9,600	9,600	38,400
Time & Attendance Software and Equip	45-C0007	1,900	1,900	1,900	1,900	1,900	9,500
Geographic Information System	45-C0451	3,750	12,500	12,500	12,500	12,500	53,750
Cybersecurity	45-C0722	24,000	12,000	12,000	12,000	12,000	72,000
Transfers to CIP-Water Fund Total		29,650	36,000	36,000	36,000	36,000	173,650

GRAND TOTAL		14,652,000	23,707,800	38,808,000	16,047,000	13,093,290	106,308,090
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FY 26 through FY 30
General/CIP Fund
 City of Hagerstown, Maryland
Department Summary

Department	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Community Development		45,000		45,000		90,000
Engineering	3,870,000	6,188,000	7,695,000	3,940,000	6,273,690	27,966,690
Fire	4,860,000	8,030,000	25,900,000	1,600,000	4,250,000	44,640,000
Information Technology	1,675,000	175,000	175,000	175,000	175,000	2,375,000
Parks	2,200,000	4,900,000	2,018,000	8,352,000	238,000	17,708,000
Planning	45,000	45,000	45,000	45,000	45,000	225,000
Police	1,300,000	3,517,800	2,315,000	1,515,000	1,621,600	10,269,400
Public Works	702,000	807,000	660,000	375,000	490,000	3,034,000
GRAND TOTAL	14,652,000	23,707,800	38,808,000	16,047,000	13,093,290	106,308,090

FY 26 through FY 30
General/CIP Fund
 City of Hagerstown, Maryland
Category Summary

Category	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Automobiles and Trucks	2,872,000	7,014,800	2,790,000	1,665,000	4,376,600	18,718,400
Buildings and Structures	5,645,000	9,665,000	27,318,000	10,873,000	2,893,000	56,394,000
Infrastructure-Alleys	120,000	130,000	90,000	90,000	90,000	520,000
Infrastructure-Bridges	290,000		1,000,000		500,000	1,790,000
Infrastructure-Parks	180,000	145,000	40,000	30,000	30,000	425,000
Infrastructure-Sidewalks	370,000	375,000	800,000	365,000	345,000	2,255,000
Infrastructure-Streets	365,000	255,000	425,000	1,605,000	3,838,690	6,488,690
Infrastructure-Utilities	1,310,000	3,070,000	440,000	440,000	40,000	5,300,000
Land Improvements	1,050,000	1,150,000	5,015,000	120,000	120,000	7,455,000
Machinery and Equipment	952,000	1,770,000	757,000	726,000	727,000	4,932,000
Software	1,498,000	133,000	133,000	133,000	133,000	2,030,000
GRAND TOTAL	14,652,000	23,707,800	38,808,000	16,047,000	13,093,290	106,308,090

FY 26 through FY 30
General/CIP Fund
City of Hagerstown, Maryland
Projects By Department

Department	Project #	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Community Development							
Community & Economic Development Vehicles	45-C0249		45,000		45,000		90,000
Community Development Total		0	45,000	0	45,000	0	90,000

Engineering

Pavement Preservation Program	45-C0025	1,500,000	1,300,000	1,300,000	1,300,000	1,300,000	6,700,000
Hagerstown Field House	45-C0041	10,000	60,000	60,000	85,000	105,000	320,000
City Park Lake Improvements	45-C0047		1,000,000				1,000,000
Pavement Markings	45-C0093	80,000	60,000	60,000	60,000	60,000	320,000
Engineering Equipment	45-C0132		28,000	35,000			63,000
Engineering Vehicles	45-C0133		65,000	30,000			95,000
Hagerstown Cultural Trail	45-C0140	50,000					50,000
Accessibility Ramps	45-C0217	150,000	150,000	150,000	150,000	150,000	750,000
Traffic Signalization Upgrades	45-C0243	1,310,000	3,000,000	440,000	440,000	40,000	5,230,000
Alley Reconstruction	45-C0324	120,000	130,000	90,000	90,000	90,000	520,000
Bridge Repair Program	45-C0400	290,000		1,000,000		500,000	1,790,000
Sidewalk Replacement Program	45-C0458	140,000	145,000	150,000	155,000	155,000	745,000
Traffic Calming	45-C0560	35,000	35,000	35,000	35,000	35,000	175,000
Installation of Trees Using FCA Funds	45-C0594	5,000	5,000	5,000	5,000	5,000	25,000
New Sidewalks	45-C0595	80,000	80,000	500,000	60,000	40,000	760,000
Eastern Boulevard North Extension	45-C0606					333,690	333,690
Multi-Use Trails	45-C0717			3,500,000			3,500,000
Northwest Connector	45-C0735			280,000	1,500,000	3,400,000	5,180,000
Public Art	45-C0868	100,000	60,000	60,000	60,000	60,000	340,000
Traffic Beacons	45-C0872		70,000				70,000
Engineering Total		3,870,000	6,188,000	7,695,000	3,940,000	6,273,690	27,966,690

Fire

Fire Department Vehicle Replacement	45-C0010	1,750,000	4,450,000	200,000	150,000	2,800,000	9,350,000
Fire Department Training Center	45-C0241	1,250,000	850,000	250,000	250,000	250,000	2,850,000
Consolidation of Public Safety Assets	45-C0687	1,500,000	1,000,000	25,000,000	750,000	750,000	29,000,000
Public Safety Radios and In-Station Alerting	45-C0849		415,000				415,000
Fire Facilities City Owned Buildings	45-C0870	250,000	950,000	300,000	300,000	300,000	2,100,000
Fire and EMS Equipment	45-C0871	110,000	365,000	150,000	150,000	150,000	925,000
Fire Total		4,860,000	8,030,000	25,900,000	1,600,000	4,250,000	44,640,000

Information Technology

Computer Equipment and Software	45-C0006	40,000	40,000	40,000	40,000	40,000	200,000
Time & Attendance Software and Equip	45-C0007	8,000	8,000	8,000	8,000	8,000	40,000
Geographic Information System	45-C0451	50,000	50,000	50,000	50,000	50,000	250,000
Cable Inet	45-C0568	7,000	7,000	7,000	7,000	7,000	35,000
Cable PEG	45-C0569	170,000	20,000	20,000	20,000	20,000	250,000
Cybersecurity	45-C0722	100,000	50,000	50,000	50,000	50,000	300,000
ERP Software System Replacement	45-C0739	1,300,000					1,300,000
Information Technology Total		1,675,000	175,000	175,000	175,000	175,000	2,375,000

Department	Project #	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Parks							
Hager House Visitor Center Improvements	45-C0061	360,000	200,000				560,000
Park Equipment	45-C0237	50,000	50,000	50,000	54,000	55,000	259,000
Wheaton Park Improvements	45-C0293	115,000	10,000	10,000	10,000	10,000	155,000
Mansion House Improvements	45-C0336	40,000		50,000			90,000
Steam Engine Museum	45-C0439	50,000	50,000	10,000			110,000
City Park Improvements	45-C0522	560,000	60,000	425,000	30,000	30,000	1,105,000
Parks Vehicles and Equipment	45-C0570	120,000	260,000	215,000	160,000	45,000	800,000
Fairground Grandstand Improvements	45-C0624	80,000	780,000	120,000	10,000	10,000	1,000,000
Fairgrounds Park Improvements	45-C0626	250,000	160,000	50,000	10,000	10,000	480,000
Parks Citywide Upgrades	45-C0665	180,000	145,000	40,000	30,000	30,000	425,000
Neighborhood Park Development	45-C0751	310,000		1,000,000			1,310,000
Potterfield Pool Improvements	45-C0822	37,000	137,000				174,000
Hagerstown Ice Rink	45-C0843	48,000	3,048,000	48,000	8,048,000	48,000	11,240,000
Parks Total		2,200,000	4,900,000	2,018,000	8,352,000	238,000	17,708,000
Planning							
Planning & Code Admin Vehicles	45-C0678	45,000	45,000	45,000	45,000	45,000	225,000
Planning Total		45,000	45,000	45,000	45,000	45,000	225,000
Police							
Police Radios	45-C0128	0	180,000	180,000	180,000	180,000	720,000
Police Vehicles	45-C0129	520,000	1,562,800	1,810,000	1,010,000	1,116,600	6,019,400
Public Safety Technology	45-C0130	200,000	200,000	200,000	200,000	200,000	1,000,000
Police Crime Lab Equipment	45-C0182	40,000	130,000	40,000	40,000	40,000	290,000
Police Software and Hardware	45-C0196	40,000	25,000	25,000	25,000	25,000	140,000
Police Firing Range	45-C0226	300,000	300,000				600,000
Police Building Renovation	45-C0308	200,000	1,120,000	60,000	60,000	60,000	1,500,000
Police Total		1,300,000	3,517,800	2,315,000	1,515,000	1,621,600	10,269,400
Public Works							
Public Works Vehicles	45-C0065	437,000	587,000	490,000	255,000	370,000	2,139,000
City Hall Annex	45-C0175	20,000	20,000	20,000	20,000	20,000	100,000
LED Signal Lights	45-C0245	5,000	5,000	5,000	5,000	5,000	25,000
Public Works Operations Center Improvement Program	45-C0250	10,000	10,000	60,000	10,000	10,000	100,000
Downtown Beautification Program	45-C0280	25,000	25,000	25,000	25,000	25,000	125,000
City Hall Improvements	45-C0326	175,000	110,000	30,000	30,000	30,000	375,000
Fuel Station Improvements	45-C0352		20,000				20,000
Signal Controller Upgrades	45-C0433	30,000	30,000	30,000	30,000	30,000	150,000
Public Works Total		702,000	807,000	660,000	375,000	490,000	3,034,000
GRAND TOTAL		14,652,000	23,707,800	38,808,000	16,047,000	13,093,290	106,308,090

FY 26 through FY 30
General/CIP Fund
City of Hagerstown, Maryland
Projects by Funding Sources and Department

Department	Project #	2026	2027	2028	2029	2030	Total
Community Development							
Community & Economic Development Vehicles	45-C0249	0	45,000	0	45,000	0	90,000
Transfers to CIP-General Fund			45,000		45,000		90,000
Community Development Expenditure Total		0	45,000	0	45,000	0	90,000
Transfers to CIP-General Fund							
			45,000		45,000		90,000
Community Development Sources Total		0	45,000	0	45,000	0	90,000
Engineering							
Pavement Preservation Program	45-C0025	1,500,000	1,300,000	1,300,000	1,300,000	1,300,000	6,700,000
State Highway User Revenue		1,500,000	1,300,000	1,300,000	1,300,000	1,300,000	6,700,000
Hagerstown Field House	45-C0041	10,000	60,000	60,000	85,000	105,000	320,000
Contribution by Others			50,000	50,000	75,000	75,000	250,000
Transfers to CIP-General Fund		10,000	10,000	10,000	10,000	30,000	70,000
City Park Lake Improvements	45-C0047	0	1,000,000	0	0	0	1,000,000
Grants-State Program Open Space			200,000				200,000
Transfers to CIP-General Fund			800,000				800,000
Pavement Markings	45-C0093	80,000	60,000	60,000	60,000	60,000	320,000
State Highway User Revenue		80,000	60,000	60,000	60,000	60,000	320,000
Engineering Equipment	45-C0132	0	28,000	35,000	0	0	63,000
Transfers to CIP-General Fund			28,000	35,000			63,000
Engineering Vehicles	45-C0133	0	65,000	30,000	0	0	95,000
Transfers to CIP-General Fund			65,000	30,000			95,000
Hagerstown Cultural Trail	45-C0140	50,000	0	0	0	0	50,000
CIP Fund Balance		50,000					50,000
Accessibility Ramps	45-C0217	150,000	150,000	150,000	150,000	150,000	750,000
State Highway User Revenue		25,000	50,000	50,000	50,000	50,000	225,000
Transfers to CIP-CDBG Fund		125,000	100,000	100,000	100,000	100,000	525,000
Traffic Signalization Upgrades	45-C0243	1,310,000	3,000,000	440,000	440,000	40,000	5,230,000
American Rescue Plan Act (ARPA) Grant		450,000					450,000
CIP Fund Balance		160,000					160,000
Grants-Federal		640,000	2,400,000	320,000	320,000		3,680,000
Transfers to CIP-General Fund		60,000	600,000	120,000	120,000	40,000	940,000
Alley Reconstruction	45-C0324	120,000	130,000	90,000	90,000	90,000	520,000
State Highway User Revenue		20,000	130,000	90,000	90,000	90,000	420,000
Transfers to CIP-CDBG Fund		100,000					100,000
Bridge Repair Program	45-C0400	290,000	0	1,000,000	0	500,000	1,790,000
CIP Fund Balance		50,000					50,000
Grants-State				800,000		400,000	1,200,000
Grants-State Aid in Lieu of Urban Funds		240,000					240,000
Transfers to CIP-General Fund				200,000		100,000	300,000
Sidewalk Replacement Program	45-C0458	140,000	145,000	150,000	155,000	155,000	745,000
CIP Fund - GF Fund Balance		140,000					140,000
Transfers to CIP-General Fund			145,000	150,000	155,000	155,000	605,000
Traffic Calming	45-C0560	35,000	35,000	35,000	35,000	35,000	175,000
CIP Fund Balance		35,000					35,000
Transfers to CIP-General Fund			35,000	35,000	35,000	35,000	140,000

Department	Project #	2026	2027	2028	2029	2030	Total
Installation of Trees Using FCA Funds	45-C0594	5,000	5,000	5,000	5,000	5,000	25,000
Reforestation Funds		5,000	5,000	5,000	5,000	5,000	25,000
New Sidewalks	45-C0595	80,000	80,000	500,000	60,000	40,000	760,000
CIP Fund - GF Fund Balance		80,000					80,000
Grants-State				500,000			500,000
Transfers to CIP-General Fund			80,000		60,000	40,000	180,000
Eastern Boulevard North Extension	45-C0606	0	0	0	0	333,690	333,690
Contribution by Others						333,690	333,690
Multi-Use Trails	45-C0717	0	0	3,500,000	0	0	3,500,000
Grants-Federal				2,800,000			2,800,000
Transfers to CIP-General Fund				700,000			700,000
Northwest Connector	45-C0735	0	0	280,000	1,500,000	3,400,000	5,180,000
Bond Financing (General Fund)					500,000	1,500,000	2,000,000
Contribution by Others					1,000,000	1,900,000	2,900,000
Transfers to CIP-General Fund				280,000			280,000
Public Art	45-C0868	100,000	60,000	60,000	60,000	60,000	340,000
CIP Fund Balance		45,000					45,000
Grants-State		55,000	30,000	30,000	30,000	30,000	175,000
Transfers to CIP-General Fund			30,000	30,000	30,000	30,000	120,000
Traffic Beacons	45-C0872	0	70,000	0	0	0	70,000
Contribution by Others			35,000				35,000
Grants-State Aid in Lieu of Urban Funds			35,000				35,000
Engineering Expenditure Total		3,870,000	6,188,000	7,695,000	3,940,000	6,273,690	27,966,690

American Rescue Plan Act (ARPA) Grant		450,000					450,000
Bond Financing (General Fund)					500,000	1,500,000	2,000,000
CIP Fund Balance		340,000					340,000
CIP Fund - GF Fund Balance		220,000					220,000
Contribution by Others			85,000	50,000	1,075,000	2,308,690	3,518,690
Grants-Federal		640,000	2,400,000	3,120,000	320,000		6,480,000
Grants-State		55,000	30,000	1,330,000	30,000	430,000	1,875,000
Grants-State Aid in Lieu of Urban Funds		240,000	35,000				275,000
Grants-State Program Open Space			200,000				200,000
Reforestation Funds		5,000	5,000	5,000	5,000	5,000	25,000
State Highway User Revenue		1,625,000	1,540,000	1,500,000	1,500,000	1,500,000	7,665,000
Transfers to CIP-CDBG Fund		225,000	100,000	100,000	100,000	100,000	625,000
Transfers to CIP-General Fund		70,000	1,793,000	1,590,000	410,000	430,000	4,293,000
Engineering Sources Total		3,870,000	6,188,000	7,695,000	3,940,000	6,273,690	27,966,690

Fire

Fire Department Vehicle Replacement	45-C0010	1,750,000	4,450,000	200,000	150,000	2,800,000	9,350,000
Bond Financing (General Fund)			2,000,000			2,500,000	4,500,000
CIP Fund - GF Fund Balance		775,000					775,000
Transfers to CIP-General Fund		975,000	2,450,000	200,000	150,000	300,000	4,075,000
Fire Department Training Center	45-C0241	1,250,000	850,000	250,000	250,000	250,000	2,850,000
Grants-State		1,000,000					1,000,000
Transfers to CIP-General Fund		250,000	850,000	250,000	250,000	250,000	1,850,000
Consolidation of Public Safety Assets	45-C0687	1,500,000	1,000,000	25,000,000	750,000	750,000	29,000,000
Bond Financing (General Fund)			1,000,000	25,000,000			26,000,000
CIP Fund - GF Fund Balance		1,500,000					1,500,000
Transfers to CIP-General Fund					750,000	750,000	1,500,000
Public Safety Radios and In-Station Alerting	45-C0849	0	415,000	0	0	0	415,000
Transfers to CIP-General Fund			415,000				415,000

Department	Project #	2026	2027	2028	2029	2030	Total
Fire Facilities City Owned Buildings	<i>45-C0870</i>	250,000	950,000	300,000	300,000	300,000	2,100,000
Bond Financing (General Fund)			750,000				750,000
CIP Fund Balance		250,000					250,000
Transfers to CIP-General Fund			200,000	300,000	300,000	300,000	1,100,000
Fire and EMS Equipment	<i>45-C0871</i>	110,000	365,000	150,000	150,000	150,000	925,000
Transfers to CIP-General Fund		110,000	365,000	150,000	150,000	150,000	925,000
Fire Expenditure Total		4,860,000	8,030,000	25,900,000	1,600,000	4,250,000	44,640,000

Bond Financing (General Fund)			3,750,000	25,000,000		2,500,000	31,250,000
CIP Fund Balance		250,000					250,000
CIP Fund - GF Fund Balance		2,275,000					2,275,000
Grants-State		1,000,000					1,000,000
Transfers to CIP-General Fund		1,335,000	4,280,000	900,000	1,600,000	1,750,000	9,865,000
Fire Sources Total		4,860,000	8,030,000	25,900,000	1,600,000	4,250,000	44,640,000

Information Technology

Computer Equipment and Software	<i>45-C0006</i>	40,000	40,000	40,000	40,000	40,000	200,000
CIP Fund Balance		40,000					40,000
Transfers to CIP-Electric Fund			9,600	9,600	9,600	9,600	38,400
Transfers to CIP-General Fund			9,600	9,600	9,600	9,600	38,400
Transfers to CIP-Parking Fund			1,600	1,600	1,600	1,600	6,400
Transfers to CIP-Wastewater Fund			9,600	9,600	9,600	9,600	38,400
Transfers to CIP-Water Fund			9,600	9,600	9,600	9,600	38,400
Time & Attendance Software and Equip	<i>45-C0007</i>	8,000	8,000	8,000	8,000	8,000	40,000
Transfers to CIP-Electric Fund		1,900	1,900	1,900	1,900	1,900	9,500
Transfers to CIP-General Fund		1,900	1,900	1,900	1,900	1,900	9,500
Transfers to CIP-Parking Fund		400	400	400	400	400	2,000
Transfers to CIP-Wastewater Fund		1,900	1,900	1,900	1,900	1,900	9,500
Transfers to CIP-Water Fund		1,900	1,900	1,900	1,900	1,900	9,500
Geographic Information System	<i>45-C0451</i>	50,000	50,000	50,000	50,000	50,000	250,000
CIP Fund Balance		35,000					35,000
Transfers to CIP-Electric Fund		3,750	12,500	12,500	12,500	12,500	53,750
Transfers to CIP-General Fund		3,750	12,500	12,500	12,500	12,500	53,750
Transfers to CIP-Wastewater Fund		3,750	12,500	12,500	12,500	12,500	53,750
Transfers to CIP-Water Fund		3,750	12,500	12,500	12,500	12,500	53,750
Cable Inet	<i>45-C0568</i>	7,000	7,000	7,000	7,000	7,000	35,000
PEG Fee		7,000	7,000	7,000	7,000	7,000	35,000
Cable PEG	<i>45-C0569</i>	170,000	20,000	20,000	20,000	20,000	250,000
CIP Fund Balance		150,000					150,000
PEG Fee		20,000	20,000	20,000	20,000	20,000	100,000
Cybersecurity	<i>45-C0722</i>	100,000	50,000	50,000	50,000	50,000	300,000
Transfers to CIP-Electric Fund		24,000	12,000	12,000	12,000	12,000	72,000
Transfers to CIP-General Fund		24,000	12,000	12,000	12,000	12,000	72,000
Transfers to CIP-Parking Fund		4,000	2,000	2,000	2,000	2,000	12,000
Transfers to CIP-Wastewater Fund		24,000	12,000	12,000	12,000	12,000	72,000
Transfers to CIP-Water Fund		24,000	12,000	12,000	12,000	12,000	72,000
ERP Software System Replacement	<i>45-C0739</i>	1,300,000	0	0	0	0	1,300,000
CIP Fund Balance		200,000					200,000
CIP Fund - GF Fund Balance		1,100,000					1,100,000
Information Technology Expenditure Total		1,675,000	175,000	175,000	175,000	175,000	2,375,000

CIP Fund Balance		425,000					425,000
CIP Fund - GF Fund Balance		1,100,000					1,100,000
PEG Fee		27,000	27,000	27,000	27,000	27,000	135,000

Department	Project #	2026	2027	2028	2029	2030	Total
Transfers to CIP-Electric Fund		29,650	36,000	36,000	36,000	36,000	173,650
Transfers to CIP-General Fund		29,650	36,000	36,000	36,000	36,000	173,650
Transfers to CIP-Parking Fund		4,400	4,000	4,000	4,000	4,000	20,400
Transfers to CIP-Wastewater Fund		29,650	36,000	36,000	36,000	36,000	173,650
Transfers to CIP-Water Fund		29,650	36,000	36,000	36,000	36,000	173,650
Information Technology Sources Total		1,675,000	175,000	175,000	175,000	175,000	2,375,000

Parks

Hager House Visitor Center Improvements	45-C0061	360,000	200,000	0	0	0	560,000
CIP Fund Balance		160,000					160,000
Grants-ARC		200,000	100,000				300,000
Transfers to CIP-General Fund			100,000				100,000
Park Equipment	45-C0237	50,000	50,000	50,000	54,000	55,000	259,000
Grants-State Program Open Space					48,600	49,500	98,100
Transfers to CIP-General Fund		50,000	50,000	50,000	5,400	5,500	160,900
Wheaton Park Improvements	45-C0293	115,000	10,000	10,000	10,000	10,000	155,000
Transfers to CIP-CDBG Fund		105,000					105,000
Transfers to CIP-General Fund		10,000	10,000	10,000	10,000	10,000	50,000
Mansion House Improvements	45-C0336	40,000	0	50,000	0	0	90,000
CIP Fund Balance		3,000					3,000
Transfers to CIP-General Fund		37,000		50,000			87,000
Steam Engine Museum	45-C0439	50,000	50,000	10,000	0	0	110,000
CIP Fund Balance		29,000					29,000
Grants-State Program Open Space		13,500					13,500
Transfers to CIP-General Fund		7,500	50,000	10,000			67,500
City Park Improvements	45-C0522	560,000	60,000	425,000	30,000	30,000	1,105,000
CIP Fund Balance		365,000					365,000
Grants-State Program Open Space		135,000	54,000	382,500			571,500
Transfers to CIP-CDBG Fund		30,000					30,000
Transfers to CIP-General Fund		30,000	6,000	42,500	30,000	30,000	138,500
Parks Vehicles and Equipment	45-C0570	120,000	260,000	215,000	160,000	45,000	800,000
Transfers to CIP-General Fund		120,000	260,000	215,000	160,000	45,000	800,000
Fairground Grandstand Improvements	45-C0624	80,000	780,000	120,000	10,000	10,000	1,000,000
CIP Fund Balance		80,000					80,000
Transfers to CIP-General Fund			780,000	120,000	10,000	10,000	920,000
Fairgrounds Park Improvements	45-C0626	250,000	160,000	50,000	10,000	10,000	480,000
CIP Fund Balance		10,000					10,000
Grants-State Program Open Space		180,000					180,000
State Highway User Revenue			150,000				150,000
Transfers to CIP-CDBG Fund		40,000					40,000
Transfers to CIP-General Fund		20,000	10,000	50,000	10,000	10,000	100,000
Parks Citywide Upgrades	45-C0665	180,000	145,000	40,000	30,000	30,000	425,000
CIP Fund - GF Fund Balance		75,000					75,000
State Highway User Revenue		30,000					30,000
Transfers to CIP-General Fund		75,000	145,000	40,000	30,000	30,000	320,000
Neighborhood Park Development	45-C0751	310,000	0	1,000,000	0	0	1,310,000
CIP Fund Balance		40,000					40,000
Grants-State Program Open Space		270,000					270,000
Transfers to CIP-General Fund				1,000,000			1,000,000
Potterfield Pool Improvements	45-C0822	37,000	137,000	0	0	0	174,000
Transfers to CIP-General Fund		37,000	137,000				174,000
Hagerstown Ice Rink	45-C0843	48,000	3,048,000	48,000	8,048,000	48,000	11,240,000
Bond Financing (General Fund)					1,000,000		1,000,000
Contribution by Others			750,000		6,000,000		6,750,000

Department	Project #	2026	2027	2028	2029	2030	Total
Facilities Rent		36,000	36,000	36,000	36,000	36,000	180,000
Grants-State					1,000,000		1,000,000
Transfers to CIP-General Fund		12,000	2,262,000	12,000	12,000	12,000	2,310,000
Parks Expenditure Total		2,200,000	4,900,000	2,018,000	8,352,000	238,000	17,708,000

Bond Financing (General Fund)					1,000,000		1,000,000
CIP Fund Balance		687,000					687,000
CIP Fund - GF Fund Balance		75,000					75,000
Contribution by Others			750,000		6,000,000		6,750,000
Facilities Rent		36,000	36,000	36,000	36,000	36,000	180,000
Grants-ARC		200,000	100,000				300,000
Grants-State					1,000,000		1,000,000
Grants-State Program Open Space		598,500	54,000	382,500	48,600	49,500	1,133,100
State Highway User Revenue		30,000	150,000				180,000
Transfers to CIP-CDBG Fund		175,000					175,000
Transfers to CIP-General Fund		398,500	3,810,000	1,599,500	267,400	152,500	6,227,900
Parks Sources Total		2,200,000	4,900,000	2,018,000	8,352,000	238,000	17,708,000

Planning

Planning & Code Admin Vehicles	45-C0678	45,000	45,000	45,000	45,000	45,000	225,000
CIP Fund Balance		45,000					45,000
Transfers to CIP-General Fund			45,000	45,000	45,000	45,000	180,000
Planning Expenditure Total		45,000	45,000	45,000	45,000	45,000	225,000

CIP Fund Balance		45,000					45,000
Transfers to CIP-General Fund			45,000	45,000	45,000	45,000	180,000
Planning Sources Total		45,000	45,000	45,000	45,000	45,000	225,000

Police

Police Radios	45-C0128	0	180,000	180,000	180,000	180,000	720,000
Transfers to CIP-General Fund		0	180,000	180,000	180,000	180,000	720,000
Police Vehicles	45-C0129	520,000	1,562,800	1,810,000	1,010,000	1,116,600	6,019,400
Transfers to CIP-General Fund		520,000	1,562,800	1,810,000	1,010,000	1,116,600	6,019,400
Public Safety Technology	45-C0130	200,000	200,000	200,000	200,000	200,000	1,000,000
Transfers to CIP-General Fund		200,000	200,000	200,000	200,000	200,000	1,000,000
Police Crime Lab Equipment	45-C0182	40,000	130,000	40,000	40,000	40,000	290,000
Grants-County			90,000				90,000
Grants-Federal		40,000	40,000	40,000	40,000	40,000	200,000
Police Software and Hardware	45-C0196	40,000	25,000	25,000	25,000	25,000	140,000
CIP Fund - GF Fund Balance		40,000					40,000
Transfers to CIP-General Fund			25,000	25,000	25,000	25,000	100,000
Police Firing Range	45-C0226	300,000	300,000	0	0	0	600,000
Contribution by Others			150,000				150,000
Grants-State		300,000					300,000
Transfers to CIP-General Fund			150,000				150,000
Police Building Renovation	45-C0308	200,000	1,120,000	60,000	60,000	60,000	1,500,000
CIP Fund Balance		40,000					40,000
CIP Fund - GF Fund Balance		100,000					100,000
Transfers to CIP-General Fund		60,000	1,120,000	60,000	60,000	60,000	1,360,000
Police Expenditure Total		1,300,000	3,517,800	2,315,000	1,515,000	1,621,600	10,269,400

CIP Fund Balance		40,000					40,000
CIP Fund - GF Fund Balance		140,000					140,000

Department	Project #	2026	2027	2028	2029	2030	Total
Contribution by Others			150,000				150,000
Grants-County			90,000				90,000
Grants-Federal		40,000	40,000	40,000	40,000	40,000	200,000
Grants-State		300,000					300,000
Transfers to CIP-General Fund		780,000	3,237,800	2,275,000	1,475,000	1,581,600	9,349,400
Police Sources Total		1,300,000	3,517,800	2,315,000	1,515,000	1,621,600	10,269,400

Public Works

Public Works Vehicles	45-C0065	437,000	587,000	490,000	255,000	370,000	2,139,000
CIP Fund - GF Fund Balance		165,000					165,000
Transfers to CIP-General Fund		272,000	587,000	490,000	255,000	370,000	1,974,000
City Hall Annex	45-C0175	20,000	20,000	20,000	20,000	20,000	100,000
CIP Fund Balance		20,000					20,000
Transfers to CIP-General Fund			20,000	20,000	20,000	20,000	80,000
LED Signal Lights	45-C0245	5,000	5,000	5,000	5,000	5,000	25,000
CIP Fund Balance		5,000					5,000
Transfers to CIP-General Fund			5,000	5,000	5,000	5,000	20,000
Public Works Operations Center Improvement Program	45-C0250	10,000	10,000	60,000	10,000	10,000	100,000
CIP Fund Balance		10,000					10,000
Transfers to CIP-General Fund			10,000	60,000	10,000	10,000	90,000
Downtown Beautification Program	45-C0280	25,000	25,000	25,000	25,000	25,000	125,000
CIP Fund Balance		25,000					25,000
Transfers to CIP-General Fund			25,000	25,000	25,000	25,000	100,000
City Hall Improvements	45-C0326	175,000	110,000	30,000	30,000	30,000	375,000
CIP Fund Balance		25,000					25,000
CIP Fund - GF Fund Balance		150,000					150,000
Transfers to CIP-General Fund			110,000	30,000	30,000	30,000	200,000
Fuel Station Improvements	45-C0352	0	20,000	0	0	0	20,000
Transfers to CIP-General Fund			20,000				20,000
Signal Controller Upgrades	45-C0433	30,000	30,000	30,000	30,000	30,000	150,000
CIP Fund Balance		6,000					6,000
Transfers to CIP-General Fund		24,000	30,000	30,000	30,000	30,000	144,000
Public Works Expenditure Total		702,000	807,000	660,000	375,000	490,000	3,034,000

CIP Fund Balance		91,000					91,000
CIP Fund - GF Fund Balance		315,000					315,000
Transfers to CIP-General Fund		296,000	807,000	660,000	375,000	490,000	2,628,000
Public Works Sources Total		702,000	807,000	660,000	375,000	490,000	3,034,000

EXPENDITURE GRAND TOTAL	14,652,000	23,707,800	38,808,000	16,047,000	13,093,290	106,308,090
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FY 26 through FY 30
Electric Fund
City of Hagerstown, Maryland
Projects By Funding Source Summary

Source	Project #	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Bond Financing (Electric Fund)							
Meter Replacement	50-C0679			1,000,000	1,000,000		2,000,000
Bond Financing (Electric Fund) Total		0	0	1,000,000	1,000,000	0	2,000,000

Contribution by Others

Kilpatrick Woods	50-C0550	109,000	60,000	50,000	50,000		269,000
Brookmeadow	50-C0703	15,000	50,000	30,000			95,000
Contribution by Others Total		124,000	110,000	80,000	50,000	0	364,000

Electric Fund

Electric Department Vehicles	50-C0090	205,000	185,000	370,000	325,000	385,000	1,470,000
Telemetry Equipment	50-C0111	50,000	10,000	5,000	5,000	5,000	75,000
Central Substation	50-C0118			200,000	500,000	200,000	900,000
Security Improvements	50-C0178	5,000	5,000	25,000	25,000	25,000	85,000
System Reconductoring	50-C0259	206,500	60,000	60,000	60,000	60,000	446,500
SCADA System	50-C0441	5,000	5,000	5,000	5,000	5,000	25,000
Underground Replacement	50-C0540	12,500	12,500	12,500	12,500	12,500	62,500
HLD Distribution & Administrative Office Building	50-C0542	50,000	25,000	25,000	25,000	25,000	150,000
Bulldog Substation Removal	50-C0544					50,000	50,000
Streetlight Replacement	50-C0546	75,000	10,000	10,000	10,000	10,000	115,000
Kilpatrick Woods	50-C0550	64,500	64,000				128,500
Test Equipment	50-C0609	15,000	15,000	15,000	15,000	15,000	75,000
Substation Controls	50-C0616	80,000	40,000	40,000	40,000	40,000	240,000
Meter Replacement	50-C0679	1,500,000	1,500,000	500,000	500,000		4,000,000
Brookmeadow	50-C0703	38,000	77,500	10,000			125,500
Substation Breaker Replacement	50-C0776	80,000	80,000	80,000	80,000	80,000	400,000
Substation Upgrades	50-C0778	200,000	75,000	205,000	125,000	275,000	880,000
Equipment Refurbishment	50-C0797	75,000	75,000	75,000	75,000	75,000	375,000
Wildlife Protection on Distribution System	50-C0802	50,000	50,000	50,000	50,000	50,000	250,000
Feeder Coordination	50-C0833	15,000	15,000	15,000	15,000	15,000	75,000
Circuit Upgrades	50-C0842	114,500	115,500	150,000	150,000	150,000	680,000
Electric Fund Total		2,841,000	2,419,500	1,852,500	2,017,500	1,477,500	10,608,000

Grants-Federal

Security Improvements	50-C0178	100,000	100,000				200,000
Grants-Federal Total		100,000	100,000	0	0	0	200,000

Source	Project #	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Grants-State							
Streetlight Replacement	50-C0546	125,000					125,000
	Grants-State Total	125,000	0	0	0	0	125,000
GRAND TOTAL		3,190,000	2,629,500	2,932,500	3,067,500	1,477,500	13,297,000

FY 26 through FY 30
Electric Fund
City of Hagerstown, Maryland
Projects by Funding Sources and Department

Department	Project #	2026	2027	2028	2029	2030	Total
Electric Fund							
Electric Department Vehicles	50-C0090	205,000	185,000	370,000	325,000	385,000	1,470,000
Electric Fund		205,000	185,000	370,000	325,000	385,000	1,470,000
Telemetry Equipment	50-C0111	50,000	10,000	5,000	5,000	5,000	75,000
Electric Fund		50,000	10,000	5,000	5,000	5,000	75,000
Central Substation	50-C0118	0	0	200,000	500,000	200,000	900,000
Electric Fund				200,000	500,000	200,000	900,000
Security Improvements	50-C0178	105,000	105,000	25,000	25,000	25,000	285,000
Electric Fund		5,000	5,000	25,000	25,000	25,000	85,000
Grants-Federal		100,000	100,000				200,000
System Reconductoring	50-C0259	206,500	60,000	60,000	60,000	60,000	446,500
Electric Fund		206,500	60,000	60,000	60,000	60,000	446,500
SCADA System	50-C0441	5,000	5,000	5,000	5,000	5,000	25,000
Electric Fund		5,000	5,000	5,000	5,000	5,000	25,000
Underground Replacement	50-C0540	12,500	12,500	12,500	12,500	12,500	62,500
Electric Fund		12,500	12,500	12,500	12,500	12,500	62,500
HLD Distribution & Administrative Office Building	50-C0542	50,000	25,000	25,000	25,000	25,000	150,000
Electric Fund		50,000	25,000	25,000	25,000	25,000	150,000
Bulldog Substation Removal	50-C0544	0	0	0	0	50,000	50,000
Electric Fund						50,000	50,000
Streetlight Replacement	50-C0546	200,000	10,000	10,000	10,000	10,000	240,000
Electric Fund		75,000	10,000	10,000	10,000	10,000	115,000
Grants-State		125,000					125,000
Kilpatrick Woods	50-C0550	173,500	124,000	50,000	50,000	0	397,500
Contribution by Others		109,000	60,000	50,000	50,000		269,000
Electric Fund		64,500	64,000				128,500
Test Equipment	50-C0609	15,000	15,000	15,000	15,000	15,000	75,000
Electric Fund		15,000	15,000	15,000	15,000	15,000	75,000
Substation Controls	50-C0616	80,000	40,000	40,000	40,000	40,000	240,000
Electric Fund		80,000	40,000	40,000	40,000	40,000	240,000
Meter Replacement	50-C0679	1,500,000	1,500,000	1,500,000	1,500,000	0	6,000,000
Bond Financing (Electric Fund)				1,000,000	1,000,000		2,000,000
Electric Fund		1,500,000	1,500,000	500,000	500,000		4,000,000
Brookmeadow	50-C0703	53,000	127,500	40,000	0	0	220,500
Contribution by Others		15,000	50,000	30,000			95,000
Electric Fund		38,000	77,500	10,000			125,500
Substation Breaker Replacement	50-C0776	80,000	80,000	80,000	80,000	80,000	400,000
Electric Fund		80,000	80,000	80,000	80,000	80,000	400,000
Substation Upgrades	50-C0778	200,000	75,000	205,000	125,000	275,000	880,000
Electric Fund		200,000	75,000	205,000	125,000	275,000	880,000
Equipment Refurbishment	50-C0797	75,000	75,000	75,000	75,000	75,000	375,000
Electric Fund		75,000	75,000	75,000	75,000	75,000	375,000
Wildlife Protection on Distribution System	50-C0802	50,000	50,000	50,000	50,000	50,000	250,000
Electric Fund		50,000	50,000	50,000	50,000	50,000	250,000
Feeder Coordination	50-C0833	15,000	15,000	15,000	15,000	15,000	75,000
Electric Fund		15,000	15,000	15,000	15,000	15,000	75,000
Circuit Upgrades	50-C0842	114,500	115,500	150,000	150,000	150,000	680,000
Electric Fund		114,500	115,500	150,000	150,000	150,000	680,000

Department	Project #	2026	2027	2028	2029	2030	Total
Electric Fund Expenditure Total		3,190,000	2,629,500	2,932,500	3,067,500	1,477,500	13,297,000
Bond Financing (Electric Fund)				1,000,000	1,000,000		2,000,000
Contribution by Others		124,000	110,000	80,000	50,000		364,000
Electric Fund		2,841,000	2,419,500	1,852,500	2,017,500	1,477,500	10,608,000
Grants-Federal		100,000	100,000				200,000
Grants-State		125,000					125,000
Electric Fund Sources Total		3,190,000	2,629,500	2,932,500	3,067,500	1,477,500	13,297,000
EXPENDITURE GRAND TOTAL		3,190,000	2,629,500	2,932,500	3,067,500	1,477,500	13,297,000

FY 26 through FY 30
Water Fund
 City of Hagerstown, Maryland
Projects By Funding Source Summary

Source	Project #	FY 26	FY 27	FY 28	FY 29	FY 30	Total
ARDI Fund Balance							
Zone 3 Standpipe	52-C0323			100,000			100,000
ARDI Fund Balance Total		0	0	100,000	0	0	100,000

Bond Financing-MDE (Water Fund)

Willson Treatment Plant	52-C0166		6,000,000				6,000,000
Willson Transmission Mains	52-C0167	5,000,000	2,000,000	8,000,000	6,000,000	8,000,000	29,000,000
Edgemont Reservoir Improvements	52-C0168		10,000,000	10,000,000	10,000,000		30,000,000
Breichner WTP Improvements	52-C0405			5,000,000	5,000,000	2,000,000	12,000,000
Bond Financing-MDE (Water Fund) Total		5,000,000	18,000,000	23,000,000	21,000,000	10,000,000	77,000,000

Contribution by Others

Pump Station Improvements	52-C0651		300,000	1,000,000	1,000,000	1,500,000	3,800,000
Water Zone #5 System Improvements	52-C0877	750,000	2,250,000	1,750,000			4,750,000
Contribution by Others Total		750,000	2,550,000	2,750,000	1,000,000	1,500,000	8,550,000

Water Fund

Water Vehicles	52-C0117	606,500	360,000	465,000	650,000	285,000	2,366,500
Willson Treatment Plant	52-C0166	2,000,000	600,000	1,350,000	600,000	600,000	5,150,000
Willson Transmission Mains	52-C0167	1,000,000	1,320,000	1,800,000	1,000,000	840,000	5,960,000
Edgemont Reservoir Improvements	52-C0168	100,000	100,000	100,000	100,000	100,000	500,000
Mack Water Tank	52-C0274					350,000	350,000
Risk and Resiliency/Security	52-C0322	200,000	200,000	200,000	200,000	200,000	1,000,000
Breichner WTP Improvements	52-C0405	25,000	825,000	625,000	625,000	425,000	2,525,000
Admin & Engineering Equipment	52-C0648	70,000	20,000	20,000	20,000	20,000	150,000
Pump Station Improvements	52-C0651	125,000	125,000	125,000	125,000	125,000	625,000
Distribution Services - Meter Program	52-C0653	750,000	750,000	750,000	750,000	750,000	3,750,000
Distribution System Rehab - Main Replacement	52-C0709	660,000	660,000	660,000	660,000	660,000	3,300,000
Water System SCADA Improvements	52-C0820	60,000	60,000	60,000	60,000	60,000	300,000
Antietam Creek Intake and Water Plant	52-C0823					1,000,000	1,000,000
Water Zone #5 System Improvements	52-C0877	1,550,000	2,750,000	2,160,000			6,460,000
Water Fund Total		7,146,500	7,770,000	8,315,000	4,790,000	5,415,000	33,436,500

GRAND TOTAL	12,896,500	28,320,000	34,165,000	26,790,000	16,915,000	119,086,500
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FY 26 through FY 30
Water Fund
City of Hagerstown, Maryland
Project by Funding Sources and Department

Department	Project #	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Water Fund							
Water Vehicles	52-C0117	606,500	360,000	465,000	650,000	285,000	2,366,500
Water Fund		606,500	360,000	465,000	650,000	285,000	2,366,500
Willson Treatment Plant	52-C0166	2,000,000	6,600,000	1,350,000	600,000	600,000	11,150,000
Bond Financing-MDE (Water Fund)			6,000,000				6,000,000
Water Fund		2,000,000	600,000	1,350,000	600,000	600,000	5,150,000
Willson Transmission Mains	52-C0167	6,000,000	3,320,000	9,800,000	7,000,000	8,840,000	34,960,000
Bond Financing-MDE (Water Fund)		5,000,000	2,000,000	8,000,000	6,000,000	8,000,000	29,000,000
Water Fund		1,000,000	1,320,000	1,800,000	1,000,000	840,000	5,960,000
Edgemont Reservoir Improvements	52-C0168	100,000	10,100,000	10,100,000	10,100,000	100,000	30,500,000
Bond Financing-MDE (Water Fund)			10,000,000	10,000,000	10,000,000		30,000,000
Water Fund		100,000	100,000	100,000	100,000	100,000	500,000
Mack Water Tank	52-C0274	0	0	0	0	350,000	350,000
Water Fund						350,000	350,000
Risk and Resiliency/Security	52-C0322	200,000	200,000	200,000	200,000	200,000	1,000,000
Water Fund		200,000	200,000	200,000	200,000	200,000	1,000,000
Zone 3 Standpipe	52-C0323	0	0	100,000	0	0	100,000
ARDI Fund Balance				100,000			100,000
Breichner WTP Improvements	52-C0405	25,000	825,000	5,625,000	5,625,000	2,425,000	14,525,000
Bond Financing-MDE (Water Fund)				5,000,000	5,000,000	2,000,000	12,000,000
Water Fund		25,000	825,000	625,000	625,000	425,000	2,525,000
Admin & Engineering Equipment	52-C0648	70,000	20,000	20,000	20,000	20,000	150,000
Water Fund		70,000	20,000	20,000	20,000	20,000	150,000
Pump Station Improvements	52-C0651	125,000	425,000	1,125,000	1,125,000	1,625,000	4,425,000
Contribution by Others			300,000	1,000,000	1,000,000	1,500,000	3,800,000
Water Fund		125,000	125,000	125,000	125,000	125,000	625,000
Distribution Services - Meter Program	52-C0653	750,000	750,000	750,000	750,000	750,000	3,750,000
Water Fund		750,000	750,000	750,000	750,000	750,000	3,750,000
Distribution System Rehab - Main Replacement	52-C0709	660,000	660,000	660,000	660,000	660,000	3,300,000
Water Fund		660,000	660,000	660,000	660,000	660,000	3,300,000
Water System SCADA Improvements	52-C0820	60,000	60,000	60,000	60,000	60,000	300,000
Water Fund		60,000	60,000	60,000	60,000	60,000	300,000
Antietam Creek Intake and Water Plant	52-C0823	0	0	0	0	1,000,000	1,000,000
Water Fund						1,000,000	1,000,000
Water Zone #5 System Improvements	52-C0877	2,300,000	5,000,000	3,910,000	0	0	11,210,000
Contribution by Others		750,000	2,250,000	1,750,000			4,750,000
Water Fund		1,550,000	2,750,000	2,160,000			6,460,000
Water Fund Total		12,896,500	28,320,000	34,165,000	26,790,000	16,915,000	119,086,500
GRAND TOTAL		12,896,500	28,320,000	34,165,000	26,790,000	16,915,000	119,086,500

FY 26 through FY 30
Wastewater Fund
 City of Hagerstown, Maryland
Projects By Funding Source Summary

Source	Project #	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Bond Financing-MDE							
(Wastewater Fund)							
Pump Station #13 Reconstruction	54-C0574	1,000,000	2,200,000				3,200,000
WWT Plant Equipment	54-C0584	9,500,000	8,000,000	3,000,000			20,500,000
Solids Processing Facility Improvements	54-C0712		1,500,000	1,500,000	1,500,000	1,500,000	6,000,000
Pump Stations 6 and 15 Removal	54-C0832		500,000	2,500,000	1,000,000		4,000,000
Bond Financing-MDE (Wastewater Fund) Total		10,500,000	12,200,000	7,000,000	2,500,000	1,500,000	33,700,000

Grant-State MDE							
WWT Plant Equipment	54-C0584	1,500,000					1,500,000
Grant-State MDE Total		1,500,000	0	0	0	0	1,500,000

Wastewater Fund							
Wastewater Vehicle and Equipment Replacement	54-C0004	390,000	455,000	350,000	250,000	585,000	2,030,000
Collection System Improvement Program	54-C0267	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	5,500,000
Pump Station SCADA Improvements	54-C0299	100,000	100,000	100,000	100,000	100,000	500,000
East End Pump Station #33	54-C0565	500,000					500,000
Pump Station #13 Reconstruction	54-C0574	500,000	500,000				1,000,000
WWT Plant Equipment	54-C0584	950,000	550,000	550,000	550,000	550,000	3,150,000
WWT Buildings/ Structures/ Equipment & Software	54-C0585	3,550,000	3,050,000	50,000	50,000	50,000	6,750,000
Oxygen System Improvements	54-C0657	25,000	25,000	25,000	25,000	25,000	125,000
Solids Processing Facility Improvements	54-C0712	2,000,000	1,250,000	250,000	250,000	250,000	4,000,000
Laboratory Equipment	54-C0745	100,000	100,000	100,000	100,000	100,000	500,000
Grinder Pump Replacement Program	54-C0767	145,000	145,000	145,000	145,000	145,000	725,000
Pump Stations 6 and 15 Removal	54-C0832	250,000					250,000
Trunk Lines and Laterals	54-C0834	165,000	165,000	165,000	165,000	165,000	825,000
Wastewater Fund Total		9,775,000	7,440,000	2,835,000	2,735,000	3,070,000	25,855,000

GRAND TOTAL	21,775,000	19,640,000	9,835,000	5,235,000	4,570,000	61,055,000
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FY 26 through FY 30
Wastewater Fund
City of Hagerstown, Maryland
Projects by Funding Sources and Department

Department	Project #	2026	2027	2028	2029	2030	Total
Wastewater Fund							
Wastewater Vehicle and Equipment Replacement	54-C0004	390,000	455,000	350,000	250,000	585,000	2,030,000
Wastewater Fund		390,000	455,000	350,000	250,000	585,000	2,030,000
Collection System Improvement Program	54-C0267	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	5,500,000
Wastewater Fund		1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	5,500,000
Pump Station SCADA Improvements	54-C0299	100,000	100,000	100,000	100,000	100,000	500,000
Wastewater Fund		100,000	100,000	100,000	100,000	100,000	500,000
East End Pump Station #33	54-C0565	500,000	0	0	0	0	500,000
Wastewater Fund		500,000					500,000
Pump Station #13 Reconstruction	54-C0574	1,500,000	2,700,000	0	0	0	4,200,000
Bond Financing-MDE (Wastewater Fund)		1,000,000	2,200,000				3,200,000
Wastewater Fund		500,000	500,000				1,000,000
WWT Plant Equipment	54-C0584	11,950,000	8,550,000	3,550,000	550,000	550,000	25,150,000
Bond Financing-MDE (Wastewater Fund)		9,500,000	8,000,000	3,000,000			20,500,000
Grant-State MDE		1,500,000					1,500,000
Wastewater Fund		950,000	550,000	550,000	550,000	550,000	3,150,000
WWT Buildings/ Structures/ Equipment & Software	54-C0585	3,550,000	3,050,000	50,000	50,000	50,000	6,750,000
Wastewater Fund		3,550,000	3,050,000	50,000	50,000	50,000	6,750,000
Oxygen System Improvements	54-C0657	25,000	25,000	25,000	25,000	25,000	125,000
Wastewater Fund		25,000	25,000	25,000	25,000	25,000	125,000
Solids Processing Facility Improvements	54-C0712	2,000,000	2,750,000	1,750,000	1,750,000	1,750,000	10,000,000
Bond Financing-MDE (Wastewater Fund)			1,500,000	1,500,000	1,500,000	1,500,000	6,000,000
Wastewater Fund		2,000,000	1,250,000	250,000	250,000	250,000	4,000,000
Laboratory Equipment	54-C0745	100,000	100,000	100,000	100,000	100,000	500,000
Wastewater Fund		100,000	100,000	100,000	100,000	100,000	500,000
Grinder Pump Replacement Program	54-C0767	145,000	145,000	145,000	145,000	145,000	725,000
Wastewater Fund		145,000	145,000	145,000	145,000	145,000	725,000
Pump Stations 6 and 15 Removal	54-C0832	250,000	500,000	2,500,000	1,000,000	0	4,250,000
Bond Financing-MDE (Wastewater Fund)			500,000	2,500,000	1,000,000		4,000,000
Wastewater Fund		250,000					250,000
Trunk Lines and Laterals	54-C0834	165,000	165,000	165,000	165,000	165,000	825,000
Wastewater Fund		165,000	165,000	165,000	165,000	165,000	825,000
Wastewater Fund Expenditure Total		21,775,000	19,640,000	9,835,000	5,235,000	4,570,000	61,055,000
Bond Financing-MDE (Wastewater Fund)		10,500,000	12,200,000	7,000,000	2,500,000	1,500,000	33,700,000
Grant-State MDE		1,500,000					1,500,000
Wastewater Fund		9,775,000	7,440,000	2,835,000	2,735,000	3,070,000	25,855,000
Wastewater Fund Sources Total		21,775,000	19,640,000	9,835,000	5,235,000	4,570,000	61,055,000
EXPENDITURE GRAND TOTAL		21,775,000	19,640,000	9,835,000	5,235,000	4,570,000	61,055,000

FY 26 through FY 30
Parking Fund
 City of Hagerstown, Maryland
Projects By Funding Source Summary

Source	Project #	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Parking Fund							
Hub City Garage	56-C0173	10,000	10,000	10,000	10,000	10,000	50,000
Upgrades to Parking Decks	56-C0749	34,000	10,000	10,000	10,000	10,000	74,000
Parking Fund Vehicles	56-C0829	35,000	60,000			15,000	110,000
Parking Lot Improvements	56-C0857	10,000	80,000	10,000	10,000	10,000	120,000
	Parking Fund Total	89,000	160,000	30,000	30,000	45,000	354,000
	GRAND TOTAL	89,000	160,000	30,000	30,000	45,000	354,000

FY 26 through FY 30
Parking Fund
 City of Hagerstown, Maryland
Projects by Funding Sources and Department

Department	Project #	2026	2027	2028	2029	2030	Total
Parking Fund							
Hub City Garage	56-C0173	10,000	10,000	10,000	10,000	10,000	50,000
Parking Fund		10,000	10,000	10,000	10,000	10,000	50,000
Upgrades to Parking Decks	56-C0749	34,000	10,000	10,000	10,000	10,000	74,000
Parking Fund		34,000	10,000	10,000	10,000	10,000	74,000
Parking Fund Vehicles	56-C0829	35,000	60,000	0	0	15,000	110,000
Parking Fund		35,000	60,000			15,000	110,000
Parking Lot Improvements	56-C0857	10,000	80,000	10,000	10,000	10,000	120,000
Parking Fund		10,000	80,000	10,000	10,000	10,000	120,000
Parking Fund Expenditure Total		89,000	160,000	30,000	30,000	45,000	354,000
Parking Fund		89,000	160,000	30,000	30,000	45,000	354,000
Parking Fund Sources Total		89,000	160,000	30,000	30,000	45,000	354,000
EXPENDITURE GRAND TOTAL		89,000	160,000	30,000	30,000	45,000	354,000

FY 26 through FY 30
Golf Fund
 City of Hagerstown, Maryland
Projects By Funding Source Summary

Source	Project #	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Golf Fund							
Golf Course - Vehicles/Equipment	57-C0395	69,000	70,000	65,000	90,000	40,000	334,000
Golf Course Improvements	57-C0825	72,500	10,000	10,000	10,000	10,000	112,500
Golf Fund Total		141,500	80,000	75,000	100,000	50,000	446,500
Grants-State Program Open Space							
Golf Course Improvements	57-C0825	112,500					112,500
Grants-State Program Open Space Total		112,500	0	0	0	0	112,500
State Highway User Revenue							
Golf Course Improvements	57-C0825	5,000					5,000
State Highway User Revenue Total		5,000	0	0	0	0	5,000
GRAND TOTAL		259,000	80,000	75,000	100,000	50,000	564,000

FY 26 through FY 30
Golf Fund
 City of Hagerstown, Maryland
Projects by Funding Sources and Department

Department	Project #	2026	2027	2028	2029	2030	Total
Golf Fund							
Golf Course - Vehicles/Equipment	57-C0395	69,000	70,000	65,000	90,000	40,000	334,000
Golf Fund		69,000	70,000	65,000	90,000	40,000	334,000
Golf Course Improvements	57-C0825	190,000	10,000	10,000	10,000	10,000	230,000
Golf Fund		72,500	10,000	10,000	10,000	10,000	112,500
Grants-State Program Open Space		112,500					112,500
State Highway User Revenue		5,000					5,000
Golf Fund Expenditure Total		259,000	80,000	75,000	100,000	50,000	564,000
Golf Fund		141,500	80,000	75,000	100,000	50,000	446,500
Grants-State Program Open Space		112,500					112,500
State Highway User Revenue		5,000					5,000
Golf Fund Sources Total		259,000	80,000	75,000	100,000	50,000	564,000
EXPENDITURE GRAND TOTAL		259,000	80,000	75,000	100,000	50,000	564,000

FY 26 through FY 30
Property Management Fund
 City of Hagerstown, Maryland
Projects By Funding Source Summary

Source	Project #	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Property Management Fund							
Elizabeth Hager Center	58-C0803	75,000	45,000	45,000	45,000	45,000	255,000
60 West Washington Street	58-C0828	40,000	40,000	40,000	40,000	40,000	200,000
309 Valley Road	58-C0836	25,000					25,000
Property Management Fund Total		140,000	85,000	85,000	85,000	85,000	480,000
GRAND TOTAL		140,000	85,000	85,000	85,000	85,000	480,000

FY 26 through FY 30
Property Management Fund
 City of Hagerstown, Maryland
Projects by Funding Sources and Department

Department	Project #	2026	2027	2028	2029	2030	Total
Property Management Fund							
Elizabeth Hager Center	<i>58-C0803</i>	75,000	45,000	45,000	45,000	45,000	255,000
Property Management Fund		75,000	45,000	45,000	45,000	45,000	255,000
60 West Washington Street	<i>58-C0828</i>	40,000	40,000	40,000	40,000	40,000	200,000
Property Management Fund		40,000	40,000	40,000	40,000	40,000	200,000
309 Valley Road	<i>58-C0836</i>	25,000	0	0	0	0	25,000
Property Management Fund		25,000					25,000
Property Management Fund Expenditure Total		140,000	85,000	85,000	85,000	85,000	480,000
Property Management Fund		140,000	85,000	85,000	85,000	85,000	480,000
Property Management Fund Sources Total		140,000	85,000	85,000	85,000	85,000	480,000
EXPENDITURE GRAND TOTAL		140,000	85,000	85,000	85,000	85,000	480,000

FY 26 through FY 30
Stormwater Protection Fund
 City of Hagerstown, Maryland
Projects By Funding Source Summary

Source	Project #	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Contribution by Others							
Storm Drain System Upgrades	59-C0444	150,000					150,000
Contribution by Others Total		150,000	0	0	0	0	150,000
Grants-State							
Reforestation Using SPP Funds	59-C0594	70,000					70,000
Green Streets	59-C0639	75,000					75,000
Grants-State Total		145,000	0	0	0	0	145,000
Stormwater Fee							
Stormwater Vehicles	59-C0064	350,000	140,000	350,000			840,000
Storm Drain System Upgrades	59-C0444	950,000	150,000	150,000	150,000	150,000	1,550,000
Curb Replacement Program	59-C0459	120,000	120,000	120,000	120,000	120,000	600,000
Reforestation Using SPP Funds	59-C0594	50,000	50,000	50,000	50,000	50,000	250,000
Stormwater Protection Program Implementation	59-C0637	1,135,000	600,000	350,000	300,000	300,000	2,685,000
Green Streets	59-C0639	100,000					100,000
Marsh Run Walls Rehabilitation	59-C0853	250,000			350,000		600,000
Stream Restorations	59-C0866	1,700,000	500,000				2,200,000
Stormwater Fee Total		4,655,000	1,560,000	1,020,000	970,000	620,000	8,825,000
GRAND TOTAL		4,950,000	1,560,000	1,020,000	970,000	620,000	9,120,000

FY 26 through FY 30
Stormwater Protection Fund
 City of Hagerstown, Maryland
Projects by Funding Sources and Department

Department	Project #	2026	2027	2028	2029	2030	Total
Stormwater							
Stormwater Vehicles	59-C0064	350,000	140,000	350,000	0	0	840,000
Stormwater Fee		350,000	140,000	350,000			840,000
Storm Drain System Upgrades	59-C0444	1,100,000	150,000	150,000	150,000	150,000	1,700,000
Contribution by Others		150,000					150,000
Stormwater Fee		950,000	150,000	150,000	150,000	150,000	1,550,000
Curb Replacement Program	59-C0459	120,000	120,000	120,000	120,000	120,000	600,000
Stormwater Fee		120,000	120,000	120,000	120,000	120,000	600,000
Reforestation Using SPP Funds	59-C0594	120,000	50,000	50,000	50,000	50,000	320,000
Grants-State		70,000					70,000
Stormwater Fee		50,000	50,000	50,000	50,000	50,000	250,000
Stormwater Protection Program Implementation	59-C0637	1,135,000	600,000	350,000	300,000	300,000	2,685,000
Stormwater Fee		1,135,000	600,000	350,000	300,000	300,000	2,685,000
Green Streets	59-C0639	175,000	0	0	0	0	175,000
Grants-State		75,000					75,000
Stormwater Fee		100,000					100,000
Marsh Run Walls Rehabilitation	59-C0853	250,000	0	0	350,000	0	600,000
Stormwater Fee		250,000			350,000		600,000
Stream Restorations	59-C0866	1,700,000	500,000	0	0	0	2,200,000
Stormwater Fee		1,700,000	500,000				2,200,000
Stormwater Expenditure Total		4,950,000	1,560,000	1,020,000	970,000	620,000	9,120,000
Contribution by Others		150,000					150,000
Grants-State		145,000					145,000
Stormwater Fee		4,655,000	1,560,000	1,020,000	970,000	620,000	8,825,000
Stormwater Sources Total		4,950,000	1,560,000	1,020,000	970,000	620,000	9,120,000
EXPENDITURE GRAND TOTAL		4,950,000	1,560,000	1,020,000	970,000	620,000	9,120,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0006
 Project Name Computer Equipment and Software

Contact	Reed	Department	Information Technology
Type	Replacement	Category	Machinery and Equipment
Status	Active	Useful Life	5 years
Location:	City Hall	Year Submitted:	Ongoing

Description

The City's computing infrastructure, while making some improvements in the last fiscal year, has many components that are well past their operational maintenance and considered obsolete by most vendors. This CIP focuses on upgrades, standardization of software levels, and replacement of key network and server infrastructure that will continue to stabilize our operational environment (as well as improve our overall support capability). These improvements also help to streamline our support with third-party vendors who provide IT software and services to the City.

FY26 - FY30: Miscellaneous IT upgrades and projects (\$40,000/year).

Justification

The IT department has worked hard to maintain an environment that has maximized the lifespan of both server and networking assets. Replacement of old and/or outdated equipment is vital to the uptime service quality, security requirements, data storage/retention/recall, and effective support provided by the Information Technology department. The IT department continues to apply redundancy, enhance security procedures, and embrace newer, cost-effective, and up-to-date technology in order to minimize downtime and negative impact to our daily operations and customer offerings. This CIP will work to continue to work to improve our overall infrastructure landscape and support capabilities.

Maintenance and enhancement of City public service buildings and infrastructure ensures continued high quality of service to our citizens which is a goal of the City's Comprehensive Plan.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	40,000	40,000	40,000	40,000	40,000	200,000
Total	40,000	40,000	40,000	40,000	40,000	200,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
CIP Fund Balance	40,000	0	0	0	0	40,000
Transfers to CIP-Electric Fund	0	9,600	9,600	9,600	9,600	38,400
Transfers to CIP-General Fund	0	9,600	9,600	9,600	9,600	38,400
Transfers to CIP-Wastewater Fund	0	9,600	9,600	9,600	9,600	38,400
Transfers to CIP-Water Fund	0	9,600	9,600	9,600	9,600	38,400
Transfers to CIP-Parking Fund	0	1,600	1,600	1,600	1,600	6,400
Total	40,000	40,000	40,000	40,000	40,000	200,000

Budget Impact

Significant impact should hardware/software components, security protocols, and data storage fail or become compromised.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0007
 Project Name Time & Attendance Software and Equip

Contact	Reed	Department	Information Technology
Type	Improvement	Category	Software
Status	Active	Useful Life	5 years
Location:	All City Departments	Year Submitted:	2013

Description

Intellitime time clocks to the new "card reader" technology. Budgeting two replacement clocks per year.

FY26 - FY30: 2 clocks at \$4,000 per unit (\$8,000 per year)

Justification

The new time clocks allow City employees to "tap" the unit for time clock input as well as give a more robust mobile app that could also be deployed throughout the enterprise.

Maintenance and enhancement of City public service buildings and infrastructure ensures continued high quality of service to our citizens which is a goal of the City's Comprehensive Plan.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	8,000	8,000	8,000	8,000	8,000	40,000
Total	8,000	8,000	8,000	8,000	8,000	40,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-Electric Fund	1,900	1,900	1,900	1,900	1,900	9,500
Transfers to CIP-General Fund	1,900	1,900	1,900	1,900	1,900	9,500
Transfers to CIP-Wastewater Fund	1,900	1,900	1,900	1,900	1,900	9,500
Transfers to CIP-Water Fund	1,900	1,900	1,900	1,900	1,900	9,500
Transfers to CIP-Parking Fund	400	400	400	400	400	2,000
Total	8,000	8,000	8,000	8,000	8,000	40,000

Budget Impact

Enhancement of time and attendance reporting capabilities, as necessary.

Capital Improvement Plan
 City of Hagerstown, Maryland



Project # 45-C0010
 Project Name Fire Department Vehicle Replacement

Contact	DiBacco and Hopkins	Department	Fire
Type	Replacement	Category	Automobiles and Trucks
Status	Active	Useful Life	20 years
Location:	Administrative Office	Year Submitted:	Ongoing

Description

Per the Vehicle & Equipment Replacement Schedule:

FY26: 2004 KME Pumper - Reserve Engine 3 - \$1,500,000 (\$1,375,000 fan truck, plus \$125,000 for equipment)
 FY26: Box Truck (Technical Rescue Support Unit) - (\$250,000)

FY27: Mobile Ventilation Unit (MVU) - (\$750,000)
 FY27: 2004 KME Pumper - Reserve Engine 5 - \$1,500,000 (\$1,375,000 box truck, plus \$125,000 for equipment)
 FY27: 2013 KME Pumper - Engine 1 - \$1,500,000 (\$1,375,000, plus \$125,000 for equipment)
 FY27: **New** Medium duty utility truck with supporting tools and equipment (\$500,000)

FY30: 2016 Pierce Ladder Truck - Reserve Truck 3 - \$2,500,000 (\$2,300,000 truck plus \$200,000 equipment)

Begin replacing light duty fleet of vehicles that are 10-years old or older.

FY27: 2016 Ford F-250 - Unit F16-6564 and 2016 Ford F-250 - Unit F16-6565 @ \$100,000 each (\$200,000)

FY28: 2017 Ford F-250 - Unit F17-2127 and 2017 Ford F-250 - Unit F17-6311 @ \$100,000 each (\$200,000)

FY29: 2019 Ford F-250 - Unit F19-1820 (\$100,000); 2006 14ft. Nelson Trailer - Unit F06-7663 (\$50,000)

FY30: 2014 Chevrolet Tahoe - F14-9818; 2020 Ford Explorer - F20-6608 and 2020 Ford Explorer - F20-5554 @ \$100,000 each (\$300,000)

Justification

These vehicles are slated for replacement per the Department's strategic goal of 20-year life cycle for heavy apparatus and replace light duty vehicles greater than 10 years of age. Industry delivery time for heavy apparatus is 36-42 months for light duty vehicles up to 12 months.

Medium Duty Utility vehicle to re-establish a previously dissolved operations unit. This utility vehicle will carry an assortment of fire and EMS tools and equipment, will be used to carry additional staff to incidents to support other operational companies, and can be used for lower acuity emergency responses not requiring heavy apparatus. In addition to support personnel, this unit will reduce wear and tear on heavy apparatus by handling lower acuity calls now handled by pumpers and trucks.

The Comprehensive Plan recommends maintaining and expanding police, fire, and EMS services to serve the city's growing population and geographic area.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	1,750,000	4,450,000	200,000	150,000	2,800,000	9,350,000
Total	1,750,000	4,450,000	200,000	150,000	2,800,000	9,350,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Bond Financing (General Fund)	0	2,000,000	0	0	2,500,000	4,500,000
Transfers to CIP-General Fund	975,000	2,450,000	200,000	150,000	300,000	4,075,000
CIP Fund - GF Fund Balance	775,000	0	0	0	0	775,000
Total	1,750,000	4,450,000	200,000	150,000	2,800,000	9,350,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0025
 Project Name Pavement Preservation Program

Contact	Bender	Department	Engineering
Type	Maintenance	Category	Buildings and Structures
Status	Active	Useful Life	15 years
Location:	City -Wide	Year Submitted:	Ongoing

Description

Resurfacing of various streets and parking lots per latest condition survey. Includes mill & overlay, crack sealing, slurry-sealing, and pavement markings.

The City utilizes HUR funding received to fund our Pavement Preservation program and other eligible capital projects. The City will only spend what the State provides.

FY26: Includes funds for paving portions of W. Wilson Blvd., West Side Avenue, Maryland Avenue, and others. Funding includes work for crack sealing, pavement marking, and slurry seal (\$1,500,000).

FY27-FY30: Continue paving portions of streets based upon pavement condition surveys (\$1,300,000)

Justification

In February 2017, a presentation to the Mayor and Council showed that approximately \$1,100,000 needs to be spent annually [from State Highway User Revenue (HUR)] to maintain the current Pavement Condition Index (PCI). In 2013, the overall PCI was 77 (good condition) but due to inadequate funding in FY13, 14 and 15 the PCI dropped to 69 in 2016. As a result of adequate HUR funding in FY16 thru FY19, the PCI increased back to 76 in 2018. Based on the 2021 pavement condition survey, the current PCI is 74.

In 2010 the City expanded the program to include slurry-seals and crack-sealing in addition to overlay. Both slurry seal and crack sealing slow pavement deterioration, delaying the need for a full pavement overlay.

The Comprehensive Plan recommends that the City's transportation network, including roads, transit, and pedestrian facilities, will meet the mobility needs of its residents, businesses, and visitors.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	1,500,000	1,300,000	1,300,000	1,300,000	1,300,000	6,700,000
Total	1,500,000	1,300,000	1,300,000	1,300,000	1,300,000	6,700,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
State Highway User Revenue	1,500,000	1,300,000	1,300,000	1,300,000	1,300,000	6,700,000
Total	1,500,000	1,300,000	1,300,000	1,300,000	1,300,000	6,700,000

Budget Impact

Pavement preservation keeps operational costs down, extends the service life of all streets, and maintains pavement to a level acceptable to the public. We want to use the "right treatment at the right time on the right street". Estimated that \$20,000 annually will be saved on patching and repairs if the streets are properly preserved by this program.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0041
 Project Name Hagerstown Field House

Contact	Bender	Department	Engineering
Type	Improvement	Category	Buildings and Structures
Status	Active	Useful Life	50 years
Location:	290 East Memorial Blvd	Year Submitted:	2022

Description

Construction of the 117,156 square foot facility was substantially completed in 2024. Facility includes two artificial turf fields, four hardcourt areas, a fitness center, a café, and play/meeting rooms.

HVAC and other mechanical systems are new, and should have a service life beyond five years; budget amounts are for minor maintenance through FY29, and a larger amount for FY30 as equipment reaches five years of age.

Justification

The Field House provides recreational opportunities for residents, and is an economic driver through tournaments that bring visitors to town.

The Comprehensive Plan recommends exploring development of an indoor recreation center for use by community residents and to support tourism development.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	10,000	60,000	60,000	85,000	105,000	320,000
Total	10,000	60,000	60,000	85,000	105,000	320,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Contribution by Others	0	50,000	50,000	75,000	75,000	250,000
Transfers to CIP-General Fund	10,000	10,000	10,000	10,000	30,000	70,000
Total	10,000	60,000	60,000	85,000	105,000	320,000

Budget Impact

By terms of the lease agreement with Eastern Sports Management, a capital reserve fund will be established and maintained for ongoing improvements at the facility.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0047
 Project Name City Park Lake Improvements

Contact	Bender	Department	Engineering
Type	Improvement	Category	Land Improvements
Status	Active	Useful Life	25 years
Location:	City Park	Year Submitted:	Ongoing

Description

The lower lake walls were reconstructed in phases:

- 1995: Phase I- Key Street end
- 1998: Phase II- Virginia Avenue side
- 2004: Phase III- Museum Drive side
- 2017: Isolated repairs of entire lower lake wall

FY27: Upgrades to upper and middle lakes. Replacement of walls around perimeter of lakes, associated sidewalk improvements, dredging, leak repair, and landscape enhancements (\$1,000,000 including \$200,000 POS).

Justification

The goal is to improve deteriorating facilities and provide necessary maintenance. In addition, City Park has been rated one of the most beautiful municipal parks in America. The preservation of the lakes helps to maintain their beauty, which is visited by tens of thousands of people each year.

The Comprehensive Plan recommends continuation of Livable City initiatives that bring design continuity to City neighborhoods by focusing on improved park amenities.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	0	1,000,000	0	0	0	1,000,000
Total	0	1,000,000	0	0	0	1,000,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	0	800,000	0	0	0	800,000
Grants-State Program Open Space	0	200,000	0	0	0	200,000
Total	0	1,000,000	0	0	0	1,000,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0061
 Project Name Hager House Visitor Center Improvements

Contact	Deike and Bender	Department	Parks
Type	Improvement	Category	Buildings and Structures
Status	Active	Useful Life	50 years
Location:	Hager House Museum	Year Submitted:	2019

Description

Upgrade exhibits (50 plus years old) and interpretive media at the Hager House visitors center, based on "Exhibit Plan" prepared by Interpretive Direction, LLC (David Guiney), endorsed by City Council on January 12, 2021 with design work completed by Summer 2023.

FY26: Continuation of Phase I renovation of the visitor center, new flooring, electric, lighting and exhibits #1,2,5,6 and 7 started in FY25 (\$160,000 including \$100,000 ARC Grant) - Phase I \$200,000 total with \$40,000 to be spent in FY25

FY26: Phase II renovation of the visitor center. Start all exhibits #3,4,8,9 and model of house (\$200,000) - \$100,000 ARC Grant proposed to be submitted and \$100,000 Matching funds.

FY27: Phase II renovation of the visitor center. Complete all exhibits #3,4,8,9 and model of house (\$200,000) - \$100,000 future ARC Grant proposed to be submitted and \$100,000 Matching funds.

Justification

Exhibits are very dated (1960's) and lack any modern interactivity (video, QR codes, etc.). Exhibits are not currently ADA compliant.

The Comprehensive Plan recommends continuation of Livable City initiatives that bring design continuity to City neighborhoods by focusing on improved park amenities and support facilities.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	345,000	200,000	0	0	0	545,000
Planning/Design	15,000	0	0	0	0	15,000
Total	360,000	200,000	0	0	0	560,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Grants-ARC	200,000	100,000	0	0	0	300,000
CIP Fund Balance	160,000	0	0	0	0	160,000
Transfers to CIP-General Fund	0	100,000	0	0	0	100,000
Total	360,000	200,000	0	0	0	560,000

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0065
 Project Name Public Works Vehicles

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

Description

Per the Vehicle & Equipment Replacement Schedule.

FY26: 2011 JD 310S] Backhoe #7 (\$165,000); 2006 Chevy Van #31 (\$65,000); 2015 Chevy Silverado 4x4 #45 (\$50,000); 2019 Ferris Mower #65 (\$12,000); 2006 Ford E350 Bucket Truck #602 (\$145,000)

FY27: 2015 Ford F550 Dump Truck #19 (\$140,000); 2015 Chevy Silverado 4x4 #3 (\$45,000); 2006 Bobcat A300 #6 (\$80,000); 1993 Wacker Roller #84 (\$25,000); 2015 Ford F350 #94 (\$85,000); 2008 Chevy 2500 2x4 #14 (\$45,000); 2016 Ford F250 Crew Cab #47 (\$45,000); 2015 JD Z930A Mower #62 (\$20,000); 2018 Ferris Mower #64 (\$12,000); 2008 Solar Sign Board #616 (\$45,000); 2008 Solar Sign Board #617 (\$45,000)

FY28: 2017 Ford F550 Dump Truck #17 (\$140,000); 2017 Ford F750 Dump Truck #23 (\$230,000); 1990 Komatsu FG30-8 #48; (\$20,000); 2017 Ford F350 Bucket Truck #601 (\$100,000)

FY29: 2019 Ford F750 Salt Truck #24 (\$235,000); 2019 Stepp Manufacturing Asphalt Plant #61 (\$20,000)

FY30: 2019 Ford F750 Salt Truck #25 (\$240,000); 2019 Ford F350 #35 (\$40,000); 2019 Ford F350 #36 (\$40,000); 2019 John Deere 1025R Tractor #77 (\$25,000); 2019 John Deere 1025R Tractor #88 (\$25,000)

Justification

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

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	437,000	587,000	490,000	255,000	370,000	2,139,000
Total	437,000	587,000	490,000	255,000	370,000	2,139,000

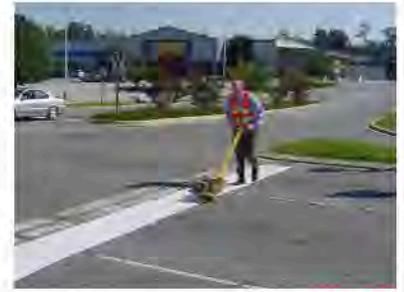
Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	272,000	587,000	490,000	255,000	370,000	1,974,000
CIP Fund - GF Fund Balance	165,000	0	0	0	0	165,000
Total	437,000	587,000	490,000	255,000	370,000	2,139,000

Budget Impact

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

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0093
 Project Name Pavement Markings

Contact	Bender	Department	Engineering
Type	Improvement	Category	Infrastructure-Streets
Status	Active	Useful Life	5 years
Location:	City-Wide	Year Submitted:	Ongoing

Description

Upgrading pavement markings around the City with emphasis on crosswalks, school zones, and public safety. One crosswalk costs about \$1,000. A typical intersection can cost \$6,000 to \$8,000 for all pavement markings. This project funds the upgrade of deteriorated "stop bars" and "crosswalks" City-wide.

If adequate State Highway User Revenue is not received, the project won't be done.

Justification

Improve safety. Public expects streets to be properly marked. Marked crosswalks are desirable.

The Comprehensive Plan recommends that the City's transportation network, including roads, transit, and pedestrian facilities, will meet the mobility needs of its residents, businesses, and visitors.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	80,000	60,000	60,000	60,000	60,000	320,000
Total	80,000	60,000	60,000	60,000	60,000	320,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
State Highway User Revenue	80,000	60,000	60,000	60,000	60,000	320,000
Total	80,000	60,000	60,000	60,000	60,000	320,000

Budget Impact

Recommend contracting these services as they take special equipment to install. Staff estimates the cost for staff to install markings would be two to three times the contracted rate. This is a never-ending project to maintain pavement markings worn away by traffic.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0128
 Project Name Police Radios

Contact	Kifer	Department	Police
Type	Improvement	Category	Machinery and Equipment
Status	Active	Useful Life	5 years
Location:	Police Department	Year Submitted:	Ongoing

Description

Radio replacement cycle, out-year replacements will occur as needed for inoperable equipment.
 The replacement cycle schedule will be as follows: FY26 - 0; FY27-15; FY28-15; FY29-15; FY30-15
 Cost per unit: \$12,000

Justification

2020 Radio Replacement: The Hagerstown Police Department replaced its radios in 2020. The useful life of electronic radio equipment is typically 5-10 years, so a replacement cycle is necessary to maintain functionality.

Migration to Motorola Radios: The decision to replace the existing Harris radios with Motorola radios is part of a broader update strategy. This migration takes place in phases.

- **SRT Migration (FY25):** The Special Response Team (SRT) fully migrated to Motorola radios in FY25. The reason for this transition was to ensure all SRT members use the same equipment, promoting operational cohesiveness and streamlined communication.
- **SRO Migration (FY25):** School Resource Officers (SROs) also switched to Motorola radios in FY25. This move was prompted by a testing study conducted at city schools, which revealed a collapse in connectivity with the Harris radios compared to the superior performance of the Motorola models.
- **Additional Staffing (FY25):** The HPD added 9 new police officer positions in the 2024/2025 budget year.
- **Future Migration:** As needed, the remaining Harris radios will be replaced with Motorola radios, ensuring compatibility and reliability across the department. Once the transition is complete, county dispatch will be able to track all personnel using the Motorola GPS system, which enhances coordination and situational awareness.

This transition will ensure that all officers have access to reliable communication tools, improving both efficiency and safety.

The Comprehensive Plan recommends that the City maintain and expand police, fire, and EMS services to serve the city's growing population and geographic area.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	0	180,000	180,000	180,000	180,000	720,000
Total	0	180,000	180,000	180,000	180,000	720,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	0	180,000	180,000	180,000	180,000	720,000
Total	0	180,000	180,000	180,000	180,000	720,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0129
 Project Name Police Vehicles

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

Description

Per the Vehicle & Equipment Replacement Schedule:

FY26: 9 Replacement: Unit 952 (1991 Ford Van - \$50,000); Unit 986 (2005 Crown Vic - \$50,000); Unit 989 (2005 Chevy Van - \$50,000); Unit 972 (2004 Ford Crown Vic - \$80,000); Unit 996 (2005 Chevrolet Cobalt - \$50,000); Unit 991 (2007 Chevrolet Colorado - \$60,000); Unit 946 (2007 Chevrolet Impala - \$50,000); Unit 9303 (2011 Ford Crown Vic - \$80,000); Unit 948 (2013 Acura - \$50,000)

FY27: 12 Replacement: Unit 937 (2013 Ford Edge - \$57,400); Unit 9501 (2013 Ford Explorer - \$82,400); Unit 945 (2013 Ford Edge - \$57,400); Unit 902 (2014 Ford Fusion - \$57,400); Unit 907 (2014 Ford Fusion \$57,400); Unit 908 (2014 Ford Fusion - \$57,400); Unit 909 (2014 Ford Fusion - \$57,400); Unit 924 (2014 Ford Fusion \$57,400); Unit 933 (2014 Ford Fusion - \$57,400); Unit 903 (2014 Ford Taurus - \$57,400); Unit 905 (2014 Ford Edge - \$57,400); Unit 906 (2015 Ford Taurus - \$82,400); **10 New (Additional \$82,400 Each) Police Cruisers - \$824,000 Additional Police Vehicles needed to support a Take Home Vehicle program.**

FY28: 12 Replacement: Unit 914 (2015 Ford Explorer - \$65,000); Unit 936 (2015 Ford Explorer XLT- \$65,000); Unit 9121 (2015 Ford Explorer - \$85,000); Unit 9220 (2015 Ford Explorer - \$85,000); Unit 960 (2015 Ford Explorer XLT- \$85,000); Unit 9100 (2016 Ford F150 - \$85,000); Unit 9118 (2016 Ford Explorer - \$85,000); Unit 9123 (2016 Ford Explorer - \$85,000); Unit 915 (2016 Ford Explorer - \$85,000); Unit 919 (2016 Ford Explorer - \$85,000); Unit 999 (2016 Ford Escape - \$65,000); Unit 932 (2016 Ford Explorer - \$85,000); **10 New (Additional \$85,000 Each) Police Cruisers - \$850,000 Additional Police Vehicles needed to support a Take Home Vehicle program.**

FY29: 12 Replacement: Unit 911 (2017 Ford Explorer XLT- \$67,500); Unit 9221 (2016 Ford Explorer - \$87,500); Unit 975 (2016 Ford Explorer - \$87,500); Unit 904 (2017 Ford Explorer - \$67,500); Unit 9222 (2018 Ford Explorer - \$87,500); Unit 973 (2018 Ford Explorer - \$87,500); Unit 976 (2018 Ford Explorer - \$87,500); Unit 9307 (2018 Ford Explorer - \$87,500); Unit 9132 (2019 Dodge Charger - \$87,500); Unit 9133 (2019 Dodge Charger - \$87,500); Unit 9134 (2019 Dodge Charger - \$87,500); Unit 9135 (2019 Dodge Charger - \$87,500)

FY30: 12 Replacement: Unit 995 (2006 Chev C4500 (Lab) - \$200,000); Unit 9136 (2019 Dodge Charger - \$90,200); Unit 9137 (2019 Dodge Charger - \$90,200); Unit 9139 (2019 Dodge Charger - \$90,200); Unit 925 (2019 Dodge Journey - \$75,000); Unit 9124 (2019 Ford Explorer - \$90,200); Unit 9125 (2019 Ford Explorer - \$90,200); Unit 9128 (2019 Ford Explorer - \$90,200); Unit 9129 (2019 Ford Explorer - \$90,200); Unit 9130 (2019 Ford Explorer - \$90,200); Unit 988 (2019 Chevy Equinox - \$60,000); Unit 998 (2020 Ford Fusion - \$60,000)

Justification

Many patrol vehicles are operated around the clock with in-town driving and considerable idling. Staff assessed and identified the need for a baseline minimum of 30 patrol cars. Vehicle equipment will be reused when practical. Take-home patrol cars are provided as available for police officers who live within City limits.

The Comprehensive Plan recommends that the City maintain and expand police, fire, and EMS services to serve the city's growing population and geographic area.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	520,000	1,562,800	1,810,000	1,010,000	1,116,600	6,019,400
Total	520,000	1,562,800	1,810,000	1,010,000	1,116,600	6,019,400

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	520,000	1,562,800	1,810,000	1,010,000	1,116,600	6,019,400
Total	520,000	1,562,800	1,810,000	1,010,000	1,116,600	6,019,400

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0130
 Project Name Public Safety Technology

Contact	Kifer	Department	Police
Type	Replacement	Category	Machinery and Equipment
Status	Active	Useful Life	10 years
Location:	Various locations	Year Submitted:	2024

Description

To enhance surveillance capabilities, the following strategies can be implemented (\$200,000 Per year):

1. **Expand Camera Network Footprint:**
 - **Installation of High-Resolution Cameras:** Deploy high-definition security cameras in key locations throughout the downtown area, Maryland Avenue, and city parks. This will improve real-time monitoring and help gather evidence in case of incidents.
 - **Integration with Existing Systems:** Ensure that these new cameras are integrated into the current surveillance network to allow for central management and analysis. This integration can leverage existing infrastructure for greater efficiency.
2. **Grow the Unmanned Aircraft System (Drone) Program:**
 - **Strategic Deployment of Drones:** Increase the number of drones in service for patrols over critical areas, including public events, large crowds, and remote locations. Drones can provide a bird's-eye view, monitoring hard-to-reach areas and providing fast-response capabilities in emergencies.
 - **Collaboration with Law Enforcement and First Responders:** Drones can be deployed in real-time in support of law enforcement and emergency services, particularly during high-risk situations like active shooter events or large-scale emergencies.
3. **Expand Civilian-Supported Watch Center:**
 - **Enhanced Civilian Involvement:** Increase the number of trained civilians who can assist in monitoring the surveillance system. This could include providing specialized training in interpreting camera feeds, identifying criminal behavior, and supporting emergency responders.
 - **Real-Time Collaboration with Law Enforcement:** Establish a direct communication line between the watch center and law enforcement agencies, allowing for quicker coordination and response to emerging situations. This will help ensure that surveillance data is acted upon rapidly.

By combining advanced surveillance technology with real-time data analysis and community involvement, these initiatives will significantly improve crime prevention, emergency response, and public safety in the downtown area.

Justification

FY26: The proposed expansion of the camera system across key locations in the city is a forward-thinking approach to enhancing public safety and security. By incorporating state-of-the-art video analytics, this system will not only provide real-time footage but also help identify potential threats before they escalate. The ability to monitor Fairgrounds and City Parks, Maryland Avenue, alleyways, and critical egress points in downtown will offer comprehensive coverage of high-traffic and high-risk areas, ensuring proactive responses to incidents.

With the deployment of advanced technology, officers will be empowered to act swiftly based on precise information, which can also reduce the need for additional manpower. The camera network will function as a valuable force multiplier, enabling a more efficient and scalable way to maintain public safety while maintaining resource efficiency. This expansion promises to improve situational awareness, which is crucial for preventing crime and responding to emergencies in a timely manner.

FY27: Efforts to bolster the program will continue in FY27. By enhancing our capabilities, we can significantly improve operational efficiency and response times in various critical scenarios.

Key Benefits of Drones in Law Enforcement:

1. **Search and Rescue Operations:** Drones equipped with thermal imaging cameras can quickly locate missing persons in challenging environments such as forests, mountains, or disaster zones. The ability to cover large areas in a short period can be invaluable in emergency situations.
2. **Traffic Management:** Drones can monitor traffic conditions in real time, helping manage congestion, accidents, or hazardous road conditions. They can be deployed to gather data, identify traffic bottlenecks, or even assist in accident reconstruction.
3. **Crime Scene Documentation:** Drones can capture aerial footage of crime scenes, which can be crucial for preserving evidence, mapping the area, and enhancing investigative efforts. This also allows for documenting large-scale crime scenes or accident sites that are difficult to access on foot.
4. **Hazardous Material Monitoring:** Drones can be deployed in environments that may be unsafe for officers, such as areas affected by hazardous materials or active disasters. They can monitor radiation levels, chemical leaks, or other dangerous substances from a safe distance, ensuring the safety of both officers and civilians.
5. **Delivery of Emergency Supplies:** Drones have the potential to deliver life-saving supplies to areas that may be difficult to access quickly by other means. They can deliver medical supplies, food, or water to disaster-stricken locations, enhancing the speed of emergency response efforts.
6. **Real-time Intelligence and Situational Awareness:** Drones offer the ability to gather real-time data from the air, providing officers with enhanced situational awareness during critical events. They can be used to monitor crowd behavior, track suspects, or assess the layout of a location before officers arrive on the scene.

FY28 – FY30: Projects to be determined

Over the past decade, the City of Hagerstown has made significant investments in cutting-edge technologies to enhance the capabilities of our police department. These advancements have positioned us as a leader in the state, enabling our officers to combat crime more effectively while also ensuring the safety and security of our residents.

Our investment in technology has had a profound impact, notably increasing the solvability of major incidents and improving transparency in officer interactions with the public. By expanding our public safety technology program, we are confident that we will continue to strengthen our ability to protect our community, while also fostering greater trust between our police force and the people we serve.

The Comprehensive Plan recommends that the City maintain and expand police, fire, and EMS services to serve the city's growing population and geographic area.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	200,000	200,000	200,000	200,000	200,000	1,000,000
Total	200,000	200,000	200,000	200,000	200,000	1,000,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	200,000	200,000	200,000	200,000	200,000	1,000,000
Total	200,000	200,000	200,000	200,000	200,000	1,000,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0132
 Project Name Engineering Equipment

Contact	Bender	Department	Engineering
Type	Maintenance	Category	Machinery and Equipment
Status	Active	Useful Life	10 years
Location:	Engineering	Year Submitted:	2022

Description

Replacement of various pieces of Engineering equipment needed to complete assigned tasks.

FY27: Surveying total station and GPS (\$28,000)

FY28: Plotter - multi-purpose copier/scanner/printer used to produce engineering plans and blueprints (\$35,000)

Justification

Equipment will reach its end of life and need replaced.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	0	28,000	35,000	0	0	63,000
Total	0	28,000	35,000	0	0	63,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	0	28,000	35,000	0	0	63,000
Total	0	28,000	35,000	0	0	63,000

FY 26 thru FY 30

Capital Improvement Plan City of Hagerstown, Maryland



Project # 45-C0133
Project Name Engineering Vehicles

Contact Bender Department Engineering
Type Replacement Category Automobiles and Trucks
Status Active Useful Life 6 years
Location: City Hall Year Submitted: Ongoing

Description

Per the Vehicle & Equipment Replacement Schedule:

- FY27: 2014 Ford Focus #707 (\$30,000)
- FY27: 2013 Chevy Cargo Van #710 (\$35,000)
- FY28: 2018 Ford Escape #702 (\$30,000)

Justification

Replace deteriorated vehicles - low cost vehicles in the fleet have limited life and maintenance costs increase dramatically once vehicles get about ten years old.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	0	65,000	30,000	0	0	95,000
Total	0	65,000	30,000	0	0	95,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	0	65,000	30,000	0	0	95,000
Total	0	65,000	30,000	0	0	95,000

Budget Impact

Replacement of ten to fifteen-year-old vehicles saves about \$1,500 annually in repairs and parts replacement.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0140
 Project Name Hagerstown Cultural Trail

Contact	Bender	Department	Engineering
Type	Improvement	Category	Land Improvements
Status	Active	Useful Life	25 years
Location:	City-Wide	Year Submitted:	2015

Description

FY26: Relocate and Reinstall the RISE sculpture due to construction of Meritus Park (\$50,000 - funding received by Maryland Stadium Authority in FY2025)

Justification

The Comprehensive Plan recommends the continuation of a full range of physical improvements on an incremental basis to the downtown area. These should be aimed at improving the downtown's image and attractiveness through traffic calming measures; gateway and pedestrian enhancements; landscaping and streetscaping.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	50,000	0	0	0	0	50,000
Total	50,000	0	0	0	0	50,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
CIP Fund Balance	50,000	0	0	0	0	50,000
Total	50,000	0	0	0	0	50,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0175
 Project Name City Hall Annex

Contact	Deike	Department	Public Works
Type	Improvement	Category	Buildings and Structures
Status	Active	Useful Life	25 years
Location:	32 N Potomac Street	Year Submitted:	2022

Description

The acquisition of the 32 North Potomac Street property is consistent with the Mayor and City Council's goals for long-term investments to benefit the citizens of Hagerstown. The former M&T Bank property will be used for City operations to include billing and support services (1st floor) and Department of Community and Economic Development (2nd floor).

FY26-FY30: Painting, various improvements, and continued replacement of HVAC units on an as needed basis (\$20,000)

Justification

Provide an expanded level of customer service options and social distance options for customers. For customers conducting business with the City's customer service staff, a standard lobby option will remain available on the buildings first floor and new, drive through and payment kiosk options will be available.

Creation, maintenance, and enhancement of City public service buildings and facilities is consistent with the Comprehensive Plan's recommendation to ensure continued high quality of services to our citizens.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	20,000	20,000	20,000	20,000	20,000	100,000
Total	20,000	20,000	20,000	20,000	20,000	100,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	0	20,000	20,000	20,000	20,000	80,000
CIP Fund Balance	20,000	0	0	0	0	20,000
Total	20,000	20,000	20,000	20,000	20,000	100,000

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0182
 Project Name Police Crime Lab Equipment

Contact	Kifer	Department	Police
Type	Replacement	Category	Machinery and Equipment
Status	Active	Useful Life	5 years
Location:	Police Department	Year Submitted:	2009

Description

- FY26: Evidence IQ (Coverdell Grant) \$40,000
- FY27: Gas Chromatography Spectrometry (GC-MS) (Coverdell Grant plus GF and/or DAG) \$130,000
- FY28: To be determined (Coverdell Grant) \$40,000
- FY29: To be determined (Coverdell Grant) \$40,000
- FY30: To be determined (Coverdell Grant) \$40,000

Justification

FY26: Comparison Microscope

Comparison microscopes are used to compare 2 items side by side. This microscope would be primarily used to compare cartridge casings collected from crime scenes. The user has the ability to independently manipulate each item, allowing for a close visual comparison of items. This will be used when determining which casings from crime scenes are entered into the NIBIN system.

FY27: Gas Chromatography Spectrometry (GC-MS)

In 2017, the Western Maryland Regional Crime Laboratory (WMRCL) purchased a Gas Chromatography Spectrometry (GC-MS) at a cost of \$116,036.48 from Agilent Technologies. Life expectancy for a GC-MS instrument used on a regular basis is in the 7-8 years range. The departments previous GC-MS lasted 8.5 years.

The Comprehensive Plan recommends that the City maintain and expand police, fire, and EMS services to serve the city's growing population and geographic area.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	40,000	130,000	40,000	40,000	40,000	290,000
Total	40,000	130,000	40,000	40,000	40,000	290,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Grants-Federal	40,000	40,000	40,000	40,000	40,000	200,000
Grants-County	0	90,000	0	0	0	90,000
Total	40,000	130,000	40,000	40,000	40,000	290,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0196
 Project Name Police Software and Hardware

Contact Kifer
 Type Improvement
 Status Active
 Location: Police Department

Department Police
 Category Software
 Useful Life 5 years
 Year Submitted: 2022

Description

Replacement Servers:

- FY26: Replace OCRECA (\$25,000) and NAS Servers (\$15,000) - (\$40,000 total)
- FY27: V6 Server (\$25,000)
- FY28: V7 Server (\$25,000)
- FY29: V8 Server (\$25,000)
- FY30: V9 Server (\$25,000)

The normal replacement cycle for servers is 7 years. For example, the OCRECA server was purchase in FY19 with the replacement scheduled for FY26.

Justification

This new server will be for video evidence. Replacement of old and or/outdated equipment is vital to the service quality, security requirements, data storage/retention/recall, and effective support provided by the departments information technology department.

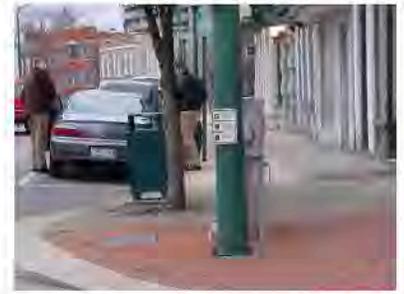
The Comprehensive Plan recommends that the City maintain and expand police, fire, and EMS services to serve the city's growing population and geographic area.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	40,000	25,000	25,000	25,000	25,000	140,000
Total	40,000	25,000	25,000	25,000	25,000	140,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	0	25,000	25,000	25,000	25,000	100,000
CIP Fund - GF Fund Balance	40,000	0	0	0	0	40,000
Total	40,000	25,000	25,000	25,000	25,000	140,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0217
 Project Name Accessibility Ramps

Contact	Bender	Department	Engineering
Type	Improvement	Category	Infrastructure-Sidewalks
Status	Active	Useful Life	20 years
Location:	Various locations	Year Submitted:	Ongoing

Description

This project provides ADA-compliant ramps and sidewalks City-wide. Staff addresses complaints and installs ramps/sidewalks along 'pavement preservation' streets which is a requirement of ADA and the City's "Complete Streets" policy when paving is done. Improvements are budgeted at \$2,500 per ramp. For the State Highway User Revenue funded portion, if the City doesn't receive the full amount, we will only spend what the State provides.

There are 3,800 potential ramp locations in the City. The City estimates about 3,700 are in place and that 25% of those are fully compliant or as compatible as site restrictions allow.

FY26: Install accessibility ramps along overlay streets (West Wilson Boulevard, Maryland Avenue, Noland Drive and others - \$150,000).

FY27 - FY30: Install and/or replace approximately 50 accessibility ramps per year (\$150,000/year)..

Justification

These upgrades will remove barriers and make Hagerstown a more accessible City for our residents, workers and visitors regardless of physical limitations. Improved accessibility adds to business and neighborhood vitality.

The Comprehensive Plan recommends that the City's transportation network, including roads, transit, and bicycle and pedestrian facilities, will meet the mobility needs of its residents, businesses, and visitors.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	150,000	150,000	150,000	150,000	150,000	750,000
Total	150,000	150,000	150,000	150,000	150,000	750,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-CDBG Fund	125,000	100,000	100,000	100,000	100,000	525,000
State Highway User Revenue	25,000	50,000	50,000	50,000	50,000	225,000
Total	150,000	150,000	150,000	150,000	150,000	750,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0226
 Project Name Police Firing Range

Contact	Kifer	Department	Police
Type	Improvement	Category	Machinery and Equipment
Status	Active	Useful Life	30 years
Location:	Smithsburg Watershed Area	Year Submitted:	2011

Description

FY26 and FY27: New Classroom Building and Infrastructure improvements at the Police Firing Range (\$300,000/year). FY26 exploring State Capital Grant funding.

Justification

The Hagerstown Police Department police firing range has evolved into a well-designed and critical firearms training facility, serving the needs of all law enforcement agencies within Washington County, as well as several state and federal entities. This facility plays a vital role in ensuring that law enforcement personnel are well-prepared and adequately trained in the use of firearms, contributing to public safety and effective policing.

To further enhance the facility's capabilities and improve the training environment, we are seeking funding in FY26 for the construction of a new 40x60 two story classroom building. This building will be an essential addition to the facility, providing a dedicated space for instruction and training (i.e., classroom, situations, etc.), which is crucial for the ongoing professional development of officers. The proposed facility will accommodate up to 30 students and include two restroom facilities, ensuring comfort and practicality for trainees and instructors. In addition to the new structure, a water source and septic system would need to be installed.

The existing classroom space (shed) will be repurposed for storage, which will allow for more efficient organization and storage of training equipment. Additionally, the current porta-potty will be removed, providing a more permanent and hygienic solution with the new restroom facilities in the new classroom building.

The new building will be located on the site previously used for K9 training, and while a premanufactured building may be considered, road access limitations could impact its feasibility. The new structure will be alarmed for security purposes, ensuring the safety of the building and its contents.

In conclusion, the new classroom building will not only enhance the functionality of the firearms training facility, but also contribute to the long-term sustainability and effectiveness of law enforcement training programs. This investment is essential for maintaining high standards of training, which directly impacts public safety.

The Comprehensive Plan recommends that the City maintain and expand police, fire, and EMS services to serve the city's growing population and geographic area.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	300,000	300,000	0	0	0	600,000
Total	300,000	300,000	0	0	0	600,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Grants-State	300,000	0	0	0	0	300,000
Contribution by Others	0	150,000	0	0	0	150,000
Transfers to CIP-General Fund	0	150,000	0	0	0	150,000
Total	300,000	300,000	0	0	0	600,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0237
 Project Name Park Equipment

Contact	Deike	Department	Parks
Type	Replacement	Category	Machinery and Equipment
Status	Active	Useful Life	15 years
Location:	Various Parks	Year Submitted:	2008

Description

Program to maintain high-quality and safe equipment and amenities in the parks of the City.

FY26 - FY28: Replace or add portable bleachers, park benches, picnic tables, and trash cans for various parks (\$50,000/year).

FY29: (\$54,000 - \$48,600 POS Grant, \$5,400 General Fund Match).

FY30: (\$55,000 - \$49,500 POS Grant, \$5,500 General Fund Match).

Justification

The play equipment is at the end of its life cycle and in need of replacement. The park benches and picnic tables will improve park facilities for all visitors.

Staff will continue to apply for Program Open Space funding as available.

The Comprehensive Plan recommends continuation of Livable City initiatives that bring design continuity to City neighborhoods by focusing on improved park amenities and support facilities.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	50,000	50,000	50,000	54,000	55,000	259,000
Total	50,000	50,000	50,000	54,000	55,000	259,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	50,000	50,000	50,000	5,400	5,500	160,900
Grants-State Program Open Space	0	0	0	48,600	49,500	98,100
Total	50,000	50,000	50,000	54,000	55,000	259,000

Budget Impact

Less labor making repairs and maintenance.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0241
 Project Name Fire Department Training Center

Contact	DiBacco and Hopkins	Department	Fire
Type	Improvement	Category	Buildings and Structures
Status	Active	Useful Life	25 years
Location:	City Fire Training Center	Year Submitted:	2009

Description

FY26: Construction of Classroom Building to also provide shower and locker facilities (\$1,000,000)

FY27: Build permanent pole building for storage at 940 Bowman Avenue (\$600,000)

FY26 - FY30: \$250,000 each FY to fund additional training props, expansion of training capabilities with support equipment, and site improvements/maintenance to enhance training safety and operations.

Justification

Classroom Building: The current portable classroom on site was installed in 2006 and has reached its end of life cycle. Additionally, it is necessary to add shower and locker facilities to the training facility for appropriate decontamination after live-fire training activities. Decontamination is important in the prevention of occupational based cancer in the fire service.

Pole Building: This structure will serve as a portable equipment storage area, house a new SCBA training maze, reserve apparatus, and allow the opportunity to house additional training props from being out in the elements. Additionally, it will provide an opportunity for additional storage from HFD HQ relocation. The structure will be a steel framed building on a concrete slab with adequate heat, water and sewer.

Annual request of funding for \$250,000 will allow purchase of new training equipment/props, purchase equipment and supplies needed to expand the capabilities of the current training structures, and to facilitate site safety improvements, upkeep, and preventative maintenance on critical components of the Training Center buildings.

The Comprehensive Plan recommends maintaining and expanding police, fire, and EMS services to serve the city's growing population and geographic area.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	1,250,000	850,000	250,000	250,000	250,000	2,850,000
Total	1,250,000	850,000	250,000	250,000	250,000	2,850,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	250,000	850,000	250,000	250,000	250,000	1,850,000
Grants-State	1,000,000	0	0	0	0	1,000,000
Total	1,250,000	850,000	250,000	250,000	250,000	2,850,000

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0243
 Project Name Traffic Signalization Upgrades

Contact	Bender	Department	Engineering
Type	Improvement	Category	Infrastructure-Utilities
Status	Active	Useful Life	5 years
Location:	System-Wide	Year Submitted:	1997

Description

Traffic signals at these locations are not in compliance with current standards, or facilities have been damaged. In order to improve signal visibility, the City will construct mast arm poles to hang the signals over the travel lanes. Pedestrian signals will also be upgraded with APS and ramps.

FY26: Continuation of replacement of Signals at Antietam @ Salem Avenue and @ West Side Avenue (ARPA- \$450,000). Project to start in FY25 to be completed in FY26.

FY26: Construction Potomac @ Baltimore (Grant awarded - \$800,000 - \$640,000 Federal, \$160,000 City - 80% Grant, 20% City match)

FY26: Construction to replace damaged strain pole at Frederick @ Memorial (\$60,000 City)

FY27: Design and construct multiple traffic signals at locations to be determined (\$3,000,000 - \$600,000 City, \$2,400,000 Safe Streets and Roads for All - SS4A grant - 80% Grant, 20% City Match)

FY28- FY29: Design (\$40,000) and construct (\$400,000) signal upgrades at Virginia Ave @ Howard St, Summit Ave @ Baltimore St, Locust St corridor (80% Grant, 20% City Match)

FY30: Design traffic signal for location to be determined (\$40,000)

Justification

These changes increase safety on our streets and sidewalks by making lights for pedestrians and motorists more visible. Staff will seek Federal Grants through "Safe Routes to School", "RAISE" funding or "Safe Streets for All" programs.

The Comprehensive Plan recommends that the City's transportation network, including roads, transit, and pedestrian facilities, will meet the mobility needs of its residents, businesses, and visitors.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	1,310,000	2,500,000	400,000	400,000	0	4,610,000
Planning/Design	0	500,000	40,000	40,000	40,000	620,000
Total	1,310,000	3,000,000	440,000	440,000	40,000	5,230,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Grants-Federal	640,000	2,400,000	320,000	320,000	0	3,680,000
Transfers to CIP-General Fund	60,000	600,000	120,000	120,000	40,000	940,000
American Rescue Plan Act (ARPA) Grant	450,000	0	0	0	0	450,000
CIP Fund Balance	160,000	0	0	0	0	160,000
Total	1,310,000	3,000,000	440,000	440,000	40,000	5,230,000

Capital Improvement Plan
 City of Hagerstown, Maryland



Project # 45-C0245
 Project Name LED Signal Lights

Contact	Deike	Department	Public Works
Type	Improvement	Category	Machinery and Equipment
Status	Active	Useful Life	10 years
Location:	City-Wide	Year Submitted:	2005

Description

Replace, as needed, original LED lights that were installed in 2006. LED signal lights have an estimated life of 7-10 years.

Justification

LED lights will be used to reduce energy consumption and extend light replacement time.

Creation, maintenance, and enhancement of City public service buildings and facilities is consistent with the Comprehensive Plan's recommendation to ensure continued high quality of service to our citizens. This project is also consistent with the Comprehensive Plan's recommendation to reduce the electric and fuel usage for the City's facilities, infrastructure, and vehicle fleet, as also recommended by the Sustainable Maryland Program.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	5,000	5,000	5,000	5,000	5,000	25,000
Total	5,000	5,000	5,000	5,000	5,000	25,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	0	5,000	5,000	5,000	5,000	20,000
CIP Fund Balance	5,000	0	0	0	0	5,000
Total	5,000	5,000	5,000	5,000	5,000	25,000

Budget Impact

LED lights have proven to save upwards of 75% to 80% in electrical costs. Labor is reduced since LEDs have a life expectancy of up to 10 years while incandescent bulbs burn for one to two years.

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



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

Contact Thompson Department Community Development
Type Replacement Category Automobiles and Trucks
Status Active Useful Life 10 years
Location: Downtown Year Submitted: Ongoing

Description

Per the Vehicle & Equipment Replacement Schedule:

FY27: 2014 Dodge Journey #801 (\$45,000)

FY29: 2019 Ford Escape #802 (\$45,000)

Justification

Replace aging vehicles

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	0	45,000	0	45,000	0	90,000
Total	0	45,000	0	45,000	0	90,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	0	45,000	0	45,000	0	90,000
Total	0	45,000	0	45,000	0	90,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0250
 Project Name Public Works Operations Center Improvement Program

Contact	Deike	Department	Public Works
Type	Improvement	Category	Buildings and Structures
Status	Active	Useful Life	5 years
Location:	City Shed	Year Submitted:	Ongoing

Description

Various improvements to building built in 1938. Main Roof replaced March 2017 (20 year warranty). Improvement projects include the following:

FY26 - FY27: Misc. Improvements (\$10,000/year)

FY28: Replacement of Central Air installed in 2014 (\$50,000)

FY28 - FY30: Misc. Improvements (\$10,000/year)

Justification

This facility was built in 1938. Since its construction, multiple departments have used it. The building needs continual repairs due to its age. City fuel pumps are located here.

Creation, maintenance, and enhancement of City public service buildings and facilities is consistent with the Comprehensive Plan's recommendation to ensure continued high quality of services to our citizens.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	10,000	10,000	60,000	10,000	10,000	100,000
Total	10,000	10,000	60,000	10,000	10,000	100,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	0	10,000	60,000	10,000	10,000	90,000
CIP Fund Balance	10,000	0	0	0	0	10,000
Total	10,000	10,000	60,000	10,000	10,000	100,000

Budget Impact

Operational costs will not be affected at this time. Most of these projects are replacements or reconstruction of existing amenities.

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0280
 Project Name Downtown Beautification Program

Contact	Deike	Department	Public Works
Type	Improvement	Category	Land Improvements
Status	Active	Useful Life	50 years
Location:	Downtown	Year Submitted:	Ongoing

Description

Complements pedestrian street lighting program with trees, pole banners, Christmas lights and decorations, and other amenities.

FY26 - FY30: Funds for various streetscape improvements in the downtown area - examples include - Christmas Lighting enhancements for tree at the square

FY27: New Pole Wraps (Christmas)

FY28: Purchase of plaques promised to the Maryland Historic Trust regarding MD Theatre/BISFA

Justification

Enhances and improves the appearance of the downtown.

The Comprehensive Plan recommends the continuation of a full range of physical improvements on an incremental basis to the downtown area. These should be aimed at improving the downtown's image and attractiveness through traffic calming measures; gateway and pedestrian enhancements; landscaping and streetscaping.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	25,000	25,000	25,000	25,000	25,000	125,000
Total	25,000	25,000	25,000	25,000	25,000	125,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	0	25,000	25,000	25,000	25,000	100,000
CIP Fund Balance	25,000	0	0	0	0	25,000
Total	25,000	25,000	25,000	25,000	25,000	125,000

Budget Impact

Depending upon the amenities or enhancements, operational costs could be affected. Example: Additional lighting would add to electrical costs.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0293
Project Name Wheaton Park Improvements

Contact	Deike and Bender	Department	Parks
Type	Improvement	Category	Buildings and Structures
Status	Active	Useful Life	50 years
Location:	124 Charles Street	Year Submitted:	2020

Description

Based on two public meetings in 2021, a master plan was developed and approved by City Council on November 23, 2021. Implementation is proposed as follows:

Phase I: House removal, misting pad, parking and plaza completed in FY24

Phase II: Play equipment to be installed in FY25

FY26: Stage Construction (\$80,000 CDBG)

FY26: Resurface Tennis Courts to place Pickleball Lines, refresh tennis lines (\$35,000 - \$25,000 CDBG, \$10,000 General Fund)

FY27-FY30: Future projects to be determined by Council (\$10,000/year)

Justification

Implement master plan that resulted from two public input sessions.

The Comprehensive Plan recommends continuation of Livable City initiatives that bring design continuity to City neighborhoods by focusing on improved park amenities and support facilities.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	115,000	10,000	10,000	10,000	10,000	155,000
Total	115,000	10,000	10,000	10,000	10,000	155,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-CDBG Fund	105,000	0	0	0	0	105,000
Transfers to CIP-General Fund	10,000	10,000	10,000	10,000	10,000	50,000
Total	115,000	10,000	10,000	10,000	10,000	155,000

Budget Impact

Park is already in system. Misting pad will require more staff time.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0308
Project Name Police Building Renovation

Contact	Kifer	Department	Police
Type	Improvement	Category	Buildings and Structures
Status	Active	Useful Life	10 years
Location:	Police Department	Year Submitted:	Ongoing

Description

FY26: Remodel male locker room, restrooms and showers (\$140,000)

FY27 - Construction of new Two-Story Building (\$1,000,000):

- Purpose: The new building will address space constraints currently impacting the HPD. It will replace the existing three sheds, which, though in fair condition, are visually unappealing and insufficient for long-term storage needs.
- The two-story structure will:
 - Eliminate the need for leased storage space.
 - Serve as the department's impound facility.
 - Accommodate the WMRCL vehicle and the bullet recovery system (currently housed at the Washington County Sheriff's Office).
- Design: Previously completed in 2022 by MSB Architects.
- Outcome: Improved storage, functionality, and aesthetic appeal for the department.

FY27 - Cooling Tower Replacement (\$60,000):

- Replacement of the cooling tower, which was installed in 1992 and is nearing the end of its service life.

FY26 - FY30 Capital Improvements (\$60,000/year):

- Air Handler Replacements:
 - To address ongoing capital improvement needs for the aging HPD building, focusing on the replacement of air handlers and other related systems.

Justification

The proposed new storage building aims to meet the current needs of the Hagerstown Police Department (HPD) while allowing flexibility for future growth. It will be designed with a focus on maximizing available space and ensuring functionality, while also prioritizing aesthetic considerations. The building's design will harmonize with the existing architectural style of the Historical Hagerstown Police Department Building, maintaining the integrity and visual appeal of the surrounding area.

The need for a new storage building is further driven by the condition of the department's impound area. During the 2019 repaving project, it was discovered that several of the posts supporting the chain-link fencing around the impound lot had rusted off, and the overall appearance of the fencing was deteriorating. This unsightly condition led to the removal of the old fencing. Currently, HPD is a third-party vendor for storage space. The new building would address this issue by providing both additional storage and a designated, functional impound area.

Additionally, the building's design will allow for the integration of more modern and secure features that align with HPD's operational needs.

Heat Pump System: The 15 heat pumps currently in use at the Historical Hagerstown Police Department building are crucial to the HVAC system's functionality. These units are being replaced on an as-needed basis, with 10 units replaced since FY17.

This ongoing maintenance ensures the system remains efficient, with replacements carried out as necessary to support optimal climate control within the building.

In conclusion, the new storage building, along with the integrated impound area, will address current challenges, support future growth, and enhance the operational capacity of the Hagerstown Police Department.

The Comprehensive Plan recommends that the City maintain and expand police, fire, and EMS services to serve the city's growing population and geographic area.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	200,000	1,120,000	60,000	60,000	60,000	1,500,000
Total	200,000	1,120,000	60,000	60,000	60,000	1,500,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	60,000	1,120,000	60,000	60,000	60,000	1,360,000
CIP Fund - GF Fund Balance	100,000	0	0	0	0	100,000
CIP Fund Balance	40,000	0	0	0	0	40,000
Total	200,000	1,120,000	60,000	60,000	60,000	1,500,000

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0324
Project Name Alley Reconstruction

Contact	Bender	Department	Engineering
Type	Improvement	Category	Infrastructure-Alleys
Status	Active	Useful Life	40 years
Location:	Various locations	Year Submitted:	Ongoing

Description

Replace deteriorated alleys. In 2024, staff conducted a survey of alleys throughout the City and the overall network was found to be in relatively poor condition.

FY26: Alley #3-34 (Locust to Mulberry) - \$95,000; Alley #5-64 (patch between Irvin and Magnolia) - \$10,000; Alley #5-37 (patch between Cypress and Magnolia) - \$15,000

FY27: Alley #2-62 (Maryland Ave to Alley #2-116) - \$130,000

FY28-FY30: Final alley lists to be determined (\$90,000/year)

Justification

Replacement-useful life has been exhausted and surface is deteriorated.

The Comprehensive Plan recommends that the City's transportation network, including roads, transit, and pedestrian facilities, will meet the mobility needs of its residents, businesses, and visitors.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	120,000	130,000	90,000	90,000	90,000	520,000
Total	120,000	130,000	90,000	90,000	90,000	520,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
State Highway User Revenue	20,000	130,000	90,000	90,000	90,000	420,000
Transfers to CIP-CDBG Fund	100,000	0	0	0	0	100,000
Total	120,000	130,000	90,000	90,000	90,000	520,000

Budget Impact

Operational impact is minimal (less than \$1,000/year saved) since the City performs little maintenance on alleys. However, the Public demands better road conditions and this addresses that service request.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0326
 Project Name City Hall Improvements

Contact	Deike	Department	Public Works
Type	Replacement	Category	Buildings and Structures
Status	Active	Useful Life	15 years
Location:	City Hall	Year Submitted:	1990

Description

FY26: Paint Exterior Stairwell (\$25,000); Roof Replacement (\$150,000)
 FY27: Replace second of two boilers. Boiler to be replaced originally installed in 1992 (\$85,000); Office Remodel - to be determined (\$25,000)
 FY28 - 30: Miscellaneous Repairs (\$20,000/year); Asbestos Tile Removal (\$10,000/year)

Justification

The building contains a fair amount of asbestos floor tile. The plan is to remove the tile a portion at a time. This will be a long term project (plus or minus 10 years). Evaluation of roofs by a consultant showed 2,000 SF of EPDM roofs in poor/fair condition. Replacement recommended as soon as the budget allows.
 Creation, maintenance, and enhancement of City public service buildings and facilities is consistent with the Comprehensive Plan's recommendation to ensure continued high quality of services to our citizens.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	165,000	110,000	30,000	30,000	30,000	365,000
Planning/Design	10,000	0	0	0	0	10,000
Total	175,000	110,000	30,000	30,000	30,000	375,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	0	110,000	30,000	30,000	30,000	200,000
CIP Fund - GF Fund Balance	150,000	0	0	0	0	150,000
CIP Fund Balance	25,000	0	0	0	0	25,000
Total	175,000	110,000	30,000	30,000	30,000	375,000

Budget Impact

Asbestos tile removal reduces liability

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0336
 Project Name Mansion House Improvements

Contact Deike Department Parks
 Type Maintenance Category Buildings and Structures
 Status Active Useful Life 25 years
 Location: City Park Year Submitted: 2014

Description

FY26: Mansion House Rehabilitation - repaint porch, reconstruct railing, replace steps, repair rear wall (\$40,000 - \$5,000 design, \$35,000 construction)

FY28: Roof Replacement. Porch roof is a flat roof. Main roof is shingles (\$50,000, cost estimate until can get more information)

Justification

The Mansion House contains dozens of valuable pieces of art as this is the home of the Valley Arts Society.

The Comprehensive Plan recommends continuation of Livable City initiatives that bring design continuity to City neighborhoods by focusing on improved park amenities and support facilities.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	35,000	0	50,000	0	0	85,000
Planning/Design	5,000	0	0	0	0	5,000
Total	40,000	0	50,000	0	0	90,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	37,000	0	50,000	0	0	87,000
CIP Fund Balance	3,000	0	0	0	0	3,000
Total	40,000	0	50,000	0	0	90,000

Budget Impact

Replacement will mean little to no operational expenses on the porch roof for the next twenty years.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0352
 Project Name Fuel Station Improvements

Contact	Deike	Department	Public Works
Type	Maintenance	Category	Buildings and Structures
Status	Active	Useful Life	10 years
Location:	51 W. Memorial Blvd	Year Submitted:	2017

Description

FY27: Replace dispensing units currently installed (\$20,000).

Justification

Fuel management system was installed in 2007. System updates are increasingly difficult and parts are becoming obsolete.

FY34: Gasboy replaced in 2024. Look to replace in 10 years

FY38: Total replacement of the underground Fuel Tanks and piping. Tanks were installed in March 2008 and have a 30-year warranty

Creation, maintenance, and enhancement of City public service buildings and facilities is consistent with the Comprehensive Plan's recommendation to ensure continued high quality of services to our citizens.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	0	20,000	0	0	0	20,000
Total	0	20,000	0	0	0	20,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	0	20,000	0	0	0	20,000
Total	0	20,000	0	0	0	20,000

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0400
 Project Name Bridge Repair Program

Contact	Bender	Department	Engineering
Type	Maintenance	Category	Infrastructure-Bridges
Status	Active	Useful Life	30 years
Location:	City-Wide	Year Submitted:	Ongoing

Description

Inspect, maintain, and repair 13 existing bridges (any structure longer than 20 feet) per bi-annual (occurring in odd years) inspection required by law, and inspect and maintain minor bridges.

FY26: Repair/replace box culvert HAG-12 on South Cannon Avenue (\$240,000 State Aid in Lieu), See CIP 59-C0444 for the additional Stormwater culvert component (\$160,000) - \$400,000 total

FY26: Repairs as determined by latest bridge inspections (\$50,000)

FY28: Major bridge repairs to be determined (\$1,000,000)

FY30: Major bridge repairs to be determined and potential maintenance on the new bridge on Professional Boulevard (\$500,000)

Justification

Rehabilitates deteriorating facilities. County passes State/Federal funds for major repairs through to City as they see the priorities.

The Comprehensive Plan recommends that the City's transportation network, including roads, transit, and pedestrian facilities, will meet the mobility needs of its residents, businesses, and visitors.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	290,000	0	1,000,000	0	500,000	1,790,000
Total	290,000	0	1,000,000	0	500,000	1,790,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Grants-State	0	0	800,000	0	400,000	1,200,000
Transfers to CIP-General Fund	0	0	200,000	0	100,000	300,000
Grants-State Aid in Lieu of Urban Funds	240,000	0	0	0	0	240,000
CIP Fund Balance	50,000	0	0	0	0	50,000
Total	290,000	0	1,000,000	0	500,000	1,790,000

Budget Impact

Operational budget should be used for routine maintenance. This will not change drastically as contract work would address bigger/structural issues. Less than \$1,000 is spent on each bridge per year.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0433
 Project Name Signal Controller Upgrades

Contact	Deike	Department	Public Works
Type	Improvement	Category	Machinery and Equipment
Status	Active	Useful Life	10 years
Location:	Various locations	Year Submitted:	1993

Description

FY26 - FY30: Traffic signal improvements and replacements of conflict monitors, controllers, cameras and emergency batteries.

Justification

To upgrade traffic monitoring system to improve traffic flow.

Creation, maintenance, and enhancement of City public service buildings and facilities is consistent with the Comprehensive Plan's recommendation to ensure continued high quality of services to our citizens.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	30,000	30,000	30,000	30,000	30,000	150,000
Total	30,000	30,000	30,000	30,000	30,000	150,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	24,000	30,000	30,000	30,000	30,000	144,000
CIP Fund Balance	6,000	0	0	0	0	6,000
Total	30,000	30,000	30,000	30,000	30,000	150,000

Budget Impact

Improved Traffic Efficiency

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0439
 Project Name Steam Engine Museum

Contact	Deike and Bender	Department	Parks
Type	Improvement	Category	Buildings and Structures
Status	Active	Useful Life	10 years
Location:	City Park	Year Submitted:	1990

Description

A master plan of improvements was developed and reviewed with the Mayor and Council in September 2017 and determined immediate and long-term needs for the museum. Improve facility based on strategic plan to make the facility more family oriented as follows:

FY26: New Roof on Museum (\$15,000 - 90% POS, 10% GF).

FY26: New Roof over Train (\$35,000)

FY27: Youth oriented items, hands on activities, signage, and new programs (\$50,000).

FY28: Youth oriented items, hands on activities, signage, and new programs (\$10,000).

Justification

By undertaking additional future improvements, we would diversify the attractions that will result in the opportunity to provide a wide array of interpretive programs to the visiting public. The end result will be continued must-see destination for the train enthusiast and the public at-large.

The Comprehensive Plan recommends continuation of Livable City initiatives that bring design continuity to City neighborhoods by focusing on improved park amenities and support facilities.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	50,000	50,000	10,000	0	0	110,000
Total	50,000	50,000	10,000	0	0	110,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	7,500	50,000	10,000	0	0	67,500
CIP Fund Balance	29,000	0	0	0	0	29,000
Grants-State Program Open Space	13,500	0	0	0	0	13,500
Total	50,000	50,000	10,000	0	0	110,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0451
 Project Name Geographic Information System

Contact	Reed	Department	Information Technology
Type	Improvement	Category	Software
Status	Active	Useful Life	5 years
Location:	City-Wide	Year Submitted:	Ongoing

Description

GIS is an organized collection of computer hardware, software, geographic data, and personnel designed to efficiently capture, store, update, manipulate, analyze, and display all forms of geographically referenced data. This CIP project continues to expand on the 2010 GIS Strategic Plan in accomplishing the organization of this data and making it available for all City departments for use in the analysis of their operations.

Justification

This technology is vital in integrating with our financial systems, including utility billing and taxes, and to provide information to our citizens via our improved transparency portal (accessed via the internet). The State will continue to look for this type of enhanced information in coordination with their StateStat initiatives.

Maintenance and enhancement of City public service buildings and infrastructure ensures continued high quality of service to our citizens which is a goal of the City's Comprehensive Plan.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	30,000	30,000	30,000	30,000	30,000	150,000
Planning/Design	20,000	20,000	20,000	20,000	20,000	100,000
Total	50,000	50,000	50,000	50,000	50,000	250,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-Electric Fund	3,750	12,500	12,500	12,500	12,500	53,750
Transfers to CIP-General Fund	3,750	12,500	12,500	12,500	12,500	53,750
Transfers to CIP-Wastewater Fund	3,750	12,500	12,500	12,500	12,500	53,750
Transfers to CIP-Water Fund	3,750	12,500	12,500	12,500	12,500	53,750
CIP Fund Balance	35,000	0	0	0	0	35,000
Total	50,000	50,000	50,000	50,000	50,000	250,000

Budget Impact

Software maintenance fees are currently budgeted and included for the ESRI GIS platform and BuildingBlocks software in the IT expense budget (as an annual software maintenance cost).

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0458
 Project Name Sidewalk Replacement Program

Contact	Bender	Department	Engineering
Type	Maintenance	Category	Infrastructure-Sidewalks
Status	Active	Useful Life	30 years
Location:	City-Wide	Year Submitted:	Ongoing

Description

Replacing deteriorated sidewalks is the City's responsibility. With implementation of the new stormwater utility, curbs will be replaced by the City as funded by the Stormwater Protection enterprise fund (59-C0459) and replacement of sidewalks (including sidewalks damaged by street trees) will be funded by the general fund. This general fund contribution is possible due to savings of removing all stormwater costs from General Fund.

Justification

Improvement of deteriorating facilities and remove tripping hazards in sidewalks.

The Comprehensive Plan recommends that the City's transportation network, including roads, transit, and bicycle and pedestrian facilities, will meet the mobility needs of its residents, businesses, and visitors.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	140,000	145,000	150,000	155,000	155,000	745,000
Total	140,000	145,000	150,000	155,000	155,000	745,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	0	145,000	150,000	155,000	155,000	605,000
CIP Fund - GF Fund Balance	140,000	0	0	0	0	140,000
Total	140,000	145,000	150,000	155,000	155,000	745,000

Budget Impact

Assume \$5,000 per year budget increase to maintain level of work completed when inflation is considered.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0522
 Project Name City Park Improvements

Contact	Deike and Bender	Department	Parks
Type	Improvement	Category	Land Improvements
Status	Active	Useful Life	25 years
Location:	City Park	Year Submitted:	Ongoing

Description

Construction improvements throughout City Park.

FY26: Continue improvements of the upper parking lot started in FY25 ("Burnap" lot) by tennis court (\$500,000 with \$320,000 FY24 and \$45,000 FY25 carryover of Highway User Revenue, and \$135,000 POS with the Highway User as the match)

FY26: Resurface Tennis Courts to place pickleball lines (\$30,000 - CDBG); Update and add to Christmas display and miscellaneous projects (\$30,000)

FY27: Repave Walking Paths throughout City Park (\$60,000 - 90% POS, 10% City match GF)

FY28: Construct restrooms on Museum Drive parking lot. This project is partially dependent on the Fine Arts Museum Expansion (\$425,000 - 90% POS, 10% City match GF)

FY29 - FY30: Miscellaneous projects (\$30,000/year)

Justification

Parking lot will provide additional and more efficient parking.

The Comprehensive Plan recommends continuation of Livable City initiatives that bring design continuity to City neighborhoods by focusing on improved park amenities and support facilities.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	560,000	60,000	425,000	30,000	30,000	1,105,000
Total	560,000	60,000	425,000	30,000	30,000	1,105,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Grants-State Program Open Space	135,000	54,000	382,500	0	0	571,500
CIP Fund Balance	365,000	0	0	0	0	365,000
Transfers to CIP-General Fund	30,000	6,000	42,500	30,000	30,000	138,500
Transfers to CIP-CDBG Fund	30,000	0	0	0	0	30,000
Total	560,000	60,000	425,000	30,000	30,000	1,105,000

Budget Impact

The restrooms will add to utility costs (water, sewer, electric) as will the additional Christmas lights (electric).

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0560
 Project Name Traffic Calming

Contact	Bender	Department	Engineering
Type	Improvement	Category	Infrastructure-Streets
Status	Active	Useful Life	30 years
Location:	Various locations	Year Submitted:	Ongoing

Description

Construct physical improvements to force traffic to slow down (i.e., pinch points, circles, offsets, etc.)
 Engineering Department developed a policy that was approved by City Council in October 2011.

FY26 - FY30: Working with various Neighborhood First groups, and following our policy, install medians, mini roundabout, or choker islands to reduce speed of traffic. Staff has received numerous complaints about excessive speed and these measures would be effective in "capping" these speeds. (\$35,000/year)

Justification

Police enforcement is only useful as long as police are visible. These improvements would be effective all of the time.

The Comp Plan recommends continuation of Livable City initiatives that bring design continuity to City neighborhoods by focusing on improved park amenities; public sidewalk repairs and enhancements; street tree planting; and traffic island installation.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	35,000	35,000	35,000	35,000	35,000	175,000
Total	35,000	35,000	35,000	35,000	35,000	175,000

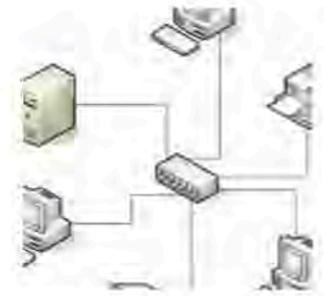
Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	0	35,000	35,000	35,000	35,000	140,000
CIP Fund Balance	35,000	0	0	0	0	35,000
Total	35,000	35,000	35,000	35,000	35,000	175,000

Budget Impact

Increased maintenance of each new island where landscaping is installed. DPW staff would have to work in island two or three times annually to maintain.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0568
 Project Name Cable Inet

Contact	Nicewarner	Department	Information Technology
Type	Improvement	Category	Machinery and Equipment
Status	Active	Useful Life	10 years
Location:	City-Wide	Year Submitted:	2001

Description

Per the Cable Franchise Agreement with Antietam Cable, funds are provided to this CIP to allow for the maintenance and enhancement of the Institutional Network as defined in the agreement. Funds go to the maintenance and new connectivity of network services to our outlying buildings, as well as the network to allow all to communicate with each other. These buildings include those of the BOE and HCC ownership. There is current uncertainty concerning the future continuation on this project pending FCC ruling and regulations.

Justification

The needs continue for the sharing of data between the major governmental agencies within the County due to consolidation opportunities and governmental transparency initiatives. The use of these funds is contractually required through the cable franchise agreement in place with Antietam Cable.

Maintenance and enhancement of City public service buildings and infrastructure ensures continued high quality of service to our citizens which is a goal of the City's Comprehensive Plan.

Expenditures		FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings		7,000	7,000	7,000	7,000	7,000	35,000
	Total	7,000	7,000	7,000	7,000	7,000	35,000

Funding Sources		FY 26	FY 27	FY 28	FY 29	FY 30	Total
PEG Fee		7,000	7,000	7,000	7,000	7,000	35,000
	Total	7,000	7,000	7,000	7,000	7,000	35,000

Capital Improvement Plan
 City of Hagerstown, Maryland



Project # 45-C0569
 Project Name Cable PEG

Contact	Nicewarner	Department	Information Technology
Type	Improvement	Category	Machinery and Equipment
Status	Active	Useful Life	10 years
Location:	City-Wide	Year Submitted:	2015

Description

Per the Cable Franchise Agreement with Antietam Cable, funds are provided to this CIP to allow for the maintenance and enhancement of the Public, Educational, and Government services provided by the agreement. These funds will go towards continued modifications/expansion of services from the TV studio, improvements to the BOE and HCC video production equipment, and other equipment needs as provided by the agreement. There is current uncertainty concerning the future continuation on this project pending FCC ruling and regulations.

Justification

These funds are provided by the cable system per the agreement and are mandated to be used for capital purchases fitting the purpose of PEG activities and services. The amounts shown are the PEG portion of the total remittance from ACTV per the franchise agreement.

Maintenance and enhancement of City public service buildings and infrastructure ensures continued high quality of service to our citizens which is a goal of the City's Comprehensive Plan.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	170,000	20,000	20,000	20,000	20,000	250,000
Total	170,000	20,000	20,000	20,000	20,000	250,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
CIP Fund Balance	150,000	0	0	0	0	150,000
PEG Fee	20,000	20,000	20,000	20,000	20,000	100,000
Total	170,000	20,000	20,000	20,000	20,000	250,000

Capital Improvement Plan
 City of Hagerstown, Maryland



Project # 45-C0570
 Project Name Parks Vehicles and Equipment

Contact	Deike and Haddock	Department	Parks
Type	Replacement	Category	Automobiles and Trucks
Status	Active	Useful Life	5 years
Location:	Fairground Park	Year Submitted:	Ongoing

Description

Per the Vehicle & Equipment Replacement Schedule:

FY26: 2015 Chevy pickup #300 (\$60,000); 2009 Chevy 2500 4x4 #313 (\$60,000)

FY27: Replace 2014 Ford pickup #311 (\$60,000); 2014 Dodge Dump truck #303 (\$150,000); 2012 Chevy pickup #309 (\$50,000)

FY28: Replace 2016 Ford F550 Dump Truck #308 (\$150,000); 2012 Chevy 2500 4x4 #371 (\$50,000); 2017 John Deere Gator #397 (\$15,000)

FY29: Replace 2017 F250 #306 (\$55,000); 2010 Ford F150 4x4 #312 (\$50,000); 2017 Ford F250 #330 (\$55,000)

FY30: Replace 2021 Chevy 2500 4x4 #331 (\$45,000)

Justification

Improved Service.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	120,000	260,000	215,000	160,000	45,000	800,000
Total	120,000	260,000	215,000	160,000	45,000	800,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	120,000	260,000	215,000	160,000	45,000	800,000
Total	120,000	260,000	215,000	160,000	45,000	800,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0594
 Project Name Installation of Trees Using FCA Funds

Contact	Bender	Department	Engineering
Type	Improvement	Category	Land Improvements
Status	Active	Useful Life	100 years
Location:	City-Wide	Year Submitted:	Ongoing

Description

Installation of street trees to improve aesthetics and livability, and as an initiative to improve our older neighborhoods. Estimate of funds is based on projected development that would pay into fund in lieu of planting trees on their site or offsite. This CIP is for the use of Forest Conversation Act funds (FCA) when developers pay the "fee in lieu". To meet the canopy requirements established by the MD DNR, we assume 70% of these funds will be used in open spaces (parks, golf course) and the 30% balance as street trees. The City is working toward achieving a goal of 30% tree cover in the city by 2050. The City is discouraging "fee in lieu" payments as there is limited space to plant trees.

See also CIP# 59-C0594 for tree planting using stormwater protection funds.

FY26 - FY30: Assumed amounts of funds received from developments including Kilpatrick Woods, Brookmeadow, Unger and others.

Justification

Benefits the community and proven to make neighborhoods more "livable", safer, and appealing.

The Comp Plan recommends continuation of Livable City initiatives that bring design continuity to City neighborhoods by focusing on improved park amenities; public sidewalk repairs and enhancements; street tree planting; and traffic island installation.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	5,000	5,000	5,000	5,000	5,000	25,000
Total	5,000	5,000	5,000	5,000	5,000	25,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Reforestation Funds	5,000	5,000	5,000	5,000	5,000	25,000
Total	5,000	5,000	5,000	5,000	5,000	25,000

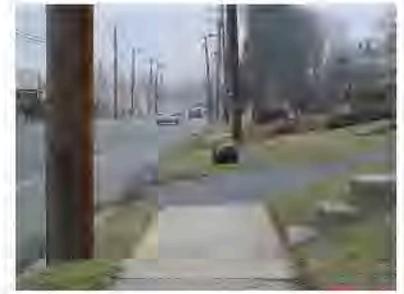
Budget Impact

No impact in next five years as trees grow. Assume City spends \$16,000 annually to maintain all street trees. Potentially significant future costs. Arborist may need to be hired to maintain trees and eventually they need replaced. Sidewalk damage caused by trees is also City responsibility (but can be minimized by selecting appropriate species).

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0595
 Project Name New Sidewalks

Contact	Bender	Department	Engineering
Type	Improvement	Category	Infrastructure-Sidewalks
Status	Active	Useful Life	30 years
Location:	Various locations	Year Submitted:	Ongoing

Description

The City's "Complete Streets" policy has a stated goal of a complete network of sidewalks in the community, creating a path that connects several neighborhoods and commercial areas. Grant assistance will be sought when possible.

FY26: Daycotah Avenue (\$80,000)

FY27: Columbia Avenue (\$80,000)

FY28: Route 65 (East Side) from Wilson Boulevard to Scarlett Hills \$500,000. City to request SHA "retrofit grant" (Fund 79 Program - New Sidewalk Construction for Pedestrian Access). Contingent upon 100% State Funding.

FY29: Central Avenue (\$60,000)

FY30: Spruce Street (\$40,000)

Justification

A sidewalk system encourages City residents to walk rather than drive to their destination. New sidewalks will help complete the current system on City-owned property, targeted to be built near schools and where residential and commercial areas border one another. The sidewalk system will be further enhanced by upgraded park amenities and additional landscaping as part of the Livable City initiatives.

The Comprehensive Plan recommends that the City's transportation network, including roads, transit, and bicycle and pedestrian facilities, will meet the mobility needs of its residents, businesses, and visitors.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	80,000	80,000	500,000	60,000	40,000	760,000
Total	80,000	80,000	500,000	60,000	40,000	760,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Grants-State	0	0	500,000	0	0	500,000
Transfers to CIP-General Fund	0	80,000	0	60,000	40,000	180,000
CIP Fund - GF Fund Balance	80,000	0	0	0	0	80,000
Total	80,000	80,000	500,000	60,000	40,000	760,000

Budget Impact

Enforcement of snow removal, but all maintenance costs transferred to adjoining property owner.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0606
 Project Name Eastern Boulevard North Extension

Contact	Bender	Department	Engineering
Type	Improvement	Category	Infrastructure-Streets
Status	Active	Useful Life	25 years
Location:	Eastern Blvd	Year Submitted:	2004

Description

This is a new four-lane section connecting Eastern Boulevard @ Antietam Drive to Leitersburg Pike @ Marsh Pike intersection. Road is 6,400 lineal feet and improves intersections at each end. This is assumed to be a county project but is expected to be built to City street standards. Majority of right-of-way is anticipated to be donated, but is valued at approximately \$1,500,000. City will contribute funds donated by local Cortland development (\$333,690).

Justification

Increase traffic capacity, minimize congestion on Route 60 from Marsh Pike to Northern Avenue, and opens land for additional development and County park lands.

The Comprehensive Plan recommends working with other agencies to pursue the timely completion of selected projects that facilitate traffic movement around the City's periphery. The project was specifically identified.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	0	0	0	0	333,690	333,690
Total	0	0	0	0	333,690	333,690

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Contribution by Others	0	0	0	0	333,690	333,690
Total	0	0	0	0	333,690	333,690

Budget Impact

Assuming annexation and City taking over road maintenance, long-term increase of roughly \$30,000 annually for plowing, pavement, maintenance, and pavement markings on new road within the City limits. Additional lighting costs of \$4,000 annually.

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0624
 Project Name Fairground Grandstand Improvements

Contact	Deike	Department	Parks
Type	Improvement	Category	Buildings and Structures
Status	Active	Useful Life	25 years
Location:	Fairground Park	Year Submitted:	2004

Description

FY26: Repair Concrete Steps on both ends of the grandstand (\$10,000)
 FY26: Insulate Police Athletic League weight rooms (\$10,000)
 FY26: Replace window headers and paint exterior of PAL Building (\$60,000)
 FY27: Grandstand Roof replacement (\$710,000 - \$600,000 with \$10,000 for design and possible \$100,000 asbestos removal)
 FY27: Paint Exterior Main Grandstand (\$70,000)
 FY28: Roof Replacement of flat roof over Parks and Rec Office (\$110,000)
 FY28 - FY30: Miscellaneous Repairs (\$10,000/year).

Justification

Rehabs deteriorating facilities, adds to community, and allows the park to be used all four seasons of the year.

The Comprehensive Plan recommends continuation of Livable City initiatives that bring design continuity to City neighborhoods by focusing on improved park amenities and support facilities.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	75,000	770,000	110,000	10,000	10,000	975,000
Planning/Design	5,000	10,000	10,000	0	0	25,000
Total	80,000	780,000	120,000	10,000	10,000	1,000,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	0	780,000	120,000	10,000	10,000	920,000
CIP Fund Balance	80,000	0	0	0	0	80,000
Total	80,000	780,000	120,000	10,000	10,000	1,000,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0626
 Project Name Fairgrounds Park Improvements

Contact	Deike and Bender	Department	Parks
Type	Improvement	Category	Infrastructure-Streets
Status	Active	Useful Life	15 years
Location:	Fairground Park	Year Submitted:	2004

Description

Maintenance and improvements to various items in the park per the following schedule:

FY26: Construct New Pickleball Court (\$200,000 - 90% POS, 10% General Fund). Applied for POS Grant in FY25.

FY26: Skatepark Sidewalks and Steps (\$40,000 -CDBG).

FY26: General infrastructure upgrades (\$10,000)

FY27: Parking improvements to lot east of the BMX track (\$160,000 - \$10,000 design, \$150,000 HUR). Additional Stormwater component under C0637 (\$50,000)

FY28: Epoxy coat floors in softball and soccer field restrooms (\$40,000).

FY28-FY30: General infrastructure upgrades (\$10,000).

Justification

The Comprehensive Plan recommends continuation of Livable City initiatives that bring design continuity to City neighborhoods by focusing on improved park amenities and support facilities.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	250,000	150,000	50,000	10,000	10,000	470,000
Planning/Design	0	10,000	0	0	0	10,000
Total	250,000	160,000	50,000	10,000	10,000	480,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Grants-State Program Open Space	180,000	0	0	0	0	180,000
State Highway User Revenue	0	150,000	0	0	0	150,000
Transfers to CIP-General Fund	20,000	10,000	50,000	10,000	10,000	100,000
Transfers to CIP-CDBG Fund	40,000	0	0	0	0	40,000
CIP Fund Balance	10,000	0	0	0	0	10,000
Total	250,000	160,000	50,000	10,000	10,000	480,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0665
 Project Name Parks Citywide Upgrades

Contact	Deike and Bender	Department	Parks
Type	Improvement	Category	Infrastructure-Parks
Status	Active	Useful Life	30 years
Location:	Various Parks	Year Submitted:	2020

Description

Upgrades and improvements in various parks:

FY26: Pangborn Park walking paths need improvements (\$30,000 **Highway User Funds**).

FY26: Repair and paint entry arch to Funkhouser Park (\$10,000).

FY26: Hager Park paint residence's porch and restore windows (\$25,000).

FY26: 728 Frederick Street Residence is currently vacant (\$75,000).

FY26: Miscellaneous upgrades and improvements in various parks (\$20,000).

FY26: Design and RFP specifications for painting, window restoration (\$20,000).

FY27: Funkhouser Park residential house roof replacement (\$40,000).

FY27: Hager Park residential house roof replacement (\$40,000).

FY27: City Park shop roof replacement (\$30,000).

FY27: Miscellaneous upgrades and improvements in various parks (\$20,000).

FY27: Design and RFP specifications for roof projects (\$15,000).

FY28: Replace roof 3rd base line storage building roof at Funkhouser Park (\$15,000).

FY28: Miscellaneous upgrades and improvements in various parks (\$20,000).

FY28: Design and RFP specifications for roof project (\$5,000).

FY29-FY30: Miscellaneous upgrades and improvements in various parks (\$30,000/yr).

Justification

Keeps rain and snow from entering facilities allowing for longer lasting structures.

The Comprehensive Plan recommends continuation of Livable City initiatives that bring design continuity to City neighborhoods by focusing on improved park amenities and support facilities.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	160,000	130,000	35,000	30,000	30,000	385,000
Planning/Design	20,000	15,000	5,000	0	0	40,000
Total	180,000	145,000	40,000	30,000	30,000	425,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	75,000	145,000	40,000	30,000	30,000	320,000
CIP Fund - GF Fund Balance	75,000	0	0	0	0	75,000
State Highway User Revenue	30,000	0	0	0	0	30,000
Total	180,000	145,000	40,000	30,000	30,000	425,000

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0678
 Project Name Planning & Code Admin Vehicles

Contact	Maher	Department	Planning
Type	Replacement	Category	Automobiles and Trucks
Status	Active	Useful Life	5 years
Location:	City-Wide	Year Submitted:	2023

Description

Per the Vehicle and Equipment Replacement Schedule:

- FY26: 2007 Ford Ranger #452 - Code (\$45,000) - To be ordered in FY25
- FY27: 2014 Ford F150 #412 - Permits (\$45,000)
- FY28: 2014 Ford F150 #411 - Permits (\$45,000)
- FY29: 2014 Ford F150 #451 - Permits (\$45,000)
- FY30: 2015 Dodge Journey #457 - Permits (\$45,000)

Justification

Staff need dependable vehicles to conduct daily inspections and patrol of the City. Vehicles are also used to carry materials to sites to secure vacant structures, pick up dumped items, etc.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	45,000	45,000	45,000	45,000	45,000	225,000
Total	45,000	45,000	45,000	45,000	45,000	225,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	0	45,000	45,000	45,000	45,000	180,000
CIP Fund Balance	45,000	0	0	0	0	45,000
Total	45,000	45,000	45,000	45,000	45,000	225,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0687
 Project Name Consolidation of Public Safety Assets

Contact	DiBacco and Hopkins	Department	Fire
Type	Replacement	Category	Buildings and Structures
Status	Active	Useful Life	50 years
Location:	To be determined	Year Submitted:	2017

Description

FY26: Land acquisition for new or replacement south fire station, location to be determined (\$750,000)
 FY26: Land acquisition for new Fire Administrative Office building, location to be determined (\$750,000)

FY27: Design work for new or replacement south fire station (\$500,000)
 FY27: Design work for new Fire Administrative Office building (\$500,000)

FY28: Construction for new or replacement south fire station (\$10,000,000)
 FY28: Construction for new Fire Administrative Office building (\$15,000,000)

FY29: Land acquisition for new or replacement west fire station, location to be determined (\$750,000)

FY30: Design work for new or replacement west fire station (\$750,000)

Justification

With the continued growth and expansion of Hagerstown corporate borders, current fire station locations do not provide an appropriate standard of cover for response times to serve and protect growth areas. It is necessary to acquire land and build new or replacement facilities for firefighting assets to ensure all corporate areas receive equitable levels of service.

In December 2024, HFD relocated Administrative Offices, Fire Marshal Offices, and Shift Commander Offices from Church Street to Eldridge Drive. This location is secured with a 6 year lease and is intended as a temporary facility until a permanent location is identified and developed. Land acquisition, design work, and construction need to be completed prior to the expiration of the Eldridge lease in Calendar Year 2030.

The Comprehensive Plan recommends the creation of City public service facilities that ensures continued high quality of service to our citizens; proposal anticipates creating greater efficiency and effectiveness of service.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	0	0	25,000,000	0	0	25,000,000
Land Acquisition	1,500,000	0	0	750,000	0	2,250,000
Planning/Design	0	1,000,000	0	0	750,000	1,750,000
Total	1,500,000	1,000,000	25,000,000	750,000	750,000	29,000,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Bond Financing (General Fund)	0	1,000,000	25,000,000	0	0	26,000,000
CIP Fund - GF Fund Balance	1,500,000	0	0	0	0	1,500,000
Transfers to CIP-General Fund	0	0	0	750,000	750,000	1,500,000
Total	1,500,000	1,000,000	25,000,000	750,000	750,000	29,000,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0717
 Project Name Multi-Use Trails

Contact	Bender	Department	Engineering
Type	Improvement	Category	Land Improvements
Status	Active	Useful Life	15 years
Location:	Memorial Blvd	Year Submitted:	2011

Description

FY28: Construct a multi-use (pedestrian, bicycle, rollerblade, etc.) path and/or trail adjacent to Marsh Run. Marsh Run Trail would connect City Park to Municipal Stadium. Project is complete east of Potomac Street. Preliminary design of the 2000 LF "missing link" of the "Marsh Run" Trail commenced in 2015 and was funded by a "Bike Maryland" MDOT Grant. CSX RR granted initial permission to install a tunnel under their spur.

Justification

The Bicycle Advisory Committee endorsed a plan to create a multi-use trail from Hager Park to City Park. Project will become more justified if the Field House is constructed at the Municipal Stadium site at east end of trail.

The Comprehensive Plan recommends that the City's transportation network, including roads, transit, and bicycle and pedestrian facilities, will meet the mobility needs of its residents, businesses, and visitors.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	0	0	3,500,000	0	0	3,500,000
Total	0	0	3,500,000	0	0	3,500,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Grants-Federal	0	0	2,800,000	0	0	2,800,000
Transfers to CIP-General Fund	0	0	700,000	0	0	700,000
Total	0	0	3,500,000	0	0	3,500,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0722
 Project Name Cybersecurity

Contact	Reed	Department	Information Technology
Type	Improvement	Category	Software
Status	Active	Useful Life	5 years
Location:	City Hall	Year Submitted:	Ongoing

Description

The City of Hagerstown's Cybersecurity program is a set of processes, technical approaches and solutions that safeguard the general computing environment. Some of the key components of Cybersecurity are cloud security, infrastructure security and network security.

Justification

The Cybersecurity framework must continually evolve to address the constantly changing threat landscape. Efforts will be made to improve upon the existing security framework to better the overall security posture in the areas of incident response, security awareness, data loss prevention and data protection.

Maintenance and enhancement of City public service buildings and infrastructure ensures continued high quality of service to our citizens which is a goal of the City's Comprehensive Plan.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Software	100,000	50,000	50,000	50,000	50,000	300,000
Total	100,000	50,000	50,000	50,000	50,000	300,000

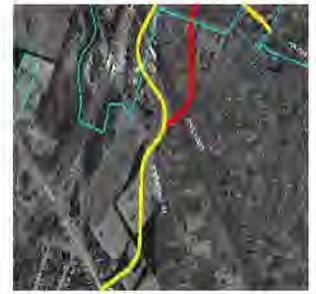
Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-Electric Fund	24,000	12,000	12,000	12,000	12,000	72,000
Transfers to CIP-General Fund	24,000	12,000	12,000	12,000	12,000	72,000
Transfers to CIP-Wastewater Fund	24,000	12,000	12,000	12,000	12,000	72,000
Transfers to CIP-Water Fund	24,000	12,000	12,000	12,000	12,000	72,000
Transfers to CIP-Parking Fund	4,000	2,000	2,000	2,000	2,000	12,000
Total	100,000	50,000	50,000	50,000	50,000	300,000

Budget Impact

Significant impact should hardware/software components, security protocols, and data storage fail or become compromised.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0735
 Project Name Northwest Connector

Contact	Bender	Department	Engineering
Type	Increase Capacity	Category	Infrastructure-Streets
Status	Active	Useful Life	25 years
Location:	Haven Road to Marshall Street	Year Submitted:	2006

Description

In conjunction with the Kilpatrick Woods and Fountainhead West developments, and, consistent with the Comprehensive Plan and presentation to City Council in July of 2006, the City share would be a 60' clear span bridge over railroad and a road from the bridge to Marshall Street (unless development proposed otherwise). The traffic study was finalized in January 2012 but will need updated as the project gets closer to reality.

Justification

Traffic volumes on Salem Avenue increased 90% between 1997 and 2012 and 34% on Burhans and Pennsylvania Avenue. Salem cannot be widened and anything to decrease traffic on Salem would benefit long term congestion. This road is the "missing link" in the transportation system. The Comprehensive Plan recommends working with other agencies to pursue the timely completion of selected projects that facilitate traffic movement around the City's periphery. This project was specifically identified.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	0	0	0	1,500,000	3,400,000	4,900,000
Land Acquisition	0	0	200,000	0	0	200,000
Planning/Design	0	0	80,000	0	0	80,000
Total	0	0	280,000	1,500,000	3,400,000	5,180,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Contribution by Others	0	0	0	1,000,000	1,900,000	2,900,000
Bond Financing (General Fund)	0	0	0	500,000	1,500,000	2,000,000
Transfers to CIP-General Fund	0	0	280,000	0	0	280,000
Total	0	0	280,000	1,500,000	3,400,000	5,180,000

Budget Impact

Long-term increase in maintenance costs of roughly \$20,000 annually for plowing, pavement maintenance, bridge maintenance, and pavement markings for road within City limits. Additional lighting costs of \$3,000 annually.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0739
 Project Name ERP Software System Replacement

Contact Snyder Department Information Technology
 Type Maintenance Category Software
 Status Active Useful Life 5 years
 Location: City Hall Year Submitted: 2024

Description

This project will allow for investment in new technologies and a replacement system for the Enterprise Resource Planning (ERP) software currently in use by the city (which is over 13 years old). The ERP will cover all areas of municipal services, including Financials, Human Resources, Utility Billing, Permits, and a host of other city services. Funds allocated to this project will cover software installation, conversion of current systems and data, all appropriate software licensing, as well as staff training on the new software products.

FY26: ERP Replacement Project (\$1,300,000 - 2nd year of implementation)

Justification

The City workforce has become an increasingly mobile one, relying on technology to allow for access to city systems wherever the job takes them in the field (via tablet or phone) for inspections, Engineering, or Utility projects and services. The city is working to upgrade/replace the current ERP and financial systems to stay on up-to-date technology, take advantage of system improvements, and utilize the latest innovations to enhance the daily operational capabilities, allowing the city to serve citizens in the most effective way possible.

Maintenance and enhancement of City public service buildings and infrastructure ensures continued high quality of service to our citizens which is a goal of the City's Comprehensive Plan.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Software	1,300,000	0	0	0	0	1,300,000
Total	1,300,000	0	0	0	0	1,300,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
CIP Fund - GF Fund Balance	1,100,000	0	0	0	0	1,100,000
CIP Fund Balance	200,000	0	0	0	0	200,000
Total	1,300,000	0	0	0	0	1,300,000

Budget Impact

Software maintenance fees will cover the entire suite of modules purchased for the ERP system, based upon need and use by various city departments. These costs will not be fully known until the software is approved and acquired. Any annual maintenance fees will be reflected in the IT expense budget (as overall software maintenance costs).

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0751
 Project Name Neighborhood Park Development

Contact	Deike and Bender	Department	Parks
Type	Improvement	Category	Land Improvements
Status	Active	Useful Life	25 years
Location:	City-Wide	Year Submitted:	2009

Description

City staff will be collaborating with Neighborhood 1st Groups, interested residents, and area businesses to develop new urban parks and pocket parks in underserved areas. Parks division goal is to provide a "quality park within walking distance from every residence in Hagerstown" (defined as 1/4 mile).

FY26: Antietam Creek Waterway Trail: Complete construction and amenities of watercraft access upstream of Mt. Aetna Road bridge and portage trail under bridge to below dam. (\$310,000 - \$270,000 POS request for FY24 and \$40,000 in City match funding - \$35,000 Carryover of FY24 HUR, \$5,000 additional CIP FB). Design to be completed in FY25.

FY28: As the City expands, the need for an additional park(s) seems more likely. A placeholder of \$1,000,000 will be made for this potential.

Justification

The Comprehensive Plan recommends continuation of Livable City initiatives that bring design continuity to City neighborhoods by focusing on improved park amenities and support facilities.

The creation of these parks will offer more recreation opportunities for the children and families in the selected neighborhoods. By inviting the neighbors to have input in the design and the basis of the parks, the community develops a sense of pride and responsibility for maintaining and using those spaces.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	310,000	0	1,000,000	0	0	1,310,000
Total	310,000	0	1,000,000	0	0	1,310,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	0	0	1,000,000	0	0	1,000,000
Grants-State Program Open Space	270,000	0	0	0	0	270,000
CIP Fund Balance	40,000	0	0	0	0	40,000
Total	310,000	0	1,000,000	0	0	1,310,000

Budget Impact

Additional operating costs will include mowing, tree trimming, etc.

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0822
 Project Name Potterfield Pool Improvements

Contact	Deike	Department	Parks
Type	Improvement	Category	Buildings and Structures
Status	Active	Useful Life	25 years
Location:	Potterfield Pool	Year Submitted:	2011

Description

Maintaining the pool and adding attractions periodically is essential to keeping this facility a vibrant recreation option for City residents.

FY26: Caulk Pool Deck (\$12,000)

FY26: Replace sand Filter Media (\$25,000)

FY27: Replace all door frames, doors and Hardware (\$37,000 - \$7,000 Design, \$30,000 Construction)

FY27: White coating of pool. Typical resurfacing is every 5-7 years. Resurfacing was last completed in FY20 (\$100,000).

Justification

The Comprehensive Plan recommends continuation of Livable City initiatives that bring design continuity to City neighborhoods by focusing on improved park amenities and support facilities.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	37,000	130,000	0	0	0	167,000
Planning/Design	0	7,000	0	0	0	7,000
Total	37,000	137,000	0	0	0	174,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	37,000	137,000	0	0	0	174,000
Total	37,000	137,000	0	0	0	174,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0843
 Project Name Hagerstown Ice Rink

Contact	Deike and Bender	Department	Parks
Type	Replacement	Category	Buildings and Structures
Status	Active	Useful Life	10 years
Location:	Ice Rink	Year Submitted:	2013

Description

The Hagerstown Ice Rink facility was built in 1997. The current Board of Directors, called the Hagerstown Ice Amateur Athletic Association (HIAAA), began operating the rink in April 2014. The HIAAA is comprised of all the user groups and at-large members. The operating agreement calls for the City to pay for 75% of the capital improvements to the building and ice making equipment with the balance being contributions by HIAAA or others.

FY26-FY30: Various Repairs (\$48,000).

FY27: Replacement of ice making system - equipment, piping, etc. (\$3,000,000 75/25 split).

FY29: Construction of a second sheet of ice (\$8,000,000 to include \$6,000,000 in contributions, \$1,000,000 anticipated from Washington County, and \$1,000,000 Bond Financing).

Justification

Supports the Hagerstown Ice Amateur Athletic Association who operates the Ice Rink, which is a city owned building.

The Comprehensive Plan recommends continuation of Livable City initiatives that bring design continuity to City neighborhoods by focusing on improved park amenities and support facilities.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	48,000	3,048,000	48,000	8,048,000	48,000	11,240,000
Total	48,000	3,048,000	48,000	8,048,000	48,000	11,240,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Contribution by Others	0	750,000	0	6,000,000	0	6,750,000
Transfers to CIP-General Fund	12,000	2,262,000	12,000	12,000	12,000	2,310,000
Bond Financing (General Fund)	0	0	0	1,000,000	0	1,000,000
Grants-State	0	0	0	1,000,000	0	1,000,000
Facilities Rent	36,000	36,000	36,000	36,000	36,000	180,000
Total	48,000	3,048,000	48,000	8,048,000	48,000	11,240,000

Capital Improvement Plan
 City of Hagerstown, Maryland



Project # 45-C0849
 Project Name Public Safety Radios and In-Station Alerting

Contact	DiBacco and Hopkins	Department	Fire
Type	Replacement	Category	Machinery and Equipment
Status	Active	Useful Life	10 years
Location:	Fire Dept Admin	Year Submitted:	2012

Description

FY27: Radio Direct Interface Voice Amplifier - Bluetooth to interface with Motorola (\$165,000).
 FY27: Improvements for station radio systems to include station alerting, fire company paging, and technology enhancements to improve operational effectiveness (\$250,000 all locations).

Justification

Voice amplifiers were purchased as part of the self-contained breathing apparatus (SCBA) grant in 2019 to be compatible with Harris radios. The Harris radios were the direction that Washington County was moving at the time for portable radio replacement. Since that time, Washington County has secured a grant of which the City is part of to replace all portable radios with Motorola brand radios. The change necessitates having to purchase voice amplifiers that are compatible between our SCBA and the portable radios that the City's personnel are going to be utilizing.

Mobile (fixed) radios within all fire department vehicles will need to be upgraded for compatibility with the all-band capability of the portable radios. These are necessary for our command vehicles which serve as incident command posts during emergencies, and necessary for the remainder of apparatus as it interfaces with our hearing protection systems within the apparatus.

Due to aging equipment and changes in technology, the in-station radio systems to include alerting and company paging will require overhaul and/or replacement. These changes will enhance response times, company situational awareness, and improve firefighter health and safety through escalating alerting systems.

The Comprehensive Plan recommends maintaining and expanding police, fire, and EMS services to serve the city's growing population and geographic area.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	0	415,000	0	0	0	415,000
Total	0	415,000	0	0	0	415,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	0	415,000	0	0	0	415,000
Total	0	415,000	0	0	0	415,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0868
 Project Name Public Art

Contact	Bender	Department	Engineering
Type	Improvement	Category	Land Improvements
Status	Active	Useful Life	50 years
Location:	City-Wide	Year Submitted:	2015

Description

City currently has nearly 30 unique pieces of public art with additional ones in progress. The City Council-appointed Public Art Commission evaluates opportunities and makes recommendations to the City Council. They identify sites within the City for the placement of site-specific works of art.

FY26: Art in Park Circle triangle as endorsed by Mayor and Council in November 2022 (\$50,000 - \$30,000 Grant, \$20,000 CIP FB)

FY26: Restore Faces of Hagerstown and create new panels (\$10,000); Hagerfest murals in the spring of 2026 (\$15,000); new light sculpture (\$25,000) - (\$25,000 PAAM Grant quote; \$25,000 CIP FB)

FY27-FY30: Projects to be determined, including updates to Faces of Hagerstown (\$60,000/year - \$30,000 Grant; \$30,000 GF)

Listed in Mayor and Council's Strategic Plan. Staff will apply for "Public Art Across Maryland" grants on a project by project basis.

Justification

Public art makes a significant statement about the community and is free for people to enjoy and interpret. This is a wonderful opportunity to enrich the cultural experience in our community. The proposed art will not only employ artists but will also build on the economic development aspects of Hagerstown as an artistic destination. Frequently businesses investigating locations for extension of their operations will view such collaborative projects as a strong indicator of the community's forward-thinking ability.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	100,000	60,000	60,000	60,000	60,000	340,000
Total	100,000	60,000	60,000	60,000	60,000	340,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Grants-State	55,000	30,000	30,000	30,000	30,000	175,000
Transfers to CIP-General Fund	0	30,000	30,000	30,000	30,000	120,000
CIP Fund Balance	45,000	0	0	0	0	45,000
Total	100,000	60,000	60,000	60,000	60,000	340,000

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 45-C0870
 Project Name Fire Facilities City Owned Buildings

Contact	DiBacco and Hopkins	Department	Fire
Type	Maintenance	Category	Buildings and Structures
Status	Active	Useful Life	50 years
Location:	Various locations	Year Submitted:	2017

Description

FY26: Miscellaneous planned and unplanned repairs for all fire department facilities (\$250,000)
 FY27: Miscellaneous planned and unplanned repairs for all fire department facilities (\$200,000)
 FY27: Fire Station 3, 100 Eastern Blvd., renovations and expansion (\$750,000)
 FY28-FY30: Miscellaneous planned and unplanned repairs for all fire department facilities (\$300,000/year)

Justification

Fire Station 3 at 100 Eastern Boulevard was City-built in 1992 (33 years old). Since opening, fire department staffing per apparatus has increased and the station was not designed to house today's staffing load in the living and office spaces. Funding is being used for renovation of living quarters and the addition of office space for the company officer.

Fire Department facilities include 5 fire stations, the Administrative Office building on Eldridge, and the Fire Training Center on Bowman Avenue. This funding provides for routine and scheduled maintenance and replacement of infrastructure and components.

The Comprehensive Plan recommends the creation of City public service facilities that ensures continued high quality of service to our citizens; proposal anticipates creating greater efficiency and effectiveness of service.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	250,000	950,000	300,000	300,000	300,000	2,100,000
Total	250,000	950,000	300,000	300,000	300,000	2,100,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	0	200,000	300,000	300,000	300,000	1,100,000
Bond Financing (General Fund)	0	750,000	0	0	0	750,000
CIP Fund Balance	250,000	0	0	0	0	250,000
Total	250,000	950,000	300,000	300,000	300,000	2,100,000

Capital Improvement Plan
 City of Hagerstown, Maryland



Project # 45-C0871
 Project Name Fire and EMS Equipment

Contact	DiBacco and Hopkins	Department	Fire
Type	Replacement	Category	Machinery and Equipment
Status	Active	Useful Life	10 years
Location:	Administrative Office	Year Submitted:	2020

Description

FY26: Firefighter Personal Protective Equipment (PPE) washer/extractor and PPE dryer (\$60,000 - one set per station/facility - \$20,000 per set x 3 sets)
 FY26: Self-Contained Breathing Apparatus (SCBA) washing machine (\$50,000)

FY27: Firefighter Personal Protective Equipment (PPE) washer/extractor and PPE dryer (\$100,000 - two sets at the Training Center - \$20,000 per set x 5 sets)
 FY27: Hurst Battery-powered Extrication Tools (Jaws of Life) (\$85,000)
 FY27: Portable air generator/compressor and cascade system (\$180,000)

FY28-FY30: Replacement of end of life cycle portable equipment (\$150,000/yr)

Justification

Firefighters are continuously exposed to carcinogens during emergency operations and cancer rates are between 2 and 10 times higher than the general population. PPE washer/extractors are industry standard for cleaning PPE following exposure to carcinogenic agents. Dryers are needed to return these heavy garments to service following extraction. Funding will strategically place an extractor and dryer at each fire station, fire administration, and two sets at the Training Center (location of burn building and burn props).

Like PPE, firefighter SCBA are excessively exposed to carcinogens and products of combustion. Funding will allow the purchase of a specialty washer designed to decontaminate and deep-clean the breathing apparatus.

Battery Powered extrication tools (Jaws of Life) do not require hydraulic hoses or pumps, are more portable, smaller and lighter which enhances ease of use. Battery powered tools are today's industry standard.

The portable air generator and cascade system allows HFD the independence to fill SCBA cylinders and not rely on a third party for this task. This becomes important in the training environment when multiple SCBA cylinders are being expended during evolution's, especially recruit school training.

The Comprehensive Plan recommends maintaining and expanding police, fire, and EMS services to serve the city's growing population and geographic area.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	110,000	365,000	150,000	150,000	150,000	925,000
Total	110,000	365,000	150,000	150,000	150,000	925,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Transfers to CIP-General Fund	110,000	365,000	150,000	150,000	150,000	925,000
Total	110,000	365,000	150,000	150,000	150,000	925,000

Capital Improvement Plan
 City of Hagerstown, Maryland



Project # 45-C0872
 Project Name Traffic Beacons

Contact Bender Department Engineering
 Type Improvement Category Infrastructure-Utilities
 Status Active Useful Life 30 years
 Location: City -wide Year Submitted: 2018

Description

Furnish and install Rectangular Rapid-Flashing Beacon (RRFB) traffic beacons with signs and push buttons with ramps as needed.

FY27: RRFB beacons at Hagers Crossing (\$70,000) - 50 percent being funded by the Board of Education.

Justification

Justified per "Mid-Block Crosswalk Policy" to advise drivers of crosswalks and other conditions. School students walking to elementary schools will be aided by beacon activation. Board of Education requested beacon @ Hagers Crossing Drive and Salem @ Rhode Island The Comprehensive Plan recommends that the City's transportation network, including roads, transit, and bicycle and pedestrian facilities, will meet the mobility needs of its residents, businesses, and visitors.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	0	70,000	0	0	0	70,000
Total	0	70,000	0	0	0	70,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Contribution by Others	0	35,000	0	0	0	35,000
Grants-State Aid in Lieu of Urban Funds	0	35,000	0	0	0	35,000
Total	0	70,000	0	0	0	70,000

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 50-C0090
 Project Name Electric Department Vehicles

Contact	Fridinger	Department	Electric Fund
Type	Replacement	Category	Automobiles and Trucks
Status	Active	Useful Life	10 years
Location:	Electric Department	Year Submitted:	Ongoing

Description

Replace fleet vehicles scheduled for replacement under the Vehicle Replacement Program

FY26: Replace 2007 Trailblazer 113 (\$35,000), 2015 Sedan 110 (\$35,000), 2017 Sedan 112 (\$35,000), 2007 Full Size Pick Up Trucks 101 & 126 (\$50,000 ea.)

FY27: Replace 2017 Sedan 111 (\$35,000), 2007 Full Size Pick Up Trucks 122 & 131 (\$50,000 ea.), and 2018 Full Size Pick Up Truck 123 (\$50,000)

FY28: Replace 2004 Bucket Truck 128 (\$370,000, PO# 20230906)

FY29: Replace 2009 Digger Derrick 127 (\$325,000)

FY30: Replace 2017 Escape 109 (\$35,000) and 2019 Digger Derrick 120 (\$350,000)

Justification

Replace deteriorating mobile equipment to improve safety for workers and to reduce service restoration time.

The Comprehensive Plan recommends monitoring increases in downtown parking demand as revitalization occurs, and implement recommendations of the Downtown Parking Management Plan. Improvement of public parking facilities is recommended to improve the downtown's image and attractiveness for economic development investment.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	205,000	185,000	370,000	325,000	385,000	1,470,000
Total	205,000	185,000	370,000	325,000	385,000	1,470,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Electric Fund	205,000	185,000	370,000	325,000	385,000	1,470,000
Total	205,000	185,000	370,000	325,000	385,000	1,470,000

Budget Impact

Maintenance costs will be reduced with the replacement of older fleet vehicles.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 50-C0111
 Project Name Telemetry Equipment

Contact	Fridinger	Department	Electric Fund
Type	Improvement	Category	Machinery and Equipment
Status	Active	Useful Life	10 years
Location:	Electric Department	Year Submitted:	1997

Description

Construction of communication networks (wired and wireless) to facilitate transmission of data and/or voice from installed devices in the electric system. These devices may be located in City owned facilities or equipment.

Justification

FY26 funds are budgeted to complete the fiber optic installation between Fairgrounds and Mitchell for SCADA communication. FY27 funds are to make repairs to damages between Plant and Frederick Street Substations. Fiscal Years 2028 and beyond provide for maintenance of operation. Any necessary SCADA software upgrades will be in conjunction with C0441.

The Comprehensive Plan recommends monitoring increases in downtown parking demand as revitalization occurs, and implement recommendations of the Downtown Parking Management Plan. Improvement of public parking facilities is recommended to improve the downtown's image and attractiveness for economic development investment.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	20,000	5,000	5,000	5,000	5,000	40,000
Equip/Vehicles/Furnishings	30,000	5,000	0	0	0	35,000
Total	50,000	10,000	5,000	5,000	5,000	75,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Electric Fund	50,000	10,000	5,000	5,000	5,000	75,000
Total	50,000	10,000	5,000	5,000	5,000	75,000

Budget Impact

HLD installation of communications for SCADA, metering, and system monitoring.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 50-C0118
 Project Name Central Substation

Contact	Fridinger	Department	Electric Fund
Type	Improvement	Category	Infrastructure-Utilities
Status	Completed	Useful Life	25 years
Location:	Church Street	Year Submitted:	2006

Description

Construct new 34.5/13.8 kV package substation near City Center to offload substations on the northwest end of town. Located at HLD owned property in the rear of the 200 block of Jonathan Street and the unit block of West Church Street and/or the property located at 300 West Memorial Boulevard.

Justification

Needed to meet future power requirements in City Center and on the outskirts of town.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	0	0	50,000	400,000	100,000	550,000
Construction/Maintenance	0	0	150,000	100,000	100,000	350,000
Total	0	0	200,000	500,000	200,000	900,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Electric Fund	0	0	200,000	500,000	200,000	900,000
Total	0	0	200,000	500,000	200,000	900,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 50-C0178
 Project Name Security Improvements

Contact Fridinger Department Electric Fund
 Type Improvement Category Buildings and Structures
 Status Active Useful Life 30 years
 Location: 425 E. Baltimore Street Year Submitted: 2017

Description

Improve or maintain the current surveillance and cybersecurity systems.

FY26 - FY27: Networking Upgrades (\$105,000).

Justification

Prevent theft and/or vandalism of Electric Utility assets.

The Comprehensive Plan recommends monitoring increases in downtown parking demand as revitalization occurs, and implement recommendations of the Downtown Parking Management Plan. Improvement of public parking facilities is recommended to improve the downtown's image and attractiveness for economic development investment.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	105,000	105,000	25,000	25,000	25,000	285,000
Total	105,000	105,000	25,000	25,000	25,000	285,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Grants-Federal	100,000	100,000	0	0	0	200,000
Electric Fund	5,000	5,000	25,000	25,000	25,000	85,000
Total	105,000	105,000	25,000	25,000	25,000	285,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 50-C0259
 Project Name System Reconductoring

Contact	Fridinger	Department	Electric Fund
Type	Improvement	Category	Infrastructure-Utilities
Status	Active	Useful Life	50 years
Location:	City-Wide	Year Submitted:	Ongoing

Description

Upgrade 13.8kV distribution and 600V or less secondary services as recognized for infrastructure improvement or forecast load increases.

FY26: Rebuild overhead line along Marshall Street to provide capacity for Kilpatrick Woods Development (C0550).

FY27: Completion of overhead rebuild for Kilpatrick Woods.

FY28: Haven Road from Pennsylvania to Outer Drive.

FY29: Wilson Blvd. from Frederick to Rose Hill.

FY30: Northern Avenue from Country Club to Pennsylvania.

Justification

This project is required to improve service and reliability by replacing undersized or deteriorated cable/wire and associated equipment, prior to failure.

The Comprehensive Plan recommends monitoring increases in downtown parking demand as revitalization occurs, and implement recommendations of the Downtown Parking Management Plan. Improvement of public parking facilities is recommended to improve the downtown's image and attractiveness for economic development investment.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	103,250	35,000	35,000	35,000	35,000	243,250
Construction/Maintenance	103,250	25,000	25,000	25,000	25,000	203,250
Total	206,500	60,000	60,000	60,000	60,000	446,500

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Electric Fund	206,500	60,000	60,000	60,000	60,000	446,500
Total	206,500	60,000	60,000	60,000	60,000	446,500

Budget Impact

Operational costs may occur as deteriorated or undersized wire fails.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 50-C0441
 Project Name SCADA System

Contact	Fridinger	Department	Electric Fund
Type	Upgrade	Category	Infrastructure-Utilities
Status	Active	Useful Life	10 years
Location:	425 E. Baltimore Street	Year Submitted:	2017

Description

Maintain the current SCADA software to improve and/or maintain substation protective device monitoring and interrogation.

Justification

Miscellaneous software programming improvements to enhance communication performance. Any necessary hardware installation will be in conjunction with C0111.

The Comprehensive Plan recommends monitoring increases in downtown parking demand as revitalization occurs, and implement recommendations of the Downtown Parking Management Plan. Improvement of public parking facilities is recommended to improve the downtown's image and attractiveness for economic development investment.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	5,000	5,000	5,000	5,000	5,000	25,000
Total	5,000	5,000	5,000	5,000	5,000	25,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Electric Fund	5,000	5,000	5,000	5,000	5,000	25,000
Total	5,000	5,000	5,000	5,000	5,000	25,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 50-C0540
 Project Name Underground Replacement

Contact	Fridinger	Department	Electric Fund
Type	Replacement	Category	Infrastructure-Utilities
Status	Active	Useful Life	30 years
Location:	Various locations	Year Submitted:	2016

Description

Replace aging primary underground cable and padmounted equipment in various areas throughout the HLD service territory identified by the feeder inspection program.

Justification

Replacing sections of aged primary cable will improve electric reliability in various developments/locations.

The Comprehensive Plan recommends monitoring increases in downtown parking demand as revitalization occurs, and implement recommendations of the Downtown Parking Management Plan. Improvement of public parking facilities is recommended to improve the downtown's image and attractiveness for economic development investment.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	7,500	7,500	7,500	7,500	7,500	37,500
Equip/Vehicles/Furnishings	5,000	5,000	5,000	5,000	5,000	25,000
Total	12,500	12,500	12,500	12,500	12,500	62,500

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Electric Fund	12,500	12,500	12,500	12,500	12,500	62,500
Total	12,500	12,500	12,500	12,500	12,500	62,500

Budget Impact

Decrease extensive labor to locate fault and replace cable during unplanned outages.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 50-C0542
 Project Name HLD Distribution & Administrative Office Building

Contact	Fridinger	Department	Electric Fund
Type	Improvement	Category	Buildings and Structures
Status	Active	Useful Life	30 years
Location:	425 E. Baltimore Street	Year Submitted:	2001

Description

FY26: Replacement of HVAC in Admin and Engineering Area (\$50,000).
 FY27 - FY30: Contingency funds to improve the HLD facility on East Baltimore Street (\$25,000).

Justification

Miscellaneous equipment, such as HVAC and Lighting, have been in place since the City's ownership of this facility in the mid to late 1980's. The request for these funds are to be made available in the event that replacement or significant repairs are required.

The Comprehensive Plan recommends monitoring increases in downtown parking demand as revitalization occurs, and implement recommendations of the Downtown Parking Management Plan. Improvement of public parking facilities is recommended to improve the downtown's image and attractiveness for economic development investment.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	50,000	25,000	25,000	25,000	25,000	150,000
Total	50,000	25,000	25,000	25,000	25,000	150,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Electric Fund	50,000	25,000	25,000	25,000	25,000	150,000
Total	50,000	25,000	25,000	25,000	25,000	150,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 50-C0544
 Project Name Bulldog Substation Removal

Contact	Fridinger	Department	Electric Fund
Type	Demolition	Category	Infrastructure-Utilities
Status	Completed	Useful Life	25 years
Location:	Burhans Boulevard	Year Submitted:	2001

Description

FY30: Remove aging station transformer and related equipment from service following the expansion of Mitchell Substation to accommodate a third bay (in conjunction with C0778).

Justification

This station may no longer be required if plans to install a third bay at the Mitchell Substation move forward. There would also be scrap/salvage value which cannot be estimated at this time.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	0	0	0	0	30,000	30,000
Equip/Vehicles/Furnishings	0	0	0	0	20,000	20,000
Total	0	0	0	0	50,000	50,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Electric Fund	0	0	0	0	50,000	50,000
Total	0	0	0	0	50,000	50,000

Budget Impact

Removing transformer and/or station will result in lower station maintenance costs and increase reliability of service.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 50-C0546
 Project Name Streetlight Replacement

Contact	Fridinger	Department	Electric Fund
Type	Replacement	Category	Infrastructure-Utilities
Status	Active	Useful Life	30 years
Location:	Various locations	Year Submitted:	2016

Description

Replace direct buried streetlight circuit, obsolete fixtures, and non-standard poles as needed.

FY26: Any grant funding identified to replace HLD Fixtures with LED.

FY27 - FY30: Replace direct buried streetlight circuit, obsolete fixtures, and non-standard poles as needed.

Justification

Unable to provide for replacement materials for uniformity. Contingent upon a failure of the existing direct buried cable.

The Comprehensive Plan recommends monitoring increases in downtown parking demand as revitalization occurs, and implement recommendations of the Downtown Parking Management Plan. Improvement of public parking facilities is recommended to improve the downtown's image and attractiveness for economic development investment.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	175,000	7,500	7,500	7,500	7,500	205,000
Construction/Maintenance	25,000	2,500	2,500	2,500	2,500	35,000
Total	200,000	10,000	10,000	10,000	10,000	240,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Grants-State	125,000	0	0	0	0	125,000
Electric Fund	75,000	10,000	10,000	10,000	10,000	115,000
Total	200,000	10,000	10,000	10,000	10,000	240,000

Budget Impact

Decrease extensive labor to locate fault and replace.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 50-C0550
 Project Name Kilpatrick Woods

Contact	Fridinger	Department	Electric Fund
Type	Improvement	Category	Infrastructure-Utilities
Status	Active	Useful Life	50 years
Location:	Marshall Street and Salem Ave	Year Submitted:	2020

Description

Provide electric service to the undeveloped lands between Marshall Street and Salem Avenue (east of I-81). Approximately 241 residential lots are expected to be connected. Developer contributions include installation of conduits and street lighting system.

Justification

Provide new electric service to lots as they develop.

The Comprehensive Plan recommends monitoring increases in downtown parking demand as revitalization occurs, and implement recommendations of the Downtown Parking Management Plan. Improvement of public parking facilities is recommended to improve the downtown's image and attractiveness for economic development investment.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	100,000	70,000	50,000	50,000	0	270,000
Construction/Maintenance	73,500	54,000	0	0	0	127,500
Total	173,500	124,000	50,000	50,000	0	397,500

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Contribution by Others	109,000	60,000	50,000	50,000	0	269,000
Electric Fund	64,500	64,000	0	0	0	128,500
Total	173,500	124,000	50,000	50,000	0	397,500

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 50-C0609
 Project Name Test Equipment

Contact	Fridinger	Department	Electric Fund
Type	Improvement	Category	Machinery and Equipment
Status	Active	Useful Life	10 years
Location:	425 E. Baltimore Street	Year Submitted:	Ongoing

Description

Procure/repair test equipment to improve maintenance programs and power quality for customers, record voltages, record energy usage, test revenue meters, substation equipment maintenance testing, distribution equipment maintenance testing, etc.

Justification

Improve reliability of service and meet testing and calibration requirements set forth by the Maryland Public Service Commission.

The Comprehensive Plan recommends monitoring increases in downtown parking demand as revitalization occurs, and implement recommendations of the Downtown Parking Management Plan. Improvement of public parking facilities is recommended to improve the downtown's image and attractiveness for economic development investment.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	15,000	15,000	15,000	15,000	15,000	75,000
Total	15,000	15,000	15,000	15,000	15,000	75,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Electric Fund	15,000	15,000	15,000	15,000	15,000	75,000
Total	15,000	15,000	15,000	15,000	15,000	75,000

Budget Impact

Test equipment will assist staff in verifying that installed facilities are operating at peak efficiency. It will also ensure that periodic maintenance programs are accomplishing expected results which, most importantly, are to reduce equipment out-of-service time and customer outages.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 50-C0616
 Project Name Substation Controls

Contact	Fridinger	Department	Electric Fund
Type	Improvement	Category	Machinery and Equipment
Status	Active	Useful Life	10 years
Location:	Light Department	Year Submitted:	2021

Description

Procure and replace obsolete and degraded substation control equipment to maintain system fault protection and system reliability. Equipment includes batteries to maintain the 125VDC operating voltage, battery chargers, control handles, relays, other IED components, etc.

FY26: IED control replacement and retrofit of obsolete devices at Mitchell and Wesel Substations.

FY27 - FY30: Procure and replace obsolete and degraded substation control equipment to maintain system fault protection and system reliability. Equipment includes batteries to maintain the 125VDC operating voltage, battery chargers, control handles, relays, other IED components, etc.

Justification

Replace inferior equipment to maintain system reliability, public & workforce safety, and system integrity.

The Comprehensive Plan recommends monitoring increases in downtown parking demand as revitalization occurs, and implement recommendations of the Downtown Parking Management Plan. Improvement of public parking facilities is recommended to improve the downtown's image and attractiveness for economic development investment.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	40,000	20,000	20,000	20,000	20,000	120,000
Equip/Vehicles/Furnishings	40,000	20,000	20,000	20,000	20,000	120,000
Total	80,000	40,000	40,000	40,000	40,000	240,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Electric Fund	80,000	40,000	40,000	40,000	40,000	240,000
Total	80,000	40,000	40,000	40,000	40,000	240,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 50-C0679
 Project Name Meter Replacement

Contact	Fridinger	Department	Electric Fund
Type	Improvement	Category	Infrastructure-Utilities
Status	Active	Useful Life	25 years
Location:	HLD Service Territory	Year Submitted:	2022

Description

Procure and replace electric revenue meters across the HLD service territory to improve device accuracy and provide for an automated read and outage detection system through FY29.

Justification

In compliance with COMAR 20.50.02.02C, American National Standard for Electric Meters - Code for Electricity Metering, ANSI C12.1-2001, annual testing statistics are tightening test or replacement requirements for specific homogeneous meter types on the HLD system.

The Comprehensive Plan recommends monitoring increases in downtown parking demand as revitalization occurs, and implement recommendations of the Downtown Parking Management Plan. Improvement of public parking facilities is recommended to improve the downtown's image and attractiveness for economic development investment.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	1,000,000	1,000,000	1,000,000	1,000,000	0	4,000,000
Construction/Maintenance	500,000	500,000	500,000	500,000	0	2,000,000
Total	1,500,000	1,500,000	1,500,000	1,500,000	0	6,000,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Electric Fund	1,500,000	1,500,000	500,000	500,000	0	4,000,000
Bond Financing (Electric Fund)	0	0	1,000,000	1,000,000	0	2,000,000
Total	1,500,000	1,500,000	1,500,000	1,500,000	0	6,000,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 50-C0703
 Project Name Brookmeadow

Contact	Fridinger	Department	Electric Fund
Type	Improvement	Category	Infrastructure-Utilities
Status	Active	Useful Life	50 years
Location:	Security Rd & Hamilton Run	Year Submitted:	2022

Description

Proposed development on the north side of Security Rd along Hamilton Run requiring underground electric service to 119 town home units.

Justification

Provide electric service to new customers within the service territory of the HLD.

The Comprehensive Plan recommends monitoring increases in downtown parking demand as revitalization occurs, and implement recommendations of the Downtown Parking Management Plan. Improvement of public parking facilities is recommended to improve the downtown's image and attractiveness for economic development investment.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	37,000	87,000	35,000	0	0	159,000
Construction/Maintenance	16,000	40,500	5,000	0	0	61,500
Total	53,000	127,500	40,000	0	0	220,500

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Electric Fund	38,000	77,500	10,000	0	0	125,500
Contribution by Others	15,000	50,000	30,000	0	0	95,000
Total	53,000	127,500	40,000	0	0	220,500

Budget Impact

Developer responsibilities include conduits and street light installation. HLD crews will pull and terminate underground conductors, set transformers, and meters.

Capital Improvement Plan
 City of Hagerstown, Maryland



Project # 50-C0776
 Project Name Substation Breaker Replacement

Contact	Fridinger	Department	Electric Fund
Type	Improvement	Category	Infrastructure-Utilities
Status	Active	Useful Life	25 years
Location:	Various locations	Year Submitted:	2009

Description

To provide for the replacement of substation breakers that have reached their lifespan.

FY26: Replacement of four (4) 15kV circuit breakers at Frederick Street and Plant Substations (\$80,000).

FY27 - FY30: Replacement of substation breakers as identified. Determined by the number of operations, performance test results, age, and type (\$80,000).

Justification

Replacement of aged and obsolete breakers will reduce unnecessary outages and ensures proper coordination of the distribution system.

The Comprehensive Plan recommends monitoring increases in downtown parking demand as revitalization occurs, and implement recommendations of the Downtown Parking Management Plan. Improvement of public parking facilities is recommended to improve the downtown's image and attractiveness for economic development investment.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	40,000	40,000	40,000	40,000	40,000	200,000
Equip/Vehicles/Furnishings	40,000	40,000	40,000	40,000	40,000	200,000
Total	80,000	80,000	80,000	80,000	80,000	400,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Electric Fund	80,000	80,000	80,000	80,000	80,000	400,000
Total	80,000	80,000	80,000	80,000	80,000	400,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 50-C0778
 Project Name Substation Upgrades

Contact	Fridinger	Department	Electric Fund
Type	Improvement	Category	Infrastructure-Utilities
Status	Active	Useful Life	50 years
Location:	Mitchell Avenue	Year Submitted:	2009

Description

To provide for materials and labor for electrical capacity increase and system improvements within substations for improved flexibility in operations and customer reliability.

FY26 - FY27: Completion of a 3rd bay at Wesel Substation for a fifth feeder to split load between Wesel and Mitchell Substations in conjunction with C0842 and replace fence at Burhans Substation.

FY28: Spare voltage regulators. Order anticipated to be placed during FY25.

FY29 - FY30: Expansion of Mitchell Substation to accommodate a third station class transformer to improve system reliability and for an opportunity to remove the Bulldog substation from service (C0544).

Justification

To continue to provide reliable electric distribution service to customers.

The Comprehensive Plan recommends monitoring increases in downtown parking demand as revitalization occurs, and implement recommendations of the Downtown Parking Management Plan. Improvement of public parking facilities is recommended to improve the downtown's image and attractiveness for economic development investment.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	125,000	50,000	180,000	100,000	250,000	705,000
Construction/Maintenance	75,000	25,000	25,000	25,000	25,000	175,000
Total	200,000	75,000	205,000	125,000	275,000	880,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Electric Fund	200,000	75,000	205,000	125,000	275,000	880,000
Total	200,000	75,000	205,000	125,000	275,000	880,000

Budget Impact

Increase reliability for the service territory.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 50-C0797
 Project Name Equipment Refurbishment

Contact	Fridinger	Department	Electric Fund
Type	Maintenance	Category	Machinery and Equipment
Status	Active	Useful Life	25 years
Location:	Various locations	Year Submitted:	2009

Description

FY26 - FY30: Refurbish substation class voltage regulators, distribution class transformers, and pad-mounted switchgear to maintain proper operation (\$75,000).

Justification

Replace/refurbish/repair equipment as needed to extend the life cycle.

The Comprehensive Plan recommends monitoring increases in downtown parking demand as revitalization occurs, and implement recommendations of the Downtown Parking Management Plan. Improvement of public parking facilities is recommended to improve the downtown's image and attractiveness for economic development investment.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	75,000	75,000	75,000	75,000	75,000	375,000
Total	75,000	75,000	75,000	75,000	75,000	375,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Electric Fund	75,000	75,000	75,000	75,000	75,000	375,000
Total	75,000	75,000	75,000	75,000	75,000	375,000

Capital Improvement Plan
 City of Hagerstown, Maryland



Project # 50-C0802
 Project Name Wildlife Protection on Distribution System

Contact	Fridinger	Department	Electric Fund
Type	Improvement	Category	Machinery and Equipment
Status	Active	Useful Life	25 years
Location:	Various locations	Year Submitted:	2009

Description

Purchase and install wildlife protection on substation and distribution equipment.

FY26: Engineer and install custom bus and beam protection at Fairgrounds Substation (\$50,000).

FY27 - FY30: Engineer and install custom bus and beam protection for substations as identified (\$50,000).

Justification

Power outages caused by wildlife within the substations will be reduced and reliability will increase. There will also be a decrease in maintenance repair and/or replacement costs of damaged equipment caused by wildlife.

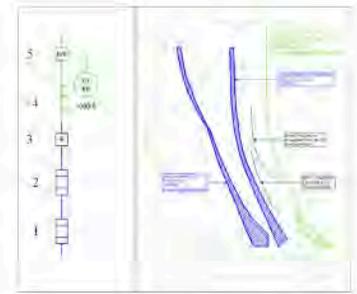
The Comprehensive Plan recommends monitoring increases in downtown parking demand as revitalization occurs, and implement recommendations of the Downtown Parking Management Plan. Improvement of public parking facilities is recommended to improve the downtown's image and attractiveness for economic development investment.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	35,000	35,000	35,000	35,000	35,000	175,000
Construction/Maintenance	15,000	15,000	15,000	15,000	15,000	75,000
Total	50,000	50,000	50,000	50,000	50,000	250,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Electric Fund	50,000	50,000	50,000	50,000	50,000	250,000
Total	50,000	50,000	50,000	50,000	50,000	250,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 50-C0833
 Project Name Feeder Coordination

Contact	Fridinger	Department	Electric Fund
Type	Improvement	Category	Infrastructure-Utilities
Status	Active	Useful Life	10 years
Location:	Various locations	Year Submitted:	2012

Description

FY26 - FY30: Remove, relocate, replace, and/or adjust circuit breakers, reclosers, fuses, switches, capacitors, etc. to improve system reliability and power quality. Project will follow coordination study by Electric Division engineers.

Justification

Improve system reliability and power quality.

The Comprehensive Plan recommends monitoring increases in downtown parking demand as revitalization occurs, and implement recommendations of the Downtown Parking Management Plan. Improvement of public parking facilities is recommended to improve the downtown's image and attractiveness for economic development investment.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	7,500	7,500	7,500	7,500	7,500	37,500
Equip/Vehicles/Furnishings	7,500	7,500	7,500	7,500	7,500	37,500
Total	15,000	15,000	15,000	15,000	15,000	75,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Electric Fund	15,000	15,000	15,000	15,000	15,000	75,000
Total	15,000	15,000	15,000	15,000	15,000	75,000

Capital Improvement Plan
City of Hagerstown, Maryland



Project # 50-C0842
 Project Name Circuit Upgrades

Contact	Fridinger	Department	Electric Fund
Type	Improvement	Category	Infrastructure-Utilities
Status	Active	Useful Life	50 years
Location:	Wesel to Burhans	Year Submitted:	2006

Description

Improve the ability to switch load between substations, improve service outage restoration times during outages caused by downed lines or source loss, and provide the ability to offload largest distribution feeders by providing additional tie points with increased capacity.

FY26 - FY27: Construction of the fifth feeder from the Wesel Substation in conjunction with C0778.

FY28 - FY30: Construction of the 34.5 kV tie between Wesel and Mitchell Substations.

Justification

Improve system reliability.

The Comprehensive Plan recommends monitoring increases in downtown parking demand as revitalization occurs, and implement recommendations of the Downtown Parking Management Plan. Improvement of public parking facilities is recommended to improve the downtown's image and attractiveness for economic development investment.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	70,000	70,000	100,000	100,000	100,000	440,000
Construction/Maintenance	44,500	45,500	50,000	50,000	50,000	240,000
Total	114,500	115,500	150,000	150,000	150,000	680,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Electric Fund	114,500	115,500	150,000	150,000	150,000	680,000
Total	114,500	115,500	150,000	150,000	150,000	680,000

Budget Impact

Will provide further options to switch load and expedite restoration of service to customers.

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 52-C0117
 Project Name Water Vehicles

Contact	Hausrath	Department	Water Fund
Type	Replacement	Category	Automobiles and Trucks
Status	Active	Useful Life	10 years
Location:	Water Department	Year Submitted:	Ongoing

Description

Per the Vehicle & Equipment Replacement Schedule:

FY26: 2012 Ford F550 Unit #260 (\$125,000); 2013 Chevy Equinox Unit #201 (\$40,000); 2015 Chevy Traverse Unit #214 (\$40,000); 2015 Chevy Traverse Unit #244 (\$40,000); 2006 JD 310SG Backhoe Unit #223 (\$160,000); 1990 Detour Arrow Board Unit #248 (\$20,000); 1998 Detour Arrow Board Unit #249 (\$20,000); Forklift RCW (\$30,000).

FY26: Includes unit #206 Ford F550 with Enclosed Service Body, on order, (\$131,500).

FY27: 2014 Ford F150 Unit #200 (\$60,000); 2014 International Dump Truck Unit #207 (\$200,000); 2014 Ford F150 Unit #203 (\$60,000); 2012 Ford Escape Unit #226 (\$40,000).

FY28: 2014 Case Excavator Unit #224 (\$200,000); 2018 Dodge Durango Unit #230 (\$45,000); 2017 Ford F350 Unit #204 (\$70,000); 2017 Ford F350 Unit #254 (\$70,000); 2016 Ford F350 Unit #217 (\$80,000).

FY29: 2016 Ford F550 Unit #216 (\$125,000), 2019 Ford Escape Unit #252 (\$45,000); 2019 Ford F250 Unit #212 (\$80,000); 2018 JD 30GX Unit #220 (\$200,000), 2016 JD 310SL Backhoe Unit #237 (\$200,000).

FY30: 2010 Ariens Mower Unit #213 (\$10,000); 2018 Chevy Colorado Unit #263 (\$45,000); 2018 Dodge Ram Unit #210 (\$70,000); 1998 GMC Stake Body Unit #245 (\$90,000); 2018 Dodge Ram Unit #227 (\$70,000).

Justification

Replacement of fleet vehicles and equipment - reduced maintenance expenses and increased reliability. Equipment replacement improves worker safety and customer response times.

The Comprehensive Plan recommends ensuring that adequate water capacity exists to serve the City's future growth goals and identifying and implementing viable projects to protect and/or enhance Hagerstown's water supply.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	606,500	360,000	465,000	650,000	285,000	2,366,500
Total	606,500	360,000	465,000	650,000	285,000	2,366,500

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Water Fund	606,500	360,000	465,000	650,000	285,000	2,366,500
Total	606,500	360,000	465,000	650,000	285,000	2,366,500

Budget Impact

Maintenance costs will be reduced with the replacement of older fleet vehicles.

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 52-C0166
 Project Name Willson Treatment Plant

Contact	Hausrath	Department	Water Fund
Type	Replacement	Category	Infrastructure-Utilities
Status	Active	Useful Life	50 years
Location:	Willson Plant	Year Submitted:	Ongoing

Description

FY26: Rebuild and replace the TracVac solids removal system (\$100,000). High service pump VFD replacement (\$600,000). Rebuild carbon feed system (\$200,000). Complete roof replacement (\$500,000).
 FY27: Replace DelPac storage tanks (\$1,000,000). Filter rehabilitation (\$5,000,000).
 FY28: Replace caustic bulk storage tank (\$750,000).
 FY26 - FY30: Replacement of pumps, motors, and other aging equipment (\$500,000). Structure improvements to include doors, windows, roof, etc. (\$100,000).

Justification

Improve service, increase system reliability, to improve employee and public safety, and enhance the structural integrity of the facility.

The Comprehensive Plan recommends ensuring that adequate water capacity exists to serve the City's future growth goals and identifying and implementing viable projects to protect and/or enhance Hagerstown's water supply.

Staff will submit a funding application to MDE in January 2026 for chemical improvements. This project will move forward pending funding approval.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	1,400,000	6,500,000	1,250,000	500,000	500,000	10,150,000
Construction/Maintenance	600,000	100,000	100,000	100,000	100,000	1,000,000
Total	2,000,000	6,600,000	1,350,000	600,000	600,000	11,150,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Bond Financing-MDE (Water Fund)	0	6,000,000	0	0	0	6,000,000
Water Fund	2,000,000	600,000	1,350,000	600,000	600,000	5,150,000
Total	2,000,000	6,600,000	1,350,000	600,000	600,000	11,150,000

Budget Impact

Replace and/or upgrade deteriorating equipment. In some cases a cost savings may be realized when equipment is replaced or upgraded to near original conditions.

Funding applications will be submitted to Maryland Department of the Environment in January 2026 for Chemical and Filter Upgrades.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 52-C0167
 Project Name Willson Transmission Mains

Contact	Hausrath	Department	Water Fund
Type	Improvement	Category	Infrastructure-Utilities
Status	Active	Useful Life	75 years
Location:	Willson Plant	Year Submitted:	2006

Description

FY26: Complete design on Phase 2 and begin construction of Phase 2 (MDE Approved Loan \$5,000,000) (\$5,800,000).
 FY27: Construction on Phase 2 (\$2,000,000). Engineering of construction for Phase 2 and design Phase 3A - directional bore under the Conococheaque Creek (\$1,120,000).
 FY28: Complete Phase 2 construction (\$8,000,000). Engineering and construction for Phase 3A - directional bore under the Conococheaque Creek and begin Construction of Phase 3A (\$1,600,000).
 FY29: Complete Phase 3A construction (\$6,000,000). Design and permitting for Phase 4 - Conococheaque Creek to Governor Lane Blvd (\$800,000).
 FY30: Engineering of construction for Phase 4 (\$640,000) and begin construction of Phase 4 (\$8,000,000).
 FY26 - FY30: Funding for valve replacement (\$200,000).

Justification

The cast transmission main was installed in the 1920's and the concrete main was installed in the 1950's. Distribution crews repair numerous pipe/joint failures each year. In order to safeguard the water system the two existing 24" transmission mains must be replaced. The current transmission mains are the limiting factor in the transfer of water from the RCW Plant to the water distribution system.

The Comprehensive Plan recommends ensuring that adequate water capacity exists to serve the City's future growth goals and identifying and implementing viable projects to protect and/or enhance Hagerstown's water supply.

MDE funding application submitted for \$15,000,000 for construction (renew \$5,000,000 award and increase total funding to \$15,000,000 for construction through FY28).

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	5,200,000	2,200,000	8,200,000	6,200,000	8,200,000	30,000,000
Engineering	800,000	1,120,000	1,600,000	800,000	640,000	4,960,000
Total	6,000,000	3,320,000	9,800,000	7,000,000	8,840,000	34,960,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Bond Financing-MDE (Water Fund)	5,000,000	2,000,000	8,000,000	6,000,000	8,000,000	29,000,000
Water Fund	1,000,000	1,320,000	1,800,000	1,000,000	840,000	5,960,000
Total	6,000,000	3,320,000	9,800,000	7,000,000	8,840,000	34,960,000

Budget Impact

MDE secured funding is \$5,000,000 for Phase 2. Funding applications will be submitted to MDE for Phase 3 and 4 consistent with MDE requirements.

Future funding applications will be submitted for Phase 3A and Phase 4.

Based on a 20 year term at 2.5%, the preliminary annual debt service impact for the FY26 bond issue of \$5,000,000 is \$324.8K.

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 52-C0168
 Project Name Edgemont Reservoir Improvements

Contact	Hausrath	Department	Water Fund
Type	Improvement	Category	Infrastructure-Utilities
Status	Active	Useful Life	50 years
Location:	Watershed - Smithsburg	Year Submitted:	Ongoing

Description

FY27: Begin construction of improvements to include Portable Maximum Precipitation (PMP) emergency spillway. MDE approved loan \$15,750,000. (\$10,000,000).
 FY28 - FY29: Continued MDE required reservoir improvements (\$10,000,000 annually).
 FY26 - FY30: Miscellaneous improvements needed to comply with Dam Safety requirements (\$100,000).

Justification

Improve system and increase reliability - work will ensure the Edgemont Reservoir is repaired and maintained in accordance with MDE Dam Safety Division requirements.
 The Comprehensive Plan recommends ensuring that adequate water capacity exists to serve the City's future growth goals and identifying and implementing viable projects to protect and/or enhance Hagerstown's water supply.
 MDE funding application was submitted in January 2025 totaling \$30,000,000 for construction to renew current award and funding to complete the project.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	100,000	10,100,000	10,100,000	10,100,000	100,000	30,500,000
Total	100,000	10,100,000	10,100,000	10,100,000	100,000	30,500,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Bond Financing-MDE (Water Fund)	0	10,000,000	10,000,000	10,000,000	0	30,000,000
Water Fund	100,000	100,000	100,000	100,000	100,000	500,000
Total	100,000	10,100,000	10,100,000	10,100,000	100,000	30,500,000

Budget Impact

Planned improvement to address regulatory requirements.
 MDE funding: \$15,750,000 total
 Loan: \$14,250,000
 Grant: \$1,500,000
 Principal Forgiveness: \$1,500,000
 Funding Applications will be submitted to MDE for additional project funding.

Capital Improvement Plan
 City of Hagerstown, Maryland



Project # 52-C0274
 Project Name Mack Water Tank

Contact	Hausrath	Department	Water Fund
Type	Replacement	Category	Infrastructure-Utilities
Status	Active	Useful Life	50 years
Location:	Water Department	Year Submitted:	2022

Description

FY30: Engineering design and permitting of Mack Water Tank (\$350,000).

Justification

Replace aging infrastructure, Mack Tank is 50 years old and has had two leaks in the past four years.

The Comprehensive Plan recommends ensuring that adequate water capacity exists to serve the City's future growth goals and identifying and implementing viable projects to protect and/or enhance Hagerstown's water supply.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Engineering	0	0	0	0	350,000	350,000
Total	0	0	0	0	350,000	350,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Water Fund	0	0	0	0	350,000	350,000
Total	0	0	0	0	350,000	350,000

Budget Impact

Upgrades will replace aging infrastructure.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 52-C0322
 Project Name Risk and Resiliency/Security

Contact	Hausrath	Department	Water Fund
Type	Improvement	Category	Infrastructure-Utilities
Status	Active	Useful Life	5 years
Location:	Water Department	Year Submitted:	2020

Description

FY26 - FY30: Continue with security upgrades at Water field office and storage areas (\$50,000). Improve security systems at plants, pump stations, and tanks (\$150,000).

Justification

Due to an EPA mandate, the Water Department is currently conducting a "Risk and Resiliency Assessment" to determine areas of vulnerability. These improvements have been identified as areas that will add to the security of the water system.

The Comprehensive Plan recommends ensuring that adequate water capacity exists to serve the City's future growth goals and identifying and implementing viable projects to protect and/or enhance Hagerstown's water supply.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	200,000	200,000	200,000	200,000	200,000	1,000,000
Total	200,000	200,000	200,000	200,000	200,000	1,000,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Water Fund	200,000	200,000	200,000	200,000	200,000	1,000,000
Total	200,000	200,000	200,000	200,000	200,000	1,000,000

Budget Impact

Planned improvements to address regulatory requirements.

FY 26 thru FY 30

Capital Improvement Plan City of Hagerstown, Maryland

Project # 52-C0323
Project Name Zone 3 Standpipe

Department Water Fund Type Improvement
Category Infrastructure-Utilities Status Completed
Useful Life 50 years Location: Water Department
Year Submitted: 2001

Description

This project will result in a hydraulic analysis on Zone 3, and will address pumping and storage capacity. Project is required as a result of an agreement with Sierra Nevada Corporation (SNC). It is likely that PS3 will be upgraded (suction, discharge and all assorted equipment and infrastructure) to meet Zone 3 fire flow requirements because of tank elevation restrictions in FFA regulations.

Justification

Water quality associated with Zone 3 storage needs to be addressed in order to maintain compliance with the Safe Drinking Water Act. To address system deficiencies in Zone 3 which is an improvement required by Sierra Nevada Corporation (SNC) Agreement. Cost share of \$100,000 from SNC.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	0	0	100,000	0	0	100,000
Total	0	0	100,000	0	0	100,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
ARDI Fund Balance	0	0	100,000	0	0	100,000
Total	0	0	100,000	0	0	100,000

Budget Impact

Planned improvement to enhance reliability.

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 52-C0405
 Project Name Breichner WTP Improvements

Contact	Hausrath	Department	Water Fund
Type	Improvement	Category	Infrastructure-Utilities
Status	Active	Useful Life	25 years
Location:	Breichner Plant	Year Submitted:	Ongoing

Description

Upgrades will be a result of the implementation of existing and proposed Safe Drinking Water Act requirements as well as Clean Water Act requirements. Upgrades will be necessary to convert the Breichner Plant to chloramines as the secondary disinfectant. Additional upgrades will include upgrading the electrical and SCADA equipment, internal piping, and enhanced filtration sufficient to treat the raw water supply.

- FY26 - FY30: \$25,000 annually for miscellaneous required rehab/replacement projects.
- FY27: Engineering design (\$800,000).
- FY28: Engineering design (\$600,000) and construction phase (\$5,000,000).
- FY29: Engineering construction phase (\$5,600,000).
- FY30: Engineering construction phase (\$2,400,000).

Justification

Replace and/or upgrade aging equipment to achieve compliance with the Safe Drinking Water Act Disinfectant By-Product Rule and the Enhanced Long Term 2 Surface Water Treatment Rule requirements and to continue to ensure a back-up water supply. MDE Clean Water Act Program (NPDES) will require that no ammonia or phosphorus treated water be discharged to the wastewater lagoon thus increasing the upgrade expenses for the plant improvements.

The Comprehensive Plan recommends ensuring that adequate water capacity exists to serve the City's future growth goals and identifying and implementing viable projects to protect and/or enhance Hagerstown's water supply.

Future funding application will be submitted to MDE for Plant Upgrades and will be based on updated engineering estimates in 2027.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	25,000	25,000	5,025,000	5,025,000	2,025,000	12,125,000
Engineering	0	800,000	600,000	600,000	400,000	2,400,000
Total	25,000	825,000	5,625,000	5,625,000	2,425,000	14,525,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Bond Financing-MDE (Water Fund)	0	0	5,000,000	5,000,000	2,000,000	12,000,000
Water Fund	25,000	825,000	625,000	625,000	425,000	2,525,000
Total	25,000	825,000	5,625,000	5,625,000	2,425,000	14,525,000

Budget Impact

Planned improvements to enhance reliability.

MDE Funding: \$6,040,000 - Loan

Additional MDE funding will be requested for all construction expenses - funding application will be submitted in January 2026.

FY 26 thru FY 30

Capital Improvement Plan City of Hagerstown, Maryland



Project # 52-C0648
Project Name Admin & Engineering Equipment

Contact	Hausrath	Department	Water Fund
Type	Improvement	Category	Infrastructure-Utilities
Status	Active	Useful Life	5 years
Location:	Wastewater treatment plant	Year Submitted:	Ongoing

Description

FY26: Survey equipment for accurate mapping of water infrastructure (\$50,000).

FY26 - FY30: Upgrade computer equipment and Info-Water Program (Hydraulic Model and GIS) (\$20,000).

Justification

To replace and/or upgrade engineering equipment.

The Comprehensive Plan recommends ensuring that adequate water capacity exists to serve the City's future growth goals and identifying and implementing viable projects to protect and/or enhance Hagerstown's water supply.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Software	70,000	20,000	20,000	20,000	20,000	150,000
Total	70,000	20,000	20,000	20,000	20,000	150,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Water Fund	70,000	20,000	20,000	20,000	20,000	150,000
Total	70,000	20,000	20,000	20,000	20,000	150,000

Budget Impact

To ensure accuracy and reliability of engineering equipment.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 52-C0651
 Project Name Pump Station Improvements

Contact	Hausrath	Department	Water Fund
Type	Improvement	Category	Infrastructure-Utilities
Status	Active	Useful Life	25 years
Location:	Various locations	Year Submitted:	Ongoing

Description

FY26 - FY30: Replacement of critical equipment at all stations (pumps, motors, etc). (\$125,000).
 FY27: Construction of new suction and discharge piping at Pump Station #6 at Greendale Street and the Chewsville PRV - developer driven (\$300,000).
 FY28 - FY29: Continued construction of new suction and discharge piping at Pump Station #6 at Greendale Street and the Chewsville PRV - developer driven. (\$1,000,000).
 FY30: Relocation and construction of Pump Station #2 on Northern Avenue - developer driven (\$1,500,000).

Justification

.Replace and/or upgrade deteriorating infrastructure for reliability. Compliance with Safe Drinking Water Act requirements - Stage 2 DBPR.
 The Comprehensive Plan recommends ensuring that adequate water capacity exists to serve the City's future growth goals and identifying and implementing viable projects to protect and/or enhance Hagerstown's water supply.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	0	300,000	1,000,000	1,000,000	1,500,000	3,800,000
Equip/Vehicles/Furnishings	125,000	125,000	125,000	125,000	125,000	625,000
Total	125,000	425,000	1,125,000	1,125,000	1,625,000	4,425,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Contribution by Others	0	300,000	1,000,000	1,000,000	1,500,000	3,800,000
Water Fund	125,000	125,000	125,000	125,000	125,000	625,000
Total	125,000	425,000	1,125,000	1,125,000	1,625,000	4,425,000

Budget Impact

Pump Station relocation will from Northern Ave to Potomac (Leitersburg) will occur should residential development occur requiring the pump station. Cost will be paid by developer.

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 52-C0653
 Project Name Distribution Services - Meter Program

Contact	Hausrath	Department	Water Fund
Type	Replacement	Category	Infrastructure-Utilities
Status	Active	Useful Life	25 years
Location:	Water Department	Year Submitted:	2004

Description

FY26 - FY30: Hardware, software, upgrades for meter reading (\$25,000). Purchase residential meters and radio transceiver units (\$400,000).
 FY26 - FY30: Large meter rehab and replacement program (commercial and industrial customers) (\$200,000).
 FY26 - FY30: Fireline meters (commercial and industrial customers) (\$100,000).
 FY26 - FY30: Labor for new services. (\$25,000).

Justification

Replace aging and obsolete equipment to ensure accurate billing and collection of required revenue to operate water systems.

The Comprehensive Plan recommends ensuring that adequate water capacity exists to serve the City's future growth goals and identifying and implementing viable projects to protect and/or enhance Hagerstown's water supply.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	700,000	700,000	700,000	700,000	700,000	3,500,000
Allocated Labor	25,000	25,000	25,000	25,000	25,000	125,000
Software	25,000	25,000	25,000	25,000	25,000	125,000
Total	750,000	750,000	750,000	750,000	750,000	3,750,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Water Fund	750,000	750,000	750,000	750,000	750,000	3,750,000
Total	750,000	750,000	750,000	750,000	750,000	3,750,000

Budget Impact

Unaccounted for water will be reduced and the billing and collection of required revenue will be enhanced.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 52-C0709
Project Name Distribution System Rehab - Main Replacement

Contact	Hausrath	Department	Water Fund
Type	Replacement	Category	Infrastructure-Utilities
Status	Active	Useful Life	50 years
Location:	Water Department	Year Submitted:	Ongoing

Description

FY26: Replace aging transmission mains throughout the Distribution System (Mosby Dr., Emerald Dr., Harry Heth Rd.) - Construction (\$350,000)/Allocated Labor (\$100,000).
 FY26 - FY30: Continue to replace aging service lines throughout the Distribution System to include lead and galvanized materials covered in the Lead and Copper Rule Compliance (LCRR) (\$100,000).
 FY26 - FY30: Continue the leak detection program (\$10,000).
 FY26 - FY30: Hydrant and valve repair and replacement program (\$100,000).

Justification

Replace deteriorating infrastructure to improve reliability, safety for workers, and customer service. Main replacement will be based on age of mains, main failure and the removal of transite (asbestos concrete) pipe.

The Comprehensive Plan recommends ensuring that adequate water capacity exists to serve the City's future growth goals and identifying and implementing viable projects to protect and/or enhance Hagerstown's water supply.

Funding application for Lead and Copper Rule compliance was submitted for \$15,358,619.75. Project completion is contingent on funding approval.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	560,000	560,000	560,000	560,000	560,000	2,800,000
Allocated Labor	100,000	100,000	100,000	100,000	100,000	500,000
Total	660,000	660,000	660,000	660,000	660,000	3,300,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Water Fund	660,000	660,000	660,000	660,000	660,000	3,300,000
Total	660,000	660,000	660,000	660,000	660,000	3,300,000

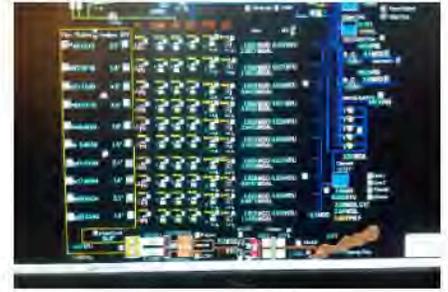
Budget Impact

Replace and/or Upgrade Deteriorating Infrastructure - Reliability Reduction in operating cost associated with road repairs as distribution system is upgraded (materials and road repairs).

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 52-C0820
 Project Name Water System SCADA Improvements

Contact	Hausrath	Department	Water Fund
Type	Improvement	Category	Infrastructure-Utilities
Status	Active	Useful Life	15 years
Location:	Water Department	Year Submitted:	Ongoing

Description

FY26 - FY30: Miscellaneous consultant/integrator fees (\$20,000), miscellaneous hardware and software to maintain the Water SCADA system (\$40,000).

Justification

Replace and/or upgrade aging equipment and facilities. SCADA upgrades will increase operational efficiency.

The Comprehensive Plan recommends ensuring that adequate water capacity exists to serve the City's future growth goals and identifying and implementing viable projects to protect and/or enhance Hagerstown's water supply.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Software	60,000	60,000	60,000	60,000	60,000	300,000
Total	60,000	60,000	60,000	60,000	60,000	300,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Water Fund	60,000	60,000	60,000	60,000	60,000	300,000
Total	60,000	60,000	60,000	60,000	60,000	300,000

Budget Impact

Upgrades will replace aging equipment. Maintain existing SCADA to ensure treatment efficiencies.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 52-C0823
 Project Name Antietam Creek Intake and Water Plant

Contact	Hausrath	Department	Water Fund
Type	Improvement	Category	Infrastructure-Utilities
Status	Active	Useful Life	50 years

Description

FY30: Begin preliminary design for the construction of a new raw water intake supply (\$1,000,000).

Justification

Provide a second source for potable water.

The Comprehensive Plan recommends ensuring that adequate water capacity exists to serve the City's future growth goals and identifying and implementing viable projects to protect and/or enhance Hagerstown's water supply.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Planning/Design	0	0	0	0	1,000,000	1,000,000
Total	0	0	0	0	1,000,000	1,000,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Water Fund	0	0	0	0	1,000,000	1,000,000
Total	0	0	0	0	1,000,000	1,000,000

Budget Impact

Funding will be requested through the Maryland Department of the Environment SRF Loan Program.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 52-C0877
 Project Name Water Zone #5 System Improvements

Contact	Hausrath	Department	Water Fund
Type	Improvement	Category	Infrastructure-Utilities
Status	Active	Useful Life	50 years

Description

F26: Begin construction of a new water tank to service the existing Zone 5 and/or portions of the Base Zone based on reconfiguration of Zone 5 and the Base Zone in the Robinwood corridor - developer driven (\$1,500,000). Engineering design, bidding, and construction phase (\$800,000).
 FY27: Continue construction of new water tank to service the existing Zone 4 and/or portions of the Base Zone based on reconfiguration of Zone 5 and the Base Zone in the Robinwood corridor - developer driven (\$2,000,000). Improvements to the water distribution system for the Black Rock development to include a water pumping station - developer driven (\$2,500,000). Engineering design, bidding, and construction phase (\$500,000).
 FY28: Continue construction of new water tank to service the existing Zone 4 and/or portions of the Base Zone based on reconfiguration of Zone 5 and the Base Zone in the Robinwood corridor - developer driven (\$1,500,000). Improvements to the water distribution system for the Black Rock development to include a water pumping station - developer driven (\$2,000,000). Engineering design, bidding, and construction phase (\$410,000).

Justification

Improve fire protection and water quality in Water Zone #5.

The Comprehensive Plan recommends ensuring that adequate water capacity exists to serve the City's future growth goals and identifying and implementing viable projects to protect and/or enhance Hagerstown's water supply.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	1,500,000	4,500,000	3,500,000	0	0	9,500,000
Engineering	800,000	500,000	410,000	0	0	1,710,000
Total	2,300,000	5,000,000	3,910,000	0	0	11,210,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Water Fund	1,550,000	2,750,000	2,160,000	0	0	6,460,000
Contribution by Others	750,000	2,250,000	1,750,000	0	0	4,750,000
Total	2,300,000	5,000,000	3,910,000	0	0	11,210,000

Budget Impact

Rural Maryland Grant for Study: \$500,000.

Arborview (formally Black Rock) Developer will be responsible for a portion of the needed water system upgrades.

FY25 Expense is \$250,000. Based on a 20 year term at 2.5%, the preliminary annual debt service impact for the FY25 bond issue of \$250,000 is \$16.4K.

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 54-C0004
Project Name Wastewater Vehicle and Equipment Replacement

Contact	Hausrath	Department	Wastewater Fund
Type	Replacement	Category	Automobiles and Trucks
Status	Active	Useful Life	10 years
Location:	CS, WWTP, Admin.	Year Submitted:	Ongoing

Description

Per the Vehicle & Equipment Replacement Schedule:

FY26: 2015 Jeep Patriot Unit #534 (\$40,000); 2005 New Holland Tractor Unit #535 (\$40,000); 2002 Ford Ranger Unit #541 (\$40,000); 1999 Atlas Generator Unit #509 (\$80,000); 2001 JD 444 Loader Unit #593 (\$150,000); 2015 Chevy Traverse Unit #501 (\$40,000).
FY27: 2006 Chevy 2500 4X4 Unit #591 (\$75,000); 1993 MGS Generator Unit #513 (\$80,000); 2016 Ford F550 Unit #508 (\$90,000); 2017 Ford F450 Unit #525 (\$60,000); 2020 Kenworth Dump Truck Unit #595 (\$150,000).
FY28: 2013 Chevy Equinox Unit #532 (\$40,000); 2019 Ford F250 Unit #536 (\$60,000); 2008 Chevy Trail Blazer Unit #505 (\$40,000); 2018 Ford F750 Unit #512 (\$150,000); 2020 Ford F250 Unit #524 (\$60,000).
FY29: 2008 JD 310SJ Backhoe Unit #560 (\$150,000); 2017 John Deere Tractor Unit #540 (\$40,000); 2018 Ford F250 Unit #500 (\$60,000).
FY30: 2022 Ford F250 Unit #515 (\$60,000); 2021 Ford F600 Unit #518 (\$125,000); 2014 Kenworth Vacuum Truck Unit #527 (\$400,000).

Justification

Replacement of fleet vehicles and equipment - reduced maintenance expenses and increase in reliability.

The Comprehensive Plan recommends ensuring that adequate wastewater capacity exists to serve the City's future growth goals and meeting all regulatory requirements to help protect public health and the environment, in particular reducing the environmental impact on Antietam Creek.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	390,000	455,000	350,000	250,000	585,000	2,030,000
Total	390,000	455,000	350,000	250,000	585,000	2,030,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Wastewater Fund	390,000	455,000	350,000	250,000	585,000	2,030,000
Total	390,000	455,000	350,000	250,000	585,000	2,030,000

Budget Impact

The following vehicles are anticipated in FY25 budget:

Ford F150 Unit #534 (\$55,000); Ford F150 Unit #535 (\$50,000); Ford Ranger Unit #541 (\$40,000); SUV AWD Unit #532 (\$40,000).

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 54-C0267
 Project Name Collection System Improvement Program

Contact	Hausrath	Department	Wastewater Fund
Type	Improvement	Category	Infrastructure-Utilities
Status	Active	Useful Life	40 years
Location:	City-Wide	Year Submitted:	Ongoing

Description

Raise manholes to meet new street grade. Replace three-inch thick lids with lighter more accessible lids.

FY26 - FY30: Manhole raising frame replacement (\$50,000).

FY26 - FY30: Manhole replacement/rehabilitation on high priority deteriorating manholes (\$100,000).

FY26 - FY30: Miscellaneous lining to remove I&I on laterals, manholes, and mains (\$750,000).

FY26 - FY30: Replace various pieces of aging equipment for 23 pump stations including muffin monsters, drive gears, cutters, soft starts, transfer switches, etc. (\$100,000).

FY26 - FY30: Engineering and Integration Service to support ongoing projects (\$100,000).

Justification

Reduction in liability in expenses. To complete in conjunction with other road and utility work to minimize site reclamation expenses.

The Comprehensive Plan recommends ensuring that adequate wastewater capacity exists to serve the City's future growth goals and meeting all regulatory requirements to help protect public health and the environment, in particular reducing the environmental impact on Antietam Creek.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Wastewater Line Replacement	750,000	750,000	750,000	750,000	750,000	3,750,000
Construction/Maintenance	150,000	150,000	150,000	150,000	150,000	750,000
Engineering	100,000	100,000	100,000	100,000	100,000	500,000
Equip/Vehicles/Furnishings	100,000	100,000	100,000	100,000	100,000	500,000
Total	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	5,500,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Wastewater Fund	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	5,500,000
Total	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	5,500,000

Budget Impact

Reduce annual operational expenses.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 54-C0299
 Project Name Pump Station SCADA Improvements

Contact	Hausrath	Department	Wastewater Fund
Type	Improvement	Category	Infrastructure-Utilities
Status	Active	Useful Life	40 years
Location:	System-wide	Year Submitted:	Ongoing

Description

Replacement and upgrades to Collection System Pump Stations SCADA systems.

FY26 - FY30: Replace/Upgrade HMI Interface, PLCs, etc. (\$25,000).

FY26 - FY30: Replace SCADA hardware and software as required to keep the systems operational (\$75,000).

Justification

Reduce maintenance and increase safety and security of Wastewater pump stations. Replacing obsolete SCADA equipment is needed to improve the reliability of the SCADA system for wastewater pump stations.

The Comprehensive Plan recommends ensuring that adequate wastewater capacity exists to serve the City's future growth goals and meeting all regulatory requirements to help protect public health and the environment, in particular reducing the environmental impact on Antietam Creek.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	75,000	75,000	75,000	75,000	75,000	375,000
Engineering	25,000	25,000	25,000	25,000	25,000	125,000
Total	100,000	100,000	100,000	100,000	100,000	500,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Wastewater Fund	100,000	100,000	100,000	100,000	100,000	500,000
Total	100,000	100,000	100,000	100,000	100,000	500,000

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 54-C0565
 Project Name East End Pump Station #33

Contact	Hausrath	Department	Wastewater Fund
Type	Improvement	Category	Infrastructure-Utilities
Status	Active	Useful Life	40 years
Location:	East End	Year Submitted:	2001

Description

FY26: Inflow and Infiltration on existing sewer mains served by Pump Station #9. Post demo and construction inspection (\$500,000).

Justification

The Comprehensive Plan recommends ensuring that adequate wastewater capacity exists to serve the City's future growth goals and meeting all regulatory requirements to help protect public health and the environment, in particular reducing the environmental impact on Antietam Creek.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Wastewater Line Replacement	500,000	0	0	0	0	500,000
Total	500,000	0	0	0	0	500,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Wastewater Fund	500,000	0	0	0	0	500,000
Total	500,000	0	0	0	0	500,000

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 54-C0574
 Project Name Pump Station #13 Reconstruction

Contact	Hausrath	Department	Wastewater Fund
Type	Improvement	Category	Infrastructure-Utilities
Status	Active	Useful Life	50 years
Location:	Western Maryland Parkway	Year Submitted:	2022

Description

FY26: Begin re-construction of Pump Station No. 13 on Western Maryland Parkway (\$1,000,000).
 FY27: Complete re-construction of Pump Station No. 13 on Western Maryland Parkway (\$2,200,000).
 FY26 - FY27: I & I collection system lining as needed (\$500,000).

Justification

Pump Station No. 13 will need to be rebuilt and returned to service in accordance with the requirements in the Joint Sewer Service Area Agreement. The Comprehensive Plan recommends implementation of projects and policies to ensure that adequate wastewater capacity exists to serve future growth, particularly within the city and areas to be annexed. This project upgrades will return flow to the City currently being transferred to the County through the Hopewell Interceptor Sewer (JSSA Agreement).

The Comprehensive Plan recommends ensuring that adequate wastewater capacity exists to serve the City's future growth goals and meeting all regulatory requirements to help protect public health and the environment, in particular reducing the environmental impact on Antietam Creek.

MDE funding application submitted in January 2025 for \$3,200,000. Project will move forward regardless of MDE funding.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	1,000,000	2,200,000	0	0	0	3,200,000
Wastewater Line Replacement	500,000	500,000	0	0	0	1,000,000
Total	1,500,000	2,700,000	0	0	0	4,200,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Bond Financing-MDE (Wastewater Fund)	1,000,000	2,200,000	0	0	0	3,200,000
Wastewater Fund	500,000	500,000	0	0	0	1,000,000
Total	1,500,000	2,700,000	0	0	0	4,200,000

Budget Impact

Total Project Estimated Cost: \$4,200,000
 MDE Funding: \$3,200,000
 Wastewater Restricted Cash: \$1,000,000

Based on a 20 year term at 2.5%, the preliminary annual debt service impact for the FY26 bond issue of \$1,000,000 is \$65,455.

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 54-C0584
 Project Name WWT Plant Equipment

Contact	Hausrath	Department	Wastewater Fund
Type	Replacement	Category	Machinery and Equipment
Status	Active	Useful Life	20 years
Location:	Wastewater treatment plant	Year Submitted:	Ongoing

Description

Replaces various aging equipment or adds additional new equipment to maintain efficient operations, permit compliance, and security.

FY26: Purchase and install generator for the Wastewater Treatment Plant (WWTP) Operations Building (\$400,000). Complete Phase 1 engineering design and begin construction of electrical, pumping, and nutrient removal improvements (\$11,000,000).

FY27: Continue construction for electrical, pumping, and nutrient removal improvements (\$8,000,000).

FY28: Complete construction for electrical, pumping, and nutrient removal improvements (\$3,000,000).

FY26 - FY30: Replace aging equipment (pumps, motors, flow meters, ect.) (\$500,000).

FY26 - FY30: SCADA upgrades for all obsolete unsupported hardware and software systems (\$50,000).

Justification

Deteriorating equipment that has reached the end of its useful life cycle requires replacement to maintain reliable continuous operations. Replaces aging infrastructure and upgrade the treatment process to achieve best available treatment technology for nutrient removal.

The Comprehensive Plan recommends ensuring that adequate wastewater capacity exists to serve the City's future growth goals and meeting all regulatory requirements to help protect public health and the environment, in particular reducing the environmental impact on Antietam Creek.

MDE funding application submitted in January 2025 requesting an additional \$2,000,000, bringing total MDE funding to \$22,000,000 for construction.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	11,050,000	8,050,000	3,050,000	50,000	50,000	22,250,000
Equip/Vehicles/Furnishings	900,000	500,000	500,000	500,000	500,000	2,900,000
Total	11,950,000	8,550,000	3,550,000	550,000	550,000	25,150,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Bond Financing-MDE (Wastewater Fund)	9,500,000	8,000,000	3,000,000	0	0	20,500,000
Wastewater Fund	950,000	550,000	550,000	550,000	550,000	3,150,000
Grant-State MDE	1,500,000	0	0	0	0	1,500,000
Total	11,950,000	8,550,000	3,550,000	550,000	550,000	25,150,000

Budget Impact

\$20,000,000 MDE Funding Secured (\$18,500,000 Loan and \$1,500,000 Grant).

Funding applications were submitted for Phase 2 \$31,625,000 and for Phase 2A \$12,650,000.

Based on a 25 year term at 2.5%, the preliminary annual debt service impact for the FY26 bond issue of \$9,500,000 is \$517.7K.

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 54-C0585
 Project Name WWT Buildings/ Structures/ Equipment & Software

Contact	Hausrath	Department	Wastewater Fund
Type	Improvement	Category	Buildings and Structures
Status	Active	Useful Life	50 years
Location:	1 Clean Water Circle	Year Submitted:	Ongoing

Description

FY26: Begin renovations to the Barn (Water and Wastewater Administrative and Engineering Offices) of upper level, HVAC, and elevator (\$1,500,000). Begin construction of the Environmental Laboratory (\$2,000,000).
 FY27: Complete construction of the Environmental Laboratory (\$1,500,000). Continue renovations at the Barn (Water and Wastewater Administrative and Engineering Offices) - lower level (\$1,500,000).
 FY26 - FY30: Miscellaneous site improvements including parking, security, sidewalks, fencing, etc. (\$50,000).

Justification

The new Environmental Laboratory will be located in the former DairyOne building adjacent to the Wastewater Treatment Plant. Upgrade existing Administration Offices to meet current code requirements for electrical, HVAC, and ADA. Construct new Environmental Laboratory for Water and Wastewater analysis for compliance with SDWA and CWA regulations.

The Comprehensive Plan recommends ensuring that adequate wastewater capacity exists to serve the City's future growth goals and meeting all regulatory requirements to help protect public health and the environment, in particular reducing the environmental impact on Antietam Creek.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	3,550,000	3,050,000	50,000	50,000	50,000	6,750,000
Total	3,550,000	3,050,000	50,000	50,000	50,000	6,750,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Wastewater Fund	3,550,000	3,050,000	50,000	50,000	50,000	6,750,000
Total	3,550,000	3,050,000	50,000	50,000	50,000	6,750,000

Budget Impact

Cost will be shared with the Water Fund - Water Fund Allocation identified in the 5274001-5920 - FY26-\$1,575,000; FY27-\$1,375,000; FY28-\$25,000; FY29-\$25,000; FY30-\$25,000 (Total for FY26-FY30 \$3,025,000).

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 54-C0657
 Project Name Oxygen System Improvements

Contact	Hausrath	Department	Wastewater Fund
Type	Replacement	Category	Infrastructure-Utilities
Status	Active	Useful Life	20 years
Location:	Wastewater treatment plant	Year Submitted:	Ongoing

Description

Specialized Services includes work by an outside consultant to continue efforts to integrate controls for oxygen control panels into Plant SCADA System.
 FY26 - FY30: Continued improvements to ensure operational compliance (\$25,000).

Justification

Improve reliability, efficiencies, and maintain MDE compliance.
 The Comprehensive Plan recommends ensuring that adequate wastewater capacity exists to serve the City's future growth goals and meeting all regulatory requirements to help protect public health and the environment, in particular reducing the environmental impact on Antietam Creek.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	25,000	25,000	25,000	25,000	25,000	125,000
Total	25,000	25,000	25,000	25,000	25,000	125,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Wastewater Fund	25,000	25,000	25,000	25,000	25,000	125,000
Total	25,000	25,000	25,000	25,000	25,000	125,000

Budget Impact

Reduction in plant maintenance and operational expenses associated with the oxygen process.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 54-C0712
 Project Name Solids Processing Facility Improvements

Contact	Hausrath	Department	Wastewater Fund
Type	Improvement	Category	Machinery and Equipment
Status	Active	Useful Life	20 years
Location:	Wastewater treatment plant	Year Submitted:	Ongoing

Description

F26 - FY30: Annual asset management fee for infrastructure improvements (\$250,000).
 FY26: Dust hazard analysis improvements (\$1,000,000). Begin construction of new silo for Pellet Storage (\$500,000). Replace roof on Pelletizer (\$250,000).
 FY27: Complete construction of new silo for Pellet Storage (\$1,000,000).
 FY27 - FY30: Continued pumping, aeration, and screening upgrades (\$1,500,000).

Justification

Existing silo has been in service since 1988 and the condition has deteriorated.

The Comprehensive Plan recommends ensuring that adequate wastewater capacity exists to serve the City's future growth goals and meeting all regulatory requirements to help protect public health and the environment, in particular reducing the environmental impact on Antietam Creek.

Staff will submit a MDE funding application in January 2026 for planned upgrades. Project is contingent on MDE Bond/Grant financing.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	1,750,000	2,500,000	1,500,000	1,500,000	1,500,000	8,750,000
Equip/Vehicles/Furnishings	250,000	250,000	250,000	250,000	250,000	1,250,000
Total	2,000,000	2,750,000	1,750,000	1,750,000	1,750,000	10,000,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Bond Financing-MDE (Wastewater Fund)	0	1,500,000	1,500,000	1,500,000	1,500,000	6,000,000
Wastewater Fund	2,000,000	1,250,000	250,000	250,000	250,000	4,000,000
Total	2,000,000	2,750,000	1,750,000	1,750,000	1,750,000	10,000,000

Budget Impact

Reduce future maintenance expenses. Ensure reliability and compliance with environmental regulations.

Capital Improvement Plan
 City of Hagerstown, Maryland



Project # 54-C0745
 Project Name Laboratory Equipment

Contact	Hausrath	Department	Wastewater Fund
Type	Replacement	Category	Machinery and Equipment
Status	Active	Useful Life	15 years
Location:	Wastewater treatment plant	Year Submitted:	Ongoing

Description

FY26 - FY30: Replacement of Laboratory Equipment (\$100,000).

Justification

To maintain Environmental Laboratory operations in accordance with Federal and State requirements.

The Comprehensive Plan recommends ensuring that adequate wastewater capacity exists to serve the City's future growth goals and meeting all regulatory requirements to help protect public health and the environment, in particular reducing the environmental impact on Antietam Creek.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	100,000	100,000	100,000	100,000	100,000	500,000
Total	100,000	100,000	100,000	100,000	100,000	500,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Wastewater Fund	100,000	100,000	100,000	100,000	100,000	500,000
Total	100,000	100,000	100,000	100,000	100,000	500,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 54-C0767
 Project Name Grinder Pump Replacement Program

Contact	Hausrath	Department	Wastewater Fund
Type	Replacement	Category	Infrastructure-Utilities
Status	Active	Useful Life	10 years
Location:	Various locations	Year Submitted:	2007

Description

The City is responsible for approximately 330 Grinder Pumps that have been installed in four locations (Brightwood East, Fairway East, Fairway Meadows & Woodlands North). Grinder pumps are used in situations where sewer service lines leaving a home or business are lower than the public sewer main. The Grinder Pump is used to pump the wastewater into the public sewer main.

FY26 - FY30: This program will replace 20 grinder pumps, including the discharge assemblies, per year (\$125,000) and will be entering its 14th year in the budget process.

FY26 - FY30: Grinder pump discharge assemblies for inventory (\$20,000).

Justification

Replacement of deteriorating equipment to prevent property damage and raw sewage spills.

The Comprehensive Plan recommends ensuring that adequate wastewater capacity exists to serve the City's future growth goals and meeting all regulatory requirements to help protect public health and the environment, in particular reducing the environmental impact on Antietam Creek.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	145,000	145,000	145,000	145,000	145,000	725,000
Total	145,000	145,000	145,000	145,000	145,000	725,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Wastewater Fund	145,000	145,000	145,000	145,000	145,000	725,000
Total	145,000	145,000	145,000	145,000	145,000	725,000

Budget Impact

Reduces annual maintenance expenses.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 54-C0832
 Project Name Pump Stations 6 and 15 Removal

Contact	Hausrath	Department	Wastewater Fund
Type	Improvement	Category	Infrastructure-Utilities
Status	Active	Useful Life	40 years
Location:	Various locations	Year Submitted:	2016

Description

FY26: Pump Station #15 upgrades at Noland Village will need to be completed to accommodate flows from Pump Station #13. (\$250,000).
 FY27: Continued upgrades of Pump Station #15 at Noland Village to be completed to accommodate flows from Pump Station #13. (\$500,000 MDE Bond Financing).
 FY28: Demolition of Pump Station 6 (after PS13 is online) (\$500,000 MDE Bond Financing).
 FY28 - FY29: Construction of new gravity mains and package pump station to eliminate PS6 (\$3,000,000 MDE Bond Financing).

Justification

Reduce annual operating costs.

The Comprehensive Plan recommends ensuring that adequate wastewater capacity exists to serve the City's future growth goals and meeting all regulatory requirements to help protect public health and the environment, in particular reducing the environmental impact on Antietam Creek.

Staff will submit a MDE funding application in January 2026. Project will be needed independent of approved MDE funding.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	250,000	500,000	2,500,000	1,000,000	0	4,250,000
Total	250,000	500,000	2,500,000	1,000,000	0	4,250,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Bond Financing-MDE (Wastewater Fund)	0	500,000	2,500,000	1,000,000	0	4,000,000
Wastewater Fund	250,000	0	0	0	0	250,000
Total	250,000	500,000	2,500,000	1,000,000	0	4,250,000

Budget Impact

Eliminate the cost of operating an over-sized pump station.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 54-C0834
 Project Name Trunk Lines and Laterals

Contact	Hausrath	Department	Wastewater Fund
Type	Improvement	Category	Infrastructure-Utilities
Status	Active	Useful Life	40 years
Location:	Various locations	Year Submitted:	Ongoing

Description

FY26 - FY30: The purchase or transfer of infrastructure is necessary to connect the City and County systems. New trunk lines and laterals installed by developers will be transferred to the City upon completion of projects. \$165,000 annually (\$15,000 land acquisition; \$150,000 construction).

Justification

Provide efficient use of wastewater infrastructure throughout system.

The Comprehensive Plan recommends ensuring that adequate wastewater capacity exists to serve the City's future growth goals and meeting all regulatory requirements to help protect public health and the environment, in particular reducing the environmental impact on Antietam Creek.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	150,000	150,000	150,000	150,000	150,000	750,000
Land Acquisition	15,000	15,000	15,000	15,000	15,000	75,000
Total	165,000	165,000	165,000	165,000	165,000	825,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Wastewater Fund	165,000	165,000	165,000	165,000	165,000	825,000
Total	165,000	165,000	165,000	165,000	165,000	825,000

Budget Impact

These funds are designated for the purchase of Right of Ways and/or Easements sometimes needed to connect City and County infrastructure.

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 56-C0173
Project Name Hub City Garage

Contact Deike and Bender Department Parking Fund
Type Improvement Category Buildings and Structures
Status Active Useful Life 50 years
Location: 50 W. Antietam Street Year Submitted: 2011

Description

Hub City Garage opened to the public in August 2024.

FY26 - FY30: Continued minor construction and maintenance of parking garage (\$10,000).

Justification

To maintain the additional parking needed to support redevelopment of the City center area including: educational, office, and commercial development, as well as any other downtown revitalization projects.

The Comprehensive Plan recommends monitoring increases in downtown parking demand as revitalization occurs, and implement recommendations of the Downtown Parking Management Plan. Improvement of public parking facilities is recommended to improve the downtown's image and attractiveness for economic development investment.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	10,000	10,000	10,000	10,000	10,000	50,000
Total	10,000	10,000	10,000	10,000	10,000	50,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Parking Fund	10,000	10,000	10,000	10,000	10,000	50,000
Total	10,000	10,000	10,000	10,000	10,000	50,000

Budget Impact

Bond financing funded \$10.6M of the Hub City Garage construction for a 25-year term at 5.05%. The FY26 debt service impact is \$747.5K.

Annual operation costs are estimated to be approximately \$243.7K for a full year in FY25.

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 56-C0749
Project Name Upgrades to Parking Decks

Contact Deike Department Parking Fund
Type Maintenance Category Buildings and Structures
Status Active Useful Life 10 years
Location: Downtown Year Submitted: 2007

Description

Provides funding for upgrades and refurbishments for the parking decks.

FY26: Replace caulk joints in A&E parking deck (\$5,000 design and \$20,000 construction). Continued general repairs and improvements to both decks (\$9,000).

FY27 - FY30: Funding provided for general repairs and improvements to both decks (\$10,000).

Justification

University District Deck opened in 1986 and received major refurbishments in 2013 and 2014. No major structural issues at this time. Continued refurbishments prevent deterioration of the facility. The Arts & Entertainment District Deck opened in 2007 and also requires upkeep and upgrades to maintain and improve the parking experience.

The Comprehensive Plan recommends monitoring increases in downtown parking demand as revitalization occurs, and implement recommendations of the Downtown Parking Management Plan. Improvement of public parking facilities is recommended to improve the downtown's image and attractiveness for economic development investment.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	34,000	10,000	10,000	10,000	10,000	74,000
Total	34,000	10,000	10,000	10,000	10,000	74,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Parking Fund	34,000	10,000	10,000	10,000	10,000	74,000
Total	34,000	10,000	10,000	10,000	10,000	74,000

Budget Impact

Refurbishment prevents further deterioration of the facilities and costlier repairs.

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 56-C0829
 Project Name Parking Fund Vehicles

Contact	Deike	Department	Parking Fund
Type	Replacement	Category	Automobiles and Trucks
Status	Active	Useful Life	10 years
Location:	North Potomac Street	Year Submitted:	Ongoing

Description

Per the Vehicle & Equipment Replacement Schedule:

FY26: 2016 Ford Escape #040 (\$35,000).
 FY27: 2016 Club Car Golf Cart #041 (\$15,000) and 2014 Ford Transit Van #039 (\$45,000).
 FY30: 2010 EZ Go Golf Cart #038 (\$15,000).

Justification

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

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	35,000	60,000	0	0	15,000	110,000
Total	35,000	60,000	0	0	15,000	110,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Parking Fund	35,000	60,000	0	0	15,000	110,000
Total	35,000	60,000	0	0	15,000	110,000

Budget Impact

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

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 56-C0857
 Project Name Parking Lot Improvements

Contact	Deike	Department	Parking Fund
Type	Maintenance	Category	Buildings and Structures
Status	Active	Useful Life	15 years
Location:	Various locations	Year Submitted:	2014

Description

Improve the overall condition of surface parking lots to include: preservation of the pavement, sidewalk improvements, and handicap accessible ramps.

FY26: Generalized maintenance (\$10,000).

FY27: Improvements to Rochester Parking Lot to include wall caps, fencing, and painting (\$80,000).

FY28 - FY30: Maintenance to be determined (\$10,000).

Justification

Preservation of the pavement (crack sealing, overlay) allows the pavement to last much longer before total replacement is necessary. Sidewalk improvements include handicap accessible ramps to meet ADA requirements.

The Comprehensive Plan recommends monitoring increases in downtown parking demand as revitalization occurs, and implement recommendations of the Downtown Parking Management Plan. Improvement of public parking facilities is recommended to improve the downtown's image and attractiveness for economic development investment.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	10,000	80,000	10,000	10,000	10,000	120,000
Total	10,000	80,000	10,000	10,000	10,000	120,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Parking Fund	10,000	80,000	10,000	10,000	10,000	120,000
Total	10,000	80,000	10,000	10,000	10,000	120,000

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 57-C0395
 Project Name Golf Course - Vehicles/Equipment

Contact	Deike	Department	Golf Fund
Type	Improvement	Category	Automobiles and Trucks
Status	Active	Useful Life	5 years
Location:	Greens at Hamilton Run	Year Submitted:	Ongoing

Description

Per Vehicle & Equipment Replacement Schedule:

FY26: 2012 Golf Cart #346 (\$9,000); 2005 Fairway Mower #351 (\$60,000).

FY27: 2007 Mower #326 (\$60,000); 2012 Golf Cart #347 (\$10,000).

FY28: 2004 Cushman Sprayer #389 (\$65,000).

FY29: 2015 Mower #343 (\$40,000); 1995 Tractor #353 (\$50,000).

FY30: 2014 Mower #334 (\$40,000).

Justification

Replace deteriorated equipment. Maintain reliable and efficient equipment necessary to operate and maintain golf course.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	69,000	70,000	65,000	90,000	40,000	334,000
Total	69,000	70,000	65,000	90,000	40,000	334,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Golf Fund	69,000	70,000	65,000	90,000	40,000	334,000
Total	69,000	70,000	65,000	90,000	40,000	334,000

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 57-C0825
 Project Name Golf Course Improvements

Contact	Deike	Department	Golf Fund
Type	Improvement	Category	Land Improvements
Status	Active	Useful Life	25 years
Location:	Greens at Hamilton Run	Year Submitted:	2018

Description

FY26: Design for Hole No. 5 and bridge on Hole No. 2 (\$10,000). Reconstruction of Hole No. 5 (\$125,000: POS \$112,500; Golf \$12,500). Build cart path from Hole No. 5 to Hole No. 6 (\$10,000; HUR \$5,000; Golf \$5,000). Raise the bridge on Hole No. 2 in conjunction with Stormwater CIP 59-C0637 (\$35,000). Miscellaneous improvements and maintenance (\$10,000).

FY27 - FY30: Miscellaneous improvements and maintenance (\$10,000).

Justification

To provide a more enjoyable experience to the customers with the enhancements to the course.

The Comprehensive Plan recommends continuation of Livable City initiatives that bring design continuity to City neighborhoods by focusing on improved park amenities; public sidewalk repairs and enhancements; street tree planting; and traffic island installation.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	180,000	10,000	10,000	10,000	10,000	220,000
Planning/Design	10,000	0	0	0	0	10,000
Total	190,000	10,000	10,000	10,000	10,000	230,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Golf Fund	72,500	10,000	10,000	10,000	10,000	112,500
Grants-State Program Open Space	112,500	0	0	0	0	112,500
State Highway User Revenue	5,000	0	0	0	0	5,000
Total	190,000	10,000	10,000	10,000	10,000	230,000

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 58-C0803
Project Name Elizabeth Hager Center

Contact Deike Department Property Management Fund
Type Replacement Category Buildings and Structures
Status Active Useful Life 15 years
Location: 10-14 N. Potomac St. Year Submitted: 2010

Description

FY26: Improvements as requested by Maryland State Labor tenant (\$75,000).

Justification

Improvements as needed to maintain the quality of the building. Tenant fit out expense is requested from the State for lease renewal for 10 years with one (1) five year additional option. Tenant retention contributes to the value of the building and the performance of the building in the property management fund.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	75,000	45,000	45,000	45,000	45,000	255,000
Total	75,000	45,000	45,000	45,000	45,000	255,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Property Management Fund	75,000	45,000	45,000	45,000	45,000	255,000
Total	75,000	45,000	45,000	45,000	45,000	255,000

Budget Impact

New HVAC should be more efficient, saving on heating/cooling costs. Replace as needed.

Roof replaced in 2017 with a 20-year warranty.

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 58-C0828
Project Name 60 West Washington Street

Contact	Deike	Department	Property Management Fund
Type	Improvement	Category	Buildings and Structures
Status	Active	Useful Life	25 years
Location:	60 W Washington Street	Year Submitted:	2011

Description

The City manages a lease with the University System of Maryland (USMH) for a portion of the property at 60 W. Washington Street. The City is actively leasing the front retail space. The former BuroBox space in the building is used in support of City events and programs. The building was acquired in April 2011 for the purpose of increasing economic vitality downtown.

FY26 - FY30: HVAC and miscellaneous building improvements to rental offices (\$40,000).

Justification

Improvements as needed to maintain the quality of the building.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	40,000	40,000	40,000	40,000	40,000	200,000
Total	40,000	40,000	40,000	40,000	40,000	200,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Property Management Fund	40,000	40,000	40,000	40,000	40,000	200,000
Total	40,000	40,000	40,000	40,000	40,000	200,000

Budget Impact

The building's roof was replaced in April 2022, with a 20-year warranty.

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 58-C0836
Project Name 309 Valley Road

Contact Deike Department Property Management Fund
Type Improvement Category Buildings and Structures
Status Active Useful Life 25 years
Location: 309 Valley Road Year Submitted: Ongoing

Description

FY26: Improvements and generalized maintenance to property in order to sell (\$25,000).

Justification

This half of a double residential property was built in 1920. Very little in the way of improvements (interior or exterior) have been done since being purchased by the City over 20 years ago.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	25,000	0	0	0	0	25,000
Total	25,000	0	0	0	0	25,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Property Management Fund	25,000	0	0	0	0	25,000
Total	25,000	0	0	0	0	25,000

Budget Impact

Reduction in maintenance and utility cost for an under-utilized property.

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 59-C0064
 Project Name Stormwater Vehicles

Contact	Deike and Bender	Department	Stormwater
Type	Replacement	Category	Automobiles and Trucks
Status	Active	Useful Life	10 years
Location:	Public Works	Year Submitted:	2018

Description

Per Vehicle & Equipment Replacement Schedule:

This CIP funds three vehicles: two sweepers and one dump truck.

FY26: 2018 Elgin Sweeper #92 (\$350,000).

FY27: 2014 Ford F550 Dump Truck #18 (\$140,000).

FY28: 2018 Elgin Sweeper #93 (\$350,000).

Justification

Vehicle repair costs and maintenance increase with the age of a vehicle. On average, vehicles should be replaced every 10 years. Some equipment and vehicles should be replaced sooner than 10 years while others can go longer. Street sweepers generally do not last as long due to constant use and required maintenance.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Equip/Vehicles/Furnishings	350,000	140,000	350,000	0	0	840,000
Total	350,000	140,000	350,000	0	0	840,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Stormwater Fee	350,000	140,000	350,000	0	0	840,000
Total	350,000	140,000	350,000	0	0	840,000

Budget Impact

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

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 59-C0444
 Project Name Storm Drain System Upgrades

Contact	Bender	Department	Stormwater
Type	Maintenance	Category	Infrastructure-Storm Drains
Status	Active	Useful Life	100 years
Location:	Various locations	Year Submitted:	Ongoing

Description

FY26: Reconstruct box culvert under S. Cannon Ave in conjunction with 45-C0400 Bridge Repair Program (\$240,000 State Aid in Lieu for 45-C0400; \$160,000 Stormwater Fund. Total project is \$400,000). Replace 14 N. Potomac storm drain existing brick arch drain when existing building is demolished (\$150,000 contribution by others and \$750,000 Stormwater Fund). General unspecified repairs to storm drains (\$40,000).

FY27 - FY30: \$150,000 per year for unspecified repairs needed to deal with aging infrastructure and to remediate issues discovered from CCTV inspection. Specific projects will be determined after planned CCTV inspection of storm drainage system to locate failures, in response to identified flooding or drainage problems, and emergencies requiring immediate attention.

Justification

Replace deteriorating system as problems arise or install new storm drain based on complaints. The Comprehensive Plan recommends that the City reduce its non-point source loads through more stringent stormwater management requirements for development, selective stormwater retrofits, and other actions as appropriate.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	1,050,000	150,000	150,000	150,000	150,000	1,650,000
Planning/Design	50,000	0	0	0	0	50,000
Total	1,100,000	150,000	150,000	150,000	150,000	1,700,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Stormwater Fee	950,000	150,000	150,000	150,000	150,000	1,550,000
Contribution by Others	150,000	0	0	0	0	150,000
Total	1,100,000	150,000	150,000	150,000	150,000	1,700,000

Budget Impact

Decrease potential problems with drain as current system is over 100 years old. New storm drain will cost less than \$5,000 per mile/per year to maintain based on current spending.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 59-C0459
 Project Name Curb Replacement Program

Contact	Bender	Department	Stormwater
Type	Improvement	Category	Infrastructure-Curbs
Status	Active	Useful Life	40 years
Location:	City-Wide	Year Submitted:	2020

Description

Replacement of existing deteriorated curbs on planned street overlay streets and other locations. Curbs are an integral part of the street system, managing surface drainage and providing separation between vehicles and pedestrians on the sidewalks.

Justification

The Maryland Attorney General has determined that curbs are part of the City's drainage system. As of May 29, 2020, the City Council approved the use of Stormwater Protection Program funds and its user fee. The burden of curb maintenance will be removed from property owners and will now become the responsibility of the City. Sidewalks will be replaced by the general fund under C0458.

The Comprehensive Plan recommends that the City reduce its non-point source loads through more stringent stormwater management requirements for development, selective stormwater retrofits, and other actions as appropriate.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	120,000	120,000	120,000	120,000	120,000	600,000
Total	120,000	120,000	120,000	120,000	120,000	600,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Stormwater Fee	120,000	120,000	120,000	120,000	120,000	600,000
Total	120,000	120,000	120,000	120,000	120,000	600,000

Budget Impact

As the City is now taking over responsibility for curb maintenance, this will be a new, ongoing expense. The City will use competitive bidding to select a contractor to perform this work. The Stormwater User Fee rate took into account this new expense, and the collected fees will be used to fund this work.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 59-C0594
 Project Name Reforestation Using SPP Funds

Contact	Bender	Department	Stormwater
Type	Improvement	Category	Infrastructure-Reforestation
Status	Active	Useful Life	80 years
Location:	City-Wide	Year Submitted:	2020

Description

The purpose of this project is to plant trees to reforest both existing pervious and impervious areas to earn credits against the requirements in our MS4 permit, and to increase overall tree canopy. Staff will apply for a Chesapeake Bay Trust Urban Tree Grant, matching it with funds from the Stormwater Fund. Also, see General Fund capital improvement project C0594 for tree planting using Forest Conservation Funds.

We anticipate increased planting in FY26 and beyond as MDE increases the credit for tree planting.

FY26: The planting and maintenance of DNR-planted trees (\$120,000 total; \$70,000 Chesapeake Bay Trust Urban Tree Grant and \$50,000 Stormwater Fund).

FY27 - FY30: The planting and maintenance of DNR-planted trees (\$50,000).

Justification

Development of the Stormwater User Fee rate schedule included the assumption that a significant portion of the City's strategy to comply with the NPDES permit requirements would include tree planting. To qualify for credits, the trees must be planted in compliance with MDE's definition of "forest". Trees may be planted City-wide, or lands outside corporate limits that are owned or controlled by the City.

The Comprehensive Plan recommends that the City reduce its non-point source loads through more stringent stormwater management requirements for development, selective stormwater retrofits, and other actions as appropriate.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	120,000	50,000	50,000	50,000	50,000	320,000
Total	120,000	50,000	50,000	50,000	50,000	320,000

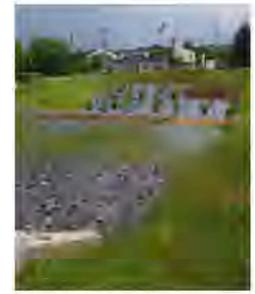
Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Stormwater Fee	50,000	50,000	50,000	50,000	50,000	250,000
Grants-State	70,000	0	0	0	0	70,000
Total	120,000	50,000	50,000	50,000	50,000	320,000

Budget Impact

The City will competitively bid a contract to install and provide initial maintenance of the trees; this will be an ongoing expense funded by the Stormwater User Fee.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 59-C0637
 Project Name Stormwater Protection Program Implementation

Contact	Bender	Department	Stormwater
Type	Improvement	Category	Infrastructure-Storm Drains
Status	Active	Useful Life	None
Location:	City-Wide	Year Submitted:	Ongoing

Description

As part of the overall Stormwater Protection Program, the purpose of these projects are to address Environmental Protection Agency and Maryland Department of the Environment mandates to reduce the pollutants discharged into State waterways and the Chesapeake Bay. As part of the new NPDES MS4 General Permit issued in 2018, the City will be required to remove or provide treatment for 20% of the existing impervious area which doesn't have treatment. This will be accomplished by the construction of retrofit facilities, tree planting, and other Best Management Practices.

Retrofit of existing flood-control stormwater facilities to provide water quality benefits:

FY26: Design/construct Ice Rink retrofit (\$315,000); design/construct North High retrofit (\$620,000); design/construct Brighton Manor retrofit (\$175,000); modify bridge at golf course (\$25,000).

FY27: Design/construct Community Resource retrofit (\$150,000); design/construct Hagerstown Industrial Park retrofit (\$350,000); design South End Shopping Center (\$50,000). In conjunction with 45-C0626, parking lot improvements to lot east of the BMX track (\$50,000).

FY28: Construct South End Shopping Center (\$350,000).

FY29 - FY30: Other projects to be determined (\$300,000).

Justification

Compliance with NPDES permit will require significant funding for analysis, design, construction, and maintenance of new or enhanced stormwater management facilities. While the City will continue to seek grant funding to design and construct these projects, it is unlikely that this will be sufficient to meet the permit mandates. The City has implemented a Stormwater Utility fee which will generate revenue to fund this program. The Comprehensive Plan recommends that the City reduce its non-point source loads through more stringent stormwater management requirements for development, selective stormwater retrofits, and other actions as appropriate.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	1,035,000	550,000	350,000	250,000	250,000	2,435,000
Planning/Design	100,000	50,000	0	50,000	50,000	250,000
Total	1,135,000	600,000	350,000	300,000	300,000	2,685,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Stormwater Fee	1,135,000	600,000	350,000	300,000	300,000	2,685,000
Total	1,135,000	600,000	350,000	300,000	300,000	2,685,000

Budget Impact

As new stormwater facilities are constructed, maintenance costs for the City will increase accordingly.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 59-C0639
 Project Name Green Streets

Contact	Bender	Department	Stormwater
Type	Improvement	Category	Storm Water
Status	Active	Useful Life	50 years
Location:	Various locations	Year Submitted:	2014

Description

Modifications to existing streets to improve pedestrian access, decrease impervious surfaces, and construct new planting beds and tree pits to provide stormwater management. Part of overall Watershed Protection program and compliance with EPA/MDE mandates requires reduction in runoff by eliminating unnecessary pavement.

FY26: Future project with possible Chesapeake Bay Trust funds (\$175,000 total: \$75,000 CBT grant and \$100,000 Stormwater Fund).

Justification

Anticipated NPDES (National Pollutant Discharge Elimination System) regulations will require the City to provide stormwater management for existing impervious surfaces; "Green Street" elements can be incorporated in narrow street corridors where there is not sufficient space for traditional facilities, and can enhance the environmental value of the street scape.

The Comprehensive Plan recommends that the City reduce its non-point source loads through more stringent stormwater management requirements for development, selective stormwater retrofits, and other actions as appropriate.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	175,000	0	0	0	0	175,000
Total	175,000	0	0	0	0	175,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Stormwater Fee	100,000	0	0	0	0	100,000
Grants-State	75,000	0	0	0	0	75,000
Total	175,000	0	0	0	0	175,000

Budget Impact

The City's Department of Public Works will be responsible for maintaining the new stormwater management features (including trees, landscape plantings, cleaning, and maintenance of structures, etc.).

FY 26 thru FY 30

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 59-C0853
 Project Name Marsh Run Walls Rehabilitation

Contact	Bender	Department	Stormwater
Type	Maintenance	Category	Amenities
Status	Active	Useful Life	30 years
Location:	Marsh Run	Year Submitted:	2013

Description

Periodic maintenance is required to preserve the stone walls that contain the Marsh Run aqueduct carrying the stream along Memorial Blvd. from Summit Avenue to the Hagerstown Field House site. The aqueduct was reconstructed in 1995, with additional repairs in 2013, 2017, and 2019. Regular rehabilitation is required approximately every five years. Periodic maintenance minimizes the potential for catastrophic failure of the walls.

FY26: Continuation of rehabilitation from FY25 on Marsh Run Walls (\$250,000).

FY29: Regular rehabilitation of Marsh Run Walls every five years (\$350,000).

Justification

Regular rehabilitation will help to avoid larger expenditures and costly maintenance in the future.

The Comprehensive Plan recommends that the City reduce its non-point source loads through more stringent stormwater management requirements for development, selective stormwater retrofits, and other actions as appropriate.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	250,000	0	0	350,000	0	600,000
Total	250,000	0	0	350,000	0	600,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Stormwater Fee	250,000	0	0	350,000	0	600,000
Total	250,000	0	0	350,000	0	600,000

Budget Impact

Reduce operational impact by eliminating interim repairs.

Capital Improvement Plan

City of Hagerstown, Maryland



Project # 59-C0866
 Project Name Stream Restorations

Contact	Bender	Department	Stormwater
Type	Improvement	Category	Storm Water
Status	Active	Useful Life	50 years
Location:	Various locations	Year Submitted:	2021

Description

- FY26: Stream restoration at City Park in the fall of 2025 (\$200,000).
- FY26: Construction of Hamilton Run restoration at Longmeadow Park (\$1,500,000).
- FY27: Design/construct Antietam Creek restoration (\$500,000).

Justification

Streams are causing erosion, introducing nutrients into the water and impacting properties and the golf course. This is a cost-effective measure to obtain the required NS4 permit credits.

The Comprehensive Plan recommends that the City continue to recognize and protect sensitive areas, and encourage the planting of native tree species in stream buffer zones.

Expenditures	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Construction/Maintenance	1,700,000	500,000	0	0	0	2,200,000
Total	1,700,000	500,000	0	0	0	2,200,000

Funding Sources	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Stormwater Fee	1,700,000	500,000	0	0	0	2,200,000
Total	1,700,000	500,000	0	0	0	2,200,000

Budget Impact

Minimal impact, additional maintenance, street light operations. Less than \$5,000 annually.

Economic Development

City of Hagerstown



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

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SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2025/2026

NAME OF FEE/PURPOSE	EFF DATE	FY25 RATE	FY26 PROPOSED	FY24 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
CITY CLERK						
01030022 - 4271 Auctioneer-to Conduct an Auction Annual Fee	1992	\$25	\$25	\$ 2,425	Baltimore County: \$180	Ordinance
Peddler:						Ordinance
Peddler (Door-to-Door) Annual Fee	2014	\$250	\$250		Baltimore City: \$75-\$375	
Vendor (Stand or Truck) Annual Fee	2014	\$250	\$250		Salisbury: \$100 + \$1,000 Surety Bond	
Temporary Peddler Daily Fee	2014	\$25	\$25			
Transient Dealer Annual Fee	2014	\$1,000-\$3,500	\$1,000-\$3,500		Cumberland: \$375	Ordinance
Parade Per Event Fee	1992	\$125	\$125			Ordinance
Circus/Carnival Weekly Fee	1992	\$125	\$125		Salisbury: \$75/day	Ordinance
Special Sales(Auctions, Going-out-of-Business, Etc.)	1992	\$125	\$125			Ordinance
Theatre Annual Fee	1967	\$100	\$100			Ordinance
01030022 - 4221 City Code Annual Fee	1990	\$125	\$125	\$ -	Available on-line, free of charge	Admin Order
City Code Supplement	1998	\$40	\$40			Admin Order
01030021 - 489903 Souvenirs/Maps		Various	Various	\$ -		
SUPPORT SERVICES						
01070022 - 4494 Bad Check Fee Per Check (To compensate the City for Bank charges & employee time)	2007	\$35	\$35	\$ 613	\$35 Area Banks	Admin Order
01072012 - 4490 Pay-By-Phone Transaction Fee	2012	\$10	\$10	\$ 10,610	Potomac Edison \$7	Admin Order
COMMUNICATIONS						
01030062-4899 Public Information Requests Fee Per Page:	2002			\$ 8,318		Admin Order
20 pages or less		Free	Free		Cumberland - First 20 pages free; \$0.25/page or \$1.00 per page for certified copy	
21 pages or more		\$1.25 plus \$0.25/each add'l page	\$1.25 plus \$0.25/each add'l page		Rockville - First 40 pages free; \$0.20/page B&W or \$1.00 per page for color	
DVD/2GB Thumb Drive		\$5.00	\$5.00		Frederick - First 20 pages free; \$0.25/page	
Document Retrieval & Review beyond 2 hr:		Billed at employee's hourly rate	Billed at employee's hourly rate		Salisbury - First 4 pages free; \$0.25/page	
					Annapolis - First 10 pages free; \$0.25/page	
COMMUNITY DEVELOPMENT BLOCK GRANT FUND						
10000002 - 441596 Loan Processing Fees:	1986			\$ -		Admin Order
Multifamily Residence		\$50	\$50		Baltimore County-Closing/recording costs able to be included in the loan.	
Mixed Use or Commercial		\$50	\$50		Frederick County-No application or origination fees. Cost of title search included in loan	
Economic Development		\$100	\$100			
BUSINESS REVOLVING LOAN FUND						
14000001 - 4899 Miscellaneous Revenue Based on loan request amount:	2001			\$ 150		Admin Order
\$5,000- 50,000		\$100	\$100		Kent County- \$100 Application Fee/1% origination fee is added to loan principal at closing.	
\$50,001- 100,000		\$150	\$150			
\$100,001- 150,000		\$200	\$200		Tri-County Council for Western Maryland- \$250 Application Fee/1.5% Loan Origination Fee at closing.	
\$150,001 - 200,000		\$250	\$250			
COMMUNITY ENGAGEMENT						
Farmers Market Vendor Stations				\$ -		Admin Order
10' x 10' Vendor Space	2023	Free	Free		Washington County Farmer's Market \$10 per day Wed. & Sat. Receive 10% discount if choose to be part of the entire season (Approx 20 weeks-Outdoor)	
Food Truck Space	2023	Free	Free			
First and Third Sunday of each month April to October					Boonsboro Farmers Market \$5 per day; \$100 per season (Outdoor)	
Spring & Holiday Market Vendor Stations	2023	\$25	\$25		Town of Williamsport Farmers Market \$5 per week; \$50 per season (Outdoor)	
PLANNING						
01090012 - 441131 Subdivision: Simplified Plat, Condo Plat, Replat	2015	\$355	\$355	\$ -	Washington County: \$350	Admin Order
01090012 - 441122 Subdivision: Final Plat	2015	\$590+\$50/lot	\$590+\$50/lot	\$ 16,480	Washington County: \$650+\$250/lot (<50 lots) \$650+\$150/lot (>50 lots)	Admin Order
01090012-441124 Subdivision: Sketch Plans				\$ 1,200		Admin Order
Nonresidential - 2≤ acres	2015	\$590	\$590		Washington County: \$700 + \$20/acre	Admin Order
Nonresidential - > 2 acres	2015	\$1,200	\$1,200		\$700 + \$20/acre	Admin Order
Residential - < 50 lots	2015	\$590	\$590		\$700 + \$20/acre	Admin Order
Residential - ≥ 50 lots	2015	\$1,200	\$1,200		\$700 + \$20/acre	Admin Order
01090012 - 441121 Subdivision: Development Plan	2023	\$1,300+\$50/lot	\$1,300+\$50/lot	\$ 7,500	\$900+\$30/Lot	Admin Order
01090012 - 441125 Minor Subdivision	2015	\$355	\$355	\$ 710	\$350	Admin Order
01090012 - 441126 Subdivision Variance/Waiver Request	2023	\$0	\$0	\$ -	\$115	Admin Order
01090012 - 441161 Concept Plan/Sketch Plans:				\$ 3,600		Admin Order
CR Sketch Plan	2015	\$1,200	\$1,200			Admin Order
Mixed Use Development	2023	\$1,200	\$1,200			Admin Order
Multi-Family Development	2015	\$1,200	\$1,200			Admin Order
01090012 - 441119 BZA Filing Fee:				\$ 1,430		Admin Order
Special Exception	2015	\$590	\$590		Washington County: \$500	Admin Order
Variances:						Admin Order
Residential	2015	\$155	\$155		\$150	Admin Order
Non-Residential	2015	\$310	\$310		\$300	Admin Order
Residential Fence Variance	2015	\$155	\$155		\$150	Admin Order
Nonconforming Uses:						Admin Order
Change	2015	\$590	\$590		\$500	Admin Order
Expansion	2015	\$590	\$590		\$500	Admin Order
Administrative Appeals	2015	\$250	\$250		\$150	Admin Order
01090012 - 441112 Rezoning Fees:				\$ 1,770		Admin Order
Preliminary Consultation	2015	\$590	\$590		Washington County: \$500+\$20/acre	Admin Order
Rezoning Filing Fee	2015	\$2,400+\$15/APO	\$2,400+\$15/APO		\$2,165+\$20/acre	Admin Order
Local Conservation District	2015	\$590	\$590		N/A	Admin Order
Conversion District	2023	\$2,400+\$15/APO	\$2,400+\$15/APO		N/A	Admin Order
PUD Master Plan	2015	\$2,400+\$15/APO	\$2,400+\$15/APO		\$1,030+\$30/acre	Admin Order

SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2025/2026

NAME OF FEE/PURPOSE	EFF DATE	FY25 RATE	FY26 PROPOSED	FY24 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
PLANNING (continued)						
01090012 - 441102 Full Site Plan Fees:				\$ 10,947		
Concept Plan for Environmental Site Design		0	0		Washington County:	
Residential	2006	\$1,000 + \$15/unit	\$1,000 + \$15/unit		\$200	Admin Order
Mixed-Use	2022	\$1,100 + \$15/unit	\$1,100 + \$15/unit		Res. \$900+\$10/unit + \$110-\$330/acre	Admin Order
Nonresidential	2023	\$1100 + \$50/acre	\$1100 + \$50/acre		Comm: \$900 +\$110-\$330/acre	Admin Order
01090012 - 441101 Minor Site Plan	2015	\$690	\$690	\$ 4,830	Washington County:	Admin Order
01090012 - 441103 Site Plan Variance/Waiver Request	2015	\$0	\$0	\$ -	Washington County:	Admin Order
01090012 - 441111 Zoning Certificate Fees:				\$ 26,740		
Home Work Stations & CC-MU	2015	\$50	\$50		Washington County:	Admin Order
All other commercial	2015	\$125	\$125		\$65	Admin Order
Blanket for Multi-Vendors	2015	\$400	\$400		\$165	Admin Order
Zoning Verification Letter: One SFR	2023	\$75	\$75		\$165	Admin Order
Zoning Verification Letter: All Others	2015	\$100	\$100		\$165	Admin Order
Fence Permits:	2015					
Residential: Single Family, Two-Family	2023	\$45	\$45		If 7 ft. tall or more: \$50; otherwise no permit	Admin Order
Commercial, Industrial, Multi-Family	2023	\$150	\$150		If 7 ft. tall or more: \$50; otherwise no permit	Admin Order
01090012 - 489603 Comprehensive Plan	2015	\$25	\$25	\$ -	Washington County:	Admin Order
01090012 - 489604 Land Management Code	2015	\$25	\$25	\$ -	Washington County:	Admin Order
Design Review Guidelines	2015	\$25	\$25		\$20 zoning; \$12 subdivision	Admin Order
01090012 - 441141 Zoning Text Amendment	2015	\$2,400	\$2,400	\$ -	Washington County:	Admin Order
Subdivision Text Amendment	2015	\$2,400	\$2,400		\$2,015	Admin Order
01090012 - 4899 Copies of Recorded Meetings	2015	\$30/mtg + \$12/disc	\$30/mtg + \$12/disc	\$ -		
Notary Fees	2015	\$4/per page	\$4/per page			
Photo Copies	2015	\$0.25/page B&W, \$0.75/page Color	\$0.25/page B&W, \$0.75/page Color			Admin Order
01090012 - 426902 Forest Conservation Fee:				\$ 2,339		
Delineation	2015	\$290	\$290		Washington County:	Admin Order
Final Plan & Easements	2023	\$625+\$15/acre	\$625+\$15/acre		\$250	Admin Order
Forest Conservation Waiver/Variance Request	2023	\$0	\$0		\$750+\$10/acre	Admin Order
Forest Conservation Exemption Certification	2015	\$0	\$0		\$40	
17090012 - 426999 Forest Conservation FIL	2023	\$0.39/sq feet (inflation increase)	\$0.39/sq feet (inflation increase)	\$ -	Washington County:	
01090012 - 441151 Pre-Annexation Agreement Review Fees:				\$ 14,039		
Infill residential lot - 1 or 2 units	2012	\$150	\$150		N/A	Admin Order
Minor residential development - ≤ 5 units	2012	\$500	\$500		N/A	Admin Order
Major residential development - ≥ 5 units	2012	\$1,000 + \$15/unit	\$1,000 + \$15/unit		N/A	Admin Order
Nonresidential	2012	\$1,000+\$50/acre	\$1,000+\$50/acre		N/A	Admin Order

SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2025/2026

NAME OF FEE/PURPOSE	EFF DATE	FY25 RATE	FY26 PROPOSED	FY24 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
CODE ADMINISTRATION						
01140012 - 4210 Building Permits: Application Fee Tech Fee Commercial, Apartments & New Residential: up to \$10,000 \$10,000 and greater Misc Residential: up to \$10,000 \$10,000 and greater Change of Use Permits Expedited U&O's (within 24 Hours of Final Inspection) After Hours Inspection Request	2011 1996 2019 1996 2019 2016 2021 2021	\$30 \$30 \$8.50 / thousand \$6.00 / thousand \$8.50 / thousand \$4.50 / thousand \$75 \$50 \$50	\$30 \$30 \$8.50 / thousand \$6.00 / thousand \$8.50 / thousand \$4.50 / thousand \$75 \$50 \$50	\$ 649,175	Washington County: Comm: \$150; Res: \$65 \$15 Comm: \$0.15 per sq.ft.; Res: \$.10 per sq.ft. \$75	Ordinance Admin Order Admin Order
01140012 - 421101 Plumbing Permits: Application Fee: Residential/Comm/Apmt Tech Fee Fixture fees (varies) Single fixture (app fee is waived)	2011	\$50/\$100/\$100 \$30 \$4- \$40 Tech fee + fixture only	\$50/\$100/\$100 \$30 \$4- \$40 Tech fee + fixture only	\$ 64,047	Washington County: Res: \$65+\$50-60/unit Comm: \$125+\$75/unit \$15 \$5-\$75 \$25 + tech fee	Ordinance
01140012 - 4202 Plumbers license/registration (Biennial): Master Journeyman Apprentice If license has lapsed more than 30 days	2007	(\$40 of fee is tech fee) New: \$150/ Renew: \$125 New: \$95/ Renew: \$70 New: \$85/ Renew: \$60 New rate is charged	(\$40 of fee is tech fee) New: \$150/ Renew: \$125 New: \$95/ Renew: \$70 New: \$85/ Renew: \$60 New rate is charged	\$ 9,840	Washington County (2 yr): Master: \$50/resident, \$100 non-resident Journeyman: \$20 resident/\$40 non-resident Apprentice: \$15 resident/\$30 non-resident \$100	Ordinance
01140012 - 421102 Electrical Permits Application Fee: Residential/Comm/Apmt Tech Fee Fixture fees (vary)	2011	\$50/\$100/\$100 \$30 \$3-\$50	\$50/\$100/\$100 \$30 \$3-\$50	\$ 115,523	Washington County: Res: \$165-265/unit Comm: \$425/unit \$15 \$15-\$100 fixture fees	Ordinance
01140012 - 421103 Mechanical Permits: Application Fee: Residential/Comm/Apmt Tech Fee Fixture fees (vary)	2011	\$50/\$100/\$100 \$30 \$5-\$30	\$50/\$100/\$100 \$30 \$5-\$30	\$ 46,680	Washington County: Res: \$65+\$40-\$50/unit Comm: \$125+\$80/unit \$15 \$3-\$80 fixture fees	Ordinance
01140012 - 4203 Contractors Licenses (Biennial)	2011	(\$40 of fee is tech fee) \$125	(\$40 of fee is tech fee) \$125	\$ 18,530		Ordinance
01140012 - 4204 Electrician's Registrations (Biennial) Master/ Restricted Master Journeyman Apprentice If license has lapsed more than 30 days	2007 2007 2023 2023 2007	(\$40 of fee is tech fee) New: \$150/ Renew: \$125 New: \$95/ Renew: \$70 New: \$95/ Renew: \$60 New rate is charged	(\$40 of fee is tech fee) New: \$150/ Renew: \$125 New: \$95/ Renew: \$70 New: \$95/ Renew: \$60 New rate is charged	\$ 9,605	Washington County (3 yr): Master and Restricted: \$150 \$50 + \$50/year left	Ordinance
01140012 - 441510 Transient Housing Hotel - Tier 2 Per Short Term Rental (STR) Per Bed & Breakfast + Per Unit Fee	2023 2023 2023	\$500 \$75 \$100+\$10	\$500 \$75 \$100+\$10	\$ 3,500		Ordinance
01140012 - 441593 Administrative Fee for Excise Tax	2005	2% of excise tax	2% of excise tax	\$ 1,145		Admin Order
01140012 - 450102 Municipal Infractions: Fee Per Citation	2008	\$25-\$1,000	\$25-\$1,000	\$ 74,700	Most citations are \$200-\$1,000; however, trash citations start at \$25	Ordinance
01140012 - 4205 Rental Registration Fee Per Unit Fee Per Rooming House + Per Unit Fee Re-print of Rental License	2014 2023	\$75 \$100+\$10 \$5	\$75 \$100+\$10 \$5	\$ 712,143	Cumberland: \$25 per unit (annual) Annapolis: \$100 per unit (annual) College Park: \$125-\$244 per unit (annual) Frederick: \$240 per unit (biennial)	Ordinance
01140012 - 4504 CAD Administrative Fees: Snow Removal Fee + Tech Fee Loose Trash removal + Tech Fee All Others: Fee + Tech Fee Refuse Pickup Admin Fee Refuse Pickup Tech Fee Trash Pickup Fee Trash Pickup Tech Fee Trash Pickup Bulk Item Fee	2003 2023 2011 2013 2013 2013 2013 2021	\$50+\$30 \$50+\$30 \$100+\$30 \$50 \$30 \$5 per bag \$30 \$25 per item	\$50+\$30 \$50+\$30 \$100+\$30 \$50 \$30 \$5 per bag \$30 \$25 per item	\$ 38,300		Admin Order
01140012 - 4505 Appeals Fee-Board of Code Appeals Fee Per Case	2021	\$150	\$150	\$ -	Washington County: \$250/non-resid : \$150/resid	Admin Order
01140012 - 441503 Reinspection fee Vacant Structure Reinspection Fee	2011 2024	\$50 \$150	\$50 \$150	\$ 2,350	Washington County: 1st- \$50, 2nd- \$75, 3rd- \$100	Admin Order
01140012 - 441504 Property Abatement Billings: Grass/High Weed Removal Trash and Debris Removal 1st time abated in growing season 2nd time abated in growing season Securing of Vacant Structures Snow Removal From Public Sidewalks Admin Fee Tech Fee	2001 2001 2024 2024 2008 2004 2016	\$100-\$1,000+ \$50-\$1,500+ \$100 \$250 \$100 \$25-\$250+ \$50-\$100 \$30	\$100-\$1,000+ \$50-\$1,500+ \$100 \$250 \$100 \$25-\$250+ \$50-\$100 \$30	\$ 131,968		Ordinance Ordinance Admin Order Admin Order Admin Order Admin Order Admin Order Admin Order
01140012-441111 Code Compliance/Status Verification for one SFR or one residential unit For all others per property	2021 2021	\$50 \$100	\$50 \$100	\$ -	Washington Co. - \$100; Frederick Co. \$49 Washington County - \$100; Frederick County \$27-\$118 per address or tenant space	Admin Order Admin Order
01140012 - 441512 Vacant Structures, Residential	2014	\$100-\$500	\$100-\$500	\$ 62,575		Ordinance
01140012 - 441513 Vacant Structures, Commercial	2014	\$250-\$1,000	\$250-\$1,000	\$ 18,850		Ordinance
01140012 - 441594 Secure Vacant Structure: Fee Per Building Admin fee Tech fee Hourly securing rate after 1 hour Repeat call for service at vacant property Material fees	2011 2023 2023	\$100 \$100 \$30 \$50 \$150 Various	\$100 \$100 \$30 \$50 \$150 Various	\$ (325)		Ordinance Admin Order Admin Order
01140012 - 441595 Technology Fees	2004	\$30	\$30	\$ 38,308		Admin Order
01140012-441597 Unattended Donation Bin Registration	2015	\$100-\$200	\$100-\$200	\$ 1,000		Ordinance
01140012 - 449001 Credit Card Convenience Fee	2013	\$10	\$10	\$ 384		Ordinance
01140012 - 449101 Rental License Late Fee, Per Inciden	2011	\$50	\$50	\$ 29,800		Ordinance

SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2025/2026

NAME OF FEE/PURPOSE	EFF DATE	FY25 RATE	FY26 PROPOSED	FY24 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
ENGINEERING						
01090042 - 421202 Street Cutting Permits Per Cut Minimum Fee Tech Fee	2015	Varies \$25 to \$1500	Varies \$25 to \$1500	\$ 34,283	Some streets can cost thousands depending on situation Washington County: \$35/cut	Ordinance
01090042 - 4899 Sale of Construction Documents	Varies Per Contract	Varies from \$5-\$200	Varies from \$5-\$200	\$ 100	Frederick City: \$20 Washington Co: \$25-50	Admin Order Admin Order
01090042 - 4896 Sale of Maps Sale of Prints/Copies Varies based on papers size Varies based on papers size with aerials Burning to a CD/DVD Scanning-additional charge	2012	\$0.65 - \$10.00/SF \$0.50/SF to \$7.50/SF \$1.00/SF to \$15.00/SF \$1.00 per CD/DVD \$2.00/ per scan	\$0.65 - \$10.00/SF \$0.50/SF to \$7.50/SF \$1.00/SF to \$15.00/SF \$1.00 per CD/DVD \$2.00/ per scan	\$ -	Frederick County: \$3/map Washington Co.: \$3 or .50-/SF	Admin Order
01090042 - 421203 Curb/Sidewalk/Driveway Permits Fee Per Driveway Fee Per Curb/Sidewalk Plus Tech Fee	1995	\$25 \$10 \$5	\$25 \$10 \$5	\$ 395	Cumberland: \$15,Fred.Co: \$35+bond	Resolution
01090042 - 421205 Site Grading Permit Flat Fee for Site Cost Plus % of Total Work Cost Plus Tech Fee	2004	\$15 1% \$25	\$15 1% \$25	\$ 56,969	Fred Co: \$109 Minor,\$239 Major or 1.5% Wash Co: \$25 minor,5 acre min-\$20 acre min	Admin Order
01090042 - 421201 General Street Construction Permit Fee: Flat Fee Plus % of Total Work Cost Plus Tech Fee	2003	\$25 2% \$25	\$25 2% \$25	\$ 40,868	Based on % so rate adjusts automatically as project costs change	Ordinance
01090042 - 421204 Storm Water Management Permit Flat Fee Plus % of Total Work Cost Plus Tech Fee	1995	\$25 2% \$25	\$25 2% \$25	\$ 15,376	Based on % so rate adjusts automatically as project costs change	Admin Order
01090042 - 441201 Engineering Review Fees Fee Per Lot - Subdivision Fee Per AC-Site Plan Sim. Plats	2013	\$150 + \$60/Lot \$150+\$200/acre \$100	\$150 + \$60/Lot \$150+\$200/acre \$100	\$ 30,266	Washington County - Min Fee of \$600: \$150 + \$280/acre (<10 acres) \$150 + \$140/acre (>10-<50 acres) \$150 + \$65/acre (>50 acres)	Admin Order
01090042 - 421206 Right of Way Closure Permit Application Fee Tech Fee Closure Fee	2005	\$10 \$5 Fee Varies	\$10 \$5 Fee Varies	\$ 5,101	None - Washington County	Admin Order
RECYCLING AND TRASH COLLECTION						
01300012 - 4416 Recycling & Refuse Collection Quarterly Fee - Residence Yearly Fee - Commercial	2018 2025	\$73.00 \$130	\$73.00 \$140	\$ 3,393,186	Similar service outside City is about three times the cost at around \$155/quarter	Admin Order
01300012 - 4417 Bulk Trash Pick-up and Disposal Fee: Per Scoop Fee Appliance with Freon Fee	2008	\$25 \$25	\$25 \$25	\$ 16,095	Maryland Junk Removal: \$120 Junk Removal Express: \$99	Admin Order
01300012 - 4493 Utility Monthly Late Fee	2014	1% per month on past due unpaid balance	1% per month on past due unpaid balance	\$ 53,328		Ordinance
PUBLIC WORKS						
01160032 - 483006 Signal-State Highway Administration Fee Per Intersection	2005	\$1,500	\$2,164	\$ 52,500	Unknown	Admin Order
PARKS & RECREATION						
01450002 - 481013 Pavilion Facility Reservations: Bandshell Reservations: Includes \$25 Admin Fee	2017 2013	\$75 \$150	\$75 \$150	\$ 22,400	Wash Co: Residents \$75; Nonresidents \$95 Arts Pavilion: \$100 R/\$120 NR Pen-Mar (Dance Pavilion): \$200 R/\$250 NF	Admin Order Admin Order Admin Order
01450002 - 481010 Fields & Courts *Rates below include \$25 Admin Fee Non-Tournament Tournament Stable Rental	2013 2013	\$85/\$185 \$95 \$185 \$285	\$85/\$185 \$95 \$185 \$285	\$ -	County: Season Field Fee 3 months up to 3 days per week \$300 per field County: Ball Field Light Fee \$15/hour County: \$30/field County: \$75/field	Admin Order Admin Order
01400012-481013 FIT Room at Fairgrounds Park Rental - 4 Hr Min	2017	\$50/hr + \$25 Admin Fee plus \$75 Cleaning fee	\$50/hr + \$25 Admin Fee plus \$75 Cleaning fee	\$ 7,200	Elementary School Gyms: \$75 for 3 hours	Admin Order
01450002 - 481011 Fairgrounds Park Entire Park: Includes \$25 Admin Fee	2013	\$1,025	\$1,025	\$ 20,415		Admin Order
01030052-4810-P0860 University Plaza Special Events: University Plaza: Includes \$25 Admin Fee University Plaza: Restroom Fees	2020	\$100 \$50/\$100	\$100 \$50/\$100	\$ -	Washington County Park Pavilion Rentals \$60 (resident); \$80 (non-resident) Shaffer Park, Boonsboro (gazebo & pavilion) \$45/\$50 (resident); \$55/\$60 (non-resident)	Admin Order
01404022-448701 Hager House Adults Senior Citizens; Students: Age 13-17 Children: Age 6-12 Children: 5 & Under Group (Min. 8 people)	2017	\$6 \$4 \$3 Free \$4/person	\$6 \$4 \$3 Free \$4/person	\$ 2,397	Miller House: \$5/person Free for ages 12 & Under Free for Members & Partners Group Rates available for parties of 10 or more	Admin Order
01402022 - Various Accounts Potterfield Pool: Daily Rates: 2 and Under/Pre-school Student: Ages 5-14 Youth/Adult: 15-61 Senior: 62 and Older Family: (up to 5) Season Pass - City Residents: Age 2 & Under Pre-school/Youth	2011 2021	Free/\$3 \$4 \$5 \$4 N/A N/A N/A N/A	Free/\$3 \$4 \$5 \$4 N/A N/A N/A N/A	\$ 123,180	County Pool: 2 & Under: Free Pre-K: \$3.00 K-12: \$4.00 Adult: \$5.00 Senior: \$4.00 After 5PM - \$1	Admin Order

SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2025/2026

NAME OF FEE/PURPOSE	EFF DATE	FY25 RATE	FY26 PROPOSED	FY24 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
PARKS & RECREATION (continued)						
Individual Family (up to 5) Season Pass - Non-City Residents: Age 2 & Under Pre-school/Youth Individual Family (up to 5)	2021	\$85 \$160 N/A N/A \$110 \$210	\$85 \$160 N/A N/A \$110 \$210		County Pool: Child \$85 Adult \$110 Family \$175	
Pool Rentals: 2 hour rental for up to 100 people 2 hour rental for up to 101 - 150 people 2 hour rental for up to 151 - 200 people 3 hour rental	2023	\$300 \$400 \$500 Add \$100 to each 2-hour rental rate above	\$300 \$400 \$500 Add \$100 to each 2-hour rental rate above		Rates are for 2 hrs 0-75 swimmers \$225 76-150 swimmers \$300	Admin Order
01404032 - 448601 202 Train Exhibit Adults Seniors; Students - Age 13-17 Children: 6-12/5 & Under Group Tours (Min. 8 people) Facility Rentals: 01404032-4810 Pavilion & Museum Pavilion Only	2017 2017	\$5 \$3 \$2/Free \$3/ per person \$225 (3hr) \$125 (4 hr)	\$5 \$3 \$2/Free \$3/ per person \$225 (3hr) \$125 (4 hr)	\$ 2,397	Roundhouse: Ages 16+: \$6.00 Ages 4-15: \$1.00 Ages 3 & under: Free	Admin Order
POLICE DEPARTMENT						
01100012 - 4896 Copy Charges	2019	Incident reports: The cost is \$5.00 per report plus mailing fees if applicable. <u>Accident reports</u> : Free to involved parties if emailed or received at HPD; mailing costs if printed and mailed. <u>All others</u> : \$5.00 plus mailing costs if applicable.	Incident reports: The cost is \$5.00 per report plus mailing fees if applicable. <u>Accident reports</u> : Free to involved parties if emailed or received at HPD; mailing costs if printed and mailed. <u>All others</u> : \$5.00 plus mailing costs if applicable.	\$ 9,320	WCOSO-\$5/1st page,\$1/each add'l page	Admin Order
01100012 - 441301 Body-Worn Camera Footage	2018	Video footage free to person in interest, and flat fee of \$25.00 for non-involved party regardless of time. All videos sent via online access. For all, Body-Worn Camera administrator's hourly wage beyond 2 hours of review and redaction	Video footage free to person in interest, and flat fee of \$25.00 for non-involved party regardless of time. All videos sent via online access. For all, Body-Worn Camera administrator's hourly wage beyond 2 hours of review and redaction	\$ -		Admin Order
01100012 - 441301 Electronic Media Duplication	2004	Cost of Media + External Cost	Cost of Media + External Cost	\$ -	WCOSO-\$10/1st hour, \$5 each add'l hour.	Admin Order
01104012 - 441331 Special Assignments- Hrly Fee (Dance, School Event, etc)	2025	\$84.50 per hour	\$104.27 per hour	\$ 140,335		Admin Order
01100012 - 4503 Vehicle Storage Fee Per Day Storage, Towed Vehicles, Public Auctions	2007	\$20	\$20	\$ 478	WCOSO - \$25; max. \$1,125	Admin Order
01100012-4551 Red Curb & Handicap Fines Fine - Parking on Red Curb Fine - Parking on Handicap Zone Fine - Parking in Fire Lane Fine - Parking in front of Fire Hydrant Late Fees for Fines paid After 10 days/After 30 days	2014	\$25 \$100 \$100 \$100 \$10/\$20	\$25 \$100 \$100 \$100 \$10/\$20	\$ 2,403	Annapolis Frederick \$100 red, \$40 yellow \$ 30 yellow \$100 \$100 \$100 \$100 \$100 \$100	Ordinance
01104072 - 4509 Speed Camera Fine	2012	\$40	\$40	\$ 978,188	Annapolis Frederick \$40 \$40	Ordinance
01104082-4508 Red Light Camera Fine	2017	\$75	\$75	\$ 240,825	Annapolis Frederick \$75 \$75	Ordinance

SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2025/2026

NAME OF FEE/PURPOSE	EFF DATE	FY25 RATE	FY26 PROPOSED	FY24 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
FIRE DEPARTMENT						
01120012 - 441402 False Call/Failure to notify FD working	2012	\$250	\$250	\$ 21		Ordinance
01120012 - 421302 Blasting Permits	2012	\$50	\$50	\$ 150		Ordinance
01120012 - 4210 Assembly Permit	2012	\$50	\$50	\$ 183,948	1,000-\$360; 301-1000: \$240; 50-300: \$120 Fairgrounds/Parks: 9 bldgs or less \$240; 10 bldgs-\$480	Ordinance
Building Permits: % of Total Building Permit Fee	2019	30%	30%			
01120012 - 421301 Firework Permits	2007	\$250	\$250	\$ 1,500		Ordinance
01120012 - 441401 Reinspection Fee	2012	\$150	\$150	\$ -	State Fire Marshal 1st \$200; 3rd \$250 State Fire Marshal \$150/system with add'l charges per system fixture or device \$2.00	Ordinance Ordinance
Plan Review & Inspection for Fire Protection System Installation Per System		\$100 with add'l chgs per system fixture or \$1.50 per device	\$100 with add'l chgs per system fixture or \$1.50 per device			
01120012 - 4507 Fire Code Violations	2007	\$250 or Court Ordered amount	\$250 or Court Ordered amount	\$ 750		Ordinance
01120012 - 4899 Technical Assistance Hourly Fee	2013	\$50	\$50	\$ 150	State Fire Marshal Office \$75/hr	Ordinance
Municipal Infractions & Misc. Revenues	2006	Various	Various			Ordinance
Fire Report Fee	2004	\$5 for 4 pages	\$5 for 4 pages			Admin Order
01120012 - 441403 Juvenile Intervention Program	2004	\$150	\$150	\$ -		Admin Order
01120012 - 441404 Fire Call Service Charges:	2011			\$ -		Ordinance
Engine Hourly Rate		\$150	\$150			
Utility Hourly Rate		\$100	\$100			
Officer Hourly Rate		\$50	\$50			
Fire Marshall Hourly Rate		\$50	\$50			
Truck Hourly Rate		\$150	\$150			
ELECTRIC DEPARTMENT Beginning February 1, 2021						
50000002 - 442101 50000002 - 442102 Residential - All KWH	2025			\$ 11,682,542	Potomac Edison - MD thru 5/31/2025	Maryland PSC
Monthly Customer Charge		\$5.00	\$5.00		\$6.00	
Base rate (per kWh)		\$0.01946	\$0.01946		\$0.02287	
Purchased Power Adj. Rate (Est. Ave. per kWh Rate)		\$0.07086	\$0.08759		\$0.09698	
50000002 - 442201 50000002 - 442202 General and Commercial	2025			\$ 4,389,108	Potomac Edison - MD thru 5/31/2025	Maryland PSC
Monthly Customer Charge		\$10.00	\$10.00		\$4.85	
Base rate (per kWh)		\$0.01717	\$0.01717		\$0.02243	
Demand over 7.5 KW (per kW)		\$4.47	\$4.47		\$11.32000	
Purchased Power Adj. Rate (Est. Ave. per kWh Rate)		\$0.07086	\$0.08759		\$0.12245 up to 700kWh; \$0.05681 Over 700kWh	
50000002 - 442301 50000002 - 442302 Industrial	2025			\$ 5,104,132	AP Schedule "PH" No comparison due to AP Large Industrial customers experiencing hourly load pricing	Maryland PSC
Monthly Customer Charge		\$25.00	\$25.00			
Base rate (per kWh)		\$0.00208	\$0.00208			
Demand (per kW)		\$4.75	\$4.75			
Purchased Power Adj. Rate (Est. Ave. per kWh Rate)		\$0.00000	\$0.00000			
50000002 - 4424 Outdoor Lighting	2025			\$ 17,418	No comparison due to structuring difference	Maryland PSC
175 Watt Monthly Fee		\$2.74	\$2.74			
250 Watt Monthly Fee		\$3.97	\$3.97			
400 Watt Monthly Fee		\$4.17	\$4.17			
Purchased Power Adj. Rate (Est. ave. rate)		\$0.07086	\$0.08759			
50000002 - 442501 Street & Highway Lighting Per KWH	2025	\$0.03088	\$0.03088	\$ 536,671	No comparison	Maryland PSC
Purchased Power Adj. Rate (Est. ave. rate)		\$0.07086	\$0.08759			
50000002 - 442502 Traffic Lights Per KWH	2025	\$0.03088	\$0.03088	\$ 18,997	No comparison	Maryland PSC
1st 700 KWH		\$0.03088	\$0.03088			
Purchased Power Adj. Rate (Est. Ave. per kWh Rate)		\$0.07086	\$0.08759			
50000002 - 481813 Pole Rental Application fee	2022	\$510 (up to 10 poles) \$20 add'l per pole (11-100)	\$510 (up to 10 poles) \$20 add'l per pole (11-100)	\$ 78,351	No comparison	Maryland PSC
Pole Rental - Fee Per Pole	2010	\$20	\$20			
Pole Rental (Prior 2001 grandfathered)	1966	\$4.50	\$4.50			
50000002 - 481815 50000002 - 481816 (Substation) Central Maintenance Garage Monthly Fee	2025	\$43,200/Year	\$43,200/Year	\$ 43,200		
50000002 - 489908 50000002 - 4238 Setup and Connection Fee	2025	\$25	Beginning January 1, 2026 \$25	\$ 73,039	No comparison	Maryland PSC
Troubleshoot Fee Regular Hours		\$25	\$25			
Meter Reconnect Fee Regular Hours		\$30	\$50			
Pole Reconnect Fee Regular Hours		\$85	\$100			
Meter Reconnect Fee Overtime		\$85	\$157			
Troubleshoot Fee Overtime		Est. Actual Cost (\$310)	Est. Actual Cost			
Pole Reconnect Fee Overtime		Est. Actual Cost (\$580)	Est. Actual Cost			
50000002-4494 NSF Fees	2012	\$35.00/check	\$35.00/check	\$ 5,880	No comparison	Admin Order
50000002 - 4493 Utility Late Penalty Fees	2014	Max of 5% of unpaid bill (excluding State charges)	Max of 5% of unpaid bill (excluding State charges)	\$ 144,400	Per COMAR	Maryland PSC

SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2025/2026

NAME OF FEE/PURPOSE	EFF DATE	FY25 RATE	FY26 PROPOSED	FY24 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
WATER DEPARTMENT						
52000002 - 4249 Contracted service-payment for services rendered not w/in the existing level Labor Fee	1991	Labor, various equipment, various materials, 25%	Labor, various equipment, various materials, 25%	\$ 19,999	Frederick: Labor 38.5%, Material 10%	Admin Order
52000002 - 4231 52000002 - 4245 Water Plan Review/Inspection Fee Application Fee + Review Fee per Ft. Inspection Fee Per Ft PS Fee Per Gallon (Minimum of PS Capacity)	2006	\$50 +\$0.50 \$3 \$14	\$50 +\$0.50 \$3 \$14	\$ 34,908		Ordinance
52000002 - 4235 Non-Utility Misc-payment for providing consumption data to Washington County Fee Per Account/qtr	Annual Per Agreement 2012	\$3.12	\$3.12	\$ 72,024		Admin Order
52000002 - 481002 Rent-City Employee Smithsburg (Tenants Pay Fuel) Edgemont (Tenants Pay Fuel) Ritchie Rd (Tenants Pay Fuel)	Vacant 2016 2016	\$721 \$721 \$824	\$743 \$743 \$849	\$ 18,301	Per lease, beginning 9/1/23, Tenant's rent shall increase at the rate of 3% per year over the previous year's rent.	Admin Order
52000002 - 481003 Cell Tower Rental	2007	\$1,096.50/month	\$1,096.50/month	\$ 13,158	Increase every 5 years based on consumer price index.	Motion
52000002 - 4899 Misc. Other Revenues Hunting Permits Maps (Free with Permit)	2006	\$20 \$5	\$20 \$5	\$ 288,016		Admin Order
52000002 - 4240 Transfer Fee Meter Testing Fee	2007 2007	\$50 \$50	\$50 \$50	\$ 50	Frederick City: \$50 for prop transfer fee Frederick County: \$50 for meter testing fee	M&C
52000004 - 4722 Benefit charges-charged to new customers for impact of additional demand to major system components Fee Per Gallon -Inside City Initial Fee Minimum 200 Gallon-Inside City Fee Per gallon -Outside City Initial Fee Minimum 200 Gallon - Outside City	2024	Eff July 1, 2024 3% Rate Increase \$14.94 \$2,988 \$29.88 \$5,976	Eff July 1, 2025 3% Rate Increase \$15.39 \$3,078 \$30.78 \$6,156	\$ 1,259,284	Washington County: Proposed FY26 Allocation Fee: \$2,700 + \$325 Meter Fee Frederick City: FY25 Impact Fees 1 EDU (250 gal/day): \$7,156	Ordinance Ordinance
52000002 - 443201 52000002 - 443101 Metered Sales - Inside City: Residential/Rate per 1,000 gallons: First 18,000 gallons Over 18,000 gallons Fixed Fee per meter size: 5/8" - 10" Non-Residential/Rate per 1,000 gallons: First 18,000 gallons Over 18,000 gallons Fixed Fee per meter size: 5/8" - 10"	2024	Eff July 1, 2024 14% Rate Increase \$2.13 \$4.07 \$9.36-\$1,291.68 \$2.12 \$1.89 \$9.36-\$1,291.68	Eff July 1, 2025 14% Rate Increase \$2.43 \$4.64 \$10.67-\$1,472.52 \$2.42 \$2.15 \$10.67-\$1,472.52	\$ 2,772,094	5 Year Rate Increases to be reviewed by Mayor and Council for FY2026 to FY2030 Frederick City FY2025/quarterly rates: 0-2999 gals - Base Fee Only 3000-20999 gals - \$5.44 / 1000 gals 21000-50999 gals - \$5.77 / 1000 gals 51000-100999 gals - \$7.85 / 1000 gals over 101000 gals - \$9.72/1000 gals Fixed monthly meter fees: Size 3/4"-10" = \$19.57 - \$1,500.18	Ordinance
52000002 - 443202 52000002 - 443102 Metered Service - County: Residential/Rate per 1,000 gallons: First 18,000 gallons Over 18,000 gallons Fixed Fee per meter size: 5/8" - 10" Non-Residential/Rate per 1,000 gallons: First 18,000 gallons Over 18,000 gallons Fixed Fee per meter size: 5/8" - 10"	2024	Eff July 1, 2024 14% Rate Increase \$5.16 \$9.76 \$27.24-\$3,759.12 \$5.14 \$4.66 \$27.24-\$3,759.12	Eff July 1, 2025 14% Rate Increase \$5.88 \$11.13 \$31.05-\$4,285.40 \$5.86 \$5.31 \$31.05-\$4,285.40	\$ 10,178,579	5 Year Rate Increases to be reviewed by Mayor and Council for FY2026 to FY2030 Washington County Proposed FY26 rates Residential: 1st 6000 gallons minimum of \$121.12 Over 6000 gallons = \$14.93 per 1000 gals Commercial I: 1st 6000 gallons minimum of \$124.50 Over 6000 gallons = \$13.17 per 1000 gals	Ordinance
52000002 - 4237 Fire Protection: City - 4" - 12" County - 4" - 12"	2024	Eff July 1, 2024 \$230-2,065 \$307-\$2,753	Eff July 1, 2025 \$237-\$2,127 \$316-\$2,836	\$ 215,686		Ordinance
52000002 - 4232 New Services: 1" Single (3/4" meter) 1" RS Special 2" Service Application Fee	2020	\$1,145 \$1,750 \$2,315 \$50	\$1,145 \$1,750 \$2,315 \$50	\$ 275,172	Will include fees in the rate model	Resolution
52000002 - 4238 Reconnection Fee: 8:00am-3:00pm After 3:00pm Water Meter Pull per customer's request Water Meter Install per customer's request Repeat Service Call per customer's request	2020 2023 2023 2024	\$50 \$100 \$50 \$50 \$100	\$50 \$100 \$50 \$50 \$100	\$ 144,015	Washington County - \$50 Service Disconnect or Reconnect during business hours; \$75 non-business hours	Ordinance
52000002 - 4494 NSF Fees	2020	\$35.00/check	\$35.00/check	\$ 6,160	Per Maryland Commercial Law Section 15-803	Admin Order
52000002 - 4493 Utility Monthly Late Fee	2014	10% one-time late fee	10% one-time late fee	\$ 134,530	Frederick City - 1% penalty per month Washington County - \$30 per bill Town of Smithsburg - 10% late charge	Ordinance
52000002-489914 Emergency Load Response Program	2014	Capacity at 75% of market clearing price	Capacity at 75% of market clearing price	\$ -		M & C

SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2025/2026

NAME OF FEE/PURPOSE	EFF DATE	FY25 RATE	FY26 PROPOSED	FY24 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
WASTEWATER DEPARTMENT						
54000002 - 4243 Connection Charge: Lateral connection Wye for side by side (duplex)	2020	\$1,300 \$390	\$1,300 \$390	\$ 5,200	Will include in the rate model	Ordinance
54000002 - 4242 54000002 - 4245 Sewer Plan Review/Inspection Fee: Application Fee + Review Fee Per Ft. Inspection Fee Per Ft. PS Fee Per Gal. (Minimum of PS Capacity)	2020	\$50 + \$0.50 \$3 \$14	\$50 + \$0.50 \$3 \$14	\$ 23,324		Ordinance
54000002 - 4810 Rental Income per year Cell Tower Rental Cell Tower Rental	1984 2015 2021	\$365 \$1,304.77/month \$474.22/month	\$365 \$1,343.91/month \$488.45/month	\$ 21,078	50 year lease to expire in Oct. 2034 3% increase/year 3% increase/year	Admin Order Resolution M&C
54000004 - 4722 Benefit Charges-Fee Per Gallon: In City - minimum of 200 gallons In County - minimum of 200 gallons	2024	Eff July 1, 2024 3% Rate Increase \$26.27/gallon \$29.85/gallon	Eff July 1, 2025 3% Rate Increase \$27.06/gallon \$30.75/gallon	\$ 703,542	Washington County: Proposed FY26 Allocation Fee: \$7,200 + Infrastructure Program Fee (\$400 per EDU) + Development Fee (\$1,000 per EDU)	Ordinance
54000002 - 444201 54000002 - 444101 Sewer Service Charges-City Consumption: Per 1,000 Gallons Fixed Charges: 5/8" - 10"	2024	Eff July 1, 2024 13% Rate Increase \$6.89 \$28.29-\$3,904.02	Eff July 1, 2025 13% Rate Increase \$7.79 \$31.97-\$4,411.54	\$ 8,204,248	5 Year Rate Increases to be reviewed by Mayor and Council for FY2026 to FY2030 Frederick City FY 25 - Usage Based \$6.51-\$10.24 per 1,000 gals. Size 3/4"-8" = \$50.18 - \$2,676.64	Ordinance
54000002 - 444202 54000002 - 444102 Sewer Service Charges- County Consumption: Per 1,000 Gallons Fixed Charges: 5/8" - 10"	2024	Eff July 1, 2024 13% Rate Increase \$11.54 \$47.00-\$6,486.00	Eff July 1, 2025 13% Rate Increase \$13.04 \$53.11-\$7,329.18	\$ 3,859,567	5 Year Rate Increases to be reviewed by Mayor and Council for FY2026 to FY2030 Washington County FY26 Proposed: 1st 6,000 gals: \$145.90 over 6000 gals: \$8.93 per 1000 gals	Ordinance
54000002 - 444203 54000002 - 444103 Sewer Service Charges-Joint County Consumption: Per 1,000 Gallons Fixed Charges: 5/8" - 10"	2024	Eff July 1, 2024 13% Rate Increase \$10.02 \$40.88-\$5,641.44	Eff July 1, 2025 13% Rate Increase \$11.32 \$46.19-\$6,374.83	\$ 2,926,255	5 Year Rate Increases to be reviewed by Mayor and Council for FY2026 to FY2030 Washington County Proposed FY26: \$67.24 per quarter	Ordinance
54000002 - 4443 Low Pressure Systems Per Dwelling Quarterly Fee If 2 Dwelling Pump Quarterly Fee	2010	\$97.80 \$53.73	\$97.80 \$53.73	\$ 106,409		Ordinance
54000002 - 4246 Monitoring Report/Lab Testing Fees: Meter Set-Up Charge Per Test Biochemical Oxygen Demand Chemical Oxygen Demand Fats, Oils & Grease Suspended Solids PH Metals	2012	\$85 \$30 \$30 \$40 \$15 \$8 \$15	\$85 \$30 \$30 \$40 \$15 \$8 \$15	\$ 7,889	Washington County Proposed FY26: Sample Collection \$25 Biochemical Oxygen Demand \$25 Chemical Oxygen Demand \$35 Oil & Grease \$38 PH (Corrosivity) \$6	Admin Order
54000002 - 4241 54000002 - 4244 Industrial Permit Fee/year Industrial Surcharge Per 1,000 lbs: Chemical Oxygen Demand Fee Suspended Solids Fee Grease & Oil Fee Biochemical Oxygen Demand	2001 2008	\$250 - \$2,000 \$0.33 \$0.82 \$0.47 \$0.82	\$250 - \$2,000 \$0.33 \$0.82 \$0.47 \$0.82	\$ 131,232	Washington County Proposed FY26: SIU's and Non SIU's = \$300 and \$150 Permit Maintenance Annual Fees: < 1000 gpd - \$250 1000 - 9999 gpd - \$500 10,000 - 25000 gpd - \$1000 >25,000 gpd - \$2000	Ordinance
54000002 - 4493 Utility Monthly Late Fee	2014	10% one-time late fee	10% one-time late fee	\$ 236,044	Frederick City - 1% penalty per month Washington County - \$30 per bill Town of Smithsburg - 10% late charge	Ordinance
PARKING FACILITIES						
56740102 - 4451 56740112 - 4451 56740122 - 4451 Parking Deck Permits - Monthly Fee: Regular Customers University District Parking Deck Regular Customers A&E Parking Deck Regular Customers Hub City Garage Personally Assigned Space	2021 2024 2024 2014	\$70 \$80 \$90 \$120	\$70 \$80 \$90 \$120	\$ 418,803	Annapolis: \$110-\$350/month Cumberland: \$60-\$85/month Frederick: \$102/month Winchester: \$50/month	Resolution Resolution
56740102 - 4452 56740112 - 4452 56740122 - 4452 Parking Deck Fees Minimum Fee Maximum Daily Rate Sundays (Free 6am-2pm)	2024 2024 2024	\$2 \$24 \$2	\$2 \$24 \$2	\$ 170,380	Annapolis: \$1.25-\$5.50 for 1st hr up to \$10 - \$23.25 max Winchester: \$2/hr; \$30 max Frederick: \$1/hr; \$12 max; \$5 after-hours rate Cumberland: \$1.50/hr, \$12 max	Resolution
56740112 - 4453 Special Event Parking		N/A	N/A	\$ -	Winchester \$20	
56740112 - 4455 Web Based Validations	2010	20% Discount	20% Discount	\$ 40,506		Resolution
56740132 - 4457, 445701, 445702 445703, 445704, 445705, 445706 Parking Meter Fees Fifteen (15) Minutes Thirty (30) Minutes Sixty (60) Minutes Thirty Minute Parking Meters Six (6) Minutes Fifteen (15) Minutes Thirty (30) Minutes	2024 2024 2024 2003 2003 2003	\$0.25 \$0.50 \$1.00 \$0.10 \$0.25 \$0.50	\$0.25 \$0.50 \$1.00 \$0.10 \$0.25 \$0.50	\$ 153,774	Annapolis: \$2-\$4/hour Cumberland: \$1 - \$1.50/hour Winchester: \$0.50 - \$0.75/hour Frederick: \$1 - \$2.00/hour meters active	Resolution Resolution
56740132 - 445801, 445802 445803, 445804 Monthly Permit Fees Parking Lots: Student Rate Central Lot Church Street Lot Rochester Lot	2024 2021 2021 2021	\$28 \$56 \$56 \$56	\$28 \$56 \$56 \$56	\$ 147,212	Annapolis: \$90 - \$225/month Cumberland: \$35- \$40/month Winchester: not available Frederick: Market St. Lot \$75/month	Resolution
56740132 - 445899 Department Charges Monthly Fee	2022	\$70.00	\$70.00	\$ 18,480		Admin Order
56740142 - 4551, 455101, 4552, 455201 4553, 4559, 483005, 4899 Parking/Expired Meter Fire Hydrant Non-Meter/Street Sweeping/All Other Handicap Zone Parking Boot Fee Non-electric Vehicle Parked in EV Designated Space	2003 2023 2023	\$10/\$25/\$35 \$100/\$110/\$120 \$20/\$30/\$40 \$100/\$110/\$120 \$100 \$100/\$110/\$120	\$10/\$25/\$35 \$100/\$110/\$120 \$20/\$30/\$40 \$100/\$110/\$120 \$100 \$100/\$110/\$120	\$ 142,926	Annapolis: \$40-\$70/\$105-\$140 per violation Cumberland: \$25/expired Winchester: \$10/expired, \$100 handicap Frederick: \$20/expired/street sweeping, \$250/ handicap	Ordinance Resolution Resolution

SCHEDULE OF FEES & SERVICE CHARGES
FISCAL YEAR 2025/2026

NAME OF FEE/PURPOSE	EFF DATE	FY25 RATE	FY26 PROPOSED	FY24 ACTUAL	COMPARABLE RATES	ACTION REQUIRED
GOLF COURSE						
57000002-446501				\$ 174,056		
Greens Fees at Hamilton Run Walking	2023				Black Rock 18-Hole \$25/\$35 South Mountain 9-Hole \$9/\$11 Woodbrier 9-Hole \$15/\$18	Admin Order
Adult (17-61) 9 Hole/18 Hole		\$14/\$18	\$14/\$18		\$16/\$25	N/A
Seniors (62+) 9 Hole/18 Hole		\$11/\$14	\$11/\$14		N/A	N/A
Weekend or Holiday 9 Hole/18 Hole		\$18/\$22	\$18/\$22		\$10/\$14	\$17/\$20
Riding						
Adult (17-61) 9 Hole/18 Hole		\$24/\$33	\$24/\$33		\$35/\$55	\$15/\$20
Seniors (62+) 9 Hole/18 Hole		\$18/\$25	\$18/\$25		\$25/\$35	N/A
Weekend or Holiday 9 Hole/18 Hole		\$28/\$37	\$28/\$37		\$40/\$60	\$18/\$25
						\$27/\$35
57000002-446601				\$ 12,027		
Season Pass (City Residents Only)	2021				Black Rock N/A South Mountain \$390/\$420 Woodbrier N/A	Admin Order
Individual		\$625	\$625		N/A	N/A
Senior Individual		\$399	\$399		N/A	\$560/\$600
					Student: \$300/\$325	N/A
Season Pass (Non-City Residents)	2021				N/A	N/A
Individual		\$825	\$825		N/A	N/A
Senior Individual		\$599	\$599		N/A	N/A
57000002-4467, 446707				\$ 8,146		
Tournaments & Specials	2011	Varies	Varies		Black Rock \$45 South Mountain Varies Woodbrier Varies	Admin Order
57000002-481801				\$ 110,307		
Cart Rentals, Per Person:					Black Rock \$10/\$20 South Mountain \$8/\$11 Woodbrier \$10/\$15	Admin Order
9 Hole/18 Hole	2021	\$10/\$15	\$10/\$15		\$9/\$10	N/A
Senior 9 Hole/Senior 18 Hole	2021	\$7/\$11	\$7/\$11		N/A	N/A
Pull Cart Fee	2021	\$4	\$4		N/A	\$2/\$4
						N/A
STORMWATER PROTECTION						
59000002-444701				\$ 3,392,967		
Stormwater Utility Fee Annual Fee	July 1, 2025	\$36 per 1000 square feet of impervious area	\$38 per 1000 square feet of impervious area		Annapolis: \$78/annually Berkeley County WV: \$42 annually Baltimore City: \$40 to \$120 annually Howard County: \$15 to \$90 annually Gaithersburg: \$44 annually Rockville: \$132 annually Tacoma Park: \$50/1000 sf annually Anne Arundel: \$89.25 annual	Resolution

Hagerstown Gives Back

City of Hagerstown



FISCAL POLICIES AND GLOSSARY
SECTION 9

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The policies described below represent summarized versions of the existing policies and are not intended to represent the full policy. These policies should not be considered all inclusive of the policies and procedures of the City of Hagerstown.

OPERATING BUDGET POLICY

1. The budget will be prepared, presented and administered by the City Administrator. The budget is a resource-allocation policy document for the Mayor and City Council.
2. The budget document will be prepared so that it facilitates public study and effectively communicates key economic issues and fiscal policies. The budget process will encourage public involvement.
3. By Charter, the budget must be balanced. Revenues must equal or exceed expenditures. As a general rule, current operating revenue needs to be sufficient to support current operating expenditures.
4. Debt or bond financing will not be used to finance current operating expenditures.
5. Every effort will be made to maintain existing levels of essential public services.
6. All enterprise funds will be fully self-supporting, pay their own way and provide for their own system improvement and expansion needs.
7. Each fund will budget for, and pay, their fair share of public utility and public service costs or fees. Each fund is to be treated as though it were a private customer or taxpayer to properly provide for payments between funds.
8. In addition to its annual operating budget, the City will prepare five-year budget projections, as well as, an analysis of its past financial trends to obtain a broader, more comprehensive picture of the impact of decisions involving the current year's budget or other financial plans.
9. The City will develop a program to integrate performance measurement and productivity indicators with the annual budget.
10. Whenever possible, the City will take advantage of technological improvements to improve productivity and lower costs.
11. Budget performance will be monitored and reported on throughout the year. The department managers are an integral part of the budget control process and will be responsible for their individual department's performance.
12. Prior year's fund balances are to be treated as a "rainy day" fund and are not to be used in budgeting for operating expenditures.
13. As a target, annual "pay as you go" capital expenditures, including both capital improvement program (CIP) and non-CIP, funded by current General Fund dollars shall be greater than the annual depreciation on non-infrastructure General Fund assets plus current cost of maintaining the City's streets through the annual resurfacing program. Other infrastructure assets will be funded through grants and/or debt financing.

REVENUE POLICY

1. The City will try to maintain a diversified and stable revenue system to aid in sheltering it from the impact of short-term fluctuations in any one revenue source.
2. The City will attempt to continually search for new revenue, both financial and non-financial, as a way to diversify its revenue base and help ensure a balanced budget.
3. Wherever possible, those receiving the benefits of a government or utility service will pay for what they receive in full; through current fees, charges, or other assessments. This includes the City's own utilities and other departments who are service "users".
4. The City will follow an aggressive policy of collecting the revenues which are due it.
5. Nonrecurring revenues and other financing resources will not be used to finance continuing operations. Long-term financial commitments to continuing outlays will be avoided unless sustained revenue growth is assured.
6. The City will project revenues for five years and will update the projections annually.
7. Revenue estimates will be based on reasonable expectations and be as realistic as possible, unless fund balances become insufficient to absorb occasional shortfalls, then more conservative estimates should be used.
8. The City will annually review its fees and other charges for service, property tax rates, and utilize annual incremental increases in these to ensure that the City is maintaining existing levels of essential public services.
9. Market rates and charges levied by other public and private organizations for similar services will be considered in establishing rates, fees, and charges.

PURCHASING POLICY

1. The City shall attempt to buy materials and services of high quality at a reasonable cost.
2. The City shall make sure that all purchasing actions are fair and impartial with no impropriety or appearance of impropriety. All qualified buyers and sellers shall have access to City business, and no individual or firm shall be arbitrarily excluded.
3. Every attempt will be made to secure the maximum feasible amount of competition.
4. All purchases and contracts shall be made by the City Administrator. The City Administrator may delegate the responsibility for all major construction contracts to the City Engineer and the Director of Utilities, and the responsibility for all other City purchases to the Purchasing Manager.
5. All budgeted purchase requisitions are subject to the following approvals:
 - Purchase requisitions up to \$1,000 are to be approved by the Department Manager.
 - Purchase requisitions from \$1,000 up to \$4,999 are to be approved by the Purchasing Manager.
 - Purchase requisitions from \$5,000 up to \$9,999 are to be approved by the Finance Director.
 - Purchase requisitions from \$10,000 up to \$24,999 are to be approved by the City Administrator.
 - Purchase requisitions over \$25,000 are to be approved by the Mayor and Council.If budgeted funds are not available, the Director of Finance shall be contacted to locate a source of funds prior to any purchase occurring.
6. Purchases of \$1,000 and under may be made using the Purchasing Card (PCard) Program.
7. Purchases of \$30 and under may be made through petty cash.
8. The City shall maintain a yearly open purchase order system (\$200 maximum per transaction) to cover purchases from specified vendors who supply the City with a high volume of the same or similar goods or services during the course of a year.
9. The City of Hagerstown Purchasing Manual shall cover all detailed City purchasing policies and procedures and is available from the Purchasing Department.

INVESTMENT POLICY (Amended September 25, 2012)

1. This Policy's four primary goals are as follows:
 - Assure compliance with federal, state, and local laws governing the investment of public monies under the control of the Director of Finance and Investment Officer.
 - Provide sufficient liquidity to meet normal operating and unexpected expenditures.
 - Protect the principal monies entrusted to the City.
 - Generate the maximum amount of investment income within the parameters of prudent risk management as defined in this Investment Policy.
2. This policy establishes guidelines for the investing of the financial assets for the City, except as specifically excluded by the Mayor and Council or restrictive covenants. Assets held in trust and agency funds (Pension plans and OPEB plans) are exempt from this policy and are covered under separate policies, procedures, and committees.
3. All investments shall conform to the laws of the State of Maryland. Funds are to be managed in such a way that income earned will be maximized and the portfolio capital is preserved, while simultaneously planning for cash flow and budgetary needs.
4. Although the City Administrator must approve each City investment, the Director of Finance and the designated Investment Officer have the authority to develop and maintain written administrative procedures consistent with the Investment Policy.
5. All investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.
6. Internal controls are established by the Director of Finance to prevent loss of funds due to human and market miscalculations.
7. The City's priorities for investment and management of public funds are: Safety of principal, Liquidity, and Return on investments.
8. The Policy designates allowable types of investment instruments with limitations on amounts invested in any one institution. The investment of funds is also restricted by maturity terms.

9. The policy outlines criteria to rate financial institutions to qualify as eligible for City investment purposes. The criteria consider the following items for each financial institution: total assets, core capital-to-total assets ratio, nationally recognized financial statistical rating, and charter.
10. An Investment Committee, consisting of the City Administrator, Director of Finance, and Budget and/or Investment Officer has been established to develop general direction and guidance for the City's investment activities.
11. The detailed investment policies, which have been approved by the Mayor and Council, are available from the City Administrator.

DEBT MANAGEMENT POLICY (Amended December 16, 2014)

The City of Hagerstown's Debt Management policy, as approved by Mayor and Council, is designed to provide sound financial management and protect and enhance the City's bond rating. The City's debt management policy represents boundaries within which debt issuance and overall debt management processes will operate. The policy is established to provide direction and guidance for Mayor and Council and City staff to issue long-term debt in a manner that is affordable to our community. Long-term debt can only be issued with approval by Mayor and Council through adoption of required legislation in the form of an ordinance and resolution. Additionally, the City will seek the advice and assistance of independent legal bond counsel and Hagerstown's independent financial advisor to issue debt. Last, the City Administrator and City Director of Finance are responsible for monitoring and analyzing long-term debt levels and apprising Mayor and Council on issues related to Hagerstown's debt management.

1. The City shall maintain adequate operating cash to meet future debt service requirements.
2. The City will assure compliance with debt covenant provisions and appropriate disclosure to investors, underwriters, and rating agencies.
3. The City will comply with Federal, State, and City Charter requirements and adhere to Federal arbitrage regulations for all debt issuances.
4. The City may issue bonds for eligible projects after determining there will be sufficient revenue to pay annual debt service expenditures for the bond.
5. The City will limit its long-term borrowing to capital items and projects.
6. The City will not use long-term debt to fund annual operating costs or to fund capital items and projects that should be funded from sources other than long-term debt.
7. Capital Projects financed through the issuance of bonds shall not be financed for longer than the average expected useful life of all projects and items included in the bond issue, as well as the amount of each item in the bond issue.
8. When available, current operating revenue ("pay-as-you-go") may be used to fund capital items and projects that otherwise would be financed through long-term borrowing. Pay-as-you-go may also be used for projects that do not qualify for bond financing.
9. Interest, operating, and maintenance expenses will be capitalized only for enterprise or utility fund facilities and will be strictly limited to those expenses incurred prior to actual operation of the facilities.
10. The City will avoid the use of short-term tax anticipation or other short term debt for non-capital purposes except when necessitated by cash flow or other "emergency" situations. Any bond anticipation debt will be retired within 6 months after completion of the project it financed. Continual rollover of short term debt without principal pay down will be avoided.
11. The City will maintain good communications with the bond rating agencies about its financial condition and will follow a policy of full and open disclosure on every financial report and bond prospectus.
12. The City's future funding obligations for OPEB and pensions shall also be considered as long-term debt.
13. Neither Maryland State law nor the City Charter mandates a limit on municipal debt.
14. The City will maintain an average maturity of total City general obligation bonds at or below 25 years.
15. Total tax supported annual debt service expenditures for general long-term debt will not exceed 10% of general fund operating revenues.
16. The City will maintain its general fund tax supported debt at a level not to exceed \$1,000 per capita.
17. The City will maintain all long-term debt at a level not to exceed 10% of the assessed valuation of taxable property.
18. The City can issue GO bonded debt backed by the full faith and credit for Enterprise Funds. However, the debt will be structured so that it will be paid by the revenue generated by the applicable Enterprise Fund.

FISCAL POLICIES – APPROVED BY MAYOR & COUNCIL
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Periodic reviews of all outstanding debt will be undertaken by the City's financial advisor to determine refinancing opportunities. Refinancings will be considered, within Federal regulations, under the following conditions:

19. There is a net economic benefit.
20. It is needed to modernize covenants that are adversely affecting the City's financial position or operations.
21. The City wants to adjust the principal outstanding in order to achieve future debt service savings, and it has available working capital and budget capacity to do so from other sources.

Mayor and Council and City staff will review this policy at a minimum of every five years and update as necessary.

CAPITAL IMPROVEMENT PROGRAM

1. The City will prepare and adopt a five-year Capital Improvement Program which will detail each capital project, the estimated project cost, description, and funding source. The overall goal of the Capital Improvement Plan is to order the City's fiscal expenditures while coordinating public investment with adopted plans and policies to properly manage the City's long term investments. To that end, the program is expected to:
 - increase opportunities to obtain funding from outside sources, such as the state and federal government;
 - assist in the planning, budgeting and coordinating the operation and capital efforts of the various City Departments;
 - provide a rational basis by having supporting public capital commitments; and result in a more favorable bond rating by giving evidence of effective management.
2. Operating expenditures will be programmed to include the cost of implementing the approved Capital Improvement Program and providing all manpower, operating costs and capital outlay required by it.
3. All capital projects must be justified on the basis of providing a basic service, improving or rehabilitating deteriorated facilities, reducing costs, promoting jobs or benefiting a large population segment or a target area of the City. They must also be compatible with other planned projects and overall City development plans.
4. All projects are to be prioritized according to the following criteria levels:
 - FIRST - clear and present danger to the public; or contractual obligation; or written commitment of grant funding.
 - SECOND - documented cost savings; or probable grant commitments; or other justified need.
 - THIRD - future cost avoidance; or planned improvements; or significant improvement of service.
5. Appropriations for all Capital Improvement Projects are approved on an annual basis only. All uncompleted projects must be reconsidered annually to determine if unspent funds need to be recommitted to a given project or reallocated to other planned projects.

ENTERPRISE FUND DIVIDEND TRANSFER POLICY (Amended November 25, 2013)

1. As part of its year end annual financial evaluation process, the City will consider whether it is appropriate and prudent to transfer a portion of the unused retained earnings from an Enterprise Fund to the CIP Fund assigned fund balance. Uses of the fund will include non-recurring capital expenditures for city neighborhoods, downtown redevelopment, economic development projects, park improvements, and special one-time projects.
2. This transfer payment cannot be considered a normal cost of Enterprise Fund operations recoverable through the rate base. Rather, it is to be paid out of the annual net profits of the prior year just as a private investor owned utility would pay their shareholders a dividend from these sources.
3. The following controls will be utilized to ensure that the payment of dividends by an Enterprise Fund does not jeopardize the financial health of the fund.
 - On an annual basis after the prior fiscal year end audited financial statements are presented, an updated financial projection analysis of the Enterprise Funds will be done. The analysis will include all expected sources and uses of funds for the current year as well as funding approved through the current approved budget.
 - Adequate funds within the Enterprise Funds must be provided for debt interest, principal repayments and any debt coverage requirements. A minimum working capital reserve level equal to two months of operating costs must be maintained at all times. Operating cost is defined as total operating expenses less depreciation and interest expense. Additionally, for those Enterprise Funds utilizing a 3R Reserve, 1% of the cost of replacement of the total asset must be maintained in a restricted cash account.

- Capital expenditures on average during the six year projection period must be at a level at least equal to the average depreciation expense during the projection period. (This control is intended to prevent under funding replacement capital expenditures to allow for dividend transfers).
 - Payment will be made after reviewing the prior year's audited financial statements, and preparation of an updated financial projection analysis for an Enterprise Fund.
 - Mayor and Council shall act on staff recommendation and declare a dividend if appropriate and in compliance with this policy through an approval of a Motion.
4. These needs must be anticipated and adequately provided for in the Enterprise Funds.

FUND BALANCE/RETAINED EARNINGS POLICY (Amended November 14, 2017)

1. This Policy covers three different funds: General Fund, Enterprise Fund and Health Insurance Fund.
- The City will maintain a minimum unassigned General Fund balance to be used for unanticipated emergencies of not less than seventeen (17) percent of the General Operating Budget (excluding Capital Outlay). This is a minimum level necessary to avoid cash flow interruptions, generate interest income, reduce the need for short-term borrowing and assist in the maintaining an investment grade bond rating. Consideration must also be given to the number of months of coverage the minimum level provides. A minimum level of two (2) months of regular General Fund operating expenditures should be maintained within the fund balance.
 - To the extent that the unassigned General Fund balance exceeds the targeted seventeen (17) percent, the City may draw upon these funds to provide pay-go financing for capital projects or for other one-time capital items. The City may designate parts of the unassigned General Fund balance that would represent tentative management plans rather than actual restrictions on the use of the funds. The funds may also be used to allow time for the City to restructure its operations in a deliberate manner but only in the context of long-term fiscal planning.
 - If the fund balance should fall below the above minimum due to use for an unplanned emergency situation, defined as a sudden steep decline in revenue from which no reasonable expenditure reduction or tax rate increase can be planned and implemented in a timely fashion, the City will budget a portion of General Fund revenue estimated for that fiscal year in an amount to get back to the seventeen (17) percent within five (5) fiscal years.
 - The City will strive to maintain sufficient retained earnings in the Enterprise funds to ensure its working capital needs, minor continuing system improvements, and general system improvements needs are met. In addition, there is a review and monitoring of the Enterprise funds retained earnings for the Enterprise Fund Dividend Transfer Policy. This dividend transfer policy includes a minimum working capital reserve level of two (2) months.
 - The City will maintain, for the Health Insurance Fund, a minimum unassigned fund balance:
 - a. that covers thirty (30) percent of its annual total expenditures excluding transfers to other city funds;
 - b. that will adequately fund annual Other Post Employment Benefit (OPEB) trust as determined from prior year actuarial report; and
 - c. that covers a minimum level of three and half (3.5) months of regular health insurance fund operating expenditures.
 - d. To the extent all of the above conditions are met, transfers of surplus fund balance amounts can be utilized to reimburse other city funds for prior year accumulations based upon percentage of funding provided by each fund.

GRANT MANAGEMENT POLICY

The City, through individual departments, shall actively pursue grant resource opportunities and utilize grant funds to supplement and enhance the City's goals and objectives. Grant application, approval, and administration shall be finalized with the knowledge and participation of the Finance Department and the City Administrator's Office. Grants providing funding of City staff positions must be finalized with the knowledge and participation of the Human Resources Department. The activities of the grant and the expenditure of grant funds will be performed in accordance with the approved application and resulting agreement with the grantor and in accordance with all grant conditions.

1. The City shall generally not solicit grant funds from government and private agencies less than \$1,500.

FISCAL POLICIES – APPROVED BY MAYOR & COUNCIL
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2. All departments may apply for any grants that contribute to the overall mission and goals of the City. Department Managers must approve all grant applications for their respective departments. Department Managers shall report accurate data and information on all applications, consistent with the City's reports, records, and operations.
3. Prior to submitting the grant application to the granting entity, Department Managers must input the application information into the Grant Master module in Munis, and attach complete scans of the grant application and any program or guides into Tyler Content Manager.
4. The Finance Department must be notified that a grant application has been entered for Finance Department review.
5. Electronically submitted grants must include the Director of Finance as an authorizing agent or person. The grantee should be listed as "City of Hagerstown", not the requesting department.
6. Prior to submission of a grant application, the Department seeking the grant must complete all necessary Human Resources Department, Finance Department, City Administrator, and Mayor & Council approvals. This approval requirement applies to both first time and ongoing grants, and will include the following:
 - The Department Manager must approve all new and ongoing grant applications of less than \$30,000 and less than \$25,000 in City matching funds. The Department must notify the Finance Department of the grant application for review prior to submission.
 - Prior to submission, the Department Manager along with both the Director of Finance and the City Administrator must approve all new grant applications between \$30,000 and \$50,000 and requiring less than \$25,000 in City matching funds, and all ongoing grants greater than \$30,000 and requiring less than \$25,000 in City matching funds. The Department Manager, Director of Finance, and City Administrator are the only personnel authorized to sign applications, agreements, contracts and grant documents on behalf of the City for grants of \$30,000 or greater.
 - Prior to submission, the Department Manager, the Director of Finance, the City Administrator and the Mayor and Council must approve all grant applications that meet any of the following conditions:
 - i. Any new grant funding the addition of a new position. Additionally, approval from the Human Resource Director is required for position additions.
 - ii. Any new grant in excess of \$50,000.
 - iii. Any new or ongoing grant requiring City matching of funds of \$25,000 or more.
 - iv. Any new or ongoing grant requiring either Mayor or Council approval of or understanding of the City's ongoing obligations to retain the grant.
7. The Department Manager shall notify the Finance Department of whether the grant has been awarded or denied and make necessary updates to the grant status in the Grant Master. Copies of the grant award notification, approved grant budget, and conditions must be scanned and attached to the Grant Master through Tyler Content Manager.
8. Upon notification from the Department originating the grant, the Finance Department will establish a new project number for the grant, and set up the appropriate budget, income, and expenditure accounts in the City's General Ledger system. The Finance Department will notify the Department of the new project and account numbers.
9. Grant financial records, supporting documentation and all other records pertinent to the grant shall be retained by the City permanently following the submission of the final report to the grantor. Copies of all applications, award letters, budget notices, award conditions, reimbursement requests, expenditures, quarterly reports, performance measures, and close out reports must be scanned and attached to the Grant Master through Tyler Content Manager.
10. Federal and State grants are subject to annual audits by the City's external auditors and must comply with certain standards. The Finance Department will prepare the Schedule of Expenditures of Federal Awards and State Financial Assistance (SEFA) to comply with the City's Single Audit requirements.

AMERICAN RESCUE PLAN ACT OF 2021 (ARPA) GRANT MANAGEMENT POLICY

In March 2021, the U.S. Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Fund (SLFRF), established by the American Rescue Plan Act of 2021 (ARPA). The fund provides \$350 billion in emergency funding to help continue to support COVID-19 response efforts, strengthen vital public services, replace public sector revenue lost due to the pandemic, and support economic recovery by helping to stabilize households and small businesses.

FISCAL POLICIES – APPROVED BY MAYOR & COUNCIL
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The Department of the Treasury allocated a total of \$20,421,010 to the City of Hagerstown. ARPA funding is administered by the Department of Finance and Accounting and all allocations are reviewed and approved by the Mayor and City Council. When any project is funded in whole or in part with ARPA funds, the City and any subrecipient, beneficiary, or contractor/vendor must fully comply with all rules and regulations in 31 CFR Part 35 Pandemic Relief Programs, 2 CFR 200.1 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, all existing local procurement policies and procedures, and the Treasury's Final Rule. All ARPA funds must be obligated by December 31, 2024 and expended by December 31, 2026.

The City is committed to administering ARPA award funds in a fair and ethical manner which is consistent with the Treasury's program objectives and all local, state, and federal law. The City shall only provide ARPA funding for projects, investments, or services which are considered an eligible use of funds as outlined in the Treasury's Final Rule. ARPA funds may be used:

- a) To respond to the public health emergency or its negative economic impacts;
- b) To respond to workers performing essential work during the COVID-19 pandemic public health emergency by providing premium pay to eligible workers;
- c) For the provision of government services, to the extent of the reduction in revenue due to the COVID-19 pandemic; and
- d) To make necessary investments in water, sewer, or broadband infrastructure.

Any interested parties or organizations that wish to request ARPA funding must coordinate with the City of Hagerstown to determine if a project is eligible to receive ARPA funding as a subrecipient or beneficiary. The funding proposal will be reviewed by the Department of Finance and Accounting and/or the City's Grant Steering Committee, and Mayor and City Council. If the request for funding is approved, the organization must enter into a formal subrecipient agreement or other written contract before ARPA funds will be disbursed and will be subject to all provisions in the Treasury's Final Rule.

Internal City departments interested in receiving an allocation of ARPA funds for local projects and initiatives must first coordinate with the Department of Finance and Accounting to determine eligibility. Internal requests must also be reviewed and approved by the Mayor and City Council.

GENERAL FUND AGENCY CONTRIBUTION POLICY (Amended October 18, 2019)

1. The City of Hagerstown for many years has funded grants to local community agencies using annual appropriations in the General Fund as the source of this financial support. The purpose of this policy is the following:
 - 1) To establish the level of General Fund funding support for agency contributions.
 - 2) To define the City's timeline for this process.
 - 3) To specify the City's requirements for the information to be provided by agencies seeking funding.
 - 4) To outline the schedule for the City's distribution of funds to agencies receiving a grant of more than \$5,000.
2. The Mayor and Council have established funding to be allocated toward 8 recipients identified by the City as core agencies. These agencies include the following:
 - a) Washington County Free Library
 - b) Washington County Museum of Fine Arts
 - c) Maryland Theatre
 - d) Maryland Symphony Orchestra
 - e) Hagerstown Municipal Band
 - f) Community Rescue Services
 - g) Hagerstown Neighborhood Development Partnership
 - h) Washington County Historical Society
3. The Mayor and Council have established a \$0 contingency for General Fund Agency Contributions.
4. The Mayor and Council have established that the total funding level range for General Fund Agency Contributions is between \$205,000 - \$284,600 to include funding all current obligations.
5. If needed, the Mayor and Council will consider changes to these funding levels for General Fund Agency Contributions in future fiscal years by the end of October.

FISCAL POLICIES – APPROVED BY MAYOR & COUNCIL
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6. The City will distribute application packets to community agencies in November.
7. Applications from agencies are due no later than the 2nd Friday of January. Submission of funding requests will not be received after this date.
8. The Mayor and Council will approve Community Agency funding from the General Fund by the end of May.
9. Agencies will be notified of the Mayor and Council's funding decision by mid-June for contributions to be available beginning July 1.
10. The City of Hagerstown will consider a number of factors/criteria in approving funding requests. Agencies requesting more than \$5,000 in funding should include the following in their applications for funding:
 - 1) A full description of how the requested grant from the City would be used to support agency operations, services, and capital improvements.
 - 2) A summary of other local government funding sources and amounts including any grants received from Washington County or other municipalities.
 - 3) A copy of the agency's most recent budget.
 - 4) A copy of the agency's most recent financial report or audit prepared by an independent auditing firm.
 - 5) A description of how the agency supports the goals of the City for downtown revitalization, expansion of the arts, culture, and education, neighborhood vitality, quality of life.
 - 6) Agency service data related specifically to providing service and assistance to residents of the City of Hagerstown.
11. As part of the application and approval process, an agency may be requested to make a presentation of their funding request and service information to Mayor and Council during a public work session.
12. The City will distribute grant funds to the agencies on a quarterly reimbursement basis beginning on October 1 of each year for those organizations receiving a grant of more than \$5,000. Other agencies can receive the full amount of their grant in July, the first month of the City's fiscal year.

GLOSSARY
FISCAL YEAR 2025/2026

Definitions of terms used in preparation of the Budget are listed below and in the pages that follow.

Accounting System – The total structure of records and procedures that identify, record, classify, summarize, and report information on the financial position and results of operations of a government.

Accrual Basis of Accounting – The method of accounting where transactions are recognized when they occur, regardless of the timing of related cash flows.

AFSCME 1540 – The American Federation of State County and Municipal Employees, Local 1540. The collective bargaining unit that represents general personnel.

AFSCME 3373 – The American Federation of State County and Municipal Employees, Local 3373. The collective bargaining unit for sworn Police personnel.

American Rescue Plan Act of 2021 (ARPA) – A \$1.9 trillion coronavirus rescue package designed to facilitate the recovery of the United States from the devastating economic and health effects of the COVID-19 pandemic. The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, a part of the American Rescue Plan Act of 2021, provides \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency. (See also CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS)

Appropriations – The legal authorizations made by the Mayor and Council to the departments, offices, and agencies of the City which approves their budgets and allows them to make expenditures and incur obligations for purposes with the accounts approved.

Assessable Base – The total value of all real and personal property in the City, which is used as a basis for levying taxes. Tax exempt property is excluded from the assessable base.

Assigned Fund Balance – The portion of net resources intended for a specific use by the City, as determined by the designee of the Mayor and Council.

Balanced Budget – A budget that has operating revenues equal to operating expenditures.

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

Bond – A written promise to pay a specified amount of money, called the principal amount, at specific dates in the future called maturity dates along with interest at a specific rate.

Bond Anticipation Notes – Short-term interest-bearing notes issued by a government in anticipation of bonds to be issued at a later date. The notes are retired from proceeds of the bond to which they are related.

Bonds Issued – Bonds sold.

Bond Rating – A rating that indicates the probability of timely repayment of principal and interest on bonds issued.

Budget – A financial plan containing estimated revenues and expenses for an organization. The plans are prepared by the individual departments and reviewed and submitted by the City Administrator to the Mayor and Council for their review and approval.

Budget Year – The fiscal year for which the budget is being considered. (See also FISCAL YEAR)

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

GLOSSARY
FISCAL YEAR 2025/2026

Capital Budget – The annual adoption of project appropriations by the Mayor and Council. Project appropriations are for the amount necessary to carry out a capital project’s expenditure plan, including multi-year contracts for which a total appropriation covering several years planned expenditures may be required.

Capital Improvements Program (CIP) – The annual updated 6-year plan or schedule of projected expenditures for buildings, public facilities, and other improvements which are of significant value and have a useful life of several years. The City’s program includes estimated project costs, sources of funding, and timing of work for each project. The capital improvement program is the basis for the annual CIP appropriations and any new bond issues.

Capital Expenses (Outlays) – Departmental expenditures which generally result in the acquisition of furniture, equipment, and/or computers, which have a value of less than \$5,000 (\$10,000 for Enterprise Funds), and have a useful economic life of more than one year. Capital expenses are reflected in the budget document in each department requesting the items.

Capital Projects – A specific activity or element of the Capital Improvements Program involving expenditures and funding for the creation of permanent facilities or other public assets that have a relatively long useful life.

CDBG – See Community Development Block Grant.

CIP – See Capital Improvements Program.

Committed Fund Balance – Portion of net resources with imposed limitations set at the highest level of decision-making authority. Such authority includes ordinances, resolutions of the Mayor and Council, and the City’s charter. Formal action at the same level of authority is required to remove such limitations.

Community Development Block Grant (CDBG) – A general purpose federal grant primarily used to promote rehabilitation and development of residential and commercial neighborhoods, and to meet all urgent community development needs.

Coronavirus State and Local Fiscal Recovery Funds (SLFRF) – A part of the American Rescue Plan Act of 2021, this program delivers \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency. (See also AMERICAN RESCUE PLAN ACT OF 2021)

Current Year – The fiscal year that is prior to the budget year.

Debt Issuance – The sale or issuance of any type of debt instrument, such as bonds.

Debt Limit – The statutory or constitutional maximum debt that an issuer can legally incur.

Debt Ratios – The ratios that provide measures of assessing debt load and ability to repay debt, which play a part in the determination of credit ratings. They also are used to evaluate the City’s debt position over time against its own standards and policies.

Debt Service – The payment of principal and interest on borrowed funds such as bonds.

Deficit – The amount by which a government’s budget outlays exceed its budget revenues for a given period, usually a fiscal year.

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

Department – The major organizational divisions in the City government with overall responsibility for one or more activities or functions of the City.

GLOSSARY
FISCAL YEAR 2025/2026

Depreciation – An allocation made for the decrease in value of physical assets through wear, deterioration, or obsolescence. It allocates the asset’s cost over its useful life.

Distinguished Budget Presentation Award – A voluntary program administered by the Government Finance Officers Association (GFOA) to encourage governments to publish efficiently organized and easily readable budget documents and to provide peer recognition and technical assistance to the fiscal officers preparing them.

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

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

Encumbrance – A firm commitment to pay for future goods and services formally documented with a contract or agreement that may extend over more than one budget year. Both encumbrances and planned expenditures on a project must fit within an agency’s appropriation.

Enterprise Fund – A fund used to account for operations that are financed and operated in a manner similar to private business enterprises, where the costs of providing goods or services to the general public are financed or recovered primarily through user charges. The City has seven enterprise funds: Electric, Water, Wastewater, Parking, Golf Course, Property Management, and Stormwater Protection.

Estimated Actual (Revenue, Expenditures) – Projected amounts to be paid or collected for the current year estimate through analysis of year-to-date financial trends or schedules.

Excise Tax Fund – This fund accounts for the City's share of the County excise taxes collected by the City. There is a building excise tax on all building construction in Washington County. Effective March 2014, the City stopped assessing and collecting the City's portion of this fee and instead administers and collects only the County's portion less two percent (2%) for the administrative oversight provided.

Expenditure – An actual payment made by check, inter-fund transfer, or by recordation of an amount due for goods received or services rendered.

Expenditure Summary – A top-level summary of expenditures by category for each department. The expenditure summary is a component of the departmental Program Summary in the budget document.

Fees – Income resulting from a billing for services or sale made by the City. For example, building permit fees, license fees, and service fees for water, wastewater, and electric, etc.

Fiscal Policies – The City’s financial management policies relating to the operating budget, revenues, capital improvements program, general fund balance levels, liability coverage and workers compensation risk management, debt, investments, purchasing, Electric Fund dividend transfer, and Community Betterment Fund use.

Fiscal Year – An organization’s accounting or financial year. The City’s fiscal year starts July 1 and ends June 30.

Fixed Asset – Assets of a long-term character which are intended to continue to be held and used. Examples of fixed assets include items such as land, buildings, machinery, furniture, and other equipment.

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

GLOSSARY
FISCAL YEAR 2025/2026

Full-Time Staffing – Indicates the authorized number of full-time employees in each department by position type. Part-time staffing reflected on the full-time staffing schedule does not include temporary and seasonal positions. Full-time staffing levels are reflected in each Program Summary.

Fund – A fiscal and accounting entity with a self-balancing set of accounts recording cash and all other financial resources or assets, together with all related liabilities or outside claims to those assets; and the remaining unclaimed net worth or residual equity in those assets, which are segregated for the purpose of carrying on specific activities or attaining specific program objectives.

Fund Balance – The cumulative difference between expenditures and revenue accumulated over the life of a fund. A negative fund balance is usually referred to as a deficit.

FY – See Fiscal Year.

GAAP – See Generally Accepted Accounting Principles.

GASB – See Governmental Accounting Standards Board.

General Fund – The major operating fund of the City used to account for all financial resources and activities, except those accounted for in one of the City's other funds.

Generally Accepted Accounting Principles (GAAP) – Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles as determined through common practice or as promulgated by the Governmental Accounting Standards Boards, Financial Accounting Standards Board, or various other accounting standard setting bodies.

GFOA – See Government Finance Officers Association.

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

Governmental Accounting Standards Board (GASB) – This organization was established as an arm of the Financial Accounting Foundation in April 1984 to promulgate standards of financial accounting and reporting with respect to activities and transactions of state and local governmental entities.

Governmental Fund – The funds through which most government functions are financed. The City's governmental funds are the General, Debt Service, Capital Projects, and Special Revenue Funds.

Grants – A transfer of county, state or federal monies to the City, usually for specific programs or activities.

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

IAFF – International Association of Fire Fighters, Local Number 1605. The collective bargaining unit for sworn Fire personnel.

IBEW – International Brotherhood of Electrical Worker, Local 307. The collective bargaining unit for electrical personnel.

Income & Other Taxes – Taxes levied by one government but shared on a predetermined basis with another government. Previously titled, State & County Shared Taxes.

GLOSSARY
FISCAL YEAR 2025/2026

Infrastructure – The physical assets of a city (streets, water, wastewater, public buildings, and/or parks) upon which the continuance and growth of a community depend.

Interfund Transfers – Payments made from one operating fund to another as a contribution to defray a portion of the recipients fund's costs.

Intergovernmental Revenues – The revenues from other governments in the form of grants, entitlements, shared revenues, or payments in lieu of taxes.

IT – Department of Information and Technology.

Levy – (Verb) To impose taxes or special assessments for the support of governmental activities. (Noun) A tax or special assessment imposed by a government.

Liabilities – Debts or other legal obligations arising out of transactions in the past that must be liquidated, renewed, or refunded at some future date. This term does not include encumbrances.

Liability Coverage Service Fund – An internal service fund used to provide for potential uninsured liability claims.

Line-Item Budget – The traditional form of budgeting, where proposed expenditures are based on individual types of expenditures within a department or program. The Hagerstown City Budget is a line-item budget with summary and program information to aid in obtaining a more complete picture of the budget.

Long-Term Debt – Debt or obligations of the City with a final maturity or payment date of greater than one year.

Major Budget Highlights – A component of the Program Summary that explains significant changes or highlights in each department's proposed budget as compared to the previous year's budget.

Major Budget Year Initiatives – A component of the Program Description that details departmental goals for the fiscal year. These objectives are tied to the City's overall strategic plan.

Matured Bonds Payable – A liability account reflecting unpaid bonds that have reached or passed their maturity date.

MGD – Million Gallons per Day.

Modified Accrual Basis Of Accounting – The accrual basis of accounting adapted to the governmental fund type. It is a modified version of the full accrual basis of accounting in that it, in general, measures financial flow (tax and spend) of an organization, rather than capital accumulation (profit or loss).

Net Bonded Debt – Gross bonded debt less any cash or other assets available and earmarked for its retirement.

Non-Departmental Operating Expenditures – Operating expenditures which are not charged directly to specific departments but are a cost to the City as a whole, such as debt service payments and general liability insurance.

Nonspendable Fund Balance – Portion of net resources that cannot be spent either (a) because of their form, or (b) because they must be maintained intact.

Non-Union – Employees not represented by one of the 4 collective bargaining units.

Obligations – Amounts that a government may be required legally to meet out of its resources. They include not only actual liabilities, but also unliquidated encumbrances.

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Operating Budget – The portion of the City’s budget that provides resources for the day-to-day operations of the City.

Ordinance – A formal legislative enactment by the governing board of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and resolution is that the latter requires less legal formality and has a lower legal status. Ordinarily, the statutes or charter will specify or imply those legislative actions that must be enacted by ordinance and those which may be enacted by resolution.

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

Pay-As-You-Go – Capital expenditures which are funded from current revenues.

Payment In Lieu Of Taxes – Payments made by entities not legally required to pay taxes in order that they may receive the same services as private taxpayers.

Per Capita – Per unit of population; by or for each person.

Performance Indicators – A component of the Program Description that reflects statistical indicators of levels of service or performance measures by department. Current fiscal year and budget year are projected.

Personnel (Costs) – Expenditures that include salary costs for full-time, part-time, temporary and contract employees, overtime expenses, and all associated fringe benefits.

Prior Year(s) – The fiscal year(s) preceding the current year.

Program Description – One of the major sections of the budget document that serves as an introduction for each department, and includes the department’s function, program objectives, and performance indicators.

Program Function – A component of the Program Description that describes the primary responsibility of the department.

Program Summary – One of the major sections of the budget document that details each department’s budgetary activity. The summary includes the expenditure summary, major budget highlights, and staffing levels.

Projections – The estimate of budget authority, outlays, receipts, or other amounts extending several years into the future. Projections generally are intended to indicate the budgetary implications of existing or proposed programs.

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

Proposed Budget – Reflects the budget or line-item amount recommended by the City Administrator to the Mayor and Council for their review and consideration. It reflects either her/his assessment of what is needed to accomplish the department’s objectives, or the limited resources available to accomplish the intended objectives.

Resolution – A special or temporary order of a legislative body that requires less legal formality than an ordinance or statute.

Retained Earnings – The cumulative annual net income or loss of an Enterprise fund’s operations since the inception of the fund which are retained for future operation or needs.

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Receipts – Collections from the public based on a government's exercise of its sovereign powers. Governmental receipts consist of receipts from taxes, court fines, gifts and contributions, and compulsory licenses.

Restricted Fund Balance – Portion of net resources with imposed limitations set by either (a) creditors, grantors, contributors, or the laws and regulations of other governments, or (b) laws through constitutional provisions or enabling legislation.

Revenue – Income received by the City to support its program of services to the community. It includes sources such as property taxes, admission fees, service charges, Federal and State grants, and parking fines.

Revenue Anticipation Notes – Notes (sometimes called warrants) issued in anticipation of collection of non-tax revenues, retired after the collection of such revenues.

Revenue Bonds – The type of bonds where principal and interest payments are payable exclusively from the earnings of Enterprise funds. In addition to a pledge of revenues, such bonds sometimes contain mortgages on Enterprise fund property.

RFP – Request for Proposals, Federal mandate to request proposals from potential contractors for outsourced government services.

Short-Term Debt – Debt or obligations of the City due within one year or less.

Special Assessment – A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

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

State & County Shared Taxes – Taxes levied by one government but shared on a predetermined basis with another government.

Stormwater Protection Fund – This fund is used to account for the activities resulting from stormwater run-off and management of infrastructure for the City's wastewater systems.

Tax Base – All forms of wealth under the City's jurisdiction that are taxable.

Tax Rate – The amount levied for every \$100 of assessed property value, as determined by the Maryland State Assessment Department on both real and personal property within the Hagerstown City limits. Beginning 10/1/2000 the assessable base for real property was increased from 40% to 100% of estimated fair market value. The real estate tax rate was reduced to 40% of the prior rate but since the assessment for personal property did not change, its rate stayed the same or 2.5 times the real property rate. Current State law requires this rate differential to be maintained for Counties and the City is following the same policy.

Unassigned Fund Balance – The portion of net resources in excess of the nonspendable, restricted, committed, and assigned balances.

Unfunded Positions – Positions not currently funded that would require an identified funding source and Mayor and Council approval before being funded again.

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

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

Workers Compensation Fund (WCF) – The City manages its uncovered workers' compensation risks and sets aside assets for claim settlement in this Internal Service Fund. WCF services claims for risk of loss to which

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the City was exposed for workers' compensation injuries. All funds to which employees are assigned participate in the WCF. It allocates the cost of providing claims servicing and claims payments by charging a premium to each fund based on its exposure. This charge considers recent trends in actual claims experience of the City as a whole and makes provision for catastrophic losses.

Working Capital – A term used to describe the unreserved fund balance calculated by subtracting current liabilities from current assets. This is used for the City's enterprise funds.

Zoning – The partitioning of a city, borough, or township by ordinance into sections reserved for different land use purposes (i.e. residential, offices, manufacturing, commercial, etc.).